

**Universal Service Administrative Company
Rural Health Care Committee Quarterly Meeting
Agenda**

**Tuesday, January 26, 2016
1:15 p.m. – 2:15 p.m. Eastern Time
USAC Offices
2000 L Street, N.W., Suite 200
Washington, D.C. 20036**

OPEN SESSION

- a1.** Consent Items (each available for discussion upon request):
- A.** Approval of Rural Health Care Committee Meeting Minutes of October 26, 2015.
 - B.** Approval of moving all *Executive Session* items into *Executive Session*.
 - C.** Routine Procurements: Deemed consideration and approval in *Executive Session*.
None.
 - D.** Approval of Rural Health Care Support Mechanism 2nd Quarter 2016 Programmatic Budget and Demand Projection for the February 1, 2016 FCC Filing.
- a2.** Action on 11 USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports – *Executive Session Option*
- ii.** Support Mechanism Business Update:
- General Business Update.
 - Key Measurements.
 - Strategic Initiatives.

EXECUTIVE SESSION

- a3.** Action on 2016 Annual Rural Health Care Support Mechanism Budget – **Confidential** – *Executive Session Recommended.*

Next Scheduled USAC Rural Health Care Committee Meeting

**Monday, April 25, 2016
3:30 p.m. – 5:00 p.m. Eastern Time
USAC Offices, Washington, D.C.**

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

RURAL HEALTH CARE COMMITTEE MEETING
Tuesday, January 26, 2016

MINUTES

The quarterly meeting of the Rural Health Care Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Tuesday, January 26, 2016. Dr. Kathy Wibberly, Committee Chair, called the meeting to order at 1:16 p.m. Eastern Time, with a quorum of six of the eight Committee members present:

Brisé, Ronald	Jimenez, Jose – <i>by telephone</i>
Fontana, Brent – <i>by telephone</i>	Wein, Olivia – <i>by telephone</i>
Henderson, Chris – Chief Executive Officer	Wibberly, Dr. Kathy – Chair – <i>by telephone</i>

Mr. Wayne Jortner joined the meeting by telephone at 1:22 p.m. He did not participate in the discussion or vote on item a1.

Board members not present:

Gillan, Joe

Other Board of Directors (Board) members and officers of the corporation present:

Belden, Richard– Chief Operating Officer
Case, Dave – Vice President of Finance, Chief Financial Officer and Assistant Treasurer
Davis, Craig – Vice President, Rural Health Care Division
Domenech, Dan – Member of the Board
Feiss, Geoff – Member of the Board
Garber, Michelle – Vice President of Low Income Division
Hays, Kate – Vice President of Stakeholder Engagement
Lubin, Joel – Member of the Board
Mason, Ken – Member of the Board – *by telephone*
Scott, Wayne – Vice President of Internal Audit
Talbot, Dr. Brian – Member of the Board – *by telephone*
Taylor, Peter – Vice President and Chief Information Officer – *by telephone*
Tininc, Atilla – Member of the Board – *by telephone*

Others present:

<u>NAME</u>	<u>COMPANY</u>
Beard, Jay	USAC
Costa, Paloma	USAC
Delmar, Teleshia	USAC
Gelman, Sheryl – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Guinan, Gabriela Gross	USAC
Kil, Benny	USAC
Nelbach, Nick	USAC
Nuzzo, Patsy	USAC
Rovetto, Ed	USAC
Schrieber, Johnnay	USAC
Smith, Chris – <i>by telephone</i>	USAC
Zufolo, Jessica	USAC

OPEN SESSION

a1. Consent Items.

- A. Committee meeting minutes of October 26, 2015.
- B. Approval for discussing in *Executive Session* agenda items:
 - (1) **a3** – Action on 2016 Annual Rural Health Care Support Mechanism Budget. USAC management recommends that this item be discussed in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.
- C. Routine Procurements: Deemed consideration and approval in *Executive Session*. None.
- D. Approval of Rural Health Care Support Mechanism 2nd Quarter 2016 Programmatic Budget and Demand Projection for the February 1, 2016 FCC Filing.

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

RESOLVED, that the USAC Rural Health Care Committee hereby approves the Committee meeting minutes of October 26, 2015, and discussion in *Executive Session* of the 2016 annual Rural Health Care Support Mechanism Budget; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee approves a 2nd Quarter 2016 programmatic operating budget for the Rural Health Care Support Mechanism of \$2.0 million; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of \$2.0 million for Rural Health Care Support Mechanism administrative costs in the required February 1, 2016 filing to the FCC on behalf of the Committee; and

RESOLVED, that the USAC Rural Health Care Committee, having reviewed at its meeting on January 25, 2016, a summary of the 2nd Quarter 2016 Rural Health Care Support Mechanism demand estimate, including administrative costs, hereby directs USAC staff to proceed with the required February 1, 2016 filing to the FCC. USAC staff may make adjustments if the variance is equal to or less than \$1.0 million, or may seek approval from the Rural Health Care Committee Chair to make adjustments if the variance is greater than \$1.0 million, but not more than \$2.0 million.

- a2. Action on 11 USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports.** Mr. Chris Smith, Senior Manager, Internal Audit, presented this item for discussion.

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

RESOLVED, that the USAC Rural Health Care Committee, having reviewed the Rural Health Care Support Mechanism Beneficiary Audit Reports listed in Exhibit I to this briefing paper together with management's responses thereto, accepts the recommendation of USAC management and hereby deems such reports final.

- ii. Business Update.** Mr. Davis presented this item for discussion:
- RHC Program Operations.
 - Key Measurements.
 - Strategic Initiatives.

At 1:57 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential item listed above.

EXECUTIVE SESSION

- a3. Action on 2016 Annual Rural Health Care Support Mechanism Budget.** Mr. Belden presented this item for discussion.

On a motion duly made and seconded and after discussion, the Committee

To expedite navigation, please use the bookmarks located in the Navigation Pane.

adopted the following resolutions:

RESOLVED, that the USAC Rural Health Care Committee approves a 2016 annual Rural Health Care programmatic operating budget of \$7.7 million; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee approves a 2016 annual Rural Health Care programmatic capital budget of \$2.0 million.

At 2:03 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Wibberly reported that in *Executive Session*, the Committee discussed and took action on item a3. On a motion duly made and seconded, the Committee adjourned at 2:05 p.m. Eastern Time.

/s/ Ellis Jacobs
Secretary

**Universal Service Administrative Company
Rural Health Care Committee Quarterly Meeting
Agenda**

**Monday, April 25, 2016
4:30 p.m. – 5:30 p.m. Eastern Time
USAC Offices
2000 L Street, N.W., Suite 200
Washington, D.C. 20036**

OPEN SESSION

- a1.** Consent Items (each available for discussion upon request):
- A.** Approval of Rural Health Care Committee Meeting Minutes of January 26, 2016.
 - B.** Approval of moving all *Executive Session* items into *Executive Session*. *None*.
 - C.** Routine Procurements: Deemed consideration and approval in *Executive Session*. *None*.
 - D.** Approval of Rural Health Care Support Mechanism 3rd Quarter 2016 Programmatic Budget and Demand Projection for the May 2, 2016 FCC Filing.
- a2.** Action on Three USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports – *Executive Session Option*
- i1.** Support Mechanism Business Update:
- Reorganization.
 - Program Operations.
 - Key Measurements.
 - Key Initiatives.

Next Scheduled USAC Rural Health Care Committee Meeting

**Monday, July 25, 2016
3:30 p.m. – 5:00 p.m. Eastern Time
USAC Offices, Washington, D.C.**

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

RURAL HEALTH CARE COMMITTEE MEETING
Monday, April 25, 2016

MINUTES

The quarterly meeting of the Rural Health Care Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Monday, April 25, 2016. Dr. Kathy Wibberly, Committee Chair, called the meeting to order at 4:16 p.m. Eastern Time, with a quorum of seven of the eight Committee members present:

Brisé, Ronald – Vice Chair	Jortner, Wayne
Fontana, Brent	Wein, Olivia
Gillan, Joe	Wibberly, Dr. Kathy – Chair
Henderson, Chris – Chief Executive Officer	

Committee members not present:

Jimenez, Jose

Other Board of Directors (Board) members and officers of the corporation present:

Belden, Richard– Chief Operating Officer
Case, Dave – Vice President of Finance, Chief Financial Officer and Assistant Treasurer
Davis, Craig – Vice President, Rural Health Care Division
Feiss, Geoff – Member of the Board
Hays, Kate – Vice President of Stakeholder Engagement
Hernandez, Dr. Mike – Member of the Board
Robinson, Vickie - Vice President and General Counsel
Scott, Wayne – Vice President of Internal Audit
Shah, Hemang – Vice President of Strategy and Change
Sweeney, Mark – Vice President, High Cost Division
Talbot, Dr. Brian – Member of the Board
Taylor, Peter – Vice President and Chief Information Officer
Tininc, Atilla – Member of the Board

Others present:

NAME

COMPANY

<u>NAME</u>	<u>COMPANY</u>
Albert, Blythe	USAC
Baura, Anurag	USAC
Beard, Jay	USAC
Bethel, Tameca	USAC
Bohler, Natasha	USAC
Carter, Devent	USAC
Delmar, Teleshia	USAC
Duvall, Rashann	USAC
Gelman, Sheryl	USAC
Guinan, Gabriela Gross	USAC
Headen, Sean	USAC
McCornac, Carolyn	USAC
Nuzzo, Patsy	USAC
Park, Sang	USAC
Rasmussen, Mary	USAC
Rovetto, Ed	USAC
Smith, Chris	USAC
Theodoropoulos, Nikoletta	USAC
Wilson, Reggie	USAC

OPEN SESSION

a1. Consent Items.

- A. Committee meeting minutes of January 26, 2016.
- B. Approval for discussing in *Executive Session* agenda items: None.
- C. Routine Procurements: Deemed consideration and approval in *Executive Session*. None.
- D. Approval of Rural Health Care Support Mechanism 3rd Quarter 2016 Programmatic Budget and Demand Projection for the May 2, 2016 FCC Filing.

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

RESOLVED, that the USAC Rural Health Care Committee hereby approves the Committee meeting minutes of January 26, 2016; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee approves a 3rd Quarter 2016 programmatic operating budget for the Rural Health Care Support Mechanism of \$1.9 million; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of \$3.2 million for Rural Health Care Support Mechanism administrative costs in the required May 2, 2016 filing to the FCC on behalf of the Committee; and

RESOLVED, that the USAC Rural Health Care Committee, having reviewed at its meeting on April 25, 2016, a summary of the 3rd Quarter 2016 Rural Health Care Support Mechanism demand estimate, including administrative costs, hereby directs USAC staff to proceed with the required May 2, 2016 filing to the FCC. USAC staff may make adjustments if the variance is equal to or less than \$1.0 million, or may seek approval from the Rural Health Care Committee Chair to make adjustments if the variance is greater than \$1.0 million, but not more than \$2.0 million.

- a2. Action on Three USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports.** Mr. Chris Smith, Senior Manager, Internal Audit, presented this item for discussion.

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

RESOLVED, that the USAC Rural Health Care Committee, having reviewed the Rural Health Care Support Mechanism Beneficiary Audit Reports listed in Exhibit I to this briefing paper together with management's responses thereto, accepts the recommendation of USAC management and hereby deems such reports final.

- ii. Business Update.** Mr. Davis presented this item for discussion:

- Reorganization.
- Program Operations.
- Key Measurements.
- Key Initiatives.

At 4:50 p.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned.

/s/ Ellis Jacobs
Secretary

**Universal Service Administrative Company
Rural Health Care Committee Quarterly Meeting
Agenda**

**Monday, July 25, 2016
3:30 p.m. – 4:30 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

OPEN SESSION

- a1.** Consent Items (each available for discussion upon request):
- A.** Approval of Rural Health Care Committee Meeting Minutes of April 25, 2016.
 - B.** Approval of moving all *Executive Session* items into *Executive Session*.
 - C.** Routine Procurements: Deemed consideration and approval in *Executive Session*.
None.
 - D.** Approval of Rural Health Care Support Mechanism 4th Quarter 2016 Programmatic Budget and Demand Projection for the August 2, 2016 FCC Filing.
- a2.** Recommendation for Election of Committee Chair and Vice Chair.
- a3.** Action on One USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Report – *Executive Session Option*.
- i1.** Support Mechanism Business Update:
- Program Operations.
 - Key Measurements.
 - Key Initiatives.

EXECUTIVE SESSION

- i2.** Personnel Matter – **Confidential** – *Executive Session Recommended*.

Next Scheduled USAC Rural Health Care Committee Meeting

**Monday, October 24, 2016
3:30 p.m. – 5:30 p.m. Eastern Time
USAC Offices, Washington, D.C.**

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

RURAL HEALTH CARE COMMITTEE MEETING
Monday, July 25, 2016

MINUTES

The quarterly meeting of the Rural Health Care Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Monday, July 25, 2016. Dr. Kathy Wibberly, Committee Chair, called the meeting to order at 3:35 p.m. Eastern Time, with a quorum of six of the eight Committee members present:

Fontana, Brent	Jortner, Wayne
Henderson, Chris – Chief Executive Officer	Wein, Olivia
Jimenez, Jose	Wibberly, Dr. Kathy – Chair

Committee members not present:

Brisé, Ronald – Vice Chair
Gillan, Joe

Other Board of Directors (Board) members and officers of the corporation present:

Bocher, Bob – Member of the Board
Buzacott, Alan – Member of the Board
Case, Dave – Vice President of Finance, Chief Financial Officer and Assistant Treasurer
Davis, Craig – Vice President of Rural Health Care Division
Garber, Michelle – Vice President of Lifeline Division
Mason, Ken – Member of the Board
Hernandez, Dr. Mike – Member of the Board
Robinson, Vickie – Vice President and General Counsel
Scott, Wayne – Vice President of Internal Audit
Shah, Hemang – Vice President of Strategy and Change Management
Sweeney, Mark – Chief Operating Officer; Acting Vice President of High Cost Program
Talbot, Dr. Brian – Member of the Board
Taylor, Peter – Vice President of Information Technology and Chief Information Officer

Others present:

NAME

COMPANY

<u>NAME</u>	<u>COMPANY</u>
Beard, Jay	USAC
Belden, Richard	USAC
Bethel, Tameca	USAC
Carter, Devent	USAC
Costa, Paloma	USAC
Davis, Rebecca	Ovington
Delmar, Teleshia	USAC
Duvall, Rashann	USAC
Guinan, Gabriela Gross	USAC
King, Lauren	USAC
Lutz, Corey	USAC
Nuzzo, Patsy	USAC
Park, Sang	USAC
Rasmussen, Mary	USAC
Rovetto, Ed	USAC
Schrieber, Johnnay	USAC
Schwartzman, Rebecca	USAC
Smith, Chris	USAC
Theodoropoulos, Nikoletta	USAC
Wilson, Reggie	USAC

OPEN SESSION

a1. Consent Items.

- A. Committee meeting minutes of April 25, 2016.
- B. Approval for discussing in *Executive Session* agenda item:
 - i2 – Personnel Matter. Consistent with USAC’s long-standing practice and to preserve privacy, USAC management recommends that this item be discussed in *Executive Session*.
- C. Routine Procurements: Deemed consideration and approval in *Executive Session*. None.
- D. Approval of Rural Health Care Support Mechanism 4th Quarter 2016 Programmatic Budget and Demand Projection for the August 2, 2016 FCC Filing.

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

RESOLVED, that the USAC Rural Health Care Committee hereby approves the Committee meeting minutes of April 25, 2016; and

RESOLVED, that the USAC Rural Health Care Committee approves a 4th Quarter 2016 programmatic operating budget for the Rural Health Care Support Mechanism of \$1.75 million; and

RESOLVED FURTHER, that the Rural Health Care Committee approves a 4th Quarter 2016 programmatic capital budget for the Rural Health Care Support Mechanism of \$2.00 million, and

RESOLVED FURTHER, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of \$4.75 million for Rural Health Care Support Mechanism administrative costs in the required August 2, 2016 filing to the FCC on behalf of the Committee; and

RESOLVED, that the USAC Rural Health Care Committee, having reviewed at its meeting on July 25, 2016, a summary of the 4th Quarter 2016 Rural Health Care Support Mechanism demand estimate, including administrative costs, hereby directs USAC staff to proceed with the required August 2, 2016 filing to the FCC. USAC staff may make adjustments if the variance is equal to or less than \$1.0 million, or may seek approval from the Rural Health Care Committee Chair to make adjustments if the variance is greater than \$1.0 million, but not more than \$2.0 million.

- a2. Recommendation for Election of Committee Chair and Vice Chair.** Mr. Feiss, Chair of the Nominating Committee, presented this item for discussion.

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

RESOLVED, that the USAC Rural Health Care Committee recommends that the USAC Board of Directors elect **Dr. Kathy Wibberly** as Chair and **Mr. Ronald Brisé** as Vice Chair of the Committee for a term that begins immediately upon the adoption of this resolution by the Board and ends when a successor to the Chair and/or Vice Chair has been elected, when the Chair or Vice Chair resigns from the Committee or the Board, is removed by resolution of the Board, or is no longer a member of the Board.

- a3. Action on One USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Reports.** Mr. Chris Smith, Senior Manager, Internal Audit, presented this item for discussion.

On a motion duly made and seconded and after discussion, with Dr. Wibberly abstaining, the Committee adopted the following resolution:

To expedite navigation, please use the bookmarks located in the Navigation Pane.

RESOLVED, that the USAC Rural Health Care Committee, having reviewed the Rural Health Care Support Mechanism Beneficiary Audit Reports listed in Exhibit I to this briefing paper together with management's responses thereto, accepts the recommendation of USAC management and hereby deems such reports final.

i1. Business Update. Mr. Davis presented this item for discussion:

- Program Operations.
- Key Measurements.
- Key Initiatives.

i2. Personnel Matter. Mr. Henderson presented this item to the Committee. While discussion of this item was approved for discussion in *Executive Session* as part of the Consent Items, discussion in *Executive Session* was not deemed necessary during the meeting, and the item was presented in *Open Session*.

At 4:16 p.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned.

/s/ Vickie Robinson
Assistant Secretary

**Universal Service Administrative Company
Rural Health Care Committee Quarterly Meeting
Agenda**

**Monday, October 24, 2016
3:30 p.m. – 4:45 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20036**

OPEN SESSION

- a1.** Consent Items (each available for discussion upon request):
- A.** Approval of Rural Health Care Committee Meeting Minutes of July 25, 2016.
 - B.** Approval of moving all *Executive Session* items into *Executive Session*.
 - C.** Routine Procurements: Deemed consideration and approval in *Executive Session*.
 - D.** Approval of Rural Health Care Support Mechanism 1st Quarter 2017 Programmatic Budget and Demand Projection for the November 2, 2016 FCC Filing.
 - E.** Action on One USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Report.
- i1.** Business Update:
- General Business Update.
 - Key Measurements.
 - Strategic Initiatives.

EXECUTIVE SESSION

- i2.** Information on Estimated 2017 Annual Support Mechanism Budget – **Confidential** – *Executive Session Recommended*.

Next Scheduled USAC Rural Health Care Committee Meeting

**Monday, January 30, 2017
3:30 p.m. – 5:00 p.m. Eastern Time
USAC Offices, Washington, D.C.**

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

RURAL HEALTH CARE COMMITTEE MEETING
Monday, October 24, 2016

MINUTES

The quarterly meeting of the Rural Health Care Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Monday, October 24, 2016. Dr. Kathy Wibberly, Committee Chair, called the meeting to order at 3:47 p.m. Eastern Time, with a quorum of seven of the eight Committee members present:

Brisé, Ronald – Vice Chair	Jortner, Wayne
Fontana, Brent	Wein, Olivia
Henderson, Chris – Chief Executive Officer	Wibberly, Dr. Kathy – Chair
Jimenez, Jose	

Committee members not present:

Tinic, Atilla

Other Board of Directors (Board) members and officers of the corporation present:

Bocher, Bob – Member of the Board
Buzacott, Alan – Member of the Board
Case, Dave – Vice President of Finance and Chief Financial Officer
Davis, Craig – Vice President of Schools and Libraries Division; Acting Chair of Rural Health Care Division
Feiss, Geoff – Member of the Board
Hays, Kate – Vice President of Stakeholder Engagement
Mason, Ken – Member of the Board
Hernandez, Dr. Mike – Member of the Board
Poulin, Chera – Vice President of People Culture and Change
Robinson, Vickie – Vice President and General Counsel
Scott, Wayne – Vice President of Internal Audit
Shah, Hemang – Vice President of Strategy and Change Management
Sweeney, Mark – Chief Operating Officer; Acting Vice President of High Cost Program
Talbot, Dr. Brian – Member of the Board
Taylor, Peter – Vice President of Information Technology and Chief Information Officer

Others present:

<u>NAME</u>	<u>COMPANY</u>
Albert, Blythe	USAC
Bethel, Tameca	USAC
Boler, Natasha	USAC
Carter, Devent	USAC
Costa, Paloma	USAC
Delmar, Teleshia	USAC
Frelow, Leslie	USAC
Guinan, Gabriela Gross	USAC
Hodge, Mark	USAC
Mitchell, Jeff	Lukas, Nace, Gutierrez & Sachs
King, Lauren	USAC
McNeff, Kristina	USAC
Nuzzo, Patsy	USAC
Rasmussen, Mary	USAC
Rovetto, Ed	USAC
Salvator, Charles	USAC
Schrieber, Johnnay	USAC
Schwartzman, Rebecca	USAC
Smith, Chris	USAC
Theodoropoulos, Nikoletta	USAC
Wilson, Reggie	USAC

OPEN SESSION

- a1. Consent Items.** Dr. Wibberly presented this item to the Committee.
- A. Committee meeting minutes of July 25, 2016.
 - B. Approval for discussing in *Executive Session* agenda item:
 - (1) **i2** – Information on the Estimated 2017 Rural Health Care (RHC) Support Mechanism Budget. USAC management recommends that discussion of this item be conducted in *Executive Session* because this item relates to *procurement strategy and contract administration*.
 - C. Routine Procurements: Deemed consideration and approval in *Executive Session*: None.
 - D. Approval of Rural Health Care Support Mechanism 1st Quarter 2017 Programmatic Budget and Demand Projection for the November 2, 2016 FCC Filing.
 - E. Action on One USAC Internal Audit Division Rural Health Care Support Mechanism Beneficiary Audit Report.

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

RESOLVED, that the USAC Rural Health Care Committee hereby approves the Committee meeting minutes of July 25, 2016 and discussion in *Executive Session* of the item listed above; and

RESOLVED, that the USAC Rural Health Care Committee approves a 1st Quarter 2017 programmatic operating budget for the Rural Health Care Support Mechanism of \$1.85 million; and

RESOLVED FURTHER, that the USAC Rural Health Care Committee directs USAC staff to submit a collection requirement of \$1.85 million for Rural Health Care Support Mechanism administrative costs in the required November 2, 2016 filing to the FCC on behalf of the Committee; and

RESOLVED, that the USAC Rural Health Care Committee, having reviewed at its meeting on October 24, 2016, a summary of the 1st Quarter 2017 Rural Health Care Support Mechanism demand estimate, including administrative costs, hereby directs USAC staff to proceed with the required November 2, 2016 filing to the FCC. USAC staff may make adjustments if the variance is equal to or less than \$1.0 million, or may seek approval from the Rural Health Care Committee Chair to make adjustments if the variance is greater than \$1.0 million, but not more than \$2.0 million.

RESOLVED, that the USAC Rural Health Care Committee, having reviewed the Rural Health Care Support Mechanism Beneficiary Audit Report listed in **Exhibit I** to this briefing paper, together with management's response thereto, accepts the recommendation of USAC management and hereby deems such report final.

ii. Business Update. Mr. Davis presented this item for discussion:

- General Business Update.
- Key Measurements.
- Strategic Initiatives.

At 4:11 p.m. Eastern Time the Committee moved into *Executive Session* for the purpose of discussing the confidential item listed above.

EXECUTIVE SESSION

To expedite navigation, please use the bookmarks located in the Navigation Pane.

i2. Information on Estimated 2017 Annual Support Mechanism Budget. Mr. Davis presented this item to the Committee for discussion.

At 4:36 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Wibberly reported that in *Executive Session*, the Committee discussed item i2. On a motion duly made and seconded, the Committee adjourned at 4:37 p.m. Eastern Time.

/s/ Vickie Robinson
Assistant Secretary