

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

<p>Monday, January 29, 2018 2:00 p.m. - 4:30 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>
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<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each available for discussion upon request):</p> <p style="padding-left: 40px;">A. Approval of High Cost & Low Income Committee Meeting Minutes of October 23, 2017.</p> <p style="padding-left: 40px;">B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>.</p>	5
Chair	<p>a2. Recommendation for Election of Committee Chair and Vice Chair (or holdover).</p>	5

<u>HIGH COST OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Vic	<p>a3. Approval of High Cost Support Mechanism 2nd Quarter 2018 Programmatic Budget and Demand Projection for the January 31, 2018 FCC Filing.</p>	10
Teleshia Delmar	<p>i1. Information on Eight USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option</i>.</p>	10
Vic	<p>i2. High Cost Support Mechanism Business Update.</p>	20

<u>LOW INCOME OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Michelle	<p>a4. Approval of Low Income Support Mechanism 2nd Quarter 2018 Programmatic Budget and Demand Projections for the January 31, 2018 FCC Filing.</p>	10
Teleshia Delmar	<p>i3. Information on Five USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports – <i>Executive Session Option</i>.</p>	10
Michelle	<p>i4. Low Income Support Mechanism (Lifeline) Business Update.</p>	30

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<u>LOW INCOME EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Craig	a5. Consideration of Contract Extension & Increase for Solix Printing and Recertification Services – Confidential – <i>Executive Session Recommended.</i>	10
Michelle	a6. Approval of 2018 Annual Low Income Support Mechanism Budget – Confidential – <i>Executive Session Recommended.</i>	10

<u>HIGH COST EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Sammy	i5. High Cost Support Mechanism Business Update Continued – Confidential – <i>Executive Session Recommended.</i>	10
Craig	a7. Consideration of a Contract Extension for Mobility Fund Phase I Disbursement Request Verification Services – Confidential – <i>Executive Session Recommended.</i>	10
Vic	a8. Approval of 2018 Annual High Cost Support Mechanism Budget – Confidential – <i>Executive Session Recommended.</i>	10

Next Scheduled USAC High Cost & Low Income Committee Meeting

<p>Monday, April 23, 2018 2:00 - 4:30 p.m. Eastern Time USAC Offices, Washington, D.C.</p>

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

HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, January 29, 2018

MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) High Cost & Low Income Committee (Committee) was held at USAC's offices in Washington, D.C. on Monday, January 29, 2018. Mr. Joel Lubin, Committee Chair, called the meeting to order at 2:18 p.m. Eastern Time, with ten of the 11 Committee members present:

Brisé, Ronald – Vice Chair
Feiss, Geoff
Gerst, Matthew
Gillan, Joe
Kinser, Cynthia

Lubin, Joel – Chair
Mason, Ken
Sekar, Radha – Chief Executive Officer
Tinic, Atilla
Wein, Olivia

Members of the Board not present:

Jacobs, Ellis

Other Board members and officers of the corporation present:

Bocher, Bob – Member of the Board
Buzacott, Alan – Member of the Board
Davis, Craig – Vice President Procurement and Strategic Sourcing
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Lifeline
Hernandez, Dr. Mike – Member of the Board
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
Wibberly, Dr. Kathy – Member of the Board

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Ahmed, Sharmarke	USAC
Anderson, Jarnice	USAC
Ayer, Catriona	USAC
Batista, Everton	USAC
Beckford, Ernesto	USAC
Bilodeau, Amanda	USAC
Braxton-Johnson, Kianna	USAC
Carpenter, Nikki-Blair	USAC
Delmar, Teleshia	USAC
Eltgroth, Deborah	USAC
Fischer, Dennis	USAC
Gonzales, Veronica	USAC
Griffin, Jodie	FCC
Guinan, Gabriela Gross	USAC
Heering, Eitan	USAC
Hughet, Pam	USAC
Hutchinson, Kyle	USAC
Johnson, William	USAC
Jones, Frank	Solix, Inc.
Khan, Sammy	USAC
Mattey, Carol	Mattey Consulting LLC
Miller, Jack	Solix, Inc.
Nuzzo, Patsy	USAC
O'Brien, Tim	USAC
Ruffley, Brandon	USAC
Santana-Gonzalez, Jeanette	USAC
Sequin, Eric	Solix, Inc.
Simab, Habib	USAC
Subramaniam, Nathan	USAC
Talbott, Dr. Brian	Dimensional Learning Solutions, LLC
Tawes, Pauline	USAC
Tessler, Joelle	USAC
Weith, Tim	USAC
Zahid, Farrah	USAC
Zufolo, Jessica	USAC

OPEN SESSION

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

A. Approval of Committee meeting minutes of October 23, 2017.

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

- (1) **a5** – Consideration of Contract Extension & Increase for Solix Printing and Recertification Services. USAC management recommends this item be discussed in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.
- (2) **a6** – Approval of 2018 Annual Low Income Support Mechanism Budget. USAC management recommends that discussion of this item be conducted in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.
- (3) **i5** – High Cost Support Mechanism Business Update Continued. USAC management recommends that discussion of this item be conducted in *Executive Session* because it *includes pre-decisional matters pending before the FCC*.
- (4) **a7** – Consideration of a Contract Extension for Mobility Fund Phase I Disbursement Request Verification Services. USAC management recommends that discussion of this item be conducted in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.
- (5) **a8** – Approval of 2018 Annual High Cost Support Mechanism Budget. USAC management recommends 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 and after discussion, the Committee adopted the following resolutions:

RESOLVED, that the USAC High Cost & Low Income Committee hereby approves: (1) the Committee meeting minutes of October 23, 2017, and (2) discussion in *Executive Session* of the items noted above.

- a2. Recommendation for Election of Committee Chair and Vice Chair.** Mr. Mason, Chair of the Nominating Committee, provide the Nominating Committee’s recommendations for Chair and Vice Chair of the Audit Committee.

RESOLVED, that the USAC High Cost & Low Income Committee recommends that the USAC Board of Directors elect **Joe Gillan** as Chair and **Olivia Wein** as Vice Chair of the Committee. The term for each position begins immediately upon the election to such position 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).

- a3. Approval of High Cost Support Mechanism 2nd Quarter 2018 Programmatic Budget and Demand Projection for the January 31, 2018 FCC Filing.** Mr. Gaither presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 2nd Quarter 2018 High Cost Support Mechanism operating budget of \$3.10 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee approves a 2nd Quarter 2018 High Cost Support Mechanism capital budget of \$0.13 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$3.23 million for High Cost Support Mechanism administrative costs in the required January 31, 2018 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on January 29, 2018, a summary of the 2nd Quarter 2018 High Cost Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required January 31, 2018 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million, or may seek approval from the High Cost & Low Income Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i1. Information on Eight USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports.** Ms. Delmar, Senior Director of Internal Audit, presented this item for discussion.
- i2. High Cost Support Mechanism Business Update.** Mr. Gaither and Mr. Sammy Khan, Director of Program Management, presented this item for discussion. Content included updates on operational metrics, program integrity efforts, 2017 accomplishments, and plans for the first half of 2018. Mr. Khan and Ms. Amanda Bilodeau also provided an update on key initiatives such as the Mobility Fund II Challenge Process, High Cost Universal Broadband (HUBB) 1.0 - Data Collection and the HUBB 2.0 Verification of the Data.
- a4. Approval of Low Income Support Mechanism 2nd Quarter 2018 Programmatic Budget and Demand Projections for the January 31, 2018 FCC Filing.** Ms. Garber presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 2nd Quarter 2018 Low Income Support Mechanism operating budget of \$6.26 million; and

RESOLVED FURTHER, that the USAC High Cost and Low Income Committee approves a 2nd Quarter 2018 Low Income Support Mechanism capital budget of \$1.08 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$7.34 million for Low Income Support Mechanism administrative costs in the required January 31, 2018 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on January 29, 2018, a summary of the 2nd Quarter 2018 Low Income Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required January 31, 2018 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million, or may seek approval from the High Cost & Low Income Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i3. **Information on Five USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports.** Ms. Teleshia Delmar, Senior Director of Internal Audit, presented this item for discussion.
- i4. **Low Income Support Mechanism (Lifeline) Business Update.** Ms. Garber and Mr. Tim O'Brien, Director of Program Management, presented this item for discussion. The update included key operational metrics and efforts to strengthen program integrity through sampling of carrier conducted transactions and the implementation of additional controls in the National Lifeline Accountability Database (NLAD). An overview of the FCC's *2017 Lifeline Order* and an update on the National Lifeline Eligibility Verifier (National Verifier) were also provided to the Committee. The update concluded with an overview of 2017 accomplishments and a look ahead at the first half of 2018.

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

EXECUTIVE SESSION

- a5. **Consideration of Contract Extension & Increase for Solix Printing and Recertification Services.** Mr. Davis presented this item for consideration.

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

RESOLVED, that the High Cost & Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes USAC management to increase the existing value and period of

performance of the printing contract awarded to Solix in the additional amount of \$125,000, with a total amended contract value not to exceed \$352,725, plus applicable sales taxes, through September 30, 2018, subject to required FCC approvals; and

RESOLVED FURTHER, that the High Cost & Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes USAC management to increase the existing value and period of performance of the recertification services contract awarded to Solix in the additional amount of \$165,000, with a total amended contract value not to exceed \$2,656,265.55, plus applicable sales taxes, through September 30, 2018, subject to required FCC approvals.

- a6. Approval of 2018 Annual Low Income Support Mechanism Budget.** Ms. Garber presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 2018 annual Low Income Support Mechanism operating budget of \$25.98 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee approves a 2018 annual Low Income Support Mechanism capital budget of \$5.38 million.

- i5. High Cost Support Mechanism Business Update Continued.** Mr. Sammy Kahn presented this item to the Committee for discussion and included status updates on the High Cost Universal Service Broadband (HUBB) Portal, the Mobility Fund Phase II challenge process, Verification of Data (2.0), and the CAF Mapping Initiatives.

- a7. Consideration of a Contract Extension for Mobility Fund Phase I Disbursement Request Verification Services.** Mr. Davis presented this item for consideration. Mr. Davis explained that Connected Nation Ventures Inc. (CNV) currently has a contract with USAC to provide verification services for Mobility Fund Phase I. Management recommended that the additional verification services be provided by CNV, and not be re-competed. Mr. Feiss requested that, in the future, all resolutions for contract extensions include any previously approved amounts.

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

RESOLVED, that the USAC High Cost & Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes management, subject to any necessary FCC approvals, to award a

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contract in the not-to-exceed amount of \$650,000.00 (plus applicable taxes) to Connected Nation Ventures, Inc. for verification services under the Mobility Fund Phase I program for a three-year term.

a8. Approval of 2018 Annual High Cost Support Mechanism Programmatic Budget. Mr. Gaither presented this item to the Committee for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 2018 annual High Cost Support Mechanism operating budget of \$11.70 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee approves a 2018 annual High Cost Support Mechanism capital budget of \$0.39 million.

At 4:17 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Lubin reported that in *Executive Session*, the Committee took action on items a5, a6, a7 and a8 and discussed item i5. On a motion duly made and seconded, the Committee adjourned at 4:18 p.m. Eastern Time.

/s/ Ellis Jacobs
Secretary

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

<p>Monday, April 23, 2018 2:00 p.m. – 5:00 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>
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OPEN SESSION	Presenter	<i>Estimated Duration in Minutes</i>
1. High Cost & Low Income Committee Approvals		
A. Consent Items		
1. Approval of High Cost & Low Income Committee Minutes of January 29, 2018	Chair	5
2. Approval of Moving all <i>Executive Session</i> Items to <i>Executive Session</i>	Ernesto	5
B. Approval of High Cost Support Mechanism and Demand 3rd Quarter 2018 Programmatic Budget and Projection for the May 2, 2018 FCC Filing	Vic	10
2. High Cost Business Update	Vic	30
3. Lifeline Business Update	Michelle	30
4. Information on Seven USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports	Teleshia	10
5. High Cost & Low Income Committee Approvals		
A. Low Income Support Mechanism 3rd Quarter 2018 Budget and Demand Projection for the May 2, 2018 FCC Filing	Michelle	10

EXECUTIVE SESSION <i>Confidential – Executive Session Recommended</i>	Presenter	<i>Estimated Duration in Minutes</i>
6. Lifeline Business Update (<i>Continued</i>)		
A. Update on Implementation of the National Verifier	Michelle	20
B. Update on Implementation of the Lifeline Safeguards Plan	Michelle	15
7. High Cost Business Updates (<i>Continued</i>)		
A. Update on High Cost Verification	Vic	15
B. Mobility Fund II Demonstration	Vic	20
8. High Cost & Low Income Committee Approvals		
A. Approval of Procedure for Handling Appeals Concerning the High Cost and Low Income Support Mechanisms	Ernesto	10

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Next USAC High Cost & Low Income Committee Meeting

Monday, July 23, 2018

2:00 - 4:30 p.m. Eastern Time

USAC Offices, Washington, DC

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

**HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, April 23, 2018**

MINUTES¹

The quarterly meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, April 23, 2018. Mr. Joe Gillan, Committee Chair, called the meeting to order at 2:07 p.m. Eastern Time, with ten of the 11 Committee members present:

Feiss, Geoff	Lubin, Joel
Gerst, Matthew	Mason, Ken
Gillan, Joe – Chair	Sekar, Radha – Chief Executive Officer
Kinser, Cynthia	Tinic, Atilla
Jacobs, Ellis	Wein, Olivia – Vice Chair

Members of the Board not present:

Freeman, Sarah

Other Board members and officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel and Assistant Secretary
Beyerhelm Chris – Vice President of Enterprise Portfolio Management
Bocher, Bob – Member of the Board
Buzacott, Alan – Member of the Board
Davis, Craig – Vice President Procurement and Strategic Sourcing
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Lifeline
Holstein, Bob – Vice President and Chief Information Officer
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 Administrative Officer
Wibberly, Dr. Kathy – Member of the Board

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Abera, Nikki	USAC
Ahmed, Sharmarke	USAC
Anderson, Jarnice	USAC
Ayer, Catriona	USAC
Benton, Brittany	USAC
Bilodeau, Amanda	USAC
Braxton-Johnson, Kianna	USAC
Butler, Stephen	USAC
Carpenter, Nikki-Blair	USAC
Conradt, Phil	USAC
Desrocher, Michael	USAC
Eltgroth, Deborah	USAC
Fischer, Dennis	USAC
Goffredi, Kathryn	USAC
Hughet, Pam	USAC
Jones, Allison	FCC
Khan, Sammy	USAC
King, Lauren	USAC
Lee, James	USAC
Marjani, Regina	USAC
Mattey, Carol	Mattey Consulting LLC
Moy, Norina	Sprint
Nuzzo, Patsy	USAC
Ruffley, Brandon	USAC
Santana-Gonzalez, Jeanette	USAC
Simab, Habib	USAC
Tawes, Pauline	USAC
Tessler, Joelle	USAC
Tomlin, Nicole	USAC
Weith, Tim	USAC
Wynter, Sherika	USAC

OPEN SESSION

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

1. High Cost & Income Committee Approvals. Mr. Gillan introduced these items to the Committee for consideration.

A1. Approval of Committee meeting minutes of January 29, 2018.

A2. Approval for discussing in *Executive Session* agenda items:

- (1) **6A** – Lifeline Business Update (*Continued*). Update on Implementation of the National Verifier. USAC management recommends this item be discussed in *Executive Session* because this matter relates to *specific internal controls, and/or confidential company data*.
- (2) **6B** -- Lifeline Business Update (*Continued*). Update on Lifeline Program Integrity. USAC management recommends this item be discussed in *Executive Session* because this matter relates to *specific internal controls*.
- (3) **7A** – High Cost Business Update (*Continued*). Update on High Cost Verification. USAC management recommends this item be discussed in *Executive Session* because this matter relates to *specific internal controls, and/or confidential company data*.
- (4) **7B** – High Cost Business Update (*Continued*). Mobility Fund II Demonstration. USAC management recommends this item be discussed in *Executive Session* because this matter relates to *specific internal controls, and/or confidential company data*.
- (5) **8A** – Approval of Procedure for Handling Appeals Concerning the High Cost and Low Income Support Mechanisms. USAC management recommends this item be discussed in *Executive Session* because this matter relates to *specific internal controls*.

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

RESOLVED, that the USAC High Cost & Low Income Committee hereby approves: (1) the Committee meeting minutes of January 29, 2018; and (2) discussion in *Executive Session* of the items noted above.

B. Approval of High Cost Support Mechanism and Demand 3rd Quarter 2018 Programmatic Budget and Projection for the May 2, 2018 FCC Filing. Mr. Gaither presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 3rd Quarter 2018 High Cost Support Mechanism direct program budget of \$2.77 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$2.77 million for High Cost Support Mechanism administrative costs in the required May 2, 2018 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on April 23, 2018, a

summary of the 3rd Quarter 2018 High Cost Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required May 2, 2018 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

2. **High Cost Business Update.** Mr. Gaither presented this item for discussion.
3. **Lifeline Business Update.** Ms. Garber presented this item for discussion.
4. **Information on Seven USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports.** Mr. Desrocher presented this item to the Committee for discussion.
5. **Approval of Low Income Support Mechanism 3rd Quarter 2018 Programmatic Budget and Demand Projections for the May 2, 2018 FCC Filing.** Ms. Garber presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 3rd Quarter 2018 Low Income Support Mechanism direct program budget of \$6.48 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$6.48 million for Low Income Support Mechanism administrative costs in the required May 2, 2018 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on April 23, 2018, a summary of the 3rd Quarter 2018 Low Income Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required May 2, 2018 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million, or may seek approval from the High Cost & Low Income Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

At 3:25 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items listed above.

EXECUTIVE SESSION

6. **Lifeline Business Update** (*Continued*). Ms. Garber presented this item providing the Committee on the following:
- A. Update on the Implementation of the National Verifier.
 - B. Update on the Implementation of the Lifeline Safeguards Plan.
7. **High Cost Business Update** (*Continued*). Ms. Bilodeau and Mr. Conradt presented the following items to the Committee:
- A. Update on High Cost Verification.
 - B. Mobility Fund II Demonstration.

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

8. High Cost and Low Income Committee Approvals.

- A. **Approval of Procedures for Handling Appeals Concerning High Cost and Low Income Support Mechanism.** Mr. Beckford presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee adopts the procedures proposed by USAC management for the adjudication of appeals of USAC decisions relating to the High Cost and Low Income Support Mechanisms.

At 4:40 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that in *Executive Session*, the Committee discussed items 6A, 6B, 7A, and 7B, and took action on item 8A. On a motion duly made and seconded, the Committee adjourned at 4:57 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

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

<p>Monday, July 23, 2018 2:00 p.m. – 4:45 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>

High Cost Session		
2:00 p.m. – 3:15 p.m. Eastern Time		
Open Session	Presenter	Estimated Duration in Minutes
1. Approvals		
A. Consent Items		
1. Approval of High Cost & Low Income Committee Minutes of April 23, 2018 and May 30, 2018	Chair	5
2. Approval of Moving all High Cost and Low Income <i>Executive Session</i> Items to <i>Executive Session</i>	Ernesto	5
B. Approval of High Cost Support Mechanism and Demand 4th Quarter 2018 Programmatic Budget and Projection for the August 2, 2018 FCC Filing	Vic	10
2. High Cost Business Update	Vic	30

High Cost Executive Session Confidential – Executive Session Recommended	Presenter	Estimated Duration in Minutes
3. High Cost Business Updates (Continued)		
A. New Order Impact Assessments	Vic	15

<i>Break Estimated: 3:15 – 3:30 p.m. Eastern Time</i>
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<i>Low Income Session</i> <i>3:30 p.m. – 4:45 p.m. Eastern Time</i>		
<i>Open Session</i>	Presenter	<i>Estimated Duration in Minutes</i>
4. Approvals		
A. Low Income Support Mechanism and Demand 4th Quarter 2018 Programmatic Budget and Projection for the August 2, 2018 FCC Filing	Michelle	10
5 Information on Seven USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports	Teleshia	10
6. Lifeline Business Update	Michelle	31

<i>Low Income Executive Session</i> <i>Confidential – Executive Session Recommended</i>	Presenter	<i>Estimated Duration in Minutes</i>
7. Lifeline Business Update (<i>Continued</i>)		
A. Update on Program Integrity	Michelle	10

Next USAC High Cost & Low Income Committee Meeting

Monday, October 29, 2018 2:00 - 4:45 p.m. Eastern Time USAC Offices, Washington, DC
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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
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HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, July 23, 2018

MINUTES¹

The quarterly meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, July 23, 2018. Mr. Joe Gillan, Committee Chair, called the meeting to order at 2:06 p.m. Eastern Time, with a quorum of ten of the 11 Committee members present:

Feiss, Geoff	Lubin, Joel
Freeman, Sarah	Mason, Ken
Gerst, Matthew	Sekar, Radha – Chief Executive Officer
Gillan, Joe – Chair	Tinic, Atilla
Kinser, Cynthia	Wein, Olivia – Vice Chair

Members of the Board not present:

Jacobs, Ellis

Other Board members and officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel and Assistant Secretary
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management
Bocher, Bob – Member of the Board
Buzacott, Alan – Member of the Board
Davis, Craig – Vice President Procurement and Strategic Sourcing
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 – Vice President of Rural Health Care
Wibberly, Dr. Kathy – Member of the Board

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

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Abera, Nikki	USAC
Anderson, Jarnice	USAC
Anderson, Latoya	USAC
Ayer, Catriona	USAC
Baker, Allison	FCC
Batista, Everton	USAC
Bilodeau, Amanda	USAC
Brady, Tiffany	USAC
Burgess, Melody	USAC
Carpenter, Nikki-Blair	USAC
Delmar, Teleshia	USAC
Duval, Rashann	FCC
Eltgroth, Deborah	USAC
Fischer, Dennis	USAC
Goode, Vernell	USAC
Gustafson, Jaymie	USAC
Guyan, Josh	Kelley Drye & Warren LLP
Hawkins, Crystal	USAC
Hughet, Pam	USAC
Khan, Sammy	USAC
King, Lauren	USAC
Lee, James	USAC
Mishara, Rekha	USAC
Moncada, Jose	Kelley Drye & Warren LLP
Nakahata, John	Harris, Wiltshire & Grannis LLP
Nuzzo, Patsy	USAC
Richardson, Rashonda	USAC
Simab, Habib	USAC
Smith, Chris	USAC
Szubrowski, Leigh	USAC
Tawes, Pauline	USAC
Tomlin, Nicole	USAC
Weith, Tim	USAC
Zufolo, Jessica	USAC

HIGH COST OPEN SESSION

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

1. High Cost & Low Income Committee Approvals. Mr. Gillan introduced these items to the Committee for consideration.

A. Consent Items.

A1. Approval of High Cost & Low Income Committee Minutes of April 23, 2018 and May 30, 2018.

A2. Approval for discussing in *Executive Session* agenda items:

- (1) **3A** – High Cost Business Update (*Continued*). New Order Impact Assessments. Mr. Beckford recommended this item be discussed in *Executive Session* because this matter relates to USAC’s *specific internal controls and/or confidential company data* and would constitute a discussion of internal rules and procedures.
- (2) **7A** – Lifeline Business Update (*Continued*). Mr. Beckford recommended this item be discussed in *Executive Session* because this matter relates to *specific internal controls and internal personnel matters*.

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

RESOLVED, that the USAC High Cost & Low Income Committee hereby approves: (1) the Committee meeting minutes of April 23, 2018 and May 30, 2018; and (2) discussion in *Executive Session* of the items noted above.

B. Approval of High Cost Support Mechanism and Demand 4th Quarter 2018 Programmatic Budget and Projection for the July 2, 2018 FCC Filing. Mr. Gaither presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 4th Quarter 2018 High Cost Support Mechanism direct program budget of \$3.09 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$3.09 million for High Cost Support Mechanism administrative costs in the required August 2, 2018 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on July 23, 2018, a summary of the 4th Quarter 2018 High Cost Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required August 2, 2018 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

2. **High Cost Business Update.** Mr. Gaither presented this item to the Committee for discussion providing updates on the following:
- Discussion of open items from the April quarterly meeting.
 - Program view of the Connect America Fund, Mobility Fund and implementation activities resulting from new FCC orders.
 - Operational performance metrics.
 - Major deliverables and areas of focus for CY 2018, by quarter.

At 2:43 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items listed above.

HIGH COST EXECUTIVE SESSION

3. **High Cost Business Update (Continued).** New Order Impact Assessment. Ms. Bilodeau and Mr. Kahn provided an overview of the impact of new FCC orders including the Rate of Return Reconsideration Order (FCC 18-29) and the Uniendo Puerto Rico and Connect USVI Order (FCC 18-57).

At 2:55 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Open Session* and reconvened at 3:02 p.m. Eastern Time.

LOW INCOME OPEN SESSION

4. **Approvals of the Low Income Support Mechanism and Demand 4th Quarter 2018 Programmatic Budget and Projection for the August 2, 2018 FCC Filing.** Ms. Garber presented this item to the Committee for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 4th Quarter 2018 Low Income Support Mechanism direct program budget of \$7.81 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$7.81 million for Low Income Support Mechanism administrative costs in the required August 2, 2018 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on July 23, 2018, a summary of the 4th Quarter 2018 Low Income Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required August 2, 2018 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million, or may seek approval from the High Cost & Low Income Committee Chair to make adjustments if

the total variance is greater than \$10 million, but not more than \$15 million.

5. **Information on Seven USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports.** The reports were provided for information purposes, no discussion was held.
6. **Lifeline Business Update.** Ms. Garber presented this item to the Committee and provided updates on the following:
 - Discussion of open items from the April quarterly meeting.
 - Major deliverables and areas of focus for CY2018.
 - Review of accomplishments, upcoming milestones and highlights for the program.
 - Operational performance metrics.

At 3:53 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items listed above.

LOW INCOME EXECUTIVE SESSION

7. **Lifeline Business Update (*Continued*).** Ms. Garber presented this item to the Committee and provided updates on the following:
 - Employee Engagement.
 - Lifeline Program Integrity Initiatives.

At 4:55 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that in *Executive Session*, the Committee discussed items 3 and 7. On a motion duly made and seconded, the Committee adjourned at 4:57 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

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

<p>Monday, October 29, 2018 1:00 a.m. – 4:00 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>
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<u>HIGH COST OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each available for discussion upon request): A. Approval of High Cost & Low Income Committee Meeting Minutes of July 23, 2018 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></p>	5
Vic	<p>a2. Approval of High Cost Support Mechanism 1st Quarter 2019 Programmatic Budget and Demand Projection for the November 2, 2018 Filing</p>	10
Kianna Braxton-Johnson	<p>i1. Information on Two USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports</p>	5
Vic	<p>i2. High Cost Support Mechanism Business Update</p>	35

<u>HIGH COST EXECUTIVE SESSION</u>		
Confidential – Executive Session Recommended		
Craig	<p>a3. Consideration of a One Year Contract Option for High Cost Model Operations and Maintenance</p>	15
Vic	<p>i3. Information on Preliminary 2019 Annual High Cost Support Mechanism Budget</p>	15

<u>LOW INCOME OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Michelle	<p>a4. Approval of Low Income Support Mechanism 1st Quarter 2019 Programmatic Budget and Demand Projection for the November 2, 2018 Filing</p>	15

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

Jeanette Santana-Gonzalez	i4. Information on Nine USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports	10
Michelle	i5. Low Income Support Mechanism (Lifeline) Business Update	35
Michelle	i6. Lifeline Program Integrity Update	15

LOW INCOME EXECUTIVE SESSION

Confidential – Executive Session Recommended

Michelle	i7. Information on Preliminary 2019 Annual Low Income Support Mechanism Budget	15
Chair	i8. <i>Executive Session</i> Discussion with the Committee/Board	15

Next Scheduled USAC High Cost & Low Income Committee Meeting

**Monday, January 28, 2019
10:00 a.m. – 12:00 p.m. Eastern Time
USAC Offices, Washington, D.C.**

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

HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, October 29, 2018

MINUTES¹

The quarterly meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, October 29, 2018. Mr. Gillan, Committee Chair, called the meeting to order at 1:10 p.m. Eastern Time, with all 11 Committee members present:

Feiss, Geoff	Lubin, Joel
Freeman, Sarah	Mason, Ken
Gerst, Matthew	Sekar, Radha – Chief Executive Officer
Gillan, Joe – Chair	Tinic, Atilla
Jacobs, Ellis	Wein, Olivia – Vice Chair
Kinsler, Cynthia – <i>by telephone</i>	

Other Board members and officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel, and Assistant Secretary
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management
Bocher, Bob – Member of the Board
Buzacott, Alan – Member of the Board
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
Hernandez, Dr. Mike – Member of the Board
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
Wibberly, Dr. Kathy – Member of the Board

Others present:

<u>NAME</u>	<u>COMPANY</u>
Abera, Nikki	USAC
Augustino, Steve	Kelley Drye & Warren, LLP

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

<u>NAME</u>	<u>COMPANY</u>
Ayer, Catriona	USAC
Batista, Everton	USAC
Bilodeau, Amanda	USAC
Brady, Tiffany	USAC
Braxton-Jackson, Kianna	USAC
Carpenter, Nikki-Blair	USAC
Eltgroth, Deborah	FCC
Fischer, Dennis	USAC
Gelman, Sheryl	USAC
Griffin, Jodie	FCC
Gustafson, Jaymie	USAC
Hughet, Pam	USAC
Kahn, Sammy	USAC
Mitchell, Tamika	USAC
Nuzzo, Patsy	USAC
Pryor, Sonovia	USAC
Santana-Gonzales, Jeanette	USAC
Simab, Habib	USAC
Smith, Chris	USAC
Subramaniam, Nathan	USAC
Tessler, Joelle	USAC
Tiwari, Tanya	USAC
Weith, Tim	USAC

OPEN SESSION

- a1. Consent Items.** Mr. Gillan introduced this item to the Committee and requested that, if there were no discussion needed on items i1 and i4, that the audit items be moved to the Consent Items. The Committee agreed with Mr. Gillian's suggestion and no further discussion was held on these items.
- A. Approval of Committee Meeting Minutes of July 23, 2018.
 - B. Approval of Moving all *Executive Session* Items to *Executive Session*:
 - (1) **a3** – Consideration of a One Year Contract Option for High Cost Model Operations and Maintenance. USAC management recommended this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
 - (2) **i3** – Information on Estimated 2019 Annual High Cost Support Mechanism Budget. USAC management recommended this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

- (3) **i7** – Information on Estimated 2019 Annual Low Income Support Mechanism Budget. USAC management recommended this item be discussed in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.
- (4) **i8** – Executive Session with the Committee/Board. USAC management recommended this item be discussed in *Executive Session* because the matter relates to the Committee’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.

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

RESOLVED, that the USAC High Cost & Low Income Committee hereby approves: (1) the Committee meeting minutes of July 23, 2018; and (2) discussion in *Executive Session* of the items noted above.

- a2. Approval of High Cost Support Mechanism 1st Quarter 2019 Programmatic Budget and Demand Projection for the November 2, 2018 Filing.** Mr. Gaither presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 1st Quarter 2019 High Cost Support Mechanism direct program budget of \$5.59 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$5.59 million for High Cost Support Mechanism administrative costs in the required November 2, 2018 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on October 29, 2018 a summary of the 1st Quarter 2019 High Cost Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required November 2, 2018 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million..

- i2. High Cost Support Mechanism Business Update.** Mr. Gaither presented this item for discussion and addressed the following:
1. High Cost Program at a Glance
 2. Accomplishments
 3. High Cost 18-Month Plan
 4. Current Topics:
 - a. Implement New Orders in 2019
 - b. High Cost Short and Long Term System Planning
 5. Operational Performance Metrics Overview as of September 2018
 6. Upcoming Key Milestones
- a4. Approval of Low Income Support Mechanism 1st Quarter 2019 Programmatic Budget and Demand Projection for the November 2, 2018 Filing.** Ms. Garber presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 1st Quarter 2019 Low Income Support Mechanism direct program budget of \$11.10 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$11.10 million for Low Income Support Mechanism administrative costs in the required November 2, 2018 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on October 29, 2018 a summary of the 1st Quarter 2019 Low Income Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required November 2, 2018 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million, or may seek approval from the High Cost & Low Income Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

i5. Low Income Support Mechanism (Lifeline) Business Update. Ms. Garber presented the following topics to the Committee for discussion:

1. July Board Recap
2. Lifeline Program at a Glance
3. Accomplishments
4. Current Topics
 - a. National Verifier
 - b. Enhanced Tribal Benefit
 - c. Improved Operational Effectiveness
 - d. Lifeline 18-Month Plan
 - e. Operational Performance Metrics Overview
 - f. Upcoming Key Milestones
 - g. Lifeline Program Integrity Activities

i6. Lifeline Program Integrity Update. This report was provided for information purposes; no discussion was held.

At 2:48 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of considering and discussing the confidential items noted above.

EXECUTIVE SESSION

Action Items

a3. Consideration of a One Year Contract Option for High Cost Model Operations and Maintenance. Mr. Davis presented this item for consideration.

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

RESOLVED, that the USAC Board of Director's High Cost and Low Income Committee, having reviewed the recommendation of USAC management, authorizes USAC management to exercise the sixth on-year option period and increase the not-to-exceed value of the CostQuest contract by \$200,000 for a total not-to-exceed contract value of \$6,450,000 (plus applicable taxes), subject to required FCC approvals.

i3. Information on the Preliminary 2019 Annual High Cost Support Mechanism Budget. Mr. Gaither presented this item for discussion.

i7. Information on the Preliminary 2019 Annual Low Income Support Mechanism Budget. Ms. Garber presented this item for discussion.

At 3:37 p.m. Eastern Time, the meeting continued in *Executive Session* with members of the Board, General Counsel, and Ms. Garber present.

i8. *Executive Session Discussion with the Committee/Board.*

At 4:10 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that, in *Executive Session*, the Committee discussed and took action on item a3 and discussed items i3, i7, and i8 above.

On a motion duly made and seconded, the Committee adjourned at 4:10 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
High Cost and Low Income Committee Meeting
Agenda**

**Wednesday, November 14, 2018
3:00 p.m. – 4:00 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

EXECUTIVE SESSION

Craig	a1. Consideration of Contract Award for Centers for Medicare and Medicaid Services.
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Next Scheduled USAC High Cost & Low Income Committee Meeting

**Monday, January 28, 2018
2:00 p.m. – 4:00 p.m. Eastern Time
USAC Offices, Washington, D.C.**

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

HIGH COST & LOW INCOME COMMITTEE MEETING
Wednesday, November 14, 2018

MINUTES¹

A meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Wednesday, November 14, 2018. Mr. Joe Gillan, Committee Chair, called the meeting to order at 3:01 p.m. Eastern Time, with a quorum of eight of the 11 Committee members present:

Feiss, Geoff – <i>by telephone</i>	Lubin, Joel – <i>by telephone</i>
Gerst, Matthew – <i>by telephone</i>	Mason, Ken – <i>by telephone</i>
Gillan, Joe – Chair – <i>by telephone</i>	Sekar, Radha – Chief Executive Officer
Kinser, Cynthia – <i>by telephone</i>	Wein, Olivia – Vice Chair – <i>by telephone</i>

Members of the Board not present:

Freeman, Sarah
Jacobs, Ellis
Tinic, Atilla

Other Board members and officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel and Assistant Secretary
Davis, Craig – Vice President Procurement and Strategic Sourcing
Garber, Michelle – Vice President of Lifeline
Salvator, Charles – Vice President of Finance, Chief Financial Officer and
Assistant Treasurer

Others present:

<u>NAME</u>	<u>COMPANY</u>
Nuzzo, Patsy	USAC
Szubrowski, Leigh	USAC
Tiwari, Tanya	USAC
Tomlin, Nicole	USAC

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

OPEN SESSION

- a1. Consideration of Contract Award for Centers for Medicare and Medicaid 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 and after discussion, the Committee adopted the following resolution:

RESOLVED, that the USAC High Cost & Low Income Committee determines that discussion of these items shall be conducted in *Executive Session*.

At 3:03 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential and proprietary items noted above.

EXECUTIVE SESSION

- a1. Consideration of Contract Award for Centers for Medicare and Medicaid Services.** Mr. Davis and Ms. Garber presented this item to the Committee for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes USAC management, subject to FCC approval, to award a sole source contract for development and implementation of an automated computer matching interface with CMS for an estimated price of \$875,000, with a contingency reserve of \$87,500, to CMS, for a total not to exceed amount of \$962,500 (plus applicable taxes).

At 3:17 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that in *Executive Session*, the Committee took action on item a1. On a motion duly made and seconded, the Committee adjourned at 3:18 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary