

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:

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: 146 226 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? Sindy 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, Sindy 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.