

**Universal Service Administrative Company
High Cost & Low Income Committee Quarterly Meeting
Agenda**

<p>Monday, January 30, 2017 2:30 p.m. – 5:30 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> <p style="margin-left: 20px;">A. Approval of High Cost & Low Income Committee Meeting Minutes of October 24, 2016 and December 22, 2016.</p> <p style="margin-left: 20px;">B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>.</p> <p style="margin-left: 20px;">C. Routine Procurements: Deemed consideration and approval in <i>Executive Session</i>. (1). <i>ICF Amendment to support HUBB Call Center.</i></p> <p style="margin-left: 20px;">D. Approval of High Cost Support Mechanism 2nd Quarter 2017 Programmatic Budget and Demand Projection for the January 31, 2017 FCC Filing.</p> <p style="margin-left: 20px;">E. Approval of Low Income Support Mechanism 2nd Quarter 2017 Programmatic Budget and Demand Projection for the January 31, 2017 FCC Filing.</p>	5
Chair	<p>a2. Recommendation for Election of Committee Chair and Vice Chair.</p>	5

High Cost Agenda

<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Pam	<p>i1. Information on Six USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option</i>.</p>	10
Mark	<p>i2. High Cost Support Mechanism Business Update</p> <ul style="list-style-type: none"> • Modernization Update and 2016 Results. • 2017 Initiatives/Goals. 	60

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

<u>EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Mark	a3. Approval of 2017 Annual High Cost Support Mechanism Programmatic Budgets. – Confidential – <i>Executive Session Recommended.</i>	15

Lifeline Agenda

<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Pam	i3. Information on 14 USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option.</i>	10
Michelle	i4. Low Income Support Mechanism Business Update <ul style="list-style-type: none"> • Modernization Update and 2016 Results. • 2017 Initiatives/Goals 	60

<u>EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Michelle	a4. Approval of 2017 Annual Low Income Support Mechanism Budget Programmatic Budgets. – Confidential – <i>Executive Session Recommended.</i>	15

Next Scheduled USAC High Cost & Low Income Committee Meeting

<p>Monday, April 24, 2017 10:00 a.m. – 12:00 p.m. Eastern Time USAC Offices, Washington, D.C.</p>
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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, January 30, 2017

MINUTES

The quarterly meeting of the USAC Board of Directors (Board) High Cost & Low Income Committee (Committee) was held at USAC's offices in Washington, D.C. on Monday, January 30, 2017. Mr. Joel Lubin, Committee Chair, called the meeting to order at 2:35 p.m. Eastern Time, with ten of the 11 Committee members present:

Brisé, Ronald	Kinser, Cynthia <i>by telephone</i>
Feiss, Geoff	Lubin, Joel – Chair
Gerst, Matthew	Mason, Ken
Gillan, Joe – Vice Chair	Tinic, Atilla
Henderson, Chris – CEO	Wein, Olivia

Members of the Committee not present:

Jacobs, Ellis

Other Board members and officers of the corporation present:

Bocher, Bob – Member of the Board
Buzacott, Alan – Member of the Board
Davis, Craig – Vice President of Schools and Libraries and Acting Vice President of Rural Health Care
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Lifeline
Hays, Kate – Vice President of Stakeholder Engagement
Hernandez, Dr. Miquel – Member of the Board
Poulin, Chera – Vice President of People, Culture and Change
Robinson, Vickie – Vice President, General Counsel and Assistant Secretary
Salvator, Charles – Vice President of Finance and Chief Financial Officer
Scott, Wayne – Vice President of Internal Audit
Shah, Hemang – Vice President of Strategy and Change Management
Sweeney, Mark – Chief Operating Officer
Talbot, Dr. Brian – Member of the Board
Taylor, Peter – Vice President of Information Technology and Chief Information Officer
Wibberly, Dr. Kathy – Member of the Board

Others present:

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

<u>NAME</u>	<u>COMPANY</u>
Berkland, Kristin	Bradley Berkland Hagen & Herbst,
Bilodeau, Amanda	USAC
Braxton-Johnson, Kianna	USAC
Butler, Stephen	USAC
Delmar, Teleshia	USAC
Diephouse, Greg	USAC
Eltgroth, Deborah	USAC
Goffredi, Kathryn	USAC
Gonzales, Veronica	USAC
Gustafson, Jaymie	USAC
Hanly, Garnet	FCC
Hughet, Pam	USAC
Johnson, William	USAC
Khan, Sammy	USAC
King, Lauren	USAC
Lear, Kathleen	Maximus
Lee, James	USAC
Lougheed, Mat	USAC
Lutz, Corey	USAC
McNeff, Kristina	USAC
Veith, Lisa	Maximus
Miller, Jack	Solix
Morning, Kimberly	USAC
Nuzzo, Patsy	USAC
Schecker, Laurence	USAC
Sequin, Eric	Solix
Simab, Habib	USAC
Szubrowski Leigh	FCC
Tessler, Joelle	USAC
Wilson, Reggie	USAC
Zielaski, Daniel	USAC
Zufolo, Jessica	USAC

OPEN SESSION

a1. Consent Items. Mr. Lubin presented this item to the Committee

A. Committee meeting minutes of October 24, 2016 and December 22, 2016.

B. Approval for discussing in *Executive Session* agenda items:

- (1) **a3** and **a4** – Approval of 2017 Annual High Cost and Low Income Support Mechanism Budgets. USAC management recommends that these items be discussed in *Executive Session* because these matters

relate to USAC's *procurement strategy and contract administration*.

C. Routine procurements, deemed consideration and approval of in *Executive Session*:

- (1) The Board is requested to approve an increase of the contract award to ICF International for High Cost's Connect America Program Call Center Services.

D. Approval of High Cost Support Mechanism 2nd Quarter 2017 Programmatic Budget and Demand Projection for the January 31, 2017 FCC Filing.

E. Approval of Low Income Support Mechanism 2nd Quarter 2017 Programmatic Budget and Demand Projection for the January 31, 2017 FCC Filing.

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

RESOLVED, that the USAC High Cost & Low Income Committee hereby approves the Committee meeting minutes of October 24, 2016 and December 22, 2016, and discussion in *Executive Session* of the approval of the 2017 annual High Cost and Low Income support mechanism budgets; and

RESOLVED FURTHER, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to increase the contract award to ICF International for High Cost's Connect America Program Call Center Services by \$100,000.00, increasing the total value of the contract with ICF International, LLC to a not-to-exceed \$1,059,700.

a2. Recommendation for Election of Committee Chair and Vice Chair. Mr. Lubin introduced this item to the Committee.

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

RESOLVED, that the USAC High Cost & Low Income Committee recommends that the USAC Board of Directors elect **Joel Lubin** as Chair and **Joe Gillan** 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.

- i1. **Information on Six USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports.** Ms. Pamela Hughet, Senior Manager of Internal Audit, presented this item for discussion.
- i2. **High Cost Support Mechanism Business Update.** Mr. Sweeney presented this item for discussion:
 - Modernization Update and 2016 Results.
 - 2017 Initiatives/Goals.
- i3. **Information on 14 USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports.** Ms. Pamela Hughet, Senior Manager of Internal Audit, presented this item for discussion.
- i4. **Low Income Support Mechanism (Lifeline) Business Update.** Ms. Garber presented this item for discussion:
 - Modernization Update and 2016 Results.
 - 2017 Initiatives/Goals.

At 4:33 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items listed above.

EXECUTIVE SESSION

- a4. **Approval of 2017 Annual Low Income Support Mechanism Budget Programmatic Budgets.** Ms. Garber presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves an annual 2017 Low Income Support Mechanism operating budget of \$19.90 million.

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee approves an annual 2017 Low Income Support Mechanism capital budget of \$11.70 million.

- a3. **Approval of 2017 Annual High Cost Support Mechanism Programmatic Budgets.** Mr. Sweeney presented this time for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves an annual 2017 programmatic operating budget for the High Cost Support Mechanism of \$11.32 million.

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

At 5:13 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Lubin reported that in *Executive Session*, the Committee discussed and took action on items a1 and a3. On a motion duly made and seconded, the Committee adjourned at 5:14 p.m. Eastern Time.

/s/ Vickie Robinson
Assistant Secretary

**Universal Service Administrative Company
High Cost & Low Income Committee Quarterly Meeting
Agenda**

<p>Monday, April 24, 2016 2:30 p.m. – 5:30 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 High Cost & Low Income Committee Meeting Minutes of January 30, 2017. B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>. C. Routine Procurements: Deemed consideration and approval in <i>Executive Session</i>. <i>None</i>. D. Approval of High Cost Support Mechanism 3rd Quarter 2017 Budget and Demand Projections for the May 2, 2017 FCC Filing. E. Approval of Low Income Support Mechanism 3rd Quarter 2017 Budget and Demand Projections for the May 2, 2017 FCC Filing. 	5

High Cost Agenda

<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Pam	<p>i1. Information on 13 USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option</i>.</p>	10
Vic	<p>i2. High Cost Support Mechanism Business Update.</p> <ul style="list-style-type: none"> • Business Review. • Operational Metrics. • Update on Key Initiatives. 	50

Low Income Agenda

<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Pam	i3. Information on Nine USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option.</i>	10
Michelle	i4. Low Income Support Mechanism (Lifeline) Business Update. <ul style="list-style-type: none"> • Business Review. • Operational Metrics. • Update on Key Initiatives. 	50

<u>EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Michelle	a2. Consideration of Contract Modification for National Verifier Strategic Consultation – Confidential – <i>Executive Session Recommended.</i>	15
Michelle	a3. Consideration of Contract Modification for Consumer Call Center – Confidential – <i>Executive Session Recommended.</i>	15
Michelle	i5. Discussion of forthcoming Consideration of Contract Award for National Verifier Business Process Outsource Vendor – Confidential – <i>Executive Session Recommended.</i>	15

Next Scheduled USAC High Cost & Low Income Committee Meeting

Monday, July 24, 2017 2:30 – 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

HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, April 24, 2017

MINUTES

The quarterly meeting of the USAC Board of Directors (Board) High Cost & Low Income Committee (Committee) was held at USAC's offices in Washington, D.C. on Monday, April 24, 2017. Mr. Joel Lubin, Committee Chair, called the meeting to order at 2:33 p.m. Eastern Time, with all 11 Committee members present:

Brisé, Ronald	Kinser, Cynthia
Feiss, Geoff	Lubin, Joel – Chair
Gerst, Matthew	Mason, Ken
Gillan, Joe – Vice Chair – <i>by telephone</i>	Tinic, Atilla
Henderson, Chris – CEO	Wein, Olivia
Jacobs, Ellis	

Other Board members and officers of the corporation present:

Bocher, Bob – Member of the Board
Buzacott, Alan – Member of the Board
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Lifeline
Hays, Kate – Vice President of Stakeholder Engagement
Lee, Karen – Vice President of Rural Health Care
Poulin, Chera – Vice President of People, Culture and Change
Robinson, Vickie – Vice President, General Counsel and Assistant Secretary
Salvator, Charles – Vice President of Finance, Chief Financial Officer and
Assistant Treasurer
Scott, Wayne – Vice President of Internal Audit
Shah, Hemang – Vice President of Strategy and Change Management
Sweeney, Mark – Chief Operating Officer
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>
Ahmed, Sharmarke	USAC
Bilodeau, Amanda	USAC
Braxton-Johnson, Kianna	USAC
Butler, Stephen	USAC
Carpenter, Nikki-Blair	USAC
Conradt, Phil	USAC
Cunningham, Christina	USAC
Delmar, Teleshia	USAC
Eltgroth, Deborah	USAC
Gonzales, Veronica	USAC
Griffith, Jodi	FCC
Hampton, Marcus	USAC
Hughet, Pam	USAC
Johnson, William	USAC
Khan, Sammy	USAC
Kim, Joanne	USAC
King, Lauren	USAC
Kusow, Karima	USAC
Lear, Kathleen	Maximus
Litman, Travis	FCC
Mattey, Carol	Mattey Consulting
Miller, Jack	Solix
Numa, Marcel	USAC
Nuzzo, Patsy	USAC
Rasamalle, Sharon	USAC
Roberts, Richard	BCG
Schecker, Laurence	USAC
Sequin, Eric	Solix
Shaffer, Dana – <i>by telephone</i>	FCC
Simab, Habib	USAC
Subramaniam, Nathan	USAC
Tessler, Joelle	USAC
Veith, Lisa	Maximus
Weith, Tim	USAC
Wynter, Sherika	USAC

OPEN SESSION

a1. Consent Items. Mr. Lubin presented this item to the Committee

A. Committee meeting minutes of January 30, 2017.

B. Approval for discussing in *Executive Session* agenda items:

- (1) **a2** – Consideration of Contract Modification for National Verifier Strategic Consultation. USAC management recommends this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- (2) **a3** – Consideration of Contract Modification for Consumer Call Center. USAC management recommends this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- (3) **i5** – Discussion of forthcoming Consideration of Contract Award for National Verifier Business Process Outsource Vendor. USAC management recommends 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 of in *Executive Session*: None.

D. Approval of High Cost Support Mechanism 3rd Quarter 2017 Budget and Demand Projections for the May 2, 2017 FCC Filing.

The Committee is requested to approve the 3rd Quarter 2017 (3Q2017) programmatic budget and demand projection for the High Cost Support Mechanism for submission to the FCC in USAC's May 2, 2017 quarterly filing.

E. Approval of Low Income Support Mechanism 3rd Quarter 2017 Budget and Demand Projections for the May 2, 2017 FCC Filing.

The Committee is requested to approve the 3rd Quarter 2017 (3Q2017) programmatic budget and demand projection for the Low Income Support Mechanism for submission to the FCC in USAC's May 2, 2017 quarterly filing.

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

RESOLVED, that the USAC High Cost & Low Income Committee hereby approves the Committee meeting minutes of January 30, 2017; and discussion in *Executive Session* of the items noted above; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee approves a 3rd Quarter 2017 programmatic operating budget for the High Cost Support Mechanism of \$2.52 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$2.52 million for High Cost Support Mechanism administrative

costs in the required May 2, 2017 filing to the FCC on behalf of the Committee;
and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on April 24, 2017, a summary of the 3rd Quarter 2017 High Cost Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required May 2, 2017 filing to the FCC on behalf of the Committee. Staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million and, with approval of the Committee Chair, may make adjustments if the total variance is equal to or less than \$15 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee approves a 3rd Quarter 2017 programmatic operating budget for the Low Income Support Mechanism of \$5.29 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$5.29 million for Low Income Support Mechanism administrative costs in the required May 2, 2017 filing to the FCC on behalf of the Committee;
and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on April 24, 2017 a summary of the 3rd Quarter 2017 Low Income Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required May 2, 2017 filing to the FCC on behalf of the Committee. Staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million and, with approval of the Committee Chair, may make adjustments if the total variance is equal to or less than \$15 million.

- i1. **Information on 13 USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports.** Ms. Pamela Hughet, Senior Manager of Internal Audit, presented this item for discussion.
- i2. **High Cost Support Mechanism Business Update.** Mr. Gaither presented this item for discussion:
 - Business Review.
 - Operational Metrics.
 - Update on Key Initiatives.
- i3. **Information on Nine USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports.** Ms. Pamela Hughet, Senior Manager of Internal Audit, presented this item for discussion.

At 3:50 p.m. Eastern Time the Committee recessed and reconvened at 3:56 p.m. Eastern Time.

i4. Low Income Support Mechanism (Lifeline) Business Update. Ms. Garber presented this item for discussion:

- Business Review.
- Operational Metrics.
- Update on Key Initiatives.

At 4:26 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items listed above.

EXECUTIVE SESSION

a2. Consideration of Contract Modification for National Verifier Strategic Consultation. Ms. Garber presented this item for consideration.

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

RESOLVED, that the High Cost and Low Income Committee, having reviewed USAC management's recommendation, hereby authorizes management to increase the existing value of a contract with BCG at a firm-fixed price of \$2,000,000 (plus applicable taxes), which will bring the total contract value for BCG to \$6,495,300 (plus applicable taxes), subject to required FCC approvals.

a3. Consideration of Contract Modification for Consumer Call Center. Ms. Garber presented this time for consideration.

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

RESOLVED, that the High Cost and Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes USAC management to increase the existing value of the contract awarded to Group O in the additional amount of \$600,000, with a total amended contract value not to exceed \$950,042, plus applicable sales taxes, through January 26, 2018, and subject to required FCC approvals.

i5. Discussion of forthcoming Consideration of Contract Award for National Verifier Business Process Outsource Vendor. Ms. Garber presented this time for discussion.

At 5:37 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Lubin reported that in *Executive Session*, the Committee took action on items a2 and a3, and discussed i5. On a motion duly made and seconded, the Committee adjourned at 5:38 p.m. Eastern Time.

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

/s/ Vickie Robinson
Assistant Secretary

**Universal Service Administrative Company
High Cost & Low Income Committee Quarterly Meeting
Agenda**

<p>Monday, July 24, 2017 2:00 p.m. - 4:30 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>

<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each available for discussion upon request):</p> <p style="padding-left: 20px;">A. Approval of High Cost & Low Income Committee Meeting Minutes of April 24, 2017.</p> <p style="padding-left: 20px;">B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>.</p>	5

High Cost Agenda

<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Vic	<p>a2. Approval of High Cost Support Mechanism 4th Quarter 2017 Budget and Demand Projections for the August 2, 2017 FCC Filing.</p>	10
Pam Hughet	<p>i1. Information on 19 USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option</i>.</p>	10
Vic	<p>i2. High Cost Support Mechanism Business Update.</p>	30

<u>EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Vic	<p>a3. Approval of Revised 2017 Annual High Cost Support Mechanism Budget – Confidential – <i>Executive Session Recommended</i>.</p>	10

Low Income Agenda

<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Michelle	a4. Approval of Low Income Support Mechanism 4th Quarter 2017 Budget and Demand Projections for the August 2, 2017 FCC Filing.	10
Pam Hughet	i3. Information on Three USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option.</i>	10
Michelle	i4. Low Income Support Mechanism (Lifeline) Business Update.	30

<u>EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Michelle	i5. Low Income Support Mechanism (Lifeline) Business Update Continued: <ul style="list-style-type: none"> • Project Risks and Mitigation • Forecast of National Verifier Multi-Year Expenses – Confidential – <i>Executive Session Recommended.</i> 	10
Michelle	a5. Approval of Revised 2017 Annual Low Income Support Mechanism Budget – Confidential – <i>Executive Session Recommended.</i>	10

Next Scheduled USAC High Cost & Low Income Committee Meeting

<p>Monday, October 23, 2017 2:00 - 4:00 p.m. Eastern Time USAC Offices, Washington, D.C.</p>

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

HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, July 24, 2017

MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) High Cost & Low Income Committee (Committee) was held at USAC's offices in Washington, D.C. on Monday, July 24, 2017. Mr. Joel Lubin, Committee Chair, called the meeting to order at 2:06 p.m. Eastern Time, with nine of the 11 Committee members present:

Brisé, Ronald
Feiss, Geoff
Gerst, Matthew
Kinser, Cynthia
Lubin, Joel – Chair
Mason, Ken
Robinson, Vickie – Acting Chief Executive Officer, General Counsel and Assistant Secretary
Tinic, Atilla
Wein, Olivia

Mr. Joe Gillan joined the meeting at 2:32 p.m. Eastern Time. He did not participate in the discussion or vote on items: a1, a3, and i1.

Members of the Committee not present:

Jacobs, Ellis

Other Board members and officers of the corporation present:

Bocher, Bob – Member of the Board
Buzacott, Alan – Member of the Board
Fontana, Brent – Member of the Board *–by telephone*
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Lifeline
Kinser, Cynthia – Member of the Board
Lee, Karen – Vice President of Rural Health Care
Poulin, Chera – Chief Human Resource Officer
Salvator, Charles – Vice President of Finance, Chief Financial Officer and Assistant Treasurer

¹ Draft resolutions were presented to the Committee prior to the Committee 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.

Scott, Wayne – Vice President of Internal Audit
Shah, Hemang – Vice President of Enterprise Portfolio Management
Sweeney, Mark – Chief Operating Officer
Talbott, Dr. Brian – Member of the Board

Others present:

<u>NAME</u>	<u>COMPANY</u>
Anderson, Jarnice	USAC
Augustino, Steven	Kelley, Drye & Warren, LLP
Braxton-Johnson, Kianna	USAC
Carpenter, Nikki-Blair	USAC
Delmar, Teleshia	USAC
Eltgroth, Deborah	USAC
Gonzales, Veronica	USAC
Griffith, Jodi	FCC
Hughet, Pam	USAC
Hutchinson, Kyle	USAC
Johnson, William	USAC
Khan, Sammy	USAC
King, Lauren	USAC
Turner, Reggie	Maximus
Lear, Kathleen	Maximus
Miller, Jack	Solix
Nuzzo, Patsy	USAC
Roberts, Richard	BCG
Sequin, Eric	Solix
Simab, Habib	USAC
Tessler, Joelle	USAC
Weith, Tim	USAC

OPEN SESSION

a1. Consent Items. Mr. Lubin presented this item to the Committee

A. Approval of Committee meeting minutes of April 24, 2017.

B. Approval for discussing in *Executive Session* agenda items:

- (1) **a3** – Approval of Revised 2017 Annual High Cost Support Mechanism Programmatic Budget. USAC management recommends that discussion of this item be conducted in *Executive Session* because the item relates to USAC’s *procurement strategy and contract administration*.
- (2) **i5** – Low Income Support Mechanism (Lifeline) Business Update (continued). USAC management recommends that discussion of this item be conducted in *Executive Session* because the item relates to USAC’s *procurement strategy and contract administration*.

- (3) **a5** – Approval of Revised 2017 Annual Low Income Support Mechanism Programmatic Budget. USAC management recommends that discussion of this item be conducted in *Executive Session* because the item relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the USAC High Cost & Low Income Committee hereby approves the Committee meeting minutes of April 24, 2017; and discussion in *Executive Session* of the items noted above.

- a2. Approval of High Cost Support Mechanism 4th Quarter 2017 Budget and Demand Projections for the August 2, 2017 FCC Filing.** Mr. Gaither presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 4th Quarter 2017 programmatic operating budget for the High Cost Support Mechanism of \$3.42 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee approves a 4th Quarter 2017 programmatic capital budget for the High Cost Support Mechanism of \$0.11 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$4.59 million for High Cost Support Mechanism administrative costs in the required August 2, 2017 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on July 24, 2017 a summary of the 4th Quarter 2017 High Cost Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required August 2, 2017 filing to the FCC on behalf of the Committee. Staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million and, with approval of the Committee Chair, may make adjustments if the total variance is equal to or less than \$15 million.

- i1. Information on 19 USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports.** Ms. Pamela Hughet, Senior Manager of Internal Audit, presented this item for discussion.
- i2. High Cost Support Mechanism Business Update.** Mr. Gaither presented this item for discussion. He provided the Committee with information on High Cost

disbursements through 2nd Quarter 2017 and an update on certification and broadband deployment compliance through June 2017. Mr. Gaither also provided the Committee with information regarding modifications to the High Cost governance and cost controls processes, status of appeals, and a summary of training and outreach activities. The Committee also received updates for the High Cost Universal Service Broadband Portal projects, the Mobility Fund Phase II challenge process, and Connect America Fund broadband verification.

- a4. Approval of Low Income Support Mechanism 4th Quarter 2017 Budget and Demand Projections for the August 2, 2017 FCC Filing.** Ms. Garber presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 4th Quarter 2017 programmatic operating budget for the Low Income Support Mechanism of \$5.11 million; and

RESOLVED FURTHER, that the USAC High Cost and Low Income Committee approves a 4th Quarter 2017 programmatic capital budget of \$2.85 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$11.95 million for Low Income Support Mechanism administrative costs in the required August 2, 2017 filing to the FCC on behalf of the Committee; and

RESOLVED, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on July 24, 2017 a summary of the 4th Quarter 2017 Low Income Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required August 2, 2017 filing to the FCC on behalf of the Committee. Staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million and, with approval of the Committee Chair, may make adjustments if the total variance is equal to or less than \$15 million.

- i3. Information on Three USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports.** Ms. Pamela Hughet, Senior Manager of Internal Audit, presented this item for discussion.
- i4. Low Income Support Mechanism (Lifeline) Business Update.** Ms. Garber presented this item for discussion. She provided the Committee with information on rolling recertifications, program integrity improvements, program outreach and customer service activities, and the status of appeals. Ms. Garber also provided a detailed update of the National Verifier project. The National Verifier update included key milestones, program outreach activities, a summary of state and federal engagements, a technical build update, an operations update, and a

summary of key decisions made in the 2nd Quarter.

At 3:19 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items listed above.

EXECUTIVE SESSION

At 3:25 p.m. Eastern Time the Committee recessed and reconvened at 3:30 p.m. Eastern Time.

i5. Low Income Support Mechanism (Lifeline) Business Update (Continued).

Ms. Garber presented this item for discussion noting potential project risks that USAC was monitoring to ensure the success of the National Verifier project, as well as a multi-year forecast of potential project expenditures.

a5. Approval of Revised 2017 Annual Low Income Support Mechanism Budget.

Ms. Garber presented this item for consideration.

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

RESOLVED, that the USAC High Cost and Low Income Committee approves a revised 2017 annual Low Income programmatic operating budget of \$19.35 million.

RESOLVED FURTHER, that the USAC High Cost and Low Income Committee approves a revised 2017 annual Low Income programmatic capital budget of \$8.02 million.

a3. Approval of Revised 2017 Annual High Cost Support Mechanism Budget.

Mr. Gaither presented this item for consideration.

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

RESOLVED, that the USAC High Cost and Low Income Committee approves a revised 2017 annual High Cost programmatic operating budget of \$12.31 million.

RESOLVED FURTHER, that the USAC High Cost and Low Income Committee approves a revised 2017 annual High Cost programmatic capital budget of \$0.73 million.

At 5:09 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Lubin reported that in *Executive Session*, the Committee took action on items a3 and a5 and discussed i5. On a motion duly made and seconded, the Committee adjourned at 5:09 p.m. Eastern Time.

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/s/ Vickie Robinson
Assistant Secretary

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

**Universal Service Administrative Company
High Cost and Low Income Committee Meeting
Agenda**

<p>Friday, August 4, 2017 10:00 a.m. – 11:00 a.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>
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<u>EXECUTIVE SESSION</u>	
Michelle	a1. Consideration of Contract Award for National Verifier Business Process Outsourcing Services – Confidential – Executive Session Recommended.
Michelle	i1. Discussion of Chairman Pai’s Letter Regarding Lifeline – Confidential – Executive Session Recommended.

Next Scheduled USAC High Cost & Low Income Committee Meeting

<p>Monday, October 23, 2017 USAC Offices, Washington, D.C.</p>
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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

HIGH COST & LOW INCOME COMMITTEE MEETING
Friday, August 4, 2017

MINUTES¹

A meeting of the USAC Board of Directors (Board) High Cost & Low Income Committee (Committee) was held at USAC's offices in Washington, D.C. on Friday, August 4, 2017. Mr. Joel Lubin, Committee Chair, called the meeting to order at 10:02 a.m. Eastern Time, with a quorum of eight of the 11 Committee members present:

Feiss, Geoff – *by telephone*
Gerst, Matthew – *by telephone*
Gillan, Joe – Vice Chair – *by telephone*
Kinser, Cynthia – *by telephone*
Lubin, Joel – Chair – *by telephone*
Mason, Ken – *by telephone*
Robinson, Vickie – Acting Chief Executive Officer, General Counsel and Assistant Secretary
Wein, Olivia – *by telephone*

Mr. Ronald Brisé joined the meeting by telephone at 10:10 a.m. Eastern Time. He voted on item a1 and participated in the discussion of item i1. Mr. Ellis Jacobs joined the meeting by telephone at 10:43 a.m. Eastern Time. He voted on item a1 and participated in the discussion of item i1.

Members of the Committee not present:

Tinic, Atilla

Other Board members and officers of the corporation present:

Garber, Michelle – Vice President of Lifeline
Sweeney, Mark – Chief Operating Officer

Others present:

<u>NAME</u>	<u>COMPANY</u>
Baker, Allison	FCC
Griffin, Jodie	FCC
King, Lauren	USAC
Nuzzo, Patsy	USAC

¹ Draft resolutions were presented to the Committee prior to the Committee 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.

OPEN SESSION

- a1. Consideration of Contract Award for National Verifier Business Process Outsourcing Services.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Ms. Robinson recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- i1. Discussion of Chairman Pai's Letter Regarding Lifeline.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Ms. Vickie Robinson recommended that discussion of this item be conducted in *Executive Session* because it relates to *specific internal controls* and USAC's *internal rules and procedures*. Discussion of this matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

At 10:04 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items noted above.

EXECUTIVE SESSION

- a1. Consideration of Contract Award for National Verifier Business Process Outsourcing Services.** Ms. Garber presented this item to the Committee for consideration.

Ms. Kinser sought clarification on the resolutions, questioning whether approval of the resolutions as written would result in the Committee's approval of both option years.

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

RESOLVED, that the High Cost and Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a contract to purchase National Verifier Business Process Outsourcing services from Conduent for a base period of 36 months, with the ability to exercise two additional one-year terms, subject to required FCC approvals, for a base period price of approximately \$48,000,000 plus applicable taxes.

FURTHER RESOLVED, that the High Cost and Low Income Committee requests USAC management to seek Committee approval before exercising either option year to continue National Verifier Business Process Outsourcing services from Conduent.

FURTHER RESOLVED, that the High Cost and Low Income Committee authorizes USAC management to enter into any interim

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agreement, for a term of up to one month and for a value not to exceed \$500,000, and to take any other action as may be necessary to effectuate the foregoing resolutions.

- i1. Discussion of Chairman Pai’s Letter Regarding Lifeline.** Ms. Garber presented this item for discussion.

At 11:23 a.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Lubin reported that in *Executive Session*, the Committee took action on item a1 and discussed item i1. On a motion duly made and seconded, the Committee adjourned at 11:24 a.m. Eastern Time.

/s/ Vickie Robinson
Assistant Secretary

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**Universal Service Administrative Company
High Cost and Low Income Committee Meeting
Agenda**

<p>Tuesday, October 10, 2017 3:30 p.m. – 4:00 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>

<u>EXECUTIVE SESSION</u>	
Vic	<p>a1. Consideration of Contract Extension for Mobility Fund Disbursement Request Verification Service – Confidential – <i>Executive Session Recommended.</i></p>

Next Scheduled USAC High Cost & Low Income Committee Meeting

<p>Monday, October 23, 2017 2:00 p.m. – 4:30 p.m. Eastern Time USAC Offices, Washington, D.C.</p>
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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

HIGH COST & LOW INCOME COMMITTEE MEETING
Tuesday, October 10, 2017

MINUTES¹

USAC Board of Directors (Board) High Cost & Low Income Committee (Committee) was held at USAC's offices in Washington, D.C. on Tuesday, October 10, 2017. Mr. Joel Lubin, Committee Chair, called the meeting to order at 3:33 p.m. Eastern Time, with six of the eleven Committee members, establishing a quorum, present:

Brisé, Ronald – *by telephone*
Kinsler, Cynthia – *by telephone*
Lubin, Joel – Chair – *by telephone*
Mason, Ken – *by telephone*
Robinson, Vickie – Acting Chief Executive Officer, General Counsel and Assistant Secretary
Wein, Olivia – *by telephone*

Members of the Committee not present:

Feiss, Geoff
Gerst, Matthew
Gillan, Joe – Vice Chair
Jacobs, Ellis
Tinic, Atilla

Other Board members and officers of the corporation present:

Gaither, Victor – Vice President of High Cost
Salvator, Charles – Vice President of Finance, Chief Financial Officer and Assistant Treasurer
Sweeney, Mark – Chief Operating Officer

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Khan, Sammy	USAC
King, Lauren	USAC
Nuzzo, Patsy	USAC
Simab, Habib	USAC

¹ Draft resolutions were presented to the Committee prior to the Committee 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.

OPEN SESSION

- a1. Consideration of Contract Extension for Mobility Fund Disbursement Request Verification Services.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Ms. Vickie Robinson recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

At 3:35 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 noted above.

EXECUTIVE SESSION

- a1. Consideration of Contract Extension for Mobility Fund Disbursement Request Verification Services.** Mr. Gaither presented this item to the Committee for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes management, subject to any necessary FCC approvals, to add funding in the not-to-exceed amount of \$360,000 (plus applicable taxes) to the existing contract with Connected Nation Ventures, Inc. for verification services under the Mobility Fund I Program, and to extend the term of that contract through April 25, 2018.

At 3:41 p.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Lubin reported that in *Executive Session*, the Committee discussed and took action on item a1. On a motion duly made and seconded, the Committee adjourned at 3:42 p.m. Eastern Time.

/s/ Vickie Robinson
Assistant Secretary

**Universal Service Administrative Company
High Cost & Low Income Committee Quarterly Meeting
Agenda**

<p>Monday, October 23, 2017 2:00 p.m. - 4:30 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> <p style="padding-left: 40px;">A. Approval of High Cost & Low Income Committee Meeting Minutes of July 24, 2017, August 4, 2017 and October 10, 2017.</p> <p style="padding-left: 40px;">B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>.</p>	5

<u>HIGH COST OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Vic	<p>a2. Approval of High Cost Support Mechanism 1st Quarter 2018 Programmatic Budget and Demand Projections for the November 2, 2017 FCC Filing.</p>	10
Pam Hughet	<p>i1. Information on Four USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option</i>.</p>	10
Vic	<p>i2. High Cost Support Mechanism Business Update.</p>	20

<u>LOW INCOME OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Michelle	<p>a3. Approval of Low Income Support Mechanism 1st Quarter 2018 Programmatic Budget and Demand Projections for the November 2, 2017 FCC Filing.</p>	10
Pam Hughet	<p>i3. Information on Nine USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option</i>.</p>	10
Michelle	<p>i4. Low Income Support Mechanism (Lifeline) Business Update:</p>	20

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

<u>LOW INCOME EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Michelle	i5. Low Income Support Mechanism (Lifeline) Business Update Continued: Forecast of National Verifier Business Process Outsource Costs. – Confidential – Executive Session Recommended.	10
Michelle	a4. Consideration of Contract Increase for Group O Consumer Call Center – Confidential – Executive Session Recommended.	10
Michelle	i6. Information on Preliminary 2018 Annual Low Income Support Mechanism Budget – Confidential – Executive Session Recommended.	10

<u>HIGH COST EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Vic	i7. High Cost Support Mechanism Business Update Continued. – Confidential – Executive Session Recommended.	10
Vic	i8. Information on Preliminary 2018 Annual High Cost Support Mechanism Budget – Confidential – Executive Session Recommended.	10

Next Scheduled USAC High Cost & Low Income Committee Meeting

<p>Monday, January 29, 2018 2:00 - 4:00 p.m. Eastern Time USAC Offices, Washington, D.C.</p>

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

HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, October 23, 2017

MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) High Cost & Low Income Committee (Committee) was held at USAC's offices in Washington, D.C. on Monday, October 23, 2017. Mr. Joel Lubin, Committee Chair, called the meeting to order at 2:00 p.m. Eastern Time, with all 11 Committee members present:

Brisé, Ronald – Vice Chair
Feiss, Geoff
Gerst, Matthew
Gillan, Joe
Jacobs, Ellis
Kinsler, Cynthia
Lubin, Joel – Chair
Mason, Ken
Robinson, Vickie – Acting Chief Executive Officer, General Counsel and Assistant Secretary
Tinic, Atilla
Wein, Olivia

Other Board members and officers of the corporation present:

Bocher, Bob – Member of the Board
Buzacott, Alan – Member of the Board
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Lifeline
Salvator, Charles – Vice President of Finance, Chief Financial Officer and Assistant Treasurer
Scott, Wayne – Vice President of Internal Audit
Sweeney, Mark – Chief Operating Officer
Talbot, Dr. Brian – Member of the Board

¹ Draft resolutions were presented to the Committee prior to the Committee 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.

Others present:

<u>NAME</u>	<u>COMPANY</u>
Ahmed, Sharmarke	USAC
Anderson, Jarnice	USAC
Bilodeau, Amanda	USAC
Braxton-Johnson, Kianna	USAC
Carpenter, Nikki-Blair	USAC
Delmar, Teleshia	USAC
Duvall, Rashann	FCC
Eltgroth, Deborah	USAC
Gonzales, Veronica	USAC
Guinan, Gabriela Gross	USAC
Hughet, Pam	USAC
Hutchinson, Kyle	USAC
Khan, Sammy	USAC
Kim, James	USAC
Lechter, Jonathan	FCC
Loewus-Deitch, Jonathan	USAC
Mattey, Carol	Mattey Consulting
Nuzzo, Patsy	USAC
O'Brien, Tim	USAC
Sequin, Eric	Solix
Simab, Habib	USAC
Subramaniam, Nathan	USAC
Tessler, Joelle	USAC
Weith, Tim	USAC
Zahid, Farrah	USAC
Zufolo, Jessica	USAC

OPEN SESSION

a1. Consent Items. Mr. Lubin presented this item to the Committee.

A. Approval of Committee meeting minutes of July 24, 2017, August 4, 2017 and October 10, 2017.

B. Approval for discussing in *Executive Session* agenda items:

- (1) **i5** – Low Income Support Mechanism (Lifeline) Business Update Continued: Forecast of National Verifier Business Process Outsource Costs. USAC management recommends this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- (2) **a4** – Consideration of Contract Increase for Group O Consumer Call Center. USAC management recommends this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

- (3) **i6** – Information on Preliminary 2018 Annual Low Income Support Mechanism Budget. USAC management recommends this item be discussed in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.
- (4) **i7** – High Cost Support Mechanism Business Update Continued. USAC management recommends that this item be discussed in *Executive Session* because it *includes pre-decisional matters pending before the FCC*.
- (5) **i8** – Information on Preliminary 2018 Annual High Cost Support Mechanism Budget. USAC management recommends this item be discussed in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.

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

RESOLVED, that the USAC High Cost & Low Income Committee hereby approves the Committee meeting minutes of July 24, 2017, August 4, 2017 and October 10, 2017 and discussion in *Executive Session* of the items noted above.

- a2. **Approval of High Cost Support Mechanism 1st Quarter 2018 Programmatic Budget and Demand Projections for the November 2, 2017 FCC Filing.** Mr. Gaither presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 1st Quarter 2018 programmatic operating budget for the High Cost Support Mechanism of \$2.92 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee approves a 1st Quarter 2018 programmatic capital budget for the High Cost Support Mechanism of \$0.08 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$3.00 million for High Cost Support Mechanism administrative costs in the required November 2, 2017 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on October 23, 2017 a summary of the 1st Quarter 2018 High Cost Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required November 2, 2017 filing to the FCC on behalf of the Committee. Staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than

\$10 million and, with approval of the Committee Chair, may make adjustments if the total variance is equal to or less than \$15 million.

- i1. Information on Four USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports.** Ms. Kianna Braxton-Johnson, Supervisor of Internal Audit, presented this item for discussion.
- i2. High Cost Support Mechanism Business Update.** Mr. Gaither presented this item for discussion. Content included the following: High Cost Network Build-out Plans through 2026; the 2018 Preliminary Budget; High Cost 2018 Support Mechanism Plans; High Cost 2017 Accomplishments, Outreach Plans for the next two quarters, and the High Cost Team's focus for 4th quarter 2017 in support of FCC mandates.
- a3. Approval of Low Income Support Mechanism 1st Quarter 2018 Programmatic Budget and Demand Projections for the November 2, 2017 FCC Filing.** Ms. Garber presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 1st Quarter 2018 programmatic operating budget for the Low Income Support Mechanism of \$8.39 million; and

RESOLVED FURTHER, that the USAC High Cost and Low Income Committee approves a 1st Quarter 2018 programmatic capital budget of \$1.34 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$9.73 million for Low Income Support Mechanism administrative costs in the required November 2, 2017 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on October 23, 2017 a summary of the 1st Quarter 2018 Low Income Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required November 2, 2017 filing to the FCC on behalf of the Committee. Staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million and, with approval of the Committee Chair, may make adjustments if the total variance is equal to or less than \$15 million.

- i3. Information on Nine USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports.** Ms. Pamela Hughet, Senior Manager of Internal Audit, presented this item for discussion.
- i4. Low Income Support Mechanism (Lifeline) Business Update.** Ms. Garber

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presented this item for discussion. She provided 3Q2017 highlights, the Low Income support mechanism operational update, program integrity improvements , and updates on program outreach and customer service.

At 3:26 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session*. The Committee then recessed and reconvened at 3:36 p.m. Eastern Time in *Executive Session* for the purpose of discussing the confidential items listed above.

EXECUTIVE SESSION

- i5. Low Income Support Mechanism (Lifeline) Business Update Continued: Forecast of National Verifier Business Process Outsource Costs.** Ms. Garber presented this time for discussion.
- a4. Consideration of Contract Increase for Group O Consumer Call Center.** Ms. Garber presented this item for consideration.

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

RESOLVED, that the High Cost and Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes USAC management to increase the existing value of the contract awarded to Group O in the additional amount of \$350,000, with a total amended contract value not to exceed \$1,450,042, plus applicable sales taxes, through January 26, 2018, subject to required FCC approvals.

- i6. Information on Preliminary 2018 Annual Low Income Support Mechanism Budget.** Ms. Garber presented this item for discussion.
- i7. High Cost Support Mechanism Business Update Continued.** Mr. Sammy Kahn, Director of Program Management, High Cost, presented this item to the Committee for discussion and included major project status updates on High Cost Universal Service Broadband Portal (HUBB), the Mobility Fund Phase II challenge process, Verification of Data (2.0), and the CAF Mapping Initiatives.
- i8. Information on Preliminary 2018 Annual High Cost Support Mechanism Budget.** Mr. Gaither presented this item to the Committee for discussion.

At 4:35 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Lubin reported that in *Executive Session*, the Committee took action on item a4 and discussed items i5, i6, i7, and i8. On a motion duly made and seconded, the Committee adjourned at 4:35 p.m. Eastern Time.

/s/ Ellis Jacobs
Secretary