

ADOPTED

Minutes of CHCF-B Administrative Committee (AC) Meeting January 14, 2015 @ 10:30 am

Venue

California Public Utilities Commission
505 Van Ness Ave., Room 3212
San Francisco, CA 94102

Attendees

Primary Members

Robert Lehman, Chairman
Michael Foreman, AT&T
Margo Ormiston, Verizon (Alternate for Charlie Born, Frontier)
Judith Walters (by phone; non-voting status)

Liaisons

Richard Maniscalco, CPUC – Communications Division
Natalya Besarabova, CPUC - Fiscal Office
Sindy Yun, CPUC – Legal Division

Others

Felix Robles, CPUC - Communications Division

The meeting was called to order at 10:37 am by Robert Lehman

1. Introductions

All attendees introduced themselves.

2. Announcements – None

3. Public Comments – None.

4. Review and Approval of Minutes

The draft minutes from the November 19, 2014 meeting were reviewed and approved by all committee members.

5. Liaison Staff Reports

a. Fiscal Report

Natalya Besarabova distributed the Statement of Operations for the Third Quarter of FY 2014-15. Natalya explained that she was given short notice to prepare this report as Michelle was still on leave and not expected back until May 1, 2015. The report showed that the Surcharge remittance amount for the 3rd quarter was a negative <\$6,740.34>. Questions from several attendees arose because the B Fund surcharge rate was 0.00% and

if anything, it should be lower positive amount. Felix Robles (supervisor of the surcharge collection unit) indicated that a refund had been given to a carrier and he would look to see what the amount of the refund was. Robert was concerned that customers might be due a refund if telephone carriers were still collecting a B Fund surcharge from them.

The next item discussed on the report was under Additions line 9 (Carrier Claim payments for 2014-15 FY) which was \$1,425,028 and the claims paid from prior years was \$7,308.03. Richard Maniscalco said that this figure seemed wrong because by the 3rd quarter all the prior year claims had already been paid. Michael Foreman noticed that this same amount of \$7,308.03 was listed on Deductions line 6 under the 2nd quarter column listed as “Reverted Year (pre-2012) Carrier Claim Refunds. Richard said that he had not paid any claim from year 2012 in the 3rd quarter. Natalya said she would check these two items further.

Richard asked if Fiscal could notify him when the claim he submitted to them were approved and when payments were expected to be sent out. Natalya said that Fiscal is very short staffed and current staff were interviewing for outside jobs. She said that one of the reports that Anne Zimmerman sends out each month should list the claims that were paid in that particular month. Natalya offered to show Richard how to interpret those reports. Richard said he would try to find that info on the reports and would contact Natalya if he had any problems.

Natalya said that Deductions line 22 on the report (CPUC Staff and Admin. Costs) for 3rd quarter seemed low. She indicated she would have to research further and get back to us.

The report also showed that a \$10 million loan for the Railroad Accident Prevention and Report Fund had not yet been transferred out of the B Fund. It appears that it may still be transferred out and when that occurs the expected repayment date would be 7/1/2017.

b. Legal report – Sindy Yun indicated that there was nothing to report on the legal front.

c. Communications Division report - Richard told the attendees that Frontier Communication and Verizon had filed a Joint Application (A.15-03-005), in which Frontier would acquire all of Verizon’s California landline, FIOS and some long distance business from Verizon. Frontier was acquiring Verizon’s business in Texas and Florida as well. Richard explained that CD had assembled a team under Supervisor Geraldine Carlin that was assigned to review how the acquisition might affect issues such as: competition, service quality, licensing issues, rates & tariffs and public programs (such as the B Fund & LifeLine). Richard said that Frontier had two meetings, first with CD and the next with ORA to explain the acquisition, and that ORA had sent data requests to Frontier and Verizon. A question was posed to Richard asking if the B Fund claims that Verizon had been submitting would change in anyway when Frontier acquired their territories. Richard said that the Claims filings would be the same and so would the amounts paid as all lines in each CBG area had been assigned a certain cost. Felix added that the only way the amount of claims could go down was through line loss. Richard

also said the claim amount could increase if Frontier added new lines. Richard said CD had received a map from Frontier of Frontier's service territory as well as Verizon's in different colors. Several attendees asked to receive copies.

6. Other Administration Matters - None.

7. New agenda items for next meeting – (1) Clarification from Fiscal on some of the questionable items on the 3rd quarter report; (2) Richard will report on the FY 2016-17 B Fund budget, and (3) Update from Charlie Born on the status of the Frontier/ Verizon acquisition.

8. Date and Time for future meeting:

The next meeting will be held on Wednesday, July 22, 2015 from 10:30 am to 12:00 pm.

Robert Lehman motioned to adjourn the meeting. Michael Foreman seconded the motion.

The meeting was adjourned at 11:30 pm.

Minutes were submitted by Richard Maniscalco