



Executive Committee

Briefing Book

Thursday, July 20, 2017

11:00 a.m. - 12:00 p.m. Eastern Time

Universal Service Administrative Company

700 12th Street NW, Suite 900

Washington, DC 20005

**Universal Service Administrative Company
Executive Committee Quarterly Meeting
Agenda**

**Thursday, July 20, 2017
11:00 a.m. – 12:30 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

OPEN SESSION

- a1.** Consent Items (each available for discussion upon request):
- A.** Approval of Executive Committee Meeting Minutes of April 20, 2017, June 15, 2017 and July 7, 2017.
 - B.** Approval of moving all *Executive Session* items into *Executive Session*.

EXECUTIVE SESSION

- a2.** Action on Five USAC Internal Audit Division Operational Audit Reports – **Confidential** – *Executive Session Recommended*.
Same as aAC03cf
- i1.** Business Update – **Confidential** – *Executive Session Recommended*.
- Projected USF Contribution Rate for 4th Quarter 2017.
 - General Business Update.
- a3.** Personnel Matter – **Confidential** – *Executive Session Recommended*.
- i2.** Revision of Executive Compensation Committee Charter – **Confidential** – *Executive Session Recommended*.
- i3.** Update on CEO Search – **Confidential** – *Executive Session Recommended*.

Next Scheduled USAC Executive Committee Meeting

**Thursday, October 19, 2017
11:00 a.m. – 12:30 a.m. Eastern Time
USAC Offices, Washington, D.C.**

Universal Service Administrative Company Executive Committee Meeting

ACTION ITEM

Consent Items

Action Requested

The Executive Committee (Committee) is requested to approve the consent items listed below.

Discussion

The Committee is requested to approve the following items using the consent resolution below:

- A. Committee meeting minutes of April 20, 2017, June 15, 2017, and July 7, 2017 (*see Attachments A-1 through A-3*).
- B. Approval for discussing in *Executive Session* agenda items:
 - (1) **a2** – Action on Five USAC Internal Audit Division Operational Audit Reports. USAC management recommends that this matter be discussed in *Executive Session* because these reports relate to *specific internal controls, and/or confidential company data* that would constitute a discussion of internal rules and procedures
 - (2) **i1** – Business Update. USAC management recommends that this matter be discussed in *Executive Session* because this matter *includes pre-decisional matters pending before the FCC, and may also include discussion of personnel matters and attorney/client privileged communications*. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
 - (3) **a3** – Personnel Matter. USAC management recommends this item be discussed in *Executive Session* in accordance with the approved criteria and procedures for conducting USAC Board and Committee business *in Executive Session* and because it involves an internal confidential personnel matter. This matter is also subject to *attorney/client privilege*.
 - (4) **i2** – Revision of Executive Compensation Committee Charter. USAC management recommends this item be discussed in *Executive Session* in accordance with the approved criteria and procedures for conducting USAC Board and Committee business *in Executive Session* and because it involves an internal confidential personnel matter. This matter is also subject to *attorney/client privilege*.
 - (5) **i3**. Update on CEO Search. USAC management recommends that discussion of this item includes personnel matters and therefore should

occur in *Executive Session* consistent with USAC's long-standing practice and to preserve privacy.

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

Recommended USAC Executive Committee Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that the USAC Board of Directors Executive Committee hereby approves the Committee meeting minutes of April 20, 2017, June 15, 2017, and July 7, 2017 and discussion in *Executive Session* of the items noted above.

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

EXECUTIVE COMMITTEE MEETING
Thursday, April 20, 2017

(DRAFT) MINUTES

The quarterly meeting of the USAC Board of Directors (Board) Executive Committee (Committee) was held at USAC's offices in Washington, D.C. on Thursday, April 20, 2017. Dr. Brian Talbott, Chair, called the meeting to order at 11:02 a.m. Eastern Time with a quorum of five of the eight Committee members present.

Brisé, Ronald – Treasurer – *by telephone*
Gillan, Joe – Chair of Audit Committee – *by telephone*
Henderson, Chris – CEO
Lubin, Joel – Vice Chair, USAC Board – *by telephone*
Talbott, Dr. Brian – Chair, USAC Board – *by telephone*

Members of the Committee not present:

Domenech, Dr. Dan – Chair, Schools and Libraries Committee
Jacobs, Ellis – Secretary
Wibberly, Dr. Kathy – Chair of Rural Health Care Committee

Other Board members and officers of the corporation present:

Buzacott, Alan – Member of the Board – *by telephone*
Davis, Craig – Vice President of Schools & Libraries
Fontana, Brent – Member of the Board – *by telephone*
Hays, Kate – Vice President of Stakeholder Engagement
Kinser, Cynthia – Member of the Board – *by telephone*
Lee, Karen – Vice President of Rural Health Care
Mason, Ken – Member of the Board – *by telephone*
Poulin, Chera – Vice President of People, Culture and Change – *by telephone*
Robinson, Vickie – Vice President, General Counsel and Assistant Secretary
Salvator, Charles – Vice President of Finance, Chief Financial Officer and
Assistant Treasurer
Scott, Wayne – Vice President of Internal Audit
Sweeney, Mark – Chief Operating Officer
Taylor, Pete – Vice President of Information Technology and Chief Information
Officer
Wein, Olivia – Member of the Board – *by telephone*

Others present for the meeting:

NAME

Nuzzo, Patsy

COMPANY

USAC

OPEN SESSION

a1. **Consent Items.** Dr. Talbott presented this item to the Committee.

A. Committee meeting minutes of January 26, 2017.

B. Approval for discussing in *Executive Session* agenda items:

- (1) i1 – Business Update. USAC management recommends that this matter be discussed in *Executive Session* because the report relates to USAC's *procurement strategy and contract administration, pre-decisional matters pending before the FCC, and may also include discussion of personnel matters and attorney/client privileged communications.*

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

RESOLVED, that the USAC Board of Directors Executive Committee hereby approves the Committee meeting minutes of January 26, 2017 and discussion in *Executive Session* of the item noted above.

At 11:05 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items noted above.

EXECUTIVE SESSION

i1. **Business Update.** Mr. Henderson and Mr. Salvator presented these items to the Committee for discussion.

- Projected USF Contribution Rate for 3rd Quarter 2017.
- General Business Update.

At 11:46 a.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Talbott reported that in *Executive Session*, the Committee discussed item i1. On a motion duly made and seconded, the Committee adjourned at 11:46 a.m. Eastern Time.

/s/ Vickie Robinson
Assistant Secretary

**Universal Service Administrative Company
Executive Committee Meeting**

ATTACHMENT to an ACTION ITEM

Meeting Minutes of the June 15, 2017 Executive Committee Meeting

Attorney/Client Privileged Communication

Recommendation and Basis for Keeping this Matter Confidential

USAC management recommends that meeting minutes from the June 15, 2017 USAC Board of Directors Executive Committee meeting be kept confidential because these minutes relate to a *confidential internal personnel matter* and involve *attorney/client privileged communications*.

Background

To be distributed to Board members (only) at the Executive Committee meeting.

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

EXECUTIVE COMMITTEE MEETING
Friday, July 7, 2017

(DRAFT) MINUTES

A meeting of the USAC Board of Directors (Board) Executive Committee (Committee) was held at USAC's offices in Washington, D.C. on Friday July 7, 2017. Dr. Brian Talbott, Chair, called the meeting to order at 2:01 p.m. Eastern Time with a quorum of five of the eight Committee members present.

Gillan, Joe – *by telephone*

Jacobs, Ellis – Secretary – *by telephone*

Lubin, Joel – Vice Chair – *by telephone*

Robinson, Vickie – Acting CEO, General Counsel and Assistant Secretary – *by telephone*

Talbott, Dr. Brian – Chair – *by telephone*

Dr. Dan Domenech joined the meeting by telephone at 2:04 p.m. Eastern Time and participated in the discussion and vote on item a1.

Members of the Committee not present:

Brisé, Ronald – Treasurer

Wibberly, Dr. Kathy

Other Board members and officers of the corporation present:

Bocher, Bob – Member of the Board – *by telephone*

Buzacott, Allan – Member of the Board – *by telephone*

Kinser, Cynthia – Member of the Board – *by telephone*

Mason, Ken – Member of the Board – *by telephone*

Poulin, Chera – Vice President of People, Culture and Change

Salvator, Charles – Vice President of Finance, Chief Financial Officer and Assistant Treasurer – *by telephone*

Sweeney, Mark – Chief Operating Officer – *by telephone*

Others present for the meeting:

NAME

Hamm, Aaron

Nuzzo, Patsy

COMPANY

USAC

USAC

OPEN SESSION

- a1. Personnel Matter.** Ms. Robinson recommended that discussion of this item occur in *Executive Session* because it is a *personnel matter and is subject to attorney-client privilege*.

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

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

At 2:03 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential items noted above.

EXECUTIVE SESSION

- a1. Personnel Matter.** Ms. Robinson presented this item for consideration.

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

RESOLVED, that the USAC Executive Committee hereby approves the Chief Executive Officer job description, the key events required to complete a search for a permanent replacement for the Chief Executive Officer, and the RFP for executive recruiting services, with authorization to make necessary adjustments based on relevant feedback.

At 2:15 p.m. Eastern Time, on a motion duly made and seconded, the Committee adjourned from *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Talbott reported that in *Executive Session*, the Committee took action on item a1. On a motion duly made and seconded, the Committee adjourned at 2:16 p.m. Eastern Time.

/s/ Vickie Robinson
Assistant Secretary