

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

<p><b>Monday, January 28, 2019</b>  <b>2:00 p.m. – 5:00 p.m. Eastern Time</b>  <b>USAC Offices</b>  <b>700 12th Street, N.W., Suite 900</b>  <b>Washington, D.C. 20005</b></p>
--

<b><u>HIGH COST OPEN SESSION</u></b>		<i>Estimated Duration in Minutes</i>
Chair	<p><b>a1.</b> Consent Items (each available for discussion upon request):</p> <p style="padding-left: 20px;"><b>A.</b> Approval of High Cost &amp; Low Income Committee Meeting Minutes of October 29, 2018 and November 14, 2018</p> <p style="padding-left: 20px;"><b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></p>	5
Chair	<p><b>a2.</b> Recommendation for Election of Committee Chair and Vice Chair</p>	5
Vic	<p><b>a3.</b> Approval of High Cost Support Mechanism 2nd Quarter 2019 Programmatic Budget and Demand Projection for the January 31, 2019 Filing</p>	10
Kianna Braxton-Johnson	<p><b>i1.</b> Information on 10 USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports</p>	5
Vic/ Amanda, Sammy and Habib	<p><b>i2.</b> High Cost Support Mechanism Business Update</p> <ul style="list-style-type: none"> <li>• 2018 Accomplishments</li> <li>• 2019 Goals</li> <li>• Performance Measure Order Discussion</li> </ul>	35

<b><u>HIGH COST EXECUTIVE SESSION</u></b>		
<b>Confidential – Executive Session Recommended</b>		
Vic	<p><b>a4.</b> Approval of High Cost Support Mechanism 2019 Annual Programmatic Budget</p>	15

<b><u>LOW INCOME OPEN SESSION</u></b>		<i>Estimated Duration in Minutes</i>
Michelle	<b>a5.</b> Approval of Low Income Support Mechanism 2nd Quarter 2019 Programmatic Budget and Demand Projection for the January 31, 2019 Filing	10
Jeanette Santana-Gonzalez	<b>i3.</b> Information on 20 USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports	5
Michelle	<b>i4.</b> Low Income Support Mechanism (Lifeline) Business Update <ul style="list-style-type: none"> <li>• 2018 Accomplishments</li> <li>• 2019 Goals</li> <li>• NV – Readiness to Roll out Remaining States</li> </ul>	35

<b><u>LOW INCOME EXECUTIVE SESSION</u></b>		
<b>Confidential – Executive Session Recommended</b>		
Michelle	<b>a6.</b> Approval of Low Income Support Mechanism 2019 Annual Programmatic Budget	15
Jeanette Santana-Gonzalez	<b>i5</b> Information on One USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Report	5
Chair	<b>i6.</b> <i>Executive Session</i> Discussion with the Committee/Board	10

**Next Scheduled USAC High Cost & Low Income Committee Meeting**

<p><b>Monday, April 29, 2019</b>  <b>2:00 a.m. – 4:30 p.m. Eastern Time</b>  <b>USAC Offices, Washington, D.C.</b></p>
--

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**700 12<sup>th</sup> Street NW, Suite 900**  
**Washington, D.C. 20005**

**HIGH COST & LOW INCOME COMMITTEE MEETING**  
**Monday, January 28, 2019**

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

The quarterly meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, January 28, 2019. Mr. Gillan, Committee Chair, called the meeting to order at 2:25 p.m. Eastern Time, with all 11 Committee members present:

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

Other Board members and officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel, and Assistant Secretary  
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management  
Bocher, Bob – Member of the Board  
Buzacott, Alan – Member of the Board  
Davis, Craig – Vice President of Procurement and Sourcing Strategy  
Delmar, Teleshia – Vice President of Audit and Assurance  
Fontana, Brent – Member of the Board  
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  
Schell, Julie Tritt – Member of the Board  
Sweeney, Mark – Vice President of Rural Health Care  
Wade, Dr. Joan – Member of the Board  
Wibberly, Dr. Kathy – Member of the Board

Others present:

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

<b><u>NAME</u></b>	<b><u>COMPANY</u></b>
Abera, Nikki	USAC
Ahmed, Sharmarke	USAC
Alomari, Ghanem	USAC
Bilodeau, Amanda	USAC
Braxton-Jackson, Kianna	USAC
Butler, Stephen	FCC
Carpenter, Nikki-Blair	USAC
Daniels, Joel	USAC
Fischer, Dennis	USAC
Gustafson, Jaymie	USAC
Holo, Melissa	USAC
Hughet, Pam	USAC
Hutchinson, Kyle	USAC
Kahn, Sammy	USAC
Landry, Chris	USAC
Lee, James	USAC
Miller, Catherine	USAC
Nuzzo, Patsy	USAC
Pryor, Sonovia	USAC
Qudsia, Anissa	USAC
Rasamalle, Sharon	USAC
Ruffley, Brandon	USAC
Santana-Gonzales, Jeanette	USAC
Simab, Habib	USAC
Smith, Chris	USAC
Snowman, Stephen	FCC
Sorini, Leah	USAC
Sunn, Meagan	USAC
Tawes, Pauline	USAC
Tessler, Joelle	USAC
Tiwari, Tanya	USAC
Tomlin, Nicole	USAC
Weith, Tim	USAC
Williams, Romanda	USAC

### **HIGH COST OPEN SESSION**

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

**a1. Consent Items.** Mr. Gillan introduced this item to the Committee:

- A.** Approval of Committee Meeting Minutes of October 29, 2018 and November 14, 2018.

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

- (1) **a4** – Approval of High Cost Support Mechanism 2019 Annual Programmatic Budget. USAC management recommends this item be discussed in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.
- (2) **a6** – Approval of Low Income Support Mechanism 2019 Annual Programmatic Budget. USAC management recommends this item be discussed in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.
- (3) **i5.** – Information on One USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Report. USAC management recommends that this matter be discussed in *Executive Session* because the report relate to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.
- (4) **i6** – Executive Session Discussion with the Committee/Board. USAC management recommends this item be discussed in *Executive Session* because the matter relates to the Committee’s oversight responsibilities and may involve discussion of *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

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

**RESOLVED**, that the USAC High Cost & Low Income Committee hereby approves: (1) the Committee meeting minutes of October 29, 2018 and November 14, 2018; and (2) discussion in *Executive Session* of the items noted above.

- a2. Recommendation for Election of Committee Chair and Vice Chair.** Mr. Gillan introduced this item and Mr. Mason, Chair of the Nominating Committee, shared the Nominating Committee recommendations for the leadership positions.

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

**RESOLVED**, that the USAC High Cost & Low Income Committee recommends that the USAC Board of Directors elect **Joe Gillan** as Chair and **Olivia Wein** as Vice Chair of the Committee. The term for each position begins immediately upon the election to such position by the Board and ends at such time as the Chair or Vice Chair (as the case may be): (i) is replaced

by a successor selected by the Board, (ii) resigns from the Committee or the Board, (iii) is removed by resolution of the Board, or (iv) is no longer a member of the Board (whichever comes first).

- a3. Approval of High Cost Support Mechanism 2nd Quarter 2019 Programmatic Budget and Demand Projection for the January 31, 2019 Filing.** Mr. Gaither presented this item for consideration. The presentation included a written report on USAC management's recommendations for the High Cost Support Mechanism 2nd quarter 2019 programmatic budget and demand projection for the January 31, 2019 FCC filing.

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

**RESOLVED**, that the USAC High Cost & Low Income Committee approves a 2nd Quarter 2019 High Cost Support Mechanism direct program budget of \$5.76 million; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$5.76 million for High Cost Support Mechanism administrative costs in the required January 31, 2019 filing to the FCC on behalf of the Committee; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on January 28, 2019, a summary of the 2nd Quarter 2019 High Cost Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required January 31, 2019 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i1. Information on 10 USAC Audit and Assurance Division High Cost Support Mechanism Beneficiary Audit Reports.** The Committee received a report with information on 10 USAC Audit and Assurance Division High Cost Support Mechanism beneficiary audit reports. The reports were provided for informational purposes; no discussion was held on this item.
- i2. High Cost Support Mechanism Business Update.** Mr. Gaither, Ms. Bilodeau, Mr. Kahn, and Mr. Simab presented PowerPoint slides covering the following:
1. 2018 Accomplishments
  2. 2018 Operational Performance Synopsis
  3. 2019 Goals and Objectives
  4. 2019 Look Ahead
  5. Discussion Topics: Performance Measures Order

- a. CAF II Verification Closure Update
- b. Performance Measures Order Update
- c. Major Risk and Mitigation Strategy

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

#### **HIGH COST EXECUTIVE SESSION**

- a4. Approval of High Cost Support Mechanism 2019 Programmatic Budget.** Mr. Gaither presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendations for the High Cost Support Mechanism 2019 programmatic budget.

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

**RESOLVED**, that the High Cost & Low Income Committee approves a 2019 annual programmatic budget for the High Cost Support Mechanism of \$21.9 million.

At 3:36 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*. Mr. Gillan reported that the Committee took action on item a4. The Committee recessed and reconvened at 3:46 p.m. Eastern Time.

#### **LOW INCOME OPEN SESSION**

- a5. Approval of Low Income Support Mechanism 2nd Quarter 2019 Programmatic Budget and Demand Projection for the January 31, 2019 FCC Filing.** Ms. Garber presented this item to the Committee for consideration. The presentation included a written report on USAC management's recommendations for the Low Income Support Mechanism 2nd quarter 2019 programmatic budget and demand projection for the January 31, 2019 FCC filing.

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

**RESOLVED**, that the USAC High Cost & Low Income Committee approves a 2nd Quarter 2019 Low Income Support Mechanism direct program budget of \$11.53 million; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$11.53 million for Low Income Support Mechanism administrative costs in the

required January 31, 2019 filing to the FCC on behalf of the Committee; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on January 28, 2019 a summary of the 2nd Quarter 2019 Low Income Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required January 31, 2019 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million, or may seek approval from the High Cost & Low Income Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i3. Information on 20 USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Reports.** The Committee received a report with information on 20 USAC Audit and Assurance Division Low Income Support Mechanism beneficiary audit reports. The reports were provided for informational purposes; no discussion was held on this item.
- i4. Low Income Support Mechanism (Lifeline) Business Update.** Ms. Garber presented PowerPoint slides covering the following topics to the Committee for discussion:
1. October 2018 Committee Meeting Recap
  2. 2018 Accomplishments
  3. 2018 Operational Performance Synopsis
  4. 2019 Goals and Objectives
  5. 2019 Look Ahead
  6. Discussion Topic
    - a. National Verifier
  7. Lifeline Program at a Glance

At 4:38 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of considering and discussing the confidential items noted above.

### **EXECUTIVE SESSION**

- a6. Approval of Low Income Support Mechanism 2019 Annual Programmatic Budget.** Ms. Garber presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendations for the Low Income Support Mechanism 2019 programmatic budget.

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



**RESOLVED**, that the High Cost & Low Income Committee approves a 2019 annual programmatic budget for the Low Income Support Mechanism of \$47.9 million.

- i5. Information on One USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Report.** The Committee received a report with information on one USAC Audit and Assurance Division Low Income Support Mechanism beneficiary audit report. The report was provided for informational purposes; no discussion was held on this item.
- i6. Executive Session Discussion with the Committee/Board.** No discussion was held on this item, and there was no associated report.

At 5:11 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that, in *Executive Session*, the Committee discussed and took action on item a6 and discussed item i5 above.

On a motion duly made and seconded, the Committee adjourned at 5:11 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary

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

<p><b>Monday, April 29, 2019</b>  <b>2:00 p.m. – 5:00 p.m. Eastern Time</b>  <b>USAC Offices</b>  <b>700 12th Street, N.W., Suite 900</b>  <b>Washington, D.C. 20005</b></p>
--

<b><u>HIGH COST OPEN SESSION</u></b>		<i>Estimated Duration in Minutes</i>
Chair	<p><b>a1.</b> Consent Items (each available for discussion upon request):</p> <p style="padding-left: 20px;"><b>A.</b> Approval of High Cost &amp; Low Income Committee Meeting Minutes of January 28, 2019</p> <p style="padding-left: 20px;"><b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></p>	5
Vic	<p><b>a2.</b> Approval of High Cost Support Mechanism 3<sup>rd</sup> Quarter 2019 Programmatic Budget and Demand Projection for the May 2, 2019 FCC Filing</p>	15
Vic Habib	<p><b>i1.</b> High Cost Support Business Update</p> <ul style="list-style-type: none"> <li>• At a Glance</li> <li>• Rate of Return Order</li> <li>• Connect America Fund Phase II Auction Update</li> </ul>	25

<b><u>HIGH COST EXECUTIVE SESSION</u></b>		
<b>Confidential – Executive Session Recommended</b>		
Vic	<p><b>i1.</b> High Cost Support Business Update Discussion (<i>continued</i>)</p> <ul style="list-style-type: none"> <li>• US Telecom Letter</li> <li>• Verification Update</li> </ul>	30

<b><u>LOW INCOME OPEN SESSION</u></b>		<i>Estimated Duration in Minutes</i>
Michelle	<p><b>a3.</b> Approval of Low Income Support Mechanism 3<sup>rd</sup> Quarter 2019 Programmatic Budget and Demand Projection for the May 2, 2019 FCC Filing</p>	15

Jeanette Santana-Gonzalez	<b>i2.</b> Information on Three USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports	5
Michelle James	<b>i3.</b> Low Income (Lifeline) Business Update <ul style="list-style-type: none"> <li>• Lifeline Program at a Glance</li> <li>• Representative Accountability Database</li> </ul>	20

<b><u>LOW INCOME EXECUTIVE SESSION</u></b>		
<b>Confidential – Executive Session Recommended</b>		
James	<b>i3.</b> Low Income (Lifeline) Business Update ( <i>continued</i> ) <ul style="list-style-type: none"> <li>• National Verifier</li> <li>• Program Integrity</li> </ul>	30
Chair	<b>i4.</b> <i>Executive Session</i> Discussion with the Committee/Board	10

**Next Scheduled USAC High Cost & Low Income Committee Meeting**

<p><b>Monday, July 29, 2019</b>  <b>2:00 a.m. – 5:00 p.m. Eastern Time</b>  <b>USAC Offices, Washington, D.C.</b></p>
---

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**700 12<sup>th</sup> Street NW, Suite 900**  
**Washington, D.C. 20005**

**HIGH COST & LOW INCOME COMMITTEE MEETING**  
**Monday, April 29, 2019**

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

The quarterly meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, April 29, 2019. Mr. Joe Gillan, Committee Chair, called the meeting to order at 2:16 p.m. Eastern Time, with all 11 Committee members present:

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

Other Board members and officers of the corporation present:

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

Others present:

<b><u>NAME</u></b>	<b><u>COMPANY</u></b>
Ahmed, Sharmarke	USAC
Alomari, Ghanem	USAC
Barrett, Henry	USAC
Bilodeau, Amanda	USAC
Boden, Jerry	USAC
Braxton-Jackson, Kianna	USAC

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

<u>NAME</u>	<u>COMPANY</u>
Butler, Stephen	FCC
Carpenter, Nikki-Blair	USAC
Hughes, Pam	USAC
Hutchinson, Kyle	USAC
Kahn, Sammy	USAC
Lee, James	USAC
Lutz, Corey	USAC
Malashenok, Yelena	USAC
Mansur, Usman	USAC
Mihalsky, Anna	USAC
Miller, Catie	USAC
Mitchell, Tamika	USAC
Nuzzo, Patsy	USAC
Nwachuku, Steven	USAC
Page, Nick	FCC
Pryor, Sonovia	USAC
Qudsia, Anissa	USAC
Ruffley, Brandon	USAC
Santana-Gonzales, Jeanette	USAC
Simab, Habib	USAC
Smith, Chris	USAC
Sorini, Leah	USAC
Tessler, Joelle	USAC
Tiwari, Tanya	USAC
Weith, Tim	USAC
Williams, Romanda	USAC
Zufolo, Jessica	USAC

### HIGH COST OPEN SESSION

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

- a1. Consent Items.** Mr. Gillan presented this item to the Committee:
- A.** Approval of Committee Meeting Minutes of January 28, 2019.
  - B.** Approval of Moving all *Executive Session* Items into *Executive Session*:
    - (1) **i1** – High Cost Support Mechanism Business Update (*Continued*). USAC management recommends that this matter be discussed in *Executive Session* because the report relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, this matter relates to *pre-decisional matters* pending before the FCC.

- (2) **i3** – Low Income Support Mechanism Business Update (*Continued*). USAC management recommends that this matter be discussed in *Executive Session* because the report relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, this item may include discussion of *internal rules and procedures* concerning the administration of the universal service support mechanisms where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (3) **i4** – *Executive Session* Discussion with the Committee/Board. USAC management recommends this item be discussed in *Executive Session* because the matter relates to the Committee’s oversight responsibilities and may involve discussion of *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

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

**RESOLVED**, that the USAC High Cost & Low Income Committee hereby approves: (1) the Committee meeting minutes of January 28, 2019; and (2) discussion in *Executive Session* of the items noted above.

- a2. **Approval of High Cost Support Mechanism 3rd Quarter 2019 Programmatic Budget and Demand Projection for the May 2, 2019 Filing.** Mr. Gaither presented this item for consideration. The presentation included a written report on USAC management’s recommendations for the High Cost Support Mechanism 3rd quarter 2019 programmatic budget and demand projection for the May 2, 2019 FCC filing.

During discussion Mr. Gillan requested that a more in depth explanation regarding the new requirements for demand be provided at the July quarterly meeting.

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

**RESOLVED**, that the USAC High Cost & Low Income Committee approves a 3rd Quarter 2019 High Cost Support Mechanism direct program budget of \$5.56 million; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of

\$5.56 million for High Cost Support Mechanism administrative costs in the required May 2, 2019 filing to the FCC on behalf of the Committee; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on April 29, 2019 a summary of the 3rd Quarter 2019 High Cost Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required May 2, 2019 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i1. High Cost Support Mechanism Business Update.** Mr. Gaither, and Mr. Simab presented PowerPoint slides covering the following:
- a. High Cost Program at A Glance
  - b. Rate of Return Order
  - c. Connect America Fund Phase II Auction Update

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

#### **HIGH COST EXECUTIVE SESSION**

- i1. High Cost Support Mechanism Business Update** (*continued*). Mr. Kahn and Ms. Bilodeau presented PowerPoint slides that covered the following:
- a. US Telecom letter
  - b. Verification Update

#### **HIGH COST OPEN SESSION**

At 3:22 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*. Mr. Gillan reported that, in *Executive Session*, the Committee discussed item i1.

#### **LOW INCOME OPEN SESSION**

- a3. Approval of Low Income Support Mechanism 3rd Quarter 2019 Programmatic Budget and Demand Projection for the May 2, 2019 FCC Filing.** Ms. Garber presented this item to the Committee for consideration. The presentation included a written report on USAC management's recommendations for the Low Income Support Mechanism 3<sup>rd</sup> quarter 2019 programmatic budget and demand projection for the May 2, 2019 FCC filing.

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

**RESOLVED**, that the USAC High Cost & Low Income Committee approves a 3rd Quarter 2019 Low Income Support Mechanism direct program budget of \$12.07 million; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$12.07 million for Low Income Support Mechanism administrative costs in the required May 2, 2019 filing to the FCC on behalf of the Committee; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on April 29, 2019 a summary of the 3rd Quarter 2019 Low Income Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required May 2, 2019 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i2. Information on Three USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Reports.** The Committee received a report with information on three USAC Audit and Assurance Division Low Income Support Mechanism beneficiary audit reports. The reports were provided for informational purposes; no discussion was held on this item.
- i3. Low Income Support Mechanism (Lifeline) Business Update.** Ms. Garber and Mr. Lee presented PowerPoint slides covering the following topics to the Committee for discussion:
- a. Review of Action Items and Updates from January 2019 Committee Meeting
  - b. Lifeline Program at a Glance
  - c. Representative Accountability Database

The Committee recessed at 4:05 p.m. Eastern Time. At 4:09 p.m. Eastern Time, the Committee reconvened and, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of considering and discussing the confidential items noted above.

### **LOW INCOME EXECUTIVE SESSION**

- i3. Low Income Support Mechanism (Lifeline) Business Update (continued).** Ms. Garber presented PowerPoint slides that covered the following:



a. National Verifier Rollout

- i4. ***Executive Session Discussion with the Committee/Board.*** No discussion was held on this item, and there was no associated report.

**LOW INCOME OPEN SESSION**

At 4:56 p.m. Eastern Time, the Committee moved out of ***Executive Session*** and immediately reconvened in ***Open Session***, at which time Mr. Gillan reported that, in ***Executive Session***, the Committee discussed item i3 above.

On a motion duly made and seconded, the Committee adjourned at 4:57 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary

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

<b>Thursday, June 6, 2019 2:30 p.m. – 3:00 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900</b>
--

<b>ACTION ITEMS</b> <i>Executive Session Recommended – Confidential</i>		<i>Estimated Duration in Minutes</i>
Craig	<b>a1.</b> Consideration of Contract Award for Operations & Maintenance Services Supporting the Application Programming Interface with the Centers for Medicare & Medicaid Services	20

**Next Scheduled USAC High Cost and Low Income Committee Meeting**

<b>Monday, July 29, 2019 2:00 a.m. – 4:30 p.m. Eastern Time USAC Offices, Washington, D.C.</b>
--

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

**HIGH COST & LOW INCOME COMMITTEE MEETING**  
**Thursday, June 6, 2019**

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

A meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, June 6, 2019. Ms. Oliva Wein, Committee Vice Chair, called the meeting to order at 2:32 p.m. Eastern Time, with a quorum of 6 of the 11 Committee members present:

Feiss, Geoff – *by telephone*  
Freeman, Sarah – *by telephone*  
Jacobs, Ellis – *by telephone*

Lubin, Joel – Chair – *by telephone*  
Sekar, Radha – Chief Executive Officer  
Wein, Olivia – Vice Chair – *by telephone*

Members of the Committee not present:

Gerst, Matthew  
Gillan, Joe – Chair  
Kinser, Cynthia

Mason, Ken  
Tinic, Atilla

Officers of the corporation present:

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

Others present:

<b><u>NAME</u></b>	<b><u>COMPANY</u></b>
Lee, James	USAC
Nuzzo, Patsy	USAC
Szubrowski, Leigh	USAC
Tiwari, Tanya	USAC

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

## **OPEN SESSION**

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

- a1. Consideration of Contract Award for Operations & Maintenance Services Supporting the Application Programming Interface with the Centers for Medicare & Medicaid Services.** USAC management recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

**RESOLVED**, that the High Cost & Low Income Committee determines that the discussion of this item be conducted in *Executive Session*.

At 2:34 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential item listed above.

## **EXECUTIVE SESSION**

- a1. Consideration of Contract Award for Operations & Maintenance Services Supporting the Application Programming Interface with the Centers for Medicare & Medicaid 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 operation and maintenance services supporting the application programming interface with the Centers for Medicare & Medicaid Services.

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

**RESOLVED**, that the USAC High Cost & Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes USAC management, subject to the required FCC approval, to award a one year, sole source contract for operations and maintenance support of the automated computer matching interface with CMS for an estimated price of \$648,340 (plus applicable taxes).

## **OPEN SESSION**

At 2:42 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Wein reported that, in *Executive Session*, the Committee took action on item a1.

On a motion duly made and seconded, the Committee adjourned at 2:43 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary

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

<p><b>Monday, July 29, 2019</b>  <b>2:00 p.m. – 4:30 p.m. Eastern Time</b>  <b>USAC Offices</b>  <b>700 12th Street, N.W., Suite 900</b>  <b>Washington, D.C. 20005</b></p>
---

<b><u>HIGH COST OPEN SESSION</u></b>		<i>Estimated Duration in Minutes</i>
Chair	<p><b>a1.</b> Consent Items (each available for discussion upon request):</p> <p style="padding-left: 40px;"><b>A.</b> Approval of High Cost &amp; Low Income Committee Meeting Minutes of April 29, 2019 and June 6, 2019</p> <p style="padding-left: 40px;"><b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></p>	5
Vic	<p><b>a2.</b> Approval of High Cost Support Mechanism 4th Quarter 2019 Programmatic Budget and Demand Projection for the August 2, 2019 FCC Filing</p>	20
Kianna Braxton - Johnson	<p><b>i1.</b> Information on One USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports</p>	5
Vic	<p><b>i2.</b> High Cost Support Business Update</p> <ul style="list-style-type: none"> <li>• High Cost Program At a Glance</li> <li>• High Cost Order Updates</li> <li>• Q2 2019 Summary (<i>For Information Only</i>)</li> </ul>	25

<b><u>LOW INCOME OPEN SESSION</u></b>		<i>Estimated Duration in Minutes</i>
Michelle	<p><b>a3.</b> Approval of Low Income Support Mechanism 4th Quarter 2019 Programmatic Budget and Demand Projection for the August 2, 2019 FCC Filing</p>	15
Jeanette Santana-Gonzalez	<p><b>i3.</b> Information on Two USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports</p>	5
Michelle	<p><b>i4.</b> Low Income (Lifeline) Business Update</p> <ul style="list-style-type: none"> <li>• National Verifier Current Status</li> <li>• Representative Accountability Database</li> <li>• Overview of Lifeline Activities for Next 12 Months</li> </ul>	25

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

	<ul style="list-style-type: none"><li>• Q2 2019 Summary (<i>For Information Only</i>)</li></ul>	
--	---	--

<b><u>LOW INCOME EXECUTIVE SESSION</u></b>		
<b>Confidential – <i>Executive Session Recommended</i></b>		
Michelle	<b>i4.</b> Low Income (Lifeline) Business Update ( <i>continued</i> ) <ul style="list-style-type: none"><li>• National Verifier</li><li>• Program Integrity Update</li></ul>	20
Chair	<b>i5.</b> <i>Executive Session</i> Discussion with the Committee/Board	10

**Next Scheduled USAC High Cost & Low Income Committee Meeting**

<p><b>Monday, October 29, 2019</b> <b>2:00 a.m. – 5:00 p.m. Eastern Time</b> <b>USAC Offices, Washington, D.C.</b></p>
--

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**700 12<sup>th</sup> Street NW, Suite 900**  
**Washington, D.C. 20005**

**HIGH COST & LOW INCOME COMMITTEE MEETING**  
**Monday, July 29, 2019**

**(DRAFT) MINUTES<sup>1</sup>**

The quarterly meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, July 29, 2019. Mr. Joe Gillan, Committee Chair, called the meeting to order at 2:01 p.m. Eastern Time, with a quorum of 8 of the 11 Committee members present:

Freeman, Sarah	Lubin, Joel
Gerst, Matthew	Mason, Ken
Gillan, Joe – Chair	Sekar, Radha – Chief Executive Officer
Jacobs, Ellis	Wein, Olivia – Vice Chair

Mr. Atilla Tinic joined the meeting at 2:08 p.m. Eastern Time. He did not vote on item a1.

Members of the Committee not present:

Feiss, Geoff  
Kinser, Cynthia

Other Board members and 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  
Buzacott, Alan – Member of the Board  
Davis, Craig – Vice President of Procurement and Sourcing Strategy  
Delmar, Teleshia – Vice President of Audit and Assurance  
Fontana, Brent – Member of the Board  
Gaither, Victor – Vice President of High Cost  
Garber, Michelle – Vice President of Lifeline  
Hutchinson, Kyle – Vice President, Chief Information Officer  
Salvator, Charles – Vice President of Finance, Chief Financial Officer and  
Assistant Treasurer  
Sweeney, Mark – Vice President of Rural Health Care  
Wibberly, Dr. Kathy – Member of the Board

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Abera, Nikki	USAC
Alomari, Ghanem	USAC
Beaver, Tracey	USAC
Bilodeau, Amanda	USAC
Caldwell, Micah	FCC
Carpenter, Nikki-Blair	USAC
Gustafson, Jaymie	USAC
Horn, Kathleen	USAC
Hughet, Pam	USAC
Kahn, Sammy	USAC
Lawson, Suzanne	USAC
Lee, James	USAC
Miller, Arielle	USAC
Miller, Katie	USAC
Mitchell, Tamika	USAC
Nuzzo, Patsy	USAC
Santana-Gonzales, Jeanette	USAC
Simab, Habib	USAC
Smith, Chris	USAC
Stephens, Karen Rena	USAC
Streauslin, Brandi	USAC
Tessler, Joelle	USAC
Tiwari, Tanya	USAC
Ward, Rashonda	USAC
Weith, Tim	USAC
Williams, Romanda	USAC

### HIGH COST OPEN SESSION

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

- a1. Consent Items.** Mr. Gillan presented this item to the Committee:
- A.** Approval of Committee Meeting Minutes of April 29, 2019 and June 6, 2019.
  - B.** Approval of Moving all *Executive Session* Items into *Executive Session*:
    - (1) **i4** – Low Income Support Mechanism Business Update (*Continued*).  
USAC management recommends that this matter be discussed in *Executive Session* because it relates to *specific internal controls and/or confidential company data* that would constitute a discussion



of internal rules and procedures. In addition, this item may include discussion of *internal rules and procedures* concerning the administration of the universal service support mechanisms where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

- (2) **i5 – Executive Session** Discussion with the Committee/Board. USAC management recommends this item be discussed in *Executive Session* because it relates to the Committee’s oversight responsibilities and may involve discussion of *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

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

**RESOLVED**, that the USAC High Cost & Low Income Committee hereby approves: (1) the Committee meeting minutes of April 29, 2019 and June 6, 2019; and (2) discussion in *Executive Session* of the items noted above.

- a2. Approval of High Cost Support Mechanism 4th Quarter 2019 Programmatic Budget and Demand Projection for the August 2, 2019 Filing.** Mr. Gaither presented this item for consideration. The presentation included a written report on USAC management’s recommendations for the High Cost Support Mechanism 4th quarter 2019 programmatic budget and demand projection for the August 2, 2019 FCC filing.

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

**RESOLVED**, that the USAC High Cost & Low Income Committee approves a 4th Quarter 2019 High Cost Support Mechanism direct program budget of \$5.01 million; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$5.01 million for High Cost Support Mechanism administrative costs in the required August 2, 2019 filing to the FCC on behalf of the Committee; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on July 29, 2019 the 4th Quarter 2019 High Cost Support Mechanism demand estimate of \$1,365.47 million, hereby directs USAC staff to proceed with the required August 2, 2019

filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i1. Information on One USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports.** The Committee received a report with information on one USAC Audit and Assurance Division High Cost Support Mechanism beneficiary audit report. The report was provided for informational purposes; no discussion was held on this item.
- i2. High Cost Support Mechanism Business Update.** Mr. Gaither presented PowerPoint slides covering the following:
  - a. Recap of Action Items and Updates from Previous Committee Meetings
  - b. High Cost Program at a Glance
  - c. High Cost Order Updates

### **LOW INCOME OPEN SESSION**

- a3. Approval of Low Income Support Mechanism 4th Quarter 2019 Programmatic Budget and Demand Projection for the August 2, 2019 FCC Filing.** Ms. Garber presented this item to the Committee for consideration. The presentation included a written report on USAC management's recommendations for the Low Income Support Mechanism 4th quarter 2019 programmatic budget and demand projection for the August 2, 2019 FCC filing.

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

**RESOLVED**, that the USAC High Cost & Low Income Committee approves a 4th Quarter 2019 Low Income Support Mechanism direct program budget of \$13.20 million; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$13.20 million for Low Income Support Mechanism administrative costs in the required August 2, 2019 filing to the FCC on behalf of the Committee; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on July 29, 2019 the 4th Quarter 2019 Low Income Support Mechanism demand estimate of \$250.25 million, hereby directs USAC staff to proceed with the required August 2, 2019 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less

than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i3. Information on Two USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Reports.** The Committee received a report with information on two USAC Audit and Assurance Division Low Income Support Mechanism beneficiary audit reports. The reports were provided for informational purposes; no discussion was held on this item.
- i4. Low Income Support Mechanism (Lifeline) Business Update.** Ms. Garber presented PowerPoint slides covering the following topics to the Committee for discussion:
- a. April Board Recap
  - b. National Verifier:
    - Current Status
    - Implementation Update
    - Automated State Database Update
    - Automated State Database Challenges
    - Stakeholder Feedback and Lifeline Response
  - c. Representative Accountability Database (RAD):
    - Status
    - How it works
  - d. Lifeline Program at a Glance

At 3:20 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items listed above.

#### **LOW INCOME EXECUTIVE SESSION**

- i4. Low Income Support Mechanism (Lifeline) Business Update (continued).** Ms. Garber presented PowerPoint slides that covered the following:
- a. National Verifier Implementation Risks and Mitigation
  - b. Program Integrity Update
- i5. Executive Session Discussion with the Committee/Board.** No discussion was held on this item, and there was no associated report.

#### **LOW INCOME OPEN SESSION**

At 3:44 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that, in *Executive Session*, the Committee discussed item i4 above.

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

On a motion duly made and seconded, the Committee adjourned at 3:45 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary

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

<p><b>Monday, October 28, 2019</b>  <b>2:00 p.m. – 4:30 p.m. Eastern Time</b>  <b>USAC Offices</b>  <b>700 12th Street, N.W., Suite 900</b>  <b>Washington, D.C. 20005</b></p>
--

<b><u>HIGH COST OPEN SESSION</u></b>		<i>Estimated Duration in Minutes</i>
Chair	<p><b>a1.</b> Consent Items (each available for discussion upon request):</p> <p style="padding-left: 20px;"><b>A.</b> Approval of High Cost &amp; Low Income Committee Meeting Minutes of July 29, 2019</p> <p style="padding-left: 20px;"><b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></p>	5
Vic	<p><b>a2.</b> Approval of High Cost Support Mechanism 1st Quarter 2020 Programmatic Budget and Demand Projection for the November 1, 2019 FCC Filing</p>	10
Kianna Braxton - Johnson	<p><b>i1.</b> Information on Two USAC Internal Audit Division High Cost Support Mechanism Beneficiary Audit Reports</p>	5
Vic  Sammy	<p><b>i2.</b> High Cost Support Business Update</p> <ul style="list-style-type: none"> <li>• July Board Recap</li> <li>• High Cost Program at a Glance</li> <li>• High Cost Order Updates</li> <li>• About the CAF II Auction Project</li> <li>• Eligible Locations Adjustment Process (ELAP)</li> <li>• Digital Opportunity Data Collection (DODC)</li> <li>• Q3 2019 Summary (<i>For Information Only</i>)</li> </ul>	30

**HIGH COST EXECUTIVE SESSION**

**Confidential – Executive Session Recommended**

Craig	<p><b>a3.</b> Consideration of Two Three-Month Contract Options for High Cost Model Operations and Maintenance (CostQuest)</p>	10
-------	--	----

<b><u>LOW INCOME OPEN SESSION</u></b>		<i>Estimated Duration in Minutes</i>
Michelle	<b>a4.</b> Approval of Low Income Support Mechanism 1st Quarter 2020 Programmatic Budget and Demand Projection for the November 1, 2019 FCC Filing	10
Jeanette Santana-Gonzalez	<b>i3.</b> Information on Two USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports	5
Michelle	<b>i4.</b> Low Income (Lifeline) Business Update <ul style="list-style-type: none"> <li>• July Board Recap</li> <li>• National Verifier               <ul style="list-style-type: none"> <li>○ Implementation</li> <li>○ Status of Applications</li> <li>○ Impact of CMS Connection in Hard Launched States</li> <li>○ Common Documentation Mistakes</li> <li>○ Automated State Database Update</li> </ul> </li> <li>• Lifeline Program at a Glance</li> <li>• Q3 2019 Summary (<i>For Information Only</i>)</li> </ul>	25

<b><u>LOW INCOME EXECUTIVE SESSION</u></b>		
<b>Confidential – Executive Session Recommended</b>		
Michelle	<b>i4.</b> Low Income (Lifeline) Business Update ( <i>continued</i> ) <ul style="list-style-type: none"> <li>• Program Integrity Update</li> </ul>	20
Chair	<b>i5.</b> <i>Executive Session</i> Discussion with the Committee/Board	10

**Next Scheduled USAC High Cost & Low Income Committee Meeting**

<b>Monday, January 27, 2020</b> <b>2:00 p.m. – 5:00 p.m. Eastern Time</b> <b>USAC Offices, Washington, D.C.</b>
---

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**700 12<sup>th</sup> Street NW, Suite 900**  
**Washington, D.C. 20005**

**HIGH COST & LOW INCOME COMMITTEE MEETING**  
**Monday, October 28, 2019**

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

The quarterly meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, October 28, 2019. Mr. Joe Gillan, Committee Chair, called the meeting to order at 2:03 p.m. Eastern Time, with a quorum of 10 of the 11 Committee members present:

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

Member of the Committee not present:

Tinic, Atilla

Other Board members and officers of the corporation present:

Ayer, Catriona – Vice President of Schools and Libraries  
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management  
Bocher, Bob – Member of the Board  
Buzacott, Alan – Member of the Board  
Davis, Craig – Vice President of Procurement and Sourcing Strategy  
Delmar, Teleshia – Vice President of Audit and Assurance  
Gaither, Victor – Vice President of High Cost  
Garber, Michelle – Vice President of Lifeline  
Hutchinson, Kyle – Vice President, Chief Information Officer  
Salvator, Charles – Vice President of Finance, Chief Financial Officer and  
Assistant Treasurer  
Sweeney, Mark – Vice President of Rural Health Care  
Wibberly, Dr. Kathy – Member of the Board

Others present:

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

<u>NAME</u>	<u>COMPANY</u>
Abera, Nikki	USAC
Bean, Peter	USAC
Berry, Tamisha	USAC
Bilodeau, Amanda	USAC
Boakye-Gyan, Carol	USAC
Braxton-Johnson, Kianna	USAC
Butler, Stephen	USAC
Calhoun, Mitch	USAC
Fitzpatrick, Leo	Free Press
Goode, Vernell	USAC
Horn, Kathleen	USAC
Hughet, Pam	USAC
James, Christine	USAC
Jarvis, Monica	USAC
Kahn, Sammy	USAC
Lee, James	USAC
Manuel, Jessica	USAC
Miller, Arielle	USAC
Miller, Catie	USAC
Mohammed, Rahana	USAC
Morning, Kimberly	USAC
Nuzzo, Patsy	USAC
O'Donovan, Conor	USAC
Ross, Sherry	USAC
Santana-Gonzales, Jeanette	USAC
Simab, Habib	USAC
Sneed, Matt	USAC
Solemani, Simon	USAC
Sorini, Leah	USAC
Tessler, Joelle	USAC
Tiwari, Tanya	USAC
Ward, Rashonda	USAC
Williams, Romanda	USAC

### HIGH COST OPEN SESSION

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

- a1. Consent Items.** Mr. Gillan presented this item to the Committee:
- A.** Approval of Committee Meeting Minutes of July 29, 2019.
  - B.** Approval of Moving all *Executive Session* Items into *Executive Session*:



- (1) **a3** – Consideration of Two Three-Month Contract Options for High Cost Model Operations and Maintenance. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (2) **i4** – Low Income Support Mechanism Business Update (*Continued*). USAC management recommends that this matter be discussed in *Executive Session* because it relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, this item may include discussion of *internal rules and procedures* concerning the administration of the universal service support mechanisms where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (3) **i5** – *Executive Session* Discussion with the Committee/Board. USAC management recommends this item be discussed in *Executive Session* because it relates to the Committee’s oversight responsibilities and may involve discussion of *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

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

**RESOLVED**, that the USAC High Cost & Low Income Committee hereby approves: (1) the Committee meeting minutes of July 29, 2019; and (2) discussion in *Executive Session* of the items noted above.

- a2. Approval of High Cost Support Mechanism 1st Quarter 2020 Programmatic Budget and Demand Projection for the November 1, 2019 Filing.** Mr. Gaither presented this item for consideration. The presentation included a written report on USAC management’s recommendations for the High Cost Support Mechanism 1st quarter 2020 programmatic budget and demand projection for the November 1, 2019 FCC filing.

Mr. Feiss requested that in the future, Table B (Quarterly Programmatic Budget) include previous quarter actuals for all programs.

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

**RESOLVED**, that the USAC High Cost & Low Income Committee approves a 1st Quarter 2020 High Cost Support Mechanism direct program budget of \$7.75 million; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$7.75 million for High Cost Support Mechanism administrative costs in the required November 1, 2019 filing to the FCC on behalf of the Committee; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on October 28, 2019 the 1st Quarter 2020 High Cost Support Mechanism demand estimate of \$1,192.64million, hereby directs USAC staff to proceed with the required November 1, 2019 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i1. Information on Two USAC Audit and Assurance Division High Cost Support Mechanism Beneficiary Audit Reports.** The Committee received a report with information on two USAC Audit and Assurance Division High Cost Support Mechanism beneficiary audit reports. The report was provided for informational purposes; no discussion was held on this item.
- i2. High Cost Support Mechanism Business Update.** Mr. Gaither and Mr. Kahn presented PowerPoint slides covering the following:
  - a. Recap of Action Items and Updates from Previous Committee Meetings
  - b. High Cost Program at a Glance
  - c. Discussion Topics:
    - High Cost Order Update
    - Overview of CAF Auction II and Eligible Locations Adjustment Process (ELAP)
    - Digital Opportunity Data Collection (DODC)
    - 2019 3rd Quarter Accomplishments (*For Information Only*)

Mr. Mason requested an update on DODC that included performance measures and input given by early adopters.

### **LOW INCOME OPEN SESSION**

- a3. Approval of Low Income Support Mechanism 1st Quarter 2020 Programmatic Budget and Demand Projection for the November 1, 2019 FCC Filing.** Ms. Garber presented this item to the Committee for consideration. The presentation included a written report on USAC management's

recommendations for the Low Income Support Mechanism 1st quarter 2020 programmatic budget and demand projection for the November 1, 2019 FCC filing.

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

**RESOLVED**, that the USAC High Cost & Low Income Committee approves a 1st Quarter 2020 Low Income Support Mechanism direct program budget of \$12.09 million; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$12.09 million for Low Income Support Mechanism administrative costs in the required November 1, 2019 filing to the FCC on behalf of the Committee; and

**RESOLVED FURTHER**, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on October 28, 2019 the 1st Quarter 2020 Low Income Support Mechanism demand estimate of \$175.09 million, hereby directs USAC staff to proceed with the required November 1, 2019 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i3. Information on Two USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Reports.** The Committee received a report with information on two USAC Audit and Assurance Division Low Income Support Mechanism beneficiary audit reports. The report was provided for informational purposes; no discussion was held on this item.
- i4. Low Income Support Mechanism (Lifeline) Business Update.** Ms. Garber presented PowerPoint slides covering the following topics to the Committee for discussion:
- a. Recap of Action Items and Updates from Previous Committee Meetings
  - b. National Verifier (NV):
    - Implementation Update
    - Status of Applications
    - Impact of CMS Connection in Hard Launched States
    - Common Documentation Mistakes
    - Automated State Database Update
  - c. Lifeline Program at a Glance
  - d. Q3 2019 Summary (*For Information Only*)

Ms. Garber reminded the Committee that state computer matching agreements (CMAs) for NV must be updated. The standard term includes an 18-month initial term that also allows for a 12-month extension, after which time, the CMAs would need to be renewed. This would include a comment period and approval by both the FCC and Congress. She also shared that the carrier application programming interface (API) for NV was in the testing phase, and that no date had been established for going live.

At 3:41 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items listed above.

### **HIGH COST & LOW INCOME EXECUTIVE SESSION**

- i4. **Low Income Support Mechanism (Lifeline) Business Update** (*continued*) – **Program Integrity Update.** Ms. Garber presented PowerPoint slides that covered an update on program integrity.
  
- a3. **Consideration of Two Three-Month Contract Options for High Cost Model Operations and Maintenance.** Mr. Davis presented this item for consideration. The presentation included a summary slide and written report with information on USAC's proposal to exercise two three-month contract options for High Cost Model Operations and Maintenance (O&M) with CostQuest Associates.

On a motion duly made and seconded, with Mr. Gillan, Mr. Feiss, and Ms. Kinser in opposition, the Board adopted the following resolution:

**RESOLVED**, that the USAC Board of Director's High Cost and Low Income Committee, having reviewed the recommendation of USAC management, authorizes USAC management to exercise two three-month options from January 1, 2020, through June 30, 2020, and increase the not-to-exceed value of the CostQuest contract by \$225,000, for a total not-to-exceed contract value of \$6,675,000 (plus applicable taxes), subject to required FCC approvals.

At 4:29 p.m. Eastern Time, the Committee continued *Executive Session* with only members of the Board present.

- i5. ***Executive Session Discussion with the Committee/Board.***

### **HIGH COST & LOW INCOME OPEN SESSION**

At 4:30 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that, in *Executive Session*, the Committee took action on item a3 and discussed items i4 and i5 above.

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

On a motion duly made and seconded, the Committee adjourned at 4:30 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary