

October 1, 2021

Rachel Peterson
Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

California High-Cost Fund - A Administrative Committee (CHCF-A AC)

CHCF-A AC ANNUAL REPORT FY 2020-21

This CHCF-A Annual Report for FY 2020-21 is submitted to the California Public Utilities Commission by the CHCF-A AC in compliance with CPUC § 273(b). It includes FY financial data, active phone line counts, and approved minutes of the Administrative Committee (AC) for the four meetings held in FY 2020-21.

As reflected in this fiscal year's AC meeting minutes, our meetings were well attended by CPUC staff, and by Small LECs' legal counsel and corporate officers.

Patrick E. Hoglund, P.E., Chair
CHCF-A AC

Attachments: FY2020-21 Annual Report
CHCF-A Meeting Minutes for FY 2020-21

cc: David Clark, Sebastian
Matt Kingsley, Rural County Representatives of California
Commissioner Marybel Batjer
Commissioner Martha Guzman-Aceves
Commissioner Darcie Houck
Commissioner Clifford Rechtschaffen
Commissioner Genevieve Shiroma
Sindy Yun, Legal Division
Lalaine Semana, Administrative Services Division
Felix Robles, Communications Division

California High-Cost Fund - A
FY 2020-21 Annual Report

CHCF-A Surcharge	
Effective Date	Surcharge Rate
May 1, 2010	0.11%
December 1, 2010	0.00%
July 1, 2012	0.40%
October 1, 2013	0.18%
January 1, 2015	0.35%
December 1, 2020	0.70%

Year End Fund Balance	(\$ in thousands)
6/30/2016	\$29,401
6/30/2017	\$33,765
6/30/2018	\$29,881
6/30/2019	\$25,071
6/30/2020	\$12,331
6/30/2021	\$1,622

[Department Fund Condition Statements \(ca.gov\)](#)

California High Cost Fund-A (\$ in thousands)							
	FY2018-19		FY2019-20		FY2020-21		FY2021-22
Expense Items	Appropriation, as adjusted, in Enacted Budget ¹	Actuals ²	Appropriation, as adjusted, in Enacted Budget ³	Actuals ⁴	Appropriation, in Enacted Budget ⁵	Actuals ⁶	Appropriation, in Enacted Budget ⁷
State Operations	\$ 1,343	\$ 836	\$ 1,352	\$ 853	\$ 1,351	\$ 1,302	\$ 1,487
Local Assistance	\$ 47,913	\$ 35,163	\$ 42,913	\$ 35,130	\$ 42,913	\$ 35,130	\$ 47,913
TOTALS	\$ 49,256	\$ 35,999	\$ 44,265	\$ 35,983	\$ 44,264	\$ 35,983	\$ 49,451
1. http://www.ebudget.ca.gov/2019-20/pdf/Enacted/GovernorsBudget/8000/8660RWA.pdf							
2. http://www.ebudget.ca.gov/2020-21/pdf/GovernorsBudget/8000/8660RWA.pdf							
3. http://www.ebudget.ca.gov/2020-21/pdf/Enacted/GovernorsBudget/8000/8660RWA.pdf							
4. http://www.ebudget.ca.gov/2021-22/pdf/GovernorsBudget/8000/8660RWA.pdf							
5. http://www.ebudget.ca.gov/2021-22/pdf/Enacted/GovernorsBudget/8000/8660RWA.pdf							
6. http://www.ebudget.ca.gov/2021-22/pdf/GovernorsBudget/8000/8660RWA.pdf							
7. http://www.ebudget.ca.gov/2021-22/pdf/Enacted/GovernorsBudget/8000/8660RWA.pdf							

Fiscal Year-End Total Access Lines for Small ILECs Receiving Draws from CHCF-A	2020	2021
Calaveras Telephone Co.	2,618	3,422
Cal-Ore Telephone Co.	1,632	1,541
Ducor Telephone Co.	884	857
Foresthill Telephone Co.	1,763	1,801
Kerman Telephone Co.	2,868	3,138
Pinnacles Telephone Co.	207	216
The Ponderosa Telephone Co.	7,831	7,442
Sierra Telephone Co.	15,314	15,458
Siskiyou Telephone Co.	4,896	3,704
Volcano Telephone Co.	9,546	9,109
Total	47,559	46,688

Attachments

California High Cost Fund-A Administrative Committee
Meeting Minutes for Wednesday, September 16, 2020 at 1:30 pm

Venues:

As authorized by Governor Newsom's Executive Order, N-29-20, dated March 17, 2020, the meeting will be held via teleconferencing with members of the CHCF-A AC attending from separate remote locations. This altered format observes recent recommendations by local officials that certain precautions be taken, including social distancing, to address the threat of COVID-19.

Important Notice to the Public Regarding COVID-19:

Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID-19 virus, please note the following:

- There is no physical location of the meeting open to the public.
- The public is invited to call in and provide public comments during the meeting.

Telephone Conference Phone Bridge:

Access: 415-655-0002

Participant/Access Code: 146 303 4487

Attendees:

Present – Committee Members

- Stephen Kalish, Chair (Community Based Organization)
- Patrick Hoglund (CPUC, Public Advocates Office)
- David Clark (Sebastian)

Present – Others

- Eric Votaw (Ducor)
- William Charley (Cooper White Cooper)
- Matt Kingsley (Inyo County)
- Risa Hernandez (CPUC, Communications Division)
- Felix Robles (CPUC, Communications Division)
- Hannah Steiner (CPUC, Communications Division)
- Dorris Chow (CPUC, Communications Division)
- Nancy Lee (CPUC, Communications Division)
- Ashnita Lal (CPUC, Fiscal)

- Bixia Ye (CPUC, Public Advocates Office)

Minutes:

1. Introductions – Stephen Kalish, Chairperson
Attendees introduced themselves. A quorum was present, and the meeting commenced at 1:32 pm.
2. Announcements
An update on recent CA Wildfires were given by David Clark, Eric Votaw and Felix Robles.
3. Public Comments
There were no public comments.
4. Review and Approval of the May 19, 2020 Meeting Minutes
Stephen Kalish pointed out there were two minor typos on the May 19, 2020 Meeting Minutes. Stephen Kalish motioned to approve the minutes with the typos corrected. Mr. Clark seconded the motion and Patrick Hoggund concurred. The committee voted unanimously to approve the May 19, 2020 minutes.
5. Liaison Staff Reports:
 - a. Fiscal Report – Ashnita Lal
Ashnita Lal presented the fiscal report which also included information about the cash balance now compared to the previous two fiscal years.
 - b. Legal Report
Sindy Yun was unable to attend today's meeting, nothing to report.
 - c. Communications Division – Felix Robles
Stephen Kalish asked Felix Robles about the email that he received from Rob Osborn (CD Director) on submitting applications to the FCC for RDOF. Mr. Kalish requested that CD provide information at the next meeting about the deployment costs by census block if the RDOF auction has completed. Felix stated that our branch is not working on this issue, but we will follow-up with the CASF Section to possibly address at the next meeting, and Dorris Chow has been assigned to follow up on this matter.

Mr. Clark asked if companies report revenue directly to CPUC. Felix said yes but they only report intrastate revenue. Mr. Clark asked if there is a safe harbor for allocating wireless revenue to inter vs intra-state. Felix said that the FCC safe harbor is one of the options for allocating wireless revenue and that a traffic study is another option. Mr. Clark asked if the wireless providers tell the CPUC what methodology they are using. Felix said that they do not, but that this information is available via Data Request.

Felix reported that revenue base and surcharge remittances are declining primarily due to the FCC's determination that mobile data and SMS are interstate services and the continuing decline in the number of wireline subscriptions is also a factor. Landlines are subject to surcharge, and broadband service itself is not subject to surcharge. Mr. Clark asked if the CPUC would need to increase the surcharge rate. Felix said that staff cannot share any plans to increase the surcharge rate unless a draft resolution is published to that effect. The last time the remittance rate was increased was about 5 ½ years ago in January of 2015. Felix presented the Fiscal Year 19-20 Reported Annual Intrastate Revenue and historical reported intrastate revenue.

6. CHCF-A (R.11-11-007) Rulemaking Issues

Felix shared that the competition Decision (D. 20-08-011) was approved. In response to a question from Mr. Clark, Felix reported that we are hoping to get the broadband imputation decision out 6 months before the GRC filing deadlines, which would be late 1st quarter of 2021.

7. AC Membership

a. Revised nomination and approval process:

Since Sindy Yun was unable to attend today's meeting, Hannah Steiner presented the Telecommunications Public Purpose Program Administrative Committee vacancy nomination and confirmation guidelines and processes. The CHCFA-AC, CHCFB-AC, CTF-AC, and ULTSAC charters all have the same following provision regarding member vacancies:

3.6 Vacancies. The organizations or constituencies whose seat is vacated shall nominate individuals to fill that vacancy, and the selection and approval of the individual to fill that vacancy shall be made by the Commission's Executive Director. If the Committee is unable to identify a suitable candidate to fill the vacancy for any reason, the Commission or Executive Director may appoint a member of the class from which the vacancy occurs.

Based on Section 3.6 Vacancies provision, process for filling the CHCF-A, CHCF-B, CTF and LifeLine administrative committee member vacancies is as follows:

1. The Administrative Committee (AC) shall request the organization or the constituency whose seat is vacant to nominate an individual by submitting a letter of interest and resume to CD to present to the AC to fill the vacancy.
 2. At the AC meeting, the AC shall discuss and vote on the nomination.
 3. If the nomination is approved by a majority of the AC members, the AC Chairperson will prepare and submit a letter of nomination to the Executive Director (ED) for approval and appointment.
 4. Once the letter has been reviewed and approved by the ED, the ED will provide a letter of approval to the AC Chairperson.
- b. Community Based Organization (CBO) or Consumer Organization - nomination of Matt Kingsley as primary member:
Because of the revised nomination and approval process, Stephen Kalish would like to postpone on the voting of Matt Kingsley's nomination to allow time for other nominees to come forward. The committee agreed to delay a vote on Matt Kingsley's nomination to the next AC meeting.
- c. Public Advocates – nomination of alternate member:
Mr. Hoglund would like his management team to review the revised nomination and approval process guideline prior to submitting the documents for their nomination.
8. CHCF-A AC Annual report approval and submittal
Mr. Clark motioned to approve and submit the CHCF-A AC Annual report with the May 19, 2020 minutes corrected. Mr. Hoglund seconded the motion. The committee voted unanimously to approve and submit the CHCF-A AC Annual report.
9. New agenda items for next meeting
- Mr. Kalish requested data on cost per line for fiber deployment from RDOF
 - Discussion on infrastructure burn due to increased CA Wildfires
 - General summary of CHCF-A annual requests for 2021 and how the amount requested compares to last year's request
 - Move forward with AC membership nominations
 - Standard agenda items
10. Date and time for next meeting
The committee decided that the next meeting will be November 19, 2020 at 1:30pm.
11. Adjournment
The meeting was adjourned at 2:50pm.

California High Cost Fund-A Administrative Committee
Meeting Minutes *for Thursday, November 19, 2020 at 1:30 pm*

Venues:

As authorized by Governor Newsom's Executive Order, N-29-20, dated March 17, 2020, the meeting will be held via teleconferencing with members of the CHCF-A Administrative Committee (AC) attending from separate remote locations. This altered format observes recent recommendations by local officials that certain precautions be taken, including social distancing, to address the threat of COVID-19.

Important Notice to the Public Regarding COVID-19:

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- The public is invited to call in and provide public comments during the meeting.

Telephone Conference Phone Bridge:

Access: 415-655-0002

Participant/Access Code: 146 226 0501

Attendees:

Present – Committee Members

- Stephen Kalish, Chair (Community Based Organization)
- Patrick Hoglund (CPUC, Public Advocates Office)
- David Clark (Sebastian)

Present – Others

- Eric Votaw (Ducor)
- William Charley (Cooper White Cooper)
- Patrick Rosvall (Cooper White Cooper)
- Lalaine Semana (CPUC, Fiscal)
- Sindy Yun (CPUC, Legal)

- Felix Robles (CPUC, Communications Division)
- Hannah Steiner (CPUC, Communications Division)
- Dorris Chow (CPUC, Communications Division)
- Nancy Lee (CPUC, Communications Division)
- Bixia Ye (CPUC, Public Advocates Office)
- Matt Kingsley (Inyo County) (Joined WebEx meeting @1:55pm)

Minutes:

1. Introductions – Stephen Kalish, Chairperson

Stephen Kalish observed that a quorum was present. Due to audio issues, the meeting commenced at 1:37 pm.

2. Announcements

There were no announcements.

3. Public Comments

There were no public comments.

4. Review and Approval of the September 16, 2020 Meeting Minutes

The meeting minutes remained unchanged. David Clark made a motion to approve and adopt the meeting minutes. Patrick Hoglund seconded the motion. The committee voted unanimously to approve the September 16, 2020 minutes.

5. Liaison Staff Reports:

a. Fiscal Report

Lalaine Semana presented the fiscal report which also included information about the cash balance now compared to the previous three fiscal years. Felix Robles stated revenue is expected to increase beginning with December 2020 reporting due to Resolution T-17705, adopted 10/22/2020 to increase the CHCF-A remittance rate from 0.35% to 0.70% to compensate for the substantial decrease in reported intrastate revenue.

b. Legal Report

Sindy Yun stated that there was nothing specific from Legal Division to report.

c. Communications Division

CY 2021 CHCF-A Support Requests – Hannah Steiner presented a report that showed the amount of support each Small Local Exchange Carrier (Small LEC) requested in their calendar year (CY) 2021 filing compared to the previous two years. The total support requested for CY 2021 was comparable to the previous two years. The report also showed the amount that was requested vs. the amount that the Commission adopted for 2020. Stephen Kalish asked why the adopted support for 2020 was higher than the requested support. Hannah Steiner explained that the only variable that would result in the Commission increasing the requested support is due to adjustments in the amount of FCC Universal Service Fund (USF) support that a Small LEC receives. CD receives updates to the projected USF High Cost Loop Support (HCLS) directly from the National Carrier Exchange Association (NECA) after the Small LECs submit their adjustment requests. If FCC support is decreased, it results in an increase to CHCF-A support.

6. CHCF-A (R.11-11-007) Rulemaking Issues – Questions, Comments

Stephen Kalish asked if we are still on track for a broadband revenue imputation decision. Felix Robles stated yes, we are still on schedule for a decision by April 2021, which is six months before the next General Rate Case (GRC) filing deadline.

Stephen Kalish also noted that in the last paragraph from the most recently issued Decision denying rehearing in R1111007, that it was made explicit that whether or not issues were consistent with the statutory requirements, that they were fair game for discussion.

Patrick Rosvall stated in a different decision relating to a petition to modify a couple years ago, there seems to be a discussion to potentially streamline the rate case process. Do we have any information or a schedule for that? Cindy Yun stated we do not have any information to share at this time.

7. AC Membership

a. Community Based Organization (CBO) or Consumer Organization - nomination of Matt Kingsley as primary member:

Stephen Kalish commented that he continues to believe that Rural County Representatives of California (RCRC) is not an appropriate organization to qualify as a CBO. Patrick Hoglund and David Clark had no comments. Patrick Rosvall disagreed; stating that RCRC meets the definition of the Charter and qualifies as a CBO or a regional organization.

Matt Kingsley gave a brief introduction of his role as a representative of RCRC.

David Clark motioned to approve Kingsley's nomination and Patrick Hoglund seconded. A vote was taken by the committee to approve the nomination: Stephen Kalish abstained, and Patrick Hoglund and David Clark voted yes.

The nomination was approved by a majority of the AC members. As AC Chair, Stephen Kalish will prepare and submit Kingsley's letter of nomination to the Executive Director for approval and appointment.

Prior to the next AC Meeting, CD staff (Felix Robles, Hannah Steiner, Dorris Chow) will conduct a CHCF-A/AC orientation appointment with Matt Kingsley. Stephen Kalish will also offer a separate discussion with Kingsley to share his perspective prior to Matt coming on board.

b. Public Advocates Office – nomination of alternate member:

Patrick Hoglund stated that Public Advocates Office proposes no formal nomination at this point. The issue is on hold until the Public Advocates Office resolves its understanding of the updated nomination process with the Executive Director.

8. RDOF Deployment Costs

In the September 16, 2020 AC meeting Stephen Kalish requested data on the cost per line for fiber deployment from RDOF. Dorris Chow stated she reached out to CD's CASF Section and found that under the rules of RDOF, there is not a "per line" cost for allocation of funding in California. Additionally, the RDOF auction is ongoing and therefore information about the funding awards has not been released.

Stephen Kalish also had a follow-up question regarding deployment costs by census block and some additional questions about federal funding being provided to Small LECs in California. To better understand Kalish's questions, Cindy Yun requested that Kalish email his questions to staff and they will attempt to answer them in our next AC meeting. We will include this item as an agenda item for our next AC meeting.

9. Infrastructure Destroyed by Wildfires and Impact on CHCF-A

Patrick Rosvall gave an overview of the September wildfires and the impact and restoration effort by the two carriers (Ponderosa and Siskiyou) that were affected the most.

Ponderosa – approximately 1,000 structures were destroyed, and 26,000 access lines were lost because of the Creek Fire. Some areas took two to three weeks to restore because the areas were not accessible due to the ongoing fires. Fortunately, there were few people in the

affected area at that time due to evacuation efforts. Rosvall stated there is no immediate impact on the CHCF-A Fund associated with claims; Ponderosa will restore affected areas with their own funds for now. The typical process is that Ponderosa would, in its next rate case, seek any recovery cost.

Siskiyou – The Slater Fire destroyed 150 homes, and at one-point Siskiyou estimated that 500 access lines were at risk. Siskiyou restored service in the affected areas almost immediately. Infrastructure held up well and fortunately the fire advanced in the opposite direction away from the tribal area. Rosvall stated that Siskiyou's impact was much smaller than Ponderosa's, and that there appears to be no significant impact on the CHCF-A Fund. Siskiyou is scheduled to file a GRC in October for Test Year 2023.

Felix Robles commented that the recovery cost and how much it will affect the A Fund will also be based on whether or not the carriers file for a Catastrophic Event Memorandum Account (CEMA) and the recovery cost covered by the carrier's insurance policy.

10. New agenda items for next meeting

- Stephen Kalish will coordinate next meeting's agenda items with Hannah Steiner
- Update on Public Advocates Office's AC membership nomination
- Standard agenda items

11. Date and time for next meeting

The next meeting will be Wednesday February 10, 2021 at 1:30pm.

12. Adjournment

The meeting was adjourned at 2:58 pm.

California High Cost Fund-A Administrative Committee
Meeting Minutes for Wednesday, February 10, 2021 at 1:30 pm

Venues:

As authorized by Governor Newsom's Executive Order, N-29-20, dated March 17, 2020, the meeting will be held via teleconferencing with members of the CHCF-A Administrative Committee (AC) attending from separate remote locations. This altered format observes recent recommendations by local officials that certain precautions be taken, including social distancing, to address the threat of COVID-19.

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Telephone Conference Phone Bridge:

Access: 415-655-0002

Participant/Access Code: 146 635 2867

Attendees:

Present – Committee Members

- Matt Kingsley, (Inyo County)
- Patrick Hogle (CPUC, Public Advocates Office)
- David Clark (Sebastian)

Present – Others

- Stephen Kalish, Alternate Committee Member (Community Based Organization)
- Eric Votaw, Alternate Committee Member (Ducor)
- William Charley (Cooper White Cooper)
- Patrick Rosvall (Cooper White Cooper)
- Paul Smith (*Rural County Representatives of California*)

- Lalaine Semana (CPUC, Fiscal)
- Ashnita Lal (CPUC, Fiscal)
- Sindy Yun (CPUC, Legal)
- Felix Robles (CPUC, Communications Division)
- Hannah Steiner (CPUC, Communications Division)
- Nancy Lee (CPUC, Communications Division)
- KieuChinh Tran (CPUC, Public Advocates Office)
- Bixia Ye (CPUC, Public Advocates Office)
- Justin Fong (CPUC, Commissioner's Office)

Minutes:

1. Introductions – Patrick Hoglund, Primary Member

Patrick Hoglund observed that a quorum was present, the meeting commenced at 1:33 pm.

2. Announcements

There were no announcements.

3. Public Comments

Stephen Kalish requested information regarding the FCC's Emergency Broadband Program (EBB Program)¹. Stephen Kalish stated that the program offers broadband subsidies to eligible households during the COVID-19 pandemic. Stephen Kalish would like to know how many households applied for the program and how many households benefited from it. Patrick Rosvall will need time to research and gather the requested information and will provide an update at the next AC meeting.

4. Review and Approval of the November 19, 2020 Meeting Minutes

The meeting minutes remained unchanged. David Clark made a motion to approve and adopt the minutes. Patrick Hoglund seconded the motion. The committee voted unanimously to approve the November 19, 2020 minutes. Nancy Lee will post the adopted minutes on the CHCF-A AC webpage.

5. Liaison Staff Reports:

d. Fiscal Report

Lalaine Semana presented the fiscal report.

e. Legal Report

¹ Stephen referred to this program as part of the CARES Act.

Sindy Yun reminded committee members to complete the annual Conflict of Interest Form 700 if they have not already done so. The due date is April 1, 2021.

f. **Communications Division**

Felix Robles stated that the Commission adopted Resolution T-17710 on January 14, 2021 for \$35.165 million in CY 2021 CHCF-A support. The Resolution adopted monthly payments for the 10 Small Local Exchange Carriers (Small LECs) compared to last year's Resolution providing \$36.191 million in support. In October 2020, we also adopted Resolution T-17705 to increase the CHCF-A remittance rate from 0.35% to 0.70%, to compensate for the substantial decrease in reported intrastate revenue and resulting surcharge collections. This increase became effective December 1, 2020.

6. CHCF-A (R.11-11-007) Rulemaking Issues – Questions, Comments

Sindy Yun stated that because this is an active proceeding and the AC members are all parties to the proceeding, we can only discuss the proceeding procedurally but nothing subjective. David Clark asked if we are still on schedule to have the draft decision out by the end of March. Sindy Yun stated generally we try to keep that timetable but ultimately it is up to the judges because they are the author of the proposed decision. Staff is doing their best to meet this timeline and issue a PD in the Spring. Patrick Rosvall asked besides the current two Straw Proposals, will there be more Straw Proposals? Sindy Yun stated we do not have any plans to issue more Straw Proposals at this time. The purpose of the Straw Proposal is to get more information so that we can have decisions that are thorough. Patrick Hoglund asked the Small LECs when will the cost of capital proceeding be filed? Patrick Rosvall stated his understanding of the rule is they are not required to file cost of capital applications; they have no intent to file any time soon but will decide after the Phase 2 changes are adopted.

7. AC Membership

- a. **Public Advocates – nomination of alternate member:** Patrick Hoglund stated there is no change at this time, they have not moved forward with a formal nomination as they are still evaluating views on processes and roles. Nothing new to update at this time.
- b. **Election of new Chair and Vice Chair:** For the CHCF-A AC Chairperson, David Clark nominated Patrick Hoglund and Matt Kingsley seconded the motion. Patrick Hoglund accepted the nomination. The committee voted unanimously to approve the nomination of Patrick Hoglund for the Chair. For the Vice Chair, Patrick Hoglund nominated David Clark and Matt Kingsley seconded the motion. David Clark accepted the nomination. The committee voted unanimously to approve the nomination of David Clark for Vice Chair. It was also noted that Matt Kingsley's nomination and appointment as primary member has been officially approved by the Executive Director's Office.

8. New agenda items for next meeting

- Review upcoming annual budget proposal
- Possibility of Phase III in the proceeding to address the Rate Case Plan
- Update on the FCC's Emergency Broadband Benefit Program and CARES Act funding by Patrick Rosvall
- Standard agenda items

9. Date and time for next meeting

The next meeting will be Wednesday May 12, 2021, time to be determined but morning preferred.

10. Adjournment

The meeting was adjourned at 2:11 pm.

California High Cost Fund-A Administrative Committee
Meeting Minutes for Wednesday, May 12, 2021 at 10:00 am

Venues:

As authorized by Governor Newsom's Executive Order, N-29-20, dated March 17, 2020, the meeting will be held via teleconferencing with members of the CHCF-A Administrative Committee (AC) attending from separate remote locations. This altered format observes recent recommendations by local officials that certain precautions be taken, including social distancing, to address the threat of COVID-19.

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Telephone Conference Phone Bridge:

Access: 415-655-0002

Participant/Access Code: 187 290 5296

Attendees:

Present – Committee Members

- Matt Kingsley, (Rural County Representatives of California)
- Patrick Hoglund (CPUC, Public Advocates Office)
- David Clark (Sebastian)

Present – Others

- Stephen Kalish, Alternate Committee Member (Community Based Organization)
- Sarah Banola (BRB Law)
- Tracy Rhine (*Rural County Representatives of California*)
- Lalaine Semana (CPUC, Fiscal)
- Sindy Yun (CPUC, Legal)
- Felix Robles (CPUC, Communications Division)
- Dorris Chow (CPUC, Communications Division)

- Hannah Steiner (CPUC, Communications Division)
- Nancy Lee (CPUC, Communications Division)

Minutes:

1. Introductions – Patrick Hoglund, Chairperson

Attendees introduced themselves. Patrick Hoglund observed that a quorum was present, the meeting commenced at 10:05 am.

2. Announcements

There were no announcements.

3. Public Comments - none

4. Review and Approval of the February 10, 2021 Meeting Minutes

The meeting minutes remained unchanged. Matt Kingsley made a motion to approve and adopt the minutes. David Clark seconded the motion. The committee voted unanimously to approve the February 10, 2021 minutes. Nancy Lee will post the adopted minutes on the CHCF-A AC webpage.

5. Liaison Staff Reports:

g. Fiscal Report

Lalaine Semana presented the fiscal report.

h. Legal Report

Sindy Yun stated there are no new legislations. R.11-11-007 is underway and will let staff provide the status report on that proceeding. Nothing else to report.

i. Communications Division

See item #6

6. CHCF-A (R.11-11-007) Rulemaking Issues – Questions, Comments

Felix Robles reported that on 4/29/2021 CPUC issued a draft decision in Phase II of the R.11-11-007 proceeding that would adopt a \$30-\$40 range for Small ILECs' all-inclusive basic residential monthly service rate as just and reasonable. It would also adopt standards requiring all Small ILECs for the reporting and treatment of regulated and non-regulated miscellaneous revenues from licensing and leasing in their GRC applications. The PD reaffirmed the previously

adopted FCC corporate expense cap. The PD also directed the Small ILECs to participate in the FCC's Emergency Broadband Benefit (EBB) program and provide data to the Communications Division staff for the duration of the program as a condition of receiving CHCF-A support. This draft decision is tentatively scheduled for Commission vote on 6/3/2021. (Note: Decision 21-06-004, approved on 6/3/2021, was modified to strongly encourage rather than direct the Small ILECs to participate in the EBB program.)

David Clark asked a clarifying question regarding how to apply adjustments to the rate base amount from the latest NECA cost study for each GRC Test Year (R.11-11-007 Draft Decision, page 31). Felix Robles' interpretation is we're using the latest NECA's cost study produced by the carrier to implement the intra vs. interstate allocations. If there is an addition to plant investment or other investments, staff will review it at the time. Dorris Chow stated we will use the same percentage between the intra and interstate allocations that the carrier provided in their NECA study for the GRC proceeding. If the carrier happens to have a new plant investment that wasn't in the NECA study because the NECA's study base rate figures are at least two years behind a test year, then the carrier can provide that information at that time. But the carrier will need to provide justification.

Hannah Steiner stated we've checked with the ALJs and there will not be a Phase III in the proceeding for the rate case plan. Sindy Yun stated the Commission is planning to address it in Phase II.

7. FY 2022-23 Budget Proposal (Due June 1)

Hannah Steiner presented the budget spreadsheet and explained the projections and proposed appropriation for FY 2022-23. Hannah recommended that the CHCF-A local assistance and state operations appropriations for FY 2022-23 remain the same for FY 2021-22. The proposed appropriation is higher than projected expenditures.

David Clark motioned to approve the proposed budget of \$49.399 million for FY 2022-23. Matt Kingsley seconded the motion. The committee voted unanimously to approve the proposed budget. Sindy Yun made a correction that Dave Clark is not permitted to vote because he represents a company receiving funds from CHCF-A. CD's proposed budget was adopted by the committee reflecting Patrick Hoggund's and Matt Kingsley's votes, Dave Clark abstained.

8. Emergency Broadband Benefit Program and CARES Act funding

Sarah Banola stated most Small ILECs are participating in the FCC's EBB Program. The program provides a discount of up to \$50 per month for broadband services for eligible households, up to \$75 per month for households on tribal lands, and a one-time discount of up to \$100 per device.

David Clark commented as a provider they've been trying to implement this program in their service territories, and it has been fairly onerous. This has to go through the National Verifier, a whole new system for providers to learn. The program is supposed to go live today but they are still having a lot of trouble trying to access their new study area codes and enroll customers. They are still locked out of the program and have been trying to get help, but it's been problematic.

9. AC Membership

Public Advocates – nomination of alternate member: Patrick Hoggund stated there is no change at this time, they have not moved forward with a formal nomination. Nothing new to update at this time.

10. New agenda items for next meeting

- (R.11-11-007) - Additional clarifying questions after proposed decision have been approved
- Update on the FCC's Emergency Broadband Benefit Program by Sarah Banola and the Small ILECs
- FY 20/21 Annual report approval and submittal
 - o Patrick Hoggund will draft the Annual Report and present it for review and approval at the next meeting.
- Standard agenda items

11. Date and time for next meeting

The next meeting will be Wednesday August 25, 2021 at 10:00 am.

12. Adjournment

The meeting was adjourned at 10:46 am.