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Advisory Board Meeting Minutes

May 14, 2002
Approved by Board 08/13/2002

Targeted Accessibility Fund of New York

Board Members Present: Bill Salvatore (Chairperson), Patricia Knapp (Vice-Chairperson), John Friedman (Secretary/Treasurer), Doug Elfner, Robert Barry, Joe Dunbar, Juliana Janson, Barbara Bouton, and Charles Brennan.

Others Present: Keith Roland, Esq., Robert Puckett (NYSTA President), John Flack (Pool Administrator), Lou Piazza (TAF Manager), and Jim Williams (TAF Analyst), Bill Darcy (TAF Consultant).

- I. Bill Salvatore called the meeting to order at 10:00AM and took role call. Bill Salvatore noted that Merwin Sands the CLEC representative was no longer with MCI/WorldCom and therefore, no longer sitting on the Board. He also noted that John Friedman who holds the Small IXC Board seat would be leaving the Board at the meetings conclusion. Bill expressed his appreciation on behalf of the Board for John's dedication, hard work and contributions to TAF. Bill instructed Lou Piazza to contact MCI/WorldCom to see if they will be replacing Merwin and to seek a replacement for the Small IXC Board seat.
- II. Bill Salvatore asked the Board to review the minutes from the 2/12/02 meeting. Charlie Brennan moved that the minutes be accepted. This was seconded by Bill Salvatore and unanimously approved.
- III. Bill Salvatore asked Lou Piazza to present the TAF Status report. Lou provided a TAF status report. The January – March 2002 assessment summaries were presented. In January, TAF received 338 reports from TAF participants resulting in the issuance of 217 invoices/statements and 20 settlement summaries (4 settlements due to overpayments). In February TAF received 314 reports from TAF participants resulting in the issuance of 218 invoices/statements and 19 settlement summaries (3 settlements due to overpayments). In March TAF received 309 reports from TAF participants resulting in the issuance of 215 invoices/statements and 26 settlement summaries (9 settlements due to overpayments)

Lou explained that the OCC's reflected on the Summary Reports were the results of several companies going bankrupt. Bill asked a question about the downward trend of the Assessable Revenue. John Friedman gave an analysis of the net revenue trend and said the average revenue is about \$600M per month, but overall the revenue has been declining. John said he felt that the decline of revenue was the result of Wireless replacing wire line minutes (Wireless does not participate in TAF per the TAF Order), the reduction of second line revenue, and seasonality. John told the Board he would make his analysis trend available to Lou for distribution.

Bill Darcy (TAF Consultant) informed the Board that NYS has proposed an increase of the wireless surcharge (E911) from \$.70 to \$2.50 and that the state should consider a TAF contribution from the Wireless companies. Bill Salvatore said in the early discussions of State Universal Service and TAF this subject was brought up. Bill Darcy said that the State of Connecticut is now requiring Wireless companies to support the state relay service and this was upheld by the Federal courts, Bill noted that he would try to get some additional information.

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Bill Salvatore moved that the Status report be accepted. Charlie Brennan seconded this motion and the Status Report was unanimously accepted.

- IV. Lou Piazza provided a TAF Administrative Expense Summary Report for the months of January 2002 thru March 2002. Lou explained that the treasurer (John Friedman) reviewed a more detailed summary and John reported that everything looked in order and was satisfied.

Bill Salvatore made a motion to adopt and approve the TAF Administrative Expense Summaries as presented; it was seconded by Charlie Brennan and approved unanimously by the board.

- V. Lou Piazza told the Board in light of the number of industry bankruptcies he will talk to Keith Roland to find out what TAF can or has to do to get any outstanding balances owed TAF from these companies. John Friedman suggested that after finding out what is required along with its cost; TAF set a standard operation in which TAF can follow (size of O/S balances versus cost to collect).

Secondly, Lou asked the Board if TAF could raise its reserve balance only to hedge off any possible exposure due to bankruptcies. After some discussion, Bill Salvatore asked John Friedman what his suggestion might be. John suggested that the reserve should be raised another \$25K over a two month period and possibly a smaller amount there after to a set amount.

Bill proposed that the Board vote on the following: the reserve be brought to a balance of \$100K over a two month period (\$12.5K per month) and thereafter \$5K per month for ten months to a total reserve of \$150K. The proposal was seconded by John Friedman and unanimously approved by the Board.

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. At 11:00 A.M. Keith Roland joined the meeting via conference circuit. Keith gave an overview why he is advising that it is appropriate to consider the incorporation of TAF under the NYS Not-For-Profit Corporate Law in light of the transfer of oversight authority for the TRS from NYSTA to TAF. The conversation centered on the ownership of TAF and Keith proposed that the New York Intrastate Access Settlement Pool own TAF with the

TAF Board becoming a Board of directors to provide oversight. In a sense TAF would be a wholly owned subsidiary of the Pool (please note that this idea is pending Pool Board approval). Keith further addressed liability insurance, by-laws, certificate, PSC approval, and IRS. Bill asked the Board members if they would have any objection if Keith moved forward gathering the necessary material to incorporate TAF and by then when the Pool Board decides on this incorporation matter the TAF Board can then have a meeting to vote on it. Lou told the Board that June 10th would be a good date for the TAF Board meeting because the Pool Board would have had an opportunity to discuss the matter and make a decision. The Board had no problem with Keith moving forward and that June 10th at 10 A.M. was a good date and time.

- VII. Robert Puckett, NYSTA's President, was asked to address the Board on the matter of TRS transition as well as some new issues. First Puckett informed the board that the PSC has approved the current TRS contract extension for two years with Sprint the current provider. Robert Puckett felt that the transition date of June 30th would be a nice date to shoot for and that it would only be an administrative transfer. The TAF Board doesn't have a problem with that date as long as everything falls into place. (i.e. incorporation, contract extension, PSC approval). A question arose about the signing of the contract, that being who should sign it? Keith Roland didn't think that would be a problem, but that it had to be addressed.

Secondly, Puckett discussed with the Board some issues they may be facing in New York in the future, they were as follows:

- a) NYS recertification of TRS with the FCC which is required every five years. Jim Kittleman said he will look into that, but in his opinion there shouldn't be any problems.
- b) Internet Relay FCC Order – the FCC established that the TRS internet connection is like any other call and that the interstate Universal Service Fund will pay the relay provider for those calls. All calls are local and he further explained the process.
- c) Video Relay – The FCC addressed this last year or looked into it, it was not required but the FCC encouraged it. He said the subsidized cost was estimated to \$10 per MOU. The Relay Ad Hoc committee has had discussions with Sprint on this item.

Bill Darcy (TAF Consultant) was asked by Lou to provide a Timeline for the RFP process to the board. Bill provided the timeline explaining each aspect and then answered questions. Bill mentioned that as the process moves forward there may be additional items that may need to be added to the RFP depending on what new regulations the FCC requires.

- VIII. Finally the annual Advisory Board elections were held. Lou Piazza told the board that he was informed that Bob Barry had elected not to run for an Office this term. Bill Salvatore then opened the floor up for nominations. John Friedman nominated Bill Salvatore for the Chairman seat (he accepted) and it was seconded by Doug Elfner. Bill asked the members if any of them were interested in any of the officer positions. Pat Knapp said she would be interested in the Vice-Chair and Barbara Bouton said she would be interested in the Secretary/Treasurer position, no one else requested any of the positions. Bill proposed that

a vote be held with this slate of officers; it was seconded by John Friedman and approved unanimously by the Board.

- IX. The next regular scheduled board meeting will be on Tuesday, August 13th in Albany. Bill Salvatore made a motion to adjourn, seconded by John Friedman and approved unanimously by the Board.