Minutes of CHCF-B Administrative Committee (AC) Meeting
June 9, 2016 @ 10:30 am

ADOPTED

Venue
California Public Utilities Commission
505 Van Ness Ave., Room 3204
San Francisco, CA 94102

Attendees
Primary Members
Charlotte Chitadje, Chairman
Michael Foreman, AT&T
Charlie Born, Frontier

Liaisons
Richard Maniscalco, CPUC – Communications Division
Sindy Yun, CPUC – Legal Division

Others
Felix Robles, CPUC – Communications Division
Miriam Sidney, CPUC – Communications Division

The meeting was called to order at 10:35 am by Charlotte Chitadje

1. Introductions
All attendees introduced themselves.

2. Announcements – None.

3. Public Comments – None.

4. Review and Approval of Minutes
The draft minutes from the February 10, 2016 meeting were reviewed. Charlotte, Mike and Charlie voted to approve the minutes.

5. Liaison Staff Reports

a. Fiscal Report
Since Fiscal's Michelle Morales was not in attendance, Richard Maniscalco spoke about the 4th Quarter B Fund Statement of Operations report that Michelle had provided him several days prior to the meeting. Richard informed the committee that he had sent Michelle an email asking for what was the encumbrance amount of <$167,150.04> on line 18 of the

report. Richard also brought to the attention of the committee the fact that two AT&T claims from October 2015 appeared on the second page of the report. Richard explained that the claims amount of $916,811.62 was in error and AT&T had sent back the payment check in that amount. Fiscal sent the check to the State Controller's Office so that the amount could be put back into the B Fund account. The second amount for October 2015 claim amount was for $857,282.94. This was the correct figure and a check for this amount was sent to AT&T.

b. Legal report – Sindy Yun reported that AB-2395 had died in the legislature. This bill would have established a process for a telephone corporation to withdraw legacy public switched telephone network services and transition to Internet Protocol (IP) enabled services and networks, beginning January 1, 2020. SB-1122 was brought up and it was noted that it was still making its way through the Legislature. This bill would require the California Public Utilities Commission (CPUC) to make a final decision in a general rate case (GRC) of a small independent telephone company no later than 390 days following the company's filing.

c. Communications Division report

Charlie Born asked Richard to refresh his memory about CD's discovery of overpayments to Verizon from August 2014, which was caused by Verizon's submission of incorrect B Fund claims. The claims contained incorrect CBG coding which put the Verizon customer into the wrong high-cost CBG. The aggregate effect was to erroneously increase Verizon payments during this period to approximately $179,000.

Richard next reported that Cox had submitted advice letter #1442 requesting to opt out of its COLR obligations. Cox is a B Fund carrier which operated in high cost CBGs in Orange and San Diego Counties. Cox stated it would still provide service to its customers. Richard further noted that Commission decisions and general orders said a COLR could opt out of being a COLR by filing an advice letter provided that there was another COLR that operated in the same service territory. Since AT&T operates in these same CBGs, Cox could use the advice letter process to opt out of being a COLR. However since it was not clear what tier advice letter should be used and to ensure proper notice would be given to parties to comment, a legal opinion from Sindy Yun recommended that a resolution be drafter to bring this matter before the Commission. Richard stated that he had drafted resolution T-17526 for this advice letter and given it to Felix Robles for his review. Felix mentioned that this resolution most probably would be on the Commission's August 18, 2016 agenda.

Finally, Richard talked about a draft spreadsheet document that he had handed to the attendees which showed the expenditure categories for the fiscal year 2017-18 budget. Local Operations (claims) were $19.12

million; State Operations were $1.6 million; Fi$Cal was $24,000; and State Controller's Office was $237. The committee did not vote on this draft budget as industry members Mike Foreman and Charlie Born had to recuse themselves.

6. Other Administration Matters – Richard asked Charlie Born to speak about Frontier's transition in acquiring Verizon's landline business. Charlie briefly explained the challenges that Frontier faced after the acquisition of Verizon's landlines took place. He explained that this mostly affected the FIOS customers and mostly in coastal areas especially in Long Beach. He stated that the Commission was still reviewing this transition and that more information could be obtained from the hearing transcripts, from the call completion proceeding, from June 1, 2016.

7. New agenda items for next meeting – Richard stated that he planned to report on the adopted B Fund Expense Budget Resolution at the next meeting.

8. Date and Time for future meeting:
The next meeting will be held on Thursday, October 20, 2016, from 10:30 am to 12:00 pm.

Charlotte Chitadje motioned to adjourn the meeting and Michael Foreman seconded the motion.

The meeting was adjourned at 11:11 am.

Minutes were submitted by Richard Maniscalco