

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



Administrative Letter No. 24

October 30, 2015

To: Participating California Teleconnect Fund (CTF) program carriers

Re: California Teleconnect Fund Administrative Letter No. 24 – Schools receiving discounts from the Federal E-rate Program

The California Public Utilities Commission (CPUC) adopted the California Teleconnect Fund Goals and Program Rule Changes in Ordering Paragraph 1 of Decision (D.) 15-07-007, which took effect on July 23, 2015. Rule 18 of Appendix A, of the California Teleconnect Fund Goals and Program Rule Changes states:

“....For E-rate schools, the CTF discount amount shall be no higher than their Federal E-rate subsidy.”

The purpose of this Administrative Letter is to assist carriers in the implementation of the above rule. Table A below compares potential CTF discounts, pre and post D.15-07-007. Previously, schools with E-rate discounts less than 33.34% received CTF discounts greater than the E-rate discount, as shown in Line 5. With the implementation of D.15-07-007, CTF discounts for these schools will be capped at their E-rate discount, as shown in Line 6. Schools that are receiving E-rate discount of 33.34% or more will receive the same CTF discount as prior to D.15-07-007.

TABLE A

	School A	School B	School C	School D	School E	School F	School G
1. Service Cost= \$100							
2. E-rate Discount Rate (%)	90.00%	60.00%	40.00%	33.34%	30.00%	20.00%	10.00%
3. E-rate Discount (\$)	\$90	\$60	\$40	\$33.34	\$30	\$20	\$10
4. Remaining Service Cost Eligible for CTF Discounts (\$)	\$10.00	\$40.00	\$60.00	\$66.66	\$70.00	\$80.00	\$90.00
5. CTF Discount Pre-D.15-07-007 (\$)	\$5.00	\$20.00	\$30.00	\$33.33	\$35.00	\$40.00	\$45.00
6. CTF Discount post D.15-07-007 (\$)	\$5.00	\$20.00	\$30.00	\$33.33	\$30.00	\$20.00	\$10.00

In summary, D.15-07-007 mandates that schools, who receive less than 33.34% E-rate discount, will no longer receive CTF discounts greater than the E-rate discount. For questions regarding this Administrative Letter, please contact Kim Hua, Regulatory Analyst at kim.hua@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ryan Dulin', with a stylized flourish extending to the right.

Ryan Dulin
Director, Communications Division