



Board of Directors

Briefing Book

Tuesday, October 28, 2025

10:00 a.m. - 1:00 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, October 28, 2025
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> Available for Public Use		<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 29, 2025 and August 20, 2025 B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i> C. Consideration and Approval of Four Routine Procurements D. Consideration of Approval to Reimburse Board Members to Attend an Event Other Than a Quarterly USAC Board or Committee Meeting E. Resolution Honoring a Board Member Whose Service on the Board Has Recently Ended	5
Chair	i1. Reports from the Committee Chairs: Schools & Libraries Committee, Rural Health Care Committee, High Cost & Low Income Committee, Executive Compensation 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
Dale	a3. Approval of USAC Common and Consolidated 1st Quarter 2026 Budgets for the October 31, 2025 Federal Communications Commission Filing	5

<u>INFORMATION ONLY</u> Available for Public Use		<i>Estimated Duration in Minutes</i>
Teleshia	i2. Information on Five USAC Internal Audit Division Supply Chain Audit Reports	—

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Michelle Jeremy	i3. Enterprise Business Update (<i>Continued</i>) A. CEO Update B. Zero Trust Roadmap Update	10 10
Dale	i4. Information on Contribution Factor	5
Chris	i5. Enterprise Risk Management Scorecard A. Q3 2025 Risk Management Scorecard B. Risk Management Council Minutes	10
Chris	a4. Consideration of a Contract Modification for IT Development and Technical Services to Support Appian-Based Platforms	–
Chris	a5. Consideration to Exercise Option Term for Call Center Services and Customer Relationship Management System	–
Chris	a6. Consideration of a Contract Modification for Enterprise Architecture Assessment and Support Services	–
Chris	a7. Consideration of a Contract Modification for Enterprise Resource Planning, Analysis, and PMO Services	–

<u>EXECUTIVE SESSION – INFORMATION ONLY</u> Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Teleshia	i6. Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports	–
Chris	i7. Procurement Business Update	–

CONFIDENTIAL EXECUTIVE SESSION Confidential Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Chris	i8. <i>Personnel Matter:</i> United Healthcare Survey	10
Chris	a8. <i>Personnel Matter:</i> Consideration of Contract Awards for the USAC Employee Benefit Programs	15
Sabina	a9. <i>Personnel Matter:</i> Consideration of a 2026 Compensation Item	10
Chair	i9. <i>Confidential Executive Session:</i> Board of Directors Only	35

Next Scheduled USAC Board of Directors Meeting

**Tuesday, January 27, 2026
USAC Offices, Washington, D.C.**

**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 29, and August 20, 2025 (see **Attachment A**).
- B. Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i3A-B.** Enterprise Business Updates. USAC management recommends that these items be discussed in *Executive Session* because they relate to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures, and relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
 - (2) **i4.** Information on Contribution Factor. USAC management recommends that this matter be discussed in *Executive Session* because the reports relate to specific *internal controls or confidential company data*. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*. In addition, this includes *pre-decisional matters pending before the FCC*.
 - (3) **i5.** Enterprise Risk Management Scorecard. 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) **a4.** Consideration of a Contract Modification for IT Development and Technical Services to Support Appian-Based Platforms. USAC management recommends that this item be discussed in *Executive Session*

because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.

- (5) **a5.** Consideration to Exercise Option Term 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*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (6) **a6.** Consideration of a Contract Modification 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*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (7) **a7.** Consideration of a Contract Modification for Enterprise Resource Planning, Analysis, and PMO Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (8) **i6.** Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that these items be discussed in *Executive Session* because the reports relate to specific *internal controls or confidential company data*. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
- (9) **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*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (10) **i8. Personnel Matter:** United Healthcare Survey. USAC management recommends that this item occur in *Confidential Executive Session* because it involves internal *personnel matters*.
- (11) **a8. Personnel Matter:** Consideration of Contract Awards for the USAC Employee Benefit Programs. USAC management recommends that this item be discussed in *Confidential Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy and it involves *personnel matters*.

- (12) **a9. Personnel Matter:** Consideration of 2026 Compensation Item. USAC management recommends that this item occur in **Confidential Executive Session** because it involves internal **personnel matters**.
- (13) **i9. Confidential Executive Session:** Board of Directors Only. USAC management recommends that this item be discussed in **Confidential Executive Session** because it involves **internal personnel matters**.

C. Consideration and Approval of Four Routine Procurements.

- (1) Consideration of a Contract Modification for IT Development and Technical Services to Support Appian-Based Platforms. The resolution is provided in **aBOD04cf**. If discussion is needed, it will be conducted in **Executive Session**.
- (2) Consideration to Exercise Option Term for Call Center Services and Customer Relationship Management System. The resolution is provided in **aBOD05cf**. If discussion is needed, it will be conducted in **Executive Session**.
- (3) Consideration of a Contract Modification for Enterprise Architecture Assessment and Support Services. The resolution is provided in **aBOD06cf**. If discussion is needed, it will be conducted in **Executive Session**.
- (4) Consideration of a Contract Modification for Enterprise Resource Planning, Analysis, and PMO Services. The resolution is provided in **aBOD07cf**. 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 Quarterly USAC Board or Committee Meeting. (see Attachments D)

E. Resolution Honoring a Board Member Whose Service on the Board Has Recently Ended.

Upon request of a Committee member, the above items are available for discussion by the Committee.

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 29, and August 20, 2025; (2) discussion in **Executive Session** of the items noted above; and (3) the approval of four routine procurements as presented in items aBOD04cf-aBOD7cf.

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. Ken Mason, Ms. Julie Tritt Schell, and Dr. Joan Wade should they travel to Washington, D.C. for the purpose of participating in USAC's 2026 Budget Planning Review. Further travel to the Washington, DC area for the CEO Search Committee members for select meetings, and Board members for the CEO interview process, are approved for reimbursement of reasonable expenses for attendance at these non-quarterly USAC Board or committee meetings.

RESOLVED, that the USAC Board of Directors hereby expresses its sincere appreciation to Sarah Freeman for her dedicated service on the Board of Directors of the Universal Service Administrative Company and wishes her the best in her future endeavors.

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

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

Washington, D.C. 20005

BOARD OF DIRECTORS MEETING

Tuesday, July 29, 2025

(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 29, 2025. Mr. Ken Mason, Board Chair, called the meeting to order at 10:00 a.m. Eastern Time, with a quorum of 15 of the 20 Board members present:

Chalk, Indra
Dalhover, Brian
Freeman, Sarah – *by telephone*
Green, Anisa
Kettwich, Dan
Gregory, Amber
Mason, Ken – Chair
Schell, Julie Tritt – Vice Chair

Schuler, David – *by telephone*
Sekar, Radha – Chief Executive Officer
Semmler, Kara
Thompson, Mona – *by telephone*
Wade, Dr. Joan – Treasurer – *by telephone*
Waller, Jeff – *by telephone*
Wein, Olivia – Secretary

Ms. Sheba Chacko joined the meeting at 10:21 a.m. ET. She did not vote on items a1, a2, or participate in the discussion of items i1 and i2. Dr. Wibberly joined the meeting *by telephone* at 10:10 a.m. ET. She did not vote on item a1 or participate in the discussion of items i1.

Members of the Board not present:

Polk Stephanie
Sanquist, Christine
Seifer Angela

Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer – *by telephone*
Butler, Stephen – Vice President of Shared Services
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Gaither, Victor – Vice President of High Cost

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, or to correct grammatical or spelling errors.

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Armstrong, Katlyn	USAC
Ayer, Catriona	USAC
Claxton, Naomi	USAC
Goode, Vernell	USAC
Green, Kevin	USAC
Havivi, Daniel	USAC
James, Sonam	FCC
King, Ryan	USAC
Kriete, Debra – <i>by telephone</i>	South Dakota Department of Education
Little, Chris – <i>by telephone</i>	USAC
Lougheed, Matt	USAC
Mitchell, Katherine	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Sadirkhanova, Sabina	USAC
Schrader, Theresa	Broadband Legal Strategies, LLC
Smith, Chris	USAC
Staurulakis, Chresanthe	USAC
Theobald, Fred	USAC
Wirfs, Tyler	USAC

OPEN SESSION

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

a1. Consent Items. Mr. Mason presented this item to the Board.

A. Approval of Board of Directors meeting minutes of April 29, 2025.

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

- (1) **i3.** Enterprise Business Updates (*Continued*): Business Process Outsourcing Transitions. USAC management recommends that this item be discussed in *Executive Session* because this matter relates to

USAC's *procurement strategy and contract administration* and would compromise USAC's business objectives or negotiating strategy.

- (2) **i4.** Information on Contribution Factor. USAC management recommends that this matter be discussed in *Executive Session* because the reports relate to specific *internal controls or confidential company data*. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*. In addition, this includes *pre-decisional matters pending before the FCC*.
- (3) **i5.** Acceptance of USAC's 2024 Financial Statement and Agreed-Upon Procedures Review (*Same as aAC05cf*). USAC management recommends that this matter be discussed in *Executive Session* because it relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.
- (4) **i6A-B.** Enterprise Risk Management Scorecard. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures.
- (5) **a3.** Consideration of a Contract Award for Oracle Licenses and Technical Support. USAC management recommends that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration* and would compromise USAC's business objectives or negotiating strategy.
- (6) **a4.** Consideration of a Contract Award for F5 Support and Hardware. USAC management recommends that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration* and would compromise USAC's business objectives or negotiating strategy.
- (7) **a5.** Consideration of a Contract Award for Financial Statement and Agreed Upon Procedures Audit Services. USAC management recommends that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration* and would compromise USAC's business objectives or negotiating strategy.
- (8) **a6.** Consideration of a Contract Award for Enterprise Statistician Services. USAC management recommends that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration* and would compromise USAC's business objectives or negotiating strategy.
- (9) **i7.** 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 and/or confidential company data* that would constitute a discussion of internal rules and procedures and, in addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.*

- (10) **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* and would compromise USAC's business objectives or negotiating strategy.
- (11) **i9.** Personnel – United Health Care Update. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters.*
- (12) **i10.** Confidential Executive Session: Board of Directors Only. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters.*

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

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of April 29, 2025; and (2) discussion in *Executive Session* of the items noted above.

- il. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** Ms. Gregory presented the report for the Schools & Libraries Committee. Mr. Kettwich presented the report for the Rural Health Care Committee. Ms. Wein presented the report for the High Cost & Low Income Committee. Ms. Schell presented the report for the Audit Committee.
- a2. Approval of USAC Common and Consolidated 4th Quarter 2025 Budgets for the August 1, 2025 Federal Communications Commission Filing.** Ms. Garber presented a written report on USAC management's recommendations for USAC's common and consolidated 4th Quarter 2025 budget and demand projection for the August 1, 2025 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 2025 common budget of \$42.83 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$42.83 million

for common costs in the required August 1, 2025 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 2025 consolidated budget to administer the Universal Service Fund of \$75.59 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$75.59 million for consolidated costs in the required August 01, 2025 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

- i2. **Enterprise Business Update.** Ms. Sekar provided an update on the Enterprise Resource Planning Release II Concept.

At 10:18 a.m. ET, 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, FCC, and USAC staff were present.

EXECUTIVE SESSION

- i2. **Enterprise Business Update** (*Continued*).

B. CEO Update. Ms. Sekar provided an update on the Business Process Outsourcing Transitions.

- i3. **Information on the Contribution Factor.** Ms. Garber presented a written report providing USAC's estimate of the 4th Quarter 2025 contribution factor.

- i5. **Acceptance of USAC's 2024 Financial Statement Audit and Agreed-Upon Procedures Review.** Ms. Garber presented this item to the Board and summarized PricewaterhouseCoopers' presentation made to the Audit Committee on April 27, 2025.

- i6. **Enterprise Risk Management Update.** Mr. Beyerhelm provided an overview of the updated Enterprise Risk Management Heat Map.

- a3. **Consideration of a Contract Award for Oracle Licenses and Technical Support.** Mr. Beyerhelm presented a written summary, providing background detailing USAC management's recommendation to award a contract for Oracle licenses and technical 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 twelve (12) month firm-fixed price contract for Oracle licenses and technical support to Oracle America, Inc. for a total not-to-exceed amount of \$1,878,645.13 (plus applicable taxes), which includes a contingency of \$200,000.00 (plus applicable taxes).

- a4. Consideration of a Contract Award for F5 Support and Hardware.** Mr. Beyerhelm presented a written summary, providing background detailing USAC management's recommendation to award a contract for F5 support and hardware.

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 thirty-six (36) month firm-fixed price contract for F5 support and hardware to AccessIT Group for a total not-to-exceed amount of \$522,247.00 (plus applicable taxes), with such amount including a contingency of \$20,000.00 (plus applicable taxes) to cover a potential increase in hardware and software support during the thirty-six (36) month period of performance.

- a5. Consideration of a Contract Award for Financial Statement and Agreed Upon Procedures Audit Services.** Mr. Beyerhelm presented a written summary, providing background detailing USAC management's recommendation to award firm-fixed price contract for Financial Statement and Agreed Upon Procedures Audit Services

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, authorizes USAC management to award a firm-fixed price contract for Financial Statement and Agreed Upon Procedures (AUP) Audit Services to PricewaterhouseCoopers LLP. The contract is for a base year of twelve (12) months for a not-to-exceed amount of \$950,000.00 (plus applicable taxes), with the ability to exercise four additional one-year option terms at an average cost of \$1,025,000.00 (plus applicable taxes) per one-year option term, for a total not-to-exceed amount of \$5,050,000.00 (plus applicable taxes). Exercise of options to extend the contract beyond the initial twelve (12) month term are subject to additional Federal Communications Commission and USAC Board of Directors approval.

- a6. Consideration of a Contract Award for Enterprise Statistician Services.** Mr. Beyerhelm presented a written summary, providing background detailing USAC management's recommendation to award Indefinite Quantity task order-based contracts for Enterprise Statistician Services.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award two (2) Indefinite Delivery, Indefinite Quantity task order-based contracts for Enterprise Statistician Services to Econometrica, Inc. and Elite Systems for a five (5) year period of performance, which includes a one (1) year base term and four (4) one-year option terms, for a total not-to-exceed amount of \$1,200,000.00 (plus applicable taxes) for all task orders associated with this IDIQ.

- i7. 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.
- i8. Procurement Business Update.** This item was provided for *information purposes only*. No discussion was held.

At 10:54 a.m. Eastern Time, the Board continued in ***Confidential Executive Session*** with only Ms. Sekar, Mr. Beyerhelm, and the Board present. The Board recessed and reconvened at 11:00 a.m. Eastern Time.

CONFIDENTIAL EXECUTIVE SESSION

- i9. Personnel – United Health Care Employee Survey Results.** Mr. Beyerhelm presented the survey results and discussed results with the Board.

The Board continued in ***Confidential Executive Session*** with only non-staff members of the Board present.

- i10. Confidential Executive Session: Board of Directors Only.** Mr. Mason facilitated the Board discussion.

OPEN SESSION

At 11:55 a.m. Eastern Time, on a motion duly made and seconded, the Board moved out of ***Confidential Executive Session*** and immediately reconvened in ***Open Session***, at which time Mr. Mason reported that, in ***Executive Session***, the Board acted on items a3 – a6, and discussed items i3-i6, and i9 and i10.

Action Item #aBOD01 10/28/2025

Attachment A1

Minutes of July 29, 2025

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On a motion duly made and seconded, the Board adjourned at 11:55 a.m. ET.

/s/ Erin Williams

Assistant Secretary

Action Item #aBOD01 10/28/2025

Attachment A2

Minutes of August 20, 2025

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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

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

Washington, D.C. 20005

BOARD OF DIRECTORS MEETING

Wednesday, August 20, 2025

(DRAFT) MINUTES¹

A non-quarterly meeting of the USAC Board of Directors (Board) was conducted by web conference on Wednesday, August 20, 2025. Mr. Ken Mason, Board Chair, called the meeting to order at 3:02 p.m. Eastern Time, with a quorum of 13 of the 19 Board members present (there is one vacancy):

Dalhover, Brian	Siefer, Angela
Freeman, Sarah	Thompson, Mona
Green, Anisa	Wade, Dr. Joan – Treasurer
Gregory, Amber	Waller, Jeff
Mason, Ken – Chair	Wein, Olivia – Secretary
Schell, Julie Tritt – Vice Chair	Wibberly, Dr. Kathy
Schuler, David	

Ms. Chacko joined the meeting at 3:05 p.m. and Mr. Kettwich at 3:07 p.m. Eastern Time. They did not vote on moving the meeting into Executive Session but voted on item a1 and participated in all other discussions.

Members of the Board not present:

Chalk, Indra
Polk Stephanie
Sanquist, Christine
Semmler, Kara

Officers of the corporation present:

Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
King, Ryan	USAC

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, or to correct grammatical or spelling errors.

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

OPEN SESSION

- a1. **Resignation of Chief Executive Officer (CEO) and Appointment of Interim CEO.** Mr. Mason noted this item should be conducted in Executive Session because it relates to an internal personnel matter.

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

RESOLVED, that the USAC Board Chair determines that discussion of this internal personnel matter shall be conducted in *Executive Session*.

At 3:03 p.m. Eastern Time the Board moved into *Executive Session* for the purpose of discussing this confidential item with members of the Board and USAC staff present.

EXECUTIVE SESSION

- a1. **Resignation of Chief Executive Officer (CEO) and Appointment of Interim CEO.** Mr. Mason introduced this item to the Board. After discussion the Board agreed to add an additional resolution to create an executive search committee.

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

RESOLVED, that the USAC Board of Directors hereby accepts Radha Sekar's resignation as Chief Executive Officer, effective August 15, 2025, and expresses its sincere appreciation to her for her dedicated service to the Universal Service Administrative Company and wishes her the best in her future endeavors.

FURTHER RESOLVED, the USAC Board of Directors appoints Michelle Garber, USAC's Chief Financial Officer, as Interim Chief Executive Officer of USAC, including all duties and responsibilities associated with that office under USAC's Bylaws and pursuant to the FCC's Rules effective August 18, 2025; and

FURTHER RESOLVED, that the USAC Board of Directors directs the initiation of a search process for a permanent replacement for the office of USAC Chief Executive Officer.

Action Item #aBOD01 10/28/2025

Attachment A2

Minutes of August 20, 2025

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FURTHER RESOLVED, the USAC Board of Directors establishes a search committee to support the process of identifying a Chief Executive Officer. The CEO Search Committee consists of Anisa Green, Amber Gregory, Dan Kettwich, Ken Mason, Julie Tritt Schell, and Joan Wade. The Board is reminded that the entire Board is invited to all Committee meetings if they are available.

OPEN SESSION

At 3:48 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. Mason reported that, in *Executive Session*, the Board acted on item a1.

On a motion duly made and seconded, the Board adjourned at 3:50 p.m. Eastern Time.

/s/ Erin Williams

Assistant Secretary

**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 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 2026 annual budget with the Interim Chief Executive Officer (CEO), the Interim Chief Financial Officer (CFO), and associated staff. The Board Chair, Mr. Ken Mason, requested that he, together with the Board Vice Chair, Ms. Julie Tritt Schell, and the Board Treasurer, Dr. Joan Wade, participate in these discussions in person as their schedules permit. Board members on the CEO Selection Committee may also travel to Washington, D.C. for meetings associated with the selection process. Members of the Board (not on the CEO Selection Committee) may also travel to Washington, D.C. to participate in the CEO interviews. Board members participating in these 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 reimbursement to 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. Ken Mason, Ms. Julie Tritt Schell, and Dr. Joan Wade should they travel to Washington, D.C. for the purpose of participating in USAC's 2026 Budget Planning Review. Further travel to the Washington, DC area for the CEO Search Committee members for select meetings, and Board members for the CEO interview process, are approved for reimbursement of reasonable expenses for attendance at these non-quarterly USAC Board or committee meetings.

**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(s).
 - 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 request will be approved if all Board or relevant Committee members support the request.
4. The Board member should submit documentation of actual expenditures to the USAC CEO for reimbursement.

Request for Approval / Reimbursement for a Board Member to be Reimbursed for Expenses Other Than Board Meetings Rev 10/2025 (Form 3001)

SECTION I – General Information									
Board Member Name			Purpose of Event and How it Relates to the Administration of the Fund/Program						
Event Title / Sponsor			Necessity of Board Member Participation, Relation to the Fund Administration, How does Participation Achieve USAC Goals						
USAC									
Date(s) of Event									
SECTION II – Expenses									
Date and Time left Home or Office:									
			Estimated Costs				Actual Costs		
Registration:									
Lodging:									
Travel (air, cab, train, bus):									
Mileage: X \$0.70			0.00		X \$0.70		\$ 0.00		
Meals & Incidentals (see per diems below):									
Other (Parking):									
Total Out-of-Pocket Expenses			\$ 0.00				\$ 0.00		
<i>I will include a statement in the presentation or speech that I am representing USAC and I will refrain from advocating a policy position in the presentation or speech and in any conversation or discussion.</i>									Initial N/A
Per diem should not include meals provided by hotel or event. In those instances, subtract the amount of the meal provided as listed below.									
2026 Per Diem		M&IE* Total	Breakfast	Lunch	Dinner	Incidental* Expenses		First & Last Day of Travel	
DC		\$92	\$23	\$26	\$38	\$5		\$69.00	
<i>*Incidental expenses include fees/tips for porters, hotel staff, and baggage handlers. M&IE Total is the full daily amount received for a single calendar day of travel when that day is neither the first nor last day of travel.</i>									
Date and Time returned to Home or Office:									
SECTION III – Signature									
<i>I hereby certify that I have incurred the out-of-pocket expenses indicated above on behalf of the Corporation and am requesting reimbursement in accordance with USAC's "Travel and Expense" policy. I certify that I have not requested reimbursement for these expenses from any other source.</i>									
Board of Director Member Signature						Date			
To be Completed by USAC									
Date Resolution submitted to Board or Committee:					Date Vote of Board or Committee Completed:				
10/20/2025					10/28/2025				
Vote Count			Actual Costs Approved by CEO				Account Code		
Yes	No	Abstained	Yes	CEO Signature			61200-60-600-60		

Attach itemized receipts for any non per diem expenses over \$75. USAC does not pay for travel upgrades or alcohol.

Please email this form, a detailed list of final expenses, and receipts to patsy.nuzzo@usac.org



Board of Directors Meeting

Reports From the Committee Chairs

Open Session

October 28, 2025

**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 bylaws 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 28, 2025, Board meeting. The current officers of the Corporation are as follows:

Officer Position	Incumbent
Chair	Ken Mason
Vice Chair	Julie Tritt Schell
Secretary	Olivia Wein
Treasurer	Dr. Joan Wade
Interim Chief Executive Officer ³	Michelle Garber
Assistant Secretary	Erin Williams
Assistant Treasurer	Michelle Garber
USAC Staff ⁴	• Chris Beyerhelm – Vice President and Chief Administrative Officer • Stephen Butler – Vice President of Shared Services • Craig Davis – Vice President of Schools and Libraries • Teleshia Delmar – Vice President of Audit and Assurance • Victor Gaither – Vice President of Program Management, High Cost • Kyle Hutchinson – Vice President of Information Technology and Chief Information Officer • Tim O’Brien – Vice President of Lifeline • Mark Sweeney – Vice President of 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 July 16, 2025, of the terms of six Board members expiring on December 31, 2025. On August 21, 2024, the Federal Communications Commission issued a Public Notice seeking nominations for the seats held by the eight Board members noted above. The directors whose terms expire on December 31, 2025, and their current committee memberships and officer positions (if any) are as follows:

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.

<u>Director</u>	<u>Representing</u>	<u>Committee Assignments / Officer Position</u>
Indra Sehdev Chalk Senior Director, Federal Regulatory Affairs T-Mobile USA, Inc.	Representative for commercial mobile radio service providers	High Cost & Low Income (Wireless) Nominating Committee Schools & Libraries Committee (Service Provider)
Christine Sanquist Vice President of Regulatory Affairs Charter Communications	Representative for cable providers	Executive Compensation Committee Schools & Libraries Committee (At-Large)
Amber Gregory Manager of E-Rate Services Arkansas State Library	Representative for libraries that are eligible to receive discounts pursuant to section 54.501 of the Commission's rules	Audit Committee (Schools & Libraries) Executive Committee (Schools & Libraries) Schools & Libraries Committee (Chair)
Stephanie Polk Sr. Vice President of Customer Success and Advocacy Lumen Technologies;	Representative for incumbent local exchange carriers (Bell Operating Companies)	Audit Committee (High Cost & Low Income) High Cost & Low Income Committee (Non Rural ILEC)
Jeffrey Jay Waller Chief Assistant Attorney General Section Supervisor State of Alaska, Department of Law	Representative for state consumer advocates	High Cost & Low Income Committee (State Consumer Advocates) Rural Health Care Committee (State Consumer Advocate)
Julie Tritt Schell PA E-Rate Coordinator Pennsylvania Department of Education	Representative for schools that are eligible to receive discounts pursuant to section 54.501 of the Commission's rules	Audit Committee (Chair) Executive Committee (Board Vice Chair & Audit Chair) Executive Compensation Committee (Chair) Schools & Libraries Committee (Schools)

On September 25, 2025, USAC notified the Federal Communications Commission that Ms. Sarah Freeman submitted her resignation from the USAC Board of Directors, effective September 24, 2025. Ms. Freeman represented state telecommunications regulators, as provided by section 54.703(b)(11) and was a member of the High Cost & Low Income Committee, Rural Health Care Committee, and Chair of the Nominating Committee. Her term was scheduled to expire on December 31, 2027. The Federal Communications Commission released Public Notice DA 25-914 on September 29, 2025 seeking nominations to fill the vacant position.

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 27, 2026 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 27, 2026 meeting, nominations for a chair and vice chair of each respective committee.

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

ACTION ITEM

**Approval of USAC Common and Consolidated
1st Quarter 2026 Budgets and Demand Projection
for the October 31, 2025 FCC Filing**

Action Requested

The USAC Board of Directors (Board) is requested to approve the 1st Quarter 2026 (Q1 2026) common and consolidated budgets for submission to the Federal Communications Commission (FCC) in USAC's October 31, 2025 quarterly filing.

Discussion

Based on the projected burn rate, USAC estimates a Q1 2026 USAC consolidated budget of \$61.52 million to administer the Universal Service Fund (USF), which includes \$27.39 million in direct program costs and \$34.13 million in common indirect costs. This does not include projected spending related to the appropriated programs.

<i>(in millions)</i>	Q4 2025 Budget	Increase/ (Decrease)	Q1 2026 Budget
Direct Program & Direct Assigned Costs			
High Cost	\$5.64	(\$1.06)	\$4.58
Lifeline	12.91	(2.90)	10.01
Rural Health Care	4.68	(0.99)	3.69
Schools & Libraries	9.53	(0.42)	9.11
Connected Care Pilot	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	\$32.76	(\$5.37)	\$27.39
Common Costs			
Employee Expenses	\$21.31	(\$3.05)	\$18.26
Professional Services	10.11	(2.16)	7.95
General & Administrative (Note 1)	11.41	(3.49)	7.92
Total Common Costs	\$42.83	(\$8.70)	\$34.13
Total Consolidated Costs	\$75.59	(\$14.07)	\$61.52

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 data collection billing revenue.

A comparison of actual common and consolidated expenditures to the budget for the nine months ending September 30, 2025 is provided in **Attachment 1**.

Recommendation

USAC management recommends that the Board approve the Q1 2026 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 2026 common budget of \$34.13 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$34.13 million for common costs in the required October 31, 2025 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 2026 consolidated budget to administer the Universal Service Fund of \$61.52 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$61.52 million for consolidated costs in the required October 31, 2025 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, 2025

<i>(\$ in millions)</i>	FTE Actual	FTE Budget	FTE Variance	YTD Actual	YTD Budget	Variance
Direct Program & Direct Assigned Costs						
High Cost	60	64	4	\$13.05	\$17.25	\$4.20
Lifeline	89	97	8	30.32	39.96	9.64
Rural Health Care	60	59	(1)	12.73	12.74	0.01
Schools & Libraries	80	85	5	30.09	29.33	(0.76)
Connected Care Pilot	0	0	0	0.00	0.00	0.00
Total Direct Program & Direct Assigned Costs	289	305	16	\$86.19	\$99.28	\$13.09
Common Costs						
Employee Expenses	400	423	23	\$53.55	\$55.79	\$2.24
Professional Services				28.25	28.69	0.44
General & Administrative (Note 2)				24.41	33.09	8.68
Total Common Costs	400	423	23	\$106.21	\$117.57	\$11.36
Total Consolidated Costs	689	728	39	\$192.40	\$216.85	\$24.45

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