

**Universal Service Administrative Company
Audit Committee Quarterly Meeting
Agenda**

Monday, January 30, 2012 4:00 p.m. – 5:00 p.m. Eastern Time USAC Offices 2000 L Street, NW, Suite 200 Washington, D.C.

<u>ACTION ITEMS</u>
a1. Approval of Audit Committee Meeting Minutes of October 24, 2011
a2. Recommendation for Annual Election of Committee Chair and Vice Chair
a3. Review of Audit Committee Charter
a4. Miscellaneous. Solicit ideas for April 2012 Committee meeting agenda.

<u>INFORMATION ITEMS</u>
i1. Payment Quality Assurance Program Update – <i>Executive Session Option</i> <i>Same as iBOD05</i>
i2. Beneficiary and Contributor Audit Program Update – <i>Executive Session Option</i> <i>Same as iBOD06</i>
i3. Quarterly Summary of Audit Reports Finalized at Board and Committee Meetings <i>Same as iBOD04</i>
i4. Report on the Audit of the FCC’s Financial Statements for the Fiscal Year Ending September 30, 2011 <i>Same as iBOD07</i>
i5. Miscellaneous

Next Scheduled Quarterly USAC Audit Committee Meeting

Monday, April 23, 2012 3:00 p.m. – 4:30 p.m. Eastern Time USAC Offices, Washington, D.C.

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

AUDIT COMMITTEE MEETING
Monday, January 30, 2012

MINUTES

The quarterly meeting of the Audit Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Monday, January 30, 2012. Mr. David McClure, Committee Chair, called the meeting to order at 3:00 p.m. Eastern Time, with all Committee members present (there is one vacancy):

Anderson, D. Michael – Vice Chair
Campbell, Anne

McClure, David – Chair
Talbott, Dr. Brian

Other Board of Directors (Board) members and officers of the corporation present:

Barash, Scott – Acting Chief Executive Officer
Belden, Richard – Chief Operating Officer
Capozzi, David – Acting General Counsel and Assistant Secretary
Scott, Wayne – Vice President of Internal Audit

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Anderson, Latoya	USAC
Anthony, Carlina	USAC
Boler, Natasha	USAC
Carpenter, Nikki-Blair	USAC
Delmar, Teleshia	USAC
Desrocher, Michael	USAC
Gelman, Sheryl	USAC
Goode, Vernell	USAC
Lutz, Corey	USAC
Molson, Adam	USAC
Nuzzo, Patsy	USAC
Ruffley, Brandon	USAC
Skadin, Andy	FCC
Smith, Chris	USAC
Tashova, Lola	USAC

ACTION ITEMS:

- a1. Approval of Audit Committee Meeting Minutes of October 24, 2011.** On a motion duly made and seconded, the Committee approved the minutes, as written, of the Committee meeting of October 24,2011.
- a2. Recommendation for Annual Election of Committee Chair and Vice Chair.** Mr. McClure presented this item to the Committee noting that the FCC has not made selections to fill the seats of those Board members whose terms expired on December 31, 2011. The Committee Chair recommended and the Committee agreed that, consistent with past practice, this item be deferred until those selections are made with the current chair and vice chair continuing to serve in their present positions.
- a3. Review of Audit Committee Charter.** Mr. Scott presented this item to the Committee.

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

RESOLVED, that the USAC Audit Committee, having reviewed the current Audit Committee Charter as presented by USAC Internal Audit Division staff, agrees that revisions are not required.

- a4. Miscellaneous. Solicit ideas for the April 2012 Committee Meeting Agenda.** Mr. McClure reminded members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Mr. McClure, Mr. Barash or Mr. Scott between quarterly meetings.

INFORMATION ITEMS:

- i1. Payment Quality Assurance Program Update.** Mr. Scott presented this item to the Committee.
- i2. Beneficiary and Contributor Audit Program Update.** Mr. Scott presented this item to the Committee.
- i3. Quarterly Summary of Audit Reports Finalized at Board and Committee Meetings.** Mr. Scott presented this item to the Committee.
- i4. Report on the Audit of the FCC's Financial Statements for the Fiscal Year Ending September 30, 2011.** Mr. Scott presented this item to the Committee.

On a motion duly made and seconded, the Committee adjourned at 3:14 p.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary

**Universal Service Administrative Company
Audit Committee Quarterly Meeting
Agenda**

**Monday, April 23, 2012
Immediately following Schools & Libraries Committee Meeting
USAC Offices
2000 L Street, N.W., Suite 200
Washington, D.C. 20036**

ACTION ITEMS

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| a1. Approval of Audit Committee Meeting Minutes of January 30, 2012 |
| a2. Review of USAC's Processes to Assure Compliance with Applicable Laws and Regulations |
| a3. Review of the Integrity of USAC's Financial Reporting Process |
| a4. Miscellaneous. Solicit ideas for July 2012 Committee meeting agenda. |

INFORMATION ITEMS

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| i1. USAC Internal Audit Division Audit Update – <i>Executive Session Option</i>
<i>Same as iBOD04</i> |
| i2. Quarterly Summary of Audit Reports Finalized at Board and Committee Meetings –
<i>Executive Session Option</i>
<i>Same as iBOD05</i> |
| i3. Semiannual Status Report on Actions Taken on Final USAC Audits – <i>Executive Session Option</i>
<i>Same as iBOD06</i> |
| i4. Review of Changes to USAC's Auditing and Accounting Principles and Practices |
| i5. USAC Internal Audit Division Risk Assessment Summary – Information Technology Division |
| i6. Annual Executive Session with USAC's Vice President of Internal Audit –
Confidential & Proprietary – <i>Executive Session Recommended</i> |
| i7. Miscellaneous |

Next Scheduled USAC Audit Committee Meeting

**Monday, July 30, 2012
Immediately following Schools & Libraries Committee Meeting
USAC Offices, Washington, D.C.**

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

AUDIT COMMITTEE MEETING
Monday, April 23, 2012

MINUTES

The quarterly meeting of the Audit Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Monday, April 23, 2012. Dr. Brian Talbott, Acting Committee Chair, called the meeting to order at 2:42 p.m. Eastern Time, with two Committee members present (there are two vacancies):

Campbell, Anne
Talbott, Dr. Brian

Members of the Committee not present:

McClure, David – Chair

Other Board of Directors (Board) members and officers of the corporation present:

Abshire, Sheryl – Member of the Board
Barash, Scott – Acting Chief Executive Officer
Belden, Richard – Chief Operating Officer
Blackwell, Mel – Vice President, Schools & Libraries Division
Capozzi, David – Acting General Counsel and Assistant Secretary
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer
Greiner, Colleen – Vice President and Chief Information Officer
Scott, Wayne – Vice President of Internal Audit

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Abebe, Hiwot	USAC
Becker, Ellen – <i>via telephone</i>	FCC
Berkland, Kristin	USAC
Braxton-Johnson, Kianna	USAC
Carpenter, Nikki-Blair	USAC
Delmar, Teleshia	USAC
Desrocher, Michael	USAC
Emmanuel, Sherard	USAC
Falkowitz, Ed	USAC

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<u>NAME</u>	<u>COMPANY</u>
Felton, Sharonda	USAC
Garland, Joseph	USAC
Gelman, Sheryl	USAC
Golkow, Susan	USAC
Goode, Vernell	USAC
Guinan, Gabriela	USAC
Hughes, Jeff	USAC
Hughet, Pamela	USAC
Hultquist, Mary	USAC
Nuzzo, Patsy	USAC
Ruffley, Brandon	USAC
Salvator, Charles	USAC
Skadin, Andy	FCC
Smith, Chris	USAC

ACTION ITEMS:

- a1. Approval of Audit Committee Meeting Minutes of January 30, 2012.** On a motion duly made and seconded, the Committee approved the minutes, as written, of the Committee meeting of January 30, 2012.

- a2. Review of USAC's Processes to Assure Compliance with Applicable Laws and Regulations.** Mr. Scott presented this item to the Committee.

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

RESOLVED, that the USAC Audit Committee accepts the USAC Internal Audit Division's assessment that USAC's processes are in compliance with applicable laws and regulations.

- a3. Review of the Integrity of USAC's Financial Reporting Process.** Mr. Scott presented this item to the Committee.

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

RESOLVED, that the USAC Audit Committee accepts the Internal Audit Division's review and assessment of USAC's financial reporting processes.

- a4. Miscellaneous. Solicit ideas for the July 2012 Committee Meeting Agenda.** Dr. Talbott reminded members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Mr. McClure, Mr. Barash or Mr. Scott between quarterly meetings.

INFORMATION ITEMS:

- i1. **USAC Internal Audit Division Audit Update.** Mr. Scott presented this item to the Committee.
- i2. **Quarterly Summary of Audit Reports Finalized at Board and Committee Meetings.** Mr. Scott presented this item to the Committee.
- i3. **Semiannual Status Report on Actions Taken on Final USAC Audits.** Mr. Scott presented this item to the Committee.
- i4. **Review of Changes to USAC’s Auditing and Accounting Principles and Practices.** Mr. Scott presented this item to the Committee.
- i5. **USAC Internal Audit Division Risk Assessment Summary – Information Technology Division.** Mr. Scott presented this item to the Committee.
- i6. **Annual Executive Session with USAC’s Vice President of Internal Audit.** In accordance with the approved criteria and procedures for conducting USAC Board and committee business in *Executive Session*, Mr. Capozzi recommended that this matter be discussed in *Executive Session* pursuant to the guidelines in the approved Audit Committee Charter.

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

RESOLVED, that the USAC Audit Committee determines that the annual meeting with USAC’s Vice President of Internal Audit required by the USAC Audit Committee Charter shall be conducted in *Executive Session* with only Audit Committee members and the Vice President of Internal Audit present, and, at the discretion of the Audit Committee, other members of USAC management and USAC’s outside auditing firms may also be present.

At 3:09 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential and proprietary items noted above.

EXECUTIVE SESSION:

- i6. **Annual Executive Session with USAC’s Vice President of Internal Audit.** The Committee met with Mr. Scott to discuss this item.

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

At 3:31 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Talbott reported that in *Executive Session*, the Committee discussed item i6 above. On a motion duly made and seconded, the Committee adjourned at 3:31 p.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary

**Universal Service Administrative Company
Audit Committee Quarterly Meeting
Agenda**

July 30, 2012
Immediately following Schools & Libraries Committee Meeting
USAC Offices
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

ACTION ITEMS

- a1.** Approval of Audit Committee Meeting Minutes of April 23, 2012
- a2.** Recommendation for Election of Committee Chair and Vice Chair
- a3.** Miscellaneous. Solicit ideas for October 2012 Committee meeting agenda.

INFORMATION ITEMS

- i1.** USAC Internal Audit Division Audit Update – *Executive Session Option*
Same as iBOD04
- i2.** Quarterly Summary of Audit Reports Finalized at Board and Committee Meetings –
Executive Session Option
Same as iBOD05
- i3.** Miscellaneous

Next Scheduled USAC Audit Committee Meeting

Monday, October 29, 2012
Immediately following Schools & Libraries Committee Meeting
USAC Offices, Washington, D.C.

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

AUDIT COMMITTEE MEETING
Monday, July 30, 2012

MINUTES

The quarterly meeting of the Audit Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Monday, July 30, 2012. Mr. David McClure, Committee Chair, called the meeting to order at 2:46 p.m. Eastern Time, with three Committee members present (there are two vacancies):

Campbell, Anne
McClure, David – Chair – *by telephone*
Talbott, Dr. Brian

Other Board of Directors (Board) members and officers of the corporation present:

Abshire, Sheryl – Member of the Board
Barash, Scott – Acting Chief Executive Officer
Belden, Richard – Chief Operating Officer
Capozzi, David – Acting General Counsel and Assistant Secretary
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer
Gillan, Joe – Member of the Board
Greiner, Colleen – Vice President and Chief Information Officer
Jimenez, Jose – Member of the Board
Scott, Wayne – Vice President of Internal Audit

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Becker, Ellen – <i>via telephone</i>	FCC
Berkland, Kristin	USAC
Braxton-Johnson, Kianna	USAC
Carpenter, Nikki-Blair	USAC
Delmar, Teleshia	USAC
Desrocher, Michael	USAC
Emmanuel, Sherard	USAC
Falkowitz, Ed	USAC
Goode, Vernell	USAC
Greene, Denise	USAC
Guinan, Gabriela	USAC

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<u>NAME</u>	<u>COMPANY</u>
Hughes, Pamela	USAC
Little, Marie	USAC
Molson, Adam	USAC
Nuzzo, Patsy	USAC
Ruffley, Brandon	USAC
Salvator, Charles	USAC
Skadin, Andy	FCC
Smith, Chris	USAC
Zhao, Hang	USAC

ACTION ITEMS:

- a1. **Approval of Audit Committee Meeting Minutes of April 23, 2012.** On a motion duly made and seconded, the Committee approved the minutes, as written, of the Committee meeting of April 23, 2012.
- a2. **Recommendation for Election of Committee Chair and Vice Chair.** Ms. Campbell nominated David McClure as Committee Chair and Joe Gillan as Vice Chair.

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

RESOLVED, that the USAC Audit Committee recommends that the USAC Board of Directors elect **David McClure** as Chair and **Joseph Gillan** as Vice Chair of the Committee for a term that begins immediately upon the adoption of this resolution by the Board and ends when a successor to the Chair or Vice Chair has been elected, when the Chair or Vice Chair resigns from the Committee, is removed by resolution of the Board, or the Chair or Vice Chair is no longer a member of the Board.

- a3. **Miscellaneous. Solicit ideas for the October 2012 Committee Meeting Agenda.** Mr. McClure reminded members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Mr. McClure, Mr. Barash or Mr. Scott between quarterly meetings.

INFORMATION ITEMS:

- i1. **USAC Internal Audit Division Audit Update.** Mr. Scott presented this item to the Committee.
- i2. **Quarterly Summary of Audit Reports Finalized at Board and Committee Meetings.** Mr. Scott presented this item to the Committee.

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

Mr. McClure announced that due to health concerns he would be resigning from the Board effective at the end of the year or as soon as a replacement was announced.

On a motion duly made and seconded, the Committee adjourned at 3:14 p.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary

**Universal Service Administrative Company
Audit Committee Quarterly Meeting
Agenda**

<p>Monday, October 29, 2012 <i>Immediately following Schools & Libraries Committee Meeting</i> USAC Offices 2000 L Street, NW, Suite 200 Washington, D.C.</p>

<u>ACTION ITEMS</u>
a1. Approval of Audit Committee Meeting Minutes of July 30, 2012
a2. Annual Acceptance of the Assessment by the USAC Internal Audit Division of the Independence and Financial Literacy of the USAC Audit Committee Members
a3. Annual Review of the Internal Audit Charter; the Organizational Structure, Budget, and Activities of the Internal Audit Division; and Significant Changes to the Internal Audit Plan
a4. Annual Review of the Effectiveness of the Company's Process For Assessing Significant Risks and Exposures and the Steps Management Has Taken to Minimize Such Risks and Exposures
a5. Annual Review of the Adequacy of USAC's System of Internal Controls
a6. Action on One USAC Internal Audit Division USAC Finance Division Operational Audit Report – <i>Executive Session Option</i> <i>Same as iBOD10</i>
a7. Acceptance of USAC's 2011 Annual Financial Audit and Agreed-Upon Procedures Review <i>Same as iBOD09</i>
a8. Miscellaneous. Solicit ideas for the January 2013 Committee meeting agenda.

<u>INFORMATION ITEMS</u>
i1. USAC Internal Audit Division Audit Update – <i>Executive Session Option</i> <i>Same as iBOD04</i>
i2. Quarterly Summary of Audit Reports Finalized at Board and Committee Meetings – <i>Executive Session Option</i> <i>Same as iBOD05</i>

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<u>INFORMATION ITEMS</u>	
i3.	Semiannual Status Report on Actions Taken on Final USAC Audits – <i>Executive Session Option</i> <i>Same as iBOD06</i>
i4.	Audit Committee Executive Session with USAC’s Independent Audit Firm – DP George & Company – Confidential & Proprietary – Executive Session Recommended
i5.	Miscellaneous

Next Scheduled Quarterly USAC Audit Committee Meeting

<p>Monday, January 28, 2013 Immediately following Schools & Libraries Committee Meeting USAC Offices, Washington, D.C.</p>

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

AUDIT COMMITTEE MEETING
Monday, October 29, 2012

MINUTES

The quarterly meeting of the Audit Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Monday, October 29, 2012. At the request of Mr. David McClure, Committee Chair, Mr. Joe Gillan chaired the meeting. The meeting was called to order at 2:46 p.m. Eastern Time, with all five Committee members present:

Campbell, Anne – *by telephone*
Gillan, Joe – Vice Chair
Jimenez, Jose – *by telephone*

McClure, David – Chair – *by telephone*
Talbott, Dr. Brian

Other Board of Directors (Board) members and officers of the corporation present:

Barash, Scott – Acting Chief Executive Officer
Belden, Richard – Chief Operating Officer
Capozzi, David – Acting General Counsel and Assistant Secretary
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer
Scott, Wayne – Vice President of Internal Audit

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Falkowitz, Ed	USAC
George, Dewey	DP George
Goode, Vernell	USAC
Nuzzo, Patsy	USAC
Salvator, Charles – <i>by telephone</i>	USAC
Smith, Chris – <i>by telephone</i>	USAC
Smith, Michael	DP George

ACTION ITEMS:

- a1. Approval of Audit Committee Meeting Minutes of July 30, 2012.** On a motion duly made and seconded, the Committee approved the minutes, as written, of the Committee meeting of July 30, 2012.

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

- a2. Annual Acceptance of the Assessment by the USAC Internal Audit Division of the Independence and Financial Literacy of the USAC Audit Committee Members.** Mr. Scott presented this item to the Committee.

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

RESOLVED, that the USAC Audit Committee accepts the assessment made by the USAC Internal Audit Division and agrees that the Audit Committee is adequately staffed with independent members and has a sufficient level of financial expertise.

- a3. Annual Review of the Internal Audit Charter; the Organizational Structure, Budget, and Activities of the Internal Audit Division; and Significant Changes to the Internal Audit Plan.** Mr. Scott presented this item to the Committee.

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

RESOLVED, that the USAC Audit Committee, having reviewed the proposed change to the Internal Audit Charter, hereby accepts the recommendation of USAC management and approves the proposed change to the Internal Audit Charter.

- a4. Annual Review of the Effectiveness of the Company's Process For Assessing Significant Risks and Exposures and the Steps Management Has Taken to Minimize Such Risks and Exposures.** Mr. Scott presented this item to the Committee.

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

RESOLVED, that the USAC Audit Committee accepts the USAC Internal Audit Division's review of the effectiveness of the Company's process for assessing significant risks and exposures, and the steps management has taken to minimize such risks and exposures.

- a5. Annual Review of the Adequacy of USAC's System of Internal Controls.** Mr. Scott presented this item to the Committee.

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

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

RESOLVED, that the USAC Audit Committee accepts the review of the adequacy of USAC's system of internal controls performed by the USAC Internal Audit Division.

- a6. Action on One USAC Internal Audit Division USAC Finance Division Operational Audit Report.** Mr. Scott presented this item to the Committee.

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

RESOLVED, that the USAC Audit Committee, having reviewed the USAC Internal Audit Division (IAD) Finance Division Operational Audit Report labeled US2012OP001, accepts the recommendations of the USAC management and hereby deems the report final.

- a7. Acceptance of USAC's 2011 Annual Financial Audit and Agreed-Upon Procedures Review.** Mr. Scott introduced this item to the Committee. Representatives from DP George and Company presented the results of the USAC 2011 annual financial audit and Agreed-upon Procedures review.

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

RESOLVED, that the USAC Audit Committee, having reviewed the USAC 2011 Financial Audit Report as submitted by DP George and Company LLC, hereby deems the report final; and

RESOLVED FURTHER, that the USAC Audit Committee, having reviewed the USAC 2011 Agreed-Upon Procedures Review Report as submitted by DP George and Company LLC, hereby deems such report final.

- a8. Miscellaneous. Solicit ideas for the January 2013 Committee Meeting Agenda.** Mr. Gillan reminded members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Mr. McClure, Mr. Barash or Mr. Scott between quarterly meetings.

INFORMATION ITEMS:

- i1. USAC Internal Audit Division Audit Update.** Mr. Scott presented this item to the Committee.
- i2. Quarterly Summary of Audit Reports Finalized at Board and Committee Meetings.** Mr. Scott presented this item to the Committee.

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

- i3. **Semiannual Status Report on Actions Taken on Final USAC Audits.** Mr. Scott presented this item to the Committee.
- i4. **Audit Committee Executive Session with USAC's Independent Audit Firm – DP George & Company.** In accordance with the approved criteria and procedures for conducting USAC Board and committee business in *Executive Session*, Mr. Capozzi recommended that this matter be discussed in *Executive Session* pursuant to Section II.C.2 of the Audit Committee Charter (Charter), which states:

The Committee shall, at least annually and at such other times as the Committee deems necessary, separately meet with USAC management, the Vice President of Internal Audit, and representatives of each independent auditing firm retained by USAC to discuss any matters that either the Committee or any of these groups believes *should be discussed privately*.

USAC management believes that the Committee can have a full and frank discussion with USAC's independent auditor if the meeting is conducted only with members of the Committee, representatives of the auditing firm(s) and members of USAC management and/or staff the Committee may, in its discretion, wish to have present.

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

RESOLVED, that the USAC Audit Committee determines that discussion with representatives of the independent auditing firm retained by USAC, DP George and Company, shall be conducted in *Executive Session*.

At 3:23 p.m. Eastern Time, on a motion duly made and seconded, with only Committee members and Mr. George and Mr. Smith present, the Committee moved into *Executive Session* for the purpose of discussing the confidential and proprietary item noted above.

EXECUTIVE SESSION:

- i4. **Audit Committee Executive Session with USAC's Independent Audit Firm – DP George & Company.**

At 3:32 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. On a motion duly made and seconded, the Committee adjourned at 3:32 p.m. Eastern Time.

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

/s/ David A. Capozzi
Assistant Secretary