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|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| Teleshia | i2. Information on Two USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Reports <i>(For Information Only)</i> | - |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------|---|

Next USAC Board of Directors Meeting

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| <p>Tuesday, October 27, 2020 8:30 a.m. – 2:00 p.m. Eastern Time USAC Offices, Washington, D.C.</p> |
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**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 item listed below.

Discussion

The Board is requested to approve the following item using the consent resolution below:

- A. Board meeting minutes of April 28, 2020 and June 26, 2020 (*see Attachments A-1 and A-2*).

Upon request of a Board member, the above item is 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 the Board meeting minutes of April 28, 2020, and June 26, 2020.

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

BOARD OF DIRECTORS MEETING
Tuesday, April 28, 2020

(DRAFT) MINUTES¹

Due to the temporary closure of USAC's offices in Washington, D.C. in response to the COVID-19 pandemic, the quarterly meeting of the USAC Board of Directors (Board) was conducted by web conference on Tuesday, April 28, 2020. Mr. Joe Gillan, Committee Chair, called the meeting to order at 10:42 a.m. Eastern Time, with a quorum of 18 of the 19 Board members present:

| | |
|---------------------|----------------------------------------|
| Buzacott, Alan | Mason, Ken – Vice Chair |
| Choroser, Beth | Polk, Stephanie |
| Domenech, Dr. Dan | Schell, Julie Tritt – Treasurer |
| Feiss, Geoff | Sekar, Radha – Chief Executive Officer |
| Fontana, Brent | Tinic, Atilla |
| Freeman, Sarah | Waller, Jeff |
| Gerst, Matthew | Wade, Dr. Joan |
| Gillan, Joe – Chair | Wien, Olivia - Secretary |
| Gregory, Amber | Wibberly, Dr. Kathy |

Mr. Ellis Jacobs joined the meeting at 2:45 p.m. Eastern Time. He did not vote on or participate in the discussion of items a1–a3.

Officers of the corporation present:

Ayer, Catriona – Vice President of Shared Services
Beckford, Ernesto – Vice President, General Counsel, and Assistant Secretary
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Enterprise Resources Program
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
Salvator, Charles – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Sweeney, Mark – Vice President of Rural Health Care

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

Others present:

| <u>NAME</u> | <u>COMPANY</u> |
|-------------------|---------------------|
| Benham, Cathy | CMS Consulting Inc. |
| Butler, Stephen | USAC |
| Carroll, Kathy | CMS Consulting Inc. |
| Cruzan, Cathy | Funds For Learning |
| D'Aguiar, J'amie | USAC |
| DiVo, Victor | USAC |
| Goode, Vernell | USAC |
| Hamm, Aaron | USAC |
| James, Christine | USAC |
| Kriete, Debra | SECA |
| Lee, James | USAC |
| Lock, Sean | Funds For Learning |
| Mitchell, Tamika | USAC |
| Nelbach, Nick | USAC |
| Nuzzo, Patsy | USAC |
| Samuels, Victoria | USAC |
| Tiwari, Tanya | USAC |

OPEN SESSION

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

- a1. Consent Items.** Mr. Gillan presented this item to the Board.
- A.** Approval of Board meeting minutes of January 28, 2020, and March 25, 2020, and the Executive Committee meeting minutes of January 23, 2020.
 - B.** Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) i1 – Enterprise Business Updates.**
 - A.** CEO Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data*, and *internal rules and procedures* concerning the administration of the universal service support mechanisms; discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
 - B.** Enterprise Risk Management Update. USAC management recommends that this item be discussed in *Executive Session* because it involves *specific internal controls or confidential company data*, and *internal rules and procedures*

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concerning the administration of the universal service support mechanisms; discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

- C. Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- D. Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session* because it relates to *internal controls 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) a4 – Consideration of a Contact Award for CISO Advisory Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

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

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

- C. Review of Executive Compensation Committee Charter. In accordance with Section C of USAC's Executive Compensation Committee Charter, the Executive Compensation Committee of the USAC Board of Directors is required to review and reassess the adequacy of the Charter and recommend changes, as deemed necessary, to the Board.

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 January 28, 2020, and March 25, 2020, and the Executive Committee meeting minutes of January 23, 2020; and (2) discussion in *Executive Session* of the items noted above; and

RESOLVED FURTHER, that the USAC Board of Directors, having reviewed the existing Executive Committee Charter, hereby accepts the recommendation of the Executive Compensation Committee and approves the current Executive Compensation Committee Charter without revision.

- a2. Reports from Committee Chairs: Audit Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** The committee chairs reported on matters discussed and actions taken by their respective committees since the January 2020 quarterly meetings. Mr. Feiss reported for the Audit Committee; Mr. Mason reported for the Executive Compensation Committee and the High Cost and Low Income Committee; Dr. Wibberly reported for the Rural Health Care Committee; and Dr. Domenech reported for the Schools and Libraries Committee.
- a4. Approval of USAC Common and Consolidated 3rd Quarter 2020 Budgets for the May 1, 2020 FCC Filing.** Mr. Salvator presented this item for consideration. The presentation included a written report on USAC management's recommendations for USAC's common and consolidated 3rd quarter 2020 budgets for the May 1, 2020 FCC filing.

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

RESOLVED, that the USAC Board of Directors approves a 3rd Quarter 2020 common budget of \$24.49 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$24.49 million for common costs in the required May 1, 2020 filing to the FCC on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 3rd Quarter 2020 consolidated budget of \$60.24 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$60.24 million for consolidated costs in the required May 1, 2020 filing to the FCC on behalf of the USAC Board of Directors.

At 10:55 a.m. Eastern Time, on a motion duly made and seconded, the Committee recessed and reconvened in *Executive Session* at 2:45 p.m. Eastern Time for the purpose of discussing the confidential items noted above. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

i1. Enterprise Business Updates:

- A. CEO Update.** Ms. Sekar, Mr. Gaither, and Ms. Garber presented PowerPoint slides covering the following:
- USAC COVID-19 Approach and Impact
 - Supply Chain Update
 - ERP Update
- B. Enterprise Risk Management.** Mr. Gillan noted that the report was provided for *information only*. No discussion was held. Topics in the report included the following:
- Enterprise Risks Q1 2020
 - Risk Management Council Minutes
- C. Procurement Business Update:** Mr. Gillan noted that the report was provided for *information only*. No discussion was held. The report included an update that provided an overview of major procurement activities from 1st and 2nd quarter 2020.
- D. Finance – Information on Contribution Factor.** Mr. Salvator presented this item to the Board. The presentation included a written report providing USAC’s estimate for the 3rd quarter 2020 contribution factor.

- a4. Consideration of Contract Award for Chief Information Security Officer (CISO) Advisory Services.** Mr. Beyerhelm presented this item to the Board for consideration. The presentation included a written summary and report detailing USAC management’s recommendations to award a firm fixed price contract to Kybernet for Chief Information Security Officer (CISO) advisory services.

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, authorizes USAC management to award a firm fixed price contract to Kybernet for CISO advisory services. The contract is fixed price for a base period of twelve (12) months for approximately \$357,000, and includes option years at \$362,355 for year 2, and \$367,790.33 for year 3, for a total of \$1,087,145.33 (plus applicable taxes)).

Exercise of option terms to extend the contract beyond the initial twelve (12) month term are subject to FCC and Board approval.

- i2. Information on Two USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Reports.** Mr. Gillan noted that the report was provided for *information only*. No discussion was held.

OPEN SESSION

At 3:29 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that in *Executive Session*, the Board took action on item a4 and discussed items i1A and i1D.

On a motion duly made and seconded, the Board adjourned at 3:31 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

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

BOARD OF DIRECTORS MEETING
Friday, June 26, 2020

(DRAFT) MINUTES¹

Due to the temporary closure of USAC's offices in Washington, D.C. in response to the COVID-19 pandemic, the non-quarterly meeting of the USAC Board of Directors (Board) was conducted by web conference on Friday, June 26, 2020. Mr. Joe Gillan, Board Chair, called the meeting to order at 12:05 p.m. Eastern Time, with a quorum of 16 of the 19 Board members present:

| | |
|---------------------|--------------------------------|
| Choroser, Beth | Gregory, Amber |
| Domenech, Dr. Dan | Jacobs, Ellis |
| Buzacott, Alan | Mason, Ken – Vice Chair |
| Feiss, Geoff | Schell Julie Tritt – Treasurer |
| Fontana, Brent | Sekar, Radha – CEO |
| Freeman, Sarah | Wade, Dr. Joan |
| Gillan, Joe – Chair | Waller, Jeff |
| Gerst, Matt | Wein, Olivia – Secretary |

Members of the Board not present:

Polk, Stephanie
Tinic, Atilla
Wibberly, Dr. Kathy

Officers of the corporation present by telephone:

Beckford, Ernesto – Vice President, General Counsel, and Assistant Secretary
Beyerhelm, Chris – Chief Administrative Officer
Gaither, Vic – Vice President of High Cost
Hutchinson, Kyle – Vice President of IT, Chief Information Officer
Salvator, Charles – Vice President of Finance, Chief Financial Officer and
Assistant Treasurer

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

Others present by telephone:

| <u>NAME</u> | <u>COMPANY</u> |
|-------------------|----------------|
| Hamm, Aaron | USAC |
| James, Christine | USAC |
| Lee, James | USAC |
| Nuzzo, Patsy | USAC |
| Samuels, Victoria | USAC |
| Tiwari, Tanya | USAC |

OPEN SESSION

- a1. **Consideration of Contract Award for Enterprise Statistician Services.** USAC management recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

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

At 12:05 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential item listed above. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

- a1. **Consideration of Contract Award for Enterprise Statistician Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a summary slide and written report with information on USAC management's proposed award of an indefinite delivery indefinite quantity (IDIQ) task order-based contract for Enterprise Statistician Services.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, authorizes USAC management to award an IDIQ task order-based contract to Econometrica, Inc. for Enterprise Statistician Services. The contract is for a base period of twelve (12) months for a not-to-exceed amount of \$300,000 (plus applicable taxes), with the ability to exercise four additional one-year option years at \$300,000 per year, for a total not-to-exceed \$1,500,000 (plus applicable taxes). Exercise of option terms to extend the contract beyond the initial twelve (12) month term are subject to FCC and Board approval.

OPEN SESSION

At 12:10 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that, in *Executive Session*, the Board took action on item a1.

On a motion duly made and seconded, the Board adjourned at 12:10 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

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

ACTION ITEM

**Approval of Connected Care Pilot Program
4th Quarter 2020 Demand Projection for the July 31, 2020 FCC Filing**

Action Requested:

The USAC Board of Directors (Board) is requested to approve the 4th Quarter 2020 (4Q2020) Connected Care Pilot Program demand projection for submission to the Federal Communications Commission (FCC) in USAC's July 31, 2020 quarterly filing.

Discussion:

On a quarterly basis, USAC is required to submit to the FCC projected demand for the upcoming quarter.¹

On April 2, 2020, the FCC issued Order FCC 20-44, establishing the Connected Care Pilot Program within the Universal Service Fund (Fund) making an additional \$100 million available over three years to help defray health care providers' qualifying costs of providing connected care services, which focused primarily to low-income or veteran patients.² The Order authorized collections of \$100 million over three years (12 quarters) at \$8.33 million per quarter beginning in 4Q2020.³ The Order states that the purpose of the Pilot Program is to examine how the Fund can help support the trend towards connected care services, particularly for low income consumers and veterans.⁴ The Order indicates that \$100 million funding for the Pilot Program will be separate from the budgets of the other existing universal service programs and directs USAC to separately collect funds for the Pilot Program.⁵

¹ See 47 C.F.R. § 54.709(a)(3).

² See *Promoting Telehealth for Low-Income Consumers, COVID-19 Telehealth Program*, WC Docket Nos. 18-213 and 20-89, Report and Order, FCC 20-44, para. 37 (2020).

³ *Id.*, para. 42.

⁴ *Id.*, para. 5.

⁵ *Id.*, paras. 38, 42.

Funding Requirement

USAC estimates the 4Q2020 funding requirement for the Connected Care Pilot Program as follows:

| <i>(in millions)</i> | 3Q2020 | Increase/ (Decrease) | 4Q2020 | Notes |
|------------------------------|---------------|---------------------------------|---------------|--------------|
| Connected Care Pilot Program | \$0.00 | \$8.33 | \$8.33 | |

Recommendation:

USAC management recommends that the Board approve the 4Q2020 projection of demand as proposed.

Recommended USAC Board of Directors Action:

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors, having reviewed at its meeting on July 27, 2020 the 4th Quarter 2020 Connected Care Pilot Program demand estimate of \$8.33 million, hereby directs USAC staff to proceed with the required July 31, 2020 filing to the FCC on behalf of the USAC Board of Directors.

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

ACTION ITEM

**Approval of USAC Common and Consolidated
4th Quarter 2020 Budgets for the July 31, 2020 FCC Filing**

Action Requested:

The USAC Board of Directors (Board) is requested to approve the 4th Quarter 2020 (4Q2020) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's July 31, 2020 quarterly filing.

Discussion:

The 4Q2020 USAC consolidated budget of \$59.38 million represents approximately 25% of the 2020 annual USAC consolidated budget of \$239.63 million. This includes \$33.48 million in direct program costs and \$25.90 million in common indirect costs.

| <i>(\$ in millions)</i> | 3Q2020 Budget | Increase/ (Decrease) | 4Q2020 Budget |
|---------------------------------------------------------|--------------------------|---------------------------------|--------------------------|
| Direct Program & Direct Assigned Costs | | | |
| High Cost | \$7.28 | (\$0.38) | \$6.90 |
| Lifeline | 12.98 | (1.48) | 11.50 |
| Rural Health Care | 3.05 | (0.29) | 2.76 |
| Schools & Libraries | 12.44 | (0.12) | 12.32 |
| Total Direct Program & Direct Assigned Costs | \$35.75 | (\$2.27) | \$33.48 |
| Common Costs | | | |
| Employee Expenses | \$13.35 | \$1.90 | \$15.25 |
| Professional Services | 4.48 | 0.29 | 4.77 |
| General & Administrative (Note 1) | 6.66 | (0.78) | 5.88 |
| Total Common Costs | \$24.49 | \$1.41 | \$25.90 |
| Total Consolidated Costs | \$60.24 | (\$0.86) | \$59.38 |

Note 1: General & Administrative expenses include computer support & maintenance, rent, hardware & equipment rental, taxes & insurance, printing & postage, Board of Directors expenses, reference materials, repairs & maintenance, telecommunications, and data collection billing revenue.

A comparison of actual common and consolidated expenditures to the budget for the six months ending June 30, 2020 is provided in **Attachment 1**.

Recommendation:

USAC management recommends that the Board approve the 4Q2020 budgets as proposed.

Recommended USAC Board of Directors Action:

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 4th Quarter 2020 common budget of \$25.90 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$25.90 million for common costs in the required July 31, 2020 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 2020 consolidated budget of \$59.38 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$59.38 million for consolidated costs in the required July 31, 2020 filing to the FCC on behalf of the USAC Board of Directors.

ATTACHMENT 1

USAC Administrative Costs and Headcount
Comparison of Actual Expenditures and Headcount to the Budget for the
Six Months Ending June 30, 2020

| <i>(\$ in millions)</i> | FTE Actual | FTE Budget | FTE Variance | YTD Actual | YTD Budget | Variance |
|---------------------------------------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|-----------------|
| Direct Program & Direct Assigned Costs | | | | | | |
| High Cost | 59 | 62 | 3 | \$8.18 | \$15.27 | \$7.09 |
| Lifeline | 71 | 84 | 13 | 17.63 | 24.86 | 7.23 |
| Rural Health Care | 57 | 59 | 2 | 5.68 | 6.79 | 1.11 |
| Schools & Libraries | 76 | 78 | 2 | 20.92 | 25.22 | 4.30 |
| Total Direct Program & Direct Assigned Costs | 263 | 283 | 20 | \$52.41 | \$72.14 | \$19.73 |
| Common Costs | | | | | | |
| Employee Expenses | 345 | 365 | 20 | \$26.14 | \$24.24 | (\$1.90) |
| Professional Services | | | | 7.88 | 10.71 | 2.83 |
| General & Administrative (Note 2) | | | | 10.66 | 12.92 | 2.26 |
| Total Common Costs | 345 | 365 | 20 | \$44.68 | \$47.87 | \$3.19 |
| Total Consolidated Costs | 608 | 648 | 40 | \$97.09 | \$120.01 | \$22.92 |

Note 2: General & Administrative expenses include computer support & maintenance, rent, hardware & equipment rental, taxes & insurance, printing & postage, Board of Directors expenses, reference materials, repairs & maintenance, telecommunications, data collection billing revenue, and interest income.



Information Technology Update

Board of Directors Meeting

July 27, 2020

Agenda – Information Technology (IT)

| Updates | Description | Purpose | Presenter | Length |
|----------------------|--------------------------------------------------|---------------|-----------|--------|
| Program Updates | IT Q2 Accomplishments IT Q3 Upcoming Projects | Informational | Kyle | 2 Min. |
| Enterprise Updates | IT Q2 Accomplishments | Informational | Kyle | 1 Min. |
| Compliance Updates | Accomplishments and Upcoming Projects | Informational | Kyle | 1 Min. |
| Organization Updates | Accomplishments | Informational | Kyle | 1 Min. |
| IT Strategic Vision | 2020-2022 | Informational | Kyle | 5 Min. |
| Appendix | Glossary | Informational | | |

Program Updates: IT Q2 Accomplishments

- ✓ **COVID-19** updates across multiple IT systems
- ✓ **High Cost Performance Measures Phase II:** Carriers are able to upload the testing data from their random subscriber sample.
- ✓ **Lifeline RAD Annual Agreement:** Gives the carriers ability to reauthorize representatives working on behalf of their companies, confirm their usage, identity information, and terms and conditions.
- ✓ **RHC Rates Database and Search Tool:** Allows applicants to identify median rural and urban rates and display the rates to support Telecom program funding request submissions for FY2021 and forward.
- ✓ **RHC Reform Order Phase II Release 1:** My Portal modification to support FY2021 competitive bidding process.

Program Updates: IT Q3 Upcoming Projects

- **High Cost Performance Measures Order System 1.3 Concurrency & Compliance Gap:** Ability for HC and FCC to analyze compliance gaps based on the carriers' performance data
- **High Cost 481 State Access Tool:** Refresh State Access tool so that States' representatives have access to the most updated Form 481 information submitted by carriers within their states
- **High Cost CAF Map 3.0:** Update the CAF map to include new funds: ACAM Rev, ACAM II, and CAF II Auction
- **Lifeline NV Recertification – 2019 Lifeline Order:** Requires eligibility documentation to be collected for subscribers who fail the automated eligibility check for annual recertification.

Program Updates: IT Q3 Upcoming Projects

- **RHC Reform Order Phase II Release 2:** My Portal modifications to support FY2020 funding request review and funding commitment process
- **SL Multi-Factor Authentication (MFA) for EPC and BEAR Submission Form:** Enable multi-factor authentication for EPC using One Portal.
- **SL Appian Upgrade:** Ensure that existing EPC Appian environment are seamlessly upgraded to the latest version of the Appian cloud.
- **SL Streamlined BEAR Disbursement and BEAR NL Updates:** Provide additional review functions for BEAR invoices.

Enterprise Updates: IT Q2 Accomplishments

- ✓ **DATA Act:** Delivered the DATA Act files to FCC ahead of schedule. This enables USAC and FCC to be fully compliant with federal requirements to report Universal Service Fund data on a recurring basis.
- ✓ **Enterprise Data Warehouse:** High Cost and Lifeline programs have been cutover to use centralized data warehouse for program reporting.
- ✓ **Fuse ESB Migration:** Completed migrating enterprise service bus from BizTalk to Fuse. This project further enhances operational strength.
- ✓ **Credit Balance Refund xCP Upgrade:** This is the business process automation for finance credit balance refund to the newer platform of xCP 16.4

Compliance Updates

- ✓ SL EPC, Lifeline RAD, and Lifeline Claims System achieved 508 compliance
- ✓ Completed Phase 1 (data gathering) of the annual FCC OIG FISMA Audit
- NV/NLAD and EPC Year 2 Information Security Continuous Monitoring (ISCM) assessments in progress
- E-Rate Legacy Risk Acceptance in progress
- HCBP and FOS/GP Year 2, GSS Year 1 ISCM assessments planned

Organizational Update

- ✓ Prashant Nerkar, Director of IT Architecture and Standards
- ✓ Jeremy Hayes, Chief Information Security Officer (CISO)

IT Strategic Vision 2020-2022

- Over a three year period the vision covers the following:
 - Mission Critical Deliveries involving new capabilities and systems for USF programs
 - Organizational Transformation & Technology Modernization
 - Strategic Business & Operations Initiatives (ERP, GRC, Microsoft 365, etc.)
 - Key Technical Debt initiatives (HCLI, Legacy Schools, RHC, etc.)
- Mission Critical initiatives are locked in from a timeline perspective with the FCC
- Other initiatives are aspirational and provide direction as to what IT is striving to accomplish over the 3-year plan

Appendix A: Glossary of Terms

| Acronym | Definition |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ACAM | Alternative Connect America Model; provides support to rate-of-return carriers that voluntarily elected to transition to a new cost model for calculating High Cost funding. ACAM models forward-looking economic costs of deploying and operating a fiber-to-the-premise (FTTP) network. Revised ACAM and ACAM II are related support offers. |
| ASP .NET | Microsoft development framework. |
| AWS | Amazon Web Services |
| BEAR | FCC FORM 472: The Billed Entity Applicant Reimbursement Form is an FCC form that schools and libraries submit to USAC after paying for services in full, to request reimbursement for the discount on those services. |
| BEAR NL | Bear Notification Letter: A BEAR(FCC Form 472) Notification Letter is sent to the service provider and the applicant after a BEAR form has been processed by USAC. |
| CAF | Connect America Fund. Phase CAF I and CAF II; CAF Phase II Auction and Rural Digital Opportunities Fund (RDOF) are related support programs. |
| CAF Map | Connect America Fund Map |
| CRM | Customer Relationship Management system. |
| C2 Budget | Schools and Libraries Category 2 funding requests. |

Appendix A: Glossary of Terms

| Acronym | Definition |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DODC | Digital Opportunity Data Collection |
| DR | Disaster Recovery |
| E-Gov Assessment | The assessment performed by a 3rd Party Professional Services firm of USAC IT. |
| ELAP | Eligible Locations Adjustment Process– High Cost subsystem of the High Cost Universal Broadband Portal. |
| EPC | E-rate Productivity Center is the account and application management portal for the Schools and Libraries (E-rate) Program. Applicants, consultants, and service providers participating in the E-rate Program use this tool to manage program processes and to submit questions. |
| ERP | Enterprise Resource Planning system. |
| ESB | Enterprise Service Bus: A set of rules and principles for integrating numerous applications together over a bus-like infrastructure. |
| FOS/GP | Financial Operating System/Great Plains |
| GSS | General Support Systems |

Appendix A: Glossary of Terms

| Acronym | Definition |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HCBP | High Cost Broadband Portal |
| HCLI | High Cost disbursement calculation system |
| IaaS | Infrastructure as a Service (cloud based compute, storage, and network) |
| ISCM | Information Security Continuous Monitoring |
| MFA | Multi-Factor Authentication |
| Microsoft 365 | Cloud based components for Office, SharePoint, Collaboration, Exchange/Outlook/Mail. |
| NLAD | National Lifeline Accountability Database: an existing system that allows service providers (SPs) to check on a real time, nationwide basis whether a consumer is already receiving a Lifeline Program-supported service, and to maintain records of Lifeline subscribers. |
| NV | National Verifier: A framework of systems and processes for which roll out is in progress that will conduct eligibility determinations and other functions necessary to enroll subscribers into the Lifeline program, transferring the responsibility from ETCs. |
| PMM | Performance Measurements Module (High Cost application) |

Appendix A: Glossary of Terms

| Acronym | Definition |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| RAD | Representative Accountability Database, which is being developed to register and monitor Eligible Telecommunication Carriers' (ETC) representatives who perform transactions in Lifeline systems. The RAD will track the representatives' activities to identify unusual, suspicious and potentially inappropriate behavior, and restrict their system access where appropriate. |
| RDOF | Rural Digital Opportunity Fund – High Cost subsystem. |
| SDLC | System Development Lifecycle |
| SL | Schools and Libraries system |
| USPS AMS | US Postal Service Address Matching System |
| USVI Fund | US Virgin Islands Fund |
| 5G | Wireless Technology |

USAC IT Strategic Vision 2020-2022

“Embark on thoughtful modernization while ensuring stability of the current environment for continued business operations”

V3.1 2020-07-07

| | |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IT Objectives & Strategy | <ul style="list-style-type: none"> • Deliver Mission Critical USF Program capabilities according to the 18-month plan • Modernize systems to address technical debt, functionality gaps, address legacy systems, and improve technical infrastructure • Improve IT organizational alignment to improve system development (SDLC) • Transform the system acquisition model to leverage professional services for large-scale development activities |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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| IT Strengths, Weaknesses, Opportunities, Threats (SWOT) | <p>Strengths</p> <ul style="list-style-type: none"> • Passionate IT Staff • Rapid development and deployment process in place for in-sourced and outsourced systems • Modern Data Center technologies and DR facilities | <p>Weaknesses</p> <ul style="list-style-type: none"> • Balancing available resources against increased IT Demand • Functionality gaps in technologies that support USF programs as identified by the E-Gov assessment • Some Legacy systems (Schools Legacy, HCLI, etc.) are approaching end-of-life | <p>Opportunities</p> <ul style="list-style-type: none"> • Leverage IT Standard technical stack across systems • Leverage professional services for large development activities • Mature PM and SDLC processes • Improve Knowledge Management of key Product development and operations artifacts • Implement new technologies to enhance program capabilities | <p>Threats/Challenges</p> <ul style="list-style-type: none"> • Changing resource model during high activity periods • Legacy systems used for mission critical functions pose security threats |
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| Mission Critical Deliverables | <p>High Cost</p> <p>2020</p> <ul style="list-style-type: none"> • ELAP – Participant Map • USVI Fund Setup • Form 481 Annual Updates • Puerto Rico/Virgin Islands workflow & Sites Implementation • PMM • CAF Map • 481 State Access Refresh <p>2021</p> <ul style="list-style-type: none"> • ELAP – Stakeholder Challenge • ELAP – Challenge Response • Protect Supply Chain • The Uniendo a Puerto Rico & Connect USVI Funds • RDOC • Verifications Workflow • 508 Compliance • 5G Fund for Rural America • 481 Changes • PMM – RoR Carriers <p>2022</p> <ul style="list-style-type: none"> • ELAP – Adjudication | <p>Lifeline</p> <p>2020</p> <ul style="list-style-type: none"> • NV address Update Enhancements • USPS AMS Refactor • RAD Annual Agreement & Updates • RAD 508 Compliance • Form 555 Annual Updates • NV Recertification • NV Model Office deployed in USAC’s AWS environment for Pre-Prod use <p>2021</p> <ul style="list-style-type: none"> • Assess options for USAC or a 3rd Party to continue Operations of NV | <p>Rural Healthcare</p> <p>2020</p> <ul style="list-style-type: none"> • Reform Order (Phase 1) <p>2021</p> <ul style="list-style-type: none"> • Reform Order (Phase 2) | <p>Schools & Libraries</p> <p>2020</p> <ul style="list-style-type: none"> • Streamlined BEAR Disbursement and BEAR NL Updates • EPC Multi-Factor Authentication • Form 472 Bear MFA • Add Entity Type Change Capability • Update FCC Form 470 for 2021 • Legacy SL Siebel Stabilization • 2021 C2 Budget • 2021 Form 471 Update |
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| Transformation & Modernization Initiatives | <p>Organizational Transformation</p> <ul style="list-style-type: none"> • Formulate dev, enhancements, and O&M sustainment model • Modify staffing model to support outsourcing major systems development • Improve SDLC with greater emphasize on requirements, testing, and acceptance and harmonize with agile development practices • Mature Business Relationship Management role • Couple system development activities with a formalized business and data architecture framework | <p>Technology Modernization</p> <ul style="list-style-type: none"> • Adopt an incremental modernization strategy • Develop comprehensive application modernization roadmap including addressing legacy/obsolete systems • Investigate ERP & Business Rules technologies to consolidate financial operations across USF applications • Continue to move towards common platforms and tools that are scalable across the company • Address technology gaps and legacy systems that support USF operations • Achieve FISMA/NIST security compliance for all USF systems |
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| Strategic Business Initiatives | <p>2020</p> <ul style="list-style-type: none"> • Microsoft 365 – Office Online • ERP Analysis & Planning • Identify Business Rules Engines compatible with current technical stack • Formalize IT Enterprise Demand Intake Process | <p>2021</p> <ul style="list-style-type: none"> • ERP Pilot • Centralized Geocoding • Microsoft 365 – Exchange Online, MS-Teams • Enterprise CRM Pilot • GRC Rollout | <p>2022</p> <ul style="list-style-type: none"> • ERP Phase 1 • Enterprise CRM Rollout • Documentum migrated to Microsoft 365 |
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| Key Technical Debt Initiatives | <p>2020</p> <ul style="list-style-type: none"> • GIS Infrastructure Tech Debt retired • Upgrade EPC/Appian platform to latest version • Stabilize SL Legacy – Siebel Case Mgmt | <p>2021</p> <ul style="list-style-type: none"> • Migrate FCC Forms currently using obsolete technology to current technical stack standards (HC Form 481; All RHC FCC Forms) • Rewrite RHC to current Tech Stack standards | <p>2022</p> <p>Retire SL Legacy System:</p> <ul style="list-style-type: none"> • Move Invoicing to either EPC/Appian or ERP • Move other legacy SL content (Siebel, Alfresco, ASP .Net) to EPC/Appian and/or Enterprise CRM |
| Strategic Operations Initiatives | <p>2020</p> <ul style="list-style-type: none"> • Network Virtualization – Phase 1 • AWS IaaS in place for NV Model Office • Configuration Management Database (CMDB) implemented | <p>2021</p> <ul style="list-style-type: none"> • Network Virtualization – Phase 2 • Service Desk Ticketing System Replacement | <p>2022</p> <ul style="list-style-type: none"> • Artificial Intelligence Pilot |

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

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| ACTION ITEM |
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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 resolution below:

B. Approval of moving all *Executive Session* items into *Executive Session*:

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

B. CEO Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data*, and *internal rules and procedures* concerning the administration of the universal service support mechanisms; discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

- **C.** Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- **D.** Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session* because it relates to *internal controls 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) **a4** – Consideration of a Contact Award for the Fraud Risk Assessment. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

(3) **i2** – Information on Two Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in *Executive Session*

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because it relates to *internal controls or confidential company data* and 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.*

Upon request of a Board member, the above item is 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 discussion in *Executive Session* of the items noted above.