



Executive Committee

Briefing Book

April 19, 2018

11:00 a.m. - 12:30 p.m. Eastern Time

Universal Service Administrative Company Offices

700 12th Street NW, Suite 900

Washington, DC, 20005

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

<p>Thursday, April 19, 2018 11:00 a.m. – 12:30 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>
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OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	i1. Introductory Comments	5
Chair Ernesto	a1. Consent Items (each available for discussion upon request) A. Approval of Executive Committee Meeting Minutes of January 25, 2018 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>	5

EXECUTIVE SESSION		<i>Estimated Duration in Minutes</i>
Radha Patsy	i2. Business Update – Confidential – <i>Executive Session Recommended</i> A. Action Items from January Quarterly Meetings B. Reorganization C. Summary of April Quarterly Meetings	20
Charlie	i3. Information on USAC Annual Common Budget Methodology – Confidential – <i>Executive Session Recommended</i>	20
Charlie/ Fred	i4. Information on Contribution Factor – Confidential – <i>Executive Session Recommended</i>	10
Radha	i5. Discussion of FCC-USAC Executive Committee Quarterly Meeting – Confidential – <i>Executive Session</i>	15

Next Scheduled USAC Executive Committee Meeting

<p>Thursday, July 19, 2018 11:00 a.m. – 12:30 a.m. Eastern Time USAC Offices, Washington, D.C.</p>

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 January 25, 2018 (*see Attachment A-1*).
- B. Approval for discussing in *Executive Session* agenda items:
 - (1) i2 – 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.*
 - (2) i3 – Information on USAC Annual Common Budget.
i4 – Information on Contribution Factor. USAC management recommends that these matters be discussed in *Executive Session* because it relates to *internal controls, and/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.* Item i3 also relates to USAC’s *procurement strategy and contract administration.*
 - (3) i5 – Discussion of FCC-USAC Executive Committee Quarterly Meeting. USAC management recommends that this item be discussed in *Executive Session* because it may include *confidential company data, and pre-decisional matters pending before the FCC.*

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: (1) the Committee meeting minutes of January 25, 2018; and (2) discussion in *Executive Session* of the item noted above.

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

EXECUTIVE COMMITTEE MEETING
Thursday, January 25, 2017

(DRAFT) MINUTES¹

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, January 25, 2018. Mr. Joel Lubin, Acting Chair of the Committee, called the meeting to order at 11:18 a.m. Eastern Time with a quorum of five of the eight Committee members present (There is one vacancy on the Committee):

Brisé, Ronald – Treasurer – *by telephone*
Gillan, Joe – *by telephone*
Lubin, Joel – Acting Chair and Vice Chair, USAC Board – *by telephone*
Sekar, Radha – Chief Executive Officer
Wibberly, Dr. Kathy – *by telephone*

Members of the Committee not present:

Domenech, Dr. Daniel
Jacobs, Ellis – Secretary

Other Board members and officers of the corporation present:

Bocher, Bob – Member of the Board – *by telephone*
Buzacott, Alan – Member of the Board – *by telephone*
Davis, Craig – Vice President of Procurement and Strategic Sourcing
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Lifeline
Kinser, Cynthia – Member of the Board – *by telephone*
Lee, Karen – Vice President of Rural Health Care
Salvator, Charles – Vice President of Finance, Chief Financial Officer and
Assistant Treasurer
Scott, Wayne – Vice President of Internal Audit
Sweeney, Mark – Chief Operating Officer
Wein, Olivia – Member of the Board – *by telephone*

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Beckford, Ernesto	USAC
Hutchinson, Kyle	USAC
Mitchell, Tamika	USAC
Nuzzo, Patsy	USAC
Talbott, Dr. Brian – <i>by telephone</i>	Dimensional Learning Solutions, LLC

OPEN SESSION

a1. Consent Items. Mr. Lubin presented this item to the Committee.

A. Approval of Executive Committee Meeting Minutes of October 19, 2017 and November 6, 2017.

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

- (1) **i1.** – Information on USAC 2017 Annual Report to the FCC and Congress. USAC management recommends that this item be discussed in *Executive Session* because it involves *specific internal controls, and/or confidential company data*.
- (2) **i2.** – Information on 2018 Annual USAC Common and Consolidated Budgets. USAC management recommends this item be discussed in *Executive Session* because it relates to USAC’s *procurement strategy and contract administration*.
- (3) **i3.** – Business Update.
 - **A.** Contributors Business Update. USAC management recommends that this report be discussed in *Executive Session* because it relates to *internal controls, and/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*.
 - **B.** OGC Update. USAC management recommends that this report be discussed in *Executive Session* because it involves *internal personnel matters and attorney/client privileged communications*.
- (4) **i4** – Discussion of FCC-USAC Executive Committee Quarterly Meeting. USAC management recommends that this item be discussed in *Executive Session* because it may include *confidential company data, and pre-decisional matters pending before the FCC*.

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 (1) the Committee meeting minutes of October 19, 2017 and November 6, 2017 and (2) discussion in *Executive Session* of the items noted above.

- a2. Solicit Ideas for April 2018 Board & Committee Meetings.** Ms. Sekar provided suggestions including an update on Information Technology (IT) oversight, an update on the forensic audits for Lifeline, and a possible invitation to FCC Chairman Ajit Pai for the April Board meeting. She requested that any additional ideas be sent to her attention.

At 11:32 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. Information on the USAC 2017 Annual Report to the FCC and Congress.** Mr. Sweeney presented this item for discussion, noting that the 2017 Annual Report would be streamlined.
- i2. Information on 2018 Annual USAC Common and Consolidated Budgets.** Mr. Salvator presented this item for discussion.
- i3. Business Update.** Mr. Fred Theobald, Directors of Financial Operations and Mr. Beckford, Acting General Counsel, presented these items to the Board for discussion.
- A. Contributors and Providers Business Update.
 - C. Overview of July Quarterly Meetings.
- i4. Discussion of FCC-USAC Executive Committee Quarterly Meeting.** Ms. Sekar presented this item, noting that members of the Executive Committee could share concerns and conduct discussions regarding their specific areas.

At 12:30 p.m. Eastern Time, the meeting continued in *Executive Session* with only members of the Board, Ms. Tamika Mitchell, Acting Chief Human Resource Officer, and Ernesto Beckford, Acting General Counsel, present.

- i3. Business Update.**
- B. OGC Update. Mr. Beckford presented for discussion an update on certain internal personnel matters.

At 12:42 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 Mr. Lubin reported that in *Executive Session*, the Committee discussed items i1, i2, i3, and i4. On a motion duly made and seconded, the Committee adjourned at 12:43 p.m. Eastern Time.

/s/ Ellis Jacobs

Secretary