

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

**Communications Division  
Consumer Programs Branch**

**RESOLUTION T-17848  
December 5, 2024**

**R E S O L U T I O N**

Resolution T-17848 Modification of the eligible services under the California Teleconnect Fund.

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**SUMMARY**

This resolution modifies the categories of advanced communication services that are eligible for the California Teleconnect Fund (CTF) program discount to incorporate mobile broadband services,<sup>1</sup> which includes but is not limited to, advanced communication services via Wi-Fi Hotspots and portable satellite devices. Expanding the list of technologies eligible for the CTF discount will align the program with the recent changes Federal Communications Commission's (FCC) Eligible Services List for the schools and libraries' universal support mechanism (also known as the E-Rate program).<sup>2</sup>

Additionally, in response to the FCC's *Wi-Fi Hotspot Report and Order*, the CTF program will modify the eligibility criteria for community-based organizations by removing the carrier letter requirement to prove the unavailability of fixed broadband. This change allows for additional flexibility in choosing cost-effective mobile broadband services. Further, the CTF program will permit healthcare community-based organizations to include telemedicine services, with the goal to reach individuals in rural and urban low-income areas. Finally, we delegate CD staff authority to make discrete revisions to the CTF eligible services list following any subsequent changes to the FCC E-Rate program.

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<sup>1</sup> Mobile broadband services are device-based and include 3G, 4G, and 5G services offered by mobile, or cellular providers. [Glossary of Terms Used for Consumer Broadband Labels | Federal Communications Commission \(fcc.gov\)](#)

<sup>2</sup> 47 CFR §§ 54.500, et seq.

These updates are designed to expand digital access, bridge the digital divide, and enable flexibility to ensure the availability of broadband services where it is most needed.

## **BACKGROUND**

### **A. California Teleconnect Fund**

Pursuant to Public Utilities (PU) Code § 280(a), the California Public Utilities Commission (CPUC or Commission) implemented the California Teleconnect Fund (CTF) by issuing Decision (D.) 96-10-066. As one of six universal service programs administered by the CPUC,<sup>3</sup> the legislature created the CTF program to promote innovation in the delivery and use of advanced communication services, encourage the diversity of choices among services and providers, and ensure affordable and widespread access to California's broadband networks and technology.<sup>4</sup>

The CPUC funds the CTF program through a surcharge assessed on active intrastate access lines that a telephone corporation serves in California. On October 24, 2022, the Commission issued D.22-10-021, which adopted the new surcharge mechanism and a flat surcharge rate of \$1.11 to fund California's Universal Service Public Purpose Programs (PPPs). The decision allocated 16.04 percent of the weighted average of authorized funding for each PPP to the CTF, effective April 1, 2023. The surcharge has not been adjusted since then.<sup>5</sup>

The CTF program provides discounts on advanced communication services to qualifying participants such as schools, libraries, hospitals, health clinics, community colleges, 2-1-1 referral providers, and community-based organizations (CBOs). Approved CTF participants are eligible to receive a 50 percent discount on the monthly recurring charges of eligible advanced communications services. Telecommunications carriers providing or offering CTF services directly apply the discount to the recurring charges on a participant's monthly bill. After applying the discount, carriers file claims for reimbursement with the Communications Division (CD). Currently, 68 carriers file reimbursement claims for discounts provided to over 15,000 CTF participants.<sup>6</sup> CD staff manage the program, which includes approving applications, processing claims for

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<sup>3</sup> The six public purpose programs include: (1) CTF, (2) California Advanced Services Fund, (3) California High-Cost Fund A, (4) California High-Cost Fund B, (5) Deaf and Disabled Telecommunications Program, and (6) California Lifeline.

<sup>4</sup> D.96-10-066 at 59.

<sup>5</sup> The allocation of surcharges for each PPP as well as historical surcharge rates are available [Surcharge Rates \(ca.gov\)](#).

<sup>6</sup> [Entity Eligibility Status for California Teleconnect Fund](#).

reimbursement from carriers, preparing annual budgets, proposing changes to rules and procedures, and other day-to-day administrative tasks.

The Commission last updated the CTF program in D.19-04-013<sup>7</sup> to evaluate and improve the CTF program. Notably, the decision expanded CTF-eligible services to include all mobile broadband services.<sup>8</sup> In that decision, mobile broadband services are all CTF qualified for CTF support if eligibility criteria are met and the applicant demonstrates least one of the following: (a) mobile broadband services are the most cost-effective broadband service available at the participant's onsite location, and/or (b) mobile broadband services are necessary for the participant to provide qualifying services at additional offsite locations that are within California and serve the entity's intended communities.<sup>9</sup>

For E-Rate participants, mobile broadband services are deemed cost-effective with FCC documentation approving mobile broadband services.<sup>10</sup> For non-E-rate participants, entities can make a cost-effectiveness showing by demonstrating their status with the California Interactive Broadband Map, an attestation, and a letter from the nearest CTF service provider denying fixed broadband service for that particular address.<sup>11</sup>

### ***B. FCC's Wi-Fi Hotspot Report and Order***

Established by the Telecommunications Act of 1996, the FCC created the E-Rate program to ensure the delivery of affordable telecommunications and information services to eligible schools and libraries by offering discounts ranging from 20 to 90 percent.<sup>12</sup> The FCC intended for E-Rate to complement the states and localities own universal support mechanisms. In fact, most California schools and libraries enrolled in CTF are also eligible for E-Rate and may utilize both programs to maximize savings for their broadband and telecommunications costs.<sup>13</sup>

During the COVID-19 pandemic, the FCC also established the Emergency Broadband Benefit (EBB) Program, offering relief to the millions of low-income households who

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<sup>7</sup> [D. 19-04-013](#)

<sup>8</sup> D. 19-04-013, Ordering Paragraph 2.

<sup>9</sup> D.19-04-013 at OP 2.

<sup>10</sup> *Id.* at OP 3.

<sup>11</sup> *Id.*

<sup>12</sup> 47 USC § 254, et seq.

<sup>13</sup> Pub. Util. Code § 884.5 requires providers to account for support a CTF participant may receive from the E-rate when determining the CTF discount. If eligible for E-Rate, the CTF discount that a participant receives for a service cannot exceed the E-rate support the participant may receive for that service. The CTF discount applies only to the balance of eligible costs remaining *after* the application of any discounts or support the participant may receive from E-rate.

were experiencing difficulty paying for broadband service. With work, education, healthcare, and civic engagement activities moving online, addressing affordability was a critical step toward closing the digital divide. On November 15, 2021, President Biden signed into law the Infrastructure Investment and Jobs Act, which modified and extended the EBB Program to a longer-term broadband affordability program called the Affordable Connectivity Program (ACP).<sup>14</sup>

On May 31, 2024, the FCC announced that effective June 1, 2024, the agency would discontinue the ACP due to a lack of additional funding from Congress.<sup>15</sup> By the time the program stopped accepting new enrollments in February, the ACP connected 23 million households to high-speed internet.<sup>16</sup> While the ACP made significant progress in closing the digital divide over its two and a half years, many impacted households now must turn to their local schools or libraries to stay connected.

On July 31, 2024, the FCC issued the *Wi-Fi Hotspot Report and Order*, approving modifications to the E-Rate program Eligible Services List (ESL) for funding year (FY) 2025.<sup>17</sup> The FCC acknowledged that even with schools and libraries reopening and returning to in-person instruction, the need for internet connections outside of the school or library buildings to fully engage in education remains. The Order authorized schools and libraries to purchase Wi-Fi hotspots and services that they can lend to students, staff, and library patrons for off-premises use.<sup>18</sup> Schools and libraries will now be able to utilize E-Rate resources to loan out Wi-Fi hotspots which will provide internet access for those individuals without a reliable connection at home.<sup>19</sup>

## DISCUSSION

CD staff proposes clarifying the CTF rules to include Wi-Fi hotspots and other mobile broadband services, without additional requirements placed on eligibility, for the 50 percent discount. Additionally, CD staff recommends the addition of telemedicine as a qualifying service. These proposed modifications aim to align CTF rules with those of the

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<sup>14</sup> See *Affordable Connectivity Program, Emergency Broadband Benefit Program, Report and Order and Further Notice of Proposed Rulemaking*, WC Docket Nos. 21-450, 20-445, FCC 22-2, at 98, para. 211 (2022) (*ACP Order*) (“Narrowing the digital divide has been an ongoing priority for the Commission...”).

<sup>15</sup> For more information regarding the now ended ACP program, please visit: [www.fcc.gov/acp](http://www.fcc.gov/acp).

<sup>16</sup> The ACP benefit provided a discount of up to \$30 per month toward internet service for eligible households and up to \$75 per month for households on qualifying Tribal lands. Eligible household could also apply for a one-time discount of up to \$100 to purchase a laptop, desktop computer, or tablet.

<sup>17</sup> See *In the Matter of Addressing the Homework Gap through the E-Rate Program, Report and Order and Further Notice of Proposed Rulemakings*, WC Docket No. 21-31, (July 29, 2024) (*Wi-Fi Hotspot Report and Order*).

<sup>18</sup> *Wi-Fi Hotspot Report and Order* at ¶ 17.

<sup>19</sup> [FCC Approves Rules to Support Wi-Fi Hotspots Through E-Rate Program | Federal Communications Commission.](https://www.fcc.gov/news-releases/2024/07/31)

Federal E-Rate program and stay relevant with broadband technologies to foster digital literacy and bridge the digital divide.

Not all CTF participants are eligible to receive the Federal E-Rate subsidies, nor is enrollment in the E-Rate program a condition of participating in the Commission's CTF program. However, the FCC's program design choices for setting service eligibility categories and criteria, as well as the identified Eligible Services List, are well suited for all entities participating in CTF. Aligning program design in this area would result in program administration efficiency, transparency, and simplicity.

**A. Addition of Wi-Fi hotspots to the eligible services list for public and private schools and public libraries.**

In D.13-04-013, the Commission adopted a technology-neutral approach when approving CTF support for mobile broadband services. The Commission reasoned that the current list of eligible CTF services may not accurately reflect the changing mobile data service industry and how CTF participants are using different mobile data technologies.<sup>20</sup> Still, CTF discounts were limited to those mobile broadband services approved for the E-Rate discount.<sup>21</sup>

Consistent with the FCC's *Wi-Fi Hotspot Report and Order*, CD staff proposes modifying the CTF program rules to state that for public and private schools, as well as public libraries, mobile broadband services will also include Wi-Fi hotspots and services for off-premises use. This change does not place any additional eligibility requirements on the school or library for E-Rate participants.<sup>22</sup>

According to a public survey by Pew Research Center, data showed that roughly one-third of households with children ages 6 to 17 and an annual income below \$30,000 do not have a high-speed internet connection at home.<sup>23</sup> Additionally, 17 percent of teens and 25 percent of black teens reported being unable to complete homework assignments due to lack of digital access, a computer, or internet connection.

Multiple studies support the positive impact of Wi-Fi-equipped school buses on students. For example, Raytown Quality Schools in Missouri equipped all 71 buses with Wi-Fi. This initiative allowed students to complete homework and communicate with teachers

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<sup>20</sup> D.13-04-013 at 18.

<sup>21</sup> *Id.* at OP 3.

<sup>22</sup> D.13-04-013 at 16 (“For E-rate participants, the CTF will accept documentation of the FCC’s E-rate approval of the entity’s services as evidence that it is the most cost-effective solution available.”); OP 3.

<sup>23</sup> Monica Anderson and Andrew Perrin, *Nearly One-In-Five Teens Can’t Always Finish Homework Because Of Digital Divide*, [Pew Research Center \(October 26, 2018\)](#).

during their commutes.<sup>24</sup> Also, when Google expanded its school bus Wi-Fi program through its “Rolling Study Halls” initiative in North Carolina, about 67 percent of Gamewell Middle School students were assigned to one of nine school buses, with an average school bus route of 1.5 hours.<sup>25</sup> Students received take-home devices and educational access to Wi-Fi on the school bus, and a dedicated instructor on the bus. Gamewell Middle School deployed nearly 100 devices to bus riders to complete homework, gather data, and utilize assigned instructional platforms. A grant also funded teacher tutors who provide technical support and instructional assistance on the bus during study time.

Expanding CTF-eligible services to include off-premises Wi-Fi hotspots for students and library patrons would alleviate the financial pressure low-income households now face following the termination of the ACP. The impact on California is substantial—over 2.9 million low-income households in California participated in the ACP before the FCC froze new enrollments on February 8, 2024.<sup>26</sup>

The CTF program’s proposed revision to the eligible services list reflects the FCC’s adoption of the *Wi-Fi Hotspot Report and Order* making the off-premises use of Wi-Fi hotspots and mobile wireless Internet access services. The modified list of eligible services that can receive the CTF discount is in Appendix A of this resolution.

## **B. CTF Rule Modifications for Community-Based Organizations and Healthcare Community-Based Organizations.**

### *a. Community-Based Organizations: Internet Service Provider (ISP) Letter Requirement and Eligible Services List*

By aligning the CTF program's eligible services with the FCC's changes, the CTF program can improve access to affordable mobile broadband services for CBOs, helping them better serve their communities. The FCC's *Wi-Fi Hotspot Report and Order* emphasizes the need for flexibility in broadband services. To this end, the FCC’s update supports the CTF program’s need to adjust its rules on eligible services, such as giving CBOs the option to choose mobile broadband services without having to prove that fixed broadband is unavailable.

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<sup>24</sup> Julie Matea, *School Bus Wi-Fi is a Turning Point in Transportation Technology*, School Transportation News (September 2019), [September 2019 - School Transportation News \(stnonline.com\)](#).

<sup>25</sup> Thomass McMahon, *Google Rolls Out Wi-Fi Program to More School Buses*, School Bus Fleet (April 2018), [Google Rolls Out Wi-Fi Program to More School Buses - Management - School Bus Fleet](#).

<sup>26</sup> [Affordable Connectivity Program | Broadband for All \(ca.gov\)](#).



D.13-04-013 approved rules for CBOs seeking CTF support of mobile broadband services in limited circumstances.<sup>27</sup> The Commission modeled these CBO-specific rules after the FCC issued regulations limiting E-Rate support for mobile broadband services to entities that can demonstrate mobile broadband is the only means available to provide qualifying services at offsite locations.<sup>28</sup>

Currently, to qualify for CTF support for mobile broadband service, a CBO must submit documentation that mobile broadband is the only available option due to the unavailability of fixed broadband either at the service address (onsite) or qualifying services being offered at offsite locations (offsite).<sup>29</sup> The CBO show cost-effectiveness by indicating its served status using the California Interactive Broadband Map, and providing an attestation and a letter from the nearest available service provider denying fixed broadband service for that particular address.

CD staff continue to face challenges with verifying eligibility for mobile broadband services. While staff rely on broadband deployment maps to verify eligibility as stated in the required ISP letter, overstated coverage may lead to inaccurate information.

D.19-04-013 acknowledged this issue, stating that the Broadband Availability Map may overstate broadband availability within a census block. The Commission held that the map is not dispositive but may be considered in conjunction with the attestation and letter denying service in determining whether a location is served.<sup>30</sup> The decision states, “We may revisit this determination in the future if data suggests that the cost of mobile broadband services is comparable or equal to fixed broadband service.”<sup>31</sup>

Recently, staff conducted a study of the CTF program to review the costs of mobile and fixed broadband services. The CTF program has approximately 68 CTF-approved service providers,<sup>32</sup> of which CD staff compiled publicly available data from their websites regarding mobile broadband services. CD staff found that about five carriers participating in the CTF program provide information about mobile broadband services on their websites. On average, the monthly recurring costs for mobile broadband services range from \$23 to \$40 for each hotspot, per carrier, while the costs for fixed wireless service lines from the same carriers range from \$30 to \$130 per month.

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<sup>27</sup> [D.19-04-013](#) at 19, OPs 1-3

<sup>28</sup> *Id.* at 15.

<sup>29</sup> *Id.* at 42.

<sup>30</sup> *Id.* at 17.

<sup>31</sup> *Id.* at 18.

<sup>32</sup> [California Teleconnect Fund - Service Providers](#)

**Table 1: CTF Participating Carrier’s Publicly Available Website Data for Mobile Broadband Services**

CTF Participating Carrier	Wi-Fi Hotspot Price Range	Fixed Wireless Price Range
Carrier 1	\$25-\$55	\$55-80
Carrier 2	\$39.95	\$99.95-\$129.95
Carrier 3	\$25-\$55	\$55-\$80
Carrier 4	\$10-\$30	\$10-\$50
Carrier 5	\$10-\$40	\$69-99
Average Price	\$32.50	\$70

This comparison highlights that mobile broadband service costs are not only relatively close to fixed wireless but, in certain cases, more cost-effective than fixed wireless services for CTF participants. Additionally, the flexibility of mobile broadband makes it an attractive option, especially in regions where fixed wireless services may be limited or come at a higher cost. By allowing mobile broadband services without the restrictions imposed by D.19-04-013, CTF participants can benefit from improved access at potentially lower costs. Consequently, this shift could result in better resource allocation for users and overall cost savings. Given these factors, CD staff can reasonably expect that the CTF program's annual budget appropriations will be able to absorb the associated costs, making mobile broadband a viable and cost-effective addition to the CTF program.

The assumption in D.13-04-013—that the cost-effectiveness of mobile broadband could be determined by the unavailability of fixed broadband—is outdated, as advances in technology result in more efficiencies in the market. As shown in *Table 1*, mobile broadband can be an organization’s most cost-effective solution. As of October 1, 2024, less than one percent of currently eligible CTF participants are approved for onsite or offsite mobile broadband services (10 CTF participants out of 8177). Giving currently enrolled participants the option to switch from fixed to mobile broadband will likely lead to overall cost savings for eligible CBOs. In turn, the savings realized will free up resources that can then be redirected to benefit the communities they serve.



Overstated coverage areas introduce inaccurate information at a granular level, even if the map provides an accurate overall coverage view. For example, speed testing in Fresno Unified School District <sup>33</sup>found “as many as 60,000 residents [...] were underserved” while the “CPUC’s map shows [...] 5,000 underserved students in the city.” Thus, the service provider letter requirement under the current rules can serve as an obstacle to organizations in underserved pockets of otherwise well-served areas. For those impacted CBOs, eliminating these requirements may encourage enrollment without placing a high-cost burden on the program.

Allowing CBOs and Healthcare CBOs (HCBOs) to opt for mobile broadband services even when they are unable to establish fixed broadband as unavailable, may be particularly helpful in rural, low-income urban communities experiencing digital redlining.<sup>34</sup> As a geographically diverse state, communities in California face various restraints and complications in ensuring access to the internet. Rural areas often face less availability due to terrain challenges of installing fiber lines underground or elevation variation challenges to accommodate wireless signal transmissions.<sup>35</sup> Removing ISP letter requirement recognizes the fact that participants may encounter granular, location-specific challenges and allows them to choose the service that best suits their location.

The Commission established these rules as a means to determine whether wireless data plans for non-E-Rate participants are the most cost-effective form of internet access. While the responsibility falls on the CPUC to ensure universal service funds are used for their intended purposes, requiring CBOs to provide documentation of cost-effectiveness should be reconsidered. Service providers now offer competitive pricing on 5G Wi-Fi plans for homes and businesses (e.g. based on plans currently advertised by AT&T,<sup>36</sup> Verizon,<sup>37</sup> and T-Mobile<sup>38</sup>). These plans are not tied to a location and can be utilized for either onsite or offsite internet access. Participants who provide onsite services one day and mobile the next may utilize one 5G Wi-Fi plan for their onsite and offsite workdays. This may be significantly less expensive than utilizing one fixed broadband plan and one Wi-Fi plan.

In a diverse environment with varied connectivity challenges, CTF needs to remain flexible and ahead of the technological curve. Adding mobile broadband services to the eligible services list and removing the documentation requirement for CBOs will allow

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<sup>33</sup> [Achieving Universal Broadband in California - Public Policy Institute of California \(ppic.org\)](https://www.ppica.org/achieving-universal-broadband-in-california)

<sup>34</sup> Digital redlining is a term used to describe ISPs reluctance to expand broadband access in communities with expected low-profit potential.

<sup>35</sup> *Id.*

<sup>36</sup> <https://www.att.com/smallbusiness/wireless-internet>

<sup>37</sup> <https://www.verizon.com/business/products/internet/5g/>

<sup>38</sup> <https://www.t-mobile.com/business/solutions/business-internet-services/small-business-internet>

participants to make the best fitting choice based on organizational needs, market competition, or diversification of offerings and coverage as experienced by the user, as suited for different localities and economic conditions.

*b. Healthcare Community-Based Organizations (HCBOs):*

As more individuals seek health information and healthcare digitally through online devices, healthcare providers also must have reliable connectivity. The FCC's recent *Order* highlights the importance of adjusting broadband services and off-premises access to meet the current needs. The CTF updates adopted in this resolution will also include HCBOs.<sup>39</sup> This program change will allow flexibility to healthcare providers offering telemedicine services and will improve digital health literacy among the populations they serve, especially in rural and urban low-income areas.

Digital health literacy, sometimes referred to as eHealth literacy, is defined by the World Health Organization<sup>40</sup> as the ability to seek, find, understand, and appraise health information from electronic sources and apply the knowledge gained to addressing or solving a health problem. Digital health literacy includes being able to find and evaluate health information online, access telehealth services, and communicate with healthcare providers electronically. Higher levels of digital health literacy increase the public's knowledge of health conditions and access to personal health records, ensuring greater self-efficacy in managing chronic health conditions.

The dramatic rise of online health information and the use of telehealth services requires stable access to advanced communication services. As depicted in Table 2, there is a gradual annual rise of 11.87 percent in telehealth services and digital care services.

**Table 2: Percentage of nationwide hospitals fully or partially implementing computerized telehealth systems, 2010-2017<sup>41</sup>**

2010	2011	2012	2013	2014	2015	2016	2017
35%	41%	43%	52%	55%	61%	65%	76%

\*2010- 2017 average year-over-year growth rate of 11.87%.

Further, in the American Medical Association's 2021 Telehealth Survey Report, 85 percent of physicians indicated that they were using telehealth and nearly 70 percent

<sup>39</sup> D.15-07-007 designated a separate category for HCBOs, which include different eligibility criteria.

<sup>40</sup> <https://www.who.int/about>

<sup>41</sup> 2011 to 2018 American Hospital Associate Annual Survey IT Supplement: [Fact Sheet](#)

indicated that their organization is interested in continuing to do so.<sup>42</sup> Digitally enabled care is likely to continue to grow over time.

HCBOs seeking approval of mobile broadband service discounts must provide (qualifying services) in-person or through a telehealth platform are rendered for free or at a minimal cost to the public. Pursuant to the California Department of Healthcare Services guidelines, the health care provider rendering Medi-Cal covered benefits or services provided via a telehealth modality must meet the requirements of Business and Professions Code (B&P Code), Section 2290.5(a)(3) or be a provider type otherwise designated by DHCS to provide telehealth, pursuant to Welfare and Institutions Code 14132.725 (b)(2)(A). Providers billing for services delivered via telehealth must be enrolled as Medi-Cal providers.

*c. Staff delegation authority*

Finally, we see the value of making necessary changes to the eligible services list without the burden of participants waiting for the Commission to issue a decision or resolution each time the E-Rate Eligible Services List is modified. Accordingly, we delegate to Communications Division staff the authority to make discrete modifications to the qualifying services and technologies list adopted in Appendix A, as needed, in the event the FCC adopts subsequent changes to the E-Rate program.

**COMMENTS**

In compliance with Public Utilities Code § 311(g)(1), the Commission emailed a notice letter on November 1, 2024, informing the parties on the CTF service list and the local exchange carriers of the availability of this resolution for public comments at the Commission's website, [www.cpuc.ca.gov](http://www.cpuc.ca.gov). The notice letter also informed parties that the final confirmed resolution adopted by the Commission will be posted and available on the same website.

Formal comments were submitted by Pacific Bell Telephone Company dba AT&T California(AT&T) on November 14, 2024.

**AT&T's Comments**

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<sup>42</sup> [2021 Telehealth Survey Report | AMA](#)

AT&T submitted opening comments to address a narrow issue regarding a date that the Commission specify by which service providers are required to implement the changes proposed in the Draft Resolution. AT&T requested that the Commission revise the Draft Resolution to allow service providers until July 1, 2025, which is aligned with the FCC's timeline in the *Wifi Hotspot Report and Order*, to implement the proposed changes.

Staff agrees with AT&T's comments to implement changes by July 1, 2025, consistent with the FCC in the *Wifi Hotspot Report and Order*.

### **FINDINGS**

1. CTF provides discounted rates for advanced telecommunications services for qualifying schools; libraries; government-owned hospitals and health clinics; California Community Colleges; 2-1-1 referral providers; and CBOs.
2. Commission Staff administers the California Teleconnect Fund program in coordination with the CTF Administrative Committee.
3. On May 7, 1997, the FCC established a discount program for schools and libraries for both interstate and intrastate telecommunications services, referred to as "E-Rate program" as part of the Telecommunications Act of 1996 and its Universal Service Report and Order (FCC 97- 157).
4. On July 18, 2024, the FCC, in the *Wi-Fi Hotspot Report and Order*, granting schools and libraries the ability to utilize E-Rate resources to loan out Wi-Fi hotspots which will provide internet access for those individuals without a reliable connection at home.
5. CTF generally adheres to E-Rate's Category 1 list of advanced communication services.
6. The current list of eligible CTF services may not accurately reflect the FCC's list of category 1 eligible E-Rate services, the changing industry, and available mobile data services, or how CTF participants are using these services.
7. CTF removes the Service Provider Letter Requirement for applicants seeking CTF discounts on mobile broadband services, recognizing diversified service offerings and potential geographic and digital redlining obstacles.

8. CTF adds Telemedicine as a qualifying service, recognizing persistent trends in the healthcare industry.
9. The California Broadband Availability Map provides information regarding whether wireline broadband service is provided at a specific address but may overstate the availability of broadband within each census block.
10. Utilization of maps with overstated coverage can unintentionally amplify effects of digital redlining.
11. Healthcare CBO's and CBOs can qualify for mobile broadband services.
12. This resolution revises CTF's eligible services list and reflects the FCC's adoption of the *Wi-Fi Hotspot Report and Order* making eligible the off-premises use of Wi-Fi hotspots and mobile wireless Internet access services.
13. A notice letter was mailed on November 1, 2024, informing parties on the CTF service list and the local exchange carriers of the availability of this resolution for public comments at the Commission's website, [www.cpuc.ca.gov](http://www.cpuc.ca.gov). Formal comments were submitted by AT&T California on November 14, 2024.

**THEREFORE, IT IS ORDERED that:**

1. The CTF's eligible services list shall be modified to include mobile broadband services for public and private schools, as well as community-based organizations and healthcare community-based organizations.
2. Mobile broadband services shall be included in the CTF eligible services list, CBOs may access mobile services without needing to demonstrate fixed broadband unavailability to better meet community needs.
3. We modify the qualifying services list to include Telehealth services for healthcare community-based organizations to meet program eligibility
4. We delegate to CD staff the authority to make discrete modifications to the qualifying services and technologies list adopted in Appendix A, as needed, in the event the FCC adopts subsequent changes to the E-Rate program.
5. Service providers must implement the changes by July 1, 2025.

Resolution T-17848  
CD/KMU/CW1/DLY

This Resolution is effective today.

I hereby certify that the California Public Utilities Commission at its regular meeting on, December 05, 2024, adopted this Resolution. The following Commissioners approved it:

/s/ RACHEL PETERSON

Rachel Peterson  
Executive Director

ALICE REYNOLDS  
President

DARCIE L. HOUCK  
JOHN REYNOLDS  
KAREN DOUGLAS  
MATTHEW BAKER

Commissioners

## APPENDIX A

### California Teleconnect Fund: Eligible Services List

The California Teleconnect Fund Program (CTF) Eligible Services List includes:

- Asynchronous Transfer Mode (ATM)
- Broadband Over Power Lines (BPL)
- Cable Modem
- Digital Subscriber Line (DSL)
- Digital Signal (DS) / Trunk Level (T) – DS1 (T-1), DS-3 (T-3), and Fractional T-1 or T-3
- Ethernet
- Fiber Optics, including Leased Dark Fiber, Leased Lit Fiber
- Fixed Wireless (e.g. Microwave)
- Frame Relay
- Integrated Services Digital Network (ISDN), excluding dedicated voice channels
- Multi-Protocol Label Switching (MPLS)
- Optical Carrier (OC) – OC-1, OC-3, OC-12, OC-n
- Satellite
- Switched Multimegabit Data Service (SMDS)
- Wide Area Network (WAN)<sup>43</sup>
- Wi-Fi Hotspot/Mobile Broadband Services (MBS)\*

\*Public and private school schools, as well as public libraries, are eligible to receive the 50% CTF discount on the monthly recurring service charges for Wi-Fi Hotspots that allow schools and libraries to extend learning opportunities off premises if these charges are also receiving E-Rate support. Community Based Organizations may qualify for mobile broadband services contingent on analyst review.

The CTF discount applies only to the monthly recurring charge of eligible services.

The following fees, services and products are not eligible for the discount:

- Usage fees
- Service “add-ons”
- Creation or management of online content
- All voice services, including voice over internet protocol (VoIP)
- Equipment / Maintenance
- Construction / Infrastructure
- Local Area Network (LAN)

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<sup>43</sup> WAN connections that form a data network between multiple Participants are eligible for the CTF discount. Local Area Network (LAN), Managed Internal Broadband Services, and other connections that from a data network between or among multiple buildings of a single participant service address, campus, or branch are not eligible for CTF discounts.



Resolution T-17848  
CD/KMU/CW1/DLY

- Managed Internal Broadband Services
- Other services (contact CTF staff to inquire eligibility)

**End of Appendix A**