



# Executive Committee

## Briefing Book

Thursday, October 25, 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><b>Thursday, October 25, 2018</b>  <b>11:00 a.m. – 12:30 p.m. Eastern Time</b>  <b>USAC Offices</b>  <b>700 12th Street, N.W., Suite 900</b>  <b>Washington, D.C. 20005</b></p>
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<b><u>OPEN SESSION</u></b>		<i>Estimated Duration in Minutes</i>
Chair	<p><b>a1.</b> Consent Items (each available for discussion upon request):</p> <ul style="list-style-type: none"> <li><b>A.</b> Approval of Executive Committee Meeting Minutes of July 19, 2018</li> <li><b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></li> </ul>	5
Radha	<b>i1.</b> CEO Business Update	20

<b><u>EXECUTIVE SESSION</u></b>		<i>Estimated Duration in Minutes</i>
<b>Confidential – Executive Session Recommended</b>		
Radha/ Joel	<p><b>i1.</b> CEO Business Update (<i>Continued</i>)</p> <ul style="list-style-type: none"> <li>• Discussion of FCC-USAC Memorandum of Understanding</li> <li>• CEO Appraisal</li> </ul>	10
Charlie	<b>i2.</b> Information on Contribution Factor	15
Charlie	<b>i3.</b> Information on Preliminary Annual USAC Common and Consolidated Budgets	20
Radha/ Joel	<b>i4.</b> Discussion of FCC / USAC Executive Committee Quarterly Meeting	10

**Next Scheduled USAC Executive Committee Meeting**

<p><b>Thursday, January 24, 2019</b>  <b>11:00 a.m. – 12:30 a.m. Eastern Time</b>  <b>USAC Offices, Washington, D.C.</b></p>
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**Universal Service Administrative Company  
Executive Committee Meeting**

<b>ACTION ITEM</b>
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**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 July 19, 2018 (*see Attachment A*).
- B. Approval for discussing in *Executive Session* agenda items:
  - (1) **i1** – CEO Business Update. Discussion on the FCC and USAC Memorandum of Understanding. USAC management recommends that this matter be discussed in *Executive Session* because it is subject to the *attorney/client privilege*.
  - (2) **i2** – Information on Contribution Fund Analysis and Contribution Factor. USAC management recommends that this matter 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) **i3** – Information on Preliminary Annual USAC Common and Consolidated Budgets. 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.
  - (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*.

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 July 19, 2018; and (2) 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, July 19, 2018**

**(DRAFT) MINUTES<sup>1</sup>**

The quarterly meeting of the Executive Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Thursday, July 19, 2018. Mr. Joel Lubin, Chair of the Committee, called the meeting to order at 11:01 a.m. Eastern Time, with a quorum of five of the eight Committee members present:

Feiss, Geoff – *by telephone*  
Gillan, Joe – Vice Chair – *by telephone*  
Lubin, Joel – Chair – *by telephone*  
Sekar, Radha – Chief Executive Officer  
Wibberly, Dr. Kathy – *by telephone*

Committee members not present:

Domenech, Dr. Dan  
Jacobs, Ellis – Secretary  
Mason, Ken – Treasurer

Other Board members and officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel and Assistant Secretary  
Beyerhelm, Chris – Vice President of Enterprise Portfolio Management  
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  
Fontana, Brent – Member of the Board – *by telephone*  
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 Administrative Officer  
Wein, Olivia – Member of the Board – *by telephone*

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<sup>1</sup> 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>
Ayer, Catriona	USAC
Hutchinson, Kyle	USAC
King, Lauren	USAC
Mitchell, Tamika	USAC
Nuzzo, Patsy	USAC
Tomlin, Nicole	USAC

### OPEN SESSION

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

- ii. Introductory Comments.** Mr. Lubin thanked members of the Committee and Board for participating and also thanked Ms. Sekar for her follow-up on requests made by the Board at the April quarterly meetings.
- ai. Consent Items.** Mr. Lubin presented this item to the Committee.
  - A.** Approval of Executive Committee Meeting Minutes of April 19, 2018.
  - B.** Approval for discussing in *Executive Session* agenda items:
    - (1) **i2A** – Business Update. Discussion of the FCC and USAC Memorandum of Understanding. Mr. Beckford recommended that this matter be discussed in *Executive Session* because it is subject to the *attorney/client privilege*.
    - (2) **i3** – Information on Contribution Factor. Mr. Beckford recommended that this matter 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) **i4** – Discussion of FCC-USAC Executive Committee Quarterly Meeting. Mr. Beckford recommended 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 resolutions:

**RESOLVED**, that the USAC Board of Directors Executive Committee hereby approves: (1) the Committee meeting minutes April 19, 2018; and (2) discussion in *Executive Session* of the item noted above.

- i1. CEO Business Update.** Ms. Sekar presented these items to the Committee for discussion.
- Action Items from April Quarterly Board and Committee Meetings.
  - Reorganization.
  - 2018 USAC Deliverables.
  - CEO Roundtable Status Update.

At 11:45 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**

- i2. CEO Business Update (*Continued*).** Ms. Sekar provided an update on the FCC-USAC Memorandum of Understanding.
- i3. Information on Contribution Factor.** Mr. Salvator presented this item for discussion.
- 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 12:08 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 i2, i3, and i4. On a motion duly made and seconded, the Committee adjourned at 12:09 p.m. Eastern Time.

/s/ Ernesto Beckford  
Assistant Secretary

Briefing book excludes all materials discussed in Executive Session.



# CEO Business Update

Executive Committee Meeting

October 25, 2018



Universal Service  
Administrative Co.

# Agenda

Topic	Description	Purpose	Presenter	Length
Recap	Review of action items and status from previous Board and Committee meetings.	Informational	Radha	5 min
Goals and Objectives	Review of major corporate goals & objectives	Informational	-	-
Accomplishments	Significant accomplishments	Informational	Radha	5 min
Current Topics	USAC 18-Month Program Plans	Informational	Radha	5 min
CEO Roundtable	Status update	Informational	Radha	3 minute

# July Board Recap

Action items and updates from the previous Board and Committee meetings

Activity/Item	Purpose	Status
<b>Specific Content Requested</b>		
Data Transparency /Availability	Certain data streams are needed by the industry and the Board needs to explain the importance of that to the FCC	USAC must be comfortable that there is truth in the data. Recent successes include: <ul style="list-style-type: none"> <li>CAF Map; Disbursement information</li> <li>SLD Reporting Conops to include RFN status; entity information, data analytics etc.</li> <li>Lifeline: Available carrier information near me.</li> </ul>
Call Center <ul style="list-style-type: none"> <li>Is there documentation approach that gives audit trail of communication?</li> <li>Will there be a survey for the contact person to evaluate the experience?</li> <li>Can you track how many touches were required to satisfy the callers needs?</li> </ul>	Continuity and a positive customer service experience	<ul style="list-style-type: none"> <li>All contacts/communications are documented including notes and the system does capture touch points. Each caller is offered the option to complete a survey. This will be covered in the Shared Services Business Update.</li> </ul>
Annual Report Timeline	Allow time for input from Board on the annual report	We will definitely give the entire Board a draft in February. Shared Services will review this in the Business Update.
Contributor Audits – What is the status of guidance pending before the FCC (Pertaining to text messaging)?	Increase clarity of the report on “other matter” related to text messaging due to an open guidance request on the proper reporting treatment of text messaging revenues for USF contribution purposes	The FCC has requested that USAC provide a summary of audits with other matters related to text messaging and VPN. USAC is currently preparing this information.

# July Board Recap

Action items and updates from the previous Board and Committee meetings

Item	Purpose	Status
<b>Changes/Modifications Requested</b>		
Early Adopter Group	Provide feedback	We have begun the process , also some Programs have already implemented this. More information will be available during Tuesday's Board meeting.
Ethics Discussion	Is there any effort to train contractors on ethics? Are they prohibited from offering employees gifts?	All contractors are required to sign a Confidentiality Agreement, which prohibits them from disclosing any USAC confidential information.
National Verifier Pre-Production Environment	All service providers to use the system in a test environment prior to working in the live system	Pre-production environment launched on September 19, 2018. More will be discussed in the Lifeline business update.
State Roll-Out Plan	When will Lifeline have an updated state rollout plan?	Lifeline has provided more details during the Business Update.
Service Provider API	What is the status of a carrier API?	The FCC is considering a petition related to this matter. It is still a work in progress.
USAC Applications	Identify USAC applications, costs and problem areas	Will be a by-product of e-gov assessment.

# Goals & Objectives

Helping households obtain the voice and broadband connectivity services they need to participate and function in today's digital world.

Goals	Objectives / Outcomes	How USAC will meet the goal
<b>Operational Efficiency</b>	To continuously improve the efficiency and effectiveness of business processes.	<ul style="list-style-type: none"> <li>Roll out a USAC wide knowledge management framework.</li> <li>Through governance, establish processes that are simple, fast and efficient.</li> </ul>
<b>Customer Experience</b>	To strengthen the experience of everyone who participates in our programs.	<ul style="list-style-type: none"> <li>Timely and quality resolution of customer issues and concerns to their satisfaction.</li> <li>Resolve and respond to high level highly visible inquiries.</li> </ul>
<b>Program Integrity</b>	To monitor and implement controls and proactively detect opportunity to prevent fraud, waste and abuse.	<ul style="list-style-type: none"> <li>Increase the trust of FCC, Public, and Congress in our programs.</li> </ul>
<b>Mission Critical Performance – Focused Culture</b>	Create an environment where FCC direction and USAC goals are designed and implemented in the best and most timely fashion.	<p><b>Programs:</b> HC-MF2 Challenger Launch/CAF 2 Verification / LL –NV Hard Launch / SLD – Successful completion of E-Rate program improvements &amp; funding commitment / RHC- Funding decisions for 2017 &amp; 2018.</p> <p><b>Enterprise:</b> OGC- Enter into new MOU with the FCC / Finance- Cash to Treasury and annual audit / IT- 2018-19 Road Map, FISMA / IAD- Forensic Audit &amp; new A123 Enterprise Internal Audit / EPM- CAFMAP / Procurement- BPO for SLD, 2018-19 Acquisition Plan / HR- College / Entry level recruiting plan / Shared Services- Implement Call Center.</p>
<b>Employee Engagement – (People Manager)</b>	To ensure USAC employees feel a greater commitment to the organization. Ensuring that USAC becomes an employer of choice.	<ul style="list-style-type: none"> <li>Improve communication with employees to create a culture of feedback and transparency.</li> <li>Create alignment on enterprise wide performance to ensure performance is rewarded and all staff are held accountable and supported.</li> </ul>

# Major Accomplishments

90-day assessment of USAC	Call Centers
Realign functionality and create enterprise-wide cohesiveness	Cash to Treasury
Knowledge Management Framework	CAF Map
Program Leadership Councils - incorporating exception reporting	FISMA ATOs
<ul style="list-style-type: none"> <li>- Town Halls and monthly Brown Bag sessions</li> <li>- Engagement Champions</li> <li>- Internal Promotions</li> </ul>	National Verifier
Focus on college recruiting for entry level positions: <ul style="list-style-type: none"> <li>• Year to date (Q3) new college graduates hires: 11</li> </ul>	MF2/CAF2
FCC Relationship Building	<ul style="list-style-type: none"> <li>- Successful close of E-rate application window</li> <li>- PIA Review</li> <li>- BPO (SL, GC and Procurement)</li> </ul>
CEO Roundtables Early adopters	2017 RHC pro-rated applications
Modify Board briefing materials based on Board feedback	

# USAC's 18-Month Program Plans Briefing book excludes all materials discussed in Executive Session.

Each Program has created a robust, comprehensive portfolio management with project and milestone tracking and quarterly Board updates.

Background	Objectives and Approach
<ul style="list-style-type: none"><li>• Each plan will focus on areas that are key to the program and will have significant impact on the success of the Program. (i.e. Increase Demand, Orders, Program Integrity, or Projects,)</li><li>• USAC recognizes the need for a more focused perspective on program administration and planning.</li><li>• Plan documents key project-based activities highlighting milestones, assumptions, dependencies, and objectives.</li></ul>	<ul style="list-style-type: none"><li>• 18 month plan will support the program goals by ensuring USAC has set out a plan using a structured approach, and in a comprehensive way to impact all areas of the program, including people, process, and technology.</li><li>• Will be updated on a quarterly basis to incorporate changes and managed by the Program VP, with oversight from the Office of CEO.</li><li>• On a monthly basis USAC will report on progress against the key milestones to the FCC and on a quarterly basis report on progress to the USAC Board of Directors.</li></ul>

**Projects included will be Program Specific**

- SECA Follow-up Call
- AESA Legislative Advocacy Conference
- CEO Roundtable – First “Meet and Greet,” second will be in January 2019
  - AT&T
  - Charter Communications
  - Comcast Business
  - Consolidated Communications
  - Fiberutilities Group
  - Frontier Communications
  - Hargray Communications
  - National Telecommunications Association
  - OneNet
  - Sprint
  - Smithfield Fiber
  - USTelecom
- USTelecom Leadership Committee Meeting October 18, 2018