



Board of Directors

Briefing Book

Tuesday, October 31, 2023

10:00 a.m. – 1:00 p.m. ET

Available for Public Use

Universal Service Administrative Company Offices

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

Washington, D.C. 20005

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

**Tuesday, October 31, 2023
10:00 a.m. –1:00 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 July 25, 2023, August 1, 2023 B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i> C. Consideration and Approval of Ten Routine Procurements D. Consideration of Approval to Reimburse Board Members to Attend an Event Other Than a Quarterly USAC Board or Committee Meeting	5
Chair	i1. Reports from the Committee Chairs: High Cost & Low Income Committee, Executive Compensation Committee, Schools & Libraries Committee, Rural Health Care Committee, and Audit Committee,	10
Chair	a2. Appointment of a Nominating Committee and Direction to Committees for the Appointment of Committee Chairs and Vice Chairs	5
Michelle	a3. Approval of Connected Care Pilot Program 1st Quarter 2024 Budget and Demand Projection for the November 2, 2023 FCC Filing	5
Mark	i2. Connected Care Program Status Update (<i>For Information Only</i>)	–
Michelle	a4. Approval of USAC Common and Consolidated 1st Quarter 2024 Budget and Demand Projection for the November 2, 2023 FCC Filing	10
Radha Michelle	i3. Enterprise Business Updates A. Appropriated Programs B. ERP Status Update	10 10

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Kyle Tim Radha Erin	i4. Enterprise Business Updates (Continued)	
	A. IT Business Update	10
	B. Transparency Data Collection Project Demonstration	10
	C. GAO Audit on FCC Oversight of USAC (Discussion Only)	5
	D. Consumer Research Litigation (Discussion Only)	5
Michelle	i5. Information on Contribution Factor	5
Chris	i6. Enterprise Risk Management:	
	A1. Q3 2023 Risk Management Update A2. Risk Management Council Minutes <i>(For Information Only)</i>	–
Chris	i7. Procurement Business Update <i>(For Information Only)</i>	–
Chris	a5. Consideration of a Contract Awards for High Cost Broadband Network Engineering Audit Services	5
Chris	a6. Consideration of a Contract Award for Enterprise Telecommunications Engineer Services	5
Chris	a7. Consideration of a Contract Award for Varonis Licenses Subscription	5
Chris	a8. Consideration to Exercise Option Term for Long-Term Affordable Connectivity Program Project Management Office Services	-
Chris	a9. 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 for Affordable Connectivity Program Portal	–
Chris	a10. Consideration to Exercise Second One-Year Option Term of Task Order for Enterprise Architecture Assessment and Support Services	–
Chris	a11. Consideration to Exercise the Second One-Year Option Term for Affordable Connectivity Program Email Processing Services	–
Chris	a12. Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing, Call Center Services	–
Chris	a13. Consideration to Exercise Option Terms for Call Center Services & Customer Relationship Management System	–
Chris	a14. Consideration to Exercise Option Terms for Beneficiary and Contributor Audit Program (BCAP) Contract	–
Chris	a15. Consideration to Exercise One-Year Option Term for National Supply Chain Audit Services	–
Chris	a16. Consideration of a Contract Modification for Emergency Connectivity Fund Business Process Outsourcing Services	–
Chris	a17. Consideration to Exercise Option Term for Affordable Connectivity Program Business Process Outsourcing Services	–

<u>EXECUTIVE SESSION (CONTINUED)</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Teleshia	i8. Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports <i>(For Information Only)</i>	–

<u>CONFIDENTIAL EXECUTIVE SESSION</u> Executive Session Recommended		
Chris	a18. Personnel Matter: Consideration of Contract Awards for the USAC Employee Benefit Program	10
Chris	a19. Personnel Matter: Consideration of 2024 Compensation Item	10
Chair	i9. Confidential Executive Session: Board of Directors Only	15

Next Scheduled USAC Board of Directors Meeting

<p>Tuesday, January 30, 2024 USAC Offices, Washington, D.C.</p>

**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 July 25, 2023 and August 1, 2023 (*see Attachment A-1 and A-2*).

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

(1) **i4** – Enterprise Business Updates (*Continued*).

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

B. Transparency Data Collection Project Demonstration. 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. GAO Audit on FCC Oversight of USAC. USAC management recommends that this item be discussed in *Executive Session* because it involves the discussion of *internal rules and procedures* concerning the administration of the universal service support mechanisms, relates to *specific internal controls or confidential company data*, and may also include *pre-decisional matters pending before the FCC*.

- D.** Consumer Research Litigation. USAC management recommends that this item be discussed in *Executive Session* because it may also include *pre-decisional matters* pending before a court or governmental agency or instrumentality to which USAC is privy, where discussion of such matters in open session would undermine the agency's deliberative process or would result in the disclosure of an agency's conclusions or rationales before the agency had formally decided the matter.
- (2) **i5** – 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) **i6** – 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) **i7** – 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) **a5** – Consideration of a Contract Awards for High Cost Broadband Network Engineering Audit Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
 - (6) **a6** – Consideration of a Contract Award for Enterprise Telecommunications Engineer Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
 - (7) **a7** – Consideration of a Contract Award for Varonis Licenses Subscription. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
 - (8) **a8** – Consideration to Exercise Option Term for Long-Term Affordable Connectivity Program 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*.
 - (9) **a9** – 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 for 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) **a10** – Consideration to Exercise Second One-Year Option Term of Task Order for Enterprise Architecture Assessment and Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (11) **a11** – Consideration to Exercise the Second One-Year Option Term for Affordable Connectivity Program Email Processing Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (12) **a12** – Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing, Call Center Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (13) **a13** – Consideration to Exercise Option Terms for Call Center Services and Customer Relationship Management System. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (14) **a14** – Consideration to Exercise Option Term for Beneficiary and Contributor Audit Program (BCAP) Contract. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (15) **a15** – Consideration to Exercise One-Year Option Term for National Supply Chain Audit Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (16) **a16** – Consideration of a Contract Modification for Emergency Connectivity Fund Business Process Outsourcing Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (17) **a17** – Consideration to Exercise Option Term for Affordable Connectivity Program Business Process Outsourcing Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (18) **i8** – 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 to which USAC is privy, where discussion of such matters in open session would undermine the deliberative process or result in the disclosure of an agency's conclusions or rationales before the matter is formally decided. In addition, **47 C.F.R. § 54.711(b)** *requires USAC to keep all data obtained from contributors confidential.*

- (19) **a18 – Personnel Matter:** Consideration of Contract Awards for the USAC Employee Benefit Program. USAC management recommends that discussion of this item occur in *Executive Session* because it relates to USAC's *procurement strategy and contract administration.*
- (20) **a19 – Personnel Matter:** Consideration of 2024 Compensation Item. USAC management recommends that this meeting occur in *Executive Session* because it involves *personnel matters.*
- (21) **i9 – 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 Ten Routine Procurements:

- (1) Consideration of a Task Order Modification for Long-Term Affordable Connectivity Program Project Management Office Services. The resolution is provided in **aBOD08cf**. If discussion is needed, it will be conducted in *Executive Session.*
- (2) 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 for Affordable Connectivity Program Portal. The resolution is provided in **aBOD9cf**. If discussion is needed, it will be conducted in *Executive Session.*
- (3) Consideration to Exercise Second One-Year Option Term of Task Order for Enterprise Architecture Assessment and Support Services. The resolution is provided in **aBOD10cf**. If discussion is needed, it will be conducted in *Executive Session.*
- (4) Consideration Exercise the Second One-Year Option Term for Affordable Connectivity Program Email Processing Services. The resolution is provided in **aBOD11cf**. If discussion is needed, it will be conducted in *Executive Session.*
- (5) Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing, Call Center Services. The resolution is provided in **aBOD12cf**. If discussion is needed, it will be conducted in *Executive Session.*
- (6) Consideration to Exercise Option Terms for Call Center Services & Customer Relationship Management System. The resolution is provided

in **aBOD13cf**. If discussion is needed, it will be conducted in *Executive Session*.

- (7) Consideration to Exercise Option Terms for Beneficiary and Contributor Audit Program (BCAP) Contract. The resolution is provided in **aBOD14cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (8) Consideration to Exercise One-Year Option Term for National Supply Chain Audit Services. The resolution is provided in **aBOD15cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (9) Consideration of a Contract Modification for Emergency Connectivity Fund Business Process Outsourcing Services. The resolution is provided in **aBOD16cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (10) Consideration to Exercise Option Term for Affordable Connectivity program Business process outsourcing Services. The resolution is provided in **aBOD17cf**. If discussion is needed, it will be conducted in *Executive Session*.

D. Consideration of Approval to Reimburse Board Members to Attend an Event Other than a USAC Board or Committee Meeting. (see Attachments D-1 through D-3).

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 RESOLUTIONS:

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of July 25, 2023 and August 1, 2023; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of ten routine procurements as presented in items **aBOD08cf – aBOD17cf**.

RESOLVED, that in accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred while Conducting USAC Business other than Board of Directors Meetings*, the Board of Directors authorizes USAC management to reimburse Mr. Joe Gillan, Mr. Ken Mason, and Ms. Julie Tritt Schell should they travel to Washington, D.C. for the purpose of participating in USAC's 2024 Budget Planning Review.

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

BOARD OF DIRECTORS MEETING
Tuesday, July 25, 2023

(DRAFT) MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, July 25, 2023. Mr. Joe Gillan, Board Chair, called the meeting to order at 10:00 a.m. Eastern Time, with a quorum of 16 of 19 Board members present:

Buzacott, Alan	Sanquist, Christine – <i>by telephone</i>
Chalk, Indra	Schell, Julie Tritt – Treasurer
Domenech, Dr. Dan	Sekar, Radha – Chief Executive Officer
Feiss, Geoff	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
Mason, Ken – Vice Chair	Wibberly, Dr. Kathy

Mr. Brent Fontana joined the meeting *by telephone* at 10:17 a.m. Eastern Time. He did not vote on items a1, a2, or a3. Due to system technical difficulties, Mr. Ellis Jacobs, joined the meeting *by telephone* at 10:27 a.m. Eastern Time. He did not vote on items a1, a2, or a3 or take part in the discussion of item i4. Ms. Stephanie Polk joined the meeting *by telephone*, at 11:32 a.m. Eastern Time. She did not vote on items a1– a14 or participate in the discussion of items i4 – i6.

Members of the Board not present:

Sanquist, Christine

Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Gaither, Victor – Vice President of High Cost – *by telephone*
Garber, Michelle – 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.

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Armstrong, Katlyn	USAC
Best, Ceyda	USAC
Boakye-Gyan, Carol	USAC
Bolling, Christopher – <i>by telephone</i>	USAC
Calhoun, Mitch	USAC
Campbell, Jo-Ann	USAC
Case, Kevin – <i>by telephone</i>	USAC
Claxton, Naomi	USAC
Eucker, Erik	USAC
Faunce, Donna	USAC
Goode, Vernell	USAC
Gustafson, Jaymie	USAC
Hamm, Aaron	USAC
Howard, Chris	USAC
Jaruboon, Jetshada – <i>by telephone</i>	Maximus
Kriete, Debra	South Dakota State E-rate Coordinator
Krueger, Katie	KPMG
Lewelling, Chloe	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Parker, Ben	USAC
Robinson, Benjamin	USAC
Robinson, Crystal	USAC
Rones, Julie	USAC
Schecker, Laurance	USAC
Schrader, Theresa	Broadband Legal Strategies
Singh, Amit	USAC
Theobald, Fred	USAC
Tyler, Gerrod	USAC
Weith, Tim	USAC
Wirfs, Tyler	USAC
Woycke, Abe	USAC
Xu, Wayne	USAC

OPEN SESSION

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

Available for Public Use

- a1. Consent Items.** Mr. Gillan presented this item to the Board and requested that item a10 Consideration of a Contract Modification for Enterprise Resource Planning Analysis and Project Management Office Services be removed from the consent items and discussed in *Executive Session*. The resolution and minutes reflect this change.
- A.** Approval of Board of Directors Meeting Minutes of April 21, 2023.
- 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.
- 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 Six 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*.

On a motion duly made and seconded, with Ms. Schell abstaining from consent items a4 and a6, the Board adopted the following resolutions:

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 six routine procurements as presented in items aBOD04cf – aBOD09cf.

ii. Reports from the Committee Chairs: Audit Committee, High Cost & Low

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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 4th Quarter 2023 Budget and Demand Projection for the August 2, 2024 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 4th quarter 2023 demand projection for the August 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 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.

- 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 4th Quarter 2023 Budgets for the August 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 4th Quarter 2023 budgets for the August 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 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.

i3. Information on Seven USAC Audit and Assurance Division Supply Chain Audit Reports. This item was provided for *information purposes only*. No discussion was held. Mr. Gillan noted that the Board of Directors Supply Chain Audit Briefing Book would be made public and posted to the USAC website.

i4. Enterprise Business Updates:

A. Appropriated Programs. Ms. Sekar provided a verbal update on the Emergency Connectivity Fund and the Affordable Connectivity Program.

At 10:25 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. Information Security Update.** Mr. Hutchinson presented PowerPoint slides that included updates on zero trust architecture, security compliance, and compliance to the Federal Information Security Act.
- B. User Experience Audit Update.** Mr. Gillan and Ms. Delmar discussed this item and presented PowerPoint slides providing updates on this topic.
- C. 1. Affordable Connectivity Program (ACP) Update.** Mr. O'Brien discussed this item and presented a PowerPoint presentation providing trends in program integrity for the ACP program.
2. Transparency Data Collection Project Update. Mr. O'Brien discussed this item and presented a PowerPoint presentation providing an overview of the background, objectives, and timeline of the project.

- 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 4th 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 2Q2023 and 3Q2023 anticipated activities.
- a4. Consideration of a Contract Modification for Call Center Services and Customer Relationship Management (CRM) System.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

On a motion duly made and seconded, with Ms. Schell abstaining, the Board adopted the following resolutions:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its existing contract with Ernst & Young LLP for call center and customer relationship management system services for E-Rate, Rural Health Care, and High Cost by increasing the total not-to-exceed amount by \$311,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount supporting these programs from \$9,934,048.41 (plus applicable taxes) to \$10,245,048.41 (plus applicable taxes) over the remainder of the contract term, subject to required Federal Communications Commission approval.

RESOLVED FURTHER, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its existing contract with Ernst & Young LLP for call center and customer relationship management system services for the Emergency Connectivity Fund (ECF) by increasing the total not-to-exceed amount by \$75,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount supporting ECF from \$875,397.00 (plus applicable taxes) to \$950,397.00 (plus applicable taxes) over the remainder of the contract term, subject to required Federal Communications Commission approval. This amount will be expensed using congressionally appropriated funds and not the Universal Service Fund.

- a5. Consideration of a Contract Modification for Web Hosting Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its web hosting services contract to support the Affordable Connectivity Program with New Tech Solutions, Inc by increasing the total not-to-exceed amount of the contract by \$276,661.64 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$393,338.36 (plus applicable taxes) to \$670,000.00 (plus applicable taxes) over the three year period of performance, subject to required Federal Communications Commission approval. This amount will be expensed using congressionally appropriated funds and not the Universal Service Fund.

- a6. Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing, Call Center Services, and Added Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

On a motion duly made and seconded, with Ms. Schell abstaining, the Board adopted the following resolutions:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its existing contract with Ernst & Young LLP for Emergency Connectivity Fund long term project management, business process outsourcing, call center services, and Added Services by increasing the total not-to-exceed amount by \$1,500,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$31,831,126.00 (plus applicable taxes) to \$33,331,126.00 (plus applicable taxes) over the remainder of the contract term, subject to required Federal Communications Commission approval. This amount will be expensed using congressionally appropriated funds and not the Universal Service Fund.

- a7. Consideration of a Contract Modification for Palo Alto Enterprise License Agreement and Firewall Hardware and Software Support.** No additional

discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its three-year contract with Sun Management for a Palo Alto enterprise license agreement and firewall hardware and software support by increasing the contract not-to-exceed amount by \$65,000.00 (plus applicable taxes), from a total not-to-exceed amount of \$1,467,533.00 (plus applicable taxes) to \$1,532,533.00 (plus applicable taxes), subject to required Federal Communications Commission approval. This contract supports all of USAC's commercial cloud environments for the High Cost Low Income system, Centralized Geocoding Repository, OpenSearch and other cloud hosted programs.

- 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.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

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 increase the final option year not-to-exceed amount of its contract with Accenture for operation and maintenance, design and development, licensing, and hosting of the National Verifier and National Lifeline Accountability Database system modifications for the Affordable Connectivity Program, by \$4,100,000.00 (plus applicable taxes) from \$12,515,000.00 (plus applicable taxes) to \$16,615,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval. This amount will be expensed using congressionally appropriated funds and not the Universal Service Fund.

- 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 (1) extending the period of performance of the final option year of the contract

by three (3) months, and (2) increasing the total not-to-exceed amount of the contract by \$95,996.34 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$1,187,098.17 (plus applicable taxes) to \$1,283,094.51 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a10. Consideration of a Contract Modification for Enterprise Resource Planning Analysis and Project Management Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract modification for Enterprise Resource Planning analysis and project management services.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to (1) modify the period of performance of the third option term of its contract with Ernst & Young LLP for analysis and project management services for the enterprise resource planning system from twelve (12) months to sixteen (16) months, and (2) modify the contract by increasing the total not-to-exceed amount of the third option term of the contract by \$8,100,000.00 (plus applicable taxes) from \$500,000.00 (plus applicable taxes) to \$8,600,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$11,849,744.00 (plus applicable taxes) to \$19,949,744.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a11. Consideration of a Contract Award for Oracle Licenses and Technical Support.** 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 Oracle 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 Oracle licenses and technical support to Oracle America, Inc. The contract has a period of performance of twelve (12) months for a not-to-exceed amount of \$1,489,167.63 (plus applicable taxes), with such amount including a contingency of \$50,000.00 (plus applicable taxes) to cover potential increases in the level of required support throughout the life of the contract and is subject to required Federal Communications Commission approval.

- a12. Consideration of a Contract Award for CyberArk Licenses.** 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 CyberArk 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 CyberArk licenses and support to Access IT Group, Inc. for a twelve (12) month base period and two (2) additional one (1)-year option terms, for a total not-to-exceed amount of \$539,517.03 (plus applicable taxes) with such amount including a contingency of \$100,000.00 (plus applicable taxes) to cover potential growth in business units, subject to required Federal Communications Commission approval.

- a13. Consideration of a Contract Award for Socrata Software Licenses and Support.** 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 Socrata 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 Socrata licenses and support services to New Tech Solutions, Inc., for a three (3) year period of performance for a total not-to-exceed amount of \$1,162,417.48 (plus applicable taxes), with such amount including a contingency of \$100,000.00 (plus applicable taxes) to cover unforeseen growth within the business units, subject to required Federal Communications Commission approval.

- a14. Consideration of a Contract Award for IT Security Operations Center (SOC) Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary and report detailing USAC management's

recommendation to award a contract for IT security operations center (SOC) 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, subject to required Federal Communications Commission approval, to award a contract to XOR Security LLC for IT security operations center services. The contract will have a not-to-exceed amount of \$1,403,320.70 (plus applicable taxes) over the twelve (12) month base period, with the ability to exercise two (2) additional one (1) year option terms, for a three (3) year total not-to-exceed amount of \$4,657,066.49 (plus applicable taxes), with such amount including a contingency in the amount of \$250,000.00 (plus applicable taxes) to cover unforeseen costs over the life of the contract. Exercise of options to extend the contract beyond the initial twelve (12) month base period is subject to Federal Communications Commission and USAC Board of Directors approval.

- i10. Acceptance of USAC's 2022 Annual Financial Audit and Agreed-Upon Procedures Review** (Same as aAC05cf). Ms. Garber provided an overview of this item to the Board.
- i11. Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports.** This item was provided for *information purposes only*. No discussion was held.

The Board recessed at 11:34 a.m. Eastern Time and reconvened, continuing in *Executive Session* at 11:45 a.m. Eastern Time.

- i9. E-File Contributor Messaging System Demonstration.** Mr. Theobald provided a demonstration of the E-File Contributor Messaging system and responded to Board questions.

At 12:15 the Board continued in *Executive Session* with non-staff members of the Board present.

- i12. Confidential Executive Session: Board of Directors Only.** Mr. Gillan facilitated this discussion.

OPEN SESSION

At 12:35 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that, in *Executive Session*, the Board took action on items a10-a14 and discussed items i5, i6, i9, i10, and i12.

On a motion duly made and seconded, the Board adjourned at 12:35 p.m. Eastern Time.

/s/ Erin Williams

Assistant Secretary

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

BOARD OF DIRECTORS COMMITTEE MEETING
Tuesday, August 1, 2023

(DRAFT) MINUTES¹

On Monday, July 31, 2023, USAC management requested that the Board of Directors (Board) consider by written unanimous consent a revised 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. Responses were requested by Tuesday, August 1, 2023, at 6 p.m. Eastern Time.

All 19 Board members responded by Monday, August 1, 2023, at 2:23 p.m. Eastern Time, unanimously approving 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 31, 2023 the 4th Quarter 2023 Connected Care Pilot Program demand estimate of (\$0.02) 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.

/s/ Erin Williams
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.

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

ACTION ITEM

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

Issue

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

Background – Analysis – Justification

One or more Board members will be traveling to Washington, D.C., to discuss the 2024 annual budget with the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), and associated staff. The Board Chair, Mr. Joe Gillan, has requested that he, together with the Board Vice Chair, Mr. Ken Mason, and the Board Treasurer, Ms. Julie Tritt Schell, participate in these discussions in person. Board members participating in the meetings may be reimbursed by USAC for any reasonable and customary travel expenses associated with this effort. In accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred while Conducting USAC Business other than Board of Directors Meetings* (see **Attachment D-2** to this issue paper), those Board members participating in the meetings will submit a USAC Form 3001 – *Request for Approval for a Board Member to be Reimbursed for Expenses Other than for Board Meetings* (see **Attachment D-3** to this issue paper) and will list estimated travel costs for their travel.

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

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that in accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred while Conducting USAC Business other than Board of Directors Meetings*, the Board of Directors authorizes USAC management to reimburse Mr. Joe Gillan, Mr. Ken Mason, and Ms. Julie Tritt Schell should they travel to Washington, D.C. for the purpose of participating in USAC’s 2024 Budget Planning Review.

Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred while Conducting USAC Business Other Than Board of Directors Meetings

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



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

USAC 3001 9/2023

To be Completed by Board Member			
Last Name	First Name	Date(s) of Event	
Event Title	Sponsor(s)	Location	
Purpose and Substance of the Event			
How the Event is Directly Related to the Administration of the Fund			
Why Board Member Participation is Necessary			
How Participation Achieves USAC's Goals			
Estimated Costs		Actual Costs	
Registration		Registration	
Meals		Meals	
Lodging		Lodging	
Travel		Travel	
Miscellaneous		Miscellaneous	
TOTAL		TOTAL	
<p>I certify that I will include a statement in the presentation or speech that I am representing USAC, and I will refrain from advocating a policy position in the presentation or speech and any conversations or discussions.</p>			
Board Member Signature:			Date:
To be Completed by USAC			
Date Resolution submitted to Board or Committee:		Date Vote of Board or Committee Completed:	
Vote Count <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain	Actual Costs Approved by CEO <input type="checkbox"/> Yes <input type="checkbox"/> No	Account Code: 61200-60-600-60	
<ul style="list-style-type: none"> Attach receipts for any expenditure over \$50.00. USAC will reimburse the actual cost of meals at or below \$50 without receipts. Meals exceeding \$50 must be accompanied by ITEMIZED receipts. USAC does not reimburse first-class airfare or alcohol. Standard IRS mileage rates. All expenses must be in compliance with USAC's Travel and Expense Policy in order to be reimbursed. Please attach a detailed list of each expense category to ensure compliance. 			



Board of Directors Meeting

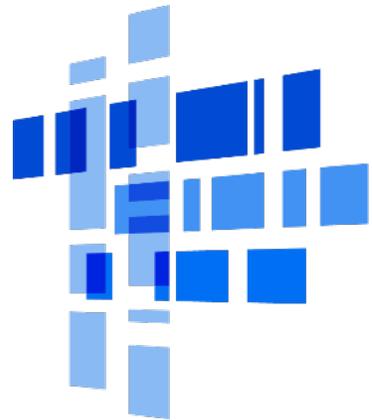
Committee Chairs Reports

Open Session

October 31, 2023

Agenda

- Reports From Committee Chairs (*Verbal Updates*)
 - High Cost & Low Income Committee
 - Executive Compensation Committee
 - Schools & Libraries Committee
 - Rural Health Care Committee
 - Audit Committee



**Universal Service
Administrative Co.**

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

ACTION ITEM

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

Action Requested

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

Function of the Nominating Committee

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

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

¹ See Universal Service Administrative Company Nominating Committee Charter, Section B (Reaffirmed January 31, 2023) (Nominating Committee Charter).

² See Nominating Committee Charter, Section A.

Establishment of a Nominating Committee and Selection of Officers

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

New officer terms will begin when elected, which is presently planned to occur at the January 30, 2024, Board meeting. The current officers of the Corporation are as follows:

Officer Position	Incumbent
Chair	Joe Gillan
Vice Chair	Ken Mason
Secretary	Olivia Wein
Treasurer	Julie Tritt Schell
Chief Executive Officer ³	Radha Sekar
Assistant Secretary	Erin Williams
Assistant Treasurer	Michelle Garber
USAC Staff ⁴	<ul style="list-style-type: none"> • Chris Beyerhelm – Vice President and Chief Administrative Officer • Stephen Butler – Vice President of Shared Services • Craig Davis – Vice President of Program Management, Schools and Libraries • Teleshia Delmar – Vice President of Audit and Assurance • Victor Gaither – Vice President of Program Management, High Cost • Michelle Garber – Vice President of Finance and Chief Financial Officer • Kyle Hutchinson – Vice President of Information Technology and Chief Information Officer • Tim O’Brien – Vice President of Program Management, Lifeline • Mark Sweeney – Vice President of Program Management, Rural Health Care • Erin Williams, Vice President and General Counsel

Appointment of Board Members to Committees

USAC management notified the Wireline Competition Bureau and the Office of Managing Director on August 3, 2023, of the terms of six Board members expiring on December 31, 2023. On August 24, 2023, the Federal Communications Commission

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

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

issued a Public Notice seeking nominations for the seats held by the six Board members with terms expiring on December 31, 2023. The directors whose terms expire on December 31, 2023, and their current committee memberships and officer positions (if any) are as follows:

Director	Representing	Committee Assignments / Officer Position
Geoffrey A. Feiss	Representative for incumbent local exchange carriers (ILEC) (non-Bell Operating Companies) with \$40 million or less in annual revenues	Executive Committee (Audit Chair) HCLI (Rural ILEC) RHC (Service Provider) Audit Committee (Chair; At- Large)
Joseph Gillan	Representative for competitive local exchange carriers (CLEC)	Executive Committee (Board Chair) HCLI (CLEC) Audit Committee (HCLI) Executive Compensation Committee (Non-Voting)
Ellis Jacobs	Representative for low-income consumers	HCLI (Low Income)
Michael Skrivan	Representative for interexchange carriers (IXC) with annual operating revenues of \$3 billion or less	HCLI (IXC) RHC (At-Large)
Joan H. Wade, Ed.D.	Representative for schools that are eligible to receive discounts pursuant to section 54.501 of the Commission's rules	RHC (At-Large) SL (Schools) Executive Compensation Committee
Katharine Hsu Wibberly, Ph.D.	Representative for rural health care providers that are eligible to receive supported services pursuant to section 54.601 of the Commission's rules	Executive Committee (RHC Chair) RHC (Chair; RHC Provider) Executive Compensation Committee

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors establishes a Nominating Committee and directs the Committee to recommend to the USAC Board of Directors at its January 30, 2024 meeting nominations for the elected USAC officer positions; and

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

RESOLVED FURTHER, that the USAC Board of Directors directs each committee of the Board to bring to the Board, at the January 30, 2024 meeting, nominations for a chair and vice chair of each respective committee.

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

ACTION ITEM

**Approval of Connected Care Pilot Program
1st Quarter 2024
Demand Projection for the November 2, 2023 FCC Filing**

Action Requested

The USAC Board of Directors (Board) is requested to approve the 1st Quarter 2024 (Q1 2024) Connected Care Pilot Program demand projection for submission to the Federal Communications Commission (FCC) in USAC's November 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 Q1 2024 funding requirement for the Connected Care Pilot Program as follows:

Table A. Connected Care Pilot Program Funding Requirement

<i>(in millions)</i>	Q4 2023	Increase/ (Decrease)	Q1 2024	Notes
Steady State:				
Connected Care Pilot Program	\$0.04	(\$0.04)	\$0.00	See Note 1
New Requirements:				
N/A	0.00	0.00	0.00	
Total Connected Care Demand	\$0.04	(\$0.04)	\$0.00	
Prior Period Adjustments (difference between projections and actuals):				
Billings	(\$0.07)	(\$0.17)	(\$0.24)	
Bad Debt Expense	(0.07)	0.02	(0.05)	
Annual Admin True-Up	0.00	(0.22)	(0.22)	
Total Prior Period Adjustments	(\$0.14)	(\$0.37)	(\$0.51)	
USAC Administrative Expenses	\$0.08	(\$0.08)	\$0.00	See Note 2
Total Funding Requirement	(\$0.02)	(\$0.49)	(\$0.51)	

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

USAC collected \$8.33 million per quarter for 12 quarters to fund the Connected Care Pilot Program. An additional \$0.04 million was collected in 4th quarter 2023 to bring total collections for the program to \$100 million. No additional collections are required.

Note 2: Due to the current level of effort related to the Connected Care Pilot Program, no direct or indirect costs are anticipated in 2024.

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

⁴ See *id.* at 3387-88, paras. 38, 41-42.

⁵ See *id.* at 3368-69, para. 5.

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

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

Recommendation

USAC management recommends that the Board approve the Q1 2024 projection of demand as proposed.

Recommended USAC Board Actions

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that the USAC Board of Directors, having reviewed at its meeting on October 31, 2023 the 1st Quarter 2024 Connected Care Pilot Program demand estimate of (\$0.51) million, hereby directs USAC staff to proceed with the required November 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
Nine Months Ending September 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)				\$0.22	\$0.23	\$0.01
Total Programmatic Budget				\$0.23	\$0.23	\$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

Connected Care Pilot Program

Open Session

October 31, 2023



Universal Service
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Connected Care Pilot Program Updates

- Received 919 FRNs from FCC Forms 462 to date.
- Issued \$32.33 million in funding commitments so far.
- Received 183 FCC Forms 463 for disbursement and disbursed 137 invoices worth \$10.29 million.



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

ACTION ITEM

**Approval of USAC Common and Consolidated
1st Quarter 2024 Budgets and Demand Projection
for the November 2, 2023 FCC Filing**

Action Requested

The USAC Board of Directors (Board) is requested to approve the 1st Quarter 2024 (Q1 2024) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's November 2, 2023 quarterly filing.

Discussion

Based on the projected burn rate, USAC estimates a Q1 2024 USAC consolidated budget of \$71.54 million to administer the Universal Service Fund (USF), which includes \$34.19 million in direct program costs and \$37.35 million in common indirect costs. This does not include projected spending related to the appropriated programs.

<i>(in millions)</i>	Q4 2023 Budget	Increase/ (Decrease)	Q1 2024 Budget
Direct Program & Direct Assigned Costs			
High Cost	\$6.52	(\$0.18)	\$6.34
Lifeline	14.95	(0.99)	13.96
Rural Health Care	4.55	0.01	4.56
Schools & Libraries	9.27	0.06	9.33
Connected Care Pilot	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	\$35.29	(\$1.10)	\$34.19
Common Costs			
Employee Expenses	\$16.56	\$1.98	\$18.54
Professional Services	9.23	1.19	10.42
General & Administrative (Note 1)	7.42	0.97	8.39
Total Common Costs	\$33.21	\$4.14	\$37.35
Total Consolidated Costs	\$68.50	\$3.04	\$71.54

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 projected revenue associated with data collection billings and common costs allocated to the FCC appropriated programs.

A comparison of actual common and consolidated expenditures to the budget for the nine months ending September 30, 2023 is provided in **Attachment 1**.

Recommendation

USAC management recommends that the Board approve the Q1 2024 budgets as proposed.

Recommended USAC Board of Directors Action

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC Board of Directors approves a 1st Quarter 2024 common budget of \$37.35 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$37.35 million for common costs in the required November 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 1st Quarter 2024 consolidated budget to administer the Universal Service Fund of \$71.54 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$71.54 million for consolidated costs in the required November 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
Nine Months Ending September 30, 2023

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program & Direct Assigned Costs						
High Cost	61	66	5	\$18.85	\$19.26	\$0.41
Lifeline	97	107	10	32.85	43.00	10.15
Rural Health Care	54	60	6	13.64	13.45	(0.19)
Schools & Libraries	78	80	2	30.54	31.31	0.77
Connected Care Pilot	0	0	0	0.01	0.00	(0.01)
Total Direct Program & Direct Assigned Costs	290	313	23	\$95.89	\$107.02	\$11.13
Common Costs (Note 2)						
Employee Expenses	395	401	6	\$45.56	\$47.12	\$1.56
Professional Services				27.34	27.24	(0.10)
General & Administrative (Note 3)				22.44	25.85	3.41
Total Common Costs	395	401	6	\$95.34	\$100.21	\$4.87
Total Consolidated Costs	685	714	29	\$191.23	\$207.23	\$16.00

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

Emergency Connectivity Fund Update

Open Session

October 31, 2023



Universal Service
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Agenda

- Emergency Connectivity Fund (ECF) Processing Update
- ECF Invoice Processing Update

ECF Processing Update

- Over 23,000 applications submitted, requesting \$9.31 billion in three filing windows.
 - 22,714 applications committed (98.5 percent) with \$9.14 billion reviewed (98.2 percent) and \$6.44 billion committed as of October 4.

ECF Window	Applications Submitted	Applications Processed	Demand (in billions)	Committed (in billions)	Disbursed (in billions)
Window 1 (June 29 - August 13, 2021)	10,726	10,726	\$ 5.14	\$ 3.78	\$ 2.51
Window 2 (Sept. 28 - Oct. 13, 2021)	4,145	4,145	\$ 1.29	\$ 0.79	\$ 0.59
Window 3 (April 28 - May 13, 2022)	8,179	7,843	\$ 2.88	\$ 1.90	\$ 0.64
Total	23,050	22,714	\$ 9.31	\$ 6.47	\$ 3.74

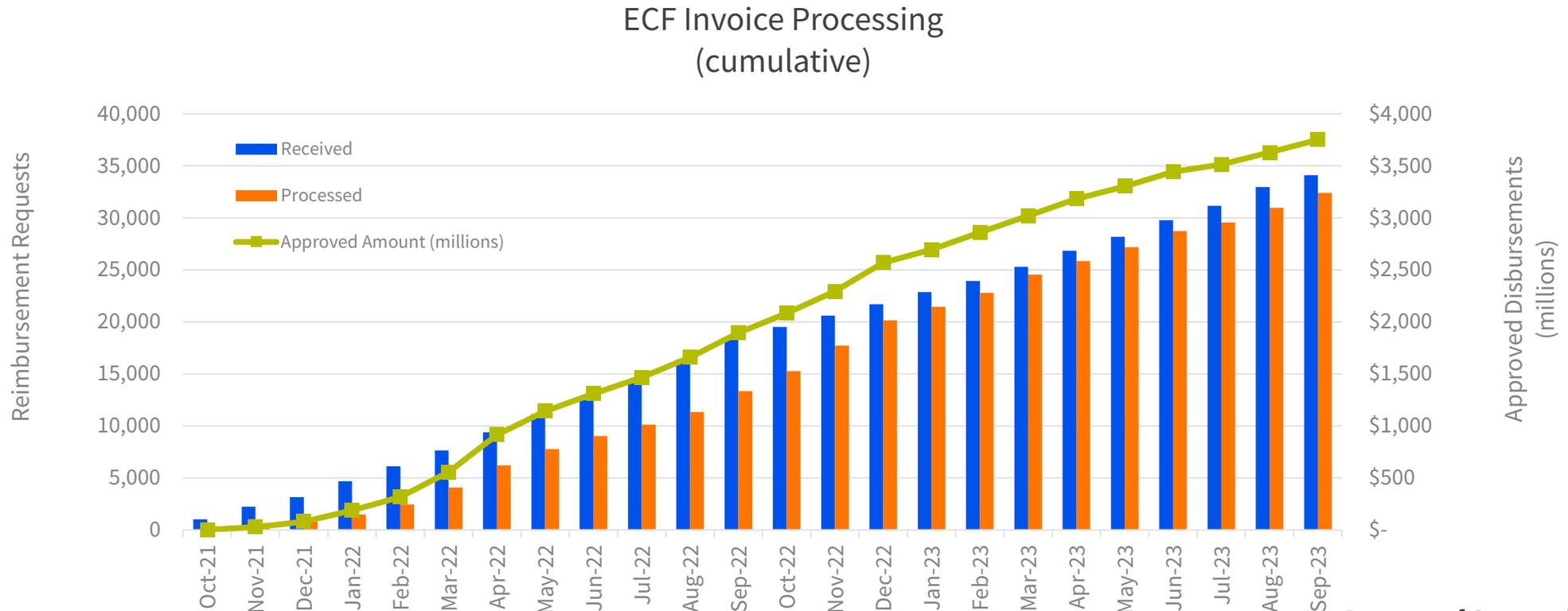
ECF Processing Update (Continued)

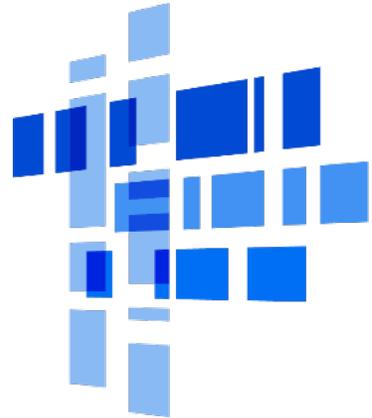
- All Window 1 and Window 2 applications are completed.
 - Over 14,800 applications completed for \$4.57 billion committed as of October 4, 2023.
- 98.5% of Window 3 applications completed (7,843 of 8,179) with \$1.9 billion committed as of October 4, 2023.
- For completed applications, \$6.47 billion was committed, \$0.84 billion was denied, and \$1.18 billion was modified during application reviews.

Funding Year	Funded (in billions)	Denied (in billions)	Modified (in billions)
2021	\$ 4.57	\$ 0.57	\$ 0.89
2022	\$ 1.90	\$ 0.27	\$ 0.29
Total	\$ 6.47	\$ 0.84	\$ 1.18

ECF Invoice Processing Update

- Invoice submission opened October 1, 2021.
 - Over 32,400 reimbursement requests processed for \$3.74 billion in disbursements as of September 30, 2023.





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Board of Directors Meeting

Affordable Connectivity Program Update

Open Session

October 31, 2023

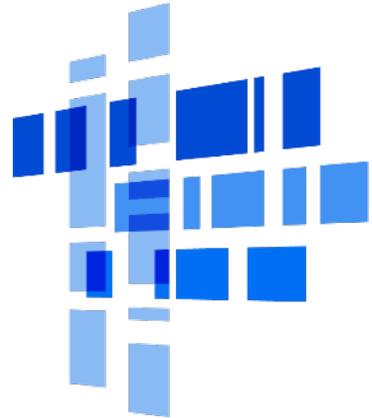


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ACP Processing Update

ACP Monthly Volumes Year over Year	Applications	Manual Reviews	Inbound Calls	Consumer Email
September 2022	1,744,607	480,599	456,240	26,264
September 2023	4,235,395	654,829	556,780	50,242

- USAC continues to receive an increasing number of applications due to FCC paid media and other campaigns.
- As applications rise, new enrollments aren't rising at the same pace.
- USAC is continuing to work through increases in all customer service areas, including manual reviews, inbound calls, and consumer emails.



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Board of Directors

Enterprise Resource Planning

Open Session

October 31, 2023

Enterprise Resource Planning (ERP) Background

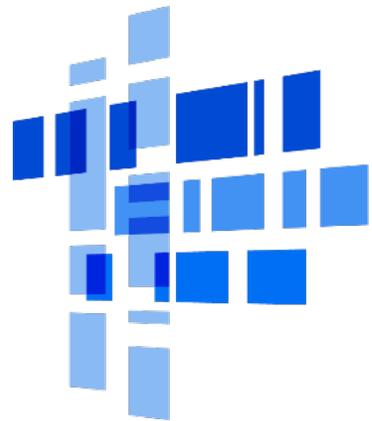
- USAC currently uses disparate financial systems, which are only partially integrated.
- We aim to better integrate the information across our systems, reduce manual reconciliation efforts, and ensure a clear end-to-end view of financial activity.
- We will use an ERP system to achieve this, which is the software used to tie together multiple business processes and enable the flow of data between them so that the financial impacts of all actions taken by the business are accurately and timely reported.
- The ERP is an internal tool and will not be accessible to external stakeholders. External stakeholders may see differences in some system-generated statements or reports, which will be communicated in advance.

ERP Scope

- The first release of the ERP will include most of our USF financial management capabilities.
 - General Ledger
 - Subledgers for Accounts Receivable, Obligations, and Accounts Payable
 - Creation of Financial Statements
 - Retirement of the Great Plains system (GP) for USF purposes
- Following the first release, we will begin implementing additional USF functionality such as:
 - Contributor billing calculations
 - Integration with SAM.gov
- Upon completion of USF functionality, we will turn to USAC functionality, with the eventual goal of retiring GP completely.

Release 1 Key Milestones

Major Tasks / Phases	Major Subtasks / Key Deliverables	Target Date	Status
<i>Discovery</i>	<ul style="list-style-type: none">• Confirm requirements• Establish firm project timeline	April 2023	Complete
<i>Design</i>	<ul style="list-style-type: none">• Conduct conference room pilots• Complete functional, technical, and security design documentation	October 2023	Complete
<i>Build / Unit Test</i>	<ul style="list-style-type: none">• Configure system• Build integrations• Unit testing• Mock data conversion	November 2023	In Progress
<i>Test /Train</i>	<ul style="list-style-type: none">• System integration and security-related testing• User acceptance testing• User training	February 2024	Not Started
<i>Go Live</i>	<ul style="list-style-type: none">• Deploy system for use in production	March 2024	Not Started



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