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| ***MEETING MINUTES*** |  |

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| **Meeting Name/Subject**: | **Billing and Collection Agent Oversight Working Group (B&C WG)** | | |
| **Date**: | **Tuesday, April 29, 2014** | **Time**: | **10:00-11:00pm Eastern** |
| **Type** **of Meeting/Location:** | **Conference Call** | | |
| **Meeting Attendees:** | |  |  | | --- | --- | | **Company** | **Participant List/ Attendance in Bold** | | **AT&T** | Mark Lancaster **(Raymond Bell, in for Mark, representing AT&T)** | | **Century Link** | **Mary Retka** | | **Cox Communications** | **Beth O'Donnell** | | **Sprint** | **Rosemary Emmer**, Karen Riepenkroger | | **T-Mobile** | **Michele Thomas** | | **Verizon Communications** | **Tim Decker** | | **FCC** | Ann Stevens, Gary Remondino | | **NANC** | Chairman Betty Ann Kane | | **Welch LLP** | Faith Marcott, Garth Steele, **Heather Bambrough** | | | |
| **Author:** | **Rosemary Emmer** | | |

| Meeting Notes | Action/Due Date |
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| ***Proposed Agenda:***    **Open Portion:**   * Introductions * Approve February 25 and March 21, 2014 meeting notes * Discuss moving of the funding year (Heather sent out white paper) * Review March NANP Report (Welch) * Discuss FCC Trial Order as it relates to this group (n/a) * Discuss Budget and Contribution Factor (n/a – as revenue numbers are in – see below)   **Closed Portion:**   * Deliverable Doc     **Discussion:**   * Agenda Approved * Raymond Bell – sitting in for Mark from AT&T – Mary Retka Overview of B&C WG * Funding Discussion (below) * February and March meeting notes approved meeting notes * NANP report – March * Proposed funding year discussion (below) * The contract expired October 1, 2009. Welch LLP received an 8 month interim contract which includes a 2 month transition which will cover the period from December 1, 2013 to July 31, 2014 | * February and March meeting notes approved. * Rosemary send meeting notes to John Manning for NANC Chair posting. * Rosemary and Tim to come up with the language for the plan to move the funding period. Rosemary to send Tim draft language. |

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| **Budget and Contribution Factor**   * Based on the revenue numbers coming in from USAC, it looks like our budget is predicted to be about 25,000 more than we planned. * This could change the contribution factor to .0000366 * We received consensus decision from NANC to go up to .0000365. * Heather discusses pro’s and con’s of changing the contribution factor to .0000366, and ultimately proposed we stay with .0000365. Based on her judgment, staying at .0000365 is reasonable – there are line items in the budget we have not had to use before totally over $300,000 (audit), and especially considering we have 1M contingency built in to the budget in case we go over the budget during the funding year. * The B&C WG agrees with Heather and consensus was reached to leave the contribution factor at .0000365. | |
| **Potential Funding Year Change**   * We are discussing moving the funding year to align with the federal fiscal year, we feel the month of September/October would be an ideal timeframe for our budget. Currently the funding year ends in June. We bill in June based on revenue figures received in May and we collect beginning in July. * The Form 499A is due in April and USAC requires time to collate the data in April and May, which does not give us much time for planning our budget. * We are in the beginning stages of planning. We would need a year notice in order to set the contribution factor higher to carry us through transition of 3-4 months. We would then bill for a 15-16 month timeframe for that unique (one time) cycle.   Heather sent the following memo to the B&C WG with her thoughts about moving the funding year. She spoke with the FCC informally who mentioned by process the NANC chair should send the recommendation. We do not know what the federal process would be for formally changing this funding year. The group decided to move forward with the plan as outlined by Heather below. Rosemary and Tim will work together on draft language to provide the NANC in June.  **TO:** B&C Working Group  **FROM:** Welch LLP  **DATE:** April 28, 2014  **RE:** Issues to consider re moving the funding period  **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  The B&C Working Group is considering changing the funding period from July to June period to a October – September funding period. This funding period was chosen to coincide with the fiscal year end of the fund. Issues to consider are as follows:   1. In order to move the funding period start date to October, the budget for 2015-16 would have to be for a 15 month period covering July 2015 to September 2016. 2. Fees for that 15 month period would be based on the 2014 revenue reported on the Form 499A due April 2015. Fees for the period July 2016 to September 2016 which would normally be based on the 2015 revenue and reported on the April 2016 Form 499 would be based on the 2014 revenue. Is this a problem? 3. Changing the funding period will only solve the issue of estimating the funding base during the budget process but will not address issues surrounding reissuance of supplier contracts. 4. Per discussions with Sanford Williams, the decision to move the funding period would have to be unanimous. Upon final decision, the Chair of NANC should be the one to advise the FCC of the change in the funding period. 5. How will the industry be informed of the change? 6. Carrier will have a larger fee in the transition year so they will need to be informed as soon as possible for budgeting purposes. For those carriers who pay a fee greater than $25, the increase will be about 25% likely. This would represent an additional three months of costs that would need to be covered. | |
| **Deliverables Report**  **Distributing invoices**  The monthly invoices for carriers were mailed by March 12, 2014.  **Processing Payments**  Payment information from the lockbox service at Mellon Bank is downloaded on a daily basis. The deposit information is recorded daily.  **Late/Absent Payments**  We are continuing with collection calls to carriers with outstanding balances. Statements were mailed at the beginning of the month to carriers with balances greater than $5 that have not been sent to Treasury for collections.  **FCC Red Light Notices**  At a minimum, an updated red light report is posted to the FCC server for processing once a week. When required, additional updates are posted.  **Helpdesk Queries**  All queries are directed to a helpdesk voicemail inbox. The information is transferred to an Access database. The date, nature of call, name of caller, Filer ID, who responded and on what date and the resolution is tracked. Calls are returned usually within 3 business days. Seven calls were received in March. Most calls are questions about the invoice received, the late filing fee, how to pay, request for copies of invoices, why are they red lighted, change of address, they are out of business or requesting a W9.  **Staffing Changes**  Nothing new to report.  **Contract Renewal**  The contract expired October 1, 2009. Welch LLP is on the USGSA list. Welch LLP received an 8 month interim contract which includes a 2 month transition which will cover the period from December 1, 2013 to July 31, 2014.  **Accounts Receivable**  Balances still outstanding after 90 days from the due date are transferred to Treasury for collections. In March 2014 the November 2013 invoices that were still unpaid were transferred to Treasury. We received $5,934.78 from Treasury for debts collected in March. |  |
| **Next Call:**  **Tuesday, May 27, 2014**  **10:00am Eastern 1 hour**  *Verizon Bridge*  **Bridge Number: 866.798.6697**  **Pass Code: 286.3906#**  ***Proposed Agenda:***    **Open Portion:**   * Approve April, 2014 meeting notes * Review April NANP Report (Welch) * Discuss movement of funding year * Discuss contract extension (any news?)   **Closed Portion:**   * Deliverable Doc | |