

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

**Telecommunications Division  
Public Programs Branch \***

**RESOLUTION T-16330  
Date: October 7, 1999**

**RESOLUTION**

RESOLUTION T-16330. ALL TELECOMMUNICATIONS UTILITIES.  
TO ADOPT THE CLAIM REPORTING REQUIREMENTS FOR  
TELECOMMUNICATIONS CARRIERS SEEKING REIMBURSEMENT  
FROM THE CALIFORNIA TELECONNECT FUND PROGRAM FOR 1997  
CLAIMS.

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**SUMMARY**

This Resolution adopts the 1997 claim reporting requirements for telecommunications carriers seeking reimbursement from the California Teleconnect Fund Program for discounts given to qualified schools and libraries, government owned and operated hospitals and health clinics, and community-based organizations offering health care, job training, job placement, or educational instruction.

**BACKGROUND**

In Decision (D.) 96-10-066 dated October 25, 1996, the Commission established the California Teleconnect Fund (CTF) program to provide discounts on selected telecommunications services<sup>1</sup> to qualified schools and libraries (S&Ls), government owned and operated hospitals and health clinics (GHCs), and community-based organizations (CBOs) offering health care, job training, job placement, or educational instruction.

In compliance with Ordering Paragraph (OP) No. 15 of D.96-10-066, as modified by D.96-11-050 and D.97-10-020, the Telecommunications Division (TD) convened a workshop to develop the types of CTF monthly information that carriers who serve qualified S&Ls, GHCs and CBOs must report. After the workshop, TD submitted, on June 27, 1997, a Workshop Report that included its recommendations on the monthly reporting requirements for carriers seeking reimbursement from the CTF program.

On March 4, 1998 and April 14, 1999, TD again held workshops to comply with OP No. 2 of Resolution T-16118.<sup>2</sup> All telecommunications carriers were notified of the workshops by mail. After the workshops, TD sent a letter to telecommunications carriers and other workshop

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<sup>1</sup> These services include measured business service, switched 56, Integrated Services Digital Network (ISDN), T-1, and DS-3, or their functional equivalents.

<sup>2</sup> In OP No. 2 of Resolution T-16118, the Commission directed the Telecommunications Division to again conduct a workshop to "address outstanding technical, administrative, and other related implementation issues. The workshop shall also address whether and to what extent the CTF reporting requirements contained in staff's June 27, 1997 Workshop Report should be revised to reflect changes in the program."

attendees informing them that the Workshop Report, (addressing March 4, 1998 and April 14, 1999 workshop discussions), as well as comments and reply comments on the Workshop Report were available on the Commission's web site and from the Documents Office. The Workshop Report, (addressing March 4, 1998 and April 14, 1999 discussions), included TD staff's recommended updated claim form and instructions.

In OP No. 3 of Resolution T-16118, the Commission further ordered TD staff to:

“prepare a resolution or resolutions for the Commission's consideration following the workshop, specifying implementation procedures for the approach adopted in this resolution and adopting final reporting requirements.”

Consistent with the Commission's directions, TD prepared Resolution T-16319 that the Commission adopted on September 2, 1999. In Resolution T-16319, the Commission set forth the reporting requirements for CTF claims beginning October 1999 and thereafter; also in this Resolution, the Commission mentioned that it would issue further directions to instruct telecommunications carriers when and how to file their CTF claims from February 1997 through September 1999. Hence, the discussion below addresses the CTF claims process covering the period February 1997 through December 1997; the Commission will give further instructions on the fundamentals of the CTF claims process covering the period January 1998 through September 1999.

## **DISCUSSION**

### **1997 CTF Claim Form and Instructions**

In Resolution T-16319, we adopted a CTF claim form (for claims beginning October 1999 and thereafter) that may be filed either monthly or semi-annually. For 1997 CTF claims, however, it would be more appropriate for carriers to file only on a monthly basis to prevent unnecessary delays in reimbursing carriers for CTF related services that they have been providing as early as February 1997. To illustrate, let us assume that carriers are allowed to file 1997 CTF claims on a semi-annual basis for the period ending June 1997 and December 1997. A carrier files a CTF claim form for the period ending June 1997 with supporting data covering the months of March, April, May and June. The carrier submits inadequate data for the month of February. In this illustration, the Administrative Committee will review only one claim form for discounts given in several months. Since there is only one claim form, the inadequacy of supporting data for the month of February would delay the whole claim even if the supporting data file covering four months are adequate. The Commission wants to minimize this type of delays. Hence, the Commission believes that 1997 CTF claims should be filed only on a monthly basis, which means that a carrier has to complete a CTF claim form for each monthly claim. However, carriers may file multiple monthly claims at a time, provided a claim form is completed for each month (see discussion below on this matter). Except for the language allowing CTF claims to be filed either monthly or semi-annually and clarifying the inclusion of interest payments and calculations (see discussion under “Comments”), all the other types of information in the CTF claim form adopted in Resolution T-16319 are also appropriate for 1997 CTF claims.

In Resolution T-16319, we also adopted claim instructions on how to complete a CTF claim form beginning the month of October 1999 detailing the dates for filing the claims, submittal of supporting workpapers, prescribed format by the Telecommunications Division for submitted data files, and definition of line items in the claim form. These details are also appropriate for 1997 claim form instructions except that the following changes should be noted for 1997 claims: filing of claims on a monthly basis only; deadlines for filing of claims; interest payments; deletion of information relating to E-Rate discounts; and revisions in the prescribed data file in response to comments (see discussions below on these matters). Thus, we adopt a 1997 CTF claim form and instructions consistent with the details adopted in Resolution T-16319, except as noted above. (See Appendices A and B.)

However, we realize that 1997 is the initial year for filing of CTF claims and that carriers have not received detailed instructions from the Commission on how to file 1997 CTF claims until now. Some carriers may have been diligent in keeping records while other carriers may not have been as diligent especially in the initial months in 1997. We, therefore, authorize the Administrative Committee, in cooperation with the Telecommunications Division, to exercise its discretion in determining compliance by the carrier in submitting adequate supporting workpapers, especially with the details submitted during the initial months. We remind carriers to cooperate with the staff of the Telecommunications Division and to immediately begin complying with the supporting details adopted herein to avoid delays in receiving reimbursement for their 1997 CTF claims.

### **Calculation of Interest for 1997 CTF Claims**

Since the CTF surcharge was implemented in February 1997, the carriers have not yet remitted the surcharge revenues collected for the CTF program because the financial institution has not been selected to receive surcharge revenues and to disburse payments to carriers for CTF related services. Neither has a CTF remittance process been established for the CTF program. The carriers, therefore, have not yet been able to file CTF claims. The Commission realized that carriers have been providing services without reimbursement as early as February 1997. Thus, in D.98-01-023 dated January 7, 1998, the Commission directed that carriers receive interest on payments owed to them for services rendered under the CTF program and that interest be calculated using the seven-day compound yield on taxable money market funds published in The Wall Street Journal each Thursday. The Commission also directed that the payments of interest end once the CTF begins regular disbursements and all payment in arrears have been made to carriers.

The selection of a financial institution to receive surcharges and disburse payments and the remittance process are expected to be finalized prior to January 1, 2000. To move forward with the implementation process of the CTF program, we are establishing the interest calculation process for 1997 CTF claims.

Consistent with Decisions 98-01-023 and 98-09-039<sup>3</sup> and the Administrative Law Judge's (ALJ) Ruling (dated April 28, 1998) in R.95-01-020 and I.95-01-021<sup>4</sup>, for 1997 CTF claims, carriers will receive reimbursement for principal plus interest. Calculation of interest should start two calendar months plus 15 days after the close of the month the qualified entity is credited the discount; calculation of interest should end on the day the reimbursement payment is sent to the carrier, provided the carrier files its claim on a timely basis. To illustrate, on January 14, 2000 a carrier files its February 1997 CTF claim showing that it had approved a total discount of \$100 for the month to a qualified CTF entity. The carrier credited the entity in the amount of \$100 in May 1997. After the Administrative Committee approves the claim, a reimbursement payment is sent to the carrier on February 16, 2000. Interest based on \$100 (plus any applicable taxes)<sup>5</sup> credited in May 1997 should be calculated from August 16, 1997 to February 16, 2000. The total reimbursement to be sent to the carrier would represent principal of \$100 (plus any applicable taxes) plus the interest payments calculated as discussed above. Consistent with Decision 98-01-023, the interest will be calculated using the seven-day compound yield on taxable money market funds published in The Wall Street Journal each Thursday. Carriers submitting their 1997 CTF claims should calculate the applicable interest payments up to the day they file their claims. The Telecommunications Division will review the carriers' calculations and will calculate the necessary additional interest payments up to the day payment is sent to the carrier.<sup>6</sup> (See Appendix A for details on interest calculation.) All calculations will be submitted to the Administrative Committee for approval.

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<sup>3</sup> In D.98-09-039 dated September 3, 1998, the Commission anticipated that the Administrative Committee which oversees the California High Cost Fund-A (CHCF-A), California High Cost Fund B (CHCF-B) and California Teleconnect Fund programs will need, on average, 30-days to complete a review of local exchange carrier's CHCF-B claim and to notify the carrier of the amount it is authorized to draw from the CHCF-B surcharge revenues. The decision considers this 30-day period to be a calendar month.

<sup>4</sup> Administrative Law Judge's Ruling dated April 28, 1998 in R.95-01-020 and I.95-01-021 established claim reporting requirements for CHCF-B and provides that claims by carriers shall be filed within one calendar month plus 15 days after the close of the month for which a claim is made, (i.e., approximately 45 days after the close of the month for which a claim is submitted).

<sup>5</sup> As discussed in the June 27, 1997 Workshop Report and in the subsequent Workshop Report (addressing the March 4, 1998 and April 14, 1999 discussions), taxes include the 911 tax, federal excise tax, city and local taxes, and the CPUC reimbursement fee. In addition, applicable bill and keep surcharge(s)/surcredit(s) may be included in the tax category line. (See Claim Form Instructions, Appendix A to this resolution.)

<sup>6</sup> In completing the interest calculation, the Telecommunications Division will use the most current available interest published in the Wall Street Journal each Thursday on the seven-day compound yield on taxable money market funds.

To assist the carriers in the calculation of interest payments, the Telecommunications Division will set up an Excel worksheet that can be used by carriers in filing their 1997 CTF claims. This Excel worksheet will be available in the Commission web site ([www.cpuc.ca.gov](http://www.cpuc.ca.gov)) and will be identified as 1997 CTF Interest Claims Worksheet. The Excel worksheet will be available for use before the end of year 1999. For any information regarding the Excel worksheet, contact the Public Programs Branch of the Telecommunications Division. The interest amount calculated by the carrier should be shown on Line E. (Adjustments) of the CTF claim form (see Appendix B to this Resolution).

### **Filing of 1997 CTF Claims**

As cited above, there were setbacks in the implementation of the CTF program resulting in delays in the remittance by carriers of collected surcharge revenues to the CTF program and in the reimbursement by the CTF program to carriers for CTF related discounts given to qualified entities. Thus in D.98-01-023, the Commission directed that carriers receive interest on payments owed to them for services rendered under the CTF program; however, the CTF program should also be protected from unnecessary prolonged payment of interest that may prevent other qualified entities from participating in the CTF program. It is, therefore, reasonable that we require carriers to file their 1997 CTF monthly claims (1) no later than January 14, 2000 for the following monthly claims: February, March, April, May and June 1997; and (2) no later than February 15, 2000 for the following monthly claims: July, August, September, October, November and December 1997.

As discussed earlier, telecommunications carriers should file their 1997 CTF claims only on a monthly basis; however, carriers may file multiple monthly claims (accompanied by supporting data file in the prescribed format) at a time. For example, a carrier may file several monthly claims covering the period ending June 1997 on January 14, 2000. This means that the carrier submits to the Public Programs Branch a claim form for each of the following months: February, March, April, May and June 1997. A carrier that files a monthly claim (for any of the months for the period ending June 1997) after January 14, 2000 should receive interest payments only up to February 15, 2000. A carrier may also file only one claim form or two claim forms at a time as long as the carrier observes the deadline for filing.

Similarly, for the months of July, August, September, October, November and December 1997, a carrier may file one or several monthly claims at a time. However, a carrier that files a monthly claim for any these months after February 15, 2000 should receive interest payments only up to March 15, 2000. Of course, a carrier may file its 1997 CTF monthly claims (February through December) all at the same time on or before January 14, 2000 and receive interest up to the day the payment is sent to the carrier. However, if a carrier files its 1997 CTF monthly claims all at the same time after January 14, 2000 but before February 15, 2000, interest will be calculated only up to February 15, 2000.

A 1997 claim submitted with an appropriate completed monthly CTF claim form without an accompanying supporting data file (CD or disk) in the format prescribed by the Telecommunications Division will not be considered as a 1997 CTF claim filing with the Public Programs Branch. Similarly, the submittal of supporting data file in the prescribed format (CD

or disk) without an appropriate completed monthly CTF claim form will not be considered as a 1997 CTF claim filing. As discussed above (1997 CTF Claim Form and Instructions), we authorize the Administrative Committee to exercise its discretion in determining compliance by carriers in submitting adequate supporting workpapers, especially with the details submitted during the initial months.

### **Amended 1997 CTF Claims by Carriers/Amended 1997 CTF Reviews by the Administrative Committee**

In Resolution T-16319 dated September 2, 1999, (which established the CTF reporting requirements beginning the month of October 1999 and thereafter), we recognized that there may be inaccuracies in computing CTF claims by either the carrier or the Administrative Committee; hence, we adopted a three-year window for amended CTF claims or CTF reviews. Consistent with Resolution T-16319, carriers will be allowed a three-year window to file an amendment to their 1997 CTF claims and to receive interest payments (if applicable; see above discussion for calculation of interest) if submitted data support that additional discounts are due to the carrier. The three-year window begins the following month after the payment is sent to the carrier and ends on the last day of the 36<sup>th</sup> month. For example, the payment is sent to carrier on February 15, 2000. The three-year window starts March 2000 and ends on the last day of February 2003. If the Administrative Committee approves the amended 1997 CTF claim, a carrier may receive additional discounts plus interest on that additional discount. Interest calculation begins on the first business day following the day Public Programs Branch receives the amended 1997 CTF claim from the carrier and ends on the day the additional payment is sent to the carrier.

Similarly, we will also adopt a three-year window for the Administrative Committee to amend its review and approval of a 1997 CTF claim. The three-year window for the Administrative Committee begins the following month after the payment is sent to the carrier and ends on the last day of the 36<sup>th</sup> month. (See example discussed above.) If the Administrative Committee's further review reveals that the carrier has received more discounts than it is allowed, the Administrative Committee will send a letter to the carrier detailing the results of its further review. The letter, signed by the Director of the Telecommunications Division, will state any applicable discounts that should be returned to the CTF program and interest owed by the carrier on that applicable amount of discount. Interest calculation begins the first business day following the mailing date of the letter advising the carrier of the amount owed to the CTF program.

### **Bundled Offerings by Carriers in 1997**

In D.96-10-066, the Commission defined that only access line type services can be provided at a discount to qualified S&Ls, GHCs and CBOs. The application of CTF discount did not include usage. In the emergence of competition in the telecommunications industry, carriers commonly offer bundled offerings to their customers as a competitive tool. Some bundled offerings may include usage, (i.e., a \$60/month fee may include \$45 worth of service and \$15 worth of usage). Usage should not be considered in applying CTF discount. However if there were instances where carriers applied the CTF discounts on bundled offerings that included usage, it may confuse qualified entities to have their discounts reduced or taken away and the complex process

of unbundling rates may need to be addressed in a lengthy fashion. To prevent customer confusion and to avoid further delays in the implementation of the 1997 CTF program, no adjustments associated with the service bundling will be made to discounts already given by carriers from February 1997 through December 1997.<sup>7</sup>

### **E-Rate Discount**

In filing their 1997 CTF claims, we remind participating carriers that the E-Rate discounts<sup>8</sup> do not apply to 1997 CTF claims since the first E-Rate period began in January 1998.

### **1997 CTF Claim Reporting Requirements Summary**

Based on the above discussion, we are adopting in this Resolution the following guidelines for telecommunications carriers in filing their CTF claims for February 1997 through December 1997:

- Claim form and instructions to be used by telecommunications carriers in filing claims for reimbursement on CTF related services rendered to qualified entities described in D. 96-10-066 (see Appendices A and B);
- Filing of 1997 claims by telecommunications carriers on or before January 14, 2000 for the following monthly claims: February, March, April, May and June; and filing of 1997 claims by telecommunications carriers on or before February 15, 2000 for the following monthly claims: July, August, September, October, November and December;
- Process for calculation of interest on payments in arrears made to telecommunications carriers consistent with D.98-01-023 (interest shall be calculated using the seven-day compound yield on taxable money market funds published in The Wall Street Journal each Thursday);
- Treatment of bundled offerings (a carrier that has applied CTF discounts on bundled offerings that included access line type and usage services need not adjust discounts already given for February 1997 through December 1997); and
- Non-application of E-Rate discounts to 1997 CTF claims.

We will issue further directions at a later date to instruct telecommunications carriers when and how to file their January 1998 through September 1999 CTF claims.

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<sup>7</sup> In Resolution T-16319, the Commission adopted a simplified approach on bundled offerings beginning the month of October 1999 and thereafter. For purposes of applying the CTF discount, the basis of the discount should be either the bundled rate (by contract or by tariff) or the unbundled tariff rate on access line type services, whichever is lower.

<sup>8</sup> The E-Rate program was created by the Federal Communications Commission (FCC) on May 7, 1997, as part of FCC's universal service Report and Order (FCC 97-157). Under this program, schools and libraries can request federally funded discounts for intrastate telecommunications services.

### **Notice of Availability of Conformed Resolution**

Consistent with the Commission's commitment to utilize the CPUC Internet for distributing Commission orders and information, the Executive Director shall serve a Notice of Availability (see Appendix C to this resolution) to all telecommunications carriers. This notice informs parties that a copy of the conformed resolution will be available at the Commission's web site: [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

### **COMMENTS**

The draft resolution of the Telecommunications Division in this matter was mailed on September 7, 1999, in accordance with PU Code Section 311(g), to the parties of record in R.95-01-020 and I.95-01-021 and to those telecommunications carriers that have filed CTF applications. A letter was mailed to all telecommunications carriers advising them of the availability of this draft resolution in the Commission's web site: [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

Roseville Telephone Company (RTC) and GTE California Incorporated (GTEC) filed timely comments on the draft resolution on September 22, 1999. RTC opposes two of the data file outlined in the claim form instructions (Appendix A, page 5 of 5): (1) CTF Application Number, and (2) Name of the Qualified Entity. RTC states that it has made an effort to maintain CTF data file based on recommendations discussed during the workshop held by the Telecommunications Division on CTF claims filing requirements. RTC claims that it has not retained CTF Application Number information in its data files and that it would be burdensome to include the CTF Application Number in previously created files. Also, RTC claims that its data files contain the customer names as they appear on the customer's bill. There are circumstances when the customer billing name differ from the name appearing in the certification application. Therefore, RTC requests "that the Commission modify the draft resolution to provide explicit direction that failure to comply with the application number and name requirements in the detailed data file not prejudice a carrier's claim for CTF reimbursement, including recovery of all interest to which it is entitled."

Also, RTC comments on the filing of 1997 CTF claims on a monthly basis. RTC states that it began crediting 1997 CTF discounts in October 1997 billing, with retroactive adjustments back to February 1997. RTC claims that it did not quantify the retroactive discounts/adjustments by applicable months. Hence, RTC requests that the draft resolution be modified to require carriers to file monthly claims for 1997 only for those months wherein a carrier has data segregated on a monthly basis.

Although the draft resolution specifies a method for carriers to calculate interest payments, GTEC claims that neither the draft resolution nor the attached claims instructions indicate (1) where on the 1997 CTF claims forms carriers should report interest payments, and (2) what supporting data, if any, carriers would be required to provide. Accordingly, GTEC recommends modification of Appendix B (1997 CTF Claim Form) to show a separate line item for interest and to provide for the attachment of calculations.



To address RTC's concerns, we will revise the claims form instructions attached to this Resolution (Appendix A, page 5 of 5) to show that the (1) CTF application number is an optional information, (2) name of the qualified entity to be provided may be either the name as it appears on the CTF application or the name as it appears on the customer's bill, and (2) address of the qualified entity to be provided may be either the address as it appears on CTF application or the address as it appears on the customer's bill. In addition, either the billing code or the service description may be provided. On the issue of quantifying CTF discounts by applicable months, a carrier should be able to support its claims in a reasonable manner if the carrier can not file claims on a monthly basis, (e.g., copies of bills rendered with CTF discounts; service address; certification that services for which CTF claims filed were indeed in service for period for which claim is made; etc.). Again, as discussed earlier, we authorize the Administrative Committee to exercise its discretion in determining compliance by carriers in submitting their 1997 CTF claims, but we expect reasonable alternative supporting details from carriers when it can not strictly comply with the established standard.

The following will address GTE's concerns. The interest payments can be shown on Line E. (Adjustments) of the CTF claim form; a new line item, therefore, is not necessary. However, the claim form is revised to indicate the attachment of interest calculation to the claim form. (See discussion on an Excel Worksheet that can be used by carriers in the calculation of interests under "Calculation of Interest for 1997 CTF Claims").

## **FINDINGS**

1. In compliance with D.96-10-066 dated October 25, 1996, as modified by D.96-11-50 and D.97-10-020, TD convened a workshop to develop the types of CTF monthly reporting that telecommunications carriers must submit. After the workshop, TD submitted on June 27, 1997, a report that contained the staff's recommended CTF claim reporting requirements.
2. In compliance with Resolution T-16118 dated February 4, 1998, TD conducted two workshops to determine whether the CTF reporting requirements contained in staff's June 27, 1997 report needed revisions. After the workshops, TD prepared a report addressing the workshop discussions on March 4, 1998 and April 14, 1999. The workshop report, comments on the report and reply comments were made available on the Commission's web site and from the Documents Office.
3. On September 2, 1999, the Commission adopted Resolution T-16319 that set forth the reporting requirements for CTF claims beginning the month of October 1999 and thereafter. In this Resolution, the Commission mentioned that it would issue further instructions to inform carriers when and how to file their February 1997 through September 1999 CTF claims.
4. Telecommunications carriers should file their 1997 CTF claims only on a monthly basis to avoid unnecessary delays in receiving reimbursement from the CTF program. Except for the language allowing CTF claims to be filed either monthly or semi-annually and clarifying the inclusion of interest payments and calculations, the types of information contained in the CTF claim form adopted in Resolution T-16319 are also appropriate for 1997 CTF claims.

The details set forth in the claims instructions adopted in Resolution T-16319 are also appropriate for 1997 CTF claim instructions except that the following modifications should be noted for 1997 instructions: filing claims only on a monthly basis; filing claims on or before January 14, 2000 for months covering the period ending June 1997 and on or before February 15, 2000 for months covering the period ending December 1997; interest payments; non-application of E-Rate discount to 1997 CTF claims; and revisions on the prescribed data file outlined in Appendix A in response to comments.

5. The 1997 CTF claim form and instructions attached to this resolution as Appendices A and B, respectively, should be adopted.
6. Consistent with Decisions 98-01-023 and 98-09-039 and ALJ Ruling dated April 28, 1998 in R.95-01-020 and I.95-01-021, calculation of interest for 1997 CTF claims should start two calendar months plus 15 days after the close of the month the qualified entity is credited the discount; calculation of interest should end on the day the reimbursement payment is sent to the carrier, provided the carrier files its CTF claims on a timely basis.
7. To protect the CTF program from unnecessary prolonged interest payments, carriers should file their 1997 CTF claims for the following months on or before January 14, 2000: February, March, April, May and June; while 1997 CTF claims for the following months should be filed on or before February 15, 2000: July, August, September, October, November and December. A carrier that files a 1997 CTF claim after January 14, 2000 for any of the months for the period ending June 1997 should receive interest payments only up to February 15, 2000. A carrier that files a 1997 CTF claim after February 15, 2000 for any of the months for the period ending December 1999 should receive interest payments only up to March 15, 2000.
8. A timely submittal of an appropriate completed 1997 CTF claim form without an accompanying supporting data file in the prescribed format (CD or disk) by the TD, is not considered a 1997 CTF filing with the Public Programs Branch. The Administrative Committee, in cooperation with the Telecommunications Division, is authorized to exercise its discretion in determining compliance with this process.
9. A timely submittal of supporting data file in the prescribed format (CD or disk) by TD without an appropriate completed 1997 CTF claim form is not considered a 1997 CTF filing with the Public Programs Branch. The Administrative Committee, in cooperation with the Telecommunications Division, is authorized to exercise its discretion in determining compliance with this process.
10. It is reasonable to allow carriers a three-year window to file an amended 1997 CTF claim. The three-year period begins the following month after the payment is sent to the carrier and ends on the last day of the 36<sup>th</sup> month.
11. It is reasonable to allow a three-year window for the Administrative Committee to amend its review and approval of a 1997 CTF claim. The three-year period for the Administrative

Committee begins the following month after the payment is sent to the carrier and ends on the last day of the 36<sup>th</sup> month.

12. To prevent customer confusion and to move forward with the 1997 CTF program, a carrier that has applied CTF discount on bundled offerings that included access line type and usage services need not adjust the discounts already given to qualified entities from February 1997 through December 1997.
13. The E-Rate discounts do not apply to 1997 CTF claims.
14. To address RTC's comments on the claim form instructions (Appendix A, page 5 of 5), the claim form instructions should be revised to show that the (1) CTF application number is to be provided on an optional basis, (2) name of the qualified entity to be provided may be either the name as it appears on the CTF application or the name as it appears on the customer's bill, and (2) address of the qualified entity to be provided may be either the address as it appears on the CTF application or the address as it appears on the customer's bill. In addition, either the billing code or the service description may be provided.
15. When carriers are unable to strictly comply with the established standards set in this Resolution, carriers should submit reasonable alternative supporting details subject to approval of the Administrative Committee.
16. To address GTEC's comments on the claim form, the interest payments should be shown on Line E. (Adjustments). Also, the claim form should be revised to indicate the attachment of interest calculation to the claim form submitted.

**THEREFORE, IT IS ORDERED that:**

1. The 1997 California Teleconnect Fund claim form and instructions attached to this resolution as Appendices A and B, respectively, are adopted. All telecommunications carriers seeking reimbursement from the California Teleconnect Fund Program shall use the attached claim form and instructions for discounts given to qualified entities from February 1997 through December 1997. The 1997 California Teleconnect Fund claim form is considered a public document.
2. The 1997 California Teleconnect Fund claim form submitted by telecommunications carriers shall be accompanied by supporting workpapers indicated in the claims form instructions attached to this resolution as Appendix A. The submitted supporting workpapers shall be in the format prescribed in the claim instructions. The supporting data filed by telecommunications carriers, as set forth by the Telecommunications Division, will not be considered as public documents.
3. The 1997 California Teleconnect Fund monthly claims shall be filed by telecommunications carriers on or before January 14, 2000 for claims covering the following months: February, March, April, May and June 1997. A telecommunications carrier that files California

Teleconnect Fund claim after January 14, 2000, for any of the above mentioned months, will receive interest payments only up to February 15, 2000.

4. The 1997 California Teleconnect Fund monthly claims shall be filed by telecommunications carriers on or before February 15, 2000 for claims covering the following months: July, August, September, October, November and December 1997. A telecommunications carrier that files California Teleconnect Fund claim after February 15, 2000, for any of the above mentioned months, will receive interest payments only up to March 15, 2000.
5. The telecommunications carriers that file 1997 California Teleconnect Fund claims shall receive reimbursement for principal plus interest consistent with Decision 98-01-023. The calculation of interest shall start two calendar months plus 15 days after the close of the month that the qualified entity began receiving credit for discounts related to California Teleconnect Fund service. The last day for calculation of interest shall be the date the reimbursement is mailed to the carrier, provided that the telecommunications carrier files on a timely basis.
6. The Telecommunications Division shall prepare a resolution for the Commission's consideration for any amendments or revisions to the claim form or claim form instructions adopted in Resolution T-16330.
7. The Executive Director of the Commission shall serve the Notice of Availability contained in Appendix C of this resolution to all telecommunications carriers. A copy of the conformed resolution shall be served to parties of record in R.95-01-020 and I.95-01-021 and to telecommunications carriers that have filed California Teleconnect Fund applications.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 7, 1999. The following Commissioners approved it:

/s/ WESLEY M. FRANKLIN

WESLEY M. FRANKLIN

Executive Director

RICHARD A. BILAS

President

HENRY M. DUQUE

JOSIAH L. NEEPER

JOEL Z. HYATT

CARL W. WOOD

Commissioners

**APPENDIX A**

**California Teleconnect Fund Program (CTF)  
Claim Form Instructions for 1997 CTF Claims  
(5 Pages)**

**STATE OF CALIFORNIA  
PUBLIC UTILITIES COMMISSION  
CALIFORNIA TELECONNECT FUND (CTF) PROGRAM**

**Claim Form Instructions for 1997 CTF Claims**

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The attached form is to be used by CTF participating telecommunications carriers when requesting reimbursement only for 1997 discounts given to qualified entities under the CTF Program. Qualified entities are entities that have been qualified by the Telecommunications Division to receive CTF discounts consistent with the criteria established in Decision 96-10-066.

The 1997 CTF claim form should be filed, only on a monthly basis, with the Public Programs Branch of the Telecommunications Division. The Public Programs Branch will review the CTF claim and supporting data file and will make the necessary recommendations to the Administrative Committee, who will approve or disapprove the CTF claim.

Consistent with Commission Decision 98-01-023 dated January 7, 1998, interest payments for 1997 CTF claims will be calculated using the seven-day compound yield on taxable money market funds published in The Wall Street Journal each Thursday. Calculation of interest starts two calendar months plus 15 days after the close of the month the qualified entity is credited the discount by the telecommunications carrier; calculation of interest ends on the day the reimbursement payment is sent to the carrier, provided the carrier files its monthly claim on a timely basis. The carrier should calculate the interest payments up to the day of filing with the Public Program Branch who will review the carrier's calculations and who will compute any remaining applicable interest payments up to the day the payments are sent to the carrier. All calculations will be submitted to the Administrative Committee for approval. The Public Programs Branch of the Telecommunications Division will prepare an Excel Worksheet entitled 1997 CTF Interest Claims Worksheet that can be used by carriers in calculating the interest payments. The Excel worksheet will be available on the Commission web site ([www.cpuc.ca.gov](http://www.cpuc.ca.gov)) before the end of year 1999.

Each 1997 CTF monthly claim filed with the Public Programs Branch should be accompanied by an electronic data file (CD or disk) in the format prescribed by the Telecommunications Division (see page 5 of claim form instructions).

**STATE OF CALIFORNIA  
PUBLIC UTILITIES COMMISSION  
CALIFORNIA TELECONNECT FUND (CTF) PROGRAM**

**Claim Form Instructions for 1997 CTF Claims**

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An appropriate completed 1997 CTF monthly claim form, accompanied by an electronic data file (CD or disk) in the format prescribed by the Telecommunications Division, should be received by the Public Programs Branch at the address below no later than 5 PM on **January 14, 2000** for claims covering the months of February, March, April, May and June 1997; and no later than 5PM on **February 15, 2000** for claims covering the months of July, August, September, October, November and December 1997.

California Public Utilities Commission  
Public Programs Branch, Telecommunications Division  
Attn: CTF Program  
505 Van Ness Avenue  
San Francisco, CA 94102

When a telecommunications carrier submits: (1) an appropriate completed CTF claim form with the Public Programs Branch on a timely basis (as described above) but without the accompanying electronic data file (CD or disk) in the format prescribed by the Telecommunications Division, or

(2) an electronic data file (CD or disk) in the format prescribed by the Telecommunications Division on a timely basis but without an appropriate completed CTF claim form, no CTF filing is considered as filed with the Public Programs Branch. The Administrative Committee is authorized by the Commission to exercise its discretion in determining compliance by the carrier in submitting adequate supporting workpapers.

After the claim is approved by the Administrative Committee, a copy of the carrier's 1997 CTF claim form, (with the section for CPUC use completed), will be mailed to the attention of the signatory of the CTF claim form at the address indicated on the form. Payment will be made by the Trustee Bank in the manner indicated by the carrier on the CTF claim form. When the Administrative Committee disapproves a CTF claim: (1) a copy of the claims marked as disapproved will be mailed to the signatory of the CTF claim form at the address indicated on the form, and (2) a letter signed by the Director of the Telecommunications Division will accompany the CTF claim form explaining the reason(s) for the disapproval.

A telecommunications carrier's completed 1997 CTF claim form will be considered a public document; the supporting data files submitted by a carrier will not be considered as public documents.



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PUBLIC UTILITIES COMMISSION  
CALIFORNIA TELECONNECT FUND (CTF) PROGRAM**

**Claim Form Instructions for 1997 CTF Claims**

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**Definitions:**

- A. Schools and Libraries (S&Ls): In Decision 96-10-066, the Commission established that qualifying schools are “public or nonprofit schools providing elementary or secondary education, i.e., grades K-12, and which do not have endowments of more than \$50 million.” While qualifying libraries are “only those libraries which are eligible for participation in state-based plans for funds under Title III of the Library Services and Construction Act (20 USC Sections 335c et seq.). “ The discount rates for schools and libraries are set at 50% for measured business service, switched 56, Integrated Services Digital Network (ISDN), T-1 service, and DS-3 or their functional equivalents.
1. Total Discounts refer to the sum of the discounts for all CTF subsidized services provided to qualified schools and/or libraries.
  2. Taxes refer to the following taxes on the total CTF discount: 911 tax, federal excise tax and local and city taxes. User fee refers to the Commission’s Reimbursement Fee as applied in compliance with PU Code 402 and 431. Include in this line category, applicable bill and keep surcharge(s)/surcredit(s) applicable to CTF discount.
  3. Claim for S&L refers to the total discounts (Item 1) plus any applicable taxes, etc., (Item 2).
- B. Government Owned and Operated Hospitals and Health Clinics (GHCs): In Decision 96-10-066, the Commission established that qualifying GHCs are “municipal and county government owned and operated hospitals and health clinics. These qualifying hospitals and health clinics shall be entitled to a 20% discount off of the tariffed rates for switched 56, ISDN, T-1 and DS-3 services or their functional equivalents.”
4. Total Discounts refer to the sum of the discounts for all CTF subsidized services provided to qualified government owned and operated hospitals and health clinics.
  5. Taxes refer to the following taxes on the 1997 total CTF discount: 911 tax, federal excise tax and local and city taxes. User fee refers to the Commission’s Reimbursement Fee as applied in compliance with PU Code 402 and 431. Include in this line category, applicable bill and keep surcharge(s)/surcredit(s).

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**Claim Form Instructions for 1997 CTF Claims**

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6. Claim for GHCs refers to the 1997 total discounts (Item 4) plus any applicable taxes, etc., (Item 5).
- C. Community-Based Organizations (CBOs): In Decision 96-10-066, the Commission established the requirements to qualify as a CBO: "a CBO must provide proof at the time of application that it is a tax exempt organization", as described in Section 501 ( c ) (3) or 501 (d) of the Internal Revenue Code, Title 26 of the United States Code; "This CBO must also certify that it offers health care, job training, job placement, or educational instruction....The discounted services that shall be made available to qualifying CBOs shall consist of switched 56, ISDN and T-1 services or their functional equivalents." The discount for qualified CBOs shall be 25% off the tariff rate for switched 56, ISDN and T-1 services or their functional equivalents. The CBO shall be limited to a total of: two switched 56 lines or their functional equivalents; or two ISDN lines or their functional equivalents; or one 56 switched line or its functional equivalent and one ISDN line or its functional equivalent; or one T-1 line or its functional equivalent.
7. Total Discounts refer to the sum of the discounts for all CTF subsidized services provided to qualified community-based organizations.
8. Taxes refer to the following taxes on the 1997 total CTF discount: 911 tax, federal excise tax and local and city taxes. User fee refers to the Commission's Reimbursement Fee as applied in compliance with PU Code 402 and 431. Include in this line category, applicable bill and keep surcharge(s)/surcredit(s).
9. Claim for CBOs refers to the 1997 total discounts (Item 7) plus any applicable taxes, etc., (Item 8).

The telecommunications carrier should indicate the method of payment (check or automated clearing house transfer) and complete all the necessary information applicable to the method of payment chosen. Wire transfers of funds are not available.

The telecommunications carrier's signatory should be an employee responsible for completing the entries in the CTF claim form and for the preparation of the submitted supporting data file.

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**Claim Form Instructions for 1997 CTF Claims**

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**Prescribed Data File Format for Supporting Workpapers**

The data file shall be stored on a 3-1/2 inch high density diskette or CD using one of the following program formats:

- Microsoft Excel spreadsheet,
- Microsoft Access data base,
- Comma DeLimited text file.

The beginning of the file should contain the carrier's name, its CPUC identification number, and the month applicable to the data file. The first row of the data file shall be used for field names. Each row thereafter shall be a record. Each record shall represent a telephone service containing the following information:

- CTF application number (Optional) (Alpha, Numeric)
- the billing or account number (Alpha, Numeric)
- the name of the qualified entity as it appears on the CTF application or on the customer's bill (Alpha, Numeric)
- address of the qualified entity as it appears in the CTF application or in the customer's bill (Alpha, Numeric)
- billing code or service description (Alpha, Numeric)
- quantity for each type of discounted service (Alpha, Numeric)
- unit price (currency, 2 decimal places)\*
- basis for CTF discount (currency, 2 decimal places)
- total CTF discount amount (currency, 2 decimal places)
- 911 Tax on the total CTF discounts (currency, 2 decimal places)
- Federal Excise Tax on the total CTF discounts (currency, 2 decimal places)
- local and city taxes on the total CTF discounts (currency, 2 decimal places)
- CPUC user fee (currency, 2 decimal places)
- applicable bill and keep surcharge/surcredit (currency, 2 decimal places)
- total CTF claim (currency, 2 decimal places)

For a comma delimited text file, it shall be the carrier's responsibility to ensure that the same number of fields are in every record and data for each field is listed in the same order.

\* For partial month services, the CTF discount should be based on the partial month billing amount.

**APPENDIX B**

**California Teleconnect Fund Program (CTF)**

**1997 CTF Claim Form  
(1 Page)**

**CALIFORNIA TELECONNECT FUND (CTF) CLAIM FORM**

*(To be completed by the filing carrier)*

*(Use one form for each U#)*

For the Month of \_\_\_\_\_ 1997

**Company Name:** \_\_\_\_\_

**CPUC #: U -** \_\_\_\_\_

The following amounts are submitted for reimbursement. These amounts are supported by an accompanying data file (CD or disk) in the format prescribed by the Telecommunications Division.

**A. Schools and Libraries:**

- 1. Total Discounts \_\_\_\_\_
- 2. Taxes \_\_\_\_\_
- 3. Claims for S&Ls (Ln1 + L2) \_\_\_\_\_

**B. Government Owned and Operated Hospitals and Health Clinics (GHCs)**

- 4. Total Discounts \_\_\_\_\_
- 5. Taxes \_\_\_\_\_
- 6. Claim for GHCs (Ln4 + Ln5) \_\_\_\_\_

**C. Community-based Organization (CBOs)**

- 7. Total Discounts \_\_\_\_\_
- 8. Taxes \_\_\_\_\_
- 9. Claim for CBOs (Ln7 + Ln8) \_\_\_\_\_

**D. Total Claims for the Month (Ln3 + Ln6 + Ln9)**

\_\_\_\_\_

**E. Adjustments (Attach detailed information)**

\_\_\_\_\_

**F. Net Claim for the Month (LnD + LnE)**

\_\_\_\_\_

**Preferred Method of Payment: (Check One Method Only)**

Check: / \_\_\_\_\_ / Automated Clearing House Transfer (ACH) / \_\_\_\_\_ /

For Check: Payee Name \_\_\_\_\_

Mailing Address: \_\_\_\_\_

For ACH: Account Name \_\_\_\_\_

Account No. \_\_\_\_\_ Name of Bank \_\_\_\_\_

Branch Address of Bank \_\_\_\_\_ ABA No. \_\_\_\_\_

I hereby certify that this form and the accompanying data file have been examined by me and to the best of my knowledge and belief they are true and complete. Carrier's signatory should be able to answer questions on claim calculations:

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone No. (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Email Address \_\_\_\_\_

Mailing Address: \_\_\_\_\_

**For CPUC use only:**

Telecom Staff Reviewer \_\_\_\_\_ Committee Approval Date: \_\_\_\_\_

Discount Amount Recommended to Committee \_\_\_\_\_ Committee Approved Amount \_\_\_\_\_

See attached / \_\_\_\_\_ / Check Mailing Date: \_\_\_\_\_

## APPENDIX C

### PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

#### NOTICE OF AVAILABILITY OF RESOLUTION T-16330

This is to notify you that Resolution T-16330 is available at the Commission web site:

[www.cpuc.ca.gov](http://www.cpuc.ca.gov)

This resolution, adopted by the Commission at its regular meeting on October 7, 1999, adopts the 1997 claims process for telecommunications carriers seeking reimbursement from the California Teleconnect Fund Program for discounts given to schools and libraries, government owned and operated hospitals and clinics and community-based organizations offering health care, job training, job placement and educational instruction.

If internet access is not available to you, you may obtain a hard copy of this resolution by contacting the Commission's Telecommunications Division at (415) 703-3051.