

2011 Executive Committee Meetings Minutes

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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

EXECUTIVE COMMITTEE MEETING

January 20, 2011

MINUTES

The quarterly meeting of the Executive Committee (Committee) of the Board of Directors (Board) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Thursday, January 20, 2011. Dr. Brian Talbott, Committee Chair, called the meeting to order at 11:01 a.m. Eastern Time with a quorum of eight of the nine Committee members present:

Barash, Scott – Acting Chief Executive Officer
Campbell, Anne – *by telephone*
Jortner, Wayne – Treasurer – *by telephone*
Kragel, Dr. Peter – Secretary – *by telephone*
Lubin, Joel – *by telephone*
McClure, Dave – *by telephone*
Sanders, Dr. Jay – *by telephone*
Talbott, Dr. Brian – Board Chair – *by telephone*

Mr. D. Michael Anderson, Committee Vice Chair, joined the meeting by telephone at 11:30 a.m. Eastern Time. He did not participate in the discussion of or vote on items a1, a2, a3, a4, a5, or participate in the discussion of items i1, i2, i4, and i5.

Other Board members and officers of the corporation present:

Belden, Richard – Chief Operating Officer
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer
Capozzi, David – Acting General Counsel and Assistant Secretary
England, Bill – Vice President, Rural Health Care Division
Scott, Wayne – Vice President of Internal Audit – *by telephone*

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Amalfitano, Vince	FCC – <i>by telephone</i>
Iversen, Eric	USAC
Nuzzo, Patsy	USAC
Bellavia, Leslie	USAC
Becker, Ellen	FCC – <i>by telephone</i>

ACTION ITEMS:

- a1. Approval of Executive Committee Meeting Minutes of October 21, 2010.** On a motion duly made and seconded, the Committee approved the minutes, as written, of the Executive Committee meeting of October 21, 2010
- a2. Action on One USAC Internal Audit Division USAC Finance Division Operational Audit Report.** 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* because the report relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.

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

RESOLVED, that the USAC Audit Committee determines that discussion of the USAC Internal Audit Division Billing Process Operational Audit Report labeled US2009OP005 shall be conducted in *Executive Session*.

- a3. Action on One USAC Internal Audit Division USAC Information Technology Division Operational Audit Follow-Up Report.** 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* because the report relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.

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

RESOLVED, that the USAC Executive Committee determines that discussion of the USAC Internal Audit Division Security Awareness and Training Follow-Up Audit Report labeled US2010FL003 shall be conducted in *Executive Session*.

- a4. Approval of USAC 2010 Annual Report to the FCC and Congress.** Mr. Barash presented this item to the Committee, noting that Committee members are requested to provide comments to Mr. Barash or Mr. Iversen no later than February 4, 2011.

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

RESOLVED, that the USAC Executive Committee approves the USAC 2010 Annual Report to the FCC and Congress as presented by USAC management and directs USAC management to provide a copy to the FCC and Congress by March 31, 2011, and further directs USAC management to provide each member of the USAC Board of Directors with a copy of the final 2010 Annual Report. The USAC Executive Committee authorizes management to exercise appropriate editorial privilege and discretion in the preparation of the final report.

a5. Miscellaneous.

a5-1. Solicit Ideas for the April 2011 Committee Meeting Agenda. Dr. Talbott reminded Committee members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Dr. Talbott, Mr. Anderson or Mr. Barash between quarterly meetings.

a5-2. Board Materials. Mr. Barash requested the Committee provide feedback regarding the materials provided to the Board and committees.

INFORMATION ITEMS:

i1. USAC Internal Controls Program Update. Mr. Belden presented this item to the Committee.

i2. Quarterly Report on Universal Service Fund Contribution Matters. In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this report relates to specific *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*.

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

RESOLVED, that the discussion of the quarterly report on USF contribution matters shall be conducted in *Executive Session*.

i3. Procurement Update. In accordance with the approved criteria and procedures for conducting USAC Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the USAC Executive Committee determines that the discussion of the procurement matters associated with this item shall be conducted in *Executive Session*.

- i4. **USAC 2010 Accomplishments.** This report was provided for informational purposes with the Committee requesting that Mr. Barash discuss the report at the Board meeting on January 25, 2011.
- i5. **USAC 2011 Objectives.** This report was provided for informational purposes with the Committee requesting that Mr. Barash discuss the report at the Board meeting on January 25, 2011.

At 11:21 a.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:

- a2. **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 Executive Committee, having reviewed the USAC Internal Audit Division Billing Process Operational Audit Report labeled US2009OP005, together with management's responses thereto, hereby accepts the recommendation of USAC management and recommends to the USAC Audit Committee that the report be deemed final.

- a3. **Action on One USAC Internal Audit Division Information Technology Division Operational Audit Follow-Up 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 Security Awareness and Training Follow-Up Audit Report labeled US2010FL003, together with management's responses thereto, accepts the recommendations of USAC management and recommends to the USAC Audit Committee that the report be deemed final.

- i2. **Quarterly Report on Universal Service Fund Contribution Matters.** Mr. Belden presented this item to the Committee.

- i3. **Procurement Update.** Mr. Belden presented this item to the Committee.

At 11:34 a.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Talbott reported that in *Executive Session*, the Committee took action on items a2 and a3, and discussed items i2 and i3 above. On a motion duly made and seconded, the Committee adjourned at 11:35

a.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

EXECUTIVE COMMITTEE MEETING

April 21, 2011

MINUTES

The quarterly meeting of the Executive Committee (Committee) of the Board of Directors (Board) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Thursday, April 21, 2011. Mr. D. Michael Anderson, Committee Vice Chair, called the meeting to order at 11:00 a.m. Eastern Time with a quorum of six of the nine Committee members present:

Anderson, D. Michael Vice Chair – *by telephone*
Barash, Scott – Acting Chief Executive Officer
Campbell, Anne – *by telephone*
Jortner, Wayne – Treasurer – *by telephone*
McClure, Dave – *by telephone*
Sanders, Dr. Jay – *by telephone*

Dr. Peter Kragel joined the meeting by telephone at 11:03 a.m. Eastern Time. He did not participate in the discussion of or vote on item a1.

Members of the Committee not present:

Lubin, Joel
Talbott, Dr. Brian Chair

Other Board members and officers of the corporation present:

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

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Amalfitano, Vince	FCC – <i>by telephone</i>
Iversen, Eric	USAC
Nuzzo, Patsy	USAC
Hultquist, Mary	USAC
Sansbury, Cherice	USAC

ACTION ITEMS:

- a2. **Approval of Executive Committee Meeting Minutes of January 20, 2011 and April 7, 2011.** On a motion duly made and seconded, the Committee approved the minutes as written of January 20, 2011 and April 7, 2011.
- a2. **Action on One USAC Internal Audit Division USAC Information Technology Division Operational Audit Report.** 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* because the report relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.

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

RESOLVED, that the USAC Executive Committee determines that consideration of the USAC Internal Audit Division USAC Information Technology Division Operational Audit Report labeled US2010OP002 shall be conducted in *Executive Session*.

- a3. **Miscellaneous. Solicit Ideas for the July 2011 Committee Meeting Agenda.** Mr. Anderson reminded Committee members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Dr. Talbott, Mr. Anderson or Mr. Barash between quarterly meetings.

INFORMATION ITEMS:

- i1. **Quarterly Report on Universal Service Fund Contribution Matters.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this report relates to *specific 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*.

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

RESOLVED, that the discussion of the quarterly report on USF contribution matters shall be conducted in *Executive Session*.

- i3. **Procurement Update.** In accordance with the approved criteria and procedures for conducting USAC Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the USAC Executive Committee determines that the discussion of the procurement matters associated with this item shall be conducted in *Executive Session*.

At 11:04 a.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:

a2. Action on One USAC Internal Audit Division USAC Information Technology Division Operational Audit Report. Ms. Mary Hultquist, Senior Manager of Outsourced Audit Services, 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 Executive Committee, having reviewed the USAC Internal Audit Division USAC Information Technology Division Operational Audit Report labeled US2010OP002, accepts the recommendation of the USAC Executive Committee and USAC management and hereby deems the report final.

i1. Quarterly Report on Universal Service Fund Contribution Matters. Mr. Belden presented this item to the Committee.

i2. Procurement Update. Mr. Belden presented this item to the Committee.

At 11:16 a.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Talbott reported that in *Executive Session*, the Committee took action on item a2 and discussed items i1 and i2 above. On a motion duly made and seconded, the Committee adjourned at 11:17 a.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

EXECUTIVE COMMITTEE MEETING

May 25, 2011

MINUTES

A meeting of the Executive Committee (Committee) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Wednesday, May 25, 2011. Dr. Brian Talbott, Committee Chair, called the meeting to order at 12:00 p.m. Eastern Time. All nine Committee members were present representing a quorum. The Committee members attended the meeting by teleconference, except for Mr. Barash who attended in-person.

Anderson, D. Michael – Vice Chair	McClure, Dave
Barash, Scott – Acting CEO	Lubin, Joel
Campbell, Anne	Sanders, Dr. Jay
Jortner, Wayne – Treasurer	Talbott, Dr. Brian
Kragel, Dr. Peter – Secretary	

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

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
Greiner, Colleen – Vice President of Information Technology, Chief Information Officer.

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Amalfitano, Vince	FCC – <i>by telephone</i>
Nuzzo, Patsy	USAC

ACTION ITEMS:

- a1. Consideration of Contract Award for Printing and Mailing Services.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the USAC Executive Committee determines that consideration of the recommended contract award to acquire printing and mailing services shall be conducted in *Executive Session*.

- a2. Consideration of Contract Award for Microsoft Visual Studio 2010 Software Licenses and Support.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the USAC Executive Committee determines that consideration of the recommended contract award to acquire MS Visual Studio 2010 software development tools and support shall be conducted in *Executive Session*.

- a3. Consideration of Contract Award for Oracle Database 11g Release 2 Enterprise Edition Licenses and Support.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the USAC Executive Committee determines that consideration of the recommended contract award to acquire Oracle Database licenses and support for the USAC Rural Health Care information technology modernization and in-sourcing project shall be conducted in *Executive Session*.

At 12:01 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential and proprietary items noted above.

EXECUTIVE SESSION:

- a1. Consideration of Contract Award for Printing and Mailing Services.** Mr. Belden 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 Executive Committee, having reviewed the recommendation of USAC management, hereby authorizes management to

award a contract for one year, plus two one-year renewal options to acquire the printing and mailing services described in this issue paper from Jamison Professional Services for the total not-to-exceed price of \$230,000, plus reimbursable USPS postage.

a2. Consideration of Contract Award for Microsoft® Visual Studio 2010 Software Licenses and Support. Mr. Belden 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 Executive Committee, having reviewed the recommendation of USAC management, hereby authorizes management to award a contract to acquire the software licenses and support listed in this issue paper from PC Connections for the firm fixed price of \$186,740.69 (including applicable sales taxes).

a3. Consideration of Contract Award for Oracle Database 11g Release 2 Enterprise Edition Licenses and Support. Mr. Belden 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 Executive Committee, having reviewed the recommendation of USAC management, hereby authorizes management to award a contract to acquire the software database licenses and support listed in this issue paper from Oracle America, Inc. for the firm fixed price of \$154,666.72 (including applicable sales tax).

At 12:16 p.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Talbott reported that in *Executive Session*, the Committee took action on items a1, a2 and a3. On a motion duly made and seconded, the Committee adjourned at 12:18 p.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

EXECUTIVE COMMITTEE MEETING

July 21, 2011

MINUTES

The quarterly meeting of the Executive Committee (Committee) of the Board of Directors (Board) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Thursday, July 21, 2011. Mr. D. Michael Anderson, Committee Vice Chair, called the meeting to order at 11:10 a.m. Eastern Time with a quorum of five of the nine Committee members present:

Anderson, D. Michael – Vice Chair – *by telephone*
Barash, Scott – Acting Chief Executive Officer
Kragel, Dr. Peter – *by telephone*
Lubin, Joel – *by telephone*
Sanders, Dr. Jay – *by telephone*

Ms. Anne Campbell joined the meeting by telephone at 11:13 a.m. Eastern Time. She did not participate in the discussion of or vote on items a1 or a2.

Members of the Committee not present:

Jortner, Wayne – Treasurer
McClure, David
Talbott, Dr. Brian – Chair

Other Board members and officers of the corporation present:

Belden, Richard – Chief Operating Officer
Capozzi, David – Acting General Counsel and Assistant Secretary – *by telephone*
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer
Greiner, Colleen – Vice President and Chief Information Officer
Mitchell, Randy – Member of the Board
Scott, Wayne – Vice President of Internal Audit – *by telephone*

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Amalfitano, Vince	FCC – <i>by telephone</i>
Becker, Ellen	FCC – <i>by telephone</i>
Iversen, Eric	USAC
Nuzzo, Patsy	USAC

ACTION ITEMS:

- a3. **Approval of Executive Committee Meeting Minutes of April 21, 2011 and May 25, 2011.** On a motion duly made and seconded, the Committee approved the minutes, as written, of the Executive Committee meetings of April 21, 2011 and May 25, 2011.
- a2. **Action on Two USAC Internal Audit Division USAC Information Technology Division Operational Audit Follow-Up Reports.** 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* because the reports relate to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.

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

RESOLVED, that the USAC Executive Committee determines that discussion of the USAC Internal Audit Division USAC Information Technology Division Program Development and Change Management Follow-Up Audit Report labeled US2011FL003 and Incident Response Follow-Up Audit Report labeled US2011FL004 shall be conducted in *Executive Session*.

- a3. **Miscellaneous. Solicit Ideas for the October 2011 Committee Meeting Agenda.** Mr. Anderson reminded Committee members that they may offer suggestions for agenda items at each quarterly meeting. Ideas may be submitted to Dr. Talbott, Mr. Anderson or Mr. Barash between quarterly meetings.

INFORMATION ITEMS:

- i1. **Quarterly Report on Universal Service Fund Contribution Matters.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this report relates to *specific 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*.

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

RESOLVED, that the discussion of the quarterly report on USF contribution matters shall be conducted in *Executive Session*.

- i2. **Procurement Update.** In accordance with the approved criteria and procedures for conducting USAC Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the USAC Executive Committee determines that the discussion of the procurement matters associated with this item shall be conducted in *Executive Session*.

- i3. Mid-Year Report on USAC 2011 Objectives.** Mr. Barash noted that this item would be discussed at the Board of Directors meeting on July 26, 2011.

At 11:15 a.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:

- a2. Action on Two USAC Internal Audit Division USAC Information Technology Division Operational Audit Follow-Up Reports.** 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 USAC Information Technology Division Program Development and Change Management Follow-Up Audit Report labeled US2011FL003 and Incident Response Follow-Up Audit Report labeled US2011FL004, together with management's responses thereto, accepts the recommendations of the USAC Executive Committee and USAC management and hereby deems the reports final.

- i1. Quarterly Report on Universal Service Fund Contribution Matters.** Mr. Case presented this item to the Committee.
- i2. Procurement Update.** Mr. Belden presented this item to the Committee.

At 11:22 a.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Anderson reported that in *Executive Session*, the Committee took action on item a2 and discussed items i1 and i2 above. On a motion duly made and seconded, the Committee adjourned at 11:23 a.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

EXECUTIVE COMMITTEE MEETING

August 17, 2011

MINUTES

A meeting of the Executive Committee (Committee) of the Board of Directors (Board) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Wednesday, August 17, 2011. Mr. D. Michael Anderson, Committee Vice Chair, called the meeting to order at 2:04 p.m. Eastern Time with a quorum of five of the nine Committee members present:

Anderson, D. Michael – Vice Chair – *by telephone*
Barash, Scott – Acting Chief Executive Officer
Jortner, Wayne – Treasurer – *by telephone*
Kragel, Dr. Peter – *by telephone*
Sanders, Dr. Jay – *by telephone*

Mr. David McClure joined the meeting by telephone at 2:08 p.m. Eastern Time.

Members of the Committee not present:

Campbell, Anne
Lubin, Joel
Talbott, Dr. Brian – Chair

Other Board members and officers of the corporation present:

Belden, Richard – Chief Operating Officer
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Amalfitano, Vince	FCC – <i>by telephone</i>
Nuzzo, Patsy	USAC
Skadin, Andy	FCC
Watts, Joe	FCC

ACTION ITEMS:

- a4. Consideration of Contract Award for Employee Benefits Consulting Services.** In accordance with the approved criteria and procedures for conducting USAC Board and committee business in *Executive Session*, Mr. Belden recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the USAC Executive Committee determines that consideration of the recommended contract award to acquire employee benefits consulting services shall be conducted in *Executive Session*.

At 2:06 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential and proprietary items noted above.

EXECUTIVE SESSION:

- a1. Consideration of Contract Award for Employee Benefits Consulting Services.** Mr. Belden 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 Executive Committee, having reviewed the recommendation of USAC management, hereby authorizes management to award a contract for one 16-month base period, plus two one-year renewal options to acquire the employee benefits broker services described in this issue paper from Independent Benefit Services, Inc. for the total not-to-exceed price of \$211,200.

At 2:17 p.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Anderson reported that in *Executive Session*, the Committee took action on item a1. On a motion duly made and seconded, the Committee adjourned at 2:18 p.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

EXECUTIVE COMMITTEE MEETING

September 26, 2011

MINUTES

A meeting of the Executive Committee (Committee) of the Board of Directors (Board) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Monday, September 26, 2011. Dr. Brian Talbott, Board Chair, called the meeting to order at 12:08 p.m. Eastern Time with a quorum of seven of the nine Committee members present:

Anderson, D. Michael – Vice Chair – *by telephone*
Barash, Scott – Acting Chief Executive Officer
Campbell, Anne – *by telephone*
Jortner, Wayne – *by telephone*
Kragel, Dr. Peter – *by telephone*
McClure, David – *by telephone*
Sanders, Dr. Jay – *by telephone*
Talbot, Dr. Brian – Chair – *by telephone*

Members of the Committee not present:

Jortner, Wayne – Treasurer
Lubin, Joel

Other Board members and officers of the corporation present:

Capozzi, David – Acting General Counsel and Assistant Secretary

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Nuzzo, Patsy	USAC

INFORMATION ITEMS:

After the meeting was called to order and the roll taken, Mr. Barash excused himself from the meeting.

- a5. Discussion of Personnel Matter.** In accordance with the approved criteria and procedures for conducting USAC Board and committee business in *Executive Session*,

Dr. Talbott recommended that discussion of this item be conducted in *Executive Session* because this matter relates to a USAC *personnel matter*.

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

RESOLVED, that the USAC Executive Committee determines that discussion of the USAC personnel matter shall be conducted in *Executive Session*.

At 12:10 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:

- ii.** **Discussion of Personnel Matter.** Dr. Talbott led the discussion of this item, which related to USAC Chief Executive Officer search process.

At 12:21 p.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Talbott reported that in *Executive Session*, the Committee discussed a USAC personnel matter. On a motion duly made and seconded, the Committee adjourned at 12:22 p.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

EXECUTIVE COMMITTEE MEETING

October 20, 2011

MINUTES

The quarterly meeting of the Executive Committee (Committee) of the Board of Directors (Board) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Thursday, October 20, 2011. Mr. Scott Barash, Acting Chief Executive Officer, called the meeting to order at 11:06 a.m. Eastern Time with a quorum of five of the nine Committee members present:

Barash, Scott – Acting Chief Executive Officer
Campbell, Anne – *by telephone*
Jortner, Wayne – Treasurer – *by telephone*
Kragel, Dr. Peter – Secretary – *by telephone*
McClure, David – *by telephone*

Dr. Brian Talbott, Board Chair, joined the meeting by telephone at 11:09 a.m. Eastern Time. He did not participate in the discussion of or vote on item a1.

Members of the Committee not present:

Anderson, D. Michael – Vice Chair
Lubin, Joel
Sanders, Dr. Jay

Other Board members and officers of the corporation present:

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>
Amalfitano, Vince	FCC – <i>by telephone</i>
Iversen, Eric	USAC
Nuzzo, Patsy	USAC

ACTION ITEMS:

- a6. **Approval of Executive Committee Meeting Minutes of July 21, 2011, August 17, 2011 and September 26, 2011.** On a motion duly made and seconded, the Committee approved the minutes, as written, of the Executive Committee meetings of July 21, 2011, August 17, 2011 and September 26, 2011
- a7. **Action on One USAC Internal Audit Division USAC Finance Division Operational Audit Report.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended that this matter be discussed in *Executive Session* because the reports relate to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.

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

RESOLVED, that the USAC Executive Committee determines that discussion of the USAC Internal Audit Division Finance Division Operational Audit Report labeled US2011OP001 shall be conducted in *Executive Session*.

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

INFORMATION ITEMS:

- i1. **Quarterly Report on Universal Service Fund Contribution Matters.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this report relates to *specific 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*.

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

RESOLVED, that the discussion of the quarterly report on USF contribution matters shall be conducted in *Executive Session*.

- i2. **Procurement Update.** In accordance with the approved criteria and procedures for conducting Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the USAC Executive Committee determines that the discussion of the procurement matters associated with this item shall be conducted in *Executive Session*.

At 11:10 a.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:

a2. 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 Executive Committee, having reviewed the USAC Internal Audit Division (IAD) Finance Division Operational Audit Report labeled US2011OP001, hereby accepts the recommendation of USAC management and recommends to the USAC Audit Committee that the report be deemed final.

i1. Quarterly Report on Universal Service Fund Contribution Matters. Mr. Case presented this item to the Committee.

i2. Procurement Update. Mr. Belden presented this item to the Committee.

At 11:28 a.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Barash reported that in *Executive Session*, the Committee took action on item a2 and discussed items i1 and i2 above. On a motion duly made and seconded, the Committee adjourned at 11:30 a.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

EXECUTIVE COMMITTEE MEETING

November 10, 2011

MINUTES

A meeting of the Executive Committee (Committee) of the Board of Directors (Board) of the Universal Service Administrative Company (USAC) was held at USAC's offices in Washington, D.C. on Thursday, November 10, 2011. Mr. D. Michael Anderson, Committee Vice Chair, called the meeting to order at 3:32 p.m. Eastern Time with a quorum of eight of the nine Committee members present:

Anderson, D. Michael – Vice Chair – *by telephone*
Barash, Scott – Acting Chief Executive Officer
Campbell, Anne – *by telephone*
Jortner, Wayne – Treasurer – *by telephone*
Kragel, Dr. Peter – Secretary – *by telephone*
Lubin, Joel – *by telephone*
McClure, David – *by telephone*
Sanders, Dr. Jay – *by telephone*

Members of the Committee not present:

Talbott, Dr. Brian – Chair

Other Board members and officers of the corporation present:

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
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>
Amalfitano, Vince	FCC – <i>by telephone</i>
Nuzzo, Patsy	USAC
Iversen, Eric	USAC

ACTION ITEMS:

- a8. Consideration of Contract Award for Marketing Communications and Graphics Design Service.** In accordance with the approved criteria and procedures for conducting USAC Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the USAC Executive Committee determines that consideration of the recommended contract award to acquire marketing communication and graphic design services shall be conducted in *Executive Session*.

- a2. Consideration of Additional Funding for Enhancements to USAC's Payment Quality Assurance Software.** In accordance with the approved criteria and procedures for conducting USAC Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the USAC Executive Committee determines that consideration of the recommended additional funding for USAC enhancements to the case and claims management software solution supporting USAC's PQA program shall be conducted in *Executive Session*.

- a3. Consideration to Exercise Contract Renewal Options for KTL Solutions.** In accordance with the approved criteria and procedures for conducting USAC Board and committee business in *Executive Session*, Mr. Capozzi recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the USAC Executive Committee determines that consideration of the recommended approval to provide USAC management with the authority to exercise two one-year contract renewal options with KTL Solutions, Inc. shall be conducted in *Executive Session*.

At 3:33 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential and proprietary items noted above.

EXECUTIVE SESSION:

- a1. Consideration of Contract Award for Marketing Communications and Graphics Design Service.** Mr. Belden 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 Executive Committee, having reviewed the recommendation of USAC management, hereby authorizes management to award a contract for two years to acquire graphic design and marketing communication and services described in this issue paper from FHI Development 360, LLC, for the total not-to-exceed price of \$191,910.

- a2. Consideration of Additional Funding for Enhancements to USAC's Payment Quality Assurance Software.** Mr. Belden 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 Executive Committee, having reviewed the recommendation of USAC management, hereby authorizes management to increase the value of the Customer Expressions Corporation contract by \$30,400 to provide software development, additional user licensing, and increased data storage for the i-Sight case and claims management application bringing the total three-year not-to-exceed price to \$179,100.

- a3. Consideration to Exercise Contract Renewal Options for KTL Solutions.** Mr. Belden 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 Executive Committee, having reviewed the recommendation of USAC management, hereby authorizes management to exercise two one-year contract renewal options for \$75,000 each for a total three-year not-to-exceed price of \$225,000.

At 3:56 p.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Anderson reported that in *Executive Session*, the Committee took action on items a1, a2 and a3. On a motion duly made and seconded, the Committee adjourned at 3:56 p.m. Eastern Time.

/s/ David A. Capozzi
Assistant Secretary