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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 30, 2013** | **Time**:  |  **10:00-11:00pm Eastern** |
| **Type** **of Meeting/Location:** | **Conference Call**  |
| **Meeting Attendees:** |

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| **Company** | **Participant List/ Attendance in Bold**  |
| **AT&T** | **Mark Lancaster** |
| **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** |

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| **Author:** | **Rosemary Emmer** |

| Meeting Notes | Action/Due Date |
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| ***Proposed Agenda:*****Open Portion:*** Approve March 26, 2013 meeting notes
* Review March NANP Report (Welch)
* Budget/Contribution factor update (Welch)
* Contingency Plan Update

**Closed Portion:*** Deliverable Doc
 |  * March meeting minutes approved
* Rosemary to send to John Manning for update to NANC chair website
* Rosemary and Tim to obtain NANC approval for contingency factor
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| * PA Contract RFP went out April 26th and responses are due May 28th.

**Welch Deliverables Report****Deliverables Report****Distributing invoices**The monthly and annual invoices for carriers were mailed by March 12, 2013.**Processing Payments**Payment information from the lockbox service at Mellon Bank is now downloaded on a daily basis. Thedeposit information is recorded daily.**Late/Absent Payments**Statements were mailed March 5, 2013. We are continuing with collection calls to carriers with outstandingbalances.**FCC Red Light Notices**The new process for the red light is now in effect. At a minimum, an updated red light report is posted to theFCC server for processing once a week. When required, additional updates are posted.**Helpdesk Queries**All queries are directed to a helpdesk voice mailbox. 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 istracked. Calls are returned usually within 3 business days. 12 calls were received in March. Most callswere questions about the invoice received, the late filing fee, how to pay, request for copies of invoices,change of address, they are out of business or requesting a W9 and about the date of the invoice.**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 monthinterim contract which includes a 21/2 month transition which will cover the period from April 1, 2013 toNovember 30, 2013.**Accounts Receivable**We are creating a program that will let us batch process debt so that delinquent debt can be uploaded toTreasury. During the month 4 subimssions were made to receive approval to write off uncollectible debt.We have received approval for three submissions with the fourth one pending. We will be making additional |  |
| **First Draft Budget – Contribution Factors to consider: (same status as last month)**1. The first scenario uses the entire anticipated fund surplus at June 30, 2013 of $453,782. The US carriers would be required to fund $5,290,573 with a funding factor of 0.0000267. This option leaves only the $750,000 in the surplus account which represents the contingency provision.
2. The second scenario is designed to reduce the surplus by approximately one-half resulting in a contribution factor of 0.0000279. This scenario reduces the surplus by $226,891. The total contribution by the US carriers would be $5,517,464. There would be $226,891 excess surplus that could be carried forward to subsidize contributions in the future.
3. The third scenario is designed to leave the surplus in the fund resulting in a contribution factor of 0.0000291. The total contribution by the US carriers would be $5,744,355. There would be $453,782 excess surplus that could be carried forward to subsidize contributions in the future.

**2nd Draft Budget/Contribution Factors as discussed on our call: (provided by Heather)****US Carrier Contribution and Contribution Factor**The US carriers are required to contribute $6,005,354 to the Fund by direct contributions and by reduction in the fund surplus. The International Participants (Canada and Caribbean countries) contribute the remaining $128,592 of the projected costs. The options set out below assume the use of the entire anticipated surplus at June 30, 2013 of $453,782 leaving $5,551,572 to be funded by US carriers. This would leave only the $1,000,000 in the surplus account which represents the contingency provision. There are three scenarios for consideration set out below which are based on three different estimates of industry revenue. The first scenario is based on a revenue base of $198B. This option would result in a contribution factor of 0.000028.The second scenario is based on a revenue base of $196B. This option would result in a contribution factor of 0.0000283.The third scenario is based on a revenue base of $194B. This option would result in a contribution factor of 0.0000286.**Revenue Contribution Base**The revenue estimates were determined by first reviewing the actual 2011 US carrier revenues reported on the April 1, 2012 Form 499A. Given the economic climate this revenue figure was adjusted downwards based on prior years. Three different revenue estimates are provided. This allows analysis of how the contribution factor is affected given various possible revenue scenarios. This figure will be reviewed at the end of April 2013 when preliminary revenue figures from the 2013 Form 499A will be available. The preliminary revenue figures will be analyzed to finalize the revenue assumption and consequently finalize the contribution factor. **FINAL Budget**Preliminary revenue data from USAC shows the revenue base will be approximately $194B.  The contingency allowance was increased to $1,250,000 at the last meeting. The fees for the Billing & Collection Agent (Welch) have increased per current contract extension.  As a result of the changes the contribution factor will be 0.0000302. We will need to obtain NANC approval. |
| **Contingency Plan (same status as last month)**Background:* It was noted that after the Dec 6th B&C WG meeting, Mary Retka sent a detailed email to the team reiterating her ask that the B&C WG and Welch come up with a ‘contingency plan’.
* Originally the team thought Mary’s ask was to plan a contingency for just this year– and after much discussion with the team and with the FCC we believe our budget will be in tack without having to use a contingency plan.
* Mary reminded the team that by law we can’t run in the red – and in fact Mary’s original ask was for a full contingency plan to have ‘on file’ going forward for due diligence.
* A high level white paper was submitted for the last meeting.
* Mary Retka and Michele Thomas worked on a more robust plan for this meeting.

January 29, 2013 meeting update:* Mary walked the team through the document.
* Rosemary has version control of V3, and made a few administrative upgrades to the clean V2 version to send to the team in the form of redline.
* There is a citation that needs to be researched and Mary indicated she thought Michele was researching.
* Next steps are for the team to review and consider v3. At the next meeting we will finalize the document, and the Chairs will take it to the FCC for review. Ultimately the team would like to present this doc to the NANC to make them aware of the plan.

February 19, 2013 meeting update:* Michele made all of the cite revisions and the document sent out was the final draft
* The team decided to call this version Final V1
* We will verbally tell the NANC about this contingency plan in the February meeting and will then forward to the NANC for review – at the next NANC meeting we’d like the NANC to endorse/codify it.

April 30, 2013* No updates or changes to the Final V1 doc. As noted above, the contingency plan will be presented at the next NANC meeting which is scheduled for June 20th.
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| **Next Call:****Tuesday, May 21, 2013****10:00am Eastern 1 hour***Verizon Bridge***Bridge Number: 866.798.6697****Pass Code: 286.3906#*****Proposed Agenda:*****Open Portion:*** Approve April 30, 2013 meeting notes
* Review April NANP Report (Welch)
* Budget/Contribution factor update (Welch)
* Contingency Plan Update (we will present the Final V1 to the NANC at next NANC mtg June 20th)

**Closed Portion:*** Deliverable Doc
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