

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

BOARD OF DIRECTORS MEETING
Wednesday, January 2, 2019

MINUTES

In a Public Notice, dated December 20, 2018 (DA 18-1281), Federal Communications Commission (FCC or Commission) Chairman Pai appointed the following six individuals to the USAC Board of Directors (Board):

- Representative for schools that are eligible for discounts under section 54.501 of the Commission's rules: Julie Tritt Schell, State E-rate Coordinator, Pennsylvania Department of Education;
- Representative for information service providers: Olivia Wein, Senior Attorney, National Consumer Law Center;
- Representative for rural healthcare providers that are eligible to receive supported services under section 54.601 of the Commission's rules: Brent Fontana, Technical Business Developer, Amazon Web Services;
- Representative for state telecommunications regulators: Sarah Freeman, Commissioner, Indiana Utility Regulatory Commission;
- Representative for incumbent local exchange carriers (non-Bell Operating Companies) with more than \$40 million in annual revenues: Kenneth F. Mason, Vice President, Government and Regulatory Affairs, Frontier Communications; and
- Representative for interexchange carriers with annual operating revenues of more than \$3 billion: Alan Buzacott, Executive Director, Federal Regulatory Affairs, Verizon Communications, Inc.

On December 21, 2018, the Board was requested to vote by written unanimous consent to elect these members to the Board and appoint them to a committee by virtue of the constituency they represent.

- a1. Election of Members to the USAC Board of Directors and Appointment of Members to Programmatic Committees.** On January 2, 2019, 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, 2019:¹

- Julie Tritt Schell, for a term expiring on December 31, 2021;

¹ Each is director is appointed for a three year term. See 47 C.F.R. § 54.703(d).

- Olivia Wein, for a term expiring on December 31, 2021;
- Brent Fontana, for a term expiring on December 31, 2021;
- Sarah Freeman, for a term expiring on December 31, 2021;
- Kenneth Mason, for a term expiring on December 31, 2021;
- Alan Buzacott, for a term expiring on December 31, 2021;

RESOLVED FURTHER, that each of the aforementioned directors shall remain a director until such director's: (i) 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:

- Julie Tritt Schell is hereby appointed to the Schools & Libraries Committee;
- Sara Freeman is hereby appointed to the High Cost & Low Income Committee; and
- Sara Freeman and Brent Fontana are hereby appointed to the Rural Health Care Committee.

/s/ Ernesto Beckford
Assistant Secretary

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

**Tuesday, January 29, 2019
8:30 a.m. – 2:00 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

	<u>OPEN SESSION</u>	<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each available for discussion upon request):</p> <p>A. Approval of Board of Directors Meeting Minutes of October 30, 2018, November 26, 2018, December 10, 2018 and January 2, 2019</p> <p>B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i></p> <p>C. Approval of April 2020 – January 2021 Board of Directors Quarterly Meeting Schedule.</p> <p>D. Resolution Honoring Board Members Whose Service on the Board Has Recently Ended.</p>	10
Chair	a2. Annual Election of Committee At-Large Seats, Chairs and Vice Chairs and Election of Appointment of Corporate Officers.	15
Chair	a3. 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
Teleshia	a4. Approval of 2019 Audit Committee Charter (<i>Same as aAC03</i>)	10
Larry	a5. Reaffirming USAC Employee Ethics Standards	10
Larry	a6. Review of Statement of Ethical Conduct for Members of the USAC Board of Directors and Board Member Annual Disclosure of Corporate or Entity Affiliations Form	5
Pam	a7. Approval of USAC Common and Consolidated 2nd Quarter 2019 Budgets for the January 31, 2018 FCC Filing	10
Radha	<p>i1. Enterprise Business Updates:</p> <p>A. CEO Business Update</p> <ul style="list-style-type: none"> • 2018 Major Accomplishments • 2019 Goals • CEO Roundtable Update 	20
Stephen	<p>B. Shared Services Business Update</p> <ul style="list-style-type: none"> • 2018 Accomplishments • 2019 Goals • Escalating Team Concept 	20

	<u>OPEN SESSION</u>	<i>Estimated Duration in Minutes</i>
	<ul style="list-style-type: none"> • Update on Completed On-line Training 	
Bob Kyle	C. Information Technology Business Update <ul style="list-style-type: none"> • 2018 Accomplishments • 2019 Goals • FISMA- 2018 Accomplishments and 2019 Goals 	15
Chris B.	D. Enterprise Portfolio Management Office Business Update <ul style="list-style-type: none"> • 2018 Accomplishments • 2019 Goals • Enterprise Risk Management 	20

<u>EXECUTIVE SESSION</u>		
Confidential – Executive Session Recommended		
Chris Teleshia Pam	i1. Enterprise Business Updates (continued) D. Enterprise Risk Management (continued) <ol style="list-style-type: none"> 1. Discussion of 2019 Risks and Mitigations 2. Discussion of 2019 Internal Controls Over Operations 3. Information on the Office of Management and Budget (OMB) Circular A-123 Plan 	15
Pam	E. Finance <ul style="list-style-type: none"> • Information on Contribution Factor 	10
Joel Daniels	C. Information Technology Business Update(continued) <ol style="list-style-type: none"> 1. Pre-prod for National Verifier 	10
Tamika	F. Human Resources Business Update <ul style="list-style-type: none"> • 2018 Accomplishments • 2019 Goals • Operational Performance Metrics Overview 	20
Craig	G. Procurement Update <ol style="list-style-type: none"> 1. Procurement Business Update <ul style="list-style-type: none"> ○ 2018 Accomplishments ○ 2019 Goals 2. 2018 Procurement Report 3. 2018 Fourth Quarter Procurement Report 4. 2019 Procurement Plan 5. USAC Procurement Competition Advocate Annual Report 	10
Craig	a8. Consideration of Contract Award for Oracle for Technical Support	5
Craig	a9. Consideration of a Contract Award for Provision of Workplace Collaboration Tools	5
Pam	a10. Approval of 2019 Annual USAC Common and Consolidated Budgets	20

<u>EXECUTIVE SESSION</u> Confidential – <i>Executive Session Recommended</i>		
Nikki-Blair	i2. Information on One USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports	5
Chair	i3. Personnel Matter – Executive Session with Board (Lunch)	60

Next USAC Board of Directors Meeting

<p>Tuesday, April 30, 2019 8:30 a.m. – 2:30 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

BOARD OF DIRECTORS MEETING
Tuesday, January 29, 2019

MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, January 29, 2019. Mr. Joel Lubin, Board Chair, called the meeting to order at 8:32 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	Schell, Julie Tritt
Feiss, Geoff	Sekar, Radha – Chief Executive Officer
Freeman, Sarah	Tinic, Atilla
Gerst, Matthew	Wade, Dr. Joan
Gillan, Joe – Vice Chair	Wibberly, Dr. Kathy
Jacobs, Ellis – Secretary – <i>by telephone</i>	

Ms. Olivia Wein joined the meeting at 9:00 a.m. Eastern Time. She did not vote or participate in the discussion of items a1, a2, a3, a4, and a5.

Board members not present:

Fontana, Brent

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

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Ayer, Catriona	USAC
Batista, Everton	USAC
Boakye-Gyan, Carol	USAC
Boler, Natasha	USAC
Burgess, Melody	USAC
Butler, Stephen	USAC
Carpenter, Nikki-Blair	USAC
Colvin, Phil	USAC
Crowe, Jen	USAC
Curtis, Shaun	USAC
D'aguiar, J'amie	USAC
Daniels, Joel	USAC
Faunce, Donna	USAC
Fischer, Dennis	USAC
Francisco, Dale	USAC
Gerensky, Dimiter	USAC
Goode, Vernell	USAC
Gustafson, Jaymie	USAC
Haus, Allen	Avitecture
Howard, Mackenzie	USAC
Hughet, Pamela	USAC
Hutchinson, Kyle	USAC
Jackson, Alex	USAC
Little, Chris	USAC
Marjani, Regina	USAC
Mitchell, Tamika	USAC
Neeson, Kara	USAC
Nuzzo, Patsy	USAC
Oluyitan, David	USAC
Parker, Ben	USAC
Patel, Amish	USAC
Robinson, Ben	USAC
Schecker, Laurence	USAC
Schrieber, Johnnay	USAC
Sherlock, Matthew	USAC
Tamm, Nico	USAC
Tawes, Pauline	USAC
Theobald, Fred	USAC
Tiwari, Tanya	USAC
Tomlin, Nicole	USAC
Yeung, Jean	USAC
Zafar, Maryam	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 October 30, 2018, November 26, 2018, December 10, 2018 and January 2, 2019.
 - B.** Approval of Moving all *Executive Session* Items into *Executive Session*.
 - (1) ii** – Enterprise Business Updates (*Continued*).
 - C.** Information Technology Business Update (*continued*).
 - 1.** Pre-prod for National Verifier. USAC management recommends that this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
 - D.** Enterprise Portfolio Management Office Business Update.
 - 1.** Discussion of 2019 Audit Plan. USAC management recommends that this item be discussed in *Executive Session* because the matter involves *specific internal controls and/or confidential company data*.
 - 2.** Information on the Office of Management and Budget (OMB) Circular A-123 Plan. USAC management recommends that this item be discussed in *Executive Session* because the matter involves *specific internal controls and/or confidential company data*.
 - E.** Finance - Information on Contribution Factor. USAC management recommends 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*.
 - F.** Human Resource Business Update. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.
 - G.** Procurement Update. USAC management recommends that the following items be discussed in *Executive Session* because they relate to USAC's *procurement strategy and contract administration*:
 - 1.** Procurement Business Update.
 - 2.** 2018 Procurement Report.
 - 3.** 2018 Fourth Quarter Procurement Report.
 - 4.** 2019 Procurement Plan.
 - 5.** USAC Procurement Competition Advocate Annual Report.

- (2) **a8** – Consideration of Contract Award for Oracle for Technical Support. USAC management recommends that this item be discussed in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.
- (3) **a9** – Consideration of a Contract Award for Provision of Workplace Collaboration Tools. USAC management recommend that this item be discussed in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.
- (4) **a10** – Approval of 2019 Annual USAC Common and Consolidated Budgets. USAC management recommends that this item be discussed in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.
- (5) **i2** – Information on One USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends 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*.
- (6) **i3** – Personnel Matter – Executive Session with Board (Lunch). USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

C. Approval of April 2020 – January 2021 Board of Directors Quarterly Meeting Schedule. USAC management provided its written recommendations for the Board’s April 2020 to January 2021 quarterly meeting schedule.

D. Resolution Honoring Board Members Whose Service on the Board Has Recently Ended. There was no report associated with this item.

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 30, 2018, November 26, 2018, December 10, 2018 and January 2, 2019; and (2) discussion in *Executive Session* of the items noted above.

RESOLVED FURTHER, that the USAC Board of Directors adopts the Board of Directors and committee quarterly meetings schedule for April 2020 through January 2021; and

RESOLVED FURTHER, that the USAC Board of Directors hereby expresses its sincere appreciation to Dr. Miguel Hernandez for his dedicated service on the Board of Directors of the Universal Service Administrative Company, and wishes him the best in his future endeavors.

- a2. **Annual Election of Committee At-Large Seats, Chairs and Vice Chairs and Election of Appointment of Corporate Officers.** Mr. Lubin introduced this item and Mr. Mason, Chair of the Nominating Committee, shared the Nominating Committee recommendations for the following:

Election of Board Members to Committee At-Large Seats

RESOLVED, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Schools & Libraries Committee: Ken Mason** (representing service providers), **Alan Buzacott** (at-large member), **Brent Fontana** (at-large member), and **Beth Choroser** (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. Joan Wade** (at-large member), and **Oliva 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), **Cynthia Kinser** (representing the RHC Committee), **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: Dr. Dan Domenech** (at-large member), **Joe Gillan** (at-large member), **Cynthia Kinser** (at-large member), **Dr. Joan Wade** (at-large member) and **Dr. Kathy Wibberly** (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 **Julie Tritt Schell** 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 **Brent Fontana** 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 as **Joe Gillan** is named Chair of the **Executive Compensation Committee**; and

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

Election of Board Chair, Vice Chair, Secretary and Treasurer

RESOLVED, that the USAC Board of Directors elects **Joel Lubin** as Chair of the Board and **Joe Gillan** as Vice Chair of the Board, **Olivia Wein** 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.

- a3. **Reports from Committee Chairs: Audit Committee, Executive 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 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.

- a4. Approval of 2019 Audit Committee Charter.** Ms. Delmar presented this item to the Board for consideration, noting modifications, included changing the division name from Internal Audit to Audit and Assurance; clarifying the Committee's role in developing the Strategic Audit Plan; and requiring Committee approval of material changes in the roles and/or responsibilities of the Vice President of Audit and Assurance.

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

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

- a5. Reaffirming USAC Employee Ethics Standards.** Mr. Schecker presented this item to the Board for consideration, noting minor editorial changes from previous version of the USAC Statement of Ethical Conduct. During his presentation, Mr. Schecker noted his role as Ethics Officer at USAC, and explained USAC's ethics program.

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

RESOLVED, that the USAC Board of Directors accepts the recommendation of the USAC General Counsel and hereby adopts the editorial revisions to the January 2017 version of the *USAC Statement of Ethical Conduct*.

- a6. Review of Statement of Ethical Conduct for Members of the USAC Board of Directors and Board Member Annual Disclosure of Corporate or Entity Affiliations Form.** Mr. Schecker presented this item to the Board for consideration, noting that no revisions were recommended.

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

RESOLVED, that the USAC Board of Directors hereby reaffirms the *Statement of Ethical Conduct for Members of the USAC Board of Directors* and *Director Affiliation Disclosure Form*, January 2017 versions,

without revision.

- a7. Approval of USAC Common and Consolidated 2nd Quarter 2019 Budgets for the January 31, 2019 FCC Filing.** Ms. Hughet presented this item for consideration. The presentation included a written report on USAC management's recommendations for USAC's common and consolidated 2nd quarter 2019 budgets for the January 31, 2019 FCC filing.

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

RESOLVED, that the USAC Board of Directors approves a 2nd Quarter 2019 common budget of \$25.24 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$25.24 million for common costs in the required January 31, 2019 filing to the FCC on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 2nd Quarter 2019 consolidated budget of \$59.90 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$59.90 million for consolidated costs in the required January 31, 2019 filing to the FCC on behalf of the USAC Board of Directors.

- i1. A. CEO Business Update.** Ms. Sekar presented PowerPoint slides covering the following to the Board:

1. Recap of action items and updates from the October 2018 Board and Committee meetings
2. 2018 Accomplishments across the organization
3. 2019 Goals and Objectives
4. CEO Roundtable Update

B. Shared Services Business Update. Mr. Butler presented PowerPoint slides covering the following to the Board:

1. 2018 Accomplishments
2. 2018 Call Center Performance
3. 2019 Program Goals and Objectives
4. Escalation Team Concept
5. Update on In-person and Online Schools and Libraries Training
6. Shared Services Program at a Glance

C. Information Technology Business Update. Mr. Holstein and Mr.

Hutchinson presented PowerPoint slides covering the following to the Board:

1. 2018 Accomplishments
2. 2019 Vision and Objectives
3. 2019 IT Major Goals
4. Discussion Topics: FISMA – 2018 Accomplishments and 2019 Goals
5. IT at a Glance

At 10:50 a.m. Eastern Time the Board recessed and reconvened at 11:00 a.m. Eastern Time.

D. Enterprise Portfolio Management Office (EPMO) Business Update. Mr.

Beyerhelm presented PowerPoint slides covering the following to the Board:

1. 2018 EPMO Key Accomplishments
2. 2018 Enterprise Risk Management (ERM) Key Accomplishments
3. 2019 EMPO Mission
4. 2019 Goals: EPMO
5. 2019 Look Ahead: EMPO
6. 2019 At a Glance: EPMO

At 11:27 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

D. Enterprise Portfolio Management Office (EPMO) Business Update (*continued*). Mr. Beyerhelm and Ms. Delmar and Ms. Hughet presented PowerPoint slides covering the following to the Board:

1. Discussion of 2019 Risks and Mitigations
2. Discussion of 2019 Internal Controls Over Operations
3. Information on the Office of Management and Budget (OMB) Circular A-123 Plan. This report was included for information

purposes; no discussion was held.

E. Finance – Information on Contribution Factor. Ms. Hughet presented this item to the Board. The presentation included a written report providing USAC’s estimate for the 2nd quarter 2019 contribution factor.

C. Information Technology Business Update (*continued*). Pre-prod for National Verifier. This report was included for information purposes only. No discussion was held on this item.

F. Human Resources (HR) Business Update. Ms. Mitchell presented PowerPoint slides covering the following items for discussion.

1. HR Mission
2. Key 2018 Accomplishments
3. Goals for 2019
4. HR at a Glance 2019
5. HR 2018 Metrics

6. USAC 2018 Engagement Pulse Survey Results

G. Procurement Update. The following reports were submitted for information purposes only. No discussion was held.

1. Procurement Business Update
 - o 2018 Accomplishments
 - o 2019 Goals
2. 2018 Procurement Report
3. 2018 Fourth Quarter Procurement Report
4. 2019 Procurement Plan
5. USAC Procurement Competition Advocate Annual Report

At 12:18 p.m. Eastern Time, on a motion duly made and seconded, with only members of the Board present, the Board continued in *Executive Session* for the purpose of discussing item i3.

i3. Personnel Matter – Executive Session with Board.

At 1:12 p.m. Eastern Time, the Board continued in *Executive Session* with staff and officers to discuss the remaining items.

- a8. Consideration of Contract Award for Oracle for Technical Support.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC’s proposed contract award for technical support.

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 a total price of \$1,134,883 (plus applicable taxes).

- a9. Consideration of a Contract Award for Provision of Workplace Collaboration Tools.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC’s proposed contract award for the provision of workplace collaboration tools.

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 award a three-year contract for provision of the Cisco Workplace Collaboration Tool Flex Plan to Iron Bow Technologies, LLC for a total price of \$574,807 (plus applicable taxes).

- a10. Approval of 2019 Annual USAC Common and Consolidated Budgets.** Ms. Hughet presented this item for consideration. The presentation included PowerPoint slides and a written report detailing USAC management's recommendations for USAC's 2019 annual common and consolidated budgets.

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

RESOLVED, that the USAC Board of Directors approves the 2019 annual common budget of \$103.3 million; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 2019 annual consolidated budget of \$237.6 million.

- i2. Information on One USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Report.** The Board received a report with information on one USAC Audit and Assurance Division contributor revenue audit report. This report was included for information purposes only. No discussion was held.

OPEN SESSION

At 1:49 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 a8, a9 and a10 and discussed items i1D, i1E, i1F, and i3.

On a motion duly made and seconded, the Board adjourned at 1:50 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

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

**Monday, February 25, 2019
1:00 p.m. – 1:30 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	a1. Consideration of Contract Award for a Primary Data Storage Device – Confidential – <i>Executive Session Recommended.</i>	20

Next Scheduled USAC Board of Directors Meeting

**Tuesday, April 30, 2019
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
Monday, February 25, 2019

MINUTES¹

A meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, February 25, 2019. Mr. Joel Lubin, Board Chair, called the meeting to order at 1:04 p.m. Eastern Time, with a quorum of 12 of the 19 Board members present:

Bocher, Robert – *by telephone*
Buzacott, Alan – *by telephone*
Choroser, Beth, – *by telephone*
Feiss, Geoff – *by telephone*
Freeman, Sarah – *by telephone*
Gerst, Matthew – *by telephone*

Gillan, Joe – Vice Chair – *by telephone*
Jacobs, Ellis – *by telephone*
Lubin, Joel – Chair – *by telephone*
Sekar, Radha – Chief Executive Officer
Wade, Dr. Joan – *by telephone*
Wibberly, Dr. Kathy – *by telephone*

Mr. Brent Fontana and Ms. Julie Schell joined the meeting by telephone at 1:04 p.m. Eastern Time. They participated in the discussion of item a1. Ms. Schell voted on item a1 and Mr. Fontana abstained from voting.

Members of the Board not present:

Domenech, Dr. Dan
Kinser, Cynthia
Mason, Ken – Treasurer
Tinic, Atilla
Wein, Olivia – Secretary

Officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel, and Assistant Secretary
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

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Hutchinson, Kyle	USAC
Nuzzo, Patsy	USAC
Tiwari, Tanya	USAC

OPEN SESSION

- a1. **Consideration of Contract Award for a Primary Data Storage Device.** 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 Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors determines that the discussion of this item 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 item listed above.

EXECUTIVE SESSION

- a1. **Consideration of Contract Award for a Primary Data Storage Device.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposed contract award for a primary data storage device.

On a motion duly made and seconded, with Mr. Fontana abstaining, 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 Dell / EMC PowerMax 2000 Primary Storage device, for a firm fixed price of \$1,290,083 (plus applicable taxes).

At 1:32 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 item a1.

On a motion duly made and seconded, the Board adjourned at 1:33 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

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

<p>Tuesday, April 30, 2019 8:30 a.m. – 2:00 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>

	<u>OPEN SESSION</u>	<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each available for discussion upon request): A. Approval of Board of Directors Meeting Minutes of January 29, 2019 and February 25, 2019 B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i></p>	10
Chair	<p>a2. 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</p>	15
Pam	<p>a3. Approval of USAC Common and Consolidated 3rd Quarter 2019 Budgets for the May 2, 2019 FCC Filing</p>	15
Radha	<p>i1. Enterprise Business Updates: A. CEO Business Update – Knowledge Management</p>	20
Radha Kyle Joel D.	<p>B. Information Technology (IT) Business Update</p> <ul style="list-style-type: none"> • IT Strategic Vision • Q1 2019 Summary (<i>For Information Only</i>) 	30
	<p>C. Enterprise Portfolio Management Office Business Update</p> <ul style="list-style-type: none"> • EPMO Q1 2019 Summary (<i>For Information Only</i>) 	-

<u>EXECUTIVE SESSION</u>		
Confidential – <i>Executive Session Recommended</i>		
Chris	<p>i1. Enterprise Business Updates: C. Enterprise Portfolio Management Office Business Update <i>(continued)</i></p> <ul style="list-style-type: none"> • Enterprise Risk Management Update 	40
Craig	<p>D. Procurement Business Update</p>	40
Charlie	<p>E. Finance</p> <ul style="list-style-type: none"> • Information on Contribution Factor 	15
Tamika	<p>F. Human Resources Business Update</p> <ul style="list-style-type: none"> • Employee Engagement Survey 	25

<u>EXECUTIVE SESSION</u> Confidential – <i>Executive Session Recommended</i>		
Craig	a4. Consideration of a Contract for USAC’s Learning Management System, Performance Management System, and Recruiting Management System	10
Jen Crowe	i2. Information on One USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Reports	5
Tamika	a5. Personnel Matter – Executive Compensation	20
12:00 p.m.	Board of Directors Lunch	60

Next USAC Board of Directors Meeting

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

BOARD OF DIRECTORS MEETING
Tuesday, April 30, 2019

MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, April 30, 2019. Mr. Joel Lubin, Board Chair, called the meeting to order at 8:36 a.m. Eastern Time, with a quorum all 19 Board members present:

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

Dr. Domenech and Ms. Freeman left the meeting at 12:00 p.m. Eastern Time. They did not vote on items a4 or a5 or participate in the discussion of items i1-F or i2.

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
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>
Barrett, Henry	USAC

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

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

<u>NAME</u>	<u>COMPANY</u>
Batista, Everton	USAC
Bliss, Edward	USAC
Boakye-Gyan, Carol	USAC
Butler, Stephen	USAC
Carpenter, Nikki-Blair	USAC
Crowe, Jen	USAC
Daguiar, Jamie	USAC
Daniels, Joel	USAC
Faunce, Donna	USAC
Fischer, Dennis	USAC
Frelow, Leslie	USAC
Gerensky, Dimiter	USAC
Goode, Vernell	USAC
Gustafson, Jaymie	USAC
Hughet, Pamela	USAC
Hutchinson, Kyle	USAC
Jalloh, Isata	USAC
Jaruboon, Jetshada	Maximus
Kriete, Debra	South Dakota DOE
Lawson, Suzanne	USAC
Lee, Brandon	USAC
Little, Chris	USAC
Luton, Smith	Avitecture
Manns, Bernie	USAC
Marjani, Regina	USAC
Meyers, Erica	USAC
Mitchell, Tamika	USAC
Nuzzo, Patsy	USAC
Parker, Ben	USAC
Patel, Amish	USAC
Schwetz, Tori	USAC
Sherlock, Matthew	USAC
Sinkfield, David	USAC
Subramaniam, Nathan	USAC
Tamm, Nico	USAC
Terry, Jaia	USAC
Theobald, Fred	USAC
Tiwari, Tanya	USAC
Walsh, Jeff	USAC

OPEN SESSION

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

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

A. Approval of Board Meeting Minutes of January 29, 2019 and February 25, 2019.

B. Approval of Moving all *Executive Session* Items into *Executive Session*:

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

- **C.** Enterprise Portfolio Management Office Business Update (*Continued*) – Enterprise Risk Management Update. USAC management recommends that this item be discussed in *Executive Session* because the matter involves *specific internal controls and/or confidential company data* and *internal rules and procedures* concerning the administration of the universal service support mechanisms where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- **D.** Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- **E.** Finance - Information on Contribution Factor. USAC management recommends 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*.
- **F.** Human Resource Business Update – Employee Engagement Survey. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

(2) **a4** – Consideration of a Contract for USAC's Learning Management System, Performance Management System, and Recruiting Management System. USAC management recommend that this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

(3) **i2** – Information on One USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Reports. USAC management recommends 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.

- (4) **a5** – Personnel Matter – Executive Compensation. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

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: (1) the Board meeting minutes of January 29, 2019 and February 25, 2019; 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 January 2019 quarterly meetings. Mr. Tinic reported for the Audit Committee; Mr. Lubin reported for the Executive Committee; Mr. Gillan reported for the High Cost & Low Income Committee and Executive Compensation Committee; Dr. Wibberly reported for the Rural Health Care Committee; and Dr. Domenech reported for the Schools and Libraries Committee.

Mr. Lubin and the Board recognized USAC, Maximus Federal, and Deloitte for the work done on the Schools and Libraries BPO transition, the successful window closing and exceeding the targets for the first wave for FY 2019.

- a3. Approval of USAC Common and Consolidated 3rd Quarter 2019 Budgets for the May 2, 2019 FCC Filing.** Ms. Hughet presented this item for consideration. The presentation included a written report on USAC management's recommendations for USAC's common and consolidated 3rd quarter 2019 budgets for the May 2, 2019 FCC filing.

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

RESOLVED, that the USAC Board of Directors approves a 3rd Quarter 2019 common budget of \$27.57 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$27.57 million for common costs in the required May 2, 2019 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 2019 consolidated budget of \$61.12 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$61.12 million for consolidated costs in the required May 2, 2019 filing to the FCC on behalf of the USAC Board of Directors.

ii. Enterprise Business Updates:

A. CEO Business Update – Knowledge Management. Ms. Sekar introduced this item, with Mr. Subramaniam and Ms. Jaia presenting an online demonstration of Knowledge Management content, and PowerPoint slides covering the following to the Board:

1. About the Project
2. Knowledge Management Framework
3. Motivation
4. Knowledge Management Table of Contents
5. Knowledge Management Roadmap at a Glance

It was noted that Knowledge Management is an internal tool for USAC staff, and contains some internal processes and procedures. Ms. Sekar indicated that USAC would identify Knowledge Management materials that could be shared with the Board and determine how to make them accessible to the Board.

B. Information Technology Business Update. Ms. Sekar, Mr. Hutchinson and Mr. Daniels presented PowerPoint slides covering the following to the Board:

1. Change Strategy – Current Issues and Future Vision
2. IT Strategy Components and Objectives
3. Delivery of Mission Critical USF Capabilities – 18-Month Plan
4. Organization Changes & Technology Modernization
5. Handout on USAC IT Strategic Vision 2019 – 2021

Ms. Marjani addressed 508 Compliance, with the Board requesting that functional testing be done with people who have disabilities.

C. Enterprise Portfolio Management Office Business Update – EPMO Q1 Summary. The EPMO Q1 2019 Summary was provided for information purposes only.

At 9:54 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 in *Executive Session* at 10:09 a.m. Eastern Time.

EXECUTIVE SESSION

C. Enterprise Portfolio Management Office Business Update (continued) – Enterprise Risk Management Update. Mr. Beyerhelm presented PowerPoint slides covering the following to the Board:

1. January 2019 Board Meeting Recap
2. ERM/GRC: USAC's Framework to Protect the Universal Service Fund

3. Objectives of Enterprise Risk Management
4. USAC's Risk Identification Approach
5. USAC's Risk Identification Approach for High Risks
6. Enterprise Risks – Heat map
7. High Risks and Mitigation Strategy
8. Conclusion

It was noted that the risk management heat map was the first iteration for USAC and it is expected to change over time. Updates to the heat map will be provided to the Board in future meetings.

D. Procurement Business Update. Mr. Davis presented PowerPoint slides to the Board that covered the following:

1. Procurement at a Glance
2. Procurement Analysis
3. Procurement Path Forward
4. 2018 & Upcoming Procurement Activities

Ms. Kinser requested that USAC provide information on veteran, minority, and women-owned vendors in future reports. Mr. Gillan requested that USAC management explicitly indicate whether proposed procurements are sole sourced.

E. Finance – Information on Contribution Factor. Mr. Salvatore presented this item to the Board. The presentation included a written report providing USAC's estimate for the 3rd quarter 2019 contribution factor.

At 12:00 p.m. Eastern Time, the Board recessed for lunch and reconvened at 1:02 p.m. Eastern Time in *Executive Session* for the purpose of discussing remaining *Executive Session* items.

F. Human Resources Business Update. Ms. Mitchell presented PowerPoint slides covering the following items for discussion:

1. HR at a Glance 2019
2. Q1 2019 Operational Performance Metrics Overview
3. Employee Engagement: Pulse Survey
 - a. Pulse Survey Questions
 - b. Employee Pulse Survey Update
 - c. Comments Summary

- a4. Consideration of a Contract for USAC's Learning Management System, Performance Management System, and Recruiting Management System.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposed contract award for learning, performance and recruiting management systems.

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 Cornerstone for the total not-to-exceed price of \$489,743 (plus applicable taxes), subject to the required FCC approvals.

- i2. Information on One USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Report.** The Board received a report with information on one USAC Audit and Assurance Division contributor revenue audit report. Ms. Crowe responded to questions from the Board.

At 1:53 p.m. Eastern Time, on a motion duly made and seconded, with only non-staff members of the Board present, the Board continued in *Executive Session* for the purpose of discussing item a5.

- a5. Personnel Matters.** Mr. Gillan presented this items to the Board for consideration.

A. Consideration of 2019 Salary Increase for the USAC Chief Executive 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 proposed 2019 merit-based salary increase for the USAC CEO, as recommended by the Executive Compensation Committee, hereby approves the salary increase, effective retroactively as of January 1, 2019.

B. Consideration of Revision to USAC Compensation Policy To Include Annual Bonus Program for Senior Managers and Below. Mr. Gillan presented this 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 of Directors, having reviewed the revised USAC Compensation Policy recommended by the Executive Compensation Committee, hereby adopts the revised Compensation Policy set forth in Attachment B-1.

OPEN SESSION

At 2:09 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 a4 and a5 and discussed items i1C – i1F and i2.

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

On a motion duly made and seconded, the Board adjourned at 2:09 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

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

**Tuesday, May 21, 2019
2:00 p.m. – 3:00 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

ACTION ITEMS <i>Executive Session Recommended – Confidential</i>		<i>Estimated Duration in Minutes</i>
Craig	a1. Consideration of Contract Award for Security Controls Assessment Services	15
Craig	a2. Consideration of Contract Extension and Increase for Terrapin Consulting LLC, for DATA Act Project Management Consulting Services Agreement	15

Next Scheduled USAC Board of Directors Meeting

**Tuesday, July 30, 2019
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, May 21, 2019

MINUTES¹

A meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, May 21, 2019. Mr. Joel Lubin, Board Chair, called the meeting to order at 2:02 p.m. Eastern Time, with a quorum of 14 of the 19 Board members present:

Bocher, Robert – *by telephone*
Buzacott, Alan – *by telephone*
Feiss, Geoff – *by telephone*
Freeman, Sarah – *by telephone*
Gerst, Matthew – *by telephone*
Jacobs, Ellis – *by telephone*
Kinser, Cynthia – *by telephone*

Lubin, Joel – Chair – *by telephone*
Mason, Ken – Treasurer – *by telephone*
Schell, Julie Tritt – *by telephone*
Sekar, Radha – Chief Executive Officer
Wade, Dr. Joan – *by telephone*
Wein, Olivia – Secretary – *by telephone*
Wibberly, Dr. Kathy – *by telephone*

Mr. Atilla Tinic joined the call at 2:04 p.m. Eastern Time. He participated in the discussion and voted on items a1 and a2. Mr. Brent Fontana joined the meeting by telephone at 2:20 p.m. Eastern Time. He participated in the discussion and voted on item a2.

Members of the Board not present:

Choroser, Beth
Domenech, Dr. Dan
Gillan, Joe – Vice Chair

Officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel, and Assistant Secretary – *by telephone*
Davis, Craig – Vice President of Procurement and Sourcing Strategy
Salvator, Charles – Vice President of Finance, Chief Financial Officer and
Assistant Treasurer

Others present:

NAME
Boden, Jerry

COMPANY
USAC

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

<u>NAME</u>	<u>COMPANY</u>
Hutchinson, Kyle	USAC
Lawson, Suzanne	USAC
Nuzzo, Patsy	USAC
Tiwari, Tanya	USAC

OPEN SESSION

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

- a1. Consideration of Contract Award for Security Controls Assessment 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 Board 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 Extension and Increase for Terrapin Consulting LLC, for DATA Act Project Management Consulting Services Agreement.** 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 Board adopted the following resolution:

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

At 2:04 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 Contract Award for Security Controls Assessment Services.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposed contract award for security controls assessment services. The firm fixed price presented to the Board for approval covered the base year of the contract term, as well as four option years. During discussion the Board requested that future resolutions for multi-year contract awards indicate both the base cost and the number and cost of annual option years.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to required FCC approval, to award a contract to Coalfire Federal, for Security Controls Assessment services, for a firm fixed price of \$3,320,714.30 (plus applicable taxes).

- a2. Consideration of Contract Extension and Increase for Terrapin Consulting LLC, for DATA Act Project Management Consulting Services Agreement.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposed contract extension and increase for consulting services.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to extend through January 2020 and increase the value of the contract with Terrapin Consulting, LLC for DATA Act Project Management Consulting services by the amount of \$180,000, subject to required FCC approval, resulting in a total not to exceed contract value of \$417,900 (plus applicable taxes).

OPEN SESSION

At 2:25 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 and a2.

On a motion duly made and seconded, the Board adjourned at 2:26 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

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

<p>Tuesday, July 30, 2019 8:30 a.m. – 2:00 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: 20px;">A. Approval of Board of Directors Meeting Minutes of April 30, 2019 and May 21, 2019</p> <p style="padding-left: 20px;">B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i></p>	10
Chair	<p>a2. Reports from the Committee Chairs: Audit Committee, Executive Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee</p>	15
Pam	<p>a3. Approval of USAC Common and Consolidated 4rd Quarter 2019 Budgets for the August 2, 2019 FCC Filing</p>	15
Radha	<p>i1. Enterprise Business Updates:</p> <p style="padding-left: 20px;">A. CEO Business Update</p>	25
Kyle Joel D.	<p style="padding-left: 20px;">B. Information Technology (IT) Business Update</p> <ul style="list-style-type: none"> • Information Systems Strategic Vision 	30
Chris Little	<p style="padding-left: 20px;">C. Shared Services Business Update</p> <ul style="list-style-type: none"> • USAC Complaints Report 	10
Chris B.	<p style="padding-left: 20px;">D. Enterprise Portfolio Management Office Business Update</p> <ul style="list-style-type: none"> • Q2 2019 Summary (<i>For Information Only</i>) 	-

<u>EXECUTIVE SESSION</u>		
Confidential – Executive Session Recommended		
Chris	<p>i1. D. Enterprise Portfolio Management Office Business Update (<i>continued</i>)</p> <ul style="list-style-type: none"> • Enterprise Risk Management • DATA Act Project Update 	30
Charlie	<p>E. Finance</p> <ul style="list-style-type: none"> • Information on Contribution Factor 	15
Craig	<p>F. Procurement Business Update</p>	30
Charlie	<p>i2. USAC’s 2018 Annual Financial Audit and Agreed Upon Procedures Review</p>	20

<u>EXECUTIVE SESSION</u>		
Confidential – Executive Session Recommended		
<i>Same as aAC03cf</i>		
Jen Crowe	i3. Information on Two USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Reports	5
Ernesto	a4. Requests by Board Members for Non-Public Information	15
12:00 p.m.	Board of Directors Lunch	60

Next USAC Board of Directors Meeting

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

BOARD OF DIRECTORS MEETING
Tuesday, July 30, 2019

(DRAFT) MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, July 30, 2019. Mr. Joel Lubin, Board Chair, called the meeting to order at 8:31 a.m. Eastern Time, with a quorum 17 of the 19 Board members present:

Bocher, Robert	Kinser, Cynthia
Buzacott, Alan	Lubin, Joel – Chair
Choroser, Beth	Mason, Ken – Treasurer
Domenech, Dr. Dan	Schell, Julie Tritt
Freeman, Sarah	Sekar, Radha – Chief Executive Officer
Fontana, Brent	Tinic, Atilla
Gerst, Matthew	Wade, Dr. Joan
Gillan, Joe – Vice Chair	Wibberly, Dr. Kathy
Jacobs, Ellis	

Ms. Olivia Wein, Board Secretary, joined the meeting at 8:46 a.m. Eastern Time. She did not vote on items a1, a2, or a3.

Members of the Board not present:

Feiss, Geoff

Officers of the corporation present:

Ayer, Catriona – Vice President of Schools and Libraries
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
Hutchinson, Kyle – Vice President and Chief Information Officer
Salvator, Charles – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer

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

Sweeney, Mark – Vice President of Rural Health Care

Others present:

<u>NAME</u>	<u>COMPANY</u>
Bailey, Macey	USAC
Barrett, Henry	USAC
Batista, Everton	USAC
Bliss, Edward	USAC
Carpenter, Nikki-Blair	USAC
Crowe, Jen	USAC
Daguiar, Jamie	USAC
Daniels, Joel	USAC
Dankoff, Carrie	USAC
Gasztonyi, Laszlo	USAC
Goode, Vernell	USAC
Gustafson, Jaymie	USAC
Haur, Allen	Avitecture
Hughet, Pamela	USAC
Jalloh, Isata	USAC
Jones, Peggy	USAC
Kim, Nathan	USAC
Kriete, Debra	South Dakota DOE
Lawson, Suzanne	USAC
Lee, Brandon	USAC
Little, Chris	USAC
Matthews, Ellery	USAC
Miller, Arielle	USAC
Mitchell, Tamika	USAC
Morning, Kim	USAC
Nuzzo, Patsy	USAC
Palmer, Ryan	FCC
Parker, Ben	USAC
Patel, Amish	USAC
Sherlock, Matthew	USAC
Tamm, Nico	USAC
Theobald, Fred	USAC
Tiwari, Tanya	USAC

OPEN SESSION

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

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

A. Approval of Board Meeting Minutes of the April 30, 2019 and May 21, 2019.

B. Approval of Moving all *Executive Session* Items into *Executive Session*:

- (1) **i1** – Enterprise Business Updates (*Continued*).
 - **A.** CEO Business Update (*Continued*). USAC management recommends that discussion of this item occur in *Executive Session* because it involves ***confidential company data and internal controls***.
 - **D.** Enterprise Portfolio Management Office Business Update (*Continued*) – Enterprise Risk Management Update. USAC management recommends that this item be discussed in *Executive Session* because it involves ***specific internal controls and/or confidential company data and internal rules and procedures*** concerning the administration of the universal service support mechanisms where discussion of the matter in open session would result in ***disclosure of confidential techniques and procedures*** that would compromise program integrity.
 - **E.** Finance - Information on Contribution Factor. 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***.
 - **F.** Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's ***procurement strategy and contract administration***.
- (2) **i2** – USAC's 2018 Annual Financial Audit and Agreed Upon Procedures Review. USAC management recommends that this matter be discussed in *Executive Session* because it relates to ***specific internal controls, or confidential company data*** that would constitute a discussion of internal rules and procedures. In addition, this item includes information on the ***eligibility, payment status, request for funding, or other issue regarding a specific participant*** in any of the universal service support mechanisms where discussion of the matter in open session would reveal trade secrets or commercial or financial information obtained from a person or entity.
- (3) **i3** – Information on Two USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in *Executive Session* because it 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.**

- (4) **a4** – Request by Board Members for Non-Public Information. USAC management recommends that this item be discussed in **Executive Session** because it relates to USAC’s **specific internal controls or confidential company data** that would constitute a discussion of internal rules and procedures.

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: (1) the Board meeting minutes of April 30, 2019 and May 21, 2019; 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 January 2019 quarterly meetings. Mr. Tinic reported for the Audit Committee; Mr. Lubin reported for the Executive Committee; Mr. Gillan reported for the High Cost & Low Income Committee and Executive Compensation Committee; Dr. Wibberly reported for the Rural Health Care Committee; and Dr. Domenech reported for the Schools and Libraries Committee.
- a3. Approval of USAC Common and Consolidated 4th Quarter 2019 Budgets for the August 2, 2019 FCC Filing.** Ms. Hughet presented this item for consideration. The presentation included a written report on USAC management’s recommendations for USAC’s common and consolidated 4th quarter 2019 budgets for the August 2, 2019 FCC filing.

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

RESOLVED, that the USAC Board of Directors approves a 4th Quarter 2019 common budget of \$25.76 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$25.76 million for common costs in the required August 2, 2019 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 2019 consolidated budget of \$59.56 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$59.56 million for consolidated costs in the required August 2, 2019 filing to the FCC on behalf of the USAC Board of Directors.

i1. Enterprise Business Updates:

A. CEO Business Update. Ms. Sekar presented PowerPoint slides covering the following to the Board:

1. Recap of all Action Items from previous Board Meeting
2. Upcoming USAC Priorities:
 - Digital Opportunity Data Collection
 - Connected Care Pilot Program
 - E-rate Modification of FCC Form 470
 - National Verifier Rollout
 - High Cost Rural/Broadband Fund
 - Enterprise Resource Planning (ERP)
 - Rural Health Care Reform Order

B. Information Technology Business Update. Mr. Hutchinson and Mr. Daniels presented PowerPoint slides covering the following to the Board:

1. Current IT Issues and Future Vision
2. Q2 2019 Activities & Progress to meet the IT Vision
3. IT Reorganization
4. Security Score Card
5. IT Timeline at a Glance

C. Shared Services Business Update – USAC Complaints Report. Mr. Little presented PowerPoint slides covering the following to the Board:

1. Background: Complaints Reporting
2. Definitions and Sources
3. Complaints:
 - About USAC: Received/Resolved
 - About USAC: Resolved/Unresolved
 - About USAC: Q2 by Disposition and Program
 - About Non-USAC Entities by Disposition and Quarter
4. Key Complaint Themes and Resolutions

D. Enterprise Portfolio Management Office Business Update – Q2 Summary. The EPMO Q2 2019 Summary was provided for information purposes only.

At 10:09 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 in *Executive Session* at 10:25 a.m. Eastern Time.

EXECUTIVE SESSION

D. Enterprise Portfolio Management Office Business Update (Continued) – Enterprise Risk Management Update. Mr. Beyerhelm presented PowerPoint slides covering the following to the Board:

1. Enterprise Risks:
 - 2019 Q1 Heatmap
 - 2019 Q1 Risks with Revised Q2 Status
 - Q2 Heatmap
2. Data Act Project
 - Introduction
 - Scope of USAC Reporting
 - Timeline
 - Stakeholder Impact

E. Finance – Information on Contribution Factor. Mr. Salvatore presented this item to the Board. The presentation included a written report providing USAC’s estimate for the 4th quarter 2019 contribution factor.

F. Procurement Business Update. Mr. Davis presented PowerPoint slides to the Board that covered the following:

1. Procurement Organizational Changes
2. Procurement At a Glance: 3Q & 4Q 2019
3. Procurement Process & Improvements

i2. USAC’s 2018 Annual Financial Audit and Agreed Upon Procedures Review. Mr. Salvator presented this item to the Board.

At 12:00 p.m. Eastern Time, the Board moved recessed for lunch, reconvening in *Executive Session* at 1:00 p.m. Eastern Time.

i1A. CEO Update (Continued). Ms. Sekar continued her presentation to the Board.

i3. Information on Two USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Report. The Board received a report with information on two USAC Audit and Assurance Division contributor revenue audit reports. The reports were provided for informational purposes; no discussion was held on this item.

a4. Requests by Board Members for Non-Public Information. 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 adopts the proposed procedure for requesting non-public information related to the Universal Service Fund that may be relevant to the oversight functions of the Board or its Committees.

OPEN SESSION

At 1:38 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 Board took action on item a4 and discussed items i1, i2, and i3.

On a motion duly made and seconded, the Board adjourned at 1:48 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

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

**Monday, October 7, 2019
4:00 p.m. – 5:00 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

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

Next Scheduled USAC Board of Directors Meeting

**Tuesday, October 29, 2019
8:30 a.m. – 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
Monday, October 7, 2019

(DRAFT) MINUTES¹

A meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, October 7, 2019. Mr. Joel Lubin, Board Chair, called the meeting to order at 4:05 p.m. Eastern Time, with a quorum of 13 of the 19 Board members present:

Bocher, Robert – *by telephone*
Buzacott, Alan – *by telephone*
Choroser, Beth – *by telephone*
Feiss, Geoff – *by telephone*
Gerst, Matthew – *by telephone*
Gillan, Joe – Vice Chair – *by telephone*
Jacobs, Ellis – *by telephone*

Lubin, Joel – Chair – *by telephone*
Mason, Ken – Treasurer – *by telephone*
Sekar, Radha – Chief Executive Officer
Wade, Dr. Joan – *by telephone*
Wein, Olivia – Secretary – *by telephone*
Wibberly, Dr. Kathy – *by telephone*

Ms. Cynthia Kinser joined the call at 4:18 p.m. Eastern Time. She participated in the discussion and voted on item a1.

Members of the Board not present:

Domenech, Dr. Dan
Fontana, Brent
Freeman, Sarah
Schell, Julie Tritt
Tinic, Atilla

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

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
James, Christine	USAC
Mitchell, Tamika	USAC
Nuzzo, Patsy – <i>by telephone</i>	USAC
Tiwari, Tanya	USAC

OPEN SESSION

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

- a1. **Consideration of Contract Awards for the USAC Employee Benefit Programs.** 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 Board adopted the following resolution:

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

At 4:06 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential item listed above.

EXECUTIVE SESSION

- a1. **Consideration of Contract Awards for the USAC Employee Benefit Programs.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposed contract award for USAC employee benefits for calendar year 2020, to include medical and prescription drug benefits and dental, vision, life and disability benefits.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management, subject to FCC approval, to award a one-year contract for employee medical benefits to Cigna for a not-to-exceed cost of \$13,592,818, and to award a one-year contract to Guardian for dental, vision, life, and disability benefits, for a not-to-exceed cost of \$1,455,266. The total estimated costs for the 2020 USAC employee benefits program is \$15,048,084.

OPEN SESSION

At 4:29 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 Board took action on item a1.

On a motion duly made and seconded, the Board adjourned at 4:32 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

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

<p>Tuesday, October 29, 2019 8:30 a.m. – 2:00 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>

	<u>OPEN SESSION</u>	<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each available for discussion upon request): A. Approval of Board of Directors Meeting Minutes of July 30, 2019 and October 7, 2019. B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i></p>	5
Chair	<p>a2. Reports from the Committee Chairs: Audit Committee, Executive Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee</p>	15
Pam	<p>a3. Approval of USAC Common and Consolidated 1st Quarter 2020 Budgets for the November 1, 2019 FCC Filing</p>	15
Chair	<p>a4. Appointment of a Nominating Committee and Direction to Committees for the Appointment of Committee Chairs and Vice Chairs</p>	10
Kim	<p>a5. Consideration of Approval to Reimburse Board Members to Attend an Event Other Than a USAC Board or Committee Meeting</p>	5
Charlie	<p>a6. Approval to Dissolve the <i>USAC Funds Guidelines for Investments</i> and the USAC Investment Committee</p>	10
Kyle	<p>i1. Enterprise Business Updates: B. Information Technology Update</p>	30
Chris B.	<p>C. Enterprise Portfolio Management Office(EPMO) Q3 2019 Summary <i>(For Information Only)</i></p>	–

<u>EXECUTIVE SESSION</u>		
Confidential – Executive Session Recommended		
Radha	<p>i1. Enterprise Business Updates (Continued): A. CEO Business Update</p>	25
Chris	<p>C. EPMO - Enterprise Risk Management Update <i>(continued)</i></p>	30
Tamika	<p>D. Human Resource Business Update</p>	20
Charlie	<p>E. Information on Contribution Factor</p>	15

<u>EXECUTIVE SESSION</u>		
Confidential – Executive Session Recommended		
Craig	F. Procurement Business Update	5
Craig	a7. Consideration of Contract Awards for the Beneficiary and Contributor Audit Program Services	10
Craig	a8. Consideration of One-Year Contract Option for Call Center Services	10
Craig	a9. Consideration of Increase in the Not-to-Exceed Contract Value for the Dell/EMC Transformational License Agreement	10
Craig	a10. Consideration of Increase in the Not-to-Exceed Contract Value for Okta Licensing	10
Craig	a11. Consideration of One-Year Contract Renewal for Oracle License Support	10
Jen Crowe	i2. Information on Two USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Reports	5
Kim / Mitch	i3. USAC Fraud Risk Assessment Framework	15
Tamika	a12. Personnel Matter - Consideration of 2020 Merit-Based Salary Increase and Incentive Award Program for USAC Employees	15
Kim	i4. Board Discussion on Confidentiality	5
12:00 p.m.	Executive Session – E-Gov (Lunch)	60

Next USAC Board of Directors Meeting

<p>Tuesday, January 28, 2020 8:30 a.m. – 2:00 p.m. Eastern Time USAC Offices, Washington, D.C.</p>

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

BOARD OF DIRECTORS MEETING
Tuesday, October 29, 2019

MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, October 29, 2019. Mr. Joel Lubin, Board Chair, called the meeting to order at 8:33 a.m. Eastern Time, with a quorum of 16 of the 19 Board members present:

Bocher, Robert	Jacobs, Ellis - <i>by telephone</i>
Buzacott, Alan	Kinser, Cynthia
Choroser, Beth	Lubin, Joel – Chair
Domenech, Dr. Dan	Mason, Ken – Treasurer
Feiss, Geoff	Schell, Julie Tritt
Freeman, Sarah	Sekar, Radha – Chief Executive Officer
Gerst, Matthew	Wade, Dr. Joan
Gillan, Joe – Vice Chair	Wibberly, Dr. Kathy

Ms. Olivia Wein, Board Secretary, joined the meeting at 8:52 a.m. Eastern Time. She did not vote on items a1.

Members of the Board not present:

Fontana, Brent
Tinic, Atilla

Officers of the corporation present:

Ayer, Catriona – Vice President of Schools and Libraries
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
Hutchinson, Kyle – 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

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Adkins, Sean	USAC
Bean, Peter	USAC
Bliss, Edward	USAC
Butler, Stephen	USAC
Calhoun, Mitchell	USAC
Alfred, Kraynal	USAC
Crowe, Jen	USAC
D'Aguiar, J'amie	USAC
Dankoff, Carrie	USAC
Fitzpatrick, Leo	Free Press
Gidley, Susan	USAC
Goode, Vernell	USAC
Gustafson, Jaymie	USAC
Hughet, Pamela	USAC
James, Christine	USAC
Jones, Peggy	USAC
King, Lauren	USAC
Kriete, Debra	South Dakota DOE
Lee, Brandon	USAC
Little, Chris	USAC
Lutin, Smyth	USAC
Mattes, Emily	USAC
Mitchell, Tamika	USAC
Morning, Kim	USAC
Nuzzo, Patsy	USAC
Parker, Ben	USAC
Patel, Amish	USAC
Pilsch, Tracey	USAC
Rand, Spencer	USAC
Rios, Estee	USAC
Robinson, Ben	USAC
Schecker, Larry	USAC
Sinkfield, David	USAC
Smith Denise	Kelley Drye & Warren, LLP
Sprung, Karen	FCC
Tamm, Nico	USAC
Theobald, Fred	USAC
Tiwari, Tanya	USAC

OPEN SESSION

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

- a1. Consent Items.** Mr. Lubin presented this item to the Board.
- A.** Approval of Board Meeting Minutes of the July 30, 2019 and October 7, 2019.
- B.** Approval of Moving all *Executive Session* Items into *Executive Session*:
- (1) **i1** – Enterprise Business Updates (*Continued*).
- **A.** CEO Business Update. USAC management recommends that this item be discussed in *Executive Session* because it may include discussion of *internal controls and/or confidential company data*, and *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*.
 - **C.** Enterprise Portfolio Management Office (*Continued*) – Enterprise Risk Management Update. USAC management recommends that this item be discussed in *Executive Session* because it involves *specific internal controls and/or confidential company data* and *internal rules and procedures* concerning the administration of the universal service support mechanisms where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
 - **D.** Human Resource Business Update. USAC management recommends that occur in *Executive Session* because it involves *confidential company data* and *personnel matters*.
 - **E.** Information on Contribution Factor. 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*.
 - **F.** Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (2) **a7.** Consideration of Contract Awards for the Beneficiary and Contributor Audit Program Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

- (3) **a8.** Consideration of One-Year Contract Option for Call Center Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (4) **a9.** Consideration of Increase in the Not-to-Exceed Contract Value for the Dell/EMC Transformational License Agreement. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (5) **a10.** Consideration of Increase in the Not-to-Exceed Contract Value for Okta Licensing. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (6) **a11.** Consideration of One-Year Contract Renewal for Oracle License Support. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (7) **i2.** Information on Two USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in *Executive Session* because it 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*.
- (8) **i3.** Information on USAC Fraud Risk Assessment Framework. USAC management recommends that this item be discussed in *Executive Session* because it involves *specific internal controls and/or confidential company data* and *internal rules and procedures* concerning the administration of the universal service support mechanisms where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (9) **a12.** Personnel Matter – Consideration of 2020 Merit-Based Salary Increase and Incentive Award Program for USAC Employees. USAC management recommends that occur in *Executive Session* because it involves *personnel matters*.
- (10) **i4.** Board Discussion on Confidentiality. USAC management recommends that this item be discussed in *Executive Session* because it may include discussion of matters subject to *attorney-client privilege*.
- (11) **E-Gov – Board Lunch.** USAC management recommends that this item be discussed in *Executive Session* because it involves *specific internal controls and/or confidential company data* and *internal rules and procedures* concerning the administration of the universal service support mechanisms where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

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: (1) the Board meeting minutes of July 30, 2019 and October 7, 2019; and (2) discussion in *Executive Session* of the items noted above.

- a2. Reports from Committee Chairs: Audit Committee, Executive 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 2019 quarterly meetings. Mr. Feiss reported for the Audit Committee; Mr. Lubin reported for the Executive Committee; Mr. Gillan reported for 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. Approval of USAC Common and Consolidated 1st Quarter 2020 Budgets for the November 1, 2019 FCC Filing.** Ms. Hughet presented this item for consideration. The presentation included a written report on USAC management's recommendations for USAC's common and consolidated 1st quarter 2020 budgets for the November 1, 2019 FCC filing.

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

RESOLVED, that the USAC Board of Directors approves a 1st Quarter 2020 common budget of \$23.91 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$23.91 million for common costs in the required November 1, 2019 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 2020 consolidated budget of \$59.10 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$59.10 million for consolidated costs in the required November 1, 2019 filing to the FCC on behalf of the USAC Board of Directors.

- a4. Appointment of a Nominating Committee and Direction to Committees for the Appointment of Committee Chairs and Vice Chairs.** Mr. Lubin presented this item to the Board, offering names for consideration for the 2020 Nominating Committee, directing the Nominating Committee to recommend nominations for USAC officer positions, and directing each Committee to submit their nominations for a chair and vice chair of each respective committee at the January

2020 Board of Directors meeting .

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

RESOLVED, that the USAC Board of Directors establishes a Nominating Committee and directs the Committee to recommend to the USAC Board of Directors at its January 28, 2020 meeting nominations for the elected USAC officer positions; and

RESOLVED FURTHER, that the USAC Board of Directors appoints **Matt Gerst** as Nominating Committee Chair and **Olivia Wein** and **Julie Tritt Schell** 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 28, 2020 meeting nominations for a chair and vice chair of each respective committee.

- a5. Consideration of Approval to Reimburse Board Members to Attend an Event Other Than a USAC Board or Committee Meeting.** Ms. Morning presented this item to the Board for consideration, approving reimbursement for the Chair, Vice Chair and Treasurer of the Board to travel to Washington, D.C. to review and discuss the 2020 Annual Budgets with USAC management.

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 2020 Budget Planning Review.

- a6. Approval to Dissolve the USAC Funds Guidelines for Investments and the USAC Investment Committee.** Mr. Salvator presented this item to the Board for consideration, noting that USAC is no longer making new investment purchases due to the transfer of cash held for the Universal Service fund to the U.S. Treasury, and that the final investment was liquidated and transferred to the U.S. Treasury on August 15, 2019.

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

RESOLVED, that the USAC Board of Directors approves dissolving the *USAC Funds Guidelines for Investments* and the Investment Committee.

i1. Enterprise Business Updates:

B. Information Technology Update. Mr. Hutchinson presented PowerPoint slides covering the following to the Board:

1. Q3 2019 Activities and 2020 Outlook
 - 2019 Q3 Updates at a Glance
 - Q4 2019-2020
 - IT Security/FISMA Snapshot

C. Enterprise Portfolio Management Office (EPMO) Q3 2019 Summary.

The EPMO Q3 2019 Summary was provided for information purposes only.

At 9:30 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

A. CEO Business Update. Ms. Sekar presented PowerPoint slides covering the following to the Board:

1. Recap of action items and updates from previous Board and committee meetings
2. IT Accomplishments: FISMA
3. 2020 USAC Priorities:
 - Digital Opportunity Data Collection
 - Rural Health Care Connected Care Pilot Program
 - E-rate Modification of FCC Form 470
 - Lifeline National Verifier Rollout
 - High Cost Rural/Broadband Fund
 - Enterprise Resource Planning (ERP)
 - Rural Health Care Reform Order

C. Enterprise Portfolio Management Office Business Update (Continued) – Enterprise Risk Management Update. Mr. Beyerhelm presented PowerPoint slides covering the following to the Board:

1. Enterprise Risks:
 - Enterprise Risk Management Framework
 - Enterprise Risks – Q2 Heat map
 - Enterprise Risks – Q2 to Q3
 - Enterprise Risks – Q3 Heat map

The Board then recessed 10:25 a.m. Eastern Time and reconvened, continuing in *Executive Session* at 10:37 a.m. Eastern Time.

E. Finance – Information on Contribution Factor. Mr. Salvatore presented this item to the Board. The presentation included a written report providing USAC's estimate for the 1st quarter 2020 contribution factor.

F. Procurement Business Update. Mr. Davis presented PowerPoint slides to the Board that covered major Procurement activities for 4Q 2019 & 1Q 2020.

- a7. Consideration of Contract Awards for the Beneficiary and Contributor Audit Program Services.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposed contract award for nine indefinite delivery indefinite quantity (IDIQ) task order based contracts for Beneficiary and Contributor Audit Program (BCAP) services.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to required FCC approval, to award the Beneficiary and Contributor Audit Program Services IDIQ contracts to KPMG LLP, Cotton & Company, Kearney & Company, Regis & Associates PC, Clifton Larson Allen LLP, DP George & Company, Cohn Reznick LLP, Hurlbert CPA LLC, and Mitchell & Titus LLP, for a one-year base period, with the ability to exercise four additional one-year options, subject to requisite FCC and Board of Directors approvals. The task orders collectively under all of these IDIQ contracts will not exceed \$10.00 million (plus applicable taxes) over the initial one-year term.

- a8. Consideration of a One-Year Contract Option for Call Center Services.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposal to exercise a second one-year contract option for call center services with Sutherland Government Solutions, Inc.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise the second one-year contract option to purchase call center services from Sutherland Government Solutions, Inc. for a not-to-exceed amount of \$1.59 million (plus applicable taxes), subject to required FCC approval.

- a9. Consideration of Increase in the Not-to-Exceed Contract Value for the Dell/EMC Transformational License Agreement.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposal to increase the not-to-exceed amount of the three-year Dell/EMC Transformational Licensing Agreement (TLA) contract with Clearpath Solutions Group (Clearpath) for software licenses and software support for USAC's data storage environments.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to required FCC approval, to increase the firm fixed price amount of the three-year Dell/EMC Transformational Licensing Agreement contract with Clearpath Solutions Group for software licenses and software support for USAC's data storage environments by \$31,286 from the total price of \$1,624,674 to \$1,655,960 (plus applicable taxes).

- a9. Consideration of Increase in the Not-to-Exceed Contract Value for Okta Licensing.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposal to increase the not-to exceed amount of the support services and licensing contract with Okta Inc. (Okta).

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management, subject to required FCC approval, to increase the not-to-exceed amount of the support services and licensing contract with Okta Inc. by \$269,485.42 from \$907,567 to \$1,177,052.42 (plus applicable taxes) to cover the cost of 700 additional Okta licenses for internal users and up to 300,000 Okta Licenses for external users to ensure USAC compliance with established security standards.

- a11. Consideration of One-Year Contract Renewal for Oracle License Support.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposal to renew the current technical support contract for Oracle licenses with Oracle Corporation for one year.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to renew USAC's technical support services Contract with Oracle Corporation for one year for a not-to-exceed amount of \$1,300,000 (plus applicable taxes).

At 11:30 p.m. Eastern Time, the Board continued in *Executive Session* with only members of the Board present for lunch and a discussion on E-Gov, reconvening in *Executive Session* at 1:06 p.m. Eastern Time.

- i2. **Information on Two USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Reports.** The Board received a report with information on two USAC Audit and Assurance Division contributor revenue audit reports. The report was provided for informational purposes; no discussion was held on this item.

At 1:09 p.m. Eastern Time the Board continued in *Executive Session* with members of the Board, USAC leadership, and members of the Office of General Council present.

- i3. **Fraud Risk Assessment Framework.** Ms. Morning and Mr. Calhoun presented this item to the Board for discussion.

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

D. Human Resource Business Update. Ms. Mitchell presented PowerPoint slides covering the following to the Board:

- 2019 Key Goals and Accomplishments
- Risk Management: Human Resources
- Q3 Operational Performance Metrics
- Recruiting and Hiring

At 1:57 p.m. Eastern Time, the meeting continued in *Executive Session* with only members of the Board, Ms. Mitchell, and Ms. Morning present.

- a12. **Personnel Matter - Consideration of 2020 Merit-Based Salary Increase and Incentive Award Program for USAC Employees.** Ms. Mitchell presented this item to the Board for consideration. The presentation covered the 2020 salary increase and incentive awards program for USAC employees proposed by the USAC Chief Executive Officer and the Executive Compensation Committee

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

RESOLVED, that the USAC Board of Directors, having reviewed the USAC management and the Executive Compensation Committee proposed 2020 merit-based salary increase and incentive awards program for USAC employees, hereby approves the proposed program.

At 1:59 p.m. Eastern Time, the meeting continued in *Executive Session* with only members of the Board and Ms. Morning present.

- i4. **Board Discussion on Confidentiality.** Ms. Morning presented this item for discussion.

OPEN SESSION

At 2:10 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.

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

Lubin reported that in *Executive Session*, the Board took action on items a7 – a12 and discussed items i1A, C – F and i2 – i4.

On a motion duly made and seconded, the Board adjourned at 2:10 p.m.. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

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

**Monday, December 9, 2019
3:00 p.m. – 4:00 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

ACTION ITEMS <i>Executive Session Recommended – Confidential</i>		<i>Estimated Duration in Minutes</i>
Craig	a1. Consideration of Contract Award for Analysis, Requirements, and Project Management Office Support for ERP System Services.	15
Craig	a2. Consideration of One Year Contract Options for Information Technology Temporary Staffing.	15

Next Scheduled USAC Board of Directors Meeting

**Tuesday, January 28, 2020
8:30 a.m. – 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
Monday, December 9, 2019

MINUTES¹

A meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, December 9, 2019. Mr. Joel Lubin, Board Chair, called the meeting to order at 3:02 p.m. Eastern Time, with a quorum of 15 of the 19 Board members present:

Bocher, Robert – *by telephone*
Buzacott, Alan – *by telephone*
Choroser, Beth – *by telephone*
Domenech, Dr. Dan – *by telephone*
Feiss, Geoff – *by telephone*
Fontana, Brent – *by telephone*
Freeman, Sarah – *by telephone*
Gillan, Joe – Vice Chair – *by telephone*

Jacobs, Ellis – *by telephone*
Lubin, Joel – Chair – *by telephone*
Mason, Ken – Treasurer – *by telephone*
Julie Tritt Schell – *by telephone*
Sekar, Radha – Chief Executive Officer
Wade, Dr. Joan – *by telephone*
Wibberly, Dr. Kathy – *by telephone*

Members of the Board not present:

Gerst, Matthew
Kinser, Cynthia
Tinic, Atilla
Wein, Olivia – Secretary

Officers of the corporation present:

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Daniels, Joel	USAC
James, Christine	USAC
Nuzzo, Patsy – <i>by telephone</i>	USAC

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

NAME
Tiwari, Tanya

COMPANY
USAC

OPEN SESSION

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

- a1. **Consideration of Contract Award for Analysis, Requirements, and Project Management Office Support for ERP System 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 Board 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 One Year Contract Option for Information Technology Temporary Staffing.** 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 Board 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 Contract Award for Analysis, Requirements, and Project Management Office Support for ERP System Services.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposed award of a firm fixed price contract to Ernst & Young US LLP (Ernst & Young), for financial systems and process analysis, functional system requirements gathering and project management office (PMO) support for an Enterprise Resource Planning (ERP) system project.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to required FCC approval, to award a firm fixed price contract to Ernst & Young, for financial systems and process analysis, functional system requirements gathering, and

PMO support for an ERP system project, for a base period of eighteen (18) months for approximately \$3.1 million (plus applicable taxes), with the ability to exercise three additional one-year terms, subject to required FCC and Board approvals, for a total not-to-exceed amount of \$5.41 million (plus applicable taxes) over the base period and three one-year options.

- a2. Consideration of One Year Contract Options for Information Technology Temporary Staffing.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposal to exercise a second one-year option for each of the seven indefinite delivery indefinite quantity (IDIQ) contracts for Information Technology (IT) temporary staff augmentation

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to exercise a one-year option for each of the seven IDIQ contracts with Manpower Group Public Sector, Inc.; Mindlance, Inc.; HireStrategy; Ampcus; Powersolv; Zolon Tech, Inc.; and VIVA USA, Inc. for IT temporary staff augmentation, 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 \$5 million (plus applicable taxes) in the aggregate during the one-year option period.

OPEN SESSION

At 3:41 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 and a2.

On a motion duly made and seconded, the Board adjourned at 3:42 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
Monday, December 23, 2019

MINUTES

In a Public Notice, dated December 16, 2019 (DA 19-1277), Federal Communications Commission (FCC or Commission) Chairman Pai appointed the following six individuals to the USAC Board of Directors (Board):

- Representative for libraries that are eligible to receive discounts pursuant to section 54.501 of the Commission's rules: Amber Gregory, Manager of E-Rate Services, Arkansas State Library;
- Representative for cable operators: Beth Choroser, Vice President of Regulatory Affairs, Comcast Corporation;
- Representative for schools that are eligible to receive discounts pursuant to section 54.501 of the Commission's rules: Dr. Daniel A. Domenech, Executive Director, AASA, The School Superintendents Association;
- Representative for commercial mobile radio service providers: Matt Gerst, Director for Regulatory Affairs, CTIA;
- Representative for state consumer advocates: Jeffrey Jay Waller, Alaska Office of the Attorney General, Chief Assistant, Attorney General for the Regulatory Affairs & Public Advocacy Section; and
- Representative for incumbent local exchange carriers (Bell Operating Companies): Stephanie Polk, Vice President of Customer Advocacy, CenturyLink

On December 19, 2019, the Board was requested to vote by written unanimous consent to elect these members to the Board and appoint them to a committee by virtue of the constituency they represent.

a1. Election of Members to the USAC Board of Directors and Appointment of Members to Programmatic Committees. On December 23, 2019, 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, 2020:¹

- Dr. Daniel A. Domenech for a term expiring on December 31, 2022;
- Beth Choroser, for a term expiring on December 31, 2022;

¹ Each is director is appointed for a three year term. See 47 C.F.R. § 54.703(d).

- Matthew Gerst, for a term expiring on December 31, 2022;
- Amber Gregory, for a term expiring on December 31, 2022;
- Stephanie Polk for a term expiring on December 31, 2022; and
- Jeffery Jay Waller for a term expiring on December 31, 2022; and

RESOLVED FURTHER, that each of the aforementioned directors shall remain a director until such director's: (i) 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:

- Dr. Daniel Domenech and Amber Gregory are hereby appointed to the Schools & Libraries Committee;
- Matthew Gerst, Stephanie Polk and Jeffery Waller are hereby appointed to the High Cost & Low Income Committee; and
- Jeffery Waller is hereby appointed to the Rural Health Care Committee.

/s/ Ernesto Beckford
Assistant Secretary