

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Draft Resolution T-16742 on the
Commission's Own Motion to Comply
with the Mandates of Senate Bill 1863

**COMMENTS OF THE
CALIFORNIA COMMUNITY TECHNOLOGY POLICY GROUP
CALIFORNIA HEALTHCARE ASSOCIATION'S RURAL
HEALTHCARE CENTER
CALIFORNIA TELEHEALTH/TELEMEDICINE CENTER
NORTHERN SIERRA RURAL HEALTH NETWORK**

Richard Chabran
Chair
California Community Technology Policy
Group
c/o Community Partners
606 South Olive St., Ste. 2400
Los Angeles, CA 90014
Phone: (909) 234-1768
Fax: (909) 787-3888
E-mail: chabran@cnet.ucr.edu

April 22, 2003

Summary

The California Community Technology Policy Group (CCTPG) commends the Commission's efforts to make the California Teleconnect Fund (CTF) more accessible to community-based organizations (CBOs). CCTPG is a collaborative of over 100 community-based organizations throughout the state, many of which provide technology access and training to low-income and rural communities. Our programs are often referred to as community technology programs (See Attachment A for Steering Committee Members).

The Commission's draft resolution (T-16742) includes important provisions to make the CTF more accessible to CBOs. We urge the Commission to adopt the following recommendations that will make the initiative truly effective and useful to the wide range of community technology programs across California:

1. Initiate an outreach program to CBOs;
2. Clarify the definition of which entities are eligible for discounts;
3. Establish a timeframe within which applications must be approved;
4. Identify a contact person within the PUC and telecommunications carriers; and
5. Ensure the continuing availability of CTF funding at a level adequate to meet community needs.

CCTPG submits these comments in conjunction with the California Healthcare Association's Rural Healthcare Center (representing California's rural hospitals), the California Telehealth/Telemedicine Center (whose mission is to improve access to healthcare through technology in rural areas), and Northern Sierra Rural Health Network, representing 45 rural health providers in eight counties of rural northeastern California. Our comments focus upon why SB 1863 matters to underserved communities, the important provisions of T-16742 which we support, and our recommendations to make CTF more accessible in underserved communities.

Why SB 1863 Matters to Underserved Communities

Over the past few years, CCTPG has consistently worked to make CTF more accessible for CBOs, including filing comments on the proceeding that re-examined the redefinition of Universal Service (OIR 01-05-046). Through extensive discussions with our members, CCTPG has identified several important reasons why many CBOs do not apply for the discounts:

- Most CBOs do not know about the program;
- Those CBOs that are familiar with the program faced serious barriers when applying;
- Many CBOs are unsure whether they qualify for discounts. While many provide programs aimed at job training and educational instruction, some of them emphasize the use of technology rather than the job training or education mission, which has created confusion as to whether they meet the definition of a qualified entity;
- Many CBOs believe that the discount rate of 25% is not worth the time and effort they put into applying and reapplying for the discounts; and

- CTF currently does not provide discounts for certain services that matter most to CBOs, such as DSL.

To begin to address these deterrents, CCTPG worked with Senator Bowen to help develop the language for and advocate in support of SB 1863. As you know, SB 1863 is intended to ensure that underserved communities realize the benefits of technology by clarifying that CTF includes community technology programs and by providing incentives for community technology programs to apply for CTF discounts. The Commission now has the responsibility and authority to write implementing policy which assures that the intent of SB 1863 is achieved.

Important Provisions of T-16742 Supported by CCTPG

CCTPG commends the Commission for its efforts to strengthen CTF's effectiveness and for its support of SB 1863. In addition, Commissioners and staff have been supportive of and willing to work with CCTPG to determine ways in which CTF could be made more accessible. Moreover, CCTPG believes the work underway with the CTF Administrative Committee (CTF-AC) will assist with long-term efforts to make CTF more effective so long as CTF-AC continues to frequently meet and continually examines how CTF can best serve the community.

Specifically with draft resolution T-16742, the Commission's definition of CBOs takes important steps to include the types of CBOs that should qualify for discounted services. In addition, in the draft application, **CCTPG supports the Commission's expanded CBO definition, which includes organizations "...in any way providing service to the public that results in economic and societal benefits."** This broader definition is necessary in order to include the wide variety of CBOs that provide a valuable public service to the community. These include the many CBOs that maintain flexible operational hours beyond the 9-5 workday schedule, as well as those whose staff reflect the community in which they serve, speak the same language and share similar life experiences. Through this broader definition, the program will make eligible the kinds of CBOs that are preferred by residents as places to develop skills, learn about public resources and programs, and connect with their neighbors and community.

Further, **CCTPG supports centralizing the approval process of the application by placing the decision-making with the Commission.** When CBOs try to apply for discounts, they receive mixed messages from representatives of telecommunications carriers, who may not entirely understand the programs themselves. Consequently, the application languishes and CBOs are discouraged from applying. By placing the application approval within the Commission, we hope the application process will be expedited and simplified.

Moreover, **CCTPG strongly supports streamlining the program by making it a one-time application process.** We believe that this provision is a way to ensure qualified entities continue to receive discounts and a way to reduce the staff time of all parties continually involved in the program.

CCTPG's Recommendations to Make CTF More Accessible

Recommendation #1

The Commission should initiate an outreach program to publicize the program. Very few qualified entities know about CTF. When CCTPG polls our constituents about their awareness of CTF, very few, if any, know about it. But once they learn about the program, many exhibit a high degree of interest in it. The Commission, through the Office of the Public Advisor, should work with and provide resources to existing statewide and regional networks to help spread the word about the program to CBOs.

Recommendation #2

The Commission should clarify the definition of which entities are eligible for discounts. Although we laud the Commission for its initial definition of which entities qualify, we suggest it be clarified further so CTF can expand its goal of increasing access to advanced telecommunications services through organizations serving low-income, rural, and underserved communities.

Recognizing that many community-based organizations provide a social and economic benefit to the public—specifically, organizations serving low-income or rural communities—the CTF discounts should be written to explicitly include them. The definition should also make clear that CBOs that may not be community technology programs but that do offer the public services and assistance through computers and the Internet are eligible for discounts. Finally, although the resolution uses the SB 1863 definition of a community technology program, the draft application should be rewritten to use that same language by including “...communities that have limited or no access to the Internet and other technologies.”

More specifically, we recommend the following definition of eligible entity:

Community-based organization, tax-exempt under Section 501(c)(3) or 501(d) of the Internal Revenue Code and offering health care, job training, job placement, educational instruction, or providing service to underserved communities that result in economic and societal benefits; and/or a community technology program offering access to and training in the Internet and other technologies or in any way providing service to underserved communities ~~the public~~ that results in economic and societal benefits.

In the health care content, certain significant changes have occurred since the adoption of guidelines for the CTF. These developments require a change in the definition of qualified entities so that vital community institutions can participate. More specifically, the number of hospitals or health clinics that are owned and operated by municipalities or counties has dropped significantly. Today, there are only 26 city- or county-owned hospitals, and only four of these are located in California's rural communities. However, there are 69 rural hospitals in California and almost half of these are “district” hospitals.

District hospitals are located in some of California's most isolated communities and serve as the focal point for health care services in a region. Some of these district hospitals are currently using telemedicine technology to expand access to needed specialty services. Through telemedicine, patients living in rural areas are able to see medical specialists such as psychiatrists or cancer specialists that are not available in rural communities. This access to needed medical services improves health care quality and reduces the cost of health care services by treating health care conditions in the early stages of detection.

District hospitals are public entities, but are not part of a city or county government structure. They are political subdivisions of the State of California formed under the Healthcare District Act (Health and Safety Code Sections 32121-32138). They have a board of directors elected by the community and some are able to levy taxes to support their operation. Many of them operate rural health clinics as well. While they are tax-exempt because they are government districts, they are neither city- nor county-owned, nor are they tax-exempt under section 501(c)(3) of the IRS code. **Consequently, to ensure that these district hospitals and health clinics benefit from the CTF program, we recommend that the term "district" be added to the definition of eligible health care organizations.**

We also believe there needs to be a clarification in the CTF definition that explicitly acknowledges that nonprofit hospitals and clinics exempt under 501(c)(3) of the IRS code do, in fact, qualify for CTF discounts. While these nonprofit organizations do "offer health care services", they may not be perceived as "community-based organizations" as described in other parts of the CTF documents. Therefore, to avoid any confusion, we recommend that the term "non-profit" hospital or health clinic that is exempt under 501(c)(3) of the IRS code, also be added to the definition of health care organizations that are eligible for the CTF program.

We recommend that the definition of eligible health care organizations be the following:

Hospital or health clinic owned and operated by municipal or county government or district or nonprofit exempt under IRS code 501(c)(3).

Recommendation #3

The Commission should establish a timeframe within which applications must be approved. In the interest of being responsive and accountable to applicants, the Commission should establish a timetable within which the Commission will make a decision and respond to an applicant's request. An open-ended timeframe leaves too much uncertainty and possibility for delay. **We believe that a reasonable timeframe is 30 days.**

Recommendation #4

The Commission should identify a contact person within the PUC and with each telecommunications carrier to serve as the primary contact for applicants. Because applicants will inevitably have questions, a key contact person for both the Commission and telecommunications companies should be available to answer any questions about the program. Similarly, applicants may want to know the status of their application and will need a person to contact. The Commission should identify and post the name and contact number of the staff person on the Commission's Website. The telecommunications carriers should do the same. Telecommunications carriers should notify the Commission of their designated staff person when they submit their forecast of anticipated CTF claims to the Commission. As a result of these measures, applicants will know to whom to send their approved applications to begin receiving discounts. This contact information should also be provided to the applicant with the approval letter.

Recommendation #5

The Commission should ensure the continuing availability of CTF funding at a level adequate to meet community needs. With an anticipated increase in the demand for discounted services, the Commission must ensure that any qualified CBO will be able to receive discounts. The Commission should be vigilant in adjusting the user surcharge rate to meet the ongoing requests for CTF discounts from CBOs. This leadership by the Commission will enable CBOs to plan and budget for predictable and regular advanced telecommunications charges. CBOs can put savings accrued from telecommunications discounts toward providing other vital services to the community.

Conclusion

CCTPG, the California Healthcare Association, the California Telehealth/Telemedicine Network, and Northern Sierra Rural Health Network thank the Commission for its work in making CTF more accessible. We believe the Commission has taken extremely important steps toward achieving this fundamental goal. The five recommendations outlined in this document must also be included for the program to meet this goal and those established by SB 1863.

Dated: April 22, 2003

Respectfully submitted,

Richard Chabran
Chair
California Community Technology Policy Group
c/o Community Partners
606 South Olive St., Ste. 2400
Los Angeles, CA 90014
Phone: (909) 234-1768

Attachment A

California Community Technology Policy Group (CCTPG) (Partial Listing)

Alliance for Technology Access (Statewide)
Break Away Technologies (Los Angeles)
Bresee Foundation (Los Angeles)
Casa Familiar (San Ysidro)
Central Valley Digital Network, Great Valley Center (Central Valley)
Community Digital Initiative (Riverside)
Community Partners (Statewide)
Community Technology Organizing Committee (CTOC) (Greater Los Angeles)
Community Technology Network of the Bay Area (Bay Area)
Community Technology Policy Council (Western states)
CompuMentor (National)
C.T. Learning, Inc. (Fresno)
Desert Oasis Community Computer Center (El Centro)
Eastmont Computer Center (Oakland)
Happy Camp Community Computer Center, Karuk Tribe of California (Northern California)
Latino Issues Forum (Statewide)
Plugged In (Palo Alto)
Plumas County Public Health Agency (Plumas County)
PolicyLink (National)
San Diego Community Technology Coalition (Greater San Diego)
Santa Barbara City College, Continuing Education Division (Santa Barbara)
Katarina del Valle, Service Employees International Union, Western Region
Sunset Neighborhood Beacon Center (San Francisco)
The Children's Partnership (National)
Women's Economic Agenda Project (Oakland)