



Executive Committee

Briefing Book

Thursday, April 25, 2019

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 25, 2019 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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<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each available for discussion upon request):</p> <p style="padding-left: 20px;">A. Approval of Executive Committee Meeting Minutes of January 24, 2019</p> <p style="padding-left: 20px;">B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></p>	5
Radha	i1. CEO Business Update	20

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended.		<i>Estimated Duration in Minutes</i>
Charlie	i2. Information on Contribution Factor	15
Radha/ Joel	i3. Discussion of FCC / USAC Executive Committee Quarterly Meeting	10
Ernesto	i4. Office of General Counsel – Report on Personnel Matters	10

Next Scheduled USAC Executive Committee Meeting

<p>Thursday, July 25, 2019 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) of the USAC Board of Directors (Board) 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 24, 2019 (*see Attachment A*).
- B. Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i2** – Information on 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.**
 - (2) **i3** – 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*.
 - (3) **i4.** – Office of General Counsel -- Report on Personnel Matters. *Executive Session*, USAC management recommends that discussion of this item occur in *Executive Session* because it involves *internal confidential personnel matters* and is also subject to *attorney/client communication privilege protection*

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 RESOLUTIONS:

RESOLVED, that the USAC Board of Directors Executive Committee hereby approves: (1) the Committee meeting minutes of January 24, 2019; 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, January 24, 2019

(DRAFT) MINUTES¹

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, January 24, 2019. Mr. Joel Lubin, Committee Chair, called the meeting to order at 11:08 a.m. Eastern Time with a quorum of six of the eight Committee members present.

Domenech, Dr. Dan – *by telephone*
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*

Mr. Ellis Jacobs, Secretary, joined the meeting by telephone at 11:12 a.m. He did not vote or participate in the discussion of item a1. Dr. Domenech left the meeting at 11:30 a.m. Eastern Time. He did not participate in the discussions of items i2, i3 and i4.

Committee members not present:

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
Delmar, Teleshia – Vice President of Audit and Assurance
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Lifeline
Holstein, Bob – Vice President and Chief Information Officer
Schell, Julie Tritt – Member of the Board – *by telephone*
Sweeney, Mark – Vice President of Rural Health Care

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>
Ayer, Catriona	USAC
Hughet, Pamela	USAC
Mitchell, Tamika	USAC
Nuzzo, Patsy	USAC
Tiwari, Tanya	USAC
Tomlin, Nicole	USAC

OPEN SESSION

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

- a1. Consent Items.** Mr. Lubin presented this item to the Committee.
- A. Approval of Executive Committee Meeting Minutes of October 25, 2018.
 - B. Approval for Moving all *Executive Session* Items into *Executive Session*:
 - (1) **i2** – Information on 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.*
 - (2) **i3** – Information on 2019 Annual USAC Common and Consolidated Budgets. 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.*
 - (3) **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 25, 2018; and (2) discussion in *Executive Session* of the items noted above.

i1. CEO Business Update. Ms. Sekar presented PowerPoint slides covering the following items to the Committee for discussion:

- Action Items from the October 2018 Quarterly Meetings.
- 2018 Accomplishments.
- 2019 Goals and Objectives.
- Update on the CEO Roundtable.

At 11:44 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. Information on Contribution Factor. Ms. Hughet presented this item for discussion. The presentation included a written report that provided USAC's estimate for the 2nd quarter 2019 contribution factor.

i3. Information on the 2019 Annual USAC Common and Consolidated Budgets. Ms. Hughet presented this item for discussion, noting that the Board would be asked to consider approval of the budgets at the Board meeting on January 29, 2019. The presentation included a written report on USAC management's recommendations for USAC's 2019 annual common and consolidated budgets.

i4. Discussion of FCC-USAC Executive Committee Quarterly Meeting. The Committee discussed the likelihood of not having the meeting due to the partial government shutdown, but discussed potential agenda topics, noting that additional topics could be added, based on discussion at the upcoming Committee and Board meetings.

At 12:20 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 12:22 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary



CEO Business Update

USAC Board of Directors Meeting

April 30, 2019



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
Areas of Interest	Review of major corporate goals & objectives	Informational	Radha	15 min

January Recap

Action items and updates from the previous Board and Committee meetings

Activity/Item	Purpose	Status
Specific Content Requested		
<u>Board of Directors</u> Discussion Topics	Board requested one discussion topic that could be talked about in more depth. Suggestions were to be sent to Radha.	Discussion topics were incorporated into each agenda
Enterprise Risk Management	Would like to see mitigation of risks, analytics and heat map on risks	See Enterprise Risk Management Presentation in the Board briefing book
Procurement Report	Want to look backward at what the Board approved and do a procurement analysis against the budget	See Procurement Business Update in the Board briefing book
Would like to see and have a discussion on the direct and allocated costs for the demand and quarterly budget papers	While the Board approves the allocated costs, it is helpful for the Committees to have an understanding of the full costs	See 3rd Quarter 2019 Budget and Demand Projection in each programmatic briefing book
<u>Audit Committee</u> Provide all audits regardless of the number of findings	Allow for transparency (excludes Contributor Audits)	All audits are now shared with the Board and with the public excluding Contributor Audits and others that are confidential
<u>Lifeline</u> Provide trends on Lifeline and National Verifier (including outcomes)	To provide a better understanding of the status	See the Lifeline Business Update in the HCLI briefing book
Overview of the Accountability Database	To provide a better understanding of the status and function	See the Lifeline Business Update in the HCLI briefing book
<u>Schools & Libraries</u> EPC enhancements from stakeholders	Enhance the EPC system based on SECA feedback	See the the Schools and Libraries Business Update in the SL briefing book

Areas of Interest

ENTERPRISE

Audit Assurance

- Forensic Audits
 - Preliminary observation are expected in May/June time period.

Finance

- FY2018 USAC Financial Statement Audit
- 2018 USF Audit: Corrective Actions are expected be completed by May
- Requirement definition for Enterprise Resource Planning (ERP) System

Human Resources

- Retention Challenges
- Recruiting Efforts
 - College job fairs – John Hopkins, American University, George Washington and George Mason
 - Hired a Chief of Staff and Advisor of IT Operations

Information Technology (IT)

- Information Technology at USAC
- Vision for IT

PROGRAMS

High Cost

- New Orders
- HCLI System

Lifeline

- National Verifier Rollout
 - Launched 27 states (11 automated, 16 manual)
 - Centers for Medicare & Medicaid Services (CMS)

Rural Health Care

- Rural Health Care System Assessments
- 2019 window
- SHLB Meeting

Schools and Libraries

- Window Close
- First Wave