

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Rulemaking on the Commission's  
Own Motion to Review the  
Telecommunications Public  
Policy Programs.

Rulemaking 06-05-028  
(Filed May 25, 2006)

**REPLY COMMENTS OF CALIFORNIA COMMUNITY TECHNOLOGY POLICY  
GROUP AND LATINO ISSUES FORUM ON THE COMMISSION'S REVIEW  
OF THE TELECOMMUNICATIONS PUBLIC POLICY PROGRAMS**

**Richard Chabrán**  
**James Lau**  
**CALIFORNIA COMMUNITY TECHNOLOGY POLICY GROUP**  
**Enrique Gallardo**  
**LATINO ISSUES FORUM**  
160 Pine Street, Suite 700  
San Francisco, CA 94111  
415.284-7220  
FAX 415.284.7222  
[enriqueg@lif.org](mailto:enriqueg@lif.org)

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**Introduction**

The California Community Technology Policy Group (CCTPG) and Latino Issues Forum (LIF) file these Reply Comments on the California Public Utility Commission’s (“the Commission”) review of the Telecommunications Public Policy Programs.

**I. The Lifeline Program Must Subsidize Basic Services Only.**

In its Opening Comments, CCTPG/LIF advocated that the Lifeline discount program should be expanded to add both Broadband and wireless service. A number of carriers suggest that the Lifeline discount might be extended to other services by relaxing the regulations governing the use of the discount. (*See e.g.* Opening Comments of Cingular Wireless, pp. 6-8; Opening Comments of Cox California Telecom, pp. 7-8). As CCTPG/LIF stated in its Opening Comments, pp. 6-7, the extension of Lifeline to Broadband and wireless must be accomplished by expanding the definition of “basic service” to include these services, with corresponding regulations governing price, content of service and service quality. The extension of the Lifeline program should not be accomplished by relaxing regulations. Likewise, while CCTPG/LIF is not against allowing Lifeline customers the flexibility of choosing bundled services, the bundled service must include at least one program that is a “basic service.”

**II. Proposals for Strengthening the California Teleconnect Fund.**

As widely acknowledged by many parties, schools and libraries have taken full advantage of the California Teleconnect Fund (CTF); however, community-based organizations and health clinics underutilize the program.<sup>1</sup>

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<sup>1</sup> See, e.g., Opening Comments of Division of Ratepayer Advocates, at p. 48.

To address the underutilization of CTF by community-based organizations, we put forth a proposal in our opening comments.<sup>2</sup> Many components of our proposal are supported by other parties, including the expansion of the types of eligible CTF-discounted services, such as cable modem and WiFi;<sup>3</sup> the hiring of a third-party administrator to administer CTF;<sup>4</sup> the development of an outreach program to publicize the program to community-based organizations;<sup>5</sup> and the concept of targeting discounts to community-based organizations that are most in need.<sup>6</sup>

There are two areas of disagreement. While we proposed and agree with targeting the CTF discounts to communities in need,<sup>7</sup> we believe, contrary to the model proposed by AT&T,<sup>8</sup> the CTF discount should be at a discount rate of at least 50%, which would provide a substantive discount to community-based organizations. In addition, we disagree with AT&T's recommendation of limiting the types of community-based organizations that could qualify.<sup>9</sup> We believe, as mentioned in our opening comments, that other types of community-based organizations should qualify because they provide a valuable service to society.<sup>10</sup>

Intervenors continue to urge the Commission to adopt our proposal so that many more community-based organizations can provide services utilizing broadband to residents in low-income or underserved communities. But for community-based organizations to be effective, they need more than just affordable broadband connections. In our ten plus years of running or working with community-based organizations that provide technology access in low-income or underserved communities, we know that community-based organizations need resources for

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<sup>2</sup> See pp. 11-13.

<sup>3</sup> See, Opening Comments of Division of Ratepayer Advocates, at pp. 51-52, and AT&T at p. 23.

<sup>4</sup> See, Opening Comments of Pacific Bell Telephone Company D/B/A AT&T California, at pp. 29-31.

<sup>5</sup> See, Opening Comments of Division of Ratepayer Advocates at pp. 49, 53-54.

<sup>6</sup> See, Opening Comments of Pacific Bell Telephone Company D/B/A AT&T California, at p. 28.

<sup>7</sup> See p. 12

<sup>8</sup> See, Opening Comments of Pacific Bell Telephone Company D/B/A AT&T California, at pp. 28-29.

<sup>9</sup> See, Opening Comments of Pacific Bell Telephone Company D/B/A AT&T California, at pp. 27-28.

<sup>10</sup> See p. 13.

hardware and software, for installation of circuits, for affordable, high-speed Internet connections, and for staff who will train and interact with users who are learning how to use technology.

These components can be addressed by the Commission because it has some form of involvement in all these areas. First, CTF covers high-speed Internet connections. Second, two bills, AB 1388 (Ridley-Thomas) and SB 909 (Bowen), both awaiting the governor's signature, and if signed, will be under the jurisdiction of the Commission; both programs provide installation costs for a high-speed Internet connection and increased CTF discounts for affordable connections. The remaining components -- hardware, software, and staff -- are not covered by CTF; however, they can be covered by the California Emerging Technology Fund. To prevent duplication of what is currently offered to community-based organizations, CETF should focus its grant-making efforts on providing resources for the utilization of broadband, specifically on the hardware, software, and the staff who provide the services.

As discussed in our opening comments, CTF, along with AB 1388 and SB 909, should be administered by a third-party administrator.<sup>11</sup> By doing so, many more community-based organizations could be served.

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<sup>11</sup> See, pp. 11-14.

## **Conclusion**

The Lifeline program and the California Teleconnect Fund have been important programs in facilitating access to vital tools for participating fully in our society. These programs should be strengthened and improved to match changing circumstances. The programs should not be contracted in response to diminishing funding sources. Rather, the Commission should work aggressively and creatively at securing other funding sources, subject to the outer limits of its jurisdiction.

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Respectfully submitted,

Enrique Gallardo  
Latino Issues Forum  
160 Pine Street, Suite 700  
San Francisco, CA 94111  
(415)284-7220  
(415)284-7222 fax  
enriqueg@lif.org