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Advisory Board Meeting Minutes

February 12, 2002
Approved by Board 05/14/2002

Targeted Accessibility Fund of New York

Board Members Present: Bill Salvatore (Chairperson), Bob Barry (Vice-Chairperson), John Friedman (Secretary/Treasurer), Doug Elfner, John Black, Merwin Sands, Juliana Janson, Barbara Bouton, Charles Brennan, Patricia Knapp.

Others Present: Susan Zimmermann (Verizon), Jim Kittleman (PSC Staff), Lou Piazza (TAF Manager), and Jim Williams (TAF Analyst).

- I. Bill Salvatore called the meeting to order at 10:00AM and took role call.
- II. Bill Salvatore asked for the review of the minutes of the 11/13/2001 Board meeting. Barbara Bouton suggested 2 spelling corrections, both were unanimously approved. Bill Salvatore moved that the minutes, as amended, be approved. John Friedman seconded the motion and the minutes were unanimously approved by the Board.
- III. Lou Piazza provided a review of the TAF status reports for October-December 2001. In October, TAF received 332 reports from TAF participants resulting in the issuance of 212 invoices/statements and 33 settlement summaries (11 settlements due to overpayments). In November TAF received 339 reports from TAF participants resulting in the issuance of 216 invoices/settlements and 18 settlement summaries (2 settlements due to overpayments). In December TAF received 342 reports from TAF participants resulting in the issuance of 221 invoices/statements and 19 settlement summaries (2 settlements due to overpayments).

Lou explained that in October there were several factors that resulted in the assessment ratio being lower than normal. One factor that contributed to this was larger revenues being reported to TAF compared to other months. Another factor was a large audit adjustment made by a company and a large prior month adjustment from one of the large company's. There was also an E911 cost credit item that was a result of a TAF audit adjustment. Charles Brennan, Bill Salvatore, and Doug Elfner asked for clarification of the October numbers. Lou Piazza explained that the costs were down. He further explained that an E911 audit resulted in one company adjusting with a large credit amount thus creating a credit balance in the E911 account. The credit derived from the company using the old Verizon proxy rate of \$250 per trunk when it should have been using \$40 per trunk. The adjustments went back for 24 months. John Friedman also noted his idea for the decreasing revenues and noted concern. He also informed the Board that he would provide a revenue and expense chart at the next meeting.

Doug Elfner asked if TAF should be doing more frequent audits so that adjustments would cover less than a 24 month period. Lou Piazza explained that the first round of audits was complete and included in the first round were a number of the largest companies. Therefore adjustments from future audits should be considerably less.

Bill Salvatore asked what the mechanism was to recoup the money in the event of a credit adjustment. Jim Williams explained that the effected company receives a bill from TAF and can pay it either via wire or check. Lou Piazza also noted that over the last 2 years the TAF staff has identified trends and was able to identify and question large or abnormal

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swings in reported revenue or expenses. Jim Williams also noted that a large number of reporting mistakes are generated from high staff turnover by the carriers.

- IV. Lou Piazza provided a TAF Administrative Expense Summary Report for the months of October 2001 – December 2001. He explained to the Board that John Friedman as Treasurer had previously reviewed in more detail the reports and John reported that everything looked in order and that he was satisfied.
- V. Lou Piazza presented the TAF preliminary budget for 2002. Lou informed the Board that he had prior to the meeting gone over the budget with John Friedman. Lou explained the major increases were the result of budgeting for consulting expenses, programming expenses, and possible equipment expenses. He further explained that he was intending to retain Bill Darcy as a consultant and use his expertise in E911, Life Line, and TRS Relay. Lou also made the Board aware that the major decreases were the result of a lower loaded labor rate being budgeted for when using indirect wages and benefits, as well as a reduction of TAF review costs due to better scheduling of travel arrangements.

Bill Salvatore asked John Friedman if he could look into the possibility of investing the reserve funds into higher interest bearing accounts. John said he would look into it and report back to the Board. Next issue Bill Salvatore brought up was maybe it was time to reinvestigate the possibility of making TAF a “Not for Profit” organization. John Friedman was going to look into this issue and discuss it with TAF’s Independent Accountants and Keith Roland and report what he has found at the next Board meeting. Bill Salvatore moved to adopt and approve the TAF Status Reports as presented, the Administrative Expense Summary Reports as presented, and the TAF preliminary 2002 Budget as presented. Patricia Knapp seconded the motion and all previously stated items were unanimously approved.

- VI. The next agenda item was Directory cost (TRS contact numbers listed in a company’s directory) dealing with the TRS Relay, the question being should these costs be reimbursed by TAF. This item was tabled at the last Board meeting until more information could be gathered. Lou Piazza explained that these costs used to be paid for by AT&T when the company held the TRS contract for NYS. At that time the industry and the Relay Committee felt it was necessary to have 800 number listings posted in the phone directories White Pages in addition to the normal no cost front information pages of all Directories. The current Relay Provider (Sprint) does not cover these expenses for participating carriers, since it was not explicitly addressed in the contract. The question raised is should TAF be paying for it now.

Bob Barry felt these are legitimate costs and should be reimbursed through TAF, where as Doug Elfner and Charles Brennan felt that it is a company revenue requirement.

Bill Salvatore suggested that the ILEC’s should make a proposal to TAF as to what and why, precisely, they sought and the Board would vote on it then. Bob Barry agreed to this idea

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- VII. Lou Piazza updated the Board that to date the TAF has not heard anything more from the PSC concerning Telergy. Jim Kittleman informed the Board that Telergy received the money from a 3rd party.
- VIII. Lou Piazza reported to the Board that comments are being requested for both the TAF petition and the NYSTA petition concerning TRS. Comments are due by February 15th. Jim Kittleman said he would let the Board know if any comments are received as on or before February 11 none had been received. Jim also noted that the issue was expected to be on the Commission's April calendar.
- IX. The next regular Board meeting will be held on Tuesday May 14, 2002 in Albany.
- X. There being no further business Bill Salvatore moved to adjourn the meeting. Charles Brennan seconded the motion and the meeting was adjourned at 11:45AM.