

APPENDIX C

**ADOPTED CHARTER OF THE
ULTS TRUST ADMINISTRATIVE COMMITTEE**

CHARTER

of the

UNIVERSAL LIFELINE TELEPHONE SERVICE
TRUST ADMINISTRATIVE COMMITTEE

I. NAME

The name of the committee shall be the Universal Lifeline Telephone Service Trust Administrative Committee (“the Committee”).

II. PURPOSE

The Committee’s purpose is to function, in connection with the Moore Universal Telephone Service Act, as an administrative committee under the supervision and control of the California Public Utilities Commission (“the Commission”), pursuant to Decision No. 87-10-088 of the Commission, and pursuant to the Universal Lifeline Telephone Services Trust Agreement, dated February 1, 1988, as it may be amended and restated from time to time (“the ULTS Trust” or “the Trust”).

III. MEMBERSHIP

A. Members. The Committee shall be comprised of five members: the Directors of the Commission’s Consumer Services Division, the Office of Ratepayer Advocates, and the Legal Division, or their designees; one member chosen from the five largest local exchange companies; one member chosen from the small exchange companies; one member chosen from the inter-exchange companies; and two members chosen from consumer organizations and/or other State agencies.

B. Selection. Members shall be nominated by the organizations or constituencies they are to represent. Selection and approval of members shall be by the Commission’s Executive Director, in accordance with procedures adopted by the Commission.

C. Terms of Appointments. A member shall hold office until a successor has been appointed and has assumed office.

D. Removal. Any member of the Committee may be removed at any time by the Commission or the Executive Director, for cause shown, in accordance with procedures adopted by the Commission. A majority of Committee members may recommend removal of a member upon demonstration of reasonable cause; provided, however, that reasonable cause may not include any policy position taken by a Committee member. The Commission or the Executive Director must approve the Committee’s recommendation to remove any Committee member.

E. 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 may appoint a member of the class from which the vacancy occurs.

F. Indemnification. Members of the Committee who are not staff members of the CPUC or other state agencies staff are uncompensated servants of the State of California within the meaning of Section 810.2 of the Government Code. Accordingly, the State will indemnify Committee members as it indemnifies its compensated employees and will provide them with representation for their acts done within the course and scope of the services they perform for the Committee, pursuant to Government Code Sections 825-825.6 and 995- 996.6. The Committee budget may be used to purchase errors and omissions (E&O) or similar insurance to indemnify the Committee members for acts done within the course and scope of services performed for the Committee, to the extent that such activities are held not to be indemnified by the State under Government Code Sections 810.2, 825- 825.6 and/or 995-996.6.

G. Expenses. Members of the Committee shall be entitled to reimbursement of reasonable expenses incurred in connection with their service on the Committee and may be entitled to per diem allowances as determined by the CPUC. Pursuant to D.97-12-105, Ordering Paragraph 51, qualifying members of the ULTS Trust Administrative Committee shall receive a per diem of \$300 for each day of meetings and \$200 if the meeting lasts less than approximately 2 hours. There shall be no per diem for preparation work; and there shall be no per diem or expense reimbursement related to meetings of any subcommittees of the ULTS Trust Administrative Committee. The ULTS Trust Administrative Committee shall not provide per diem or expense reimbursement to board members who are employees ~~of utilities or~~ of California State Governmental Agencies. For each ULTS Trust Administrative Committee member who is an employee of a non state governmental agency, trade association or consumer group, payments for per diem and expense reimbursement related to the member's participation in the ULTS Trust Administrative Committee shall go to the member's employer unless the member can show justification for receiving these monies directly. ULTS Trust Administrative Committee members shall not be eligible to receive intervenor compensation pursuant to PU code Section 1801 et seq., for their work related to the Committee. The payment of expense reimbursement to members of the Committee shall comply with the standards set forth in Commission Resolution F-621, dated November 9, 1988, and in D.97-12-105. Claims for per diem and expense reimbursement shall be approved by a program manager or equivalent level in the Commission's Telecommunications Division. The ULTS Trust Administrative Committee shall take the necessary steps to make the actual payments for per diem or expense reimbursement using monies from the ULTS Trust.

IV. DUTIES AND RESPONSIBILITIES

The Committee shall have the following duties and responsibilities. While in the performance of these duties and responsibilities, the Committee members are at all times subject to the direction, control and approval of the Commission. The Commission has all policy and

program decisionmaking authority. The Committee shall act in an advisory capacity to the Commission.

1. With respect to the receipt of surcharges from telephone companies: (a) maintain records, on a monthly basis, of the amount of surcharges transmitted by telephone companies; (b) notify the Commission of any company which is delinquent. All other duties in connection with the receipt of surcharges are the responsibility of the staff of the Commission.
2. With respect to the payment of claims submitted by telephone companies: (a) pay company claims which are approved by the Commission staff; (b) approve and pay administrative expenses of the Committee; (c) provide monthly receipts and expenditures reports to the Commission. All other duties in connection with the approval and payment of claims are the responsibility of the staff of the Commission.
3. Subject to direction by the Commission and in consultation with the Trustee, the Committee shall determine an investment policy for the assets of the Trust, taking into account the Trust's short-term and long-term financial needs, select an investment advisor, and review the investment performance of the Trust.
4. Recommend surcharge rate changes to the Commission.
5. Investigate and evaluate policy and operational issues pertaining to the Committee's administration of the Moore Universal Telephone Service Act.
6. Initiate recommendations to the Commission for changes in the administration of the Moore Universal Telephone Service Act.
7. Shall not make decisions with respect to ULTS program changes without Commission approval. May make decisions with respect to the Committee's administrative function that do not have significant policy or budgetary implications unless the majority of the Committee decides to refer such proposed changes to the Commission for decision. The Committee shall maintain a record of any administrative changes that it initiates, and it shall notify the Commission's Executive Director of such changes.
8. Perform the functions set forth in the Universal Lifeline Telephone Service Trust Agreement.
9. The ULTS Trust Administrative Committee shall comply with the State's contracting and procurement rules, and keep records sufficient to demonstrate its compliance with these rules.
10. Prepare and submit to the Commission an annual budget for the Committee; during the time that the Commission is considering approval of the proposed budget, the Committee shall act in accordance with its existing budget as though it had been extended for another year. Prepare and submit supplemental budget requests to the Commission if such requests are necessary adequately to fulfill the duties of the Committee.

11. To the extent not performed by other State agencies or bodies, obtain an annual audit of the ULTS Trust Fund by a firm of independent certified public accounts. The audit should include an examination of the veracity and accuracy of claims for per diem and expense reimbursement by ULTSMB members.

12. File an annual report with the Commission.

13. The ULTS Trust Administrative Committee shall take the steps necessary to use monies held by the ULTS Trust to make the payments required by the contracts entered into by the ULTSMB. To initiate a payment by the ULTS Trust Administrative Committee, the ULTSMB shall provide the ULTS Trust Committee with payment vouchers that contain sufficient information for the ULTS Trust Administrative Committee to make the payment. All payment vouchers shall be signed by a majority of the ULTSMB's members. The ULTS Trust Administrative Committee shall keep a record of all its payments made pursuant to the vouchers.

14. Perform such other duties as may from time to time be imposed on it by the Commission in connection with the administration of the Moore Universal Telephone Service Act.

While the Committee shall have the power and authority to carry out the foregoing duties, it shall not have the authority to direct utilities to act or refrain from acting. Such authority shall remain solely with the Commission.

V. CONFLICT OF INTEREST RULES

Conflict of Interest Rules. Until affirmed as the final rules or modified by CPUC order, the Committee shall comply with the Fair Political Practices Commission Conflict of Interest Code, 2 Cal. Code of Regulations, Section 18730. For purposes of applying these rules, all voting members of the Committee shall be defined as "designated employees" required to disclose the following "economic interests":

Any investment or business position in, or income from, any of the following:

1. An entity seeking to provide any product or service related to the Committee's function or that has plans to come before the Committee to seek funds from the monies under the control of this group.
2. A parent or a subsidiary of an entity described in subsection (1).

VI. MEETINGS

A. General. The Committee shall act only in the course of a duly noticed meeting. The Committee shall meet monthly. Notification of the date, place, and time of each meeting shall be given to each member and shall be published as required by the Bagley-Keene Open Meeting Act and in the Commission's Daily Calendar at least ten (10) calendar days in

advance of the meeting. Unless another location is stated in the notice, meetings shall be at the Public Utilities Commission Building in San Francisco. Notice will include the name, address, and telephone number of a person who can provide additional information prior to the meeting, as well as a brief, general description of the business to be transacted by the Committee. No item will be added to the agenda after notice is published. The notice will highlight important pending decisions, including those to be sent to the Commission for approval.

B. Open Meetings. All meetings shall be open to the public and shall be held in accordance with the provisions of the Bagley-Keene Open Meeting Act in Government Code Sections 11120 et seq. A copy of that Act shall be given to every existing and new member of this Committee.

C. Quorum and Teleconferencing. A majority of the members of the Committee in office shall constitute a quorum for the transaction of business. The members may be present in person or by conference telephone to the extent consistent with state law regarding open meetings, so long as the place of the meeting is open to attendance by the public and so long as the following requirements are met in a way that is consistent with Government Code Section 11123:

- (a) All meetings of a state body shall be open and public and all persons shall be permitted to attend any meeting of a state body except as otherwise provided in this article.
- (b)(1) Nothing in Chapter 1, Article 9 of the Government Code shall be construed to prohibit a state body from holding an open or closed meeting by teleconference if the convening at one location of a quorum of the state body is difficult or impossible, subject to all of the following:
 - (A) The teleconferencing meeting shall comply with all requirements of this article applicable to other meetings.
 - (B) The portion of the teleconferenced meeting that is required to be open to the public shall be audible to the public at the location specified in the notice of the meeting.
 - (C) Each teleconference location shall be identified in the notice of the meeting and shall be accessible to the public.
 - (D) All votes taken during a teleconferenced meeting shall be by rollcall.
 - (E) The portion of the teleconferenced meeting that is closed to the public may not include the consideration of any agenda item being heard pursuant to Section 11125.5 of the Government Code.
 - (F) At least one member of the state body shall be physically present at the location specified in the notice of the meeting.

D. Public Participation. The Committee will provide an opportunity for members of the public to address the Committee directly on each agenda item before or during the Committee's discussion or consideration of the item. The Committee will provide a sign-up sheet for members of the public who wish to address the Committee. Copies of the Committee's public documents that are subject to the Public Records Act may be requested from the Committee. The sign-up sheet will be available prior to the commencement of the public meeting and will provide space for the name of the member of the public wishing to address the Committee, whom the individual represents, and the agenda item to be addressed. The Committee shall make its best efforts to recognize the public members during the appropriate comment periods at each meeting, consistent with the Committee's obligation to conduct business in an orderly manner.

VII. OFFICERS

A. Two Officers. The Committee shall have two officers, a Chairperson and a Vice-Chairperson, who shall be elected by the members. The officers shall be elected to serve a term of one year, and they may be re-elected. An officer shall continue to hold office until a successor has been elected and assumed office.

B. Duties. The Chairperson shall be the executive officer of the Committee and shall have the general supervision and direction of the affairs of the Committee. The Chairperson shall preside at all meetings of the Committee. In the absence of the Chairperson, the Vice-Chairperson shall perform the duties of that office. The officers shall perform such other duties as from time to time may be prescribed by the Committee.

VIII. RECORDS

The Committee will record and prepare written minutes of Committee meetings. A tape recording of the meetings may be made. The member assigned to the task of preparing the written minutes will submit them to the Committee at its next meeting for review and approval. Written minutes will: (a) identify the date, time, and place of the meeting; (b) identify the Committee members in attendance, and (c) contain a summary of Committee actions and consensus agreements. Copies of minutes shall be provided to the CPUC or any interested party upon request. The Committee will maintain records of all decisions made by the Committee, all contracts entered into by the Committee, and all per diem and expenses paid out by the program funds to Committee members.

IX. COMMITTEE DECISIONS

Each voting member present shall have one vote. Decisions shall be made by majority vote of those voting members present as long as a quorum is present at the time of the vote.

X. PROHIBITION ON PROXIES

Only individuals appointed as members may serve as members of the Committee. No alternate, substitute or proxy representation of Committee members may occur.

XI. EFFECTIVE DATE AND AMENDMENTS

This Charter was approved by the Commission in its final decision issued in Rulemaking 98-09-005. This charter shall become effective on the date it is executed by the members of the Committee.

This Charter may be amended by vote of the majority of the members of the Committee, but no amendment shall be effective until approved by the Commission.

This Charter is executed on _____, 2000.

Member

Member

Member

Member

Member

(END OF APPENDIX C)