



Board of Directors

Briefing Book

Tuesday, July 25, 2023

10:00 a.m. - 1:30 p.m. Eastern Time

Available for Public Use

Universal Service Administrative Company

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

Washington, D.C. 20005

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

**Tuesday, July 25, 2023
10:00 a.m. –1:30 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each available for discussion upon request): A. Approval of Board of Directors Meeting Minutes of April 21, 2023 B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i> C. Consideration and Approval of Seven Routine Procurements	5
Chair	i1. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee	10
Michelle	a2. Approval of Connected Care Pilot Program 4th Quarter 2023 Budget and Demand Projection for the August 2, 2023 FCC Filing	5
Mark	i2. Connected Care Pilot Program Update (<i>For Information Only</i>)	-
Michelle	a3. Approval of USAC Common and Consolidated 4th Quarter 2023 Budget and Demand Projection for the August 2, 2023 FCC Filing	10
Teleshia	i3. Information on Seven Supply Chain Audit Reports (<i>For Information Only</i>)	-
Radha	i4. Enterprise Business Updates A. Appropriated Programs <ul style="list-style-type: none"> • Emergency Connectivity Fund (ECF) • Affordable Connectivity Program (ACP) 	10

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Kyle Joe/Teleshia Tim	i5. Enterprise Business Updates (<i>Continued</i>) A. Information Security Update <ul style="list-style-type: none"> • Zero Trust Architecture Update • Security Compliance Update • Federal Information Security Act Compliance Update B. User Experience Audit Update C. 1. Affordable Connectivity Program Update 2. Transparency Data Collection Project Update	40

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<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Michelle	i6. Information on Contribution Factor	5
Chris	i7. Enterprise Risk Management: A1. 2023 Risk Management Update A2. Risk Management Council Minutes <i>(For Information Only)</i>	–
Chris	i8. Procurement Business Update <i>(For Information Only)</i>	–
Chris	a4. Consideration of a Contract Modification for Call Center Services and Customer Relationship Management (CRM) System	–
Chris	a5. Consideration of a Contract Modification for Web Hosting Services	–
Chris	a6. Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing, Call Center Services, and Added Services	–
Chris	a7. Consideration of a Contract Modification for Palo Alto Enterprise License Agreement and Firewall Hardware and Software Support	–
Chris	a8. Consideration of a Contract Modification for Operation and Maintenance, Design and Development, Licensing, and Hosting of the National Verifier and National Lifeline Accountability Database Systems Modifications for the Affordable Connectivity Program Portal	–
Chris	a9. Consideration of a Contract Modification for CISO Advisory Services	–
Chris	a10. Consideration of a Contract Modification for Enterprise Resource Planning (ERP) Analysis and Project Management Office (PMO) Services	-
Chris	a11. Consideration of a Contract Award for Oracle Licenses and Technical Support	5
Chris	a12. Consideration of a Contract Award for CyberArk Licenses	5
Chris	a13. Consideration of a Contract Award for Socrata Software Licenses and Support	5
Chris	a14. Consideration of a Contract Award for IT Security Operations Center (SOC) Services	5
Michelle/ Fred	i9. E-File Contributor Messaging System Demonstration <i>(Lunch)</i>	
Michelle	i10. Acceptance of USAC’s 2022 Annual Financial Audit and Agreed-Upon Procedures Review (Same as aAC05cf)	10
Teleshia	i11. Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports <i>(For Information Only)</i>	–
Chair	i12. Confidential Board of Directors <i>Executive Session</i>	15

Next Scheduled USAC Board of Directors Meeting

<p>Tuesday, October 31, 2023 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 items listed below.

Discussion

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

- A. Approval of Board of Directors Meeting Minutes of April 21, 2023 (*see Attachment A-1*).

- B. Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i5** – Enterprise Business Updates (*Continued*).
 - A. Information Security 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, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
 - B. User Experience Audit 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, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
 - C-1. Affordable Connectivity Program 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, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

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- C-2.** Transparency Data Collection Project 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, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (2) **i6** – Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific 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*.
- (3) **i7** – Enterprise Risk Management 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, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (4) **i8** – 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*.
- (5) **a4** – Consideration of a Contract Modification for Call Center Services and Customer Relationship Management (CRM) System. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (6) **a5** – Consideration of a Contract Modification for Web Hosting Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (7) **a6** – Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing, Call Center Services, and Added Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (8) **a7** – Consideration of a Contract Modification for Palo Alto Enterprise License Agreement and Firewall Hardware and Software Support. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.

- (9) **a8** – Consideration of a Contract Modification for Operation and Maintenance, Design and Development, Licensing, and Hosting of the National Verifier and National Lifeline Accountability Database Systems Modifications for the Affordable Connectivity Program Portal. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (10) **a9** – Consideration of a Contract Modification 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*.
- (11) **a10** – Consideration of a Contract Modification for Enterprise Resource Planning Analysis and Project Management Office Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (12) **a11** – Consideration of a Contract Award for Oracle Licenses and Technical Support. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (13) **a12** – Consideration of a Contract Award for CyberArk Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (14) **a13** – Consideration of a Contract Award for Socrata Software Licenses and Support. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (15) **a14** – Consideration of a Contract Award for IT Security Operations Center (SOC) Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (16) **i9** – E-File Contributor Messaging System Demonstration (*Lunch*). 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, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (17) **i10** – Acceptance of USAC’s 2022 Annual Financial Audit and Agreed-Upon Procedures Review. USAC management recommends that this matter be discussed in *Executive Session* because it relates to *specific*

internal controls, or confidential company data that would constitute a discussion of internal rules and procedures.

- (18) **i11** – Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific 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*.
- (19) **i12** – Confidential Board of Directors *Executive Session*. For Board of Directors Only. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

C. Consideration and Approval of Seven Routine Procurements

- (1) Consideration of a Contract Modification for Call Center Services and Customer Relationship Management (CRM) System. The resolution is provided in **aBOD04cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (2) Consideration of a Contract Modification for Web Hosting Services. The resolution is provided in **aBOD5cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (3) Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing, Call Center Services, and Added Services. The resolution is provided in **aBOD6cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (4) Consideration of a Contract Modification for Palo Alto Enterprise License Agreement and Firewall Hardware and Software Support. The resolution is provided in **aBOD07cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (5) Consideration of a Contract Modification for Operation and Maintenance, Design and Development, Licensing, and Hosting of the National Verifier and National Lifeline Accountability Database Systems Modifications for Affordable Connectivity Program Portal. The resolution is provided in **aBOD08cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (6) Consideration of a Contract Modification for CISO Advisory Services. The resolution is provided in **aBOD09cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (7) Consideration of a Contract Modification for Enterprise Resource Planning Analysis and Project Management Services. The resolution is provided in **aBOD10cf**. If discussion is needed, it will be conducted in *Executive Session*.

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 April 21, 2023; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of seven routine procurements as presented in items aBOD04cf – aBOD10cf.

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

BOARD OF DIRECTORS MEETING
Friday, April 21, 2023

(DRAFT) MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Friday, April 21, 2023. Mr. Joe Gillan, Board Chair, called the meeting to order at 10:01 a.m. Eastern Time, with a quorum of all 19 Board members present:

Buzacott, Alan	Polk, Stephanie – <i>by telephone</i>
Chalk, Indra	Sanquist, Christine – <i>by telephone</i>
Domenech, Dr. Dan	Schell, Julie Tritt – Treasurer
Feiss, Geoff	Sekar, Radha – Chief Executive Officer
Fontana, Brent – <i>by telephone</i>	Skrivan, Michael – <i>by telephone</i>
Freeman, Sarah – <i>by telephone</i>	Wade, Dr. Joan
Gillan, Joe – Chair	Waller, Jeff – <i>by telephone</i>
Gregory, Amber	Wein, Olivia – Secretary
Jacobs, Ellis – <i>by telephone</i>	Wibberly, Dr. Kathy
Mason, Ken – Vice Chair	

Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance – *by telephone*
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and Assistant Treasurer
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
O'Brien, Tim – Vice President of Lifeline
Sweeney, Mark – Vice President of Rural Health Care
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

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>
Bolling, Christopher – <i>by telephone</i>	USAC
Braxton, Carolyn	USAC
Campbell, Jo-Ann	USAC
Campos, Rosy – <i>by telephone</i>	CSM, Inc.
Caparas, Mharibeth	USAC
Duffy, Maura	USAC
Edmonds, Daisy	USAC
Goode, Vernell	USAC
Granger, Jaquie	USAC
Kriete, Debra – <i>by telephone</i>	South Dakota State E-rate Coordinator
Kolachina, Roja	USAC
Loughlin, John – <i>by telephone</i>	Senture
Louis, Bianca	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Phillippi, Megan	USAC
Robinson, Crystal	USAC
Robinson, Jen – <i>by telephone</i>	USAC
Rones, Julie	USAC
Suggs-Moore, Vickie	USAC
Sauls, Lucas – <i>by telephone</i>	Maximus
Walker, Jillian	USAC
Wilson, Carl	USAC
Xu, Wayne – <i>by telephone</i>	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 23 and 31; and March 16, 2023.
 - B.** Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) i5** – Enterprise Business Updates (*Continued*).
 - A.** 2022 Complaints Report Synopsis. USAC management recommended 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, where

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discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

- (2) **i6** – Information on Contribution Factor. USAC management recommended that this item be discussed in *Executive Session* because it relates to *specific 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*.
- (3) **i7** – Enterprise Risk Management Update. USAC management recommended 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, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (4) **i8** – Procurement Business Update. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (5) **a4** – Consideration of Approval of a Contract Award for Computer Matching Program Operations and Maintenance Services (*same as aHCLI04*). USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (6) **a5** – Consideration of a Contract Award for EnterpriseDB Postgres Licenses and Support Services. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (7) **a6** – Consideration of Contract Award for Proofpoint Licenses and Support Services. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (8) **a7** – Consideration of Contract Award for AWS GovCloud Hosting Services. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (9) **a8** – Consideration of a Contract Award for Cisco Smartnet Licenses and Support Services. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (10) **a9** – Consideration of a Contract Modification for CISO Advisory Services. USAC management recommended that this item be discussed

in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

- (11) **a10** – Consideration of a Contract Modification for Affordable Connectivity Program (ACP) Call Center Services. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (12) **a11** – Consideration to Exercise the First One-year Option Term for Web Application Support Services. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (13) **a12** - Consideration to Exercise the First One-year Option Term for Information Security Program Compliance Support Services. USAC management recommended that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (14) **i9** – Rural Health Care Connect Demonstration. USAC management recommended 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, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (15) **i10** – Information on One USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Report. USAC management recommended that this item be discussed in *Executive Session* because it relates to *specific 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*.
- (16) **i11** – *Confidential Executive Session*: Board of Directors Only. USAC management recommended that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

C. Consideration and Approval of Four Routine Procurements

- (1) Approval of the Consideration of a Contract Modification for CISO Advisory Services. The resolution was provided in **aBOD09cf**.
- (2) Approval of the Consideration of a Contract Modification for Affordable Connectivity Program (ACP) Call Center Services. The resolution was provided in **aBOD10cf**.
- (3) Approval of the Consideration to Exercise the First One-year Option Term for Web Application Support Services. The resolution was provided in **aBOD11cf**.

- (4) Approval of the Consideration to Exercise the First One-year Option Term for Information Security Program Compliance Support Services. The resolution was provided in **aBOD12cf**.

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

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of January 23 and 31; and March 16, 2023; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of four routine procurements as presented in items aBOD09cf – aBOD12cf.

- i1. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** Mr. Feiss presented the report for the Audit Committee. Mr. Mason presented the report for the High Cost & Low Income Committee. Dr. Wibberly presented the report for the Rural Health Care Committee. Dr. Domenech presented the report for the Schools & Libraries Committee.
- a2. Approval of Connected Care Pilot Program 3rd Quarter 2023 Budget and Demand Projection for the May 2, 2023 Federal Communications Commission (FCC) Filing.** Ms. Garber presented this item for consideration. The presentation included a written report on USAC management's recommendations for the Connected Care Pilot Program 3rd quarter 2023 demand projection for the May 2, 2023 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 2023 Connected Care Pilot Program direct budget of \$0.00 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$0.00 million for Connected Care Pilot Program administrative costs in the required May 2, 2023 filing to the Federal Communications Commission on behalf of the Board; and

RESOLVED FURTHER, that the USAC Board of Directors, having reviewed at its meeting on April 21, 2023 the 3rd Quarter 2023 Connected Care Pilot Program demand estimate of \$8.38 million, hereby directs USAC staff to proceed with the required May 2, 2023 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

- i2. **Connected Care Pilot Program Update.** Mr. Gillan noted that the report was provided for *information only* and would be posted on USAC's public website. No discussion was held.
- a3. **Approval of USAC Common and Consolidated 3rd Quarter 2023 Budgets for the May 2, 2023 FCC Filing.** Ms. Garber presented this item for consideration. The presentation included a written report on USAC management's recommendations for USAC's common and consolidated 3rd Quarter 2023 budgets for the May 2, 2023 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 2023 common budget of \$32.91 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$32.91 million for common costs in the required May 2, 2023 filing to the Federal Communications Commission on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 3rd Quarter 2023 consolidated budget to administer the Universal Service Fund of \$68.04 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$68.04 million for consolidated costs in the required May 2, 2023 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

- i3. **Information on Three USAC Audit and Assurance Division**

Supply Chain Audit Report. Ms. Delmar presented this item to the Board which included the results of three Supply Chair Audit Reports released in March 2023. No audit findings were identified in the audit reports.

i4. Enterprise Business Updates:

- A. Appropriated Programs.** Ms. Sekar provided a verbal update on the Emergency Connectivity Fund and the Affordable Connectivity Program.
- B. Call Center Transition.** Ms. Sekar provided a verbal update on the transition of the ACP and Lifeline call center vendor.
- C. ACP Updates.** Mr. O'Brien presented PowerPoint slides providing updates on system modernization efforts and the data transparency collection project.

At 10:33 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

i5. Enterprise Business Updates (Continued):

- A. 2022 Complaints Report Synopsis.** Mr. Butler presented PowerPoint slides providing a summary of the 2022 Annual Complaints Report.

i6. Information on Contribution Factor. Ms. Garber presented this item to the Board. The presentation included a written report providing USAC's estimate of the 3rd Quarter 2023 contribution factor.

i7. Enterprise Risk Management Update. Mr. Gillan noted that the report was provided for *information only*. No discussion was held. The report included the following items:

- 1Q2023 Enterprise Risk Management Update
- 1Q2023 Risk Management Council Minutes

i8. Procurement Business Update. Mr. Gillan noted that the report was provided for *information only*. No discussion was held. The report included an overview of major procurements completed in 1Q2023 and 2Q2023 anticipated activities.

a4. Consideration of a Contract Award for Computer Matching Program Operations and Maintenance Services (same as aHCLI04). Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to award a

contract to CMS to support the API providing automated computer matching for eligibility verifications for the ACP program.

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, hereby authorizes USAC management to award a one (1) year sole source contract to the Centers for Medicare and Medicaid Services for operations and maintenance services and IT security incident work in support of the currently developed and in-use application programming interface providing automated computer matching for eligibility verifications for the Affordable Connectivity Program, for a firm-fixed price of \$648,120.00 (plus applicable taxes) over the one (1) year term, subject to required Federal Communications Commission approval and subject to an allocation of the total contract cost to the congressionally appropriated funds available to the Affordable Connectivity Program, as eventually determined by the parties and as instructed in writing by the Federal Communications Commission.

- a5. Consideration of a Contract Award for EnterpriseDB Postgres Licenses and Support Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to award a firm-fixed price contract for EnterpriseDB licenses and support

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, hereby authorizes USAC management to award a firm-fixed price contract for EnterpriseDB Postgres licenses and support to CTG Federal, LLC, for a one (1) year period of performance for a total not-to-exceed amount of \$411,874.00 (plus applicable taxes).

- a6. Consideration of Contract Award for Proofpoint Licenses and Support Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's

recommendation to award a firm-fixed price contract for Proofpoint licenses and support 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, hereby authorizes USAC management to award a firm-fixed price contract for Proofpoint licenses and support services to SHI International Corp. for a one (1) year period of performance for a total not-to-exceed amount of \$417,051.13 (plus applicable taxes).

- a7. Consideration of Contract Award for AWS GovCloud Hosting Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to award a firm-fixed price contract for AWS GovCloud hosting services.

On a motion duly made and seconded, with Mr. Fontana abstaining, the Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management, to award a firm-fixed price contract for AWS GovCloud hosting services to Amazon Web Services, Inc., for a one (1) year period of performance for a total not-to-exceed amount of \$1,500,000.00 (plus applicable taxes), with such amount including a contingency of \$200,000.00 (plus applicable taxes) to cover additional hosting needs based on the 2023 USAC IT projects roadmap, subject to required Federal Communication Commission approval.

- a8. Consideration of a Contract Award for Cisco Smartnet Licenses and Support Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's recommendation to award a firm-fixed price contract for Cisco Smartnet licenses and support 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, hereby authorizes USAC management to award a firm-fixed price contract for Cisco Smartnet licenses and support services to Axelliant, LLC for a one (1) year period of performance for a total not-to-exceed amount of \$312,281.38 (plus applicable taxes).

- a9. Consideration of a Contract Modification for CISO Advisory Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its CISO advisory services contract with Kybernet LLC by extending the period of performance of the final option year of the contract by three (3) months, and increasing the total not-to-exceed amount of the contract by \$99,952.84 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$1,084,145.33 (plus applicable taxes) to \$1,187,098.17 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a10. Consideration of a Contract Modification for Affordable Connectivity Program (ACP) Call Center Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its existing contract with Navient B.P.O., LLC, by increasing the contract's total not-to-exceed price by \$6,500,000.00 (plus applicable taxes) for postage fees associated with Affordable Connectivity Program mailings, thereby increasing the total not-to-exceed amount from \$110,198,786.31 (plus applicable taxes) to \$116,698,786.31 (plus applicable taxes), subject to required Federal Communications Commission (FCC) approval.

- a11. Consideration to Exercise the First One-year Option Term for Web Application Support Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management: (1) to exercise the first one-year option of the web application support service task order (Task Order #17HC) for the High Cost Program with 22nd Century Technologies, for a total not-to exceed amount of \$2,444,831.00 (plus applicable taxes), thereby increasing the total amount of the task order from \$2,408,742.60 (plus applicable taxes) to \$4,853,573.60 (plus applicable taxes), subject to required Federal Communications Commission approval; and (2) to exercise the first one-year option of the web application support services task order (Task Order #17LI) for the Lifeline Program with Accenture Federal Services LLC, for a total not-to exceed amount \$3,727,863.20 (plus applicable taxes), thereby increasing the total amount from \$3,628,464.96 (plus applicable

taxes) to \$7,356,328.16 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a12. Consideration to Exercise the First One-year Option Term for Information Security Program Compliance Support Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, , that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to exercise the first one-year option of the information security program compliance support services contract with KPMG LLP, for a total not-to-exceed amount of \$3,679,272.82 (plus applicable taxes), increasing the total not-to-exceed amount of the contract from \$3,833,187.20 (plus applicable taxes) to \$7,512,460.02 (plus applicable taxes), subject to required Federal Communications Commission approval.

The Board took a 15-minute recess at 11:05 a.m. Eastern Time and reconvened in *Executive Session* at 11:20 a.m. Eastern Time.

- i9. Rural Health Care Connect Demonstration.** Ms. Duffy provided a live demonstration of the Rural Health Care Connect system.
- i10. Information on One USAC Audit and Assurance Division Universal Service Contributor Revenue Audit Report.** This item was provided for *information purposes only*. No discussion was held.

At 11:40 a.m. Eastern Time, the Board continued in confidential *Executive Session* with only members of the Board present.

- i11. Confidential Executive Session: Board of Directors Only.** Mr. Gillan facilitated this discussion.

OPEN SESSION

At 11:48 a.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 items a5-a8 and discussed items i5, i6, i9, and i11.

On a motion duly made and seconded, the Board adjourned at 11:48 a.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary



Board of Directors Meeting

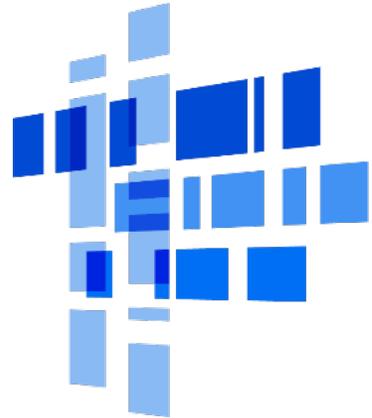
Reports From Committee Chairs

Open Session

July 25, 2023

Agenda

- Reports From Committee Chairs (Verbal Update)
 - Audit Committee
 - High Cost & Low Income Committee
 - Rural Health Care Committee
 - Schools & Libraries Committee



**Universal Service
Administrative Co.**

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

ACTION ITEM

**Approval of Connected Care Pilot Program
4th Quarter 2023 Budget and
Demand Projection for the August 2, 2023 FCC Filing**

Action Requested

The USAC Board of Directors (Board) is requested to approve the 4th Quarter 2023 (4Q2023) Connected Care Pilot Program budget and demand projection for submission to the Federal Communications Commission (FCC) in USAC's August 2, 2023 quarterly filing.

Discussion

On a quarterly basis, USAC is required to submit to the FCC the projected budget¹ and demand² for the upcoming quarter.

Funding Requirement

USAC estimates the 4Q2023 funding requirement for the Connected Care Pilot Program as follows:

Table A. Connected Care Pilot Program Funding Requirement

<i>(in millions)</i>	3Q2023	Increase/ (Decrease)	4Q2023	Notes
Steady State:				
Connected Care Pilot Program	\$8.33	\$0.00	\$8.33	See Note 1
New Requirements:				
N/A	0.00	0.00	0.00	
Total Connected Care Demand	\$8.33	\$0.00	\$8.33	
Prior Period Adjustments (difference between projections and actuals):				
Billings	\$0.05	(\$0.12)	(\$0.07)	
Bad Debt Expense	(0.08)	0.01	(0.07)	
Annual Admin True-Up	0.00	0.00	0.00	
Total Prior Period Adjustments	(\$0.03)	(\$0.11)	(\$0.14)	
USAC Administrative Expenses	\$0.08	\$0.00	\$0.08	See Table B
Total Funding Requirement	\$8.38	(\$0.11)	\$8.27	

¹ See 47 C.F.R. § 54.715(c).

² See 47 C.F.R. § 54.709(a)(3).

Note 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 \$100 million available over three years to help defray health care providers' qualifying costs of providing connected care services, with a primary focus on providing these services to low-income or veteran patients.³ The Order authorized collections of \$100 million over three years (12 quarters) at \$8.33 million per quarter beginning in 4Q2020.⁴ 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.⁵ 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.⁶

³ See *Promoting Telehealth for Low-Income Consumers; COVID-19 Telehealth Program*, WC Docket Nos. 18-213 and 20-89, Report and Order, 35 FCC Rcd 3366, 3384, paras. 37-38 (2020).

⁴ See *id.* at 3387-88, para. 42.

⁵ See *id.* at 3368-69, para. 5.

⁶ See *id.* at 3384, 3387, paras. 38, 42.

Based on the projected burn rate, USAC estimates the following 4Q2023 budget:

Table B. Quarterly Budget

<i>(in millions)</i>	3Q2023 Budget	Increase/ (Decrease)	4Q2023 Budget	Notes
Direct Program Costs				
Employee Expenses	\$0.00	\$0.00	\$0.00	
Professional Services	0.00	0.00	0.00	
General & Administrative	0.00	0.00	0.00	
Total Direct Program Costs	\$0.00	\$0.00	\$0.00	
Direct Assigned Costs				
Employee Expenses	\$0.00	\$0.00	\$0.00	
Professional Services	0.00	0.00	0.00	
General & Administrative	0.00	0.00	0.00	
Total Direct Assigned Costs	\$0.00	\$0.00	\$0.00	
Total Direct Program & Direct Assigned Costs	\$0.00	\$0.00	\$0.00	
Common Allocated Costs	\$0.08	\$0.00	\$0.08	
Total Programmatic Budget	\$0.08	\$0.00	\$0.08	

A comparison of actual expenditures to the budget for the six months ending June 30, 2023 is provided in **Attachment 1**.

Recommendation

USAC management recommends that the Board approve the 4Q2023 budget and projection of demand as proposed.

Recommended USAC Board Actions

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 4th Quarter 2023 Connected Care Pilot Program direct budget of \$0.00 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$0.00 million for Connected Care Pilot Program administrative costs in the required August 2, 2023 filing to the Federal Communications Commission on behalf of the Board; and

RESOLVED FURTHER, that the USAC Board of Directors, having reviewed at its meeting on July 25, 2023 the 4th Quarter 2023 Connected Care Pilot Program demand estimate of \$8.27 million, hereby directs USAC staff to proceed with the required August 2, 2023 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

ATTACHMENT 1

Connected Care Pilot Program Administrative Costs and Headcount
Comparison of Actual Expenditures and Headcount to the Budget for the
Six Months Ending June 30, 2023

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program Costs						
Employee Expenses	0	0	0	\$0.00	\$0.00	\$0.00
Professional Services				0.00	0.00	0.00
General & Administrative				0.00	0.00	0.00
Total Direct Program Costs				\$0.00	\$0.00	\$0.00
Direct Assigned Costs						
Employee Expenses	0	0	0	\$0.00	\$0.00	\$0.00
Professional Services				0.01	0.00	(0.01)
General & Administrative				0.00	0.00	0.00
Total Direct Assigned Costs				\$0.01	\$0.00	(\$0.01)
Total Direct Program & Direct Assigned Costs	0	0	0	\$0.01	\$0.00	(\$0.01)
Common Allocated Costs (Note 2)				\$0.14	\$0.15	\$0.01
Total Programmatic Budget				\$0.15	\$0.15	\$0.00

Note 2: Common costs include costs not directly attributable to a program or the Connected Care Pilot Program and are allocated based on the Cost Allocation Methodology, which allocates costs based 50% on direct costs in the prior year and 50% on demand in the prior year. Actual common allocated costs reflect a reduction for costs allocated to the appropriated programs.



Board of Directors Meeting

Connected Care Pilot Program

Open Session

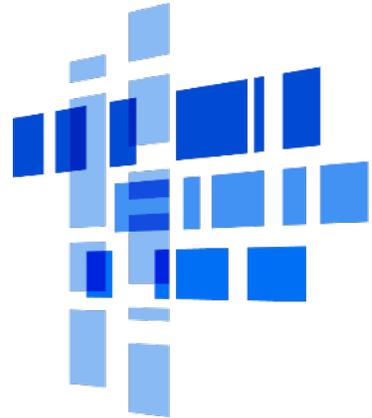
July 25, 2023



Universal Service
Administrative Co.

Connected Care Pilot Program Updates

- Received 879 FRNs from FCC Forms 462 to date.
- Issued \$30.38 million in funding commitments so far.
- Received 104 FCC Forms 463 for disbursement and disbursed 83 invoices worth \$9.30 million.
- System enhanced on June 23rd to allow annual and final report data extraction and review in a Microsoft Office environment (FCC Requirements).



**Universal Service
Administrative Co.**

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

ACTION ITEM

**Approval of USAC Common and Consolidated
4th Quarter 2023 Budgets and Demand Projection
for the August 2, 2023 FCC Filing**

Action Requested

The USAC Board of Directors (Board) is requested to approve the 4th Quarter 2023 (4Q2023) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's August 2, 2023 quarterly filing.

Discussion

Based on the projected burn rate, USAC estimates a 4Q2023 USAC consolidated budget of \$68.50 million to administer the Universal Service Fund (USF), which includes \$35.29 million in direct program costs and \$33.21 million in common indirect costs. This does not include projected spending related to the appropriated programs.

<i>(in millions)</i>	3Q2023 Budget	Increase/ (Decrease)	4Q2023 Budget
Direct Program & Direct Assigned Costs			
High Cost	\$6.44	\$0.08	\$6.52
Lifeline	14.60	0.35	14.95
Rural Health Care	4.48	0.07	4.55
Schools & Libraries	9.61	(0.34)	9.27
Connected Care Pilot	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	\$35.13	\$0.16	\$35.29
Common Costs			
Employee Expenses	\$15.70	\$0.86	\$16.56
Professional Services	8.87	0.36	9.23
General & Administrative (Note 1)	8.34	(0.92)	7.42
Total Common Costs	\$32.91	\$0.30	\$33.21
Total Consolidated Costs	\$68.04	\$0.46	\$68.50

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, 2023 is provided in **Attachment 1**.

Recommendation

USAC management recommends that the Board approve the 4Q2023 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 2023 common budget of \$33.21 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$33.21 million for common costs in the required August 2, 2023 filing to the Federal Communications Commission on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 4th Quarter 2023 consolidated budget to administer the Universal Service Fund of \$68.50 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$68.50 million for consolidated costs in the required August 2, 2023 filing to the Federal Communications Commission 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, 2023

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program & Direct Assigned Costs						
High Cost	60	66	6	\$11.99	\$12.82	\$0.83
Lifeline	99	107	8	21.69	28.40	6.71
Rural Health Care	55	60	5	8.62	8.97	0.35
Schools & Libraries	79	80	1	21.34	21.70	0.36
Connected Care Pilot	0	0	0	0.01	0.00	(0.01)
Total Direct Program & Direct Assigned Costs	293	313	20	\$63.65	\$71.89	\$8.24
Common Costs (Note 2)						
Employee Expenses	381	401	20	\$29.83	\$31.42	\$1.59
Professional Services				15.24	18.37	3.13
General & Administrative (Note 3)				14.95	17.51	2.56
Total Common Costs	381	401	20	\$60.02	\$67.30	\$7.28
Total Consolidated Costs	674	714	40	\$123.67	\$139.19	\$15.52

Note 2: Actual USF common costs reflect a reduction for costs allocated to the appropriated programs.

Note 3: 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.



Board of Directors Meeting

Enterprise Business Updates

Open Session

July 25, 2023



Agenda

- Appropriated Programs (Verbal Update)
 - Emergency Connectivity Fund (ECF)
 - Affordable Connectivity Program (ACP)



**Universal Service
Administrative Co.**