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September 12, 2011

U 1001 C Advice Letter No. 39529B

Public Utilities Commission of the State of California

On July 25, 2011, AT&T California filed Advice Letter No. 39529 to modify Schedule Cal. P.U.C. No. A2. General Regulations, 2.1 Rules, 2.1.41 Rule No. 41 - California Teleconnect Fund (CTF) in compliance with Ordering Paragraph 5. of Resolution T-17314.

On August 30, 2011, AT&T California filed supplement 39529A to comply with the Commission's request to show the effective date of July 23, 2011; to augment the existing customer eligibility section so as to include CBO's with Head Start Programs; to augment the existing Discounts Applicable to Eligible Services section to state "Public or non-profit health care providers in rural areas may be eligible for Federal rural health care discounts" and make changes as reflected in the tariff sheets.

Supplement B is now being filed to incorporate additional changes requested by the Commission.

Replacement Sheets

SCHEDULE CAL. P.U.C. NO. A2.

4th Revised Sheet 158.1.1 6th " " 158.1.2 Original " 158.1.3

Additional Sheet

SCHEDULE CAL. P.U.C. NO. A2.

13th Revised Sheet 158

In compliance with General Order 96-B, we are serving a copy of this supplement to interested parties who have requested. This supplement may be viewed on AT&T California's Web-Site at https://ebiznet.att.com/calreg/. If there are any questions regarding the distribution of this supplement, call 415.778.1299.

AT&T CALIFORNIA

Anyone may object to this supplement, which was filed September 12, 2011, by sending a written protest to: Telecommunications Advice Letter Coordinator, Communications Division, 505 Van Ness Avenue, 3rd Floor, San Francisco, CA 94102-3298. The protest must state specifically the grounds on which it is based. The protest must be received by the Telecommunications Advice Letter Coordinator no later than 20 days after the date that the supplement was filed. On or before the day that the protest is sent to the Telecommunications Advice Letter Coordinator, the protestant must send a copy of the protest to Eric Batongbacal, 525 Market Street, #1944, San Francisco, CA 94105 (fax number 415.543.3766). If this supplement was served via e-mail, the protest must be served to AT&T California via e-mail at regtss@att.com. To obtain information about the Commission's procedures for advice letters and protests, go to the Commission's Internet site (www.cpuc.ca.gov) and look for document links to General Order 96-B.

This filing is effective July 23, 2011.

6. Botanbaral

Yours truly,

AT&T California

Executive Director

Attachments

AT&T California Advice Letter Service List

Via e-mail

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NETWORK AND EXCHANGE SERVICES

A2. GENERAL REGULATIONS

- 2.1 RULES (Cont'd)
- 2.1.41 RULE NO. 41 CALIFORNIA TELECONNECT FUND (CTF)
- A. AVAILABILITY OF DISCOUNTS UNDER CTF

In Decision 96-10-066, the California Public Utilities Commission (CPUC) established the California Teleconnect Fund. CTF provides discounts on telecommunications services delineated herein, among other detariffed and unregulated services, to qualifying schools, libraries, hospitals and health clinics, community based organizations and California community colleges, approved by the CPUC, as described below.

Federal funding or subsidy given to California Teleconnect Fund (CTF) participants for CTF eligible services shall first be taken into account prior to applying the CTF discount. (N)

If state funding for the CTF is exhausted, participants will be backbilled for all discounts advanced by the Company that the Commission does not fund in accordance with Rule 9, A2.1.9,I.1 or Guidebook Part 2, Section 2.

1. Entities Qualified to Receive Discounts Under CTF

The following entities are qualified to receive CTF discounts upon approval by the CPUC:

- a. <u>Schools.</u> Public and non-profit schools providing elementary or secondary education, which do not have endowments of more than \$50 million.
- b. <u>Libraries</u>. Libraries that are eligible for participation in statebased plans for funds under Title III of the Library Services and Construction Act.
- c. <u>Hospitals and Health Clinics</u>. Hospital district owned hospitals and health clinics, municipal and county government owned and operated hospitals and health clinics.
- d. Community Based Organizations (CBOs). Tax exempt organizations offering Head Start programs, health care, job training, job placement, (N) educational instruction, or a non-profit CBO operating a community technology center engaged in diffusing technology into a local community, and training a local community that has limited or no access to the Internet and other technologies shall qualify for the discount rate for CBOs or a non profit CBO providing 2-1-1 information and referral services. A "tax exempt organization" shall refer to an organization described in Section 501 (c)(3) or 501 (d) of the Internal Revenue Code, Title 26 of the United States Code.
- e. <u>California Community Colleges</u>. California community colleges and/or districts.

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Advice Letter No. 39529 Issued by Date Filed: September 12, 2011

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NETWORK AND EXCHANGE SERVICES

A2. GENERAL REGULATIONS

- 2.1 RULES (Cont'd)
- 2.1.41 RULE NO. 41 CALIFORNIA TELECONNECT FUND (CTF) (Cont'd)
 - A. AVAILABILITY OF DISCOUNTS UNDER CTF (Cont'd)
 - 3. Discounts Applicable to Eligible Services
 - a. Hospitals and Health Clinics
 Participating hospitals and health clinics shall be entitled to a 50% (D) discount off the entire tariffed and/or Guidebook rates or negotiated/contract rates, whichever are lower, for services identified in 2. preceding.
 - b. Schools and Libraries Participating schools and libraries shall be entitled to a 50% discount off tariffed and/or Guidebook rates or negotiated/contract rates, whichever are lower, for services identified in 2. preceding, after first deducting the applicable E-rate discounts. The 50% discount shall be calculated as follows:
 - (1) If the customer has not been approved to receive E-rate discounts, whether or not an application is pending, the 50% discount will be applied to all services (eligible for CTF) after deducting a statewide average E-rate discount (determined by the CPUC) from the billed amount.
 - (2) If the customer has been approved to receive E-rate discounts, the 50% discount will be applied to the services after deducting the actual E-rate discounts from the billed amount.
 - (3) The statewide average discount is deducted from the customer's services solely for purposes of calculating the CTF discount. The statewide average discount shall be added back to the billed amount for payment by the customer. However, when the customer receives its approved E-rate benefit, the customer's account will be retroactively adjusted to reflect the approved E-rate.

The following schools and libraries shall be entitled to a 50% discount off the entire tariffed and/or Guidebook rates or negotiated/contract rates, whichever are lower, for services identified in 2. preceding: small schools as defined in Section 42283 of the Education Code, participants whose E-rate applications have been denied, and participants who subscribe to services that are ineligible for E-rate discounts.

Material omitted now located on Sheet 158.1.2.

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(N)

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Executive Director Resolution No.

NETWORK AND EXCHANGE SERVICES

A2. GENERAL REGULATIONS

- 2.1 RULES (Cont'd)
- 2.1.41 RULE NO. 41 CALIFORNIA TELECONNECT FUND (CTF) (Cont'd)
 - A. AVAILABILITY OF DISCOUNTS UNDER CTF (Cont'd)
 - 3. Discounts Applicable to Eligible Services (Cont'd)
 - c. California Community Colleges

 Participating California community colleges (CCCs) shall be entitled to a 50% discount off the entire tariffed rates or negotiated/contract rates, whichever are lower, for services identified in 2., preceding. The 50% discount is contingent on an annual limit of \$7.2 million (adjusted yearly based on Western Consumer Price Index) funding availability for CCCs as set forth in Decision 08-06-020. AT&T shall suspend all discounts upon notification from the CPUC that the CCC funding is close to reaching the annual limit. Customers shall be responsible for re-paying all discounts received that are subsequently denied by the CPUC as a result of reaching the annual limit, pursuant to D.08-06-020.
 - d. Community Based Organizations (CBOs)
 Participating CBOs shall be entitled to a 50% discount off tariffed and/or Guidebook rates or negotiated/contract rates, whichever are lower, for services identified in 2. preceding.
 - (1) 2011, E-rate discounts received by a CBO offering Head Start programs shall first be taken into account prior to applying the CTF discount to the eligible service charges subscribed by the CBO, as follows: CBOs offering Head Start beginning no later than September 21.
 - (a) If the CBO has been approved to receive E-rate discounts, the E-rate discount received shall be deducted from CTF eligible service charges prior to applying the 50% discount.
 - (b) Effective July 1, 2012, if the CBO does not have an actual Erate, a statewide average E-rate discount (set annually by the Commission) shall be deducted from CTF eligible service charges prior to applying the 50% discount.
 - (c) The statewide average E-rate discount is deducted from the CBO's services solely for purposes of calculating the CTF discount. The statewide average discount shall be added back to the billed amount for payment by the CBO. However, when the CBO subsequently receives its approved E-rate benefit, the CBO's account shall be retroactively adjusted to reflect the approved E-rate funding.
- (L) Material formerly located on Sheet 158.1.1.
 Material omitted now located on Sheet 158.1.3.

(N)

(N)

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Executive Director Resolution No.

(N)

NETWORK AND EXCHANGE SERVICES

A2. GENERAL REGULATIONS

- 2.1 RULES (Cont'd)
- 2.1.41 RULE NO. 41 CALIFORNIA TELECONNECT FUND (CTF) (Cont'd)
 - A. AVAILABILITY OF DISCOUNTS UNDER CTF (Cont'd)
 - 3. Discounts Applicable to Eligible Services (Cont'd)
 - e. Rural Health Care Providers (RHCP) Public or non-profit healthcare providers in rural areas may be eligible for Federal rural healthcare discounts under the Rural Health Care Program of the Universal Service Fund. Beginning no later than September 21, 2011, Rural Health Care (RHC) funding received by a RHCP shall first be taken into account prior to applying the CTF discount to the eligible service charges subscribed by the RHCP. The 50% CTF discount shall be calculated as follows:
 - (1) The 50% discount shall be applied to the entire CTF eligible service charges subscribed by the RHCP that does not apply for Rural Health Care (RHC) funding in a given fiscal year.
 - (2) The 50% discount shall be applied to the entire CTF eligible service charges subscribed by the RHCP awaiting approval for RHC funding for fiscal year 2012-2013, and beyond. Once approved, the CTF discount shall be trued up for that fiscal year to take into account the RHC funding received.
 - (3) The CTF discounts received by RHCPs shall be trued up to take into account the amount of RHC funding received after June 24, 2011, for fiscal years 2010-11 and 2011-12. (N)
 - 4. Reserved (L)

(L) Material formerly located on Sheet 158.1.2.

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Executive Director Resolution No.