

Minutes
California Teleconnect Fund (CTF) Administrative Committee Meeting
California Public Utilities Commission, 505 Van Ness Avenue, San Francisco – Room 3212
10:00 am to 2:00 pm, June 13, 2014

Members present: Russ A. Selken (Chairperson), Jeff Mondon, Ana Montes, Calvin Chang, Sean McLaughlin, Linda Crowe by telephone (nonvoting because not physically present)

Staff present: Jonathan Lakritz, Fay Fua, Lauren Saine, Larry Hirsch, Karo Serle, Kim Hua and Sindy Yun.

Public participants: Robert Lehman, Office of Ratepayer Advocates

1) Introductions

Chairman Selken called the meeting to order at 10:12 pm. He asked after Richard Matthews and wished to convey the committee's continuing best wishes for Richard's good health.

2) Public comments - None

3) Approval of minutes - The minutes of the April 30 meeting were approved unanimously.

4) New member nominees

The Committee discussed the nominations of three individuals from the health care sector: Denise Jurca, Director of Operations, California Telehealth Network; Richard Fleischer, LME Consulting; and Bill Tullius, Strato Communications.

The consensus was that the committee most needs members and alternates whose primary function is as practitioners and end users, rather than as consultants, and that members and alternates should preferably represent the viewpoint of end users rather than the viewpoint of consultants.

Russ Selken moved to nominate Denise Jurca for the Rural Clinics/Telemedicine Member position, contingent on Legal Division review regarding any potential conflict of interest. The Committee voted to endorse Ms. Jurca on that basis.

5) Draft FY 2015-16 budget

Kim Hua of the Communications Division presented staff's proposed CTF budget for FY 2014-15.

Ana Montes expressed concern about the need for outreach to small CBO's.

Richard Lehman suggested that CD consider returning CTF program marketing in-house to its own staff marketing expert, rather than continue to contract that function out. Jonathan Lakritz responded that that would not be feasible due to staff resource constraints.

Calvin Chang suggested having service providers do outreach at the point of ordering; providers could promote the program by giving information about the CTF discount to new customers when their orders are placed. Jonathan Lakritz responded that that would not be feasible due to implementation issues.

Sean McLaughlin asked about administrative costs of the program and stressed the need to improve efficiencies, and that funds should be made available for that purpose. Jonathan Lakritz responded that that would not be feasible within the current program budget and that the CPUC is working on an automated claims system that would not be up and running in the near future.

Ana Montes expressed concern regarding the locations of the Public Participation Hearings for the CTF rulemaking proceeding and asked about expenses. Sean McLaughlin and Ana Montes asked about travel for staff and the Committee, if the Committee wished to hold meetings in other locations. Jonathan Lakritz responded that travel expenses are only covered for AC meetings.

Calvin Chang recommended that meetings in San Francisco be made available to the public statewide through teleconferencing. Jonathan Lakritz responded that that would not be feasible because the CPUC does not have the facilities to do that.

Russ Selken discussed the \$10 million in the Governor's budget for schools and libraries and its impact on the CTF.

Ana Montes recommended adding half a million dollars for outreach to small CBOs. Russ recommended adding \$10 million for projected additional claims from schools and libraries.

Sean McLaughlin moved to approve the budget recommended by staff, with the following two changes: 1) add \$500,000 for outreach; and 2) add \$10,000,000 to claims, bringing the total amount for claims to \$115,565,000. The committee adopted the motion 3-0, with two members, Russ Selken and Jeff Mondon, abstaining because of potential conflicts of interest. Linda Crowe expressed support for the motion.

6) CTF surcharge

Larry Hirsch of the Communications Division presented surcharge data. The current surcharge is 0.59%, and preliminary estimates indicate that the surcharge may need to increase to approximately 0.8 %, due to a declining billing base and increased expenses.

Ana Montes expressed concern about a 20% increase in the surcharge. She said we should look at who is paying for the Fund and what services they can afford. Jeff Mondon agreed and said that the surcharges add up, and do cause concern when customers see an additional \$14 or so on their bills.

7) Next meeting - The next meeting was set for August 22, with August 25 as the backup date.

8) Working group session to prepare comments in CTF rulemaking. Staff dismissed at 11:50.