Briefing book excludes all materials discussed in Executive Session.

Board of Directors

Briefing Book

Tuesday, October 30, 2018

8:30 a.m. - 2:00 p.m. Eastern Time

Universal Service Administrative Company Offices

700 12th Street, N.W., Suite 900

Washington, D.C. 20005

Universal Service Administrative Company
Board of Directors Quarterly Meeting
Agenda

Tuesday, October 30, 2018
8:30 a.m. – 2:00 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

	OPEN SESSION	*Estimated Duration in Minutes*
Chair	**a1.** Consent Items (each available for discussion upon request): **A.** Approval of Board of Directors Meeting Minutes of July 23, 2018 and September 28, 2018 **B.** Approval of moving all ***Executive Session*** Items into ***Executive Session***	5
Chair	**a2.** Reports from the Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee	15
Chair	**a3.** Appointment of a Nominating Committee and Direction to Committees for the Appointment of Committee Chairs and Vice Chairs	10
Charlie	**a4.** Approval of Common and Consolidated 1st Quarter 2019 Budgets for the November 2, 2018 FCC Filing	15
Chris	**a5.** Acceptance of USAC's Enterprise Risk Management Framework	15
Ernesto	**a6**. Consideration of Approval to Reimburse Board Members to Attend an Event Other Than a USAC Board or Committee Meeting	10
Radha Bob Chris B. Chris L.	**i1.** Enterprise Business Updates: **A.** CEO **B.** Information Technology **C.** Enterprise Portfolio Management Office **D.** Shared Services	90

EXECUTIVE SESSION **Confidential – *Executive Session Recommended***		
Charlie Tamika	**i1. Enterprise Business Updates (*continued)*** **E.** Finance **1.** Information on Preliminary 2019 Annual USAC Common and Consolidated Budgets **2.** Information on Contribution Factor **3.** Information on Great Plains Replacement Update	25 10

EXECUTIVE SESSION **Confidential – *Executive Session*** ***Recommended***		
Craig	**F.** Human Resources **G.** Procurement Update **1.** Procurement Business Update **2.** 2018 Third Quarter Procurement Report	10
Craig	**a7.** Consideration of a One-Year Contract Options Call Center Services	15
Craig	**a8.** Consideration of a One-Year Contract Option for IDIQ IT Staff Augmentation Vendors	
Nikki-Blair	**i2.** Information on Two USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports	10
Chair	**i3.** Executive Session with Board (Lunch)	60
Radha	**a9.** Executive Session with CEO – Personnel Matters	30

Next USAC Board of Directors Meeting

Tuesday, January 29, 2019
8:30 a.m. – 2:30 p.m. Eastern Time
USAC Offices, Washington, D.C.

Briefing book excludes all materials discussed in Executive Session.

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

BOARD OF DIRECTORS MEETING
Tuesday, July 24, 2018

(DRAFT) MINUTES[1]

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, July 24, 2018. Mr. Joel Lubin, Board Chair, called the meeting to order at 8:30 a.m. Eastern Time, with a quorum of 17 of the 19 Board members present:

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

Members of the Board not present:

Fontana, Brent
Jacobs, Ellis – Secretary

Officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel and Assistant Secretary
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management
Davis, Craig – Vice President of Procurement and Sourcing Strategy
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Lifeline
Holstein, Bob – Vice President and Chief Information Officer
Salvator, Charles – Vice President of Finance, Chief Financial Officer and Assistant Treasurer
Scott, Wayne – Vice President of Audit and Assurance
Sekar, Radha – Chief Executive Officer
Sweeney, Mark – Vice President of Rural Health Care

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

Others present:

NAME	COMPANY
Ayer, Catriona	USAC
Boler, Natasha	USAC
Buenger, Tony	USAC
Burgess, Melody	USAC
Butler, Stephen	USAC
Carpenter, Nikki-Blair	USAC
Crowe, Jennifer	USAC
Daniels, Joel	USAC
Fischer, Dennis	USAC
Francisco, Dale	USAC
Gerensky, Mitko	USAC
Goode, Vernell	USAC
Haus, Allen	Avitecture
Hawkins, Crystal	USAC
Hughet, Pamela	USAC
Hutchinson, Kyle	USAC
Kim, Nathan	USAC
King, Lauren	USAC
Marjani, Regina	USAC
Miller, Jack	Solix, Inc.
Nuzzo, Patsy	USAC
Parker, Ben	USAC
Patel, Amish	USAC
Schecker, Laurence	USAC
Sequin, Eric	Solix, Inc.
Sinkfield, David	USAC
Tamm, Nico	USAC
Theobald, Fred	USAC
Tomlin, Nicole	USAC

OPEN SESSION

All materials from Open Session can be found on the USAC website.

1. Board Approvals

A. Consent Items. Mr. Lubin presented these items to the Board.

A1. Approval of Board meeting minutes April 24, 2018.
A2. Approval of Moving all *Executive Session* Items to Executive Session.

(1) 3 – Enterprise Business Update (*Continued*).

- **F**. Enterprise Business Update (*Continued*) and Information Technology Business Update *(Continued)*. USAC management recommends that this report be discussed in ***Executive Session*** because it relates to ***specific internal controls*** and USAC's ***procurement strategy and contract administration***.
- **G**. EPMO – Human Resources Business Update. USAC management recommends that this report be discussed in ***Executive Session*** because it involves ***internal personnel matters.***
- **H**. Finance Reports *(Continued)*.
    - **1.** Information on Contribution Factor. USAC management recommends that this matter be discussed in ***Executive Session*** because it relates to ***internal controls, and/or confidential company data, and may also include pre-decisional matters pending before the FCC. In addition, 47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential***.
    - **2.** Budget Execution Status. USAC management recommends that this report be discussed in ***Executive Session*** because it relates to USAC's ***procurement strategy and contract administration***.
- **I.** Internal Audit Reports.
    - **1.** Acceptance of USAC's 2017 Annual Financial Audit and Agreed-Upon Procedures Review. USAC management recommends that this matter be discussed in ***Executive Session*** because this report includes ***confidential company data***. ***47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential***.
    - **2.** Information on Seven USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends this item 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. In addition, ***47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential***.
- **J**. Procurement Reports.
    - **1.** Procurement Business Update. USAC management recommends that discussion of this item includes personnel matters and therefore should occur in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration***.

- **2.** USAC's Second Quarter 2018 Procurement Report. USAC management recommends that discussion of this item includes personnel matters and therefore should occur in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration***.
- **3.** Information on Schools & Libraries Division (SLD) Business Process Outsourcing (BPO) Procurement. USAC management recommends that discussion of this item includes personnel matters and therefore should occur in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration***.

(2) 4 – Board Approvals.

- **A.** Procurements.
  - **1.** Consideration of Contract Increase for Iron Bow Technologies Cisco WebEx Conferencing Services Agreement. USAC management recommends this item be discussed in ***Executive Session*** because it relates to USAC's ***procurement strategy and contract administration***.
  - **2.** Consideration of Contract Award for E-Gov/Digital Government Standards IT Assessment. USAC management recommends this item be discussed in ***Executive Session*** because it relates to USAC's ***procurement strategy and contract administration***.
- **B.** Review and Approval of Revised Executive Compensation Committee Charter. USAC management recommends this item be discussed in ***Executive Session*** because it because it involves ***internal personnel matters***. In addition, as set forth in Section D of the Committee Charter, Committee business shall be conducted in ***Executive Session***.

(3) 5 – Discussion of FCC-USAC Executive Committee Quarterly Meeting (Post Lunch) – USAC management recommends that this item be discussed in ***Executive Session*** because it involves ***internal personnel matters and may also involve matters relating to USAC's procurement strategy and contract administration, and matters subject to the attorney-client privilege.***

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

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of April 24, 2018; and (2) discussion in ***Executive Session*** of the items noted above.

B. Approval of USAC Common and Consolidated 4th Quarter 2018 Budgets for the August 2, 2018 FCC Filing. Mr. Salvator presented this item for consideration.

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

RESOLVED, that the USAC Board of Directors approves a 4th Quarter 2018 common budget of $24.23 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of $24.23 million for common costs in the required August 2, 2018 filing to the FCC on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 4th Quarter 2018 consolidated budget of $52.77 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of $52.77 million for consolidated costs in the required August 2, 2018 filing to the FCC on behalf of the USAC Board of Directors.

2. Reports from Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee. The committee chairs reported on matters discussed and actions taken by their respective committees since the April 2018 quarterly meetings. Mr. Feiss reported for the Audit Committee; Dr. Wibberly reported for the Rural Health Care Committee; Dr. Domenech reported for the Schools and Libraries Committee; Mr. Gillan reported for the High Cost & Low Income Committee and Executive Compensation Committee; and Mr. Lubin reported for the Executive Committee.

3. Enterprise Business Update.

3A. CEO Report. Ms. Radha Sekar presented the following to the Board:

1. Action Items from April 2018 quarterly Board and Committee meetings.
2. Reorganization.
3. 2018 USAC Deliverables.
4. CEO Roundtable Update.

3B. Enterprise Portfolio Management Office Report. Mr. Beyerhelm provided the Board with an update on the following topics:

1. Strategic Initiatives & Objectives.
2. Recap from 2018 Q1 Board Meeting.
3. 12 Month Roadmap:
    a. Data Governance/Establish Warehouse.
    b. Deploy CAF Map.
    c. CAF Map Data Governance Framework.
    d. Establish Project Management at USAC.
    e. Appeals Process Improvement.
    f. Implement Document Management Strategy.
4. Key EPMO Projects Overview.

3C. Shared Service Call Center Business Update. Mr. Butler provided an update on the following topics:

1. Update on Call Center Transition
2. Second quarter Call Center Accomplishments and Results.
3. Training and Communication Accomplishments and Results.

3D. Information Technology Business Update. Mr. Holstein provided and update on the following topics:

1. Goals and Objectives.
2. 2018 and Preliminary 2019 Roadmaps.
3. Quarter 3 Updates.

3E. Finance Reports. Mr. Salvator presented this item for discussion.

1. Information on Cash to Treasury and Treasury Offset Program.

At 10:27 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into ***Executive Session*** for the purpose of discussing the confidential items listed above.

EXECUTIVE SESSION

3F. Information Technology Business Update *(Continued).* Mr. Holstein provided an update on the FISMA Roadmap and the IT Budget and Actuals by Program/Division.

3G. EPMO – Human Resources Business Update. Ms. Burgess provided an update on the following topics:

1. Human Resources at a Glance.
2. USAC Employee Engagement.

3H. Finance Reports (*Continued).* Mr. Salvator presented the following topics to the Board for discussion.

1. Information on Contribution Factor
2. Budget Execution Status

3I. Internal Audit Reports. Mr. Scott and Ms. Crowe presented this item to the Board, providing updates on the following:

1. Acceptance of USAC's 2017 Annual Financial Audit and Agreed-Upon Procedures Review.
2. Information on Seven USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports.

The Board continued in Executive Session with the CEO, and officers during lunch and reconvened at 1:10 p.m. Eastern Time.

3J. Procurement Reports. Mr. Davis presented the following topics to the Board for discussion:

1. Procurement Business Update.
   a. 18 Month Roadmap.
   b. SLD BPO Update.
   c. Procurement Organization Activity.
   d. Upcoming Procurement Activity.
   e. Program Specific Procurements.

2. USAC's Second Quarter 2018 Procurement Report

3. Information on Schools Libraries Division Business Process Outsourcing (BPO) Procurement**.**

4. Board Approvals.

4A. Procurements. Mr. Davis presented these items to the Board for consideration and responded to questions.

1. Consideration of Contract Increase for Iron Bow Technologies Cisco WebEx Conferencing Services Agreement.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to increase the value of the Iron Bow Technologies contract for Cisco WebEx conferencing services in the additional amount of $169,814 for a total not-to-exceed contract value of $401,577 (plus applicable taxes).

2. Consideration of Contract Award for E-Gov / Digital Government Standards IT Assessment.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to FCC approval, to award a firm-fixed price contract for a Digital Government Standards IT Assessments and supporting guidance for a fixed amount of $945,000, with a contingency reserve of $189,000, to PricewaterhouseCoopers Public Sector LLP, for a total not to exceed amount of $1,134,000 (plus applicable taxes).

4B. Approval of Revised Executive Compensation Committee Charter. Mr. Beckford presented this item to the Board for consideration.

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

RESOLVED, that the USAC Board of Directors, having reviewed the proposed revisions to the Executive Compensation Committee Charter, hereby approves the revised Executive Compensation Committee Charter.

At 1:44 p.m. Eastern Time, the meeting continued in Executive Session with only members of the Board, and General Counsel present.

5. Discussion of FCC-USAC Executive Committee Quarterly Meeting.

5A. USAC Ethics Program. Mr. Schecker provided the Board with an overview of the USAC Ethics Program reviewing both employee and Board responsibilities.

5B. Discussion of FCC-USAC Memorandum of Understanding. Ms. Sekar provided and update on the status of the USAC and FCC Memorandum of Understanding.

5C. Data Act. Ms. Sekar provided and update on the Data Act and possible implications for USAC and the agenda for the FCC-USAC Executive Committee Quarterly Meeting.

OPEN SESSION

At 2:35 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of ***Executive Session*** and immediately reconvened in ***Open Session***, at which time Mr. Lubin reported that in ***Executive Session***, the Board took action on items 4A1-A2 and 4B and discussed items 3F – 3J and 5A – 5C.

On a motion duly made and seconded, the Board adjourned at 2:36 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

Briefing book excludes all materials discussed in Executive Session.

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

BOARD OF DIRECTORS MEETING
Friday, September 28, 2018

(DRAFT) MINUTES[1]

A meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Friday, September 28, 2018. Mr. Joel Lubin, Board Chair, called the meeting to order at 12:02 p.m. Eastern Time, with a quorum of 14 of the 19 Board members present:

Buzacott, Alan – *by telephone*
Choroser, Beth– *by telephone*
Fontana, Brent – *by telephone*
Freeman, Sarah – *by telephone*
Gerst, Matthew – *by telephone*
Gillan, Joe – Vice Chair – *by telephone*
Hernandez, Dr. Mike – *by telephone*
Kinser, Cynthia – *by telephone*
Lubin, Joel – Chair – *by telephone*
Mason, Ken – Treasurer – *by telephone*
Sekar, Radha – Chief Executive Officer – *by telephone*
Tinic, Atilla – *by telephone*
Wein, Olivia – *by telephone*
Wibberly, Dr. Kathy – *by telephone*

Mr. Ellis Jacobs joined the call at 12:04 p.m. Eastern Time. He participated in the discussion and voted on item a1.

Members of the Board not present:

Bocher, Robert
Domenech, Dr. Dan
Feiss, Geoff
Wade, Joan

Officers of the corporation present:

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

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

Others present:

NAME	COMPANY
Mitchell, Tamika	USAC
Moroz, Irina	USAC
Nuzzo, Patsy	USAC
Tiwari, Tanya	USAC
Tomlin, Nicole	USAC

OPEN SESSION

a1. **Consideration of Contract Awards for the USAC Employee Benefit Programs.** Mr. Beckford 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 Board of Directors determines that the discussion of this item be conducted in ***Executive Session***.

At 12:02 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into ***Executive Session*** for the purpose of discussing the confidential items listed above.

EXECUTIVE SESSION

a1. **Consideration of Contract Awards for the USAC Employee Benefit Programs.** Mr. Davis presented this item for consideration.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management, subject to FCC approval, to award contracts for employee medical benefits to CIGNA for a not-to-exceed cost of $11,032,921 (plus applicable taxes), and employee dental, vision, life, and disability benefits to Guardian for a not-to-exceed cost of $1,160,197 (plus applicable taxes), based on an estimated 2019 headcount of 550. The total not-to-exceed amount for both contracts is $12,193,118.

At 12:38 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of ***Executive Session*** and immediately reconvened in ***Open Session***, at which time Mr. Lubin reported that in ***Executive Session***, the Committee took action on item a1.

On a motion duly made and seconded, the Board adjourned at 12:39 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

Universal Service Administrative Company
Board of Directors Meeting

ACTION ITEM

Consent Items

Action Requested

The USAC Board of Directors (Board) is requested to approve the consent items listed below.

Discussion

The Board is requested to approve the following items using the consent resolutions below:

A. Board meeting minutes of July 23, 2018 and September 28, 2018 (*see* **Attachments A-1 and A-2**).

B. Approval for discussing in ***Executive Session*** agenda items:
(1) **i1** – Enterprise Business Updates (*Continued*).
- **E**. Finance.
  - **1**. Information on Preliminary 2019 Annual USAC Common and Consolidated Budgets. USAC management recommends that this report be discussed in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration.***
  - **2**. Information on Contribution Factor. USAC management recommends that this report be discussed in ***Executive Session*** because this matter relates to ***internal controls, and/or confidential company data, and may also include pre-decisional matters pending before the FCC. In addition, 47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential***.
  - **3**. Information on Great Plains Replacement Update. USAC management recommends that this item be discussed in ***Executive Session*** because the matter involves ***specific internal controls and/or confidential company data*** that would constitute a discussion of internal rules and procedures, and may include discussion of USAC's ***contractual and procurement matters*** where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.

- **F**. Human Resources. USAC management recommends that this item be discussed in ***Executive Session*** because it involves ***internal personnel matters***.
- **G**. Procurement Update
  - **1.** Procurement Business Update. USAC management recommends that this item be discussed in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration.***
  - **2.** 2018 Third Quarter Procurement Report. USAC management recommends that this item be discussed in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration.***

(2) **a7 –** Consideration of a One-Year Contract Options Call Center Services. USAC management recommends that this item be discussed in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration.***

(3) **a8 –** Consideration of a One-Year Contract Option for IDIQ IT Staff Augmentation Vendors. USAC management recommends that this item be discussed in ***Executive Session*** because this matter relates to USAC's ***procurement strategy and contract administration.***

(4) **i2 –** Information on Two USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in ***Executive Session*** because this matter relates to ***internal controls, and/or confidential company data*** that would constitute a discussion of internal rules and procedures. In addition, ***47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.***

(5) **i3 –** Executive Session (Lunch) with Board. USAC management recommends this item be discussed in ***Executive Session*** because the matter relates to the Board'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.
a9 – Executive Session with CEO, Personnel Matters:USAC management recommends that discussion of this item should occur in ***Executive Session*** because this matter relates to ***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. In addition, this mater may involve ***internal personnel matters***.

Upon request of a Board member, any one or more of the above items are available for discussion by the Board.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of July 23, 2018 and September 28, 2018; and (2) discussion in ***Executive Session*** of the items noted above.

Briefing book excludes all materials discussed in Executive Session.

Universal Service Administrative Company
Board of Directors Meeting

ACTION ITEM

Appointment of a Nominating Committee and Direction to Committees for the Nomination of Committee Chairs and Vice Chairs

Action Requested

The USAC Board of Directors (Board) is requested to appoint a Nominating Committee (Committee) consisting of members of the Board for the purpose of soliciting nominations and recommending to the Board a slate of candidates for each of USAC's corporate officer positions, assisting the Audit, High Cost & Low Income (HCLI), Rural Health Care (RHC), and Schools & Libraries (SL) committees in identifying Board members to serve as committee chair and vice chair for each committee, and assisting committees in filling at-large seats.

Function of the Nominating Committee

USAC's By-laws require an annual election of officers to be held at the first quarterly meeting of the Board of Directors in any given year. The Nominating Committee of the USAC Board of Directors is appointed at the October Board meeting in anticipation of the January elections and appointments. At times, the Nominating Committee is appointed and called upon to meet off-cycle, as needed, to ensure key positions are filled.

At the October 25, 2016 meeting, the Board adopted a Nominating Committee Charter (Charter) to memorialize the Board's ongoing practice of appointing a Nominating Committee to assume certain responsibilities associated with the annual elections. As prescribed in the Charter, members of the Nominating Committee, including a Nominating Committee Chair, are appointed annually by the Chair of the Board and each member shall hold office until their resignations, removal by the Board, or until their successors are duly appointed by the Chair of the Board.[1] The Board appoints a Nominating Committee to assume the responsibility of: (i) soliciting nominations and recommending to the Board a slate of candidates for each of USAC's corporate officer positions (i.e., Board Chair, Vice Chair, Treasurer, Secretary, Assistant Treasurer, and Assistant Secretary); (ii) assisting the Audit, HCLI, RHC, and SL committees in identifying Board members to serve as committee chair and vice chair for each committee; and (iii) assisting committees in filling at-large seats.[2]

[1] *See* Universal Service Administrative Company Nominating Committee Charter, Section B (October 2016) (Nominating Committee Charter).
[2] *See* Nominating Committee Charter, Section A.

Establishment of a Nominating Committee and Selection of Officers

The USAC Board Chair recommends that the Board appoint _____ as Nominating Committee Chair and _____ and _____ as members of the Nominating Committee.

New officer terms will begin when elected, which is presently planned to occur at the January 30, 2019 Board meeting. The current officers of the Corporation are as follows:

Officer Position	Incumbent
Chair	Joel Lubin
Vice Chair	Joe Gillan
Secretary	Ellis Jacobs
Treasurer	Ken Mason
Chief Executive Officer[3]	Radha Sekar
Assistant Secretary	Ernesto Beckford, Vice President and General Counsel
Assistant Treasurer	Charles Salvator, Vice President of Finance and Chief Financial Officer
USAC Staff[4]	• Chris Beyerhelm – VP of Enterprise Portfolio Management • Craig Davis – VP of Procurement and Strategic Sourcing • Victor Gaither – VP of High Cost • Michelle Garber – VP of Lifeline • Bob Holstein – VP and Chief Information Officer • Mark Sweeney– VP of Rural Health Care and Shared Services • Teleshia Delmar – VP of Audit and Assurance

Appointment of Board Members to Committees

USAC management notified the Wireline Competition Bureau and the Office of Managing Director on August 1, 2018 of the terms of six Board members expiring on

[3] The Chief Executive Officer (CEO) is elected to a term coincident with the term of the CEO's employment and is not elected annually.

[4] The Board determined that each vice president shall be designated an officer of the corporation immediately upon his or her assumption of the duties of the position and shall serve as such until his or her employment in such position with USAC terminates for any reason or is removed by the Board or the CEO from such position; therefore, these positions are not elected annually. However, the positions of Assistant Secretary and Assistant Treasurer are elected annually.

December 31, 2018. On September 6, 2018, the Federal Communications Commission (FCC) issued a Public Notice (PN) seeking nominations for the seats held by these Board members. The directors whose terms expire on December 31, 2018 and their current committee memberships and officer positions (if any) are as follows:

Director	Representing	Committee Assignments / Officer Position
Alan Buzacott	Interexchange carriers with annual operating revenues of more than $3 billion	SL (At-Large)
Brent Fontana	Rural healthcare providers that are eligible to receive supported services pursuant to 47 C.F.R. § 54.601	RHC (Rural Health Care Providers); SL (At-Large)
Sarah Freeman	State telecommunications regulators	HCLI (State Regulator); RHC (State Regulator)
Dr. Miguel Hernandez	Schools that are eligible to receive discounts pursuant to 47 C.F.R. § 54.501	RHC (Vice Chair, At-Large); SL (Schools Representative); Executive Compensation Committee
Kenneth Mason	Incumbent local exchange carriers (non-Bell Operating Companies) with more than $40 million in annual revenues	HCLI (At-Large); SL (Vice Chair, Service Provider Representative); Executive (Treasurer)
Olivia Wein	Information service providers	HCLI (Vice Chair, At-Large); RHC (At-Large); Executive Compensation Committee

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors establishes a Nominating Committee and directs the Committee to recommend to the USAC Board of Directors at its January 30, 2019 meeting nominations for the elected USAC officer positions; and

RESOLVED FURTHER, that the USAC Board of Directors appoints _____ as Nominating Committee chair and _____ and _____ as members of the Nominating Committee; and

RESOLVED FURTHER, that the USAC Board of Directors directs each committee of the Board to bring to the Board at the January 30, 2019 meeting nominations for a chair and vice chair of each respective committee.

Universal Service Administrative Company
Board of Directors Meeting

ACTION ITEM

Approval of USAC Common and Consolidated 1st Quarter 2019 Budgets for the November 2, 2018 FCC Filing

Action Requested:

The USAC Board of Directors (Board) is requested to approve the 1st Quarter 2019 (1Q2019) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's November 2, 2018 quarterly filing.

Discussion:

The 1Q2019 USAC common budget totals $24.70 million. Details are provided in Table A below.

Table A. Common Budget

(in millions)	**4Q2018 Budget**	**Increases/ (Decreases)**	**1Q2019 Budget**	**Explanation**
Common Costs				
Employee Expenses	$14.16	($1.63)	$12.53	Decrease due to budget of 355 FTEs in 4Q2018 versus budget of 333 FTEs in 1Q2019
Professional Services	4.64	1.41	6.05	Budget increase due to financial statement system modernization analysis; increased spending in IT security, software upgrades, and professional support for regulatory mandates; offset by a reallocation of contract labor from indirect to direct allocation
Overhead	5.43	0.69	6.12	Budget increase due to hardware purchases planned in 1Q2019
Total Common Costs	**$24.23**	**$0.47**	**$24.70**	

The 1Q2019 USAC consolidated budget totals $57.05 million, which includes $32.35 million of direct program costs and $24.70 million in common indirect costs. Please note that the amounts below (Table B) are the budget amounts and do not include programmatic demand.

Table B. Consolidated Budget

(in millions)	**4Q2018 Budget**	**Increases/ (Decreases)**	**1Q2019 Budget**
Direct Program Budget			
High Cost	$3.09	$2.50	$5.59
Lifeline	7.81	3.29	11.10
Rural Health Care	1.67	0.66	2.33
Schools & Libraries	15.97	(2.64)	13.33
Direct Program Budget (see Note 4)	$28.54	$3.81	**$32.35**
Common Budget (see Note 5)	$24.23	$0.47	**$24.70**
Total Consolidated Budget (see Note 6)	**$52.77**	**$4.28**	**$57.05**

Note 4: Total direct program budgets totaling $32.35 million were approved by the USAC Programmatic Committees in the Programmatic Committee meetings on October 29, 2018.

Note 5: Common budget of $24.70 million to be approved by the Board.

Note 6: Consolidated budget of $57.05 million to be approved by the Board.

A comparison of actual common and consolidated expenditures to the budget for the nine months ending September 30, 2018 is provided in **Attachment A.**

Recommendation:

USAC management recommends that the Board approve the budgets as proposed.

Recommended USAC Board of Directors Action:

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 1st Quarter 2019 common budget of $24.70 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of $24.70 million for common costs in the required November 2, 2018 filing to the FCC on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 1st Quarter 2019 consolidated budget of $57.05 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of $57.05 million for consolidated costs in the required November 2, 2018 filing to the FCC on behalf of the USAC Board of Directors.

Attachment A

USAC Administrative Costs

Comparison of Actual Expenditures to the Budget for the Nine Months Ending September 30, 2018

(in millions)	YTD Actual	YTD Budget	YTD Variance	Variance Explanation
Direct Program Costs:				
High Cost	$7.76	$9.28	$1.52	
Lifeline	17.47	23.63	6.16	Delays in launching the National Verifier
Rural Health Care	4.64	5.44	0.80	
Schools & Libraries	46.04	50.96	4.92	Vacant positions (average 40 FTEs vs 51 budgeted), and lower spending on BCAP audits and IT security testing
Total Direct Program Costs	**$75.91**	**$89.31**	**$13.40**	
Common Operating Costs:				
Employee Expenses				
Compensation and Benefits	$36.17	$39.44	$3.27	Fewer FTEs than budgeted (325 FTEs as of 9/30/2018 versus 355 FTEs budgeted)
Travel, Training, and Education	0.49	0.83	0.34	
Other Employee Expenses	0.50	0.69	0.19	
Total Employee Expenses	**$37.16**	**$40.96**	**$3.80**	
Professional Services				
Contract Labor	$7.69	$6.28	($1.41)	
External Audits	1.41	1.58	0.17	
Other Professional Fees	2.60	8.98	6.38	Lower spending for IT security and infrastructure projects
Total Professional Services	**$11.70**	**$16.84**	**$5.14**	
Overhead				
Computer Support and Maintenance	$7.65	$8.87	$1.22	
Rent	5.84	5.57	(0.27)	
Banking Fees	0.96	1.03	0.07	
Hardware and Equipment	0.95	3.07	2.12	Timing variance; delay in purchasing hardware
Taxes and Insurance	1.12	1.31	0.19	
Other Expenses	0.48	0.62	0.14	
Total Overhead	**$17.00**	**$20.47**	**$3.47**	
Total Common Operating Costs	**$65.86**	**$78.27**	**$12.41**	
Total Consolidated	**$141.77**	**$167.58**	**$25.81**	

Universal Service Administrative Company
Board of Directors Meeting

ACTION ITEM – *Executive Session Option*

Acceptance of USAC's Enterprise Risk Management / Governance, Risk and Compliance Framework

Action Requested

The USAC Board of Directors (Board) is requested to review and accept USAC's Enterprise Risk Management (ERM) / Governance, Risk, and Compliance (GRC) framework.

Discussion

In accordance with the Audit Committee Charter, the Audit Committee is required to review the effectiveness of USAC's process for assessing significant risks and exposures (collectively, risks), and the steps management has taken to minimize such risks.[1]

Going forward, USAC plans to pivot from an audit-driven approach to risk management to a more holistic and proactive approach to risk management and evaluate the effectiveness of USAC management's risk assessment process. The Vice President of the Enterprise Project Management Office (EPMO) will be responsible for managing the ERM and GRC framework for the organization and providing key inputs required for the USAC Executive Leadership team to make informed decisions for proper governance.

The proposed ERM / GRC framework is included as **Attachment A**. USAC's process to assess and minimize risk is included as **Attachment B**.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that the USAC Board of Directors accepts USAC's Enterprise Risk Management / Governance, Risk, and Compliance framework for assessing and minimizing significant risks to the organization, and reporting such activity to the Board.

[1] See USAC Audit Committee Charter, Section III, F., revised January 2018.

Briefing book excludes all materials discussed in Executive Session.

USAC Board of Directors Meeting

Attachment A: ERM/GRC Governance and Framework

October 30, 2018

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ERM/GRC: Risk Management Governance Mechanisms

USAC has established multiple governance bodies to review and provide guidance on key outputs

Enterprise Portfolio Management Office

Manages the governance framework and provides all inputs required for leadership to make decisions for Program/Division Governance.

Leadership Council

- Provide status and coordination of Program/ Division initiatives
- Create solutions for Program/Division roadblocks, challenges and risks

FISMA

- Provide status and coordination in FISMA initiatives
- Manage the assessment of FISMA activities

Exceptions Meeting

- Analyze metrics-based, goals-based and corrective action plan exceptions
- Identify cross-enterprise challenges and gain cross-functional support

Corrective Action Plan Management

- Manage the completion of corrective actions in collaboration with OGC
- Reduce risk and repeat findings

Risk Management Council

- Discuss risk incidents/ matters and various audit testing results
- Advise on remediation of deficiencies and vulnerabilities

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ERM/GRC: USAC's Framework to Protect the Universal Service Fund (USF)

Enterprise Risk Management & Governance Risk and Compliance

	Audit & Assurance[1]		Finance [1]		Programs [1]	Chief Information Security Officer [2]
Activity	**Beneficiary & Contributor Audit Program** Assessment of Beneficiary's and Contributor's compliance with USF rules	**Payment Quality Assurance** Assessment of disbursement of USF funds	**Agreed Upon Procedures Audit** Assessment of USAC and USF's procedures effectiveness	**Internal Controls Testing** Assessment of design & effectiveness of internal controls	**Entity Level Assessment** Evaluation of Enterprise's risks of meeting objectives	**Program Integrity** Proactive efforts made by the Programs to safeguard the USF from waste fraud and abuse	**FISMA Evaluation** Assessment of USAC's compliance with the National Institute of Standards and Technology – Risk Management Framework
Source	USF Orders	Office of Management & Budget A-123 Appendix C [3]	47 C.F.R. Section 54.717 (Audits of the Administrator)	Office of Management & Budget A-123 Appendix A [4]		USF Orders, Program reviews, Knowledge Management	Federal Information Security Management Act (FISMA)

[1]In coordination with OGC
[2] In conjunction with the OGC Director of Privacy
[3]OMB Circular A-123 Appendix C – Requirements for Payment Integrity Improvement (Improper Payments Eliminations and Recovery Act of 2010 and Improper Payments Elimination and Recovery Improvement Act of 2012).
[4]OMB Circular A-123 Appendix A – Management's Responsibility for Enterprise Risk Management and Internal Control.

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Attachment B
Annual Review of the Effectiveness of USAC's Process to Assess and Minimize Significant Risks

Background

In accordance with the Audit Committee Charter, USAC management must evaluate the effectiveness of its process for assessing significant risks and exposures (collectively, risks) and the steps management has taken to minimize such risks.[1] The purpose of this paper is to describe how the organization plans to pivot from an audit-driven approach to risk management to a more holistic and proactive approach to risk management, and to evaluate the effectiveness of USAC management's risk assessment process.

Risk management is the process of identifying and analyzing risks that affect the achievement of company objectives, and having controls in place to identify and mitigate significant risks

Historically, risk portfolios have been managed within separate lines of business, creating silos of activity like business risk, financial risk, and operational risk. However, regulatory requirements, accounting rules changes, and an evolving economic environment are encouraging compliance, financial, and operational risk stakeholders to collaborate across organizations. Organizations are now integrating portfolio strategies with other lines of business that affect the overall risk of the organization in a discipline called Enterprise Risk Management (ERM).

ERM is a discipline embraced by the organization that identifies risks from a broad scope and as an interrelated portfolio. The USAC Enterprise Portfolio Management Office (EPMO) team manages the ERM governance mechanisms that provide all inputs, including a comprehensive audit component, required for USAC management to make informed decisions for proper governance and the benefit of key operational initiatives.

USAC has adopted an "enterprise view" of risk management, which is a top-down mindset that has been embraced by each member of the Leadership team and within each of USAC's business units.

[1] See USAC Audit Committee Charter, Section III, F., revised January 2018.

Risk Management Framework

In 2016, USAC created a cross-divisional ERM team that is now led by EPMO and includes members across all USAC programs and divisions. A primary focus of the ERM team is to identify the high risks that impact USAC's key objectives/initiatives, address what is being done to mitigate those risks, and determine whether USAC is pursuing the most effective risk mitigation strategy. The ERM team assesses risk likelihood and impact on a monthly basis via internal risk registers and, on a quarterly basis, significant risks are escalated to the Risk Management Council (RMC). Risk discussions and related efforts are ongoing, and USAC will continue to engage the Audit Committee and the Board of Directors, as appropriate.

In 2018, USAC has made significant progress with maintaining and modifying the ERM program. As summarized below, USAC has established a redesigned framework to protect the Universal Service Fund. As part of this redesigned framework, we felt it important to have shared responsibilities and, therefore, shared accountability for the management of risk at USAC. To that end, the responsibilities defined in Office of Management and Budget (OMB) Circular No. A-123, Appendix A have been shifted to the Finance Division; program integrity has been made a greater responsibility of the program Vice Presidents; USAC has placed greater emphasis on compliance with the Federal Information Security Management Act (FISMA); and overall management of risk has been moved to the EPMO. *See* **Attachment A** – ERM/GRC Governance and Framework.

Roles and Responsibilities

Organization	ERM Framework	Roles/Responsibilities	Frequency	Outputs/ Outcomes	Comments
Finance Division	• OMB Circular A-123 Appendix A	• Testing the design and effectiveness of financial internal controls and providing oversight into the evaluation risks of meeting objectives • Performing risk assessment activities around key controls	Per annual audit plan	• Determination of the risk level that can be minimized versus what is acceptable	• OMB Circular A-123 Appendix A
Audit and Assurance Division (AAD)	• FCC Orders • OMB Circular A-123 Appendix C	• Conducting audits to assess whether beneficiaries & contributors are compliant with FCC Directives. • Assessing USF disbursements to assess whether improper payments occurred	Per annual audit plan	• Audit reports that discuss testing methodology, scope and conclusion • Provide oversight of external auditor's assessment of USAC and the USF's procedures for effectiveness	• OMB Circular A-123 Appendix C

Organization	ERM Framework	Roles/Responsibilities	Frequency	Outputs/ Outcomes	Comments
Divisions		• Taking proactive program integrity efforts to safeguard the USF from waste, fraud, and abuse	All times	• Meet one of USAC's objectives to reduce waste, fraud, and abuse	
Information System Owners	• FISMA	• Accepting the risk to USAC operations after implementing agreed-upon security controls as required by the Federal Information Security Act	All times	• Reduced levels of risks from technologies	• FISMA
EPMO	• OMB A-123	• Responsible for the implementation and management of policies and procedures to guide the response to a perceived loss of mission capability • Managing governance meetings (Leadership Council Meetings, Investment Review Board & Exception Meetings) to discuss company operations • Tracking and managing all USAC corrective action plans (CAPs)	All times	• Reduced levels of risks as a result of governance and oversight • Lead the Risk Management Council (RMC) • Track and help manage the CAPs to completion	
FCC Office of Inspector General	• Oversight	• Ensures USF contributors and beneficiaries are compliant with FCC Directives • Assesses USAC's compliance with rules and regulations	As needed	• Audit reports that discuss testing methodology, scope and conclusion • Determination of USAC's level of compliance	
Government Accounting Office	• Oversight	• Evaluates USAC's internal control systems and effectiveness of reducing waste, fraud and abuse	As needed	• Assessment of USAC's internal control system and recommendations for improvement	

Summary

USAC no longer approaches ERM strictly as an audit activity. Consequently, USAC has determined it important to rearrange the risk identification activities within the organization and centralize the collection of these results and the oversight of the activities. To that end, the risk related activities have been reassigned within the USAC organization. The risk management processes used by USAC are designed to provide a framework in which risks are continually identified, evaluated, and managed. The ERM team and RMC has further leveraged USAC's ability to effectively manage risks. The implementation of various governance structures has furthered efforts to identify, detect, and protect the organization from damaging risks proactively. Accordingly, for the reasons described herein, USAC management has established and maintained an effective process for assessing significant risks and taking steps to minimize such risks.

Universal Service Administrative Company
Board of Directors Meeting

ACTION ITEM

Consideration of Approval to Reimburse Board Members to Attend an Event Other Than a USAC Board or Committee Meeting

Issue:

USAC Board of Directors (Board) policy requires that a Board member must request approval from the Board or appropriate committee for reimbursement of expenses for attendance at a non-USAC Board or committee meeting or event before any such reimbursement can be made.

Background – Analysis – Justification:

One or more Board members will be travelling to Washington, D.C. to discuss the 2019 annual budget with the Chief Executive Officer (CEO), the Chief Information Officer (CIO), and associated staff. The Board Chair, Mr. Joel Lubin, has requested that he, together with the Board Vice Chair, Mr. Joe Gillan, and the Board Treasurer, Mr. Ken Mason, participate in these discussions in person. Board members participating in the meetings may be reimbursed by USAC for any reasonable and customary travel expenses associated with this effort. In accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred in Conducting USAC Business other than Board of Directors Meetings* (*see* **Attachment A** to this issue paper), those Board members participating in the meetings will submit a USAC Form 3001 – *Request for Approval for a Board Member to be Reimbursed for Expenses Other than for Board Meetings* (*see* **Attachment B** to this issue paper) and will list estimated travel costs for their travel.

The procedures approved by the Board require that the reimbursement be directly related to the responsibilities of the Board in managing the affairs of USAC. These proposed trips are directly related to the business of USAC.

Recommended USAC Board of Directors Action:

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that in accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred in Conducting USAC Business other than Board of Directors Meetings*, the Board of Directors authorizes USAC management to reimburse those Board members who travel to Washington, D.C. for the purpose of participating in USAC's 2019 Budget Planning Review.

Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred in Conducting USAC Business other than Board of Directors Meetings

1. The Board member must seek prior approval for reimbursement of expenses associated with activities other than a Board meeting and must submit a Request for Approval form (See attached Form 3001 – *Request for Approval for a Board Member to be Reimbursed for Expenses other than for Board Meetings*) to the USAC CEO that includes the following information:
   a. The name and location of the event.
   b. The name of the sponsor.
   c. The purpose and substance of the event.
   d. How the function, event, or activity is directly related to the administration of the universal service program or programs.
   e. Why it is essential to USAC and the universal service program or programs for the Board member specifically to participate and how participation is vital to achieving USAC's goals.
   f. The estimated cost of participation.
   g. A commitment that the Board member will include a statement that he or she is representing USAC and that the Board member will not advocate a policy position.
2. The USAC CEO will provide a recommended Board or Committee Resolution, along with a summary of the justification provided by the Board member, to the Board or the relevant Board Committee for review.
3. The USAC CEO will request an email response from each Board or relevant Committee member by a certain date and time.
4. The USAC CEO will inform the Board member as well as the Board or relevant Committee of the decision.
5. The request will be approved if all Board or relevant Committee members support the request.
6. The Board member should submit documentation of actual expenditures to the USAC CEO for reimbursement.

Universal Service Administrative Co.

REQUEST FOR APPROVAL FOR A BOARD MEMBER TO BE REIMBURSED FOR EXPENSES OTHER THAN FOR BOARD MEETINGS

USAC 3001 9/2017

To be Completed by Board Member		
Last Name	**First Name**	**Date(s) of Event**
Event Title	**Sponsor**	**Location**
Purpose and Substance of the Event		
How the Event is Directly Related to the Administration of the Fund		
Why Board Member Participation is Necessary		
How Participation Achieves USAC Goal		

Estimated Costs		**Actual Costs**	
Registration		**Registration**	
Meals		**Meals**	
Lodging		**Lodging**	
Travel		**Travel**	
Miscellaneous		**Miscellaneous**	
TOTAL		**TOTAL**	

I will include a statement in the presentation or speech that I am representing USAC and I will refrain from advocating a policy position in the presentation or speech and in any conversations or discussions.

Board Member Signature:	**Date:**

To be Completed by USAC		
Date Resolution submitted to Board or Committee:	Date Vote of Board or Committee Completed:	
Vote Count ____ Yes ____ No ____ Abstain	Actual Costs Approved by CEO _____Yes _____ No	Account Code: **61200-60-600-60**

- Attach receipts for any expenditure over $50.00. USAC will reimburse the actual cost of meals at or below $50 without receipts. Meals exceeding $50 must be accompanied by an **ITEMIZED** receipts.
- USAC does not reimburse first class airfare or alcohol.
- Standard IRS mileage rates.
- All expense must be in compliance with USAC's Travel and Expense Policy in order to be reimbursed. Please attach a detailed list of each expense category to ensure compliance.

Briefing book excludes all materials discussed in Executive Session.

CEO Business Update

USAC Board of Directors Meeting

October 30, 2018

Universal Service Administrative Co.

Agenda

Topic	Description	Purpose	Presenter	Length
Recap	Review of action items and status from previous Board and Committee meetings.	Informational	Radha	5 min
Goals and Objectives	Review of major corporate goals & objectives	Informational	-	-
Accomplishments	Significant accomplishments	Informational	Radha	5 min
Current Topics	USAC 18-Month Program Plans	Informational	Radha	5 min
CEO Roundtable	Status update	Informational	Radha	3 minute

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Briefing book excludes all materials discussed in Executive Session.

July Board Recap

Action items and updates from the previous Board and Committee meetings

Activity/Item	Purpose	Status
Specific Content Requested		
Data Transparency /Availability	Certain data streams are needed by the industry and the Board needs to explain the importance of that to the FCC	USAC must be comfortable that there is truth in the data. Recent successes include: ▪ CAF Map; Disbursement information ▪ SLD Reporting Conops to include RFN status; entity information, data analytics etc. ▪ Lifeline: Available carrier information near me.
Call Center ▪ Is there documentation approach that gives audit trail of communication? ▪ Will there be a survey for the contact person to evaluate the experience? ▪ Can you track how many touches were required to satisfy the callers needs?	Continuity and a positive customer service experience	▪ All contacts/communications are documented including notes and the system does capture touch points. Each caller is offered the option to complete a survey. This will be covered in the Shared Services Business Update.
Annual Report Timeline	Allow time for input from Board on the annual report	We will definitely give the entire Board a draft in February. Shared Services will review this in the Business Update.
Contributor Audits – What is the status of guidance pending before the FCC (Pertaining to text messaging)?	Increase clarity of the report on "other matter" related to text messaging due to an open guidance request on the proper reporting treatment of text messaging revenues for USF contribution purposes	The FCC has requested that USAC provide a summary of audits with other matters related to text messaging and VPN. USAC is currently preparing this information.

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July Board Recap

Action items and updates from the previous Board and Committee meetings

Item	Purpose	Status
Changes/Modifications Requested		
Early Adopter Group	Provide feedback	We have begun the process , also some Programs have already implemented this. More information will be available during Tuesday's Board meeting.
Ethics Discussion	Is there any effort to train contractors on ethics? Are they prohibited from offering employees gifts?	All contractors are required to sign a Confidentiality Agreement, which prohibits them from disclosing any USAC confidential information.
National Verifier Pre-Production Environment	All service providers to use the system in a test environment prior to working in the live system	Pre-production environment launched on September 19, 2018. More will be discussed in the Lifeline business update.
State Roll-Out Plan	When will Lifeline have an updated state rollout plan?	Lifeline has provided more details during the Business Update.
Service Provider API	What is the status of a carrier API?	The FCC is considering a petition related to this matter. It is still a work in progress.
USAC Applications	Identify USAC applications, costs and problem areas	Will be a by-product of e-gov assessment.

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Goals & Objectives

Helping households obtain the voice and broadband connectivity services they need to participate and function in today's digital world.

Goals	Objectives / Outcomes	How USAC will meet the goal
Operational Efficiency	To continuously improve the efficiency and effectiveness of business processes.	• Roll out a USAC wide knowledge management framework. • Through governance, establish processes that are simple, fast and efficient.
Customer Experience	To strengthen the experience of everyone who participates in our programs.	• Timely and quality resolution of customer issues and concerns to their satisfaction. • Resolve and respond to high level highly visible inquires.
Program Integrity	To monitor and implement controls and proactively detect opportunity to prevent fraud, waste and abuse.	• Increase the trust of FCC, Public, and Congress in our programs.
Mission Critical Performance –Focused Culture	Create an environment where FCC direction and USAC goals are designed and implemented in the best and most timely fashion.	**Programs: HC**-MF2 Challenger Launch/CAF 2 Verification / **LL** –NV Hard Launch / **SLD** – Successful completion of E-Rate program improvements & funding commitment / **RHC**-Funding decisions for 2017 & 2018. **Enterprise: OGC**- Enter into new MOU with the FCC / **Finance**-Cash to Treasury and annual audit / **IT-** 2018-19 Road Map, FISMA / **IAD**- Forensic Audit & new A123 Enterprise Internal Audit / **EPM-** CAFMAP / **Procurement-** BPO for SLD, 2018-19 Acquisition Plan / **HR**- College / Entry level recruiting plan / **Shared Services-** Implement Call Center.
Employee Engagement – (People Manager)	To ensure USAC employees feel a greater commitment to the organization. Ensuring that USAC becomes an employer of choice.	• Improve communication with employees to create a culture of feedback and transparency. • Create alignment on enterprise wide performance to ensure performance is rewarded and all staff are held accountable and supported.

Briefing book excludes all materials discussed in Executive Session.

Major Accomplishments

90-day assessment of USAC	Call Centers
Realign functionality and create enterprise-wide cohesiveness	Cash to Treasury
Knowledge Management Framework	CAF Map
Program Leadership Councils - incorporating exception reporting	FISMA ATOs
– Town Halls and monthly Brown Bag sessions – Engagement Champions – Internal Promotions	National Verifier
Focus on college recruiting for entry level positions: • Year to date (Q3) new college graduates hires: 11	MF2/CAF2
FCC Relationship Building	– Successful close of E-rate application window – PIA Review – BPO (SL, GC and Procurement)
CEO Roundtables Early adopters	2017 RHC pro-rated applications
Modify Board briefing materials based on Board feedback	

USAC's 18-Month Program Plans

Briefing book excludes all materials discussed in Executive Session.

Each Program has created a robust, comprehensive portfolio management with project and milestone tracking and quarterly Board updates.

Background	Objectives and Approach
• Each plan will focus on areas that are key to the program and will have significant impact on the success of the Program. (i.e. Increase Demand, Orders, Program Integrity, or Projects,) • USAC recognizes the need for a more focused perspective on program administration and planning. • Plan documents key project-based activities highlighting milestones, assumptions, dependencies, and objectives.	• 18 month plan will support the program goals by ensuring USAC has set out a plan using a structured approach, and in a comprehensive way to impact all areas of the program, including people, process, and technology. • Will be updated on a quarterly basis to incorporate changes and managed by the Program VP, with oversight from the Office of CEO. • On a monthly basis USAC will report on progress against the key milestones to the FCC and on a quarterly basis report on progress to the USAC Board of Directors.

Projects included will be Program Specific

CEO Roundtable Update

Briefing book excludes all materials discussed in Executive Session.

- SECA Follow-up Call
- AESA Legislative Advocacy Conference
- CEO Roundtable – First "Meet and Greet," second will be in January 2019
  - AT&T
  - Charter Communications
  - Comcast Business
  - Consolidated Communications
  - Fiberutilities Group
  - Frontier Communications
  - Hargray Communications
  - National Telecommunications Association
  - OneNet
  - Sprint
  - Smithfield Fiber
  - USTelecom
- USTelecom Leadership Committee Meeting October 18, 2018

Briefing book excludes all materials discussed in Executive Session.

Information Technology Business Update

USAC Board of Directors Meeting

October 30, 2018

Universal Service Administrative Co.

Agenda: Information Technology

Topic	Description	Purpose	Presenter	Length
IT Goals & Objectives	Review of major goals & objectives of IT Division	Informational	Bob	2 min
Business View				
IT At-a-Glance	Overview of IT activities for next 12 months	Informational	Bob	5 min
Accomplishments	Significant Q3 2018 accomplishments	Informational	Bob	5 min
Upcoming Key Milestones	Significant Q4 2018 key milestones	Informational	Bob	5 min
Current Topics • E-Gov Assessment • National Verifier Pre-Prod Strategy • FISMA • 18 Month Plan		Informational	Bob	15 min

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Goals & Objectives

Helping households obtain the voice and broadband connectivity services they need to participate and function in today's digital world.

Goals	Objectives / Program Outcomes	How IT will meet the goal
Execute Program Goals	Execute IT operations to ensure the timely and accurate delivery of IT system modernizations.	Execute IT best practices and optimize alignment of the staff to the division's workload.
Implement New FCC Orders and Mandates	Implement FCC Orders, policy clarifications, changes, and mandates in a timely manner.	Timely and accurate implementation of FCC Orders and mandates **such as HUBB Enhancements, MF II Challenge, National Verifier, Port Freeze, Tribal Enhancements, Cash to Treasury, etc.**
Improve Operational Efficiency and Effectiveness	Sustain scope within budget and meet milestones.	Execute USAC governance initiatives and improve IT software delivery processes. Collaborate with key stakeholders to ensure alignment with changing FCC priorities and USAC business needs, etc.
Improve Program Participant / FCC Experience	Continue to cultivate positive relationship with FCC. Collaborate closely with FCC to achieve FISMA accreditation.	Collaborate with FCC on goals and strategies, align on expectations, and track against desired outcomes. Execute Integrated Project Teams with FCC for key project (i.e. CAF Map, FISMA). Provide the FCC with timely awareness of IT administration issues, be responsive to FCC information requests, and flag issues in need of FCC guidance.
Enhance IT System Security and Integrity	Monitor, report, and implement enhanced security controls (NIST Cyber Security Framework).	Achieve FISMA accreditation goals and continuously monitor IT systems to ensure IT security and integrity. Respond quickly to findings in audits.
Employee Engagement	Enhance individuals through career development and fostering a positive work environment.	Implement action plans, including confirming goals and expectations, delivering regular feedback, and conducting routine individual and team level meetings to exchange information and celebrate successes.

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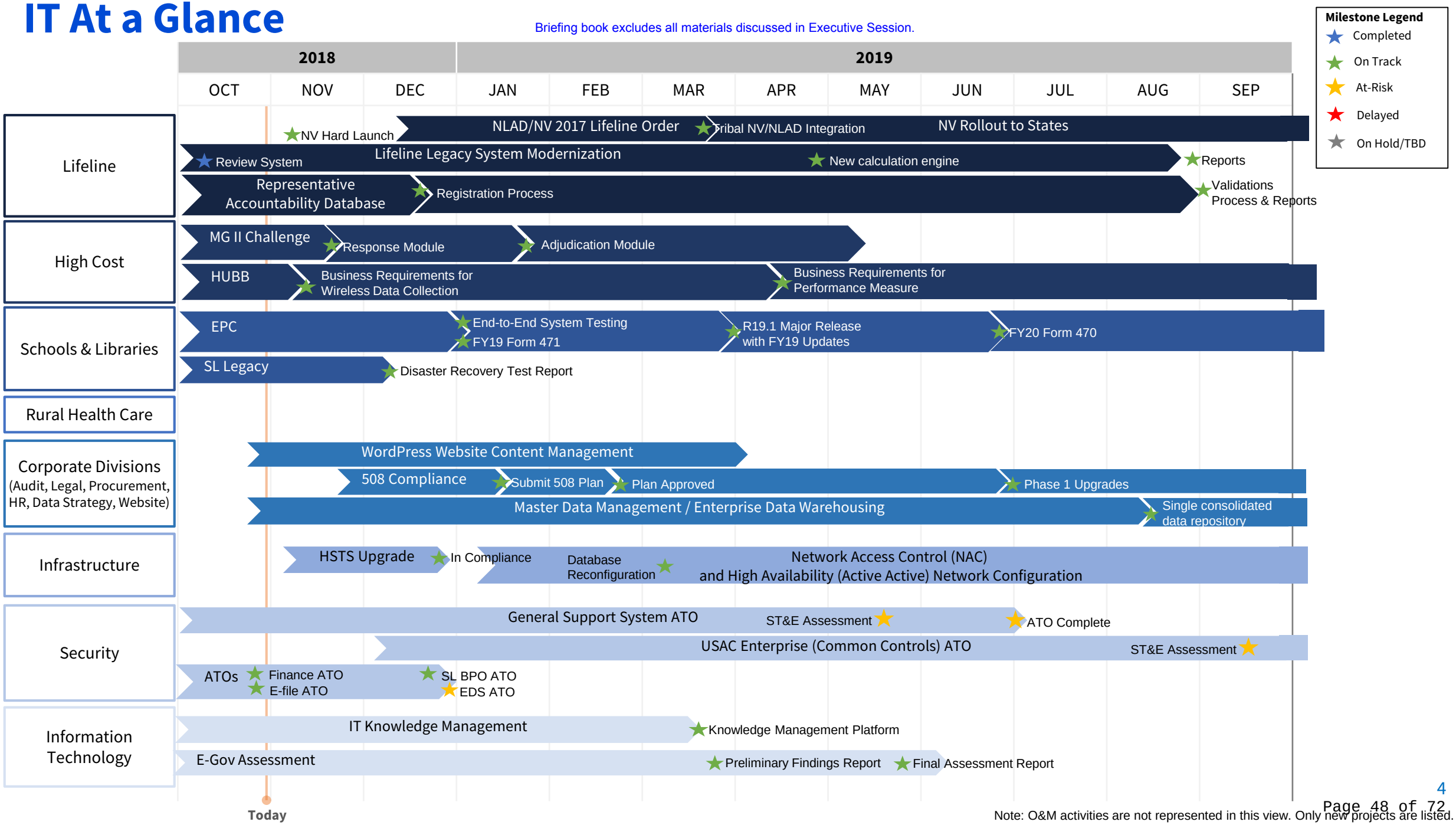
IT At a Glance

Briefing book excludes all materials discussed in Executive Session.



Note: O&M activities are not represented in this view. Only new projects are listed.

Accomplishments

Briefing book excludes all materials discussed in Executive Session.

Q3 Accomplishments

Lifeline
- Launched Tribal Look-up Tool in NLAD/NV to verify subscriber's Tribal eligibility, 8/9/2018.
- Launched Enhanced Duplicate Check to further identify duplicate subscribers, 8/22/2018.
- Automated carrier-claims review process to improve fraud and abuse detection, 9/13/2018.

High Cost
- Implemented performance improvements to the MF II Challenge system, 8/30/2018.
- Delivered Connect America Fund Broadband (CAF) Map; designed and developed map and associated database, 9/28/2018.

Schools & Libraries
- Delivered EPC Release 18.3 which enables EPC to be the system of record for Service Delivery Deadline and Invoice Deadline Date, 9/28/2018.

Rural Health Care
- Implemented changes to RHC systems to comply with Funding Year 2017 proration rule adjustments, 9/27/2018.

Infrastructure/Security
- Consolidated 2 Data Centers to 1; reduced lease cost by $540,000/year, 8/27/18.
- **Lifeline:** Achieved FISMA accreditation (ATO) for BPO Conduent, 9/28/2018.
- **High Cost:** Achieved FISMA accreditation (ATO) for High Cost Broadband Portal (HUBB and MF II Challenge) system, 9/28/2018.

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Current Topic: E-Gov Assessment

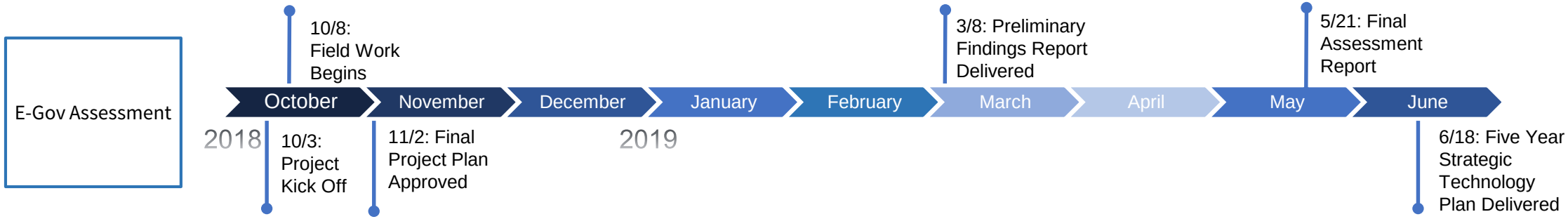
Briefing book excludes all materials discussed in Executive Session.

USAC has contracted with Guidehouse LLP (formerly PricewaterhouseCoopers Public Sector) to conduct our Digital Government Standards IT Assessment.

The Digital Government Standards IT Assessment will:

- Assess USAC's framework of technology and staffing aimed at ensuring integration and efficiency in delivering on USAC's Programs with primary focus in the following areas:
  - Business/Enterprise Architecture
  - Application/Systems Architecture
  - Data Architecture
- Find opportunities to remove inefficiencies and redundancies in business processes and technology to improve the program administration and digital services
- Develop a 5-Year Strategic Technology Plan that specifies actions to transform systems toward the recommended strategic architectures

Preliminary Milestones:



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Current Topic: National Verifier Pre-Prod Strategy

Background

- Accenture developed USAC's National Verifier (NV) based on USAC requirements. System is built on top of the "Accenture Insights Platform".
- USAC owns the intellectual property (design, code, artifacts) of the NV application.
- NV production commenced with June 2018 soft launch. NV operated by Accenture and hosted in their FedRAMP cloud using licenses owned by Accenture.
- To motivate carrier acceptance, USAC requested Accenture to deliver and operate a "pre-prod" environment that closely emulates production. Carriers can test processes without committing transactions nor submitting live applications. Pre-prod environment commenced on 9/18/2018.
- Bottom line: NV has a strong dependency on Accenture services for development, support and operations.

USAC must mitigate the risk of such a strong Accenture dependency

- USAC will build a replica of the Accenture pre-production environment. The schedule is TBD.
- Required licenses and hosting services will be procured by USAC. Production support processes will be replicated as required.
- When complete, USAC pre-prod environment will become the official USAC pre-prod environment.

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Current Topic: FISMA

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Upcoming Activities (for 4th Qtr.)

- Finance Operations System ATO – 10/20/18
- E-File System ATO – 10/20/18
- Data Strategies and Warehouse (EDS) ATO – 12/31/18
- Schools and Libraries BPO ATO – 12/21/18

2019 Plan

Information Security Program support includes:

- Vulnerability management
- Penetration testing
- POA&M management
- Risk management
- Audit
- Privacy
- Incident response
- Contingency planning
- Vendor security management
- Enterprise security awareness training
- Security documentation (Policies, Procedures, Plans, etc.)
- Ongoing risk analysis of systems

<u>New System Authorization and Risk Assessments:</u>

- General Support Systems (GSS)
- Enterprise common controls
- High Cost Performance Measurement System

<u>Authorized systems (Continuous Monitoring):</u>

- High Cost Broadband Portal (HCBP): HUBB & MFII
- Lifeline National Verifier (NV) & Accountability Database (NLAD)
- E-Rate Productivity Center (EPC)
- Finance Operations System (FOS) & E-File System
- Enterprise Data Services (EDS)

Challenges/Risks and Operational Highlights

- Expertise to handle continuing FISMA activities and security program maturity is difficult to acquire, develop and maintain.

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Current Topic: IT 18-Month Plan

IT targets to continue to deliver solutions that meet Programs' and Departments' tactical needs while aspiring to transfer to a new model.

Background	Objectives and Approach
• Increases in demand via several significant program changes and security requirements leading to new IT deliverables. • Capabilities largely currently provided via in-house design, custom developments, and hands-on operations. • As a result of organic growth and limited strategic outlook, IT's portfolio of systems use multiple architectures, diverse technologies, and inconsistent data models, and operates on a hybrid of on-premise and cloud solutions.	• IT aspires to transform to a new model for delivering IT solutions, including changes to people, process, and technology. • With 2019 being a transition year, IT will continue to deliver on projects that meet Programs' and Departments' tactical needs while enabling this transformation. • IT will assign leaders to champion each strategic initiative.

2019 Projects in the Portfolio

- High Cost Performance Measure Order
- High Cost Wireless Data Collection
- High Cost MF II Challenge – Adjudications and Maps
- Lifeline Representative Accountability Database System
- Lifeline National Verifier States Rollouts
- Enterprise Data Warehousing
- Enterprise controls and general support systems FISMA accreditations
- Section 508 Compliance
- Knowledge Management Platform
- High Availability Network Configurations

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Upcoming Key Milestones

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Q4 Key Milestones

Lifeline

- National Verifier: Support hard launch via National Lifeline Accountability Database (NLAD) integration and testing

High Cost

- HUBB/Middle Mile: Improve stakeholder experience with commonly used interface features
- HUBB/Middle Mile: Implement Alternative-Connect America Cost Model (A-CAM) order system updates to increase carrier funding opportunities with associated build-out obligations

Schools & Libraries

- Update Form 471 and review system to support FY 2019 changes from FCC Public Notice
- Upgrade Appian to 18.2 version to stay current with the vendor's platform
- Fix high priority defects in EPC currently causing process and procedural issues
- Conduct end-to-end testing of the SL systems to ensure current SL system environment is in compliance to the modernization order requirements (Note: This supports a consolidated audit requirement)

Infrastructure/Security

- Achieve Finance Operations System ATO – 10/20/2018
- Achieve E-File System ATO – 10/20/18
- Complete Disaster Recovery Testing for SL Legacy System – 11/30/2018
- Achieve Schools and Libraries BPO ATO – 12/21/2018
- Achieve Data Strategies and Warehouse (EDS) ATO – 12/31/2018
- Achieve HTTP Strict Transport Security (HSTS) Compliance (increases website security) – 12/31/2018

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Enterprise Portfolio Management Office Business Update

USAC Board of Directors Meeting

October 30, 2018

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Agenda: EPMO

Topic	Description	Purpose	Presenter	Length
Program Goals & Objectives	Review of major goals & objectives of the Program	Informational	Chris Beyerhelm	5 min
Business View				
Program @ a glance	Overview of Program activities for next 18 months (Program implementation, System initiatives, Training approach, system enhancement, employee engagement	Informational	Chris Beyerhelm	5 min
Discussion Topics				
CAF Map	Demonstration of the Connect America Fund (CAF) Map, illustrating the impact of the CAF on broadband expansion across rural America	Informational	Edward Bliss	10 min
Data Strategy & Business Intelligence	Walk through of business intelligence reporting capability	Informational	Ben Parker	10 min
EPMO Summary	Summary slide that has key goals that are planned to be addressed by EPMO in 4Q2018 and 1Q2019	Informational	Chris Beyerhelm	5 min

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Strategic Initiatives & Objectives

Strategic Initiatives	Objectives / Program Outcomes	How EPMO will meet the goal
Execute Mission Critical Performance Goals	Support the Programs and Divisions to instill project, data, risk and change management disciplines to meet USAC's goals.	Lead efforts to improve USAC's organizational maturity, as well as identify and design division projects
Establish USAC's Approach for New Initiatives	Standardize the process by which we evaluate USAC-wide impact resulting from new initiatives.	Develop consistent management processes and standardized tools to support USAC's timely evaluation and implementation of new orders and initiatives
Lead Standardization Efforts to Improve Operational Efficiency & Effectiveness	Enhance USAC's business productivity through increased efficiency and effectiveness of both Program and USAC enterprise operational processes.	Establish an integrated governance approach, as well as optimization of systems & processes
Improve Program Participant/FCC Experience	Facilitate efforts to streamline and simplify the program participant experience, foster program success and maximize participate experience and to strengthen the FCC relationship.	Enhance collaboration with FCC and program participants through the Integrated Project Team (IPT) concept
Implement USAC's Program Integrity Framework	Monitor, report, and implement enhanced controls to assess USAC's effectiveness and program business value.	Continuously review USAC's enterprise risks to promote a single risk management framework and employ data driven detection to identify fraud, waste & abuse
Improve Employee Engagement	Enhance individuals through career development and fostering a positive work environment.	Implement action plans, including confirming goals and expectations, delivering regular feedback, and conducting routine individual and team level meetings to exchange information and celebrate successes

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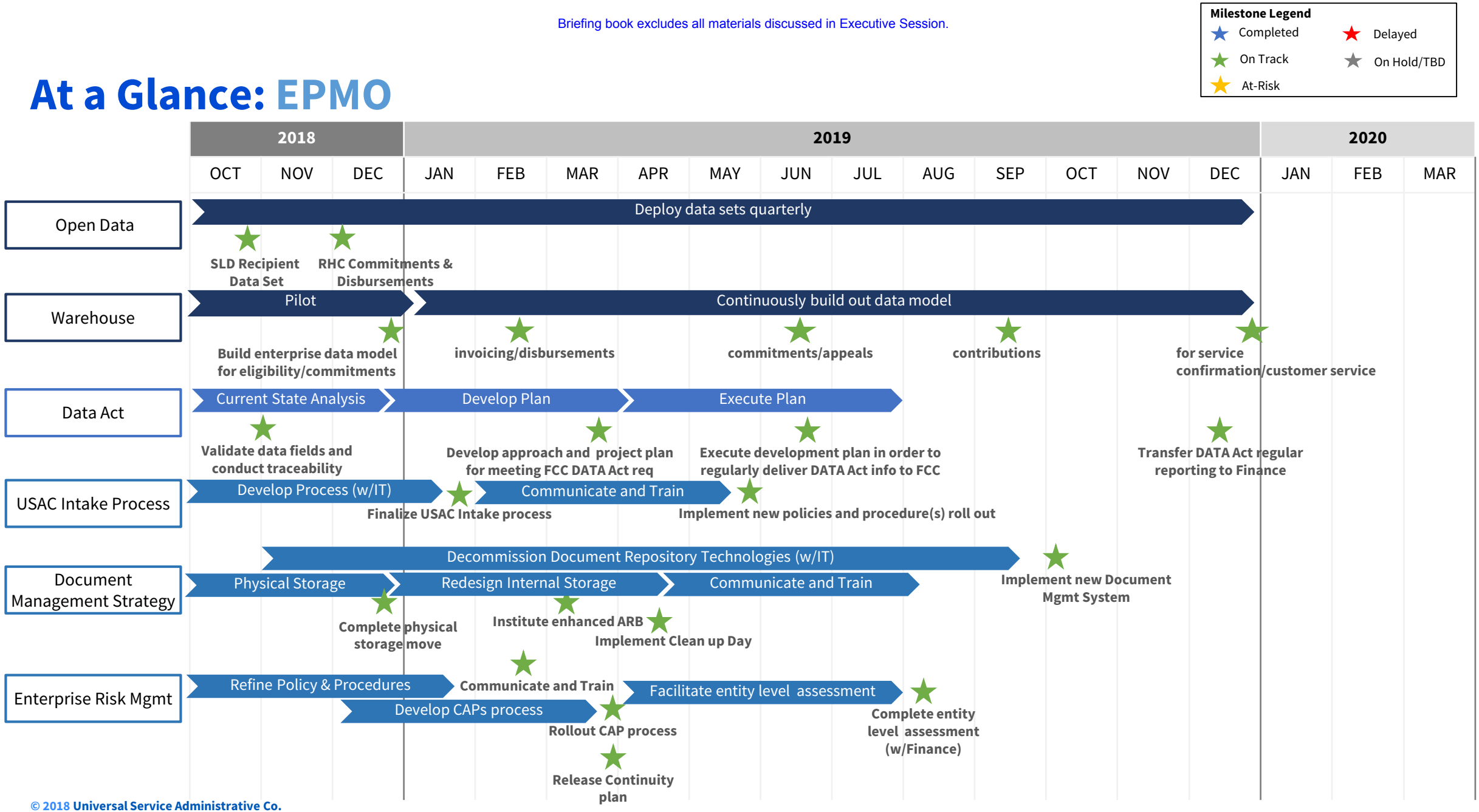
At a Glance: EPMO



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Project Details: CAF Map

Datasets for:
- CAF-BLS
- CAF II
- Alaska (wireline)
- ACAM

HUBB
- Lat/Long
- Deployment Obligations
- Deployment Locations
- etc.

HCLI
- Holding Company
- Fund

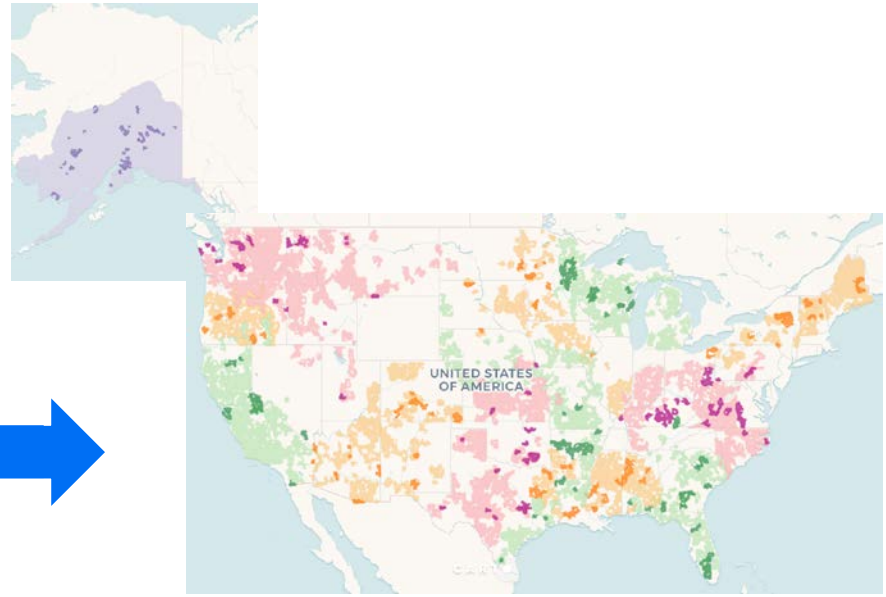
EDS

Business Intelligence Platform

FCC Data Sharing

Open Data Platform

Interactive Map



Embedded Data Table displays:
- State Data
- Local Data

Users have access to CAF Map data in both repositories

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Upcoming Milestones (Q4 & Q1)

Open Data - Expand Open Data and making more data sets available for the public

Warehouse – Complete enterprise data warehouse for eligibility and commitments, in coordination with IT E-Gov project deliverables

CAF Map - Continue outreach efforts and begin planning for release 2.0

Data Act - Collaborate with Finance and the FCC on Data Act requirements

USAC Intake Process – Implement process standards and increase coordination for Programs and Divisions for new projects and mandates by piloting the USAC intake process and begin internal training and communication efforts

Document Management Strategy – Consolidate all physical documents to one location/determine retention systems to decommission

Enterprise Risk Mgmt – Refine USAC's policy and procedures development process, define CAPs process and continue enterprise risk/ governance effort

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Question & Answer

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Shared Services Business Update

USAC Board of Directors Meeting

October 29, 2018

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Agenda: Shared Services

Briefing book excludes all materials discussed in Executive Session.

Topic	Description	Purpose	Presenter	Length
Recap	Addressing questions from last meeting	Informational	Stephen	3 Min
Call Center Transition Update	Project Update	Informational	Stephen	2 Min
Q3 Call Center Accomplishments & Results	Overview of significant Call Center accomplishments and milestones.	Informational	Stephen	5 Min
Training & Communication Accomplishments & Results	Overview of significant training & communication accomplishments and milestones.	Informational	Stephen	5 Min
Shared Services Milestones	Look ahead at next quarter milestones and activities	Informational	Stephen	5 Min

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July Board Recap

Action items and update from previous Board meetings

Activity	Status	Due Date	Owner
Call Center Contacts: Is there documentation of the contact?	Yes. All contacts, including narrative notes where communications take place, are documented in Genesys, the Call-Center tool.	10/29	Shared Services
Call Center Contacts: Will there be a survey for the contact person to evaluate the experience?	For calls, yes. Callers are offered the option to complete a short survey.	10/29	Shared Services
Call Center Contacts: Can you track how many touches were required to satisfy the callers needs?	Genesys captures a host of contact of metrics including touch points.	10/29	Shared Services
USAC Annual Report: Please provide an updated 2018 Annual Report Calendar.	The provisional calendar is included in this deck	10/29	Shared Services

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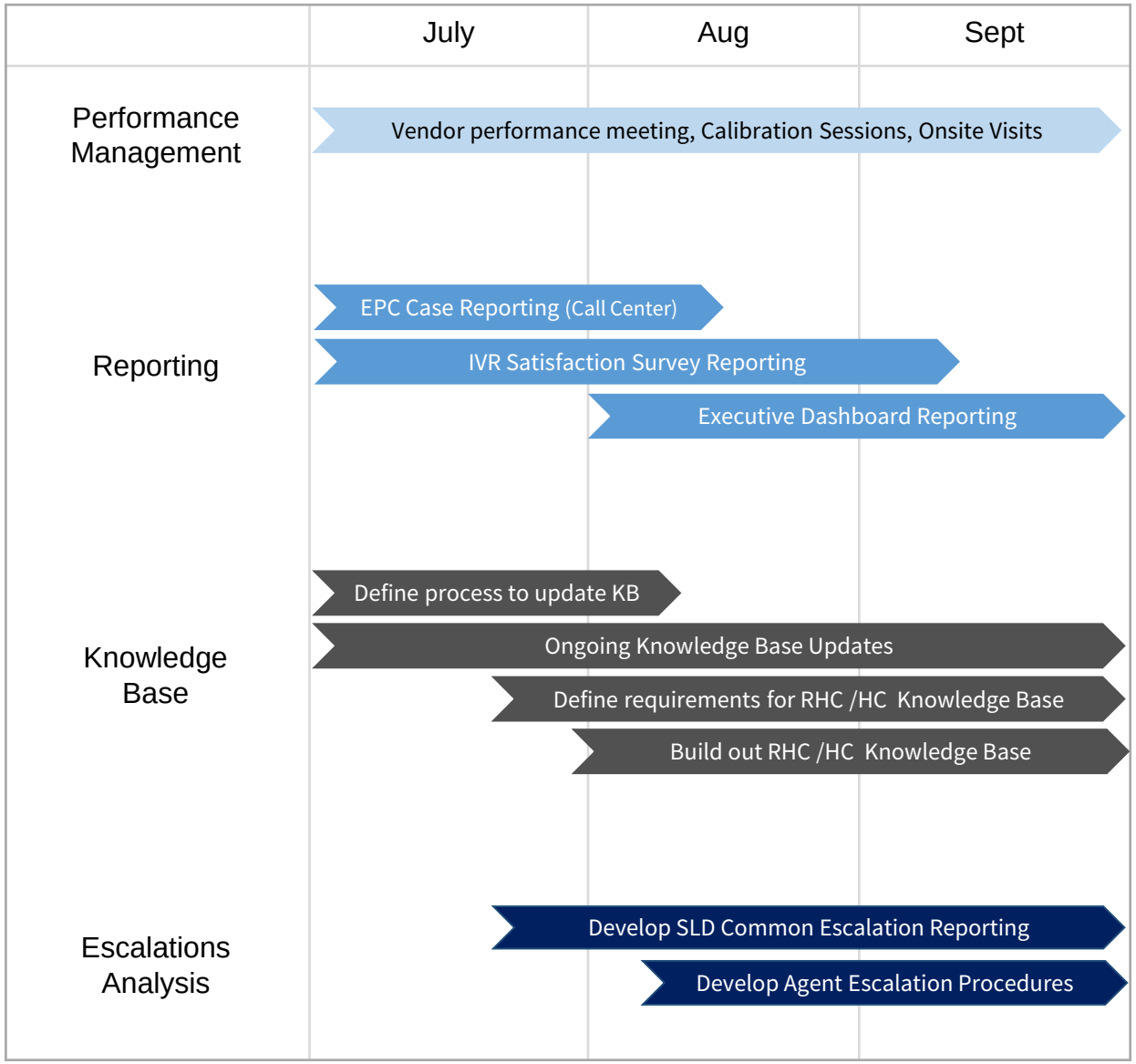
Call Center Transition at a Glance

Briefing book excludes all materials discussed in Executive Session.



Objective

- Successfully transition call center services to new vendor.
- Standardize performance management across all program call center programs including reporting, call monitoring, and vendor interactions.

Recent Accomplishments

- The call centers have been successfully migrated to Sutherland:
  - RHC - 2/15, HC - 4/1, SLD - 6/1
- SLD currently has 14 full time agents. RHC and HC has 4 dedicated agents.
- The SLD Knowledge Base (Right Answers) has been successfully migrated over from Solix/GDIT and agents are using the tool as planned.
- Implemented extended hours to support the RHC window close on 6/29 and transitioned of remaining RHC calls to Sutherland on 7/1.

Upcoming Activities

- Upcoming Call Center Training:
  - SLD Invoice Handling
  - SLD/Contributors role/responsibilities
- Develop call center reporting dashboards that share data from all programs.

Lessons Learned / Observations

- The call center agents are exhibiting good understanding of the programs and tools while using soft skills such as empathy. Opportunity to continue to improve the overall program knowledge through coaching and training.

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Call Center Performance Scorecard Comparison

Briefing book excludes all materials discussed in Executive Session.

Q1 - 2018	Target	Actual	Status
Lifeline			
Calls Handled	N/A	57,383	✓
ASA	< 0:30	0:10	✓
Abandon Rate	< 3%	3.1%	🚩
E-Rate			
Calls Handled	N/A	17,223	✓
ASA	< 0:30	0:26	✓
Abandon Rate	< 3%	3.9%	🚩
RHC			
Calls Handled	N/A	1,054	✓
ASA	< 0:30	0:12	✓
Abandon Rate	< 3%	9.2%	🚩
High Cost			
Calls Handled	N/A	333	✓
ASA	< 0:30	0:30	🚩
Abandon Rate	< 3%	0.0%	✓

migrated 6/1

migrated 2/15 – 6/1

migrated 4/1

Q3 - 2018	Target	Actual	Status
Lifeline			
Calls Handled	N/A	50,772	✓
ASA	< 0:30	0:19	✓
Abandon Rate	< 3%	1.3%	✓
E-Rate			
Calls Handled	N/A	5,964	✓
ASA	< 0:30	0:15	✓
Abandon Rate	< 3%	1.2%	✓
RHC			
Calls Handled	N/A	922	✓
ASA	< 0:30	0:13	✓
Abandon Rate	< 3%	1.1%	✓
High Cost			
Calls Handled	N/A	200	✓
ASA	< 0:30	0:10	✓
Abandon Rate	< 3%	1.8%	✓

- Abandonment rates have dropped sharply to be in line with expected performance
- Average Speed of Answer (ASA) has been within SLAs; increased as fewer calls abandon

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Call Center Migration Benefits

Briefing book excludes all materials discussed in Executive Session.

- **Interactive Voice Response** implementation:
  - IVR CSAT survey: quarterly “satisfied” results up from 80% to 90%
- **Knowledge Base** (KB) migration and enhancement:
  - SLD: ~1500 preserved articles, 59 new articles, over 1,800 edits
  - RHC: 177 articles written (done: invoicing and eligibility; next: commitments)
  - HC: Mapping KB build, 28 articles drafted w/ 25 approved, 200+ to be written
  - In all cases, leveraging agent insights and needs to drive improvement
- **Performance visibility** via clear, quantifiable metrics – snapshot and comparative
- Increased day-to-day **engagement** on operation/process improvement, e.g.
  - Multiple call calibrations – center-wide and program specific
  - Management operations meetings

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Support Services - Emergency Preparedness and Response

Briefing book excludes all materials discussed in Executive Session.

- Maturity of call center emergency preparedness and continuity of operations capabilities were key criteria in evaluating call center providers
- Both vendors' preparedness and response experience was recently tested with two severe weather events:
  - September 14 – Hurricane Florence: With schools and mass transit closed **Sutherland** handled its heaviest Friday (day of landfall) volume to-date with six agents unable to make it into the center, leaving seven to successfully handle all calls
  - October 11 – Tropical Storm Michael: **Conduent** began providing operational SitReps three days prior to regional impact, addressing forecast awareness, day-by-day staffing and tactical impact projections, and mitigation strategies

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Call Center Feedback

Briefing book excludes all materials discussed in Executive Session.

- From program participants:
  - “I would like to thank you for what I see as a process improvement…to the Rural Health Care help line…I have had multiple occasions to talk with representatives such as LaQueca. She and the others seem well-trained and pretty knowledgeable. LaQueca and others have been able to step me through various situations and help me get to the right parties.”
  - “[Program participant] called today after she got off the phone with Marcus to let [USAC] know she is very thankful at how you guys express the intent to help resolve her issues. She really appreciates your willingness to help.”
- From USAC SMEs:
  - “I wanted to give Chabri a huge shout out for escalating a blank COMAD Letter issue to me on Monday. By her bringing this to my attention, the COMAD team was able to identify 44 other instances that date as far back as December!”
  - “Thank you for always providing extraordinary customer service. Every call of yours that I have listened to is a 10 for patience and professionalism.”

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Shared Services - Communications and Training

Briefing book excludes all materials discussed in Executive Session.

Communication Team

- Planning & Overseeing key website upgrades launching Q2 2019:
  - USAC.org and LifelineSupport.org will move from current platform to WordPress, improving ability to update content, enhancing search-ability and creating a more user-friendly web experience
  - Other changes will improve navigation: mega-menus and location identifiers
  - Programs are auditing content to dramatically improve quality and usability
- 2019 Program Strategic Communication Planning underway ensure communications and outreach supports programmatic goals and priorities

Training Team

- Leading all operational aspects of SLD Applicant and Service Provider On-site Training: Eight 1.5 day sessions
- SLD Online Training: Heavy lift of developing ~30 modular online training courses for release in December ’18
- SLD Tribal Training: Providing onsite operations for three 1 day sessions in locations best suited for tribal access
- 2019 USAC Enterprise Training Strategic Plan: Completing and distributing in early Q4 the enterprise’s key objectives and strategies for continuing to improve USAC’s training efficacy and modernization

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2018 Annual Report Timeline

Briefing book excludes all materials discussed in Executive Session.

Timing	Activity
Week of November 5	Call with Board to review annual report content
December 14	USAC shares final content outline with Board (with Leadership and FCC approval)
February 1	USAC shares laid out annual report with Board for review
February 22	Board provides feedback to USAC
February 25 – March 8	USAC coordinates final edits with Board, FCC and Leadership
March 29	USAC Delivers final Annual Report to FCC per MOU

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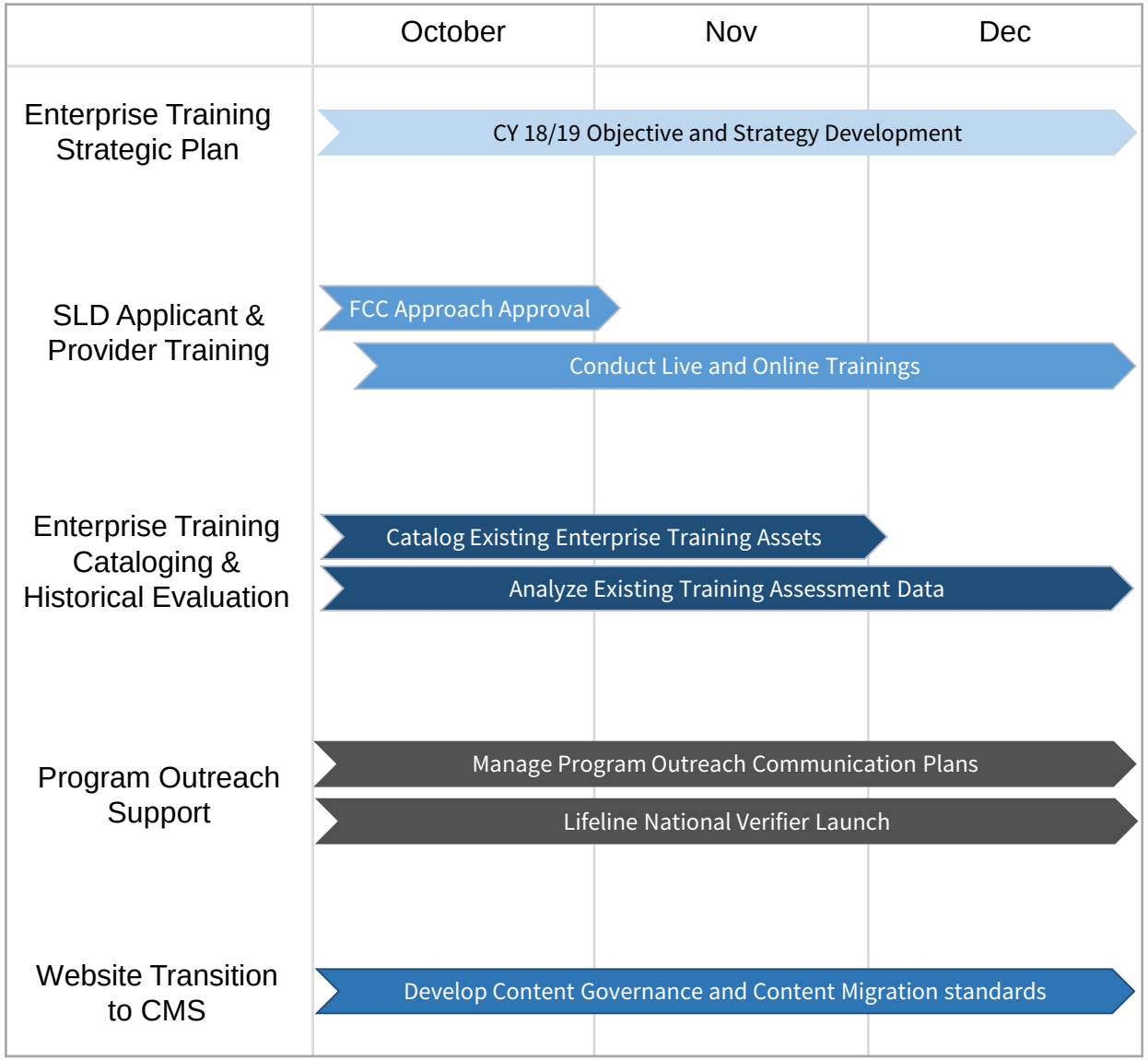
Shared Services Training and Communications at a Glance

Briefing book excludes all materials discussed in Executive Session.



Objective

- Training: Establish enterprise strategy, analytics, and SOPs for training of participants across all programs.
- Communications: Implement outreach strategies, best practices and stakeholder-focused communications practices that support program success and compliance.

Recent Accomplishments

- Deployed well-received Cash to Treasury training and outreach strategy.
- Successfully implemented initial phases of SLD's Training Strategic Plan.
- Completed planning and kick-off meeting for USAC website transition to a Content Management System (CMS).
- Delivered Enhancing Tribal outreach and training recommendations to the FCC.
- Developed content migration and content governance strategies for USAC.org and LifelineSupport.com migration to a CMS.

Upcoming Activities

- Oversee SLD's 2018 applicant and service provider training campaign.
- Developing CY19 communications strategies, supporting web content updates in advance of CMS web migration.

Lessons Learned / Observations

- Shared Services must engage early and directly with appropriate FCC personnel to avoid unexpected or unforeseen direction resulting in last-minute changes.

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