



Board of Directors

Briefing Book

Tuesday, January 30, 2024

10:00 a.m. – 1:30 p.m. Eastern Time

Available For Public Use

Universal Service Administrative Company Offices

700 12th Street, N.W., Suite 900

Washington, D.C. 20005

**Universal Service Administrative Company
Board of Directors
Quarterly Meeting
Agenda**

<p>Tuesday, January 30, 2024 10:00 a.m. – 1:30 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>
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<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each available for discussion upon request):</p> <ul style="list-style-type: none"> A. Approval of Board of Directors Meeting Minutes of October 31 and December 18, 2023 B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i> C. Consideration and Approval of Four Routine Procurements D. Review of the 2024 Audit Committee Charter E. Approval of Board of Directors Quarterly Meeting Schedule for April 2025 – January 2026 F. Resolution Honoring Three Board Member Whose Service on the Board Recently Ended 	10
Chair	<p>a2. Annual Election of Committee At-Large Seats, Chairs and Vice Chairs and Election of Appointment of Corporate Officers</p>	15
Chair	<p>i1. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Executive Compensation Committee, Rural Health Care Committee, and Schools & Libraries Committee</p>	10
Mark	<p>i2. Connected Care Pilot Program Update (<i>For Information Only</i>)</p>	-
Michelle	<p>a3. Approval of USAC Common and Consolidated 2nd Quarter 2024 Budget and Demand Projection for the February 1, 2024 FCC Filing</p>	10
Radha Michelle Stephen	<p>i3. Enterprise Business Updates</p> <ul style="list-style-type: none"> A. CEO Update <ul style="list-style-type: none"> • 2023 Accomplishments B. Enterprise Resource Planning Update C. Shared Services Business Update <ul style="list-style-type: none"> • Tribal Initiatives Update • Annual Report 	10 10 5 5

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<u>EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Confidential – Executive Session Recommended		
Radha	i4. CEO Update <ul style="list-style-type: none"> • Appropriated Programs – ACP and ECF 	10
Michelle	a4. Approval of 2024 Annual USAC Common and Consolidated Budgets	15
Michelle	i5. Information on Contribution Factor	5
Erin	a5. Review and Approval of Board Statement of Ethical Conduct and the Board Member Annual Disclosure of Corporate or Entity Affiliations Form <ol style="list-style-type: none"> 1. Statement of Ethical Conduct for Members of the USAC Board 2. Revision to Board Members Annual Disclosure of Corporate or Entity Affiliations Form 	10
Chris / Erin	i6. Annual Competition Advocate Report	5
Chris	i7. Procurement Business Update <i>(For Information Only)</i>	–
Chris	i8. Enterprise Risk Management Update: <ol style="list-style-type: none"> 1. Q4 2023 Risk Management 2. Risk Management Council Minutes <i>(For Information Only)</i>	–
Chris	a6. Consideration of a Task Order Award for Contributor Revenue Audit Services	5
Chris	a7. Consideration of a Task Order Award for Contributor Revenue Audit Services	5
Chris	a8. Consideration of a Contract Award for Enterprise Audit & Compliance Modernization Tool	5
Chris	a9. Consideration of Contract Award for Veracode Licenses	5
Chris	a10. Consideration of Contract Award for Dell/EMC Transformational License Agreement	5
Chris	a11. Consideration of Contract Award for Dell/EMC Unity Hardware Maintenance and Support Services	5
Chris	a12. Consideration of a Contract Award for ServiceNow Instance Licenses and Support Services	5

<u>EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Confidential – Executive Session Recommended		
Chris	a13. Consideration of Contract Award for Okta Licenses and Support Services	5
Chris	a14. Consideration of a Contract Award for Microsoft Enterprise Agreement	5
Chris	a15. Consideration of a Contract Award for Cisco SmartNet	5
Chris	a16. Consideration of Contract Award for Tableau Licenses	5
Chris	a17. Consideration of a Contract Award for VMWare Enterprise Licenses Agreement	5
Chris	a18. Consideration of a Contract Modification for IT Security Assessment Contract with Coalfire	–
Chris	a19. Consideration to Exercise Option Terms for Penetration Testing	–
Chris	a20. Consideration of a Contract Modification for Appian Licenses and Support	–
Chris	a21. Consideration of a Contract Modification for Amazon Web Services and GovCloud Hosting	–
Teleshia	i9. Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Report <i>(For Information Only)</i>	–
Erin	a22. <i>Confidential Executive Session:</i> RESERVED	5
Chair	a23. <i>Confidential Executive Session:</i> Personnel Matter, Consideration of 2024 Compensation Item	5
Chair	i10. <i>Confidential Executive Session:</i> Board of Directors Only	25

Next Scheduled USAC Board of Directors Meeting

<p>Tuesday, April 30, 2024 USAC Offices, Washington, D.C.</p>
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**Universal Service Administrative Company
Board of Directors Meeting**

ACTION ITEM

Consent Items

Action Requested

The USAC Board of Directors (Board) is requested to approve the consent items listed below.

Discussion

The Board is requested to approve the following items using the consent resolutions below:

- A. Approval of Board of Directors Meeting Minutes of October 31, 2023, and December 18, 2023 (*see Attachment A-1 and A-2*).

- B. Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i4** – CEO Update: Appropriated Programs Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, this item might include discussion of *pre-decisional matters pending before the FCC* or discussion related to USAC’s *procurement strategy and contract administration*.
 - (2) **a4** – Approval of 2024 Annual USAC Common and Consolidated Budgets. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
 - (2) **i5** – Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and may also include *pre-decisional matters pending before the FCC*. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
 - (3) **a5** – Review and Approval of the Board of Directors Statement of Ethical Conduct; and the Board Members Annual Disclosure of Corporate or Entity Affiliations Form. USAC management USAC management recommends that discussion of these items be conducted in *Executive Session* because the discussion may include examples of how the Statement and Disclosure Form applies and could include specific facts protected by the *attorney/client privilege*.

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- (4) **i6** – Annual Competition Advocate Report. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (5) **i7** – Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (6) **i8** – Enterprise Risk Management Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (7) **a6** – Consideration of Task Orders for Contributor Revenue Audit Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (8) **a7** – Consideration of Task Orders for Contributor Revenue Audit Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (9) **a8** – Consideration of a Contract Award for Enterprise Audit & Compliance Modernization. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (10) **a9** – Consideration of a Contract Award for Veracode Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (11) **a10** – Consideration of Contract Award for Dell/EMC Transformational License Agreement (TLA). USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (12) **a11** – Consideration of Contract Award for Dell/EMC Unity Hardware Maintenance and Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (13) **a12** – Consideration of a Contract Award for ServiceNow Instance Licenses and Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (14) **a13** – Consideration of a Contract Award for Okta Licenses and Support Services. USAC management recommends that this item be discussed

in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

- (15) **a14** – Consideration of a Contract Award for Microsoft Enterprise Agreement. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (16) **a15** – Consideration of a Contract Award for Cisco Smartnet. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (17) **a16** – Consideration of a Contract Award for Tableau Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (18) **a17** – Consideration of a Contract Award for VMWare Enterprise License Agreement. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (19) **a18** – Consideration of a Contract Modification for IT Security Assessment Contract with Coalfire. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (20) **a19** – Consideration to Exercise Option Terms for Penetration Testing. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (21) **a20** – Consideration of a Contract Modification for Appian Licenses and Support. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (22) **a21** – Consideration of a Contract Modification for Amazon Web Services and GovCloud Hosting. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (23) **i9** – Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and may also include *pre-decisional matters* pending before the FCC to which USAC is privy, where discussion of such matters in open session would undermine the deliberative process or result in the disclosure of an agency's conclusions or rationales before the matter is formally decided. In addition, *47 C.F.R. § 54.711(b)*

requires USAC to keep all data obtained from contributors confidential.

- (24) **a22** – Confidential Executive Session: RESERVED. Consideration of Item. USAC management recommends that discussion of this item occur in *Executive Session* because it involves *attorney/client privileged communications*.
- (25) **a23** – *Confidential Executive Session: Personnel Matter* Consideration of 2024 Compensation Item. USAC management recommends that discussion of this item occur in *Executive Session* because it involves *internal personnel matters*.
- (26) **i10** – Confidential Board of Directors *Executive Session*. For Board of Directors Only. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

C. Consideration and Approval of Four Routine Procurements

- (1) Consideration of a Contract Modification for Security Controls Assessment. The resolution is provided in **aBOD18cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (2) Consideration to Exercise Option Terms for Penetration Testing. The resolution is provided in **aBOD19cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (3) Consideration to Increase the Contract for Appian Licenses. The resolution is provided in **aBOD20cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (4) Consideration of a Contract Modification for Amazon Web Services and GovCloud Hosting. The resolution is provided in **aBOD21cf**. If discussion is needed, it will be conducted in *Executive Session*.

D. Review of the 2024 Audit Committee Charter (see Attachments D1 - D3).

E. Approval of Board of Directors Quarterly Meeting Schedule and April 2025 – January 2026 Board of Directors Quarterly Meeting Schedule.

F. Resolution Honoring Board Members Whose Service on the Board Has Recently Ended. Resolution Honoring Three Board Members Whose Service on the Board Recently Ended.

The Board would like to recognize and honor Joe Gillan, Geoff Feiss, and Ellis Jacobs, whose terms have recently concluded. Mr. Gillan served as a Board member from 2008 through 2023, including his tenure as Board Chair, Vice Chair, High Cost and Low Income Chair, and Audit Committee Chair. Mr. Feiss served as a Board member from 2009 through 2023, including his tenure as Audit Committee Chair. Mr. Jacobs served as a Board member from 2009 through 2023. The USAC Board and USAC management are extremely appreciative of their dedication to universal service as well as their leadership, guidance, and expertise in USAC's administration of the federal Universal Service Fund.

Upon request of a Board member, any one or more of the above items are available for discussion by the Board.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of October 31, December 18, 2023; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of four routine procurements as presented in items aBOD18cf – aBOD21cf; and

RESOLVED FURTHER, that the USAC Board of Directors, having reviewed the revised 2024 Audit Committee Charter presented by the Audit Committee, hereby accepts the recommendation of the Audit Committee, and approves the revised 2024 Audit Committee Charter; and

RESOLVED FURTHER, that the USAC Board of Directors adopts the Board of Directors and committee April 2025 – January 2026 Board meeting schedule; and

RESOLVED FURTHER, that the USAC Board of Directors hereby expresses its sincere appreciation to Joe Gillan, Geoff Feiss, and Ellis Jacobs for their dedicated service on the Board of Directors of the Universal Service Administrative Company and wishes them the best in their future endeavors.

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

BOARD OF DIRECTORS MEETING
Tuesday, October 31, 2023

(DRAFT) MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, October 31, 2023. Mr. Joe Gillan, Board Chair, called the meeting to order at 10:02 a.m. Eastern Time, with a quorum of 14 of 19 Board members present:

Buzacott, Alan	Sanquist, Christine
Chalk, Indra	Schell, Julie Tritt – Treasurer
Domenech, Dr. Dan	Sekar, Radha – Chief Executive Officer
Feiss, Geoff	Skrivan, Michael
Gillan, Joe – Chair	Wade, Dr. Joan – <i>by telephone</i>
Gregory, Amber	Wein, Olivia – Secretary
Mason, Ken – Vice Chair	Wibberly, Dr. Kathy

Mr. Ellis Jacobs joined the meeting *by telephone* at 10:05 a.m. Eastern Time. He did not vote on item a1. Ms. Sarah Freeman joined the meeting at 10:25 a.m. Eastern Time. She did not vote on items a1-a4 or take part in the discussion of item i1.

Members of the Board not present:

Fontana, Brent	Waller, Jeff
Polk, Stephanie	

Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
O'Brien, Tim – Vice President of Lifeline

¹ Draft resolutions were presented to the Board prior to the Board meeting. Where appropriate, non-substantive changes have been made to the resolutions set forth herein to clarify language, where necessary, or to correct grammatical or spelling errors.

Sweeney, Mark – Vice President of Rural Health Care

Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Armstrong, Katlyn	USAC
Benham, Cathy – <i>by telephone</i>	CSM
Campos, Joel – <i>by telephone</i>	Maximus
Case, Kevin	USAC
Claxton, Naomi	USAC
Faunce, Donna	USAC
Francisco, Dale	USAC
Goode, Vernell	USAC
Gustafson, Jaymie	USAC
Hamm, Aaron	USAC
Johnson, Avaneque	USAC
Johnson, Tiffany – <i>by telephone</i>	USAC
King, Ryan	USAC
Loewus-Deitch, Jonathan	USAC
Lougheed, Matthew	USAC
Morgan, Meredith	USAC
Morning, Kimberly – <i>by telephone</i>	Morgan Lewis
Nuzzo, Patsy	USAC
Oliver, Lindsay	USAC
Parker, Ben	USAC
Sadirkhanova, Sabina	USAC
Sauls, Lucas – <i>by telephone</i>	Maximus
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Strandberg, Steve	USAC
Streauslin, Brandi	USAC
White, Stacy	USAC

OPEN SESSION

All materials from *Open Session* can be found on the [USAC website](#).

- a1. Consent Items.** Mr. Gillan presented this item to the Board.
- A.** Approval of Board of Directors Meeting Minutes of July 25 and August 1, 2023.
 - B.** Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) i4 – Enterprise Business Updates (Continued).**
 - A.** IT Business Update. USAC management recommends that this item be discussed in *Executive Session* because

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it relates to *specific internal controls or confidential company data* and *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

- B. Transparency Data Collection Project Demonstration. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
 - C. GAO Audit on FCC Oversight of USAC. USAC management recommends that this item be discussed in *Executive Session* because it involves the discussion of *internal rules and procedures* concerning the administration of the universal service support mechanisms, relates to *specific internal controls or confidential company data*, and may also include *pre-decisional matters pending before the FCC*.
 - D. Consumer Research Litigation. USAC management recommends that this item be discussed in *Executive Session* because it may also include *pre-decisional matters* pending before a court or governmental agency or instrumentality to which USAC is privy, where discussion of such matters in open session would undermine the agency's deliberative process or would result in the disclosure of an agency's conclusions or rationales before the agency had formally decided the matter.
- (2) **i5** – Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and may also include *pre-decisional matters pending before the FCC*. In addition, *47 C.F.R. § 54.711(b)* requires USAC to keep all data obtained from contributors confidential.
 - (3) **i6** – Enterprise Risk Management Update. USAC management recommends that this item be discussed in *Executive Session*

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because it relates to *specific internal controls or confidential company data* and *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

- (4) **i7** – Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (5) **a5** – Consideration of a Contract Awards for High Cost Broadband Network Engineering Audit Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (6) **a6** – Consideration of a Contract Award for Enterprise Telecommunications Engineer Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (7) **a7** – Consideration of a Contract Award for Varonis Licenses Subscription. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (8) **a8** – Consideration to Exercise Option Term for Long-Term Affordable Connectivity Program Project Management Office Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (9) **a9** – Consideration of a Contract Modification for Operation and Maintenance, Design and Development, Licensing, and Hosting of the National Verifier and National Lifeline Accountability Database Systems for Affordable Connectivity Program Portal. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (10) **a10** – Consideration to Exercise Second One-Year Option Term of Task Order for Enterprise Architecture Assessment and Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.

- (11) **a11** – Consideration to Exercise the Second One-Year Option Term for Affordable Connectivity Program Email Processing Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (12) **a12** – Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing, Call Center Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (13) **a13** – Consideration to Exercise Option Terms for Call Center Services and Customer Relationship Management System. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (14) **a14** – Consideration to Exercise Option Term for Beneficiary and Contributor Audit Program (BCAP) Contract. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (15) **a15** – Consideration to Exercise One-Year Option Term for National Supply Chain Audit Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (16) **a16** – Consideration of a Contract Modification for Emergency Connectivity Fund Business Process Outsourcing Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (17) **a17** – Consideration to Exercise Option Term for Affordable Connectivity Program Business Process Outsourcing Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (18) **i8** – Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and may also include *pre-decisional matters* pending before the FCC to which USAC is privy, where discussion of such matters in open session would undermine the

deliberative process or result in the disclosure of an agency's conclusions or rationales before the matter is formally decided. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.*

- (19) **a18 – Personnel Matter:** Consideration of Contract Awards for the USAC Employee Benefit Program. USAC management recommends that discussion of this item occur in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (20) **a19 – Personnel Matter:** Consideration of 2024 Compensation Item. USAC management recommends that this meeting occur in *Executive Session* because it involves *personnel matters*.
- (21) **i9 – Confidential Board of Directors Executive Session.** For Board of Directors Only. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

C. Consideration and Approval of Ten Routine Procurements

- (1) Consideration to Exercise Option Term for Long-Term Affordable Connectivity Program Project Management Office Services. The resolution is provided in **aBOD08cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (2) Consideration of a Contract Modification for Operation and Maintenance, Design and Development, Licensing, and Hosting of the National Verifier and National Lifeline Accountability Database Systems for Affordable Connectivity Program Portal. The resolution is provided in **aBOD9cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (3) Consideration to Exercise Second One-Year Option Term of Task Order for Enterprise Architecture Assessment and Support Services. The resolution is provided in **aBOD10cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (4) Consideration to Exercise the Second One-Year Option Term for Affordable Connectivity Program Email Processing Services. The resolution is provided in **aBOD11cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (5) Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing, and Call Center Services. The resolution is provided in **aBOD12cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (6) Consideration to Exercise Option Terms for Call Center Services & Customer Relationship Management System. The resolution is

provided in **aBOD13cf**. If discussion is needed, it will be conducted in *Executive Session*.

- (7) Consideration to Exercise Option Terms for Beneficiary and Contributor Audit Program (BCAP) Contract. The resolution is provided in **aBOD14cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (8) Consideration to Exercise One-Year Option Term for National Supply Chain Audit Services. The resolution is provided in **aBOD15cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (9) Consideration of a Contract Modification for Emergency Connectivity Fund Business Process Outsourcing Services. The resolution is provided in **aBOD16cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (10) Consideration to Exercise Option Term for Affordable Connectivity Program Business Process Outsourcing Services. The resolution is provided in **aBOD17cf**. If discussion is needed, it will be conducted in *Executive Session*.

- D.** Consideration of Approval to Reimburse Board Members to Attend an Event Other than a USAC Board or Committee Meeting. (*see Attachments D-1 through D-3*).

On a motion duly made and seconded, and after discussion, the Committee adopted the following resolutions:

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of July 25, 2023 and August 1, 2023; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of ten routine procurements as presented in items **aBOD08cf** – **aBOD17cf**.

RESOLVED, that in accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred while Conducting USAC Business other than Board of Directors Meetings*, the Board of Directors authorizes USAC management to reimburse Mr. Joe Gillan, Mr. Ken Mason, and Ms. Julie Tritt Schell should they travel to Washington, D.C. for the purpose of participating in USAC's 2024 Budget Planning Review.

- i1. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** Mr. Mason presented the report for the Executive Compensation Committee and the High Cost & Low Income Committee. Dr. Domenech

presented the report for the Schools & Libraries Committee. Dr. Wibberly presented the report for the Rural Health Care Committee. Mr. Feiss presented the report for the Audit Committee.

- a2. Appointment of a Nominating Committee and Direction to Committees for the Appointment of Committee Chairs and Vice Chairs.** Mr. Gillan presented this item to the Board, announcing his nominations for the Nominating Committee members and the Nominating Committee Chair. He also shared their responsibilities in preparation for the January 2024 quarterly meeting.

On a motion duly made and seconded and after discussion, the Board adopted the following resolutions:

RESOLVED, that the USAC Board of Directors establishes a Nominating Committee and directs the Committee to recommend to the USAC Board of Directors at its January 30, 2024 meeting nominations for the elected USAC officer positions; and

RESOLVED FURTHER, that the USAC Board of Directors appoints **Sarah Freeman** as Nominating Committee Chair and **Dr. Joan Wade** and **Amber Gregory** as members of the Nominating Committee; and

RESOLVED FURTHER, that the USAC Board of Directors directs each committee of the Board to bring to the Board, at the January 30, 2024 meeting, nominations for a chair and vice-chair of each respective committee.

- a3. Approval of Connected Care Pilot Program 1st Quarter 2024 Budget and Demand Projection for the November 2, 2023 Federal Communications Commission (FCC) Filing.** Ms. Garber presented this item for consideration. The presentation included a written report on USAC management's recommendations for the Connected Care Pilot Program 1st quarter 2024 demand projection for the November 2, 2023 FCC filing.

On a motion duly made and seconded and after discussion, the Board adopted the following resolutions:

RESOLVED, that the USAC Board of Directors, having reviewed at its meeting on October 31, 2023 the 1st Quarter 2024 Connected Care Pilot Program demand estimate of (\$0.51) million, hereby directs USAC staff to proceed with the required November 2, 2023 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

- i2. Connected Care Pilot Program Update.** Mr. Gillan noted that the report was provided for *information only* and would be posted on USAC's public website. No discussion was held.

- a4. **Approval of USAC Common and Consolidated 1st Quarter 2024 Budgets for the November 2, 2023 FCC Filing.** Ms. Garber presented this item for consideration. The presentation included a written report on USAC management's recommendations for USAC's common and consolidated 1st Quarter 2024 budgets for the November 2, 2023 FCC filing.

On a motion duly made and seconded and after discussion, the Board adopted the following resolutions:

RESOLVED, that the USAC Board of Directors approves a 1st Quarter 2024 common budget of \$37.35 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$37.35 million for common costs in the required November 2, 2023 filing to the Federal Communications Commission on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 1st Quarter 2024 consolidated budget to administer the Universal Service Fund of \$71.54 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$71.54 million for consolidated costs in the required November 2, 2023 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

i3. **Enterprise Business Updates:**

- A. **Appropriated Programs.** Mr. Davis presented PowerPoint slides on the status of the Emergency Connectivity Fund and Mr. O'Brien provided an update on the Affordable Connectivity Program.
- B. **ERP Status Update.** Ms. Garber provided an update on Enterprise Resource Planning.

At 10:51 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

i4. **Enterprise Business Updates (Continued):**

- A. **IT Business Update.** Mr. Hutchinson presented PowerPoint slides that included updates on the IT Strategic Plan, Zero Trust Architecture Roadmap, and the USAC Cloud Architecture.

- B. Transparency Data Collection Project Demonstration.** Mr. O'Brien introduced this item and Mr. Loewus-Deitch conducted the demonstration.
- C. GAO Audit on FCC Oversight of USAC.** Ms. Sekar provided a verbal update to the Board.
- D. Consumer Research Litigation.** Ms. Williams verbally presented this item to the Board.
- i5. Information on the Contribution Factor.** Ms. Garber presented this item to the Board. The presentation included a written report providing USAC's estimate of the 1st Quarter 2024 contribution factor.
- i6. Enterprise Risk Management Update.** Mr. Gillan noted that the report was provided for *information only*. No discussion was held. The report included the following items:
- Q3 2023 Enterprise Risk Management Update
 - Q3 2023 Risk Management Council Minutes
- i7. Procurement Business Update.** Mr. Gillan noted that the report was provided for *information only*. No discussion was held. The report included an overview of major procurements completed in Q3 2023 and Q1 2024 anticipated activities.

The Board recessed at 11:36 a.m. Eastern Time and reconvened, continuing in *Executive Session* at 11:55 a.m. Eastern Time.

- a5. Consideration of a Contract Awards for High Cost Broadband Network Engineering Audit Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract modification for Enterprise Resource Planning analysis and project management services.

On a motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to award four (4) separate Indefinite Delivery Indefinite Quantity task order-based contracts for High Cost broadband network engineering audit services for a collective total not-to-exceed amount of \$1,500,000.00 (plus applicable taxes) over the four (4) concurrent twelve (12) month base periods. CN Ventures, Elite Systems, KCCTech, and Palmetto Engineering & Consulting will each be awarded one (1) of the four (4) contracts, with each individual contract having a twelve (12) month base period and the ability to exercise four (4) additional one (1) year option terms. Exercise of option terms to extend the

contracts beyond the initial twelve (12) month base period is subject to required Federal Communications Commission (FCC) and Board approvals.

- a6. Consideration of a Contract Award for Enterprise Telecommunications Engineer Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract modification for Enterprise Telecommunications Services.

On a motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award an indefinite delivery indefinite quantity task order-based time and material contract to Excyl, Inc. for Enterprise Telecommunications Engineer Services. The contract will be for a twelve (12) month base period, with the ability to exercise four (4) additional one- year option terms, for a five (5) year total not-to-exceed amount of \$1,094,608.00 (plus applicable taxes), with such amount including a contingency in the amount of \$100,000.00 (plus applicable taxes) to cover unforeseen costs over the life of the contract, subject to required Federal Communications Commission approval.

- a7. Consideration of a Contract Award for Varonis Licenses Subscription.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for annual licenses and support for Varonis Licenses Subscription.

On a motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a firm-fixed-price contract for annual licenses and support for Varonis Licenses Subscription to CDI, LLC for a three (3) year period of performance for a not-to-exceed amount of \$1,101,990.04 (plus applicable taxes), with such amount including a contingency of \$100,000.00 (plus applicable taxes) to cover potential growth within the business unit.

- a8. Consideration to Exercise Option Term for Long-Term Affordable Connectivity Program Project Management Office Services.** No additional

discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to exercise the second and final one-year option term of its task order with Deloitte LLP for long-term project management office services to support the Affordable Connectivity Program (ACP) for a not-to-exceed amount of \$4,250,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$18,580,195.00 (plus applicable taxes) to \$22,830,195.00 (plus applicable taxes), subject to required Federal Communications Commission approval. Amounts associated with these services will be expensed using congressionally appropriated funds and not the Universal Service Fund.

- a9. Consideration of a Contract Modification for Operation and Maintenance, Design and Development, Licensing, and Hosting of the National Verifier and National Lifeline Accountability Database Systems for Affordable Connectivity Program Portal.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to modify its contract with Accenture Federal Services, LLC for the operation and maintenance, design, development, licensing, and hosting of the National Verifier and National Lifeline Accountability Database system for the Affordable Connectivity Program (ACP) by adding and exercising a third and final option term for a not-to-exceed amount of \$5,800,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed (NTE) amount from \$16,615,000.00 (plus applicable taxes) to \$22,415,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval. Amounts associated with these services will be expensed using congressionally appropriated funds and not the Universal Service Fund.

- a10. Consideration to Exercise Second One-Year Option Term of Task Order for Enterprise Architecture Assessment and Support Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its task order under the USAC Professional Indefinite Delivery/Indefinite Quantity contract (Contract No. USAC 20-015) with Guidehouse, LLP for Enterprise Architecture Assessment and associated support by: (1) increasing the not-to exceed amount of the first one-year option term by \$537,500.00 (plus applicable taxes), and (2) exercising the second and final one-year option term for a not-to-exceed amount of \$3,517,500.00 (plus applicable

taxes), thereby increasing the total not-to-exceed amount from \$4,317,493.64 to \$8,372,493.64 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a11. Consideration to Exercise the Second One-Year Option Term for Affordable Connectivity Program Email Processing Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to exercise the second and final one-year option term of the Affordable Connectivity Program (ACP) email services contract with Guidehouse, LLP for a total not-to-exceed amount of \$6,248,769.10 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$10,349,826.22 (plus applicable taxes) to \$16,598,595.32 (plus applicable taxes), subject to required Federal Communications Commission approval. Amounts associated with these services will be expensed using congressionally appropriated funds and not the Universal Service Fund.

- a12. Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing, Call Center Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its contract with Ernst & Young LLP for Emergency Connectivity Fund (ECF) long-term project management, business process outsourcing, and call center services by adding and exercising a second and final option term for a not-to-exceed amount of \$8,400,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount of \$33,331,126.00 to \$41,731,126.00 (plus applicable taxes), subject to required Federal Communications Commission approval. Amounts associated with these services will be expensed using congressionally appropriated funds and not the Universal Service Fund.

- a13. Consideration to Exercise Option Terms for Call Center Services & Customer Relationship Management System.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise the second of four one-year option terms of its existing contract with Ernst & Young LLP for call center and customer relationship

management system services for E-Rate, Rural Health Care, Finance, and High Cost by increasing the total not-to-exceed amount by \$3,991,086.20 (plus applicable taxes), thereby increasing the total not-to exceed amount supporting these programs from \$10,245,048.41 (plus applicable taxes) to \$14,236,134.61 (plus applicable taxes), subject to required Federal Communications Commission approval.

RESOLVED FURTHER, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise the second of four one-year option terms of its existing contract with Ernst & Young LLP for call center and customer relationship management system services for the Emergency Connectivity Fund (ECF) by increasing the total not-to-exceed amount by \$670,475.00 (plus applicable taxes), thereby increasing the total not-to exceed amount supporting ECF from \$950,397.00 (plus applicable taxes) to \$1,620,872.00 (plus applicable taxes) plus applicable taxes, subject to required Federal Communications Commission approval. This amount will be expensed using congressionally appropriated funds and not the Universal Service Fund.

- a14. Consideration to Exercise Option Terms for Beneficiary and Contributor Audit Program (BCAP) Contract.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to exercise the fourth one-year option term for the Beneficiary and Contributor Audit Program (BCAP) Services contract. The fourth one-year option term has a not-to-exceed amount of \$6,100,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$25,300,000.00 (plus applicable taxes) to \$31,400,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a15. Consideration to Exercise One-Year Option Term for National Supply Chain Audit Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to exercise the second one-year option term under the USAC Professional Indefinite Delivery/Indefinite Quantity contract (Contract No. AAD-21-016) for National Supply Chain Audit Services for a not-to-exceed amount of \$1,800,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$3,200,000.00 (plus applicable taxes) to \$5,000,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a16. Consideration of a Contract Modification for Emergency Connectivity Fund Business Process Outsourcing Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its Emergency Connectivity Fund (ECF) Business Process Outsourcing (BPO) contract with Maximus Federal Services by: (1) increasing the not-to-exceed amount of the second one-year option term by \$300,000.00 (plus applicable taxes), and (2) adding an additional one-year option term (Option Year 3) to the contract for a not-to-exceed amount of \$1,000,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$7,300,000.00 (plus applicable taxes) to \$8,600,000.00 (plus applicable taxes), subject to required FCC approval. Amounts associated with these services will be expensed using congressionally appropriated funds and not the Universal Service Fund.

- a17. Consideration to Exercise Option Term for Affordable Connectivity Program Business Process Outsourcing Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to exercise the first one-year option term of its Affordable Connectivity Program Business Process Outsourcing contract with Maximus Federal Services for a not-to-exceed amount of \$7,500,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$9,904,002.45 (plus applicable taxes) to \$17,404,002.45 (plus applicable taxes), subject to required Federal Communications Commission approval. Amounts associated with these services will be expensed using congressionally appropriated funds and not the Universal Service Fund.

- i8. Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports.** This item was provided for *information purposes only*. No discussion was held.

At 12:04 the Board continued in *Confidential Executive Session* with only members of the Board, Ms. Sekar, Mr. Beyerhelm, and Ms. Sadirkhanova present.

- a18. Personnel Matter:** Consideration of Contract Awards for the USAC Employee Benefit Program. Mr. Beyerhelm presented this item to the Board.

On a motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management, subject to required Federal Communications Commission approval, to award a one-year contract for employee medical and prescription drug benefits to Cigna Corporation for a not-to-exceed cost of \$13,543,594 (plus applicable taxes) and to award a one-year contract to The Guardian Life Insurance Company of America, Inc. for dental, vision, life, and disability benefits, for a not-to-exceed cost of \$1,518,225 (plus applicable taxes). The total estimated costs for the calendar year 2024 for USAC employee and retiree benefits program is \$15,061,820 (plus applicable taxes).

- a19. *Personnel Matter:*** Consideration of 2024 Compensation Item. Mr. Beyerhelm facilitated this discussion.

On a motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors, having reviewed the USAC management and the Executive Compensation Committee proposed 2024 merit-based salary increase and incentive awards programs for USAC employees, hereby approves the proposed program.

At 12:25 the Board continued in *Confidential Executive Session* with only non-staff members of the Board present.

- i9. *Confidential Executive Session: Board of Directors Only.*** Mr. Gillan facilitated this discussion.

OPEN SESSION

At 12:40 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that, in *Executive Session*, the Board acted on items a5-a7, a18 and a19, and discussed items i4, i5, and i9.

On a motion duly made and seconded, the Board adjourned at 12:40 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street N.W., Suite 900
Washington, D.C. 20005

BOARD OF DIRECTORS MEETING
Monday, December 18, 2023

(DRAFT) MINUTES

In a Public Notice dated December 14, 2023 (DA-22-1365A1), Federal Communications Commission (FCC or Commission) Chairwoman Rosenworcel appointed the following six individuals to the USAC Board of Directors (Board):

- Mona L. Thompson, General Manager of the Cheyenne River Sioux Tribe Telephone Authority, Representative for Tribal communities;
- Sheba Chacko, Chief Regulatory Counsel, British Telecoms in the Americas, Representative for competitive local exchange carriers;
- Kara Semmler, General Counsel and Executive Director, South Dakota Telecommunications Association, Representative for incumbent local exchange carriers (non-Bell Operating Companies) with \$40 million or less in annual revenue;
- Angela Siefer, Executive Director, National Digital Inclusion Alliance, Representative for low-income consumers;
- Joan H. Wade, Ed.D., Executive Director, Association of Educational Service Agencies, Representative for schools that are eligible to receive discounts pursuant to section 54.501 of the Commission's rules; and
- Katharine Hsu Wibberly, Ph.D., Director, Mid-Atlantic Telehealth Resource Center, Representative for rural health care providers that are eligible to receive supported services pursuant to section 54.601 of the Commission's rules.

On December 18, 2023, the Board was requested to vote by written unanimous consent to elect these members to the Board and appoint them to a committee by virtue of the constituency they represent.

- a1. Election of Members to the USAC Board of Directors and Appointment of Members to Programmatic Committees.** On December 19, 2023 on a motion duly made and approved by written unanimous consent, the Board adopted the following resolutions:

RESOLVED, that the USAC Board of Directors, having received the selections from the Chairwoman of the FCC pursuant to 47 C.F.R. § 54.703(c)(3) and pursuant to Article II, § 4 of the USAC By-laws, hereby elects to the USAC Board of Directors effective January 1, 2024:

- Kara Semmler for a term expiring on December 31, 2026;

- Katharine Hsu Wibberly. Ph.D. for a term expiring on December 31, 2026;
- Joan H. Wade Ed.D. for a term expiring on December 31, 2026;
- Angela Siefer for a term expiring on December 31, 2026;
- Sheba Chacko for a term expiring on December 31, 2026; and
- Mona L Thompson for a term expiring on December 31, 2026;

RESOLVED FURTHER, that each of the aforementioned directors shall remain a director until: (i) such director's resignation, (ii) such director's removal pursuant to Article II, § 7 of the USAC By-laws and the provisions of the Delaware General Corporation Law, (iii) the election of a successor pursuant to Article II, § 4 of the USAC By-laws, or (iv) action by the stockholder of the corporation pursuant to Article I of the USAC By-laws; and

RESOLVED FURTHER, that consistent with 47 C.F.R. § 54.705 and the USAC By-laws, Article II, and by virtue of the constituency they represent:

- Dr. Joan Wade and Mona Thompson are hereby appointed to the Schools & Libraries Committee;
- Angela Siefer, Kara Semmler, and Sheba Chacko are hereby appointed to the High Cost & Low Income Committee; and
- Dr. Katharine Hsu Wibberly is hereby appointed to the Rural Health Care Committee.

/s/ Erin Williams

Assistant Secretary

**Universal Service Administrative Company
Board of Directors Meeting**

ACTION ITEM

**Review of the 2024 Audit Committee Charter
(Same as aAC03)**

Action Requested

In accordance with USAC's Audit Committee Charter (Charter), Section III.A.1, the Audit Committee (Committee) of the USAC Board of Directors (Board) is required to review and reassess the adequacy of the Charter at least annually and recommend changes, as deemed necessary, to the Board.

Discussion

USAC Audit and Assurance Division (AAD) staff reviewed the current Charter to determine if any changes should be recommended to the Committee and the Board of Directors for consideration. AAD does not recommend any substantive changes to the Charter, only very minor formatting, or grammatical changes.

Attachment A provides the existing Charter with recommended changes in redline, and **Attachment B** provides a clean version of the revised Charter.

The Committee is requested to recommend that the Board approve the revised Charter.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that the USAC Board of Directors, having reviewed the revised Audit Committee Charter presented by the USAC Audit and Assurance Division, accepts the recommendation of the Audit Committee of the USAC Board of Directors, and approves the revised Audit Committee Charter.

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
AUDIT COMMITTEE CHARTER

January 20222023

- I. Audit Committee Purpose, Duties, and Responsibilities.
 - A. The Audit Committee (Committee) of the Board of Directors of the Universal Service Administrative Company (USAC) shall provide assistance to the Board of Directors (Board) in fulfilling the Board's oversight responsibilities relating to corporate accounting, financial reporting practices, internal control over operations (internal controls), Universal Service Fund program integrity, and all aspects of corporate compliance with applicable law.
 - B. The Committee's primary duties and responsibilities shall be as follows:
 1. Oversee management's efforts to maintain the reliability and integrity of USAC's accounting policies and financial reporting practices.
 2. Oversee management's efforts to establish, maintain, and review processes that assure that an adequate system of internal control is functioning within USAC through the execution of operational, Universal Service Fund Beneficiary and Contributor audits, Payment Quality Assessments; Supply Chain Audit Program audits and the required annual financial statement audit and agreed upon procedures review.
 3. Oversee management's efforts to establish, maintain, and review processes that assure compliance by USAC with all applicable laws.
 4. Develop and oversee a Strategic Audit Plan to verify USAC's financial and operational integrity.
 5. Provide an avenue of communication between USAC's independent financial statement auditors, USAC management (including, but not limited to the Chief Executive Officer, the Vice President of Finance and Chief Financial Officer, the Vice President and General Counsel, and the Vice President of each USAC programmatic division), the Vice President of Audit and Assurance, and the Board.
 6. Provide insight and recommendations to establish cost effective Universal Service Fund strategic audit plans that include a focus on high risk areas as identified through past audit results, ongoing organizational projects, risk management trends, and data analytics. Also, assist USAC by providing recommending solutions to mitigate common audit findings and suggestions to build a more collaborative audit experience for Universal Service Fund participants.

II. Audit Committee Composition, Appointment, and Meetings.

A. Composition

1. The Committee shall consist of five Board members:
 - a. At least one representative from each of the three programmatic committees of the Board (the High Cost & Low Income Committee, the Rural Health Care Committee, and the Schools & Libraries Committee). The Chairperson of the Audit Committee will serve as a member of the Executive Committee.
 - b. Two at-large Board members.
 - c. At least one Committee member shall have a background in financial reporting, accounting, or auditing, or other financial expertise.
2. Each member of the Committee shall meet each of the following independence requirements:
 - a. Is not and has not been employed in an executive capacity by USAC for at least five years prior to appointment to the Committee.
 - b. Is not an advisor or consultant to USAC, and does not have a personal services contract or other business relationship with USAC.
 - c. Is not a spouse, parent, sibling, child, or in-law of any person described in the preceding two clauses of this paragraph or of any member of USAC management.

B. Appointment

1. The members of the Committee shall be appointed annually by the Board. Each member shall hold office until he/she resigns, is removed or until a successor is appointed by the Board.
2. The Board shall appoint one of the members of the Committee as Chair and another as Vice Chair.

C. Meetings

1. The Committee shall meet at least quarterly and at such other times as the Committee deems necessary.
2. The Committee shall, at least annually and at such other times as the Committee deems necessary, separately meet with USAC management, the Vice President of Audit and Assurance, and representatives of the independent

financial auditing firm retained by USAC to discuss any matters that either the Committee or any of these groups believes should be discussed privately.

3. The Committee may direct any member of the Board, officer, or employee of USAC or advisor to USAC, including outside counsel or independent auditors, to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee shall advise the Board of all such special meetings either prior to the meeting or promptly thereafter.

III. Responsibilities and Duties

A. Review of Documents, Reports, and Assessments

1. Review and reassess, at least annually, the adequacy of the Committee Charter and make recommendations to the Board, as deemed necessary.
2. Review, in conjunction with management and representatives of the independent auditing firm retained by USAC, the annual financial statements and the audit reports included with those statements and the annual agreed upon procedures review report.
 - a. Discuss with management and the independent auditors significant issues regarding accounting principles, practices, and judgments.
 - b. Discuss any significant judgments made in management's preparation of the financial statements and any significant difficulties encountered during the course of the review or audit, including any restrictions on the scope of work or access to required information.
 - c. Discuss any significant exceptions in the agreed upon procedures review report.
3. Annually develop and approve a Strategic Audit Plan in consultation with the Vice President of Audit and Assurance. In addition to projects outlined in the Strategic Audit Plan, the Committee may from time to time request and / or approve additional specific operational and/or financial audits.
4. Review USAC financial, operational and compliance audit reports prepared by the independent auditors or the Audit and Assurance Division and management's response thereto.
5. Review, at least annually, a summary report of common audit findings concerning Universal Service Fund beneficiary and contributor audits performed under the Universal Service Fund Beneficiary and Contributor Audit Program.

- a. Discuss audit results to highlight areas of high risk for consideration in developing future Universal Service Fund audit plans; identify FCC rules that may require revision to improve compliance among beneficiaries and contributors; and propose suggestions for improving audit efficiency among beneficiaries and contributors.
 - b. Provide insight to the Audit and Assurance Division by providing suggested approaches to avoid common audit challenges and solutions to build a more collaborative audit experience for Universal Service Fund participants.
6. Review with management, the independent or external auditors, and the Vice President of Audit and Assurance any significant findings of the reports, management's response thereto, and any significant difficulties encountered during the course of the review or audit, including any restrictions on the objectives or scope of work or access to required information.
- B. Oversight of Independent Auditing Firm(s) Retained by USAC for the Annual Financial and Agreed-Upon Procedures Review
1. Initially select, periodically evaluate (at least annually), and replace as necessary the independent auditing firm(s) retained by USAC for the Annual Financial and Agree-Upon Procedures review, subject to the requirement to obtain the approval of the Board for expenditures in excess of the amount set forth in Section III.H.4. of this Audit Committee Charter, *provided*, however, that nothing herein shall affect the authority of the programmatic committees of the Board to select, evaluate, and replace independent auditing firms with respect to the audits of beneficiaries and contributors of the universal service support mechanisms when deemed necessary by the Committee or the Vice President of Audit and Assurance.
 2. Oversee the independence of the independent auditing firm(s) retained by USAC by reviewing and discussing with each auditor a formal written statement concerning their independence and the nature of the relationship, if any, between the auditor and the USAC.
 3. Approve any significant non-audit related services to be provided by an independent auditing firm retained by USAC.
- C. Review and Oversight of USAC's Financial Reporting Process, Financial Statement Audit
1. Review the integrity of USAC's financial reporting process, at least annually, in consultation with: (i) the independent auditing firm(s) retained by USAC, (ii) the Vice President of Finance and Chief Financial Officer, and (iii) the Chief Executive Officer.

2. Review significant changes to USAC’s auditing and accounting principles and practices as suggested by an independent auditing firm retained by USAC, the Vice President of Finance and Chief Financial Officer, or the Vice President of Audit and Assurance.
 3. Require and timely review reports from the independent auditing firm(s) retained by USAC relating to the following:
 - a. All significant accounting policies and practices to be used.
 - b. All alternative disclosures and treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of such alternative disclosures and treatments and the treatment preferred by the independent auditing firm.
 - c. Other written communications between the independent auditors and management, such as any management letter or schedule of adjusted differences.
 4. Review and evaluate significant disagreement among USAC management and the independent auditing firm(s) retained by USAC and/or the Vice President of Audit and Assurance in connection with the preparation of the USAC financial statements, and management’s response thereto.
- D. Oversight of the Operational Reporting Process, Agreed-Upon Procedures Review
1. In consultation with the independent auditing firm(s) retained by USAC and the Vice President of Audit and Assurance, review the integrity of internal controls and operating procedures and any exceptions identified in the agreed-upon procedures reviews.
 2. Review changes to USAC’s internal controls or operating procedures and practices for consistency with suggestions of an independent auditing firm retained by USAC, management, or the Vice President of Audit and Assurance.
 3. Ensure and oversee timely reports from the independent auditing firm(s) retained by USAC to the Audit Committee.
 4. Review and evaluate significant disagreement among USAC management and the independent auditing firm(s) retained by USAC and/or the Vice President of Audit and Assurance in connection with the preparation of USAC’s agreed upon procedures report and management’s response thereto.

E. Oversight of Audit and Assurance Division

1. Review and approve the Audit and Assurance Division Charter, organizational structure, budget, activities, and significant changes to the Strategic Audit Plan, as needed.
2. Review and approve the appointment, replacement, reassignment or material changes in the role and/or responsibility of the Vice President of Audit and Assurance Division.
3. Review the effectiveness of the internal audit activities, including compliance with Generally Accepted Government Auditing Standards (GAGAS) as issued by the Comptroller General of the United States (as amended) and the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.
4. Review reports of whistleblower complaints received by the Vice President of Audit and Assurance. Such reports shall be prepared jointly by the Vice President of Audit and Assurance and USAC's Office of General Counsel.

F. Assessment of Internal Controls, Annual Report on Internal Controls

1. Review with management, the independent auditors, the Vice President of Audit and Assurance and the USAC Board of Directors, the effectiveness of the Company's process for assessing significant risks or exposures and the steps management has taken to minimize such risks and exposures to the Company.
2. Review with management, the independent auditors, and the Vice President of Audit and Assurance the adequacy of the Company's system of internal controls as noted in the Annual Report on Internal Controls as issued by the independent auditing firm.
3. Establish and maintain procedures for the following activities:
 - a. The receipt, retention, and treatment of complaints received by USAC regarding accounting, internal controls, operating procedures, or auditing matters.
 - b. The confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

G. Compliance With Applicable Law

1. In consultation with the Vice President and General Counsel, review at least annually any legal matters that could have a significant effect on the USAC's operations, financial statements, and reports received from regulators.

2. In consultation with the Vice President and General Counsel, review the processes established to assure compliance by USAC with all applicable laws.
3. Review the results of any investigations concerning waste, fraud, abuse, and/or accounting irregularities and make recommendations for remedial action, if appropriate.

H. Other Responsibilities of the Audit Committee

1. Periodically report to the Board through the Committee Chair or pursuant to other means acceptable to the Board.
2. Maintain minutes or other records of meetings and activities of the Committee.
3. Perform any other activities consistent with the Committee Charter, USAC's By-laws, and applicable laws, as the Committee or the Board deems appropriate.
4. When deemed appropriate by the Committee, the Committee will retain outside legal, accounting, or other advisors or consultants to advise and assist the Committee, without needing to seek approval for the retention of such advisors or consultants from the Board, *provided* that the cost is less than \$250,000 in any single calendar year. If the cost for such purpose exceeds \$250,000 in a calendar year, the Committee shall obtain Board approval before engaging or continuing to engage an outside advisor or consultant.

IV. Limitations on Responsibilities and Duties of Audit Committee Members and Audit Committee

- A. The responsibility of the Committee is oversight. USAC management is responsible for the USAC financial statements as well as financial reporting processes, principles, and internal controls. The independent auditing firm(s) retained by USAC is/are responsible for performing audits of the annual financial statements, expressing an opinion as to the conformity of such annual financial statements with generally accepted accounting principles, and other procedures. The members of the Committee are not engaged in the accounting or auditing profession and, consequently, are not experts in matters involving auditing or accounting.
- B. Each member of the Committee shall be entitled reasonably to rely on the following:
 1. The integrity of those persons within USAC and of the professionals and experts (such as the independent auditors) who provide professional advice and information to the Committee and/or USAC.

2. The accuracy of the financial and other information provided to the Committee by such persons, professionals, or experts, absent actual knowledge to the contrary.
- C. Pursuant to USAC By-Laws and FCC rules, the programmatic committees of the Board have the authority for the performance of audits of beneficiaries of the respective support mechanisms and the full Board has the authority for the performance of audits of contributors to the Universal Service Fund and for Supply Chain audits. The Audit Committee shall provide advice and assistance to the programmatic committees in support of the primary role of the programmatic committees with respect to audits of beneficiaries and the Board with respect to audits of contributors.

V. Procedures for Discussing Matters in *Executive Session*

- A. In general, any USAC Board member may attend any meeting of the Committee, including *Executive Sessions*, as an observer, even though the person is not a member of the Audit Committee. The exceptions to this general rule are as follows:
1. Where the Board member is aware of an actual or potential conflict of interest with respect to a matter coming before the Committee in *Executive Session*, he/she shall bring the matter to the attention of the Committee or, if the Committee is aware of the conflict of interest, the Committee or any member thereof may raise the issue for consideration. The Board member may self-recuse from the meeting or, upon the vote of the Committee, be excluded from the relevant portion of the *Executive Session* of the Committee meeting.
 2. Where a Board member seeking to attend an *Executive Session* of the Committee is aware of an actual or potential conflict of interest with respect to a matter coming before the Committee in *Executive Session*, he/she shall bring the matter to the attention of the Committee or, if the Committee is aware of the actual or the potential conflict of interest, the Committee or any member thereof may raise the issue for consideration. Where disclosure and/or discussion of the specific issue or potential conflict of interest would compromise the integrity of the Universal Service Fund, the Committee shall exclude all persons other than Audit Committee members.
 3. Where the Committee wishes to meet with USAC's independent auditing firm, the Vice President of Audit and Assurance, the Vice President and General Counsel, the Vice President of Finance and Chief Financial Officer, and/or other representatives to discuss or seek assurances concerning any significant difficulties encountered during the course of a review or audit, including any restrictions on the scope of work or access to required information, or matters of a similar nature, and/or engaged in the preliminary assessment of any investigation, the Committee may exclude Board members

who are not members of the Committee from attending the relevant portion of the *Executive Session* of the Committee meeting.

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
AUDIT COMMITTEE CHARTER**

January 2024

- I. Audit Committee Purpose, Duties, and Responsibilities.
- A. The Audit Committee (Committee) of the Board of Directors of the Universal Service Administrative Company (USAC) shall provide assistance to the Board of Directors (Board) in fulfilling the Board's oversight responsibilities relating to corporate accounting, financial reporting practices, internal control over operations (internal controls), Universal Service Fund (USF) program integrity, and all aspects of corporate compliance with applicable law.
- B. The Committee's primary duties and responsibilities shall be as follows:
1. Oversee management's efforts to maintain the reliability and integrity of USAC's accounting policies and financial reporting practices.
 2. Oversee management's efforts to establish, maintain, and review processes that assure that an adequate system of internal control is functioning within USAC through the execution of operational, Universal Service Fund Beneficiary and Contributor audits, Payment Quality Assessments; Supply Chain Audit Program audits and the required annual financial statement audit and agreed upon procedures review.
 3. Oversee management's efforts to establish, maintain, and review processes that assure compliance by USAC with all applicable laws.
 4. Develop and oversee a Strategic Audit Plan to verify USAC's financial and operational integrity.
 5. Provide insight and recommendations to establish cost effective USF audit plans that include a focus on high-risk areas as identified through past audit results, ongoing organizational projects, risk management trends, and data analytics. Also, assist USAC by recommending solutions to mitigate common audit findings and suggestions to build a more collaborative audit experience for USF participants.
 6. Provide an avenue of communication between USAC's independent financial statement auditors, USAC management (including, but not limited to the Chief Executive Officer, the Vice President of Finance and Chief Financial Officer, the Vice President and General Counsel, and the Vice President of each USAC programmatic division), the Vice President of Audit and Assurance, and the Board.

II. Audit Committee Composition, Appointment, and Meetings.

A. Composition

1. The Committee shall consist of five Board members:
 - a. At least one representative from each of the three programmatic committees of the Board (the High Cost & Low Income Committee, the Rural Health Care Committee, and the Schools & Libraries Committee). The Chairperson of the Audit Committee will serve as a member of the Executive Committee.
 - b. Two at-large Board members.
 - c. At least one Committee member shall have a background in financial reporting, accounting, or auditing, or other financial expertise.
2. Each member of the Committee shall meet each of the following independence requirements:
 - a. Is not and has not been employed in an executive capacity by USAC for at least five years prior to appointment to the Committee.
 - b. Is not an advisor or consultant to USAC and does not have a personal services contract or other business relationship with USAC.
 - c. Is not a spouse, parent, sibling, child, or in-law of any person described in the preceding two clauses of this paragraph or of any member of USAC management.

B. Appointment

1. The members of the Committee shall be appointed annually by the Board. Each member shall hold office until he/she resigns, is removed or until a successor is appointed by the Board.
2. The Board shall appoint one of the members of the Committee as Chair and another as Vice Chair.

C. Meetings

1. The Committee shall meet at least quarterly and at such other times as the Committee deems necessary.
2. The Committee shall, at least annually and at such other times as the Committee deems necessary, separately meet with USAC management, the Vice President of Audit and Assurance, and representatives of the independent

financial auditing firm retained by USAC to discuss any matters that either the Committee or any of these groups believes should be discussed privately.

3. The Committee may direct any member of the Board, officer, or employee of USAC or advisor to USAC, including outside counsel or independent auditors, to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee shall advise the Board of all such special meetings either prior to the meeting or promptly thereafter.

III. Responsibilities and Duties

A. Review of Documents, Reports, and Assessments

1. Review and reassess, at least annually, the adequacy of the Committee Charter and make recommendations to the Board, as deemed necessary.
2. Review, in conjunction with management and representatives of the independent auditing firm retained by USAC, the annual financial statements and the audit reports included with those statements and the annual agreed upon procedures review report.
 - a. Discuss with management and the independent auditors significant issues regarding accounting principles, practices, and judgments.
 - b. Discuss any significant judgments made in management's preparation of the financial statements and any significant difficulties encountered during the course of the review or audit, including any restrictions on the scope of work or access to required information.
 - c. Discuss any significant exceptions in the agreed upon procedures review report.
3. Annually develop and approve a Strategic Audit Plan in consultation with the Vice President of Audit and Assurance. In addition to projects outlined in the Strategic Audit Plan, the Committee may from time to time request and / or approve additional specific operational and/or financial audits.
4. Review USAC financial, operational and compliance audit reports prepared by the independent auditors or the Audit and Assurance Division and management's response thereto.
5. Review, at least annually, a summary report of common audit findings concerning Universal Service Fund beneficiary and contributor audits performed under the Universal Service Fund Beneficiary and Contributor Audit Program.

- a. Discuss audit results to highlight areas of high risk for consideration in developing future Universal Service Fund audit plans; identify FCC rules that may require revision to improve compliance among beneficiaries and contributors; and propose suggestions for improving audit efficiency among beneficiaries and contributors.
 - b. Provide insight to the Audit and Assurance Division by providing suggested approaches to avoid common audit challenges and solutions to build a more collaborative audit experience for Universal Service Fund participants.
6. Review with management, the independent or external auditors, and the Vice President of Audit and Assurance any significant findings of the reports, management's response thereto, and any significant difficulties encountered during the course of the review or audit, including any restrictions on the objectives or scope of work or access to required information.
- B. Oversight of Independent Auditing Firm(s) Retained by USAC for the Annual Financial Statement Audit and Agreed-Upon Procedures Review
1. Initially select, periodically evaluate (at least annually), and replace as necessary the independent auditing firm(s) retained by USAC for the Annual Financial and Agree-Upon Procedures review, subject to the requirement to obtain the approval of the Board for expenditures in excess of the amount set forth in Section III.H.4. of this Audit Committee Charter, *provided*, however, that nothing herein shall affect the authority of the programmatic committees of the Board to select, evaluate, and replace independent auditing firms with respect to the audits of beneficiaries and contributors of the universal service support mechanisms when deemed necessary by the Committee or the Vice President of Audit and Assurance.
 2. Oversee the independence of the independent auditing firm(s) retained by USAC by reviewing and discussing with each auditor a formal written statement concerning their independence and the nature of the relationship, if any, between the auditor and the USAC.
 3. Approve any significant non-audit related services to be provided by an independent auditing firm retained by USAC.
- C. Review and Oversight of USAC's Financial Reporting Process, Financial Statement Audit
1. Review the integrity of USAC's financial reporting process, at least annually, in consultation with: (i) the independent auditing firm(s) retained by USAC, (ii) the Vice President of Finance and Chief Financial Officer, and (iii) the Chief Executive Officer.

2. Review significant changes to USAC’s auditing and accounting principles and practices as suggested by an independent auditing firm retained by USAC, the Vice President of Finance and Chief Financial Officer, or the Vice President of Audit and Assurance.
 3. Require and timely review reports from the independent auditing firm(s) retained by USAC relating to the following:
 - a. All significant accounting policies and practices to be used.
 - b. All alternative disclosures and treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of such alternative disclosures and treatments and the treatment preferred by the independent auditing firm.
 - c. Other written communications between the independent auditors and management, such as any management letter or schedule of adjusted differences.
 4. Review and evaluate significant disagreement among USAC management and the independent auditing firm(s) retained by USAC and/or the Vice President of Audit and Assurance in connection with the preparation of the USAC financial statements and management’s response thereto.
- D. Oversight of the Operational Reporting Process, Agreed-Upon Procedures Review
1. In consultation with the independent auditing firm(s) retained by USAC and the Vice President of Audit and Assurance, review the integrity of internal controls and operating procedures and any exceptions identified in the agreed-upon procedures reviews.
 2. Review changes to USAC’s internal controls or operating procedures and practices for consistency with suggestions of an independent auditing firm retained by USAC, management, or the Vice President of Audit and Assurance.
 3. Ensure and oversee timely reports from the independent auditing firm(s) retained by USAC to the Audit Committee.
 4. Review and evaluate significant disagreement among USAC management and the independent auditing firm(s) retained by USAC and/or the Vice President of Audit and Assurance in connection with the preparation of USAC’s agreed upon procedures report and management’s response thereto.

E. Oversight of Audit and Assurance Division

1. Review and approve the Audit and Assurance Division Charter, organizational structure, budget, activities, and significant changes to the Strategic Audit Plan, as needed.
2. Review and approve the appointment, replacement, reassignment or material changes in the role and/or responsibility of the Vice President of Audit and Assurance Division.
3. Review the effectiveness of the internal audit activities, including compliance with Generally Accepted Government Auditing Standards (GAGAS) as issued by the Comptroller General of the United States (as amended) and the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.
4. Review reports of whistleblower complaints received by the Vice President of Audit and Assurance. Such reports shall be prepared jointly by the Vice President of Audit and Assurance and USAC's Office of General Counsel.

F. Assessment of Internal Controls, Annual Report on Internal Controls

1. Review with management, the independent auditors, the Vice President of Audit and Assurance and the USAC Board of Directors, the effectiveness of the Company's process for assessing significant risks or exposures and the steps management has taken to minimize such risks and exposures to the Company.
2. Review with management, the independent auditors, and the Vice President of Audit and Assurance the adequacy of the Company's system of internal controls as noted in the Annual Report on Internal Controls as issued by the independent auditing firm.
3. Establish and maintain procedures for the following activities:
 - a. The receipt, retention, and treatment of complaints received by USAC regarding accounting, internal controls, operating procedures, or auditing matters.
 - b. The confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

G. Compliance With Applicable Law

1. In consultation with the Vice President and General Counsel, review at least annually any legal matters that could have a significant effect on the USAC's operations, financial statements, and reports received from regulators.

2. In consultation with the Vice President and General Counsel, review the processes established to assure compliance by USAC with all applicable laws.
3. Review the results of any investigations concerning waste, fraud, abuse, and/or accounting irregularities and make recommendations for remedial action, if appropriate.

H. Other Responsibilities of the Audit Committee

1. Periodically report to the Board through the Committee Chair or pursuant to other means acceptable to the Board.
2. Maintain minutes or other records of meetings and activities of the Committee.
3. Perform any other activities consistent with the Committee Charter, USAC's By-laws, and applicable laws, as the Committee or the Board deems appropriate.
4. When deemed appropriate by the Committee, the Committee will retain outside legal, accounting, or other advisors or consultants to advise and assist the Committee, without needing to seek approval for the retention of such advisors or consultants from the Board, *provided* that the cost is less than \$250,000 in any single calendar year. If the cost for such purpose exceeds \$250,000 in a calendar year, the Committee shall obtain Board approval before engaging or continuing to engage an outside advisor or consultant.

IV. Limitations on Responsibilities and Duties of Audit Committee Members and Audit Committee

- A. The responsibility of the Committee is oversight. USAC management is responsible for the USAC financial statements as well as financial reporting processes, principles, and internal controls. The independent auditing firm(s) retained by USAC is/are responsible for performing audits of the annual financial statements, expressing an opinion as to the conformity of such annual financial statements with generally accepted accounting principles and other procedures. The members of the Committee are not engaged in the accounting or auditing profession and, consequently, are not experts in matters involving auditing or accounting.
- B. Each member of the Committee shall be entitled reasonably to rely on the following:
 1. The integrity of those persons within USAC and the professionals and experts (such as the independent auditors) who provide professional advice and information to the Committee and/or USAC.

2. The accuracy of the financial and other information provided to the Committee by such persons, professionals, or experts absent actual knowledge to the contrary.
- C. Pursuant to USAC By-Laws and FCC rules, the programmatic committees of the Board have the authority for the performance of audits of beneficiaries of the respective support mechanisms and the full Board has the authority for the performance of audits of contributors to the Universal Service Fund and for Supply Chain audits. The Audit Committee shall provide advice and assistance to the programmatic committees in support of the primary role of the programmatic committees with respect to audits of beneficiaries and the Board with respect to audits of contributors.

V. Procedures for Discussing Matters in *Executive Session*

- A. In general, any USAC Board member may attend any meeting of the Committee, including *Executive Sessions*, as an observer, even though the person is not a member of the Audit Committee. The exceptions to this general rule are as follows:
 1. Where the Board member is aware of an actual or potential conflict of interest with respect to a matter coming before the Committee in *Executive Session*, he/she shall bring the matter to the attention of the Committee or, if the Committee is aware of the conflict of interest, the Committee or any member thereof may raise the issue for consideration. The Board member may self-recuse from the meeting or, upon the vote of the Committee, be excluded from the relevant portion of the *Executive Session* of the Committee meeting.
 2. Where a Board member seeking to attend an *Executive Session* of the Committee is aware of an actual or potential conflict of interest with respect to a matter coming before the Committee in *Executive Session*, he/she shall bring the matter to the attention of the Committee or, if the Committee is aware of the actual or the potential conflict of interest, the Committee or any member thereof may raise the issue for consideration. Where disclosure and/or discussion of the specific issue or potential conflict of interest would compromise the integrity of the Universal Service Fund, the Committee shall exclude all persons other than Audit Committee members.
 3. Where the Committee wishes to meet with USAC's independent auditing firm, the Vice President of Audit and Assurance, the Vice President and General Counsel, the Vice President of Finance and Chief Financial Officer, and/or other representatives to discuss or seek assurances concerning any significant difficulties encountered during the course of a review or audit, including any restrictions on the scope of work or access to required information, or matters of a similar nature, and/or engaged in the preliminary assessment of any investigation, the Committee may exclude Board members

who are not members of the Committee from attending the relevant portion of the *Executive Session* of the Committee meeting.

**Universal Service Administrative Company
Board of Directors Meeting**

ACTION ITEM

**Approval of April 2025 – January 2026 Board of Directors
Quarterly Meeting Schedule**

Issue

The USAC Board of Directors (Board) is requested to approve a schedule for the quarterly Board and committee meetings for April 2025 through January 2026 to provide Board members and USAC staff sufficient lead time to plan for the meetings.

Background – Analysis – Justification

The USAC Board of Directors is required to meet quarterly in Washington, D.C. At the January 2023 meeting, the Board approved quarterly meeting dates through January 2025 as follows:

Executive Committee	Programmatic Committees & Board of Directors
April 25, 2024	April 29-30, 2024
July 25, 2024	July 29-30, 2024
October 24, 2024	October 28-29, 2024
January 23, 2025	January 27-28, 2025

Below is the recommended schedule of meetings for April 2025 through January 2026:

Executive Committee	Programmatic Committees & Board of Directors
April 24, 2025	April 28-29, 2025
July 24, 2025	July 28-29, 2025
October 23, 2025	October 27-28, 2025
January 22, 2026	January 26-27, 2026

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that the USAC Board of Directors adopts the Board of Directors quarterly meeting schedule for April 2025 through January 2026.

**Universal Service Administrative Company
Board of Directors Meeting**

ACTION ITEM

**Election of Committee At-Large Seats, Chairs, and Vice Chairs
and
Election and Appointment of Corporate Officers**

Action Requested

The USAC Board of Directors (Board) is requested to elect Board members to Board and committee leadership positions as committee chairs and vice chairs and to certain officer positions, as well as appoint staff members to certain officer positions. In addition, the Board elects members to committees when necessary.

Discussion

USAC's By-laws provide that the election of USAC corporate officers should be the first order of business at the first Board meeting at the beginning of each calendar year.¹ The Board also determined that it should elect committee chairs and vice chairs at the same time.²

On January 16, 2024, the Nominating Committee of the Board met via teleconference to (1) discuss the results of the December 2023 Board member interest survey, (2) recommend a slate of candidates for each of USAC's corporate officer positions (i.e., Board Chair, Vice Chair, Treasurer, Secretary, Assistant Treasurer, and Assistant Secretary), (3) make recommendations that would assist the Audit, Executive, Executive Compensation, High Cost & Low Income (HCLI), Rural Health Care (RHC), and Schools & Libraries (SL) committees in selecting Board members to serve as committee chairs and vice chairs; and (4) make recommendations to fill at-large seats in each of the committees.

The Nominating Committee shared its recommendations for officer and committee positions with Board members, basing its recommendations on each Board member's interest in serving on a particular committee and/or in a particular officer or committee leadership position and taking into account committee composition requirements, as set out in the Federal Communications Commission (FCC) rules, USAC's By-laws, and committee charters. Unless a member indicated that he or she did not wish to retain his or her current committee assignments (and so long as assignment to a particular committee is not prescribed by the By-laws or committee charters), the Nominating Committee recommended that members currently serving in a particular position remain in that position.

¹ USAC By-laws, Article III.

² USAC Board of Directors Meeting Minutes, at 4 (Jan. 25, 2000), available at <https://www.usac.org/about/leadership/board-minutes/>.

Below is information the Nominating Committee used as part of its discussion, which may be informative for Board members regarding Board structure and chair, vice chair and officer positions.

Background

Board of Directors Membership. The USAC Board consists of 20 members, with the Chief Executive Officer (CEO) being the only permanently appointed, non-elected member. The other 19 members of the Board serve three-year staggered terms, with six Board member terms expiring each on December 31 of the third year of their term, regardless of when during the year the member was elected to the Board. In effect, six Board members have their terms expire each year. Although Board member terms are set for three years, Board members serve until they are reappointed or replaced by the FCC Chair, the member resigns, or the member is removed by a two-thirds vote of the Board with the concurrence of the FCC Chair.

Committee Memberships and At-Large Seats. The Board currently has seven committees. The constituency of each committee is set forth below under “Board Committee Composition.” FCC rules and USAC’s By-laws set forth the composition requirements for the HCLI, RHC and SL committees. The composition requirements for the remaining committees are governed by charters that were approved by the Board. Some committee seats are automatic based on the constituency that each Board member represents.³ Other committee seats, which may be identified as “at-large” positions, are not automatic and are made by appointment of the Board.⁴

Election and Term of Committee Chairs and Vice Chairs. The Board previously determined by resolution that committee chairs and vice chairs would be elected for one-year terms that will typically commence at the conclusion of the January Board of Directors meeting each year.⁵ There are no term limits for chairs and vice chairs, and there is no automatic succession. The Board also determined by resolution that a chair or vice chair would remain in position in the event the Board does not make an election or appointment for such position at the January Board meeting (provided the person holding that position has not resigned or been removed from the Board).⁶

Officer Terms. The officers of the company are set forth in Table 2 below. Pursuant to Article III of the USAC By-laws, and applicable Board resolutions, the positions of

³ For example, the Board has three members that represent schools eligible to receive support. The SL Committee must contain three members that represent schools eligible to receive support. Therefore, the Board members that represent this constituency are automatically members of the SL Committee.

⁴ For example, the SL Committee must contain one at-large representative elected by the Board. The SL Committee also must contain one service provider representative and, because the Board has multiple service provider representatives, this committee position is also an at-large position elected by the Board.

⁵ See USAC Board of Directors Meeting Minutes, at 4 (Jan. 25, 2000), available at <https://www.usac.org/about/leadership/board-minutes/>.

⁶ *Id.*

Board Chair, Vice Chair, Treasurer, Secretary, Assistant Treasurer, and Assistant Secretary each have a one-year term, which typically begins at the conclusion of each January Board meeting. There are no term limits for such positions, and there is no automatic succession. The Board also determined by resolution that an officer would remain in position in the event the Board did not make an election or appointment for such position in the January Board meeting, provided the person holding that position has not resigned from, or been removed by, the Board in the case of a Board member, and has not resigned, or been removed by, the CEO in the case of an employee of USAC.

Nominating Committee. The Nominating Committee consists of three members and is responsible for soliciting nominations and recommending to the Board a slate of candidates for each of USAC's corporate officer positions. In addition, the Committee assists the Audit, HCLI, RHC, and SL committees in identifying Board members to serve as committee chair and vice-chair for each committee, as well as assisting the committees with identifying Board members to fill at-large seats.

The Board appoints the Nominating Committee members during the October quarterly meeting each year. The Nominating Committee typically reports its recommendations to the Board at the January quarterly meeting. In addition, each committee at its respective January quarterly meeting votes on a recommended committee chair and vice chair, with the names of the nominees reported by the respective committee chair to the Board for consideration also at the Board's January meeting.

At the January meeting, the Chair of the Nominating Committee identifies the Board members recommended to serve as Board Chair, Vice Chair, Treasurer and Secretary, and the staff members to serve as Assistant Treasurer and Assistant Secretary. (USAC's Chief Financial Officer typically serves as the Assistant Treasurer, and the General Counsel typically serves as the Assistant Secretary.)

Deferment of Nominating Process Under Certain Circumstances. The nominating process assumes that the FCC Chair has selected individuals to fill expiring terms of members from the prior two years, as well as members whose terms expired on the immediately preceding December 31 (i.e., all expiring term seats have been selected by the FCC Chair and elected to the Board prior to consideration of members for the chair, vice chair, and officer positions). When this has not occurred, which has periodically been the case, the Audit, Executive Compensation, HCLI, RHC and SL committee chairs and vice chairs, as well as the Nominating Committee can (following consultation with the Board Chair, the Vice Chair, the CEO, and the General Counsel), choose to defer making recommendations until the FCC Chair has made Board selections.

Incumbent Preferences. Traditionally, an incumbent committee chair and vice chair retain their positions if they so choose, but there is no rule or policy requiring such practice. Any Board member can serve as Board Chair, Vice Chair, Treasurer or Secretary. As with the committee chair and vice chair positions, the incumbents traditionally retain their positions if they so choose, but there is no rule or policy requiring such practice.

Board Committee Composition

SL Committee:

47 C.F.R. Section 54.705(a)(2) provides that the SL Committee will include the following eight seats: three school representatives; one library representative; one Tribal communities representative; one service provider representative; one at-large representative; and the USAC CEO. On July 26, 2016, at the recommendation of the Nominating Committee, the Board of Directors added two at-large positions to the SL Committee.⁷

HCLI Committee:

The composition of the HCLI Committee was originally set forth in a 1998 FCC order (FCC 98-306, ¶¶ 34 and 38). Although the FCC did not include the HCLI Committee composition requirements in 47 C.F.R. Part 54, the Order sets the size (nine) and membership of the committee, which USAC included in Article II, Section 8 of its By-laws as follows: two ILEC representatives (one representing rural telephone companies and one representing non-rural telephone companies); one wireless representative; one CLEC representative; one low income representative; one interexchange carrier representative; one state consumer advocate; one state telecommunications regulator representative; and the USAC CEO. On July 26, 2016, at the recommendation of the Nominating Committee, the Board of Directors added two at-large positions to the HCLI Committee.⁸

RHC Committee:

47 C.F.R. Section 54.705(a)(2) provides that the RHC Committee will consist of the following eight seats: two rural health care representatives; one service provider representative; two at-large representatives elected by the Board; one state telecommunications regulator; one state consumer advocate; and the USAC CEO.

Audit Committee:

The Audit Committee has five members, consisting of a member from each of the HCLI, RHC, and SL committees and two at-large seats. Section II.A. of the Audit Committee Charter requires that at least one member of the Committee “have a background in financial reporting, accounting, or auditing, or other financial expertise.”

⁷ See USAC Board of Directors Meeting Minutes at 25-26 (July 26, 2016), available at <https://www.usac.org/about/leadership/board-minutes/>.

⁸ See USAC Board of Directors Meeting Minutes at 25-26 (July 26, 2016), available at <https://www.usac.org/about/leadership/board-minutes/>.

Executive Committee:

The Executive Committee is comprised of the Board Chair and Vice Chair; the Audit, HCLI, RHC and SL committee chairs; the Treasurer and Secretary of the corporation; and the USAC CEO.

Executive Compensation Committee:

The Executive Compensation Committee (ECC) consists of five voting members, plus the Board Chair, who serves as a non-voting member.

Current Committee Chairs, Vice Chairs, and Officers*Table 1 – Chairs and Vice Chairs*

Following are the current committee chairs and vice chairs:

Committee	Chair	Vice Chair
Executive	Vacant (Previously Joe Gillan)	Ken Mason
Audit Committee	Vacant (previously Geoff Feiss)	Stephanie Polk
High Cost & Low Income	Ken Mason	Oliva Wein
Rural Health Care	Dr. Kathy Wibberly	Brent Fontana
Schools & Libraries	Dr. Dan Domenech	Julie Tritt Schell
Executive Compensation	Ken Mason	N/A

Table 2 – Officers

Following are the current officers:

Officer Position	Incumbent
Chair	Vacant (Previously Joe Gillan)
Vice Chair	Ken Mason (Acting Chair)
Secretary	Olivia Wein
Treasurer	Julie Tritt Schell
CEO ⁹	Radha Sekar
Assistant Secretary ¹⁰	Erin Williams
Assistant Treasurer ¹¹	Michelle Garber

⁹ The CEO is elected to a term coincident with the term of the CEO's employment and is not elected annually.

¹⁰ Traditionally, the General Counsel serves as the Assistant Secretary.

¹¹ Traditionally, the Chief Financial Officer serves as the Assistant Treasurer.

Officer Position	Incumbent
Other USAC VPs ¹²	<ul style="list-style-type: none"> • VP, General Counsel: Erin Williams • VP, Finance; Chief Financial Officer: Michelle Garber • VP, Rural Health Care Program: Mark Sweeney • VP, Lifeline Program: Tim O'Brien • VP, High Cost Program: Victor Gaither • VP, Schools and Libraries: Craig Davis • VP, Audit and Assurance: Teleshia Delmar • VP, Chief Administrative Officer: Chris Beyerhelm • VP, IT; Chief Information Officer: Kyle Hutchinson • VP, Shared Services: Stephen Butler

On January 29, 2024, the Audit, HCLI, RHC, and SL committees met to identify and make recommendations to the Board for action at today’s Board meeting for the positions of committee chair and vice chair of their respective committees.

Actions to be Taken by the Board of Directors at this Meeting

The Board will consider resolutions to take the following actions:

- (i) Elect members of the Board to fill at-large seats for each of the Board committees.
- (ii) Elect the Chair and Vice Chair for the SL, HCLI, RHC, and Audit committees, and the Chair for the ECC, each as nominated by the respective committees.
- (iii) Elect the Chair and Vice Chair of the Board, the Treasurer of the corporation, and the Secretary of the corporation.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

Election of Board Members to Committee At-Large Seats

RESOLVED, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Schools & Libraries Committee**: _____ (representing service providers), _____ (at-large member),

¹² The Board determined that each vice president shall be designated an officer of the corporation immediately upon his or her assumption of the duties of the position and shall serve as such until his or her employment in such position with USAC terminates for any reason; therefore, these positions are not elected annually. However, the positions of Assistant Secretary and Assistant Treasurer are elected annually.

_____ (at-large member), and _____ (at-large member);
and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **High Cost & Low Income Committee**:
_____ (at-large member), and _____ (at-large member);
and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Rural Health Care Committee**:
_____ (representing service providers), _____ (at-large member), and _____ (at-large member); and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Audit Committee**: _____ (representing the HCLI Committee), _____ (representing the RHC Committee), _____ (representing the SL Committee), _____ (at-large member), and _____ (at-large member);
and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Executive Compensation Committee**: _____ (at-large member), _____ (at-large member), _____ (at-large member), _____ (at-large member) and _____ (at-large member).

Election of Committee Chairs and Vice Chairs

RESOLVED, that the USAC Board of Directors accepts the recommendation of the Schools & Libraries Committee and elects _____ as Chair and _____ as Vice Chair of the **Schools & Libraries Committee**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendation of the High Cost & Low Income Committee and elects _____ as Chair and _____ as Vice Chair of the **High Cost & Low Income Committee**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendation of the Rural Health Care Committee and elects _____ as Chair and _____ as Vice Chair of the **Rural Health Care Committee**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendation of the Audit Committee and elects _____ as Chair and _____ as Vice Chair of the **Audit Committee**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendation of the Board Chair and elects _____ as Chair of the **Executive Compensation Committee**; and

RESOLVED FURTHER, that each of the aforementioned directors shall serve for a term that begins immediately upon the adoption of this resolution by the Board and ends at such time as the chair or vice chair (as the case may be): (i) is replaced by a successor selected by the Board, (ii) resigns from the Committee or the Board, (iii) is removed by resolution of the Board, or (iv) is no longer a member of the Board (whichever comes first).

Election of Board Chair, Vice Chair, Secretary and Treasurer

RESOLVED, that the USAC Board of Directors elects _____ as Chair of the Board and _____ as Vice Chair of the Board, _____ as Secretary of the corporation, and _____ as Treasurer of the corporation, each for a term that begins immediately upon adoption of this resolution and ends when such member's successor has been elected, when such member resigns such position, is removed by resolution of the Board, or is no longer a member of the Board.



Board of Directors Meeting

Committee Chairs Reports (Verbal)

Open Session

January 30, 2024





Board of Directors

Connected Care Pilot Program

Open Session

January 30, 2024



Universal Service
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Connected Care Pilot Program Updates

- Received 1,015 FRNs from FCC Forms 462 to date.
- Issued \$33.03 million in funding commitments so far.
- Received 263 FCC Forms 463 for disbursement and disbursed 224 invoices worth \$12.18 million.



**Universal Service
Administrative Co.**

**Universal Service Administrative Company
Board of Directors Meeting**

ACTION ITEM

**Approval of USAC Common and Consolidated
2nd Quarter 2024 Budgets and Demand Projection
for the February 1, 2024 FCC Filing**

Action Requested

The USAC Board of Directors (Board) is requested to approve the 2nd Quarter 2024 (Q2 2024) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's February 1, 2024 quarterly filing.

Discussion

Based on the projected burn rate, USAC estimates a Q2 2024 USAC consolidated budget of \$75.34 million to administer the Universal Service Fund (USF), which includes \$37.02 million in direct program costs and \$38.32 million in common indirect costs. This does not include projected spending related to the appropriated programs.

<i>(in millions)</i>	Q1 2024 Budget	Increase/ (Decrease)	Q2 2024 Budget
Direct Program & Direct Assigned Costs			
High Cost	\$6.34	\$1.27	\$7.61
Lifeline	13.96	(1.26)	12.70
Rural Health Care	4.56	0.17	4.73
Schools & Libraries	9.33	2.65	11.98
Connected Care Pilot	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	\$34.19	\$2.83	\$37.02
Common Costs			
Employee Expenses	\$18.54	(\$2.79)	\$15.75
Professional Services	10.42	2.70	13.12
General & Administrative (Note 1)	8.39	1.06	9.45
Total Common Costs	\$37.35	\$0.97	\$38.32
Total Consolidated Costs	\$71.54	\$3.80	\$75.34

Note 1: General & Administrative expenses include computer support & maintenance, rent, hardware & equipment rental, taxes & insurance, printing & postage, Board of Directors expenses, reference materials, repairs & maintenance, telecommunications, and projected revenue associated with data collection billings and common costs allocated to the FCC appropriated programs.

A comparison of actual common and consolidated expenditures to the budget for the twelve months ending December 31, 2023 is provided in **Attachment 1**.

Recommendation

USAC management recommends that the Board approve the Q2 2024 budgets as proposed.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 2nd Quarter 2024 common budget of \$38.32 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$38.32 million for common costs in the required February 1, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 2nd Quarter 2024 consolidated budget to administer the Universal Service Fund of \$75.34 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$75.34 million for consolidated costs in the required February 1, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

ATTACHMENT 1

USAC Administrative Costs and Headcount
Comparison of Actual Expenditures and Headcount to the Budget for the
Twelve Months Ending December 31, 2023

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program & Direct Assigned Costs						
High Cost	62	66	4	\$26.50	\$25.78	(\$0.72)
Lifeline	96	107	11	43.39	57.95	14.56
Rural Health Care	54	60	6	18.24	18.00	(0.24)
Schools & Libraries	80	80	0	38.69	40.58	1.89
Connected Care Pilot	0	0	0	0.01	0.00	(0.01)
Total Direct Program & Direct Assigned Costs	292	313	21	\$126.83	\$142.31	\$15.48
Common Costs (Note 2)						
Employee Expenses	405	401	(4)	\$62.73	\$63.68	\$0.95
Professional Services				35.21	36.47	1.26
General & Administrative (Note 3)				30.49	33.27	2.78
Total Common Costs	405	401	(4)	\$128.43	\$133.42	\$4.99
Total Consolidated Costs	697	714	17	\$255.26	\$275.73	\$20.47

Note 2: Actual USF common costs reflect a reduction for costs allocated to the appropriated programs.

Note 3: General & Administrative expenses include computer support & maintenance, rent, hardware & equipment rental, taxes & insurance, printing & postage, Board of Directors expenses, reference materials, repairs & maintenance, telecommunications, data collection billing revenue, and interest income.



Board of Directors Meeting

2023 Accomplishments (Discussion Only)

Open Session

January 30, 2024



Board of Directors Meeting

ERP Update (Discussion Only)

Open Session

January 30, 2024



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Board of Directors

Shared Service Business Update

Open Session

January 30, 2024



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Agenda

- Tribal Initiative Update
- 2023 Annual Report Timeline

2023 Tribal Initiative Update

- Consolidated Tribal outreach into a One USAC format to create awareness of all four USF programs and the ACP.
- Closed the inaugural Tribal Libraries Pilot Program for FY2023, giving five new Tribal libraries access to E-Rate funding.
- Built new relationships in Tribal communities by attending conferences and conducting personalized outreach, including NTTA, NTIA, and Tribal Digital Navigators.
- Kicked off the 2024 Tribal Libraries Pilot Program by utilizing learnings from the prior year to increase participation and understanding.
- Currently re-designing the Tribal web pages to make it easier to find information and enhancing the content to speak to Tribal audiences.

2024 Tribal Libraries Pilot Program

- Kicked off the 2024 Tribal Libraries Pilot Program while attending the ATALM conference.
- Currently working with 20 potential E-Rate Tribal Pilot Program participants.
- Participating Tribal libraries are paired with a Tribal Library Advocate (TLA) to help guide them through the application process.
- TLAs work one-on-one with their assigned Tribal library, and SMEs are brought in to support as needed. As common needs are identified, live Q&A sessions are conducted as a group.
- Based on participant feedback, tools have been developed to break up the application process into activities that are easier to understand.

E-Rate Funding Year Activities

FIRST STEP

E-Rate is a year-long process, and it is important to meet each deadline. Use this timeline to help stay on track. Please note that these activities are for the Funding Year, which starts in July and ends in June.

LAST STEP



◀ Look on the back to find more resources on annual E-Rate cycle activities.



2023 USAC Annual Report Timeline

Timing	Activity	Due
December 2023	Design Annual Report outline	In progress
January 2024	Develop Annual Report program narratives	February 1, 2024
February 2024	Finalize Annual Report financial content	February 19, 2024
March 13, 2024	Share Annual Report final draft with the FCC and Board for review	March 20, 2023
March 20, 2024	The FCC and Board provide feedback on Annual Report final draft	March 20, 2023
March 20, 2024	Incorporate Board and FCC feedback into Annual Report	March 22, 2023
March 29, 2024	Deliver final Annual Report to the FCC per MOU	March 29, 2024



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