

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

**BOARD OF DIRECTORS MEETING**  
**Friday, January 5, 2018**

**MINUTES**

In a Public Notice dated December 20, 2017,<sup>1</sup> FCC Chairman Pai appointed the following six persons to the Universal Service Administrative Company's Board of Directors (Board):

- Dr. Joan H Wade, Executive Director, Association of Educational Service Agencies;
- Ellis Jacobs, Senior Attorney, Advocates for Basic Legal Equality, Inc.;
- Joseph Gillan, Consultant, Gillan Associates;
- Katharine Hsu Wibberly, Ph.D., Executive Director, Mid-Atlantic Telehealth Resource Center;
- Geoffrey A. Feiss, General Manager, Montana Telecommunications Association; and
- Atilla Tinic, Senior Vice President, Enterprise Business Support Systems and International IT, CenturyLink.

On December 27, 2017, the Board was requested to vote by written unanimous consent to elect these members to the Board and appoint them by virtue of the constituency they represent, or in filling vacant positions, to a committee.

**a1. Election of Members to the USAC Board of Directors and Appointment of Members to Programmatic Committees.** On January 5, 2018, 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 Chairman 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, 2018:<sup>2</sup>

- Joan H. Wade, for a term expiring on December 31, 2020;
- Ellis Jacobs, for a term expiring on December 31, 2020;
- Joseph Gillan, for a term expiring on December 31, 2020;
- Dr. Katharine Hsu Wibberly, for a term expiring on December 31, 2020;
- Geoffrey A. Feiss, for a term expiring on December 31, 2020;
- Atilla Tinic, for a term expiring on December 31, 2020;

<sup>1</sup> *Chairman Pai Names Six Members to the Board of Directors of the Universal Service Administrative Company*, CC Docket Nos. 96-45, 97-21, Public Notice, 2017 WL 6540487 (2017).

<sup>2</sup> 47 C.F.R. § 54.703(d).

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**RESOLVED FURTHER**, that each of the aforementioned directors shall remain a director until such director's: (i) written resignation, (ii) removal pursuant to Article II, § 7 of the USAC By-laws and the provisions of the Delaware General Corporation Law, (iii) 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 the 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:

- Joan H. Wade is hereby appointed to the Schools & Libraries Committee;
- Ellis Jacobs, Joseph Gillan, Geoffrey A. Feiss, and Atilla Tinic 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/ Ellis Jacobs  
Secretary

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

**Tuesday, January 30, 2018  
8:30 a.m. – 2:30 p.m. Eastern Time  
USAC Offices  
700 12th Street, N.W., Suite 900  
Washington, D.C. 20005**

	<u><b>OPEN SESSION</b></u>	<i>Estimated Duration in Minutes</i>
Chair	<b>a1.</b> Consent Items (each available for discussion upon request): <b>A.</b> Approval of Board of Directors Meeting Minutes of October 24, 2017, November 13, 2017, November 16, 2017, November 17, 2017, November 28, 2017, December 21, 2017, and January 5, 2018. <b>B.</b> Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i> .	5
Chair	<b>a2.</b> Reports from the Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.	10
Chair	<b>a3.</b> Annual Election of Board Members to Committees, Election of Committee Chairs and Vice Chairs and Appointment of Corporate Officers.	10
Wayne	<b>a4.</b> Approval of 2018 Audit Committee Charter. <i>Same as aAC03</i>	5
Charlie	<b>a5.</b> Approval of 2 <sup>nd</sup> Quarter 2018 USAC Common and Consolidated Budgets and Demand Projections.	10
Radha	<b>a6.</b> Approval of April 2019 – January 2020 Board of Directors Quarterly Meeting Schedule.	5
	<b>i1.</b> Business Update: (Information Only). <b>A.</b> Investment Committee Update. <b>B.</b> Finance Update with Exhibits.	-

<u><b>EXECUTIVE SESSION</b></u>		
Tamika Wayne Ernesto	<b>i1.</b> Business Update Continued – <b>Confidential</b> – <i>Executive Session Recommended</i> . <b>C.</b> Engagement Survey Update. <b>D.</b> Lifeline Improper Payment Rate. <b>E.</b> OGC Update.	C. – 30 D. – 10 E. – 10
Mark	<b>i2.</b> Information on USAC 2017 Annual Report to the FCC and Congress.	5

	– <b>Confidential – Executive Session Recommended.</b> <i>Same as iEC01cf</i>	
Radha Kyle	<b>a7.</b> Information Technology Working Group - <b>Confidential – Executive Session Recommended.</b>	10
Charlie	<b>a8.</b> Approval of 2018 Annual USAC Common and Consolidated Budgets – <b>Confidential – Executive Session Recommended.</b> <i>Same as iEC02cf</i>	25
Craig	<b>a9.</b> Procurements – <b>Confidential – Executive Session Recommended.</b> A. Consideration of Contract Award for Oracle Licenses. B. Consideration of 2017 True-up Payment for Dell/EMC Avamar Licenses. C. Consideration of Contract Award for Benefits Broker.	20
Craig	<b>i3.</b> General Procurement Updates – <b>Confidential – Executive Session Recommended.</b> A. 2017 Fourth Quarter Procurement Report. B. 2017 Annual Procurement Report. C. 2017 Competition Advocate Annual Report. D. 2018 Annual Procurement Plan.	20
Fred Theobald	<b>i4.</b> Contributors Business Update – <b>Confidential – Executive Session Recommended.</b>	15
Nikki-Blair Carpenter	<b>i5.</b> Information on Four USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports – <b>Confidential – Executive Session Recommended.</b>	10
Chair	<b>i6.</b> Executive Session (Lunch) with Board Only – <b>Confidential – Executive Session Recommended.</b>	60
Tamika	(Post Lunch) <b>a10.</b> Personnel Matter - Consideration of 2018 Merit-Based Salary and Incentive Awards Program for USAC Employees. A. Consideration of a USAC Compensation Policy. <b>Confidential – Executive Session Recommended.</b>	20
Tamika	<b>a11.</b> USAC Transit Benefits – <b>Confidential – Executive Session Recommended.</b>	10
Chair	<b>i7.</b> Discussion of FCC-USAC Executive Committee Quarterly Meeting – <b>Confidential – Executive Session Recommended.</b>	35

### Next USAC Board of Directors Meeting

**Tuesday, April 24, 2018**  
**8:30 a.m. – 2:30 p.m. Eastern Time**  
**USAC Offices, Washington, D.C.**

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

**BOARD OF DIRECTORS MEETING**  
**Tuesday, January 30, 2018**

**MINUTES<sup>1</sup>**

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, January 30, 2018. Mr. Joel Lubin, Vice Chair and Acting Board Chair, called the meeting to order at 8:30 a.m. Eastern Time, with a quorum of 17 of the 19 Board members present:

Bocher, Robert	Hernandez, Dr. Mike
Brisé, Ronald	Kinser, Cynthia
Buzacott, Alan	Lubin, Joel – Vice Chair and Acting Chair
Choroser, Beth	Mason, Ken
Domenech, Dr. Dan	Sekar, Radha – Chief Executive Officer
Feiss, Geoff	Tinic, Atilla
Fontana, Brent – <i>by telephone</i>	Wade, Joan
Gerst, Matthew	Wibberly, Dr. Kathy
Gillan, Joe	

Mr. Ellis Jacobs join by telephone at 8:35 a.m. Eastern Time and Ms. Olivia Wein joined the meeting at 8:36 a.m. Eastern Time. They did not participate in the discussion of, or vote on item a1.

Mr. Jacobs left the meeting at 10:23 a.m. Eastern Time. He did not participate in the discussion of or vote on items a9 (C–D), a10, a11, i1 (C–E), i3, i4, i5, i6, and i7.

Officers of the corporation present:

Davis, Craig – Vice President of Procurement and Sourcing Strategy  
Gaither, Victor – Vice President of High Cost  
Garber, Michelle – Vice President of Lifeline  
Lee, Karen – Vice President of Rural Health Care  
Salvator, Charles – Vice President of Finance, Chief Financial Officer and  
Assistant Treasurer  
Scott, Wayne – Vice President of Internal Audit  
Sweeney, Mark – Chief Operating Officer

Others present:

<sup>1</sup> 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.

<u>NAME</u>	<u>COMPANY</u>
Ayer, Catriona	USAC
Beckford, Ernesto	USAC
Carpenter, Nikki-Blair	USAC
Crowe, Jennifer	USAC
Delmar, Teleshia	USAC
Ejaz, EJ	USAC
Fischer, Dennis	USAC
Goode, Vernell	USAC
Guinan, Gabriela Gross	USAC
Hughet, Pamela	USAC
Hutchinson, Kyle	USAC
Johnson, William	USAC
Marjani, Regina	USAC
Miller, Jack	Solix, Inc.
Mitchell, Tamika	USAC
Nuzzo, Patsy	USAC
Schecker, Laurence	USAC
Schrieber, Johnnay	USAC
Sequin, Eric	Solix, Inc.
Theobald, Fred	USAC
Talbott, Dr. Brian	Dimensional Learning Solutions, LLC

### OPEN SESSION

- a1. Consent Items.** Mr. Lubin presented these items to the Board.
- A. Approval of Board meeting minutes of Approval of Board of Directors Meeting Minutes of October 24, 2017, November 13, 2017, November 16, 2017, November 17, 2017, November 28, 2017, December 21, 2017, and January 5, 2018.
  - B. Resolution Honoring a Board Member Whose Service on the Board Has Recently Ended.
  - C. Approval for discussing in *Executive Session* agenda items:
    - (1) **i1** – Business Update Continued.
      - **C.** Engagement Survey Update. USAC management recommends that this report be discussed in *Executive Session* because it involves *personnel matters*.
      - **E.** OGC Update. USAC management recommends that this report be discussed in *Executive Session* because it involves *internal personnel matters and attorney/client privileged communications*.
    - (2) **i2** – Information on USAC 2017 Annual Report to the FCC and Congress. USAC management recommends that this item be

- discussed in *Executive Session* because it involves *specific internal controls, and/or confidential company data*.
- (3) **a7** – Information Technology Working Group. USAC management recommends that discussion of this item occur in *Executive Session* because it involves *specific internal controls, and/or confidential company data*.
  - (4) **a8** – Approval of 2018 Annual USAC Common and Consolidated Budgets. USAC management recommends this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
  - (5) **a9** – Procurements. USAC management recommends that the following items be discussed in *Executive Session* because they relate to USAC’s *procurement strategy and contract administration*.
    - **A.** Consideration of Contract Award for Oracle Licenses.
    - **B.** Consideration of 2017 True-up Payment for Dell/EMC Avamar Licenses.
    - **C.** Consideration of Contract Award for Benefits Broker.
  - (6) **i3** – General Procurement Updates. USAC management recommends that these report be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
  - (7) **i4** – Contributors Business Update. USAC management recommends that this report be discussed in *Executive Session* because it relates to *internal controls, and/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*.
  - (8) **i5** – Information on Four USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends these reports be discussed in *Executive Session* because they relate to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
  - (9) **i6** – Executive Session (Lunch) with Board Only. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.
  - (10) **a10** – Personnel Matter – Consideration of 2018 Merit-Based Salary and Incentive Awards Program for USAC Employees and Consideration of a USAC Compensation Policy. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

- (11) **a11** – Personnel Matter – USAC Transit Benefits. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.
- (12) **i7** – Discussion of FCC-USAC Executive Committee Quarterly Meeting. USAC management recommends that this item be discussed in *Executive Session* because it may include *confidential company data, and pre-decisional matters pending before the FCC*.

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

**RESOLVED**, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of October 24, 2017, November 13, 2017, November 16, 2017, November 17, 2017, November 28, 2017, December 21, 2017, and January 5, 2018, and (2) discussion in *Executive Session* of the items noted above.

**RESOLVED**, that the USAC Board of Directors hereby expresses its sincere appreciation to Dr. Brian Talbott for his dedicated service on the Board of Directors of the Universal Service Administrative Company and wish him the best in his future endeavors.

- a2. **Reports from Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** The committee chairs reported on matters discussed and actions taken by their respective committees since the October 2017 quarterly meetings. Mr. Gillan reported for the Audit Committee; Mr. Lubin reported for the Executive Committee, Executive Compensation Committee and the High Cost & Low Income Committee; Dr. Wibberly reported for the Rural Health Care Committee; and Dr. Domenech reported for the Schools and Libraries Committee.
- a3. **Election of Committee At-Large Seats, Chairs and Vice Chairs and Election and Appointment of Corporate Officers.** Mr. Mason, Chair of the Nominating Committee, provided the Nominating Committee's recommendations for at-large seats, chairs and vice chairs and election and appointment of corporate officers.

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

**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: Ken Mason** (representing service providers), **Alan Buzacott** (at-large member), **Beth Choroser** (at-large member), and **Brent Fontana** (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: Olivia Wein** (at-large member), and **Ken Mason** (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: Atilla Tinic** (representing service providers), **Dr. Mike Hernandez** (at-large member), and **Olivia Wein** (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: Joe Gillan** (representing the HCLI committee), **Dr. Kathy Wibberly** (representing the RHC committee), Beth Choroser (representing the SL committee), and **Geoff Feiss** (at-large member) and **Atilla Tinic** (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: Cynthia Kinser** (at-large member), **Dr. Dan Domenech** (at-large member), **Dr. Mike Hernandez** (at-large member), **Joe Gillan** (at-large member) and **Olivia Wein** (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 **Dr. Dan Domenech** as Chair and **Ken Mason** 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 **Joe Gillan** as Chair and **Olivia Wein** 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 **Dr. Kathy Wibberly** as Chair and **Dr. Mike Hernandez** 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 **Geoff Feiss** as Chair and **Atilla Tinic** as Vice Chair of the **Audit 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 **Joel Lubin** as Chair of the Board and **Joe Gillan** as Vice Chair of the Board, **Ellis Jacobs** as Secretary of the corporation, and **Ken Mason** 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.

*Appointment of USAC Staff Members as Assistant Secretary and Assistant Treasurer*

**RESOLVED**, that the USAC Board of Directors accepts the recommendation of the USAC Nominating Committee and appoints **Ernesto Beckford** as Assistant Secretary of the corporation and **Charles Salvator** as Assistant Treasurer of the corporation, each for a term that begins immediately upon adoption of this resolution and ends when such person's successor has been appointed, such person resigns from such position, his employment with USAC terminates for whatever reason, or such person is removed by the CEO or by resolution of the Board.

- a4. Approval of 2018 Audit Committee Charter.** Mr. Scott presented this item for consideration, noting that changes to the charter are consistent with the way in which the Committee has been operating. The changes included additions to the Committee's responsibilities (incorporating risk management and receiving whistleblower complaints) and alignment of the Committee's responsibilities around financial internal control reporting with the Chief Financial Officer

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the current Audit Committee Charter and the proposed changes presented by the USAC Internal Audit Division, recommends that the USAC Board of Directors approve the revised Audit Committee Charter.

- a5. Approval of 2nd Quarter 2018 USAC Common and Consolidated Budgets and Quarterly Budget and Demand Projections.** Mr. Salvator presented this item for consideration.

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 2nd Quarter 2018 common operating budget of \$24.71 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 2nd Quarter 2018 common capital budget of \$0.42 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 2nd Quarter 2018 consolidated operating budget of \$53.57 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 2nd Quarter 2018 consolidated capital budget of \$1.63 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$25.13 million common costs in the required January 31, 2018 filing to the FCC on behalf of the USAC Board of Directors; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$55.20 million for consolidated costs in the required January 31, 2018 filing to the FCC on behalf of the USAC Board of Directors.

- a6. **Approval of April 2019 – January 2020 Board of Directors Quarterly Meeting Schedule.** Ms. Sekar presented this item for consideration, noting the recommended dates at follows:

<b>Executive Committee</b>	<b>Programmatic Committees &amp; Board of Directors</b>
April 25, 2019	April 29-30, 2019 (Passover April 20 – 27, 2019)
July 25, 2019	July 29-30, 2019
October 24, 2019	October 28-29, 2019
January 23, 2020	January 27-28, 2020 (Monday, January 20, 2020 is the Martin Luther King holiday.)

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

**RESOLVED**, that the USAC Board of Directors adopts the Board of Directors and committee quarterly meetings schedule for April 2019 – January 2020.

**i1. Business Update.**

**A. Investment Committee Update.** This report was provided for informational purposes only. No discussion was held.

**B. Finance Update with Exhibits.** These reports were provided for informational purposes only. No discussion was held.

At 9:07 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential items listed above.

**EXECUTIVE SESSION**

**i2. Information on USAC 2017 Annual Report to the FCC and Congress.** Mr. Sweeney presented this item for discussion, noting the Annual Financial Report would be included as a link allowing for a reduction in the size of the report from 80 pages to less than 20 pages.

**a7. Information Technology Working Group.** Ms. Sekar noted that Mr. Fontana and Mr. Tinic participated in the interviews for the Chief Information Officer (CIO) position. Mr. Kyle Hutchinson, Acting CIO, provided an update on the status of the status of the Director of Information Security position and USAC's FISMA accreditation.

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

**RESOLVED**, that the USAC Board of Directors hereby approves an information technology (IT) working group comprised of the following Board members: **Brent Fontana**, and **Atilla Tinic**. The IT working group will provide IT oversight to USAC and will meet with relevant members of the USAC leadership team and staff, including but not limited to the CEO, CIO, CISO, and Director of Compliance and Risk (each as needed), to obtain updates on USAC IT matters. The Board requests that the IT working group and USAC management report back to the Board on significant IT oversight issues.

**a8. Approval of the 2018 Annual USAC Common and Consolidated Budgets.** Mr. Salvator presented this item for consideration, noting that the annual budget presented is \$15 million less than the estimated budget presented in October. He thanked Dr. Brian Talbott, Joel Lubin and Joe Gillan for their support in meeting with the Vice Presidents to cut or delay spending, noting that that there may be an ad hoc meeting required to adjust for USAC procurements.

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 2018 annual common operating budget of \$98.54 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 2018 annual common capital budget of \$4.56 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 2018 annual consolidated operating budget of \$210.69 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 2018 annual consolidated capital budget of \$10.54 million.

**a9. Procurements.** Mr. Davis presented these items for consideration.

**A. Consideration of Contract Award for Oracle Licenses.**

On a motion duly made and seconded and after discussion, 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 a one-year technical support contract for Oracle licenses for the total price of \$1,101,827.88 (plus applicable taxes).

**B. Consideration of 2017 True-up Payment for Dell/EMC Avamar Licenses.**

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to make a true-up payment in the amount of \$498,455 (plus applicable taxes) to Dell/EMC for its use of 92TB of additional Avamar licenses for data domain storage.

**C. Consideration of Contract Award for Benefits Broker.**

On a motion duly made and seconded and after discussion, 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 a contract to purchase employee benefits brokerage and consulting services, from Gallagher Benefit Services, Inc. for a one-year base period for a firm fixed price of \$90,850 (plus applicable taxes), with the ability to exercise three additional one-year terms, subject to required Board of Directors approvals, for a four year total firm fixed price of \$391,575 (plus applicable

taxes).

The Board recessed at 10:40 a.m. Eastern Time and reconvened at 10:52 a.m. Eastern Time, continuing in Executive Session.

- i3. **General Procurement Reports.** Mr. Davis provided an update on the Annual Procurement Report and Competition Advocate Report.
- i4. **Contributors and Providers Business Update.** Mr. Theobald, Director of Financial Operations, provided a quarterly contribution factor comparison, an overview of the contribution factor trends and a rule of thumb that identified what change in the Universal Service Fund demand or contribution base would cause a 0.1 percent change in the contribution factor.
- i5. **Information on Four USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports.** Ms. Carpenter, Director of Internal Audit, presented this item to the Board for discussion.

At 12:00 p.m. Eastern Time, the meeting continued in *Executive Session* with only the Board and the Leadership team present.

- i1. **Business Update Continued.**
  - C. **Engagement Survey Update.** Ms. Mitchell, Acting Chief Human Resources Officer, presented this item for discussion. Ms. Choroser requested an update be provided in April outlining the actions USAC has taken.
  - D. **Lifeline Improper Payment Rate.** Mr. Scott presented this item for discussion.

At 1:16 p.m. Eastern Time, the meeting continued in *Executive Session* with only the Board and Ernesto Beckford, Acting General Counsel present.

- E. **OGC Update.** Mr. Ernesto Beckford, Acting General Counsel, presented this item to the Board.
- a10. **Personnel Matter - Consideration of 2018 Merit-Based Salary and Incentive Awards Program for USAC Employees and Consideration of a USAC Compensation Policy.** Ms. Mitchell presented these items to the Board for consideration.

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

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the USAC management proposed 2018 merit-based salary increase and incentive awards program for USAC employees, hereby approves the proposed program.

**RESOLVED FURTHER**, that the USAC Board of Directors, having reviewed the USAC Compensation Policy recommended by the Executive Compensation Committee, hereby adopts the USAC Compensation Policy.

- a11. USAC Transit Benefits.** Ms. Mitchell presented these items to the Board for consideration.

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

**RESOLVED**, that the USAC Board approves the proposed employee transit benefit increase under the terms indicated above.

- i7. Discussion of FCC-USAC Executive Committee Quarterly Meeting.** Ms. Sekar provided talking points to the Executive Committee.

### **OPEN SESSION**

At 2:00 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. Lubin reported that in *Executive Session*, the Board took action on items a7, a8, a9 and a11 and discussed items i1 (C –E), i2, i3, i4, i5, i6 and i7.

On a motion duly made and seconded, the Board adjourned at 2:00 p.m. Eastern Time.

/s/ Ellis Jacobs  
Secretary

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

<p><b>Monday, March 12, 2018</b> <b>1:00 p.m. – 1:30 p.m. Eastern Time</b> <b>USAC Offices</b> <b>700 12th Street, N.W., Suite 900</b> <b>Washington, D.C. 20005</b></p>
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**Executive Session**

<i>Action Items</i>		<i>Estimated Duration in Minutes</i>
Craig	<b>a1.</b> Consideration of Contract Award to Okta, Inc. for Support, Services, and Licensing – <b>Confidential</b> – <i>Executive Session Recommended.</i>	10
Craig	<b>a2.</b> Consideration of Contract Award to Dell, Inc. for Hardware and Professional Services – <b>Confidential</b> – <i>Executive Session Recommended.</i>	10
<i>Information Items</i>		<i>Estimated Duration in Minutes</i>
Charlie	<b>i1.</b> Update on Cash to Treasury – <b>Confidential</b> – <i>Executive Session Recommended.</i>	5
Radha	<b>i2.</b> Update on CIO Search – <b>Confidential</b> – <i>Executive Session Recommended.</i>	5

**Next Scheduled USAC Board of Directors Meeting**

<p><b>Tuesday, April 24, 2018</b> <b>USAC Offices, Washington, D.C.</b></p>
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**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**700 12th Street, N.W., Suite 900**  
**Washington, D.C. 20005**

**BOARD OF DIRECTORS MEETING**  
**Tuesday, March 12, 2018**

**MINUTES<sup>1</sup>**

A meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, March 12, 2018. Mr. Joel Lubin, Board Chair, called the meeting to order at 1:03 p.m. Eastern Time, with a quorum of 14 of the 19 Board members present:

Bocher, Robert – <i>by telephone</i>	Jacobs, Ellis – <i>by telephone</i>
Brisé, Ronald – <i>by telephone</i>	Kinser, Cynthia – <i>by telephone</i>
Buzacott, Alan – <i>by telephone</i>	Lubin, Joel – Chair – <i>by telephone</i>
Choroser, Beth – <i>by telephone</i>	Mason, Ken – <i>by telephone</i>
Feiss, Geoff – <i>by telephone</i>	Sekar, Radha – Chief Executive Officer
Gerst, Matthew – <i>by telephone</i>	Wade, Joan – <i>by telephone</i>
Gillan, Joe – Vice Chair – <i>by telephone</i>	Wein, Olivia – <i>by telephone</i>

Dr. Kathy Wibberly joined the call at 1:08 p.m. Eastern Time. She participated in the discussion and voted on all four items.

Board members not present:

Domenech, Dr. Dan  
Fontana, Brent  
Hernandez, Dr. Mike  
Tinic, Atilla

Officers of the corporation present:

Salvator, Charles – Vice President of Finance, Chief Financial Officer and  
Assistant Treasurer  
Beckford, Ernesto – Vice President, General Counsel and Assistant Secretary  
Davis, Craig – Vice President of Procurement and Strategic Sourcing  
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management, Strategy  
and Change Management  
Sweeney, Mark – Chief Operation Officer

Others present:

<sup>1</sup> 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.

<u>NAME</u>	<u>COMPANY</u>
Ayer, Catriona	USAC
Hutchinson, Kyle	USAC
King, Lauren	USAC
Nuzzo, Patsy	USAC

### OPEN SESSION

- a1. **Consideration of Contract Award to Okta, Inc. for Support, Services, and Licensing.** Mr. Beckford recommended this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- a2. **Consideration of Contract Award to Dell, Inc. for Hardware and Professional Services.** Mr. Beckford recommended this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- i1. **Update on Cash to Treasury.** Mr. Beckford recommended this item be discussed in *Executive Session* because this matter relates to *internal controls and may also include pre-decisional matters pending before the USAC*
- i2. **Update on Chief Information Officer (CIO) Search.** Mr. Beckford recommended this item be discussed in *Executive Session* because this matter involves a *personnel matter*.

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

**RESOLVED**, that the USAC Board of Directors determines that discussion of these items shall be conducted in *Executive Session*.

At 1:04 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential and proprietary items noted above.

## **EXECUTIVE SESSION**

- a1. Consideration of Contract Award to Okta, Inc. for Support, Services, and Licensing.** Mr. Davis presented this item to the Board for consideration. Mr. Gillan requested that a checklist be added to all future procurement briefing papers to indicate to the Board or committee the required procurement steps for that particular procurement and confirmation that those steps have been completed.

On a motion duly made and seconded and after discussion, 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 a three year support, services and licensing contract with Okta, Inc. for the total price of \$907,567 (plus applicable taxes).

- a2. Consideration of Contract Award to Dell, Inc. for Hardware and Professional Services.** Mr. Davis presented this item to the Board for consideration.

After discussion, the resolutions was amended and on a motion duly made and seconded and after discussion, 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 a contract to purchase hardware and professional services from Dell, Inc. for one year for a firm fixed price of \$404,810 (plus applicable taxes).

- i1. Update on Cash to Treasury.** Mr. Salvator presented this item to the Board for discussion.
- i2. Update on CIO Search.** Ms. Sekar presented this item for discussion.

At 1:39 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. Lubin reported that in *Executive Session*, the Board took action on items a1, a2 and discussed items i1 and i2.

On a motion duly made and seconded, the Board adjourned at 1:40 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary

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

**Tuesday, March 20, 2018  
2:00 p.m. – 3:00 p.m. Eastern Time  
USAC Offices  
700 12th Street, N.W., Suite 900  
Washington, D.C. 20005**

**Executive Session**

<i>Action Items</i>		<i>Estimated Duration in Minutes</i>
Kyle	<b>a1.</b> Consideration of Contract Award for Independent Verification and Validation – <b>Confidential</b> – <i>Executive Session Recommended.</i>	20
Kyle	<b>a2.</b> Consideration of Contract Increase for Microsoft Enterprise Agreement – <b>Confidential</b> – <i>Executive Session Recommended.</i>	10
Kyle	<b>a3.</b> Consideration of True-up Payment for 2017 Dell/EMC Avamar Data Domain Storage License Support – <b>Confidential</b> – <i>Executive Session Recommended.</i>	10
Kyle	<b>a4.</b> Consideration of Contract Award to Clearpath Solutions Group for VMware Enterprise License Agreement – <b>Confidential</b> – <i>Executive Session Recommended.</i>	10

**Next Scheduled USAC Board of Directors Meeting**

**Tuesday, April 24, 2018  
8:30 a.m. – 2:30 p.m. Eastern Time  
USAC Offices, Washington, D.C.**

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

**BOARD OF DIRECTORS MEETING**  
**Tuesday, March 20, 2018**

**MINUTES<sup>1</sup>**

A meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, March 20, 2018. Mr. Joel Lubin, Board Chair, called the meeting to order at 2:03 p.m. Eastern Time, with a quorum of 15 of the 18 Board members present (there is one vacancy):

Bocher, Robert – <i>by telephone</i>	Jacobs, Ellis – <i>by telephone</i>
Choroser, Beth – <i>by telephone</i>	Hernandez, Dr. Mike – <i>by telephone</i>
Domenech, Dr. Dan – <i>by telephone</i>	Lubin, Joel – Chair
Feiss, Geoff – <i>by telephone</i>	Mason, Ken – <i>by telephone</i>
Fontana, Brent – <i>by telephone</i>	Sekar, Radha – Chief Executive Officer
Gerst, Matthew – <i>by telephone</i>	Tinic, Atilla – <i>by telephone</i>
Gillan, Joe – Vice Chair – <i>by telephone</i>	Wade, Joan – <i>by telephone</i>
	Wein, Olivia – <i>by telephone</i>

Board members not present:

Buzacott, Alan  
Kinser, Cynthia  
Wibberly, Dr. Kathy

Officers of the corporation present:

Salvator, Charles – Vice President of Finance, Chief Financial Officer and  
Assistant Treasurer  
Beckford, Ernesto – Vice President, General Counsel and Assistant Secretary

Others present:

<b><u>NAME</u></b>	<b><u>COMPANY</u></b>
Hamm, Aaron	USAC
Hutchinson, Kyle	USAC
King, Lauren	USAC
Nuzzo, Patsy	USAC
Wray, Becca	USAC

<sup>1</sup> 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.

## **OPEN SESSION**

- a1. **Consideration of Contract Award for Independent Verification and Validation.** Mr. Beckford recommended this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- a2. **Consideration of Contract Increase for Microsoft Enterprise Agreement.** Mr. Beckford recommended this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- a3. **Consideration of True-up Payment for 2017 Dell/EMC Avamar Data Domain Storage License Support.** Mr. Beckford recommended this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- a4. **Consideration of Contract Award to Clearpath Solutions Group for VMware Enterprise License Agreement.** Mr. Beckford recommended 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 Board adopted the following resolution:

**RESOLVED**, that the USAC Board of Directors determines that discussion of these items shall be conducted in *Executive Session*.

At 2:05 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential and proprietary items noted above.

## **EXECUTIVE SESSION**

- a1. **Consideration of Contract Award for Independent Verification and Validation.** Mr. Hutchinson presented this item to the Board. Mr. Hutchinson explained that the contracts presented for approval were solicited by USAC pursuant to a limited competition procurement. Requests for proposals were sent to directly to eight vendors. Mr. Hutchinson explained that two IDIQ contract awards would be made, and that specific task orders would be issued under the two contracts. The contracts to be awarded are for IT system verification and validation services. Mr. Aaron Hamm, Manager of Procurement, and Mr. Salvator answered specific questions from Board members regarding the timing and dollar amounts associated with this procurement process.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to FCC approval, to award IDIQ contracts for Independent Validation and Verification services to: (1) Oasys International Corporation, and (2) Zolon Tech, Inc.; each contract for a term of one year; for a combined, not-to-exceed total price under both contracts of \$2,310,000 plus applicable taxes.

- a2. Consideration of Contract Increase for Microsoft Enterprise Agreement.** Mr. Hutchinson presented this item to the Board for consideration, noting that this action is an increase to the three year 2015 Enterprise Agreement with Microsoft, based on 18 additional licenses added to the contract. Mr. Hamm responded to questions from the Board regarding the term of the contract. Mr. Hamm explained that a new three year contract award will be presented to the Board at the April 2018 quarterly meeting for approval.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to FCC approval, to increase the contract value of the 2015 Microsoft Enterprise Agreement in the amount of \$97,932 plus applicable taxes, for a total contract value of \$1,668,028 plus applicable taxes.

- a3. Consideration of True-up Payment for 2017 Dell/EMC Avamar Data Domain Storage License Support.** Mr. Hutchinson presented this item to the Board for consideration. Mr. Hutchinson and Mr. Salvator answered questions from Board members to clarify the context of this true-up payment. After discussion, modifications to the resolution presented to the Board were made to clarify the term of the license period covered by this true-up payment. The revised language to the resolution is shown in italics below.

After discussion, the resolution was amended and on a motion duly made and seconded and after discussion, the Board adopted the following resolution:

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to make a true-up payment to Dell/EMC for support associated with the Avamar data domain storage licenses in the amount of \$192,452 (plus applicable taxes) for a total true-up payment to Dell/EMC in the amount of \$690,907 plus applicable taxes, subject to FCC approval. *The license period and support period for these licenses is for a 32 month term, beginning Feb. 1, 2018.*

- a4. Consideration of Contract Award to Clearpath Solutions Group for VMware Enterprise License Agreement.** Mr. Hutchinson presented this item to the Board for consideration. Mr. Hutchinson explained that the contract presented for

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

approval was posted by USAC for competitive award pursuant to an RFP.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to FCC approval, to award a contract to Clearpath Solutions Group for a three-year Enterprise License Agreement (ELA) that covers hardware and software licenses, maintenance, and support, for a firm fixed price of \$3,229,002 (plus applicable taxes).

At 2:54 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. Lubin reported that in *Executive Session*, the Board took action on items a1, a2, a3, and a4.

On a motion duly made and seconded, the Board adjourned at 2:56 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary



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

**BOARD OF DIRECTORS MEETING**  
**Tuesday, March 20, 2018**

**MINUTES**

In a Public Notice dated March 13, 2018,<sup>1</sup> FCC Chairman Pai appointed Sarah Freeman, Commissioner, Indiana Utility Regulatory Commission to the Universal Service Administrative Company's Board of Directors (Board) filling the vacancy left by the Honorable Ronald A. Brisé, former Commissioner, Florida Public Service Commission.

On March 16, 2018, the Board was requested to vote by written unanimous consent to elect Sarah Freeman to the Board and appoint her, by virtue of the constituency she represents, or in filling vacant positions, to the High Cost and Low Income (HCLI) Committee and the Rural Health Care (RHC) Committee.

- a1. Election of Members to the USAC Board of Directors and Appointment of Members to Programmatic Committees.** On March 20, 2018, 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 appointment of Sarah Freeman from the Chairman 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 Sarah Freeman to the USAC Board of Directors effective March 20, 2018, for a term expiring on December 31, 2018.<sup>2</sup>

**RESOLVED FURTHER**, that the aforementioned director shall remain a director until such director's: (i) written resignation, (ii) removal pursuant to Article II, § 7 of the USAC By-laws and the provisions of the Delaware General Corporation Law, (iii) 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 the Article I of the USAC By-laws; and

**RESOLVED FURTHER**, that, consistent with 47 C.F.R. § 54.705 and Article II of the USAC By-laws, and by virtue of the constituency she represents, Sarah Freeman is hereby appointed to the High Cost and Low Income Committee and the Rural Health Care Committee.

/s/ Ernesto Beckford  
Assistant Secretary

<sup>1</sup> *Chairman Pai Names a Replacement Member to the Board of Directors of the Universal Service Administrative Company*, CC Docket Nos. 96-45, 97-21, Public Notice, 2018 WL 1313214 (2018).

<sup>2</sup> 47 C.F.R. § 54.703(d).

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

**Tuesday, April 24, 2018  
8:30 a.m. – 2:30 p.m. Eastern Time  
USAC Offices  
700 12th Street, N.W., Suite 900  
Washington, D.C. 20005**

<b>OPEN SESSION</b>	<b>Presenter</b>	<i><b>Estimated Duration in Minutes</b></i>
1. Board Approvals		
A. Consent Items <ol style="list-style-type: none"> <li>1. Board of Directors Meeting Minutes of January 5, 2018, January 30, 2018, March 12, 2018 and March 20, 2018</li> <li>2. Approval of Moving all Executive Session Items to Executive Session</li> <li>3. Resolution Honoring a Board Member Whose Service on the Board Has Recently Ended</li> </ol> B. Approval of USAC Common and Consolidated 3rd Quarter 2018 Budgets for the May 2, 2018 FCC Filing	Chair Ernesto Chair Charlie	25
2. Reports from the Committee Chairs Audit Committee; Executive Committee; High Cost & Low Income Committee; Rural Health Care Committee; Schools & Libraries Committee	Geoff, Joel, Joe, Kathy, Dan	10
3. Enterprise Business Update		
A. CEO Report <ol style="list-style-type: none"> <li>1. Action Items from January</li> <li>2. Reorganization</li> <li>3. 2018 USAC Deliverables – USAC at a Glance</li> </ol>	Radha	15
B. Enterprise Portfolio Management Office Report <ol style="list-style-type: none"> <li>1. EMPO Business Update</li> <li>2. Establishing Enterprise Governance at USAC</li> </ol>	Chris	20
C. Chief Administrative Officer Report <ol style="list-style-type: none"> <li>1. CAO Business Update</li> <li>2. Update on Knowledge Management Program</li> <li>3. Update on Call Center Transition</li> </ol>	Mark/ Stephen Butler	30

<b>EXECUTIVE SESSION</b> <i>Confidential – Executive Session Recommended</i>	<b>Presenter</b>	<i>Estimated Duration in Minutes</i>
4. Enterprise Business Update ( <i>Continued</i> )		
A. Finance Report <ol style="list-style-type: none"> <li>1. Information on Transfer of Cash to Treasury</li> <li>2. Information USAC Common Budget Methodology</li> <li>3. Information on Contribution Factor</li> <li>4. Information on Cash Balances</li> </ol>	Charlie	25
B. Human Resources Report <ol style="list-style-type: none"> <li>1. Human Resource Business Update</li> </ol>	Tamika	15
C. Information Technology Report <ol style="list-style-type: none"> <li>1. IT Business Update</li> <li>2. USAC Information Security Update</li> </ol>	Joel Daniels Tony Buenger	55
D. Procurement Report <ol style="list-style-type: none"> <li>1. Procurement Business Update</li> <li>2. First Quarter 2018 Procurement Report in Appendices</li> </ol>	Craig	20
E. Internal Audit Reports <ol style="list-style-type: none"> <li>1. Information on Three USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports</li> </ol>	Jen Crowe	10
5. Board Approvals		
A. Procurements	Craig	20
1. Consideration of Contract Award for Enterprise Database Licensing		
2. Consideration of Contract Award for A Red Hat for Linux Enterprise License Agreement		
3. Consideration of Contract Award for Dell/EMC Transformational License Agreement		
4. Consideration of Contract Award for Microsoft Enterprise Agreement		
B. Approval of Procedure for Handling Appeals Concerning Contribution and Data Collection	Ernesto	15
6. Lunch		60
7. Personnel Matter and Discussion of FCC-USAC Executive Committee Quarterly Meeting (Post Lunch) <ul style="list-style-type: none"> <li>• CEO Roundtable</li> <li>• Staffing</li> <li>• Compensation</li> </ul>	Chair	30

### **Next USAC Board of Directors Meeting**

**Tuesday, July 24, 2018**  
**8:30 a.m. – 2:30 p.m. Eastern Time**  
**USAC Offices, Washington, D.C.**

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

**BOARD OF DIRECTORS MEETING**  
**Tuesday, April 23, 2018**

**MINUTES<sup>1</sup>**

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, April 23, 2018. Mr. Joel Lubin, Board Chair, called the meeting to order at 8:30 a.m. Eastern Time, with a quorum of 17 of the 19 Board members present:

Bocher, Robert	Kinser, Cynthia
Buzacott, Alan	Lubin, Joel –Chair
Choroser, Beth	Mason, Ken – Treasurer
Domenech, Dr. Dan	Sekar, Radha – Chief Executive Officer
Feiss, Geoff	Tinic, Atilla
Gerst, Matthew	Wade, Dr. Joan
Gillan, Joe – Vice Chair	Wein, Olivia
Hernandez, Dr. Mike - – <i>by telephone</i>	Wibberly, Dr. Kathy
Jacobs, Ellis - Secretary	

Members of the Board not present:

Fontana, Brent  
Freeman, Sarah

Officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel and Assistant Secretary  
Beyerhelm Chris – Vice President of Enterprise Portfolio Management  
Davis, Craig – Vice President of Procurement and Sourcing Strategy  
Gaither, Victor – Vice President of High Cost  
Garber, Michelle – Vice President of Lifeline  
Holstein, Bob – Vice President and Chief Information Officer  
Salvator, Charles – Vice President of Finance, Chief Financial Officer and  
Assistant Treasurer  
Scott, Wayne – Vice President of Internal Audit  
Sweeney, Mark – Chief Administrative Officer

Others present:

<sup>1</sup> 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.

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

<u>NAME</u>	<u>COMPANY</u>
Ayer, Catriona	USAC
Benton, Brittany	USAC
Brisé, Ronald	Gunster
Buenger, Tony	USAC
Butler, Stephen	USAC
Carpenter, Nikki-Blair	USAC
Chu, Josey	USAC
Crowe, Jennifer	USAC
Daniels, Joel	USAC
Delmar, Teleshia	USAC
Fischer, Dennis	USAC
Francisco, Dale	USAC
Goode, Vernell	USAC
Gustafson, Jaymie	USAC
Haus, Allen	Avitecture
Hughet, Pamela	USAC
King, Lauren	USAC
Little, Chris	USAC
Lutz, Kevin	USAC
Marjani, Regina	USAC
Mitchell, Tamika	USAC
Nuzzo, Patsy	USAC
Parmentier, Peter	USAC
Royal, Felicia	USAC
Schrieber, Johnnay	USAC
Sequin, Eric	Solix, Inc.
Subramanian, Nathan	USAC
Talbott, Dr. Brian	Dimensional Learning Solutions
Terry, Jaia	USAC
Theobald, Fred	USAC
Tomlin, Nicole	USAC

## OPEN SESSION

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

### **1. Board Approvals**

**A. Consent Items.** Mr. Lubin presented these items to the Board.

**A1.** Approval of Board meeting minutes of January 5, 2018, January 30, 2018, March 12, 2018, and March 20, 2018.

**A2.** Approval of Moving all Executive Session Items to Executive Session.

**(1) 4.** Enterprise Business Update (*Continued*).

**4A.** Finance Report.

- **1.** Information on Transfer of Cash to Treasury. USAC management recommends that this report be discussed in *Executive Session* because it relates to *specific internal controls, and/or confidential company data*.
  - **2.** Information on USAC Annual Common Budget. USAC management recommends that these matters be discussed in *Executive Session* because it relates to *internal controls, and/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*. Item i3 also relates to USAC's *procurement strategy and contract administration*.
  - **3.** Information on Contribution Factor. USAC management recommends that these matters be discussed in *Executive Session* because it relates to *internal controls, and/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*.
  - **4.** Information on Cash Balances. USAC management recommends that this report be discussed in *Executive Session* because it relates to *specific internal controls, and/or confidential company data*.
- 4B.** Human Resources Report. USAC management recommends that this report be discussed in *Executive Session* because it involves *internal personnel matters*.
- 4C.** Information Technology Report.
- **1.** IT Business Update. USAC management recommends that this report be discussed in Executive Session because it relates to *specific internal controls, and/or confidential company data*.
  - **2.** USAC IT Oversight Action Plan. USAC management recommends that this report be discussed in Executive Session because it relates to *specific internal controls, and/or confidential company data*.
- 4D.** Procurement Report. USAC management recommends this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- 4E.** Internal Audit Reports. Information on Three USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends these reports be discussed in *Executive Session* because they relate to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.

(2) 5. Board Approvals.

5A. Procurements.

- 1. Consideration of a Contract Award for Enterprise Database Licensing. USAC management recommends this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- 2. Consideration of a Contract Award for A Red Hat for Linux Enterprise License Agreement. USAC management recommends this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- 3. Consideration of a Contract Award Dell/EMC Transformational License Agreement. USAC management recommends this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- 4. Consideration of Contract Award for Microsoft Enterprise Agreement. USAC management recommends this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

5B. Approval of Procedure for Handling Appeals Concerning Contribution and Data Collection. USAC management recommends this item be discussed in *Executive Session* because it relates to USAC's *internal controls*.

(3) 7. Personnel Matter and Discussion of FCC-USAC Executive Committee Quarterly Meeting. – USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

A3. Resolution Honoring a Board Member Whose Service on the Board Has Recently Ended. The Board would like to recognize and honor Mr. Ronald A. Brisé whose term has recently concluded. Mr. Brisé served as a Board member for nearly six years, from June 2012 through March 2018, during which time he provided invaluable leadership and guidance in USAC's administration of the federal universal service fund. The USAC Board and USAC management are extremely appreciative of Ron's dedication to universal service.

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

**RESOLVED**, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of January 5, 2018, January 30, 2018, March 12, 2018, and March 20, 2018; and (2) discussion in *Executive Session* of the items noted above.

**RESOLVED**, that the USAC Board of Directors hereby expresses its sincere appreciation to Mr. Ronald A. Brisé for his dedicated service on the Board of Directors of the Universal Service Administrative Company and wish him the best in his future endeavors.

**B. Approval of USAC Common and Consolidated 3rd Quarter 2018 Budgets for the May 2, 2018 FCC Filing.** Mr. Salvator presented this item for consideration.

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 3rd Quarter 2018 common budget of \$25.75 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$25.75 million for common costs in the required May 2, 2018 filing to the FCC on behalf of the USAC Board of Directors; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 3rd Quarter 2018 consolidated budget of \$52.39 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$52.39 million for consolidated costs in the required May 2, 2018 filing to the FCC on behalf of the USAC Board of Directors.

**2. Reports from Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** The committee chairs reported on matters discussed and actions taken by their respective committees since the January 2018 quarterly meetings. Mr. Feiss reported for the Audit Committee; Dr. Wibberly reported for the Rural Health Care Committee; Dr. Domenech reported for the Schools and Libraries Committee; Mr. Gillan reported for the High Cost & Low Income Committee; and Mr. Lubin reported for the Executive Committee.

**3. Enterprise Business Update.**

**3A. CEO Report.** Ms. Radha Sekar presented the following to the Board:



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

1. Action Items from January
  2. Reorganization
  3. 2018 USAC Deliverables – USAC at a Glance
- 3B.** Enterprise Portfolio Management Office Report. Mr. Beyerhelm provided the Board with an update on the following topics:
1. EMPO Business Update
  2. Establishing Enterprise Governance at USAC
- 3C.** Chief Administrative Officer Report. Mr. Sweeney and Mr. Butler provided an update on the following topics:
1. CAO Business Update
  2. Update on Knowledge Management Program
  3. Update on Call Center Transition

At 10:10 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential items listed above. The Board then recessed and reconvened at 10:21 a.m. Eastern Time.

#### **EXECUTIVE SESSION**

**4. Enterprise Business Update (Continued).**

**4A. Finance Report.** Mr. Salvator presented the following topics to the Board for discussion.

1. Information on Transfer of Cash to Treasury
2. Information USAC Common Budget Methodology
3. Information on Contribution Factor
4. Information on Cash Balances

**4B. Human Resources Update Report.** Ms. Mitchell presented this item to the Board, providing updates on Human Resource projects scheduled through 2018, and update on the Engagement Survey and associated action plans.

Items 4D and 5A 1-4 were presented next, while items 4C and 4E were presented when the Board returned from lunch.

**4C. Information Technology (IT) Report.**

1. **IT Business Update.** Mr. Daniels provided an update that included an overview IT's goals and objectives, budget, roadmaps and deliverable for 2018, accomplishments, and challenges, risks and mitigation.
2. **USAC Information Security Update.** Mr. Buenger provided the Board with an update on nine action items in support of USAC working towards FISMA accreditations.

**4D. Procurement Report.** Mr. Davis provided an update on the goals and objectives for the Procurement team. He provided an 18 month overview of projects, outlined accomplishments, discussed risk mitigation and the focus

for next quarter. Mr. Davis also outline status on major contracts by Program, and provided an update on current status.

1. **Procurement Business Update.**
2. **First Quarter 2018 Procurement Report in Appendices.**

**4E. Internal Audit Reports.**

1. **Information on Three USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports** Ms. Crow responded to questions from the Board.

**5. Board Approvals.**

**5A. Procurements.** Mr. Davis presented these items to the Board for consideration and responded to questions.

1. **Consideration of Contract Award for Enterprise Database Licensing.**

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to FCC approval, to award a contract to SHI for a three-year EnterpriseDB Enterprise License Agreement (ELA) that covers software licenses, maintenance, and support, for a firm fixed price of \$1,809,046 (plus applicable taxes).

2. **Consideration of Contract Award for A Red Hat for Linux Enterprise License Agreement.**

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to FCC approval, to award a contract to VCloudTech for a three-year Red Hat Enterprise License Agreement (ELA) that covers software licenses and support for a firm fixed price of \$1,105,808 (plus applicable taxes).

3. **Consideration of Contract Award for Dell/EMC Transformational License Agreement.**

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes

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management, subject to FCC approval, to award a contract to Clearpath Solutions Group for a three-year Dell/EMC Transformational License Agreement (TLA) that covers software licenses and software support for USAC's data storage devices for a firm fixed price of \$1,624,674 (plus applicable taxes).

#### **4. Consideration of Contract Award for Microsoft Enterprise Agreement.**

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to FCC approval, to award a contract to Microsoft for a three-year Microsoft Enterprise Agreement (EA) for software licenses and support for a total price of \$1,624,783 (plus applicable taxes).

At 11:50 a.m. Eastern Time, the Board recessed for lunch and reconvened in Executive Session at 1:20 p.m. Eastern Time.

#### **5B. Approval of Procedure for Handling Appeals Concerning Contribution and Data Collection.** Mr. Beckford presented this item for consideration by the Board.

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

**RESOLVED**, that the USAC Board of Directors adopts the procedures proposed by USAC management for the adjudication of appeals of USAC decisions relating to contributions and data collection.

At 2:09 p.m., the meeting continued in Executive Session with only members of the Board present.

#### **7. Personnel Matter and Discussion of FCC-USAC Executive Committee Quarterly Meeting (Post Lunch).** Ms. Sekar presented the following items for discussion:

- CEO Roundtable
- Staffing
- Compensation

### **OPEN SESSION**

At 2:53 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. Lubin reported that in *Executive Session*, the Board took action on items 5A1 – 5A4 and

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5B and discussed items 4A – 4E and item 7.

On a motion duly made and seconded, the Board adjourned at 2:53 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary

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

**Tuesday, July 24, 2018  
8:30 a.m. – 2:30 p.m. Eastern Time  
USAC Offices  
700 12th Street, N.W., Suite 900  
Washington, D.C. 20005**

<b>OPEN SESSION</b>	<b>Presenter</b>	<i><b>Estimated Duration in Minutes</b></i>
<b>1. Board Approvals</b>		
A. Consent Items <ol style="list-style-type: none"> <li>1. Board of Directors Meeting Minutes of April 24, 2018.</li> <li>2. Approval of Moving all Executive Session Items to Executive Session</li> </ol> B. Approval of USAC Common and Consolidated 4th Quarter 2018 Budgets for the August 2, 2018 FCC Filing	Chair  Ernesto  Charlie	10
2. Reports from the Committee Chairs Audit Committee; Executive Committee; Executive Compensation Committee, High Cost & Low Income Committee; Rural Health Care Committee; Schools & Libraries Committee	Geoff, Joel, Joe, Kathy, Dan	15
<b>3. Enterprise Business Update</b>		
A. CEO Business Update <ul style="list-style-type: none"> <li>• Action Items from April</li> <li>• Reorganization</li> <li>• 2018 USAC Deliverables – USAC at a Glance</li> <li>• CEO Roundtable Update</li> </ul>	Radha	20
B. Enterprise Portfolio Management Office Business Update	Chris	35
C. Shared Service Call Center Business Update	Stephen	15
D. Information Technology Business Update <ol style="list-style-type: none"> <li>1. IT Business Update</li> </ol>	Bob	20
E. Finance Reports <ol style="list-style-type: none"> <li>1. Information Cash to Treasury and Treasury Offset Program</li> </ol>	Charlie	10

<i><b>Estimated Break Time: 10:30–10:45 p.m. Eastern Time</b></i>		<i><b>15</b></i>
<b>EXECUTIVE SESSION</b> <i>Confidential – Executive Session Recommended</i>	<b>Presenter</b>	<i><b>Estimated Duration in Minutes</b></i>

3. Enterprise Business Update ( <i>Continued</i> )		
F. Information Technology Business Update ( <i>Continued</i> ) <ul style="list-style-type: none"> <li>• FISMA Roadmap</li> <li>• IT Budget and Actuals by Program/Division</li> </ul>	Bob	10
G. EMPO – Human Resources Business Update	Chris/Melody	10
H. Finance Reports ( <i>Continued</i> ) <ol style="list-style-type: none"> <li>1. Information on Contribution Factor</li> <li>2. Budget Execution Status</li> </ol>	Charlie	25
I. Internal Audit Reports <ol style="list-style-type: none"> <li>1. Acceptance of USAC’s 2017 Annual Financial Audit and Agreed-Upon Procedures Review.</li> <li>2. Information on Seven USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports</li> </ol>	Wayne Scott Jen Crowe	20 10
<b>Lunch</b>		60
J. Procurement Reports <ol style="list-style-type: none"> <li>1. Procurement Business Update</li> <li>2. USAC’s Second Quarter 2018 Procurement Report</li> <li>3. Information on Schools &amp; Libraries Division Business Process Outsourcing (BPO) Procurement</li> </ol>	Craig	20
<b>4. Board Approvals</b>		
A. Procurements <ol style="list-style-type: none"> <li>1. Consideration of Contract Increase for Iron Bow Technologies Cisco WebEx Conferencing Services Agreement</li> <li>2. Consideration of Contract Award for E-Gov / Digital Government Standards IT Assessment</li> </ol>	Craig	15
B. Approval of Revised Executive Compensation Committee Charter.	Ernesto	15
5 Discussion of FCC-USAC Executive Committee Quarterly Meeting (Post Lunch) <ol style="list-style-type: none"> <li>A. USAC Ethics Program</li> <li>B. Discussion of FCC-USAC Memorandum of Understanding</li> <li>C. Data Act</li> </ol>	Larry Radha Radha	25

**Next USAC Board of Directors Meeting**

<p><b>Tuesday, October 30, 2018</b>  <b>8:30 a.m. – 2:30 p.m. Eastern Time</b>  <b>USAC Offices, Washington, D.C.</b></p>
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**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**700 12th Street, N.W., Suite 900**  
**Washington, D.C. 20005**

**BOARD OF DIRECTORS MEETING**  
**Tuesday, July 24, 2018**

**MINUTES<sup>1</sup>**

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, July 24, 2018. Mr. Joel Lubin, Board Chair, called the meeting to order at 8:30 a.m. Eastern Time, with a quorum of 17 of the 19 Board members present:

Bocher, Robert	Kinser, Cynthia
Buzacott, Alan	Lubin, Joel – Chair
Choroser, Beth	Mason, Ken – Treasurer
Domenech, Dr. Dan	Sekar, Radha – Chief Executive Officer
Feiss, Geoff	Tinic, Atilla
Freeman, Sarah	Wade, Dr. Joan
Gerst, Matthew	Wein, Olivia
Gillan, Joe – Vice Chair	Wibberly, Dr. Kathy
Hernandez, Dr. Mike	

Members of the Board not present:

Fontana, Brent  
Jacobs, Ellis – Secretary

Officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel and Assistant Secretary  
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management  
Davis, Craig – Vice President of Procurement and Sourcing Strategy  
Gaither, Victor – Vice President of High Cost  
Garber, Michelle – Vice President of Lifeline  
Holstein, Bob – Vice President and Chief Information Officer  
Salvator, Charles – Vice President of Finance, Chief Financial Officer and  
Assistant Treasurer  
Scott, Wayne – Vice President of Audit and Assurance  
Sekar, Radha – Chief Executive Officer  
Sweeney, Mark – Vice President of Rural Health Care

Others present:

<sup>1</sup> 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.

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

<u>NAME</u>	<u>COMPANY</u>
Ayer, Catriona	USAC
Boler, Natasha	USAC
Buenger, Tony	USAC
Burgess, Melody	USAC
Butler, Stephen	USAC
Carpenter, Nikki-Blair	USAC
Crowe, Jennifer	USAC
Daniels, Joel	USAC
Fischer, Dennis	USAC
Francisco, Dale	USAC
Gerensky, Mitko	USAC
Goode, Vernell	USAC
Haus, Allen	Avitecture
Hawkins, Crystal	USAC
Hughet, Pamela	USAC
Hutchinson, Kyle	USAC
Kim, Nathan	USAC
King, Lauren	USAC
Marjani, Regina	USAC
Miller, Jack	Solix, Inc.
Nuzzo, Patsy	USAC
Parker, Ben	USAC
Patel, Amish	USAC
Schecker, Laurence	USAC
Sequin, Eric	Solix, Inc.
Sinkfield, David	USAC
Tamm, Nico	USAC
Theobald, Fred	USAC
Tomlin, Nicole	USAC

## OPEN SESSION

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

### **1. Board Approvals**

**A. Consent Items.** Mr. Lubin presented these items to the Board.

**A1.** Approval of Board meeting minutes April 24, 2018.

**A2.** Approval of Moving all *Executive Session* Items to Executive Session.

**(1) 3 – Enterprise Business Update (Continued).**

- F.** Enterprise Business Update (*Continued*) and Information Technology Business Update (*Continued*). USAC management recommends that this report be discussed in *Executive Session*



because it relates to *specific internal controls* and USAC's *procurement strategy and contract administration*.

- **G.** EPMO – Human Resources Business Update. USAC management recommends that this report be discussed in *Executive Session* because it involves *internal personnel matters*.
- **H.** Finance Reports (*Continued*).
  - **1.** Information on Contribution Factor. USAC management recommends that this matter be discussed in *Executive Session* because it relates to *internal controls, and/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.*
  - **2.** Budget Execution Status. USAC management recommends that this report be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- **I.** Internal Audit Reports.
  - **1.** Acceptance of USAC's 2017 Annual Financial Audit and Agreed-Upon Procedures Review. USAC management recommends that this matter be discussed in *Executive Session* because this report includes *confidential company data. 47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.*
  - **2.** Information on Seven USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends this item be discussed in *Executive Session* because the reports relate to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.*
- **J.** Procurement Reports.
  - **1.** Procurement Business Update. USAC management recommends that discussion of this item includes personnel matters and therefore should occur in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
  - **2.** USAC's Second Quarter 2018 Procurement Report. USAC management recommends that discussion of this item includes personnel matters and therefore should occur 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.** Information on Schools & Libraries Division (SLD) Business Process Outsourcing (BPO) Procurement. USAC management recommends that discussion of this item includes personnel matters and therefore should occur in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- (2) **4** – Board Approvals.
  - **A.** Procurements.
    - **1.** Consideration of Contract Increase for Iron Bow Technologies Cisco WebEx Conferencing Services Agreement. USAC management recommends this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
    - **2.** Consideration of Contract Award for E-Gov/Digital Government Standards IT Assessment. USAC management recommends this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
  - **B.** Review and Approval of Revised Executive Compensation Committee Charter. USAC management recommends this item be discussed in *Executive Session* because it because it involves *internal personnel matters*. In addition, as set forth in Section D of the Committee Charter, Committee business shall be conducted in *Executive Session*.
- (3) **5** – Discussion of FCC-USAC Executive Committee Quarterly Meeting (Post Lunch) – USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters and may also involve matters relating to USAC's procurement strategy and contract administration, and matters subject to the attorney-client privilege*.

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

**RESOLVED**, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of April 24, 2018; and (2) discussion in *Executive Session* of the items noted above.

- B. Approval of USAC Common and Consolidated 4th Quarter 2018 Budgets for the August 2, 2018 FCC Filing.** Mr. Salvator presented this item for consideration.

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 4th Quarter 2018 common budget of \$24.23 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$24.23 million for common costs in the required August 2, 2018 filing to the FCC on behalf of the USAC Board of Directors; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 4th Quarter 2018 consolidated budget of \$52.77 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$52.77 million for consolidated costs in the required August 2, 2018 filing to the FCC on behalf of the USAC Board of Directors.

- 2. Reports from Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** The committee chairs reported on matters discussed and actions taken by their respective committees since the April 2018 quarterly meetings. Mr. Feiss reported for the Audit Committee; Dr. Wibberly reported for the Rural Health Care Committee; Dr. Domenech reported for the Schools and Libraries Committee; Mr. Gillan reported for the High Cost & Low Income Committee and Executive Compensation Committee; and Mr. Lubin reported for the Executive Committee.
- 3. Enterprise Business Update.**
  - 3A.** CEO Report. Ms. Radha Sekar presented the following to the Board:
    1. Action Items from April 2018 quarterly Board and Committee meetings.
    2. Reorganization.
    3. 2018 USAC Deliverables.
    4. CEO Roundtable Update.
  - 3B.** Enterprise Portfolio Management Office Report. Mr. Beyerhelm provided the Board with an update on the following topics:
    1. Strategic Initiatives & Objectives.

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

2. Recap from 2018 Q1 Board Meeting.
  3. 12 Month Roadmap:
    - a. Data Governance/Establish Warehouse.
    - b. Deploy CAF Map.
    - c. CAF Map Data Governance Framework.
    - d. Establish Project Management at USAC.
    - e. Appeals Process Improvement.
    - f. Implement Document Management Strategy.
  4. Key EPMO Projects Overview.
- 3C. Shared Service Call Center Business Update. Mr. Butler provided an update on the following topics:
1. Update on Call Center Transition
  2. Second quarter Call Center Accomplishments and Results.
  3. Training and Communication Accomplishments and Results.
- 3D. Information Technology Business Update. Mr. Holstein provided and update on the following topics:
1. Goals and Objectives.
  2. 2018 and Preliminary 2019 Roadmaps.
  3. Quarter 3 Updates.
- 3E. Finance Reports. Mr. Salvator presented this item for discussion.
1. Information on Cash to Treasury and Treasury Offset Program.

At 10:27 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential items listed above.

### **EXECUTIVE SESSION**

- 3F. **Information Technology Business Update (Continued).** Mr. Holstein provided an update on the FISMA Roadmap and the IT Budget and Actuals by Program/Division.
- 3G. **EPMO – Human Resources Business Update.** Ms. Burgess provided an update on the following topics:
1. Human Resources at a Glance.
  2. USAC Employee Engagement.
- 3H. **Finance Reports (Continued).** Mr. Salvator presented the following topics to the Board for discussion.
1. Information on Contribution Factor
  2. Budget Execution Status
- 3I. **Internal Audit Reports.** Mr. Scott and Ms. Crowe presented this item to the Board, providing updates on the following:

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

1. Acceptance of USAC's 2017 Annual Financial Audit and Agreed-Upon Procedures Review.
2. Information on Seven USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports.

The Board continued in Executive Session with the CEO, and officers during lunch and reconvened at 1:10 p.m. Eastern Time.

**3J. Procurement Reports.** Mr. Davis presented the following topics to the Board for discussion:

1. Procurement Business Update.
  - a. 18 Month Roadmap.
  - b. SLD BPO Update.
  - c. Procurement Organization Activity.
  - d. Upcoming Procurement Activity.
  - e. Program Specific Procurements.
2. USAC's Second Quarter 2018 Procurement Report
3. Information on Schools Libraries Division Business Process Outsourcing (BPO) Procurement.

#### **4. Board Approvals.**

**4A. Procurements.** Mr. Davis presented these items to the Board for consideration and responded to questions.

**1. Consideration of Contract Increase for Iron Bow Technologies Cisco WebEx Conferencing Services Agreement.**

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to increase the value of the Iron Bow Technologies contract for Cisco WebEx conferencing services in the additional amount of \$169,814 for a total not-to-exceed contract value of \$401,577 (plus applicable taxes).

**2. Consideration of Contract Award for E-Gov / Digital Government Standards IT Assessment.**

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to FCC approval, to award a firm-

fixed price contract for a Digital Government Standards IT Assessments and supporting guidance for a fixed amount of \$945,000, with a contingency reserve of \$189,000, to PricewaterhouseCoopers Public Sector LLP, for a total not to exceed amount of \$1,134,000 (plus applicable taxes).

**4B. Approval of Revised Executive Compensation Committee Charter.** Mr. Beckford presented this item to the Board for consideration.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the proposed revisions to the Executive Compensation Committee Charter, hereby approves the revised Executive Compensation Committee Charter.

At 1:44 p.m. Eastern Time, the meeting continued in Executive Session with only members of the Board, and General Counsel present.

**5. Discussion of FCC-USAC Executive Committee Quarterly Meeting.**

**5A. USAC Ethics Program.** Mr. Schecker provided the Board with an overview of the USAC Ethics Program reviewing both employee and Board responsibilities.

**5B. Discussion of FCC-USAC Memorandum of Understanding.** Ms. Sekar provided an update on the status of the USAC and FCC Memorandum of Understanding.

**5C. Data Act.** Ms. Sekar provided an update on the Data Act and possible implications for USAC and the agenda for the FCC-USAC Executive Committee Quarterly Meeting.

**OPEN SESSION**

At 2:35 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. Lubin reported that in *Executive Session*, the Board took action on items 4A1-A2 and 4B and discussed items 3F – 3J and 5A – 5C.

On a motion duly made and seconded, the Board adjourned at 2:36 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary

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

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

**Friday, September 28, 2018  
12:00 p.m. – 12:30 p.m. Eastern Time  
USAC Offices  
700 12th Street, N.W., Suite 900  
Washington, D.C. 20005**

**Executive Session**

<i>Action Items</i>		<i>Estimated Duration in Minutes</i>
Craig/ Charlie	<b>a1.</b> Consideration of Contract Awards for the USAC Employee Benefit Programs – <b>Confidential</b> – <i>Executive Session Recommended.</i>	30

**Next Scheduled USAC Board of Directors Meeting**

**Tuesday, October 30, 2018  
8:30 p.m. Eastern Time – 2:00 p.m. Eastern Time  
USAC Offices, Washington, D.C.**

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

**BOARD OF DIRECTORS MEETING**  
**Friday, September 28, 2018**

**MINUTES<sup>1</sup>**

A meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Friday, September 28, 2018. Mr. Joel Lubin, Board Chair, called the meeting to order at 12:02 p.m. Eastern Time, with a quorum of 14 of the 19 Board members present:

Buzacott, Alan – <i>by telephone</i>	Kinser, Cynthia – <i>by telephone</i>
Choroser, Beth – <i>by telephone</i>	Lubin, Joel – Chair – <i>by telephone</i>
Fontana, Brent – <i>by telephone</i>	Mason, Ken – Treasurer – <i>by telephone</i>
Freeman, Sarah – <i>by telephone</i>	Sekar, Radha – Chief Executive Officer – <i>by telephone</i>
Gerst, Matthew – <i>by telephone</i>	Tinic, Atilla – <i>by telephone</i>
Gillan, Joe – Vice Chair – <i>by telephone</i>	Wein, Olivia – <i>by telephone</i>
Hernandez, Dr. Mike – <i>by telephone</i>	Wibberly, Dr. Kathy – <i>by telephone</i>

Mr. Ellis Jacobs joined the call at 12:04 p.m. Eastern Time. He participated in the discussion and voted on item a1.

Members of the Board not present:

Bocher, Robert  
Domenech, Dr. Dan  
Feiss, Geoff  
Wade, Joan

Officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel and Assistant Secretary  
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management  
Davis, Craig – Vice President of Procurement and Sourcing Strategy  
Salvator, Charles – Vice President of Finance, Chief Financial Officer and  
Assistant Treasurer

<sup>1</sup> 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.



Others present:

<u>NAME</u>	<u>COMPANY</u>
Mitchell, Tamika	USAC
Moroz, Irina	USAC
Nuzzo, Patsy	USAC
Tiwari, Tanya	USAC
Tomlin, Nicole	USAC

### OPEN SESSION

- a1. **Consideration of Contract Awards for the USAC Employee Benefit Programs.** Mr. Beckford recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

**RESOLVED**, that the USAC Board of Directors determines that the discussion of this item be conducted in *Executive Session*.

At 12:02 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential items listed above.

### EXECUTIVE SESSION

- a1. **Consideration of Contract Awards for the USAC Employee Benefit Programs.** Mr. Davis presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to FCC approval, to award contracts for employee medical benefits to CIGNA for a not-to-exceed cost of \$11,032,921 (plus applicable taxes), and employee dental, vision, life, and disability benefits to Guardian for a not-to-exceed cost of \$1,160,197 (plus applicable taxes), based on an estimated 2019 headcount of 550. The total not-to-exceed amount for both contracts is \$12,193,118.

At 12:38 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. Lubin reported that in *Executive Session*, the Committee took action on item a1.

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

On a motion duly made and seconded, the Board adjourned at 12:39 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary

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

**Tuesday, October 30, 2018  
8:30 a.m. – 2:00 p.m. Eastern Time  
USAC Offices  
700 12th Street, N.W., Suite 900  
Washington, D.C. 20005**

	<b><u>OPEN SESSION</u></b>	<i>Estimated Duration in Minutes</i>
Chair	<b>a1.</b> Consent Items (each available for discussion upon request): <b>A.</b> Approval of Board of Directors Meeting Minutes of July 23, 2018 and September 28, 2018 <b>B.</b> Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i>	5
Chair	<b>a2.</b> Reports from the Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee	15
Chair	<b>a3.</b> Appointment of a Nominating Committee and Direction to Committees for the Appointment of Committee Chairs and Vice Chairs	10
Charlie	<b>a4.</b> Approval of Common and Consolidated 1st Quarter 2019 Budgets for the November 2, 2018 FCC Filing	15
Teleshia Chris Charlie	<b>a5.</b> Acceptance of USAC’s Enterprise Risk Management Framework	15
Ernesto	<b>a6.</b> Consideration of Approval to Reimburse Board Members to Attend an Event Other Than a USAC Board or Committee Meeting	10
Radha Bob Chris B. Chris L.	<b>i1.</b> Enterprise Business Updates: <b>A.</b> CEO <b>B.</b> Information Technology <b>C.</b> Enterprise Portfolio Management Office <b>D.</b> Shared Services	90

**EXECUTIVE SESSION**  
**Confidential – Executive Session  
Recommended**

Charlie	<b>i1. Enterprise Business Updates (continued)</b> <b>E.</b> Finance <b>1.</b> Information on Preliminary 2019 Annual USAC Common and Consolidated Budgets <b>2.</b> Information on Contribution Factor	25
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To expedite navigation, please use the bookmarks located in the Navigation Pane.

<b><u>EXECUTIVE SESSION</u></b> <b>Confidential – Executive Session</b> <b>Recommended</b>		
Tamika Craig	<b>3.</b> Information on Great Plains Replacement Update <b>F.</b> Human Resources <b>G.</b> Procurement Update <b>1.</b> Procurement Business Update <b>2.</b> 2018 Third Quarter Procurement Report	10 10
Craig	<b>a7.</b> Consideration of a One-Year Contract Options Call Center Services	15
Craig	<b>a8.</b> Consideration of a One-Year Contract Option for IDIQ IT Staff Augmentation Vendors	
Nikki- Blair	<b>i2.</b> Information on Two USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports	10
Chair	<b>i3.</b> Executive Session with Board (Lunch)	60
Radha	<b>a9.</b> Executive Session with CEO – Personnel Matters	30

### **Next USAC Board of Directors Meeting**

<p><b>Tuesday, January 29, 2019</b>  <b>8:30 a.m. – 2:30 p.m. Eastern Time</b>  <b>USAC Offices, Washington, D.C.</b></p>
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**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**700 12th Street, N.W., Suite 900**  
**Washington, D.C. 20005**

**BOARD OF DIRECTORS MEETING**  
**Tuesday, October 30, 2018**

**MINUTES<sup>1</sup>**

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, October 30, 2018. Mr. Joel Lubin, Board Chair, called the meeting to order at 8:34 a.m. Eastern Time, with all 19 Board members present:

Bocher, Robert	Jacobs, Ellis – Secretary
Buzacott, Alan	Kinser, Cynthia – <i>by telephone</i>
Choroser, Beth	Lubin, Joel – Chair
Domenech, Dr. Dan	Mason, Ken – Treasurer
Feiss, Geoff	Sekar, Radha – Chief Executive Officer
Fontana, Brent	Tinic, Atilla
Freeman, Sarah	Wade, Dr. Joan
Gerst, Matthew	Wein, Olivia
Gillan, Joe – Vice Chair	Wibberly, Dr. Kathy
Hernandez, Dr. Mike	

Officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel, and Assistant Secretary  
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management  
Davis, Craig – Vice President of Procurement and Sourcing Strategy  
Delmar, Teleshia – Vice President of Audit and Assurance  
Gaither, Victor – Vice President of High Cost  
Garber, Michelle – Vice President of Lifeline  
Holstein, Bob – Vice President and Chief Information Officer  
Salvator, Charles – Vice President of Finance, Chief Financial Officer, and  
Assistant Treasurer  
Sweeney, Mark – Vice President of Rural Health Care

Others present:

<u>NAME</u>	<u>COMPANY</u>
Ayer, Catriona	USAC
Benthall, Anthony	USAC
Bliss, Edward	USAC

<sup>1</sup> 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.

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

<u>NAME</u>	<u>COMPANY</u>
Brisé, Ronald	Gunster
Burgess, Melody	USAC
Carpenter, Nikki-Blair	USAC
Crowe, Jennifer	USAC
Dangerfield, Raydiance	USAC
Daniels, Joel	USAC
Fischer, Dennis	USAC
Gerensky, Mitko	USAC
Gidley, Susan	USAC
Goode, Vernell	USAC
Gustafson, Jaymie	USAC
Haus, Allen	Avitecture
Hughet, Pamela	USAC
Hutchinson, Kyle	USAC
Isaac, Varun	USAC
Kahn, Sammy	USAC
Kim, Nathan	USAC
Little, Chris	USAC
Mariani, Elizabeth	USAC
Marjani, Regina	USAC
Mitchell, Tamika	USAC
Moroz, Irina	USAC
Nuzzo, Patsy	USAC
Parker, Ben	USAC
Patel, Amish	USAC
Pilsch, Tracey	USAC
Platon, Donna	USAC
Rand, Spencer	USAC
Robinson, Ben	USAC
Singh, Amit	USAC
Subramanian, Nathan	USAC
Tamm, Nico	USAC
Tessler, Joelle	USAC
Theobald, Fred	USAC
Tiwari, Tanya	USAC
Tomlin, Nicole	USAC

### OPEN SESSION

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

**a1. Consent Items.** Mr. Lubin presented these items to the Board.

**A.** Approval of Board Meeting Minutes of July 23, 2018 and September 28, 2018.

**B. Approval of Moving all *Executive Session* Items to *Executive Session*.**

**i1. Enterprise Business Updates (*Continued*).**

**E. Finance.**

1. Information on Preliminary 2019 Annual USAC Common and Consolidated Budgets. USAC management recommended that this report be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
2. Information on Contribution Factor. USAC management recommended that this report be discussed in *Executive Session* because this matter relates to *internal controls, and/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. Information on Great Plains Replacement Update. USAC management recommended that this item be discussed in *Executive Session* because the matter involves *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures, and may include discussion of USAC's *contractual and procurement matters* where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.

**F. Human Resources.** USAC management recommended that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

**G. Procurement Update**

1. Procurement Business Update. USAC management recommended that this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
  2. 2018 Third Quarter Procurement Report. USAC management recommended that this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- a7.** Consideration of a One-Year Contract Options Call Center Services. USAC management recommended that this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- a8.** Consideration of a One-Year Contract Option for IDIQ IT Staff Augmentation Vendors. USAC management recommended that this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

- i2. Information on Two USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommended that this item be discussed in *Executive Session* because this matter relates to *internal controls, and/or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.*
- i3. Executive Session (Lunch) with Board. USAC management recommended this item be discussed in *Executive Session* because the matter relates to the Board's oversight responsibilities and may involve discussion of *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.
- a9. Executive Session with CEO, Personnel Matters: USAC management recommended that discussion of this item should occur in *Executive Session* because this matter relates to *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. In addition, this matter may involve *internal personnel matters.*

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

**RESOLVED**, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of July 23, 2018 and September 28, 2018; and (2) discussion in *Executive Session* of the items noted above.

- a2. **Reports from Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** The committee chairs reported on matters discussed and actions taken by their respective committees since the July 2018 quarterly meetings. Mr. Feiss reported for the Audit Committee; Dr. Wibberly reported for the Rural Health Care Committee; Dr. Domenech reported for the Schools and Libraries Committee; Mr. Gillan reported for the High Cost & Low Income Committee and Executive Compensation Committee; and Mr. Lubin reported for the Executive Committee.
- a3. **Appointment of a Nominating Committee and Direction to Committees for the Appointment of Committee Chairs and Vice Chairs.** Mr. Lubin presented this item for consideration, noting that the dates should be corrected to January 29, 2019 in the resolutions.



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 29, 2019 meeting nominations for the elected USAC officer positions; and

**RESOLVED FURTHER**, that the USAC Board of Directors appoints **Ken Mason** as Nominating Committee Chair and **Matthew Gerst** and **Olivia Wein** 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 29, 2019 meeting nominations for a chair and vice chair of each respective committee.

- a4. Approval of Common and Consolidated 1st Quarter 2019 Budgets for the November 2, 2018 FCC Filing.** Mr. Salvator presented this item for consideration.

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 2019 common budget of \$24.70 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$24.70 million for common costs in the required November 2, 2018 filing to the FCC on behalf of the USAC Board of Directors; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 1st Quarter 2019 consolidated budget of \$57.05 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$57.05 million for consolidated costs in the required November 2, 2018 filing to the FCC on behalf of the USAC Board of Directors.

- a5. Acceptance of USAC's Enterprise Risk Management Framework Enterprise Business Update.** Mr. Beyerhelm presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors accepts USAC's Enterprise Risk Management / Governance, Risk, and Compliance

framework for assessing and minimizing significant risks to the organization, and reporting such activity to the Board.

- a6. Consideration of Approval to Reimburse Board Members to Attend an Event Other Than a USAC Board or Committee Meeting.** Mr. Beckford presented this item for consideration.

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

**RESOLVED**, that in accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred in Conducting USAC Business other than Board of Directors Meetings*, the Board of Directors authorizes USAC management to reimburse those Board members who travel to Washington, D.C. for the purpose of participating in USAC's 2019 Budget Planning Review.

**ii. Enterprise Business Updates:**

**A. CEO.** Ms. Radha Sekar presented the following to the Board:

1. Action Items from the July 2018 Quarterly Board and Committee Meetings
2. Accomplishments
3. USAC's 18-Month Program Plans
4. CEO Roundtable Update

**B. Information Technology.** Mr. Holstein presented the following to the Board:

1. IT At a Glance
2. Accomplishments
3. Current Topics:
  - a. E-Gov Assessment
  - b. National Verifier – Pre-Prod Strategy
  - c. FISMA
  - d. IT 18-Month Plan
  - e. Upcoming Milestones

**C. Enterprise Portfolio Management Office.** Mr. Beyerhelm presented the following to the Board:

1. At a Glance – EMPO
2. CAF Map (a demonstration was facilitated by Edward Bliss)
3. Data Strategy and Business Intelligence (a demonstration was facilitated by Ben Parker and Varun Isaac)
4. EPMO Strategic Initiatives & Objectives

The Board recessed at 10:52 a.m. Eastern Time and reconvened at 11:03 a.m. Eastern Time.

**D. Shared Services.** Mr. Little presented the following to the Board:

1. Action Items and Updates from the July 2018 Board Meeting
2. Call Center Transition at a Glance
3. Call Center Performance Scorecard Comparison
4. Call Center Migration Benefits
5. Support Services – Emergency Preparedness and Response
6. Call Center Feedback
7. Shared Services – Communications and Training
8. 2019 Annual Report Timeline
9. Shared Services – Communications and Training at a Glance

At 11:22 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential items listed above.

### **EXECUTIVE SESSION**

#### **ii. Enterprise Business Updates (*continued*):**

**E. Finance Reports.** Mr. Salvator and Ms. Huguet presented the following topics to the Board for discussion:

1. Information on Preliminary 2019 Annual USAC Common and Consolidated Budgets
2. Information on Contribution Factor
3. Information on Great Plains Update

**F. Human Resources.** Ms. Mitchell presented the following topics to the Board for discussion:

1. HR at a Glance
2. Learning and Development Programs
3. Total Rewards: Benefits and Compensation
4. Q3 Recruitment and Retention

**G. Procurement Update.** Mr. Davis noted that the 2018 Third Quarter Procurement Reports was provided for informational purposes only. He then presented the following topics to the Board for discussion:

1. Procurement At a Glance
2. SLD BPO Update
3. Procurement Organization Accomplishments – Recent Activities
4. Upcoming Procurement Activity – 4Q2018-1Q2019

At 12:15 p.m. Eastern Time, with only the Board and Leadership team present, the meeting continued in *Executive Session*.

**i3. Executive Session with Board (Lunch).** Mr. Kahn, Ms. Tessler and Mr. Subramanian presented the High Cost Knowledge Management Program.

**a7. Consideration of a One-Year Contract Options Call Center Services.** Mr. Davis presented this item for consideration.

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

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

**RESOLVED**, that the Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise a one-year contract option to purchase call center Services from Sutherland Global Services for a not-to-exceed amount of \$1.54 million (plus applicable taxes), subject to required FCC approval.

**a8. Consideration of a One-Year Contract Option for IDIQ IT Staff Augmentation Vendors.** Mr. Davis presented this item for consideration.

On a motion duly made and seconded and after discussion, 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 exercise a one-year option for each of the eight IDIQ contracts with Manpower Group Public Sector, Inc.; Mindlance, Inc.; C3 Systems; Hirestrategy; Ampcus; Powersolv; Zolon Tech, Inc.; and VIVA USA, Inc., subject to requisite FCC approval. Each of these IDIQ contracts shall be subject to a minimum of \$1,000 per contract, and task orders collectively under all of these IDIQ contracts will not exceed \$14.8 million in the aggregate during the one-year option period.

**i2. Information on Two USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports.** This report was included for information purposes only.

At 1:44 p.m. Eastern Time, the meeting continued in Executive Session with only members of the Board, General Counsel, and Ms. Mitchell present.

**a9. Executive Session with CEO – Personnel Matters:**

**Consideration of 2019 Merit-Based Salary Increase and Incentive Awards Program for USAC Employees.** Ms. Mitchell presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the USAC management proposed 2019 merit-based salary increase and incentive awards program for USAC employees, hereby approves the proposed program.

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

**RESOLVED FURTHER**, that the USAC Board of Directors, having reviewed the USAC Compensation Policy recommended by the Executive Compensation Committee, hereby adopts the USAC Compensation Policy.

Mr. Lubin reminded the Board of the upcoming Nominating Committee Survey, once the FCC announced Board nominations. He also addressed the CEO Survey and provided an update on the Memorandum of Understanding between the FCC and USAC.

The Board review the agenda items to be discussed with the FCC and the Executive Committee at the afternoon meeting.

### **OPEN SESSION**

At 2:05 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. Lubin reported that in *Executive Session*, the Board took action on items a7, a8 and a9 and discussed items i1E – G, i2, and i3.

On a motion duly made and seconded, the Board adjourned at 2:06 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary

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

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

<p><b>Monday, November 26, 2018</b> <b>3:00 p.m. – 4:00 p.m. Eastern Time</b> <b>USAC Offices</b> <b>700 12th Street, N.W., Suite 900</b> <b>Washington, D.C. 20005</b></p>
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**Executive Session**

<i>Action Items</i>		<i>Estimated Duration in Minutes</i>
Craig	<b>a1.</b> Consideration of Contract Award for an Information Security Program – <b>Confidential</b> – <i>Executive Session Recommended.</i>	15
Craig	<b>a2.</b> Consideration of Contract Award for ServiceNow Development and Professional Services – <b>Confidential</b> – <i>Executive Session Recommended.</i>	15

**Next Scheduled USAC Board of Directors Meeting**

<p><b>Tuesday, January 29, 2019</b> <b>8:30 a.m. – 2:30 p.m. Eastern Time</b> <b>USAC Offices, Washington, D.C.</b></p>
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**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**700 12th Street, N.W., Suite 900**  
**Washington, D.C. 20005**

**BOARD OF DIRECTORS MEETING**  
**Monday, November 26, 2018**

**MINUTES<sup>1</sup>**

A meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, November 26, 2018. Mr. Joel Lubin, Board Chair, called the meeting to order at 3:04 p.m. Eastern Time, with a quorum of 11 of the 19 Board members present:

Bocher, Robert – <i>by telephone</i>	Lubin, Joel – Chair – <i>by telephone</i>
Buzacott, Alan – <i>by telephone</i>	Sekar, Radha – Chief Executive Officer
Feiss, Geoff – <i>by telephone</i>	Tinic, Atilla – <i>by telephone</i>
Fontana, Brent – <i>by telephone</i>	Wein, Olivia – <i>by telephone</i>
Gerst, Matthew – <i>by telephone</i>	Wibberly, Dr. Kathy – <i>by telephone</i>
Gillan, Joe – Vice Chair – <i>by telephone</i>	

Members of the Board not present:

Choroser, Beth  
Domenech, Dr. Dan  
Freeman, Sarah  
Hernandez, Dr. Mike  
Jacobs, Ellis – Secretary  
Kinser, Cynthia  
Mason, Ken – Treasurer  
Wade, Dr. Joan

Officers of the corporation present:

Davis, Craig – Vice President of Procurement and Sourcing Strategy  
Holstein, Bob – Vice President and Chief Information Officer  
Salvator, Charles – Vice President of Finance, Chief Financial Officer and  
Assistant Treasurer

Others present:

<u>NAME</u>	<u>COMPANY</u>
Hamm, Aaron	USAC

<sup>1</sup> 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.

<u>NAME</u>	<u>COMPANY</u>
Meyers, Erica	USAC
Nuzzo, Patsy	USAC
Tiwari, Tanya	USAC
Tomlin, Nicole	USAC

### OPEN SESSION

- a1. **Consideration of Contract Awards for an Information Security Program.** USAC management recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

**RESOLVED**, that the USAC Board of Directors determines that the discussion of this item be conducted in *Executive Session*.

- a2. **Consideration of Contract Awards for ServiceNow Development and Professional Services.** USAC management recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

**RESOLVED**, that the USAC Board of Directors determines that the discussion of this item be conducted in *Executive Session*.

At 3:05 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential items listed above.

### EXECUTIVE SESSION

- a1. **Consideration of Contract Awards for an Information Security Program.** Mr. Davis presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a contract for USAC's Information Security Program to KPMG LLP for a base period of twelve (12) month for \$665,574 (plus applicable taxes) with the ability to exercise two additional one-year terms, subject to required FCC and Board approvals, for a three-year total not-to exceed price of \$1,953,660 (plus applicable taxes).



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

- a2. Consideration of Contract Awards for ServiceNow Development and Professional Services.** Mr. Davis presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award a contract for consulting services related to the implementation of additional ServiceNow capabilities to Acorio LLC for a period of twelve (12) months for a total not-to-exceed price of \$340,852 (plus applicable taxes).

At 3:29 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. Lubin reported that in *Executive Session*, the Committee took action on items a1 and a2.

On a motion duly made and seconded, the Board adjourned at 3:29 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary

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

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

<b>Monday, December 10, 2018 3:00 p.m. – 4:00 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</b>
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**Executive Session**

<i>Action Items</i>		<i>Estimated Duration in Minutes</i>
Ernesto	<b>a1.</b> Consideration of Adoption of New FCC-USAC Memorandum of Understanding – <b>Confidential</b> – <i>Executive Session Recommended – Attorney/Client Privileged.</i>	60

**Next Scheduled USAC Board of Directors Meeting**

<b>Tuesday, January 29, 2019 8:30 p.m. Eastern Time – 2:00 p.m. Eastern Time USAC Offices, Washington, D.C.</b>
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**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**700 12th Street, N.W., Suite 900**  
**Washington, D.C. 20005**

**BOARD OF DIRECTORS MEETING**  
**Monday, December 10, 2018**

**MINUTES<sup>1</sup>**

A meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, December 10, 2018. Mr. Joel Lubin, Board Chair, called the meeting to order at 3:02 p.m. Eastern Time, with a quorum of 16 of the 19 Board members present:

Bocher, Robert – <i>by telephone</i>	Jacobs, Ellis – Secretary – <i>by telephone</i>
Buzacott, Alan – <i>by telephone</i>	Kinser, Cynthia – <i>by telephone</i>
Choroser, Beth – <i>by telephone</i>	Lubin, Joel – Chair – <i>by telephone</i>
Domenech, Dr. Dan – <i>by telephone</i>	Mason, Ken – Treasurer – <i>by telephone</i>
Feiss, Geoff – <i>by telephone</i>	Sekar, Radha – Chief Executive Officer
Fontana, Brent – <i>by telephone</i>	Tinic, Atilla – <i>by telephone</i>
Gerst, Matthew – <i>by telephone</i>	Wein, Olivia – <i>by telephone</i>
Gillan, Joe – Vice Chair – <i>by telephone</i>	Wibberly, Dr. Kathy – <i>by telephone</i>

Dr. Kathy Wibberly left the call at 3:30 p.m. Eastern Time. She did not vote on item a1.

Members of the Board not present:

Freeman, Sarah  
Hernandez, Dr. Mike  
Wade, Dr. Joan

Officers of the corporation present:

Ernesto Beckford – Vice President, General Counsel, and Assistant Secretary  
Davis, Craig – Vice President of Procurement and Sourcing Strategy

Others present:

<u>NAME</u>	<u>COMPANY</u>
Hughet, Pam	USAC
Mihalsky, Anna	USAC
Nuzzo, Patsy	USAC
Tomlin, Nicole	USAC

<sup>1</sup> 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.

## **OPEN SESSION**

- a1. Consideration of Adoption of New FCC-USAC Memorandum of Understanding.** USAC management recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

**RESOLVED**, that the USAC Board of Directors determines that the discussion of this item be conducted in *Executive Session*.

At 3:04 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential items listed above.

## **EXECUTIVE SESSION**

- a1. Consideration of Adoption of New FCC-USAC Memorandum of Understanding.** Mr. Beckford presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors hereby approves the adoption of the new FCC-USAC Memorandum of Understanding (MOU) recommended by USAC management, and the Board authorizes management, subject to making editorial changes agreed upon by USAC and FCC, to execute the new MOU as proposed.

At 3:42 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. Lubin reported that in *Executive Session*, the Committee took action on item a1.

On a motion duly made and seconded, the Board adjourned at 3:42 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary