



High Cost and Low Income Committee

Briefing Book

Monday, July 23, 2018

2:00 p.m. - 4:45 p.m. Eastern Time

Universal Service Administrative Company Offices

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

Washington, D.C. 20005

**Universal Service Administrative Company
High Cost & Low Income Quarterly Meeting
Agenda**

<p>Monday, July 23, 2018 2:00 p.m. – 4:45 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>

<i>High Cost Session</i> 2:00 p.m. – 3:15 p.m. Eastern Time		
<i>Open Session</i>	Presenter	<i>Estimated Duration in Minutes</i>
1. Approvals		
A. Consent Items		
1. Approval of High Cost & Low Income Committee Minutes of April 23, 2018 and May 30, 2018	Chair	5
2. Approval of Moving all High Cost and Low Income <i>Executive Session</i> Items to <i>Executive Session</i>	Ernesto	5
B. Approval of High Cost Support Mechanism and Demand 4th Quarter 2018 Programmatic Budget and Projection for the August 2, 2018 FCC Filing	Vic	10
2. High Cost Business Update	Vic	30

<i>High Cost Executive Session</i> <i>Confidential – Executive Session Recommended</i>	Presenter	<i>Estimated Duration in Minutes</i>
3. High Cost Business Updates (Continued)		
A. New Order Impact Assessments	Vic	15

<i>Break Estimated: 3:15 – 3:30 p.m. Eastern Time</i>
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<i>Low Income Session</i> <i>3:30 p.m. – 4:45 p.m. Eastern Time</i>		
<i>Open Session</i>	Presenter	<i>Estimated Duration in Minutes</i>
4. Approvals		
A. Low Income Support Mechanism and Demand 4th Quarter 2018 Programmatic Budget and Projection for the August 2, 2018 FCC Filing	Michelle	10
5 Information on Seven USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports	Teleshia	10
6. Lifeline Business Update	Michelle	31

<i>Low Income Executive Session</i> <i>Confidential – Executive Session Recommended</i>	Presenter	<i>Estimated Duration in Minutes</i>
7. Lifeline Business Update (<i>Continued</i>)		
A. Update on Program Integrity	Michelle	10

Next USAC High Cost & Low Income Committee Meeting

<p>Monday, October 29, 2018 2:00 - 4:45 p.m. Eastern Time USAC Offices, Washington, DC</p>

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

**HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, April 23, 2018**

(DRAFT) MINUTES¹

The quarterly meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, April 23, 2018. Mr. Joe Gillan, Committee Chair, called the meeting to order at 2:07 p.m. Eastern Time, with ten of the 11 Committee members present:

Feiss, Geoff	Lubin, Joel
Gerst, Matthew	Mason, Ken
Gillan, Joe – Chair	Sekar, Radha – Chief Executive Officer
Kinser, Cynthia	Tinic, Atilla
Jacobs, Ellis	Wein, Olivia – Vice Chair

Members of the Board not present:

Freeman, Sarah

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
Buzacott, Alan – Member of the Board
Davis, Craig – Vice President Procurement and Strategic Sourcing
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Lifeline
Holstein, Bob – Vice President and Chief Information Officer
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
Wibberly, Dr. Kathy – Member of the Board

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>
Abera, Nikki	USAC
Ahmed, Sharmarke	USAC
Anderson, Jarnice	USAC
Ayer, Catriona	USAC
Benton, Brittany	USAC
Bilodeau, Amanda	USAC
Braxton-Johnson, Kianna	USAC
Butler, Stephen	USAC
Carpenter, Nikki-Blair	USAC
Conradt, Phil	USAC
Desrocher, Michael	USAC
Eltgroth, Deborah	USAC
Fischer, Dennis	USAC
Goffredi, Kathryn	USAC
Hughet, Pam	USAC
Jones, Allison	FCC
Khan, Sammy	USAC
King, Lauren	USAC
Lee, James	USAC
Marjani, Regina	USAC
Mattey, Carol	Mattey Consulting LLC
Moy, Norina	Sprint
Nuzzo, Patsy	USAC
Ruffley, Brandon	USAC
Santana-Gonzalez, Jeanette	USAC
Simab, Habib	USAC
Tawes, Pauline	USAC
Tessler, Joelle	USAC
Tomlin, Nicole	USAC
Weith, Tim	USAC
Wynter, Sherika	USAC

OPEN SESSION

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

1. High Cost & Income Committee Approvals. Mr. Gillan introduced these items to the Committee for consideration.

A1. Approval of Committee meeting minutes of January 29, 2018.

A2. Approval for discussing in *Executive Session* agenda items:

- (1) **6A** – Lifeline Business Update (*Continued*). Update on Implementation of the National Verifier. USAC management recommends this item be discussed in *Executive Session* because this matter relates to *specific internal controls, and/or confidential company data*.
- (2) **6B** -- Lifeline Business Update (*Continued*). Update on Lifeline Program Integrity. USAC management recommends this item be discussed in *Executive Session* because this matter relates to *specific internal controls*.
- (3) **7A** – High Cost Business Update (*Continued*). Update on High Cost Verification. USAC management recommends this item be discussed in *Executive Session* because this matter relates to *specific internal controls, and/or confidential company data*.
- (4) **7B** – High Cost Business Update (*Continued*). Mobility Fund II Demonstration. USAC management recommends this item be discussed in *Executive Session* because this matter relates to *specific internal controls, and/or confidential company data*.
- (5) **8A** – Approval of Procedure for Handling Appeals Concerning the High Cost and Low Income Support Mechanisms. USAC management recommends this item be discussed in *Executive Session* because this matter relates to *specific internal controls*.

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

RESOLVED, that the USAC High Cost & Low Income Committee hereby approves: (1) the Committee meeting minutes of January 29, 2018; and (2) discussion in *Executive Session* of the items noted above.

B. Approval of High Cost Support Mechanism and Demand 3rd Quarter 2018 Programmatic Budget and Projection for the May 2, 2018 FCC Filing. Mr. Gaither presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 3rd Quarter 2018 High Cost Support Mechanism direct program budget of \$2.77 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$2.77 million for High Cost Support Mechanism administrative costs in the required May 2, 2018 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on April 23, 2018, a summary of the 3rd Quarter 2018 High Cost Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required May 2, 2018 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

2. **High Cost Business Update.** Mr. Gaither presented this item for discussion.
3. **Lifeline Business Update.** Ms. Garber presented this item for discussion.
4. **Information on Seven USAC Internal Audit Division Low Income Support Mechanism Beneficiary Audit Reports.** Mr. Desrocher presented this item to the Committee for discussion.
5. **Approval of Low Income Support Mechanism 3rd Quarter 2018 Programmatic Budget and Demand Projections for the May 2, 2018 FCC Filing.** Ms. Garber presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 3rd Quarter 2018 Low Income Support Mechanism direct program budget of \$6.48 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$6.48 million for Low Income Support Mechanism administrative costs in the required May 2, 2018 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on April 23, 2018, a summary of the 3rd Quarter 2018 Low Income Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required May 2, 2018 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million, or may seek approval from the High Cost & Low Income Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

At 3:25 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 listed above.

EXECUTIVE SESSION

6. Lifeline Business Update (*Continued*). Ms. Garber presented this item providing the Committee on the following:

- A.** Update on the Implementation of the National Verifier.
- B.** Update on the Implementation of the Lifeline Safeguards Plan.

7. High Cost Business Update (*Continued*). Ms. Bilodeau and Mr. Conratt presented the following items to the Committee:

- A.** Update on High Cost Verification.
- B.** Mobility Fund II Demonstration.

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

8. High Cost and Low Income Committee Approvals.

- A. Approval of Procedures for Handling Appeals Concerning High Cost and Low Income Support Mechanism.** Mr. Beckford presented this item for consideration.

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

RESOLVED, that the USAC High Cost & Low Income Committee adopts the procedures proposed by USAC management for the adjudication of appeals of USAC decisions relating to the High Cost and Low Income Support Mechanisms.

At 4:40 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that in *Executive Session*, the Committee discussed items 6A, 6B, 7A, and 7B, and took action on item 8A. On a motion duly made and seconded, the Committee adjourned at 4:57 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

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

HIGH COST & LOW INCOME COMMITTEE MEETING
Wednesday, May 30, 2018

(DRAFT) MINUTES¹

A meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Wednesday, May 30, 2018. Mr. Joe Gillan, Committee Chair, called the meeting to order at 3:02 p.m. Eastern Time, with eight of the 11 Committee members present:

Freeman, Sarah – *by telephone*
Gerst, Matthew – *by telephone*
Gillan, Joe – Chair – *by telephone*
Jacobs, Ellis – *by telephone*

Lubin, Joel – *by telephone*
Mason, Ken – *by telephone*
Sekar, Radha – Chief Executive Officer
Wein, Olivia – Vice Chair – *by telephone*

Mr. Feiss joined the meeting by telephone at 3:12 p.m. Eastern Time. He voted and participated in discussion of items a1 and a2.

Members of the Board not present:

Kinser, Cynthia
Tinic, Atilla

Other Board members and officers of the corporation present:

Beckford, Ernesto – Vice President, General Counsel and Assistant Secretary
Davis, Craig – Vice President Procurement and Strategic Sourcing
Gaither, Victor – Vice President of High Cost
Salvator, Charles – Vice President of Finance, Chief Financial Officer and
Assistant Treasurer
Scott, Wayne – Vice President of Internal Audit

Others present:

<u>NAME</u>	<u>COMPANY</u>
Gelman, Sheryl	USAC
Hughet, Pam	USAC
Khan, Sammy	USAC

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.

<u>NAME</u>	<u>COMPANY</u>
King, Lauren	USAC
Lee, James	USAC
Nuzzo, Patsy	USAC
Simab, Habib	USAC

OPEN SESSION

- a1. **Approval of High Cost Support Mechanism Revised 3rd Quarter 2018 Programmatic Demand Projection.** Mr. Beckford recommends that discussion of this item be conducted in *Executive Session* because this matter may include *pre-decisional matters pending before the FCC*.
- a2. **Consideration of Contract Award for Lifeline Program Forensic Audits.** Mr. Beckford recommends that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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

RESOLVED, that the USAC High Cost & Low Income Committee determines that discussion of these items shall be conducted in *Executive Session*.

At 3:03 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential and proprietary items noted above.

EXECUTIVE SESSION

- a1. **Approval of High Cost Support Mechanism Revised 3rd Quarter 2018 Programmatic Demand Projection.** Mr. Gaither and Mr. Salvator presented this item to the Committee for consideration noting that, in the original 3Q2018 programmatic demand projection for the High Cost Support Mechanism, USAC did not incorporate the demand requirements in the *2018 Rate-of-Return Reform Order*, FCC 18-29, *Tribal Rate-of-Return Reform Order*, FCC 18-37, and *2018 CAF ICC Order*, FCC 18-50.

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

RESOLVED, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on May 30, 2018, a summary of the revised 3rd Quarter 2018 High Cost Support Mechanism demand estimate, hereby

directs USAC staff to proceed with submitting the revised demand filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- a2. Consideration of Contract Award for Lifeline Program Forensic Audits.** Mr. Davis and Mr. Scott presented this item to the Committee for consideration, noting that the FCC Chairman and USAC's former Acting CEO and General Counsel testified at the September 14, 2017 hearing of the United States Senate Committee on Homeland Security and Governmental Affairs (Senate Committee) titled "FCC's Lifeline Program: A Case Study of Government Waste and Mismanagement." Based on the testimony, the Chairman of the Senate Committee requested that the FCC and USAC initiate forensic audits of the top 30 Eligible Telecommunication Carriers (ETCs).²

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

RESOLVED, that the USAC High Cost & Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award two Indefinite Delivery Indefinite Quantity (IDIQ) task order based contracts for Lifeline Program forensic audit services for a combined not to exceed amount of \$5.61 million (plus applicable taxes) to KMPG and PwC, subject to required FCC approvals.

At 3:49 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Gillan reported that in *Executive Session*, the Committee took action on items a1 and a2. On a motion duly made and seconded, the Committee adjourned at 4:04 p.m. Eastern Time.

/s/ Ernesto Beckford
Assistant Secretary

² See Letter from Senator Ron Johnson, Chairman, and Senator Claire McCaskill, Ranking Member, United States Senate Committee on Homeland Security and Governmental Affairs to Ajit Pai, Chairman, Federal Communications Commission and Vickie Robinson, Acting CEO and General Counsel (September 15, 2017).

Universal Service Administrative Company High Cost & Low Income Committee Meeting

ACTION ITEM

Consent Items

Action Requested

The High Cost & Low Income Committee (Committee) is requested to approve the consent items listed below.

Discussion

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

- A. Committee meeting minutes of April 23, 2018 and May 30, 2018 (*see Attachments A-1a and A-1b*).
- B. Approval for discussing in *Executive Session* agenda items:
 - (1) **3A** – High Cost Business Update (*Continued*). New Order Impact Assessments. USAC management recommends this item be discussed in *Executive Session* because this matter relates to USAC’s *specific internal controls and/or confidential company data* and would constitute a discussion of internal rules and procedures.
 - (2) **7(A)** – Lifeline Business Update (*Continued*). USAC management recommends this item be discussed in *Executive Session* because this matter relates to *specific internal controls and internal personnel matters*.

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

Recommended USAC High Cost & Low Income Committee Action

APPROVAL OF THE FOLLOWING RESOLUTION:

RESOLVED, that the USAC High Cost & Low Income Committee hereby approves: (1) the Committee meeting minutes of April 23, 2018 and May 30, 2018; and (2) discussion in *Executive Session* of the items noted above.

**Universal Service Administrative Company
High Cost & Low Income Committee Quarterly Meeting**

ACTION ITEM

**Approval of High Cost Support Mechanism
4th Quarter 2018 Programmatic Budget and
Demand Projection for the August 2, 2018 FCC Filing**

Action Requested:

The USAC Board of Directors High Cost & Low Income Committee (Committee) is requested to approve the 4th Quarter 2018 (4Q2018) programmatic budget and demand projection for the High Cost Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's August 2, 2018 quarterly filing.

Discussion:

On a quarterly basis, USAC is required to submit to the FCC each program's budget¹ and projected demand for the upcoming quarter.²

Funding Requirement:

Based on data filed by supported carriers, USAC estimates the 4Q2018 funding requirement for the High Cost Support Mechanism as follows:

¹ 47 C.F.R. § 54.715(c).

² 47 C.F.R. § 54.709(a)(3).

<i>(in millions)</i>	Funding Requirement
High Cost Loop Support ³	\$122.63
Connect America Fund Broadband Loop Support ⁴	184.61
Interstate Common Line Support True-Up	5.66
Frozen Price Cap Carrier Support ⁵	36.74
Connect America Fund Phase II ⁶	379.42
Frozen Competitive ETC Support ⁷	121.05
Connect America Fund Intercarrier Compensation ⁸	102.33
Alaska Plan Support ⁹	32.08
Alternative Connect America Cost Model (A-CAM) ¹⁰	91.34
Uniendo a Puerto Rico Fund and Connect USVI Fund ¹¹	64.20
Sub-total 4Q2018 Funding Requirement	\$1,140.06
Additional Collections to True-Up 1Q2018 and 2Q2018 Collections to \$1.125 billion, spread evenly across 3Q2018 and 4Q2018 ¹²	65.68
4Q2018 Funding Requirement	\$1,205.74

³ High Cost Loop (HCL) support is provided pursuant to 47 C.F.R. §§ 54.1301-.1304 and includes Safety Net Additive Support (SNA) and Safety Valve Support (SVS).

⁴ See *Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Report and Order, Order and Order on Reconsideration and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087, 3117-56, paras. 80-185 (2016) (*Rate-of-Return Reform Order*).

⁵ See *Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17715, 17725-26, paras. 133, 159 (2011) (*USF/ICC Transformation Order*).

⁶ See *Connect America Fund et al.*, WC-Docket Nos. 10-90 et al., Report and Order, 29 FCC Rcd 15644 (2014).

⁷ See *USF/ICC Transformation Order*, 26 FCC Rcd at 17715, para. 133.

⁸ *Id.* at 17956, para. 847.

⁹ See *Wireless Telecommunications Bureau Approves Performance Plans of the Eight Wireless Providers that Elected to Participate in the Alaska Plan*, WC Docket No. 16-271, Public Notice, 31 FCC Rcd 13317 (WTB 2016); *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 10139, 10155, paras. 47-49 (2016) (*Alaska Plan Order*).

¹⁰ See *Wireline Competition Bureau Authorizes 182 Rate-of-Return Companies To Receive \$454 Million Annually in Alternative Connect America Cost Model Support To Expand Rural Broadband*, WC-Docket No. 10-90, Public Notice, 32 FCC Rcd 842 (WCB 2017) (*A-CAM Authorization PN*); *Rate-of-Return Reform Order*, 31 FCC Rcd at 3094-117, paras. 17-79; See *Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Report and Order, Third Order on Reconsideration, and Notice of Proposed Rulemaking, FCC 18-29, para. 68 (rel. Mar. 23, 2018) 83 Fed. Reg. 18951 (May 1, 2018) (*2018 Rate of Return Reform Order*).

¹¹ See *The Uniendo a Puerto Rico Fund and the Connect USVI Fund Connect America Fund ETC Annual Reports and Certifications*, WC Docket No. 18-143 et al., Order and Notice of Proposed Rulemaking, FCC 18-57, para. 13 (rel. May 29, 2018).

¹² *Rate of Return Reform Order*, FCC 18-29 at para. 71.

4Q2018 demand for the following support components will be paid from funds available in the High Cost Account:

<i>(in millions)</i>	Reserve Funding
Connect America Fund Phase II Transition ¹³	\$0.00
Rural Broadband Experiments ¹⁴	0.83
A-CAM ¹⁵	54.90
Mobility Fund Phase I ¹⁶	7.50
Budget Control Mechanism Mitigation ¹⁷	180.00
Total Reserve Funding	\$243.23

Projected Administrative Expenses

Projected 4Q2018 administrative expenses for the High Cost Program are \$11.35 million, which includes \$3.09 million in direct program costs and \$8.26 million in common allocated costs. Details are provided in the table below.

<i>(in millions)</i>	YTD Actuals as of 6/30/18	3Q2018 Budget	4Q2018 Budget
Direct Program Costs			
Employee Expenses (see Note 1)	\$2.61	\$1.57	\$1.57
Professional Services (see Note 2)	1.68	0.99	1.20
Overhead (Direct) (see Note 3)	0.18	0.14	0.21
Capital Costs (Direct) (see Note 4)	0.40	0.07	0.11
Total Direct Program Costs	\$4.87	\$2.77	\$3.09
Common Allocated Costs (see Note 5)			
Operating Costs (Common)	\$14.90	\$8.30	\$8.21
Capital Costs (Common)	0.22	0.49	0.05
Total Common Allocated Costs	\$15.12	\$8.79	\$8.26
Total Program Budget	\$19.99	\$11.56	\$11.35

¹³ See 47 C.F.R. § 54.310(f); see also *Wireline Competition Bureau Addresses Transition to Model-Based Support for Carriers That Accepted the Offer of Phase II Connect America Fund Support*, WC Docket No. 10-90, Public Notice, 30 FCC Rcd 9780 (WCB 2015).

¹⁴ See *Wireline Competition Bureau Announces Entities Provisionally Selected for Rural Broadband Experiments; Sets Deadlines for Submission of Additional Information*, WC Docket No. 10-90, Public Notice, 29 FCC Rcd 14684 (WCB 2014); *Wireline Competition Bureau Announces Additional Provisionally Selected Bidders for Rural Broadband Experiments and Sets Deadlines for Submission of Additional Information*, WC Docket Nos. 10-90 et al., Public Notice, 30 FCC Rcd 2045 (WCB 2015).

¹⁵ See *A-CAM Authorization PN*; see also *Connect America Fund*, WC Docket No. 10-90, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 13775 (2016) (*A-CAM Revised Offer Order*).

¹⁶ See *Mobility Fund Phase I Support Authorized for 11 Winning Bids Default on 35 Winning Bids Determined*, Public Notice, 31 FCC Rcd 1721 (WTB 2016); *Tribal Mobility Fund Phase I Support Authorized for Final Fifty-One Winning Bids*, Public Notice, 30 FCC Rcd 2226 (WTB 2015).

¹⁷ See *2018 Rate-of-Return Reform Order*, FCC 18-29, paras. 78, 81.

Note 1: Employee expenses for 37 FTEs as of 6/30/2018 versus 40 FTEs budgeted.

Note 2: Professional Services include Mobility Fund Verification, beneficiary and contributor audit program (BCAP) audits, and IT security.

Note 3: Overhead costs include data collection, printing, meetings, and conferences.

Note 4: Direct capital costs include High Cost software development.

Note 5: Common costs include costs not directly attributable to a program and are allocated based on the Cost Allocation Methodology.

Summary of Demand

The 4Q2018 funding requirement of \$1,205.74 million is adjusted as follows, resulting in a total projected 4Q2018 demand for the High Cost Support Mechanism of \$1,199.32 million:

<i>(in millions)</i>	3Q2018	Increase/ (Decrease)	4Q2018
Program Funding Requirement	\$1,190.68	\$15.06	\$1,205.74
Prior Period Adjustment ¹⁸	(32.51)	16.45	(16.06)
USAC Administrative Expenses	11.56	(0.21)	11.35
Interest Income	(0.19)	(1.52)	(1.71)
Total Demand (see Note 6)	\$1,169.54	\$29.78	\$1,199.32

Note 6: The change in demand between 3Q2018 and 4Q2018 is primarily related to the creation of the Uniendo a Puerto Rico Fund and the Connect USVI Fund.

Recommendation:

USAC management recommends the Committee approve the budget and projection of demand as proposed.

Recommended High Cost & Low Income Committee Actions:

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC High Cost & Low Income Committee approves a 4th Quarter 2018 High Cost Support Mechanism direct program budget of \$3.09 million; and

¹⁸ Prior period adjustments reconcile projections to actual results and include adjustments for billings, disbursements, interest income, bad debt and administrative expenses.

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$3.09 million for High Cost Support Mechanism administrative costs in the required August 2, 2018 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on July 23, 2018, a summary of the 4th Quarter 2018 High Cost Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required August 2, 2018 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million, or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

A photograph of a man and a young child standing in a field of tall grass. The man is wearing a dark hoodie and a baseball cap, and the child is wearing a plaid shirt. They are positioned in front of a large, weathered wooden barn with a gambrel roof. The background shows rolling hills under a clear sky. The entire image has a blue color cast.

High Cost Business Update

High Cost & Low Income Committee

July 23, 2018



Universal Service
Administrative Co.

Agenda : High Cost Program

Topic	Description	Purpose	Presenter	Length
Recap	Recap of action Items from Previous Meeting	Informational	Vic Gaither	-
Program Goals & Objectives	Review of major goals & objectives of the program, as administered by USAC	Informational	Vic Gaither	5 min
Business Update - Open Session				
Program View at a Glance	High Cost Program at a Glance - Connect America Fund (CAF) - Mobility Fund (MF) - Implementation Activities including New Orders	Informational	Vic Gaither	15 min
Operational Metrics	Operational Performance Metrics as of June 2018	Informational	Vic Gaither	5 min
Q&A	Major deliverables and areas of focus, for CY2018, by quarter	Informational	Vic Gaither	5 min
Business Updates - Executive Session				
Discussion Topics	New Orders Impact Assessment	Informational	Vic Gaither	15 min

Recap

Action items and updates from the previous HCLI Committee meeting

Activity	Status	Due Date	Owner
High Cost Action Items	No Action Items	N/A	High Cost

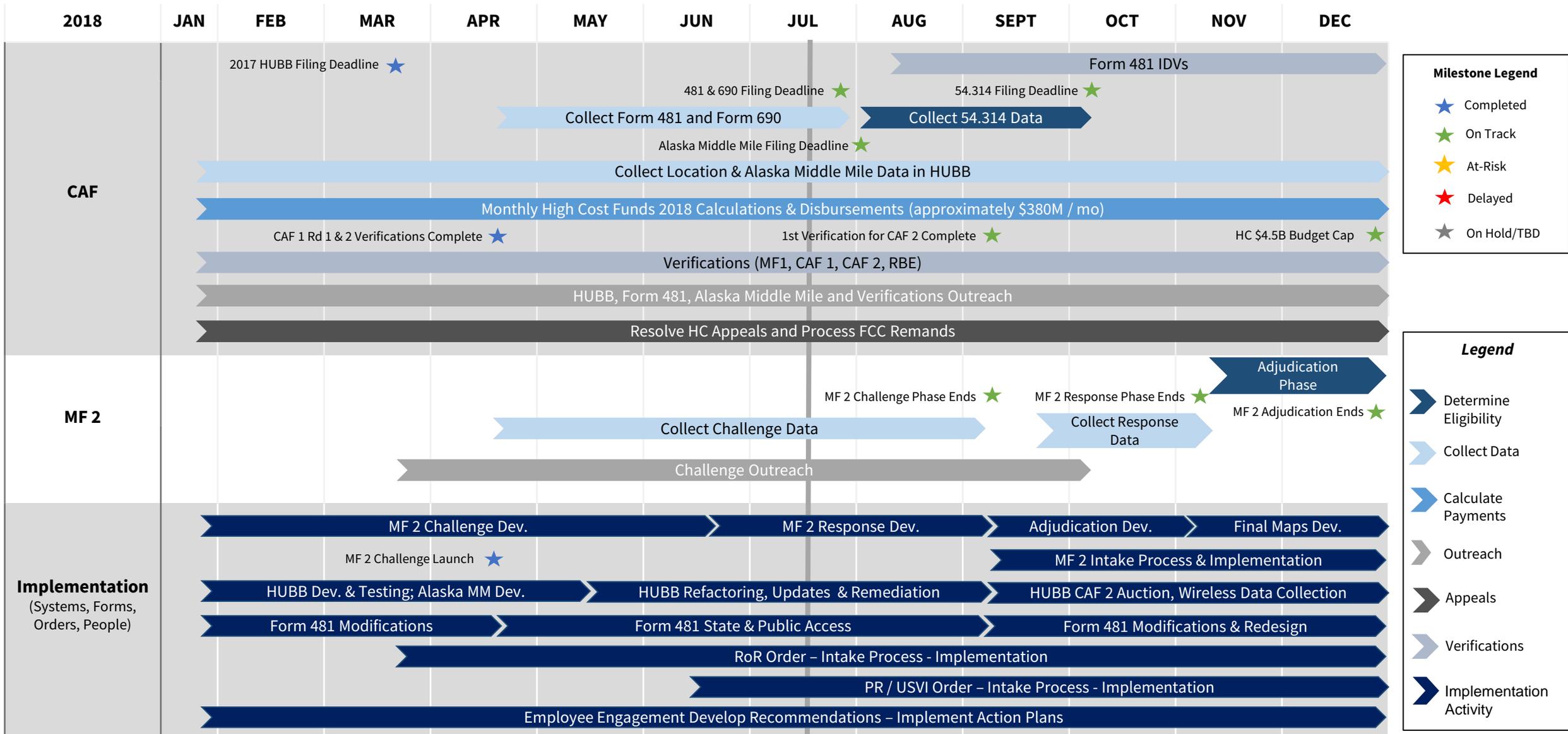
Program Goals & Objectives

Closing the U.S. Digital Divide through broadband deployment one location at a time.....

Goals	Objectives / Program Outcomes	How High Cost will meet the goal
Execute Mission Critical Performance Goals	Expand broadband and maintain voice and broadband coverage in support of closing the digital divide.	Monitor network build out obligations by Fund and execution of Fund level validations and verifications. – On Track.
Implement New FCC Orders and Mandates	Implement FCC Orders, Policy Clarifications/ Changes and Mandates in a timely manner.	Timely and accurate implementation of FCC orders and mandates such as HUBB Enhancements, MF II Challenge, CAF Verifications, CAF II Auction, 481 State Access, etc. - On Track.
Improved Operational Efficiency and Effectiveness measures	Increase High Cost (HC) business productivity through increased efficiency and effectiveness of both HC and USAC operational processes.	Execute USAC governance initiatives, improve HC business processes, collaborate with key stakeholders to ensure alignment with changing FCC priorities and USAC business needs, etc. – On Track.
Improve Program Participant / FCC Experience	Streamline and simplify the stakeholder experience to enable successful participation.	Certifications, systems performance, outreach effectiveness, effective call center support, etc. – On Track.
Enhance Program Integrity	Monitor, report, and implement enhanced controls to assess program effectiveness and program business value.	Meet or exceed OMB targets for improper payments rate, timely and accurate disbursements, effective audit support – On Track.
Employee Engagement	Enhance individuals through career development and foster a positive work environment.	Conduct regular individual conversations, implement agreed upon action plans, and celebrate team successes. - On Track.

High Cost Program at a Glance

Briefing book excludes all materials discussed in Executive Session



Milestone Legend

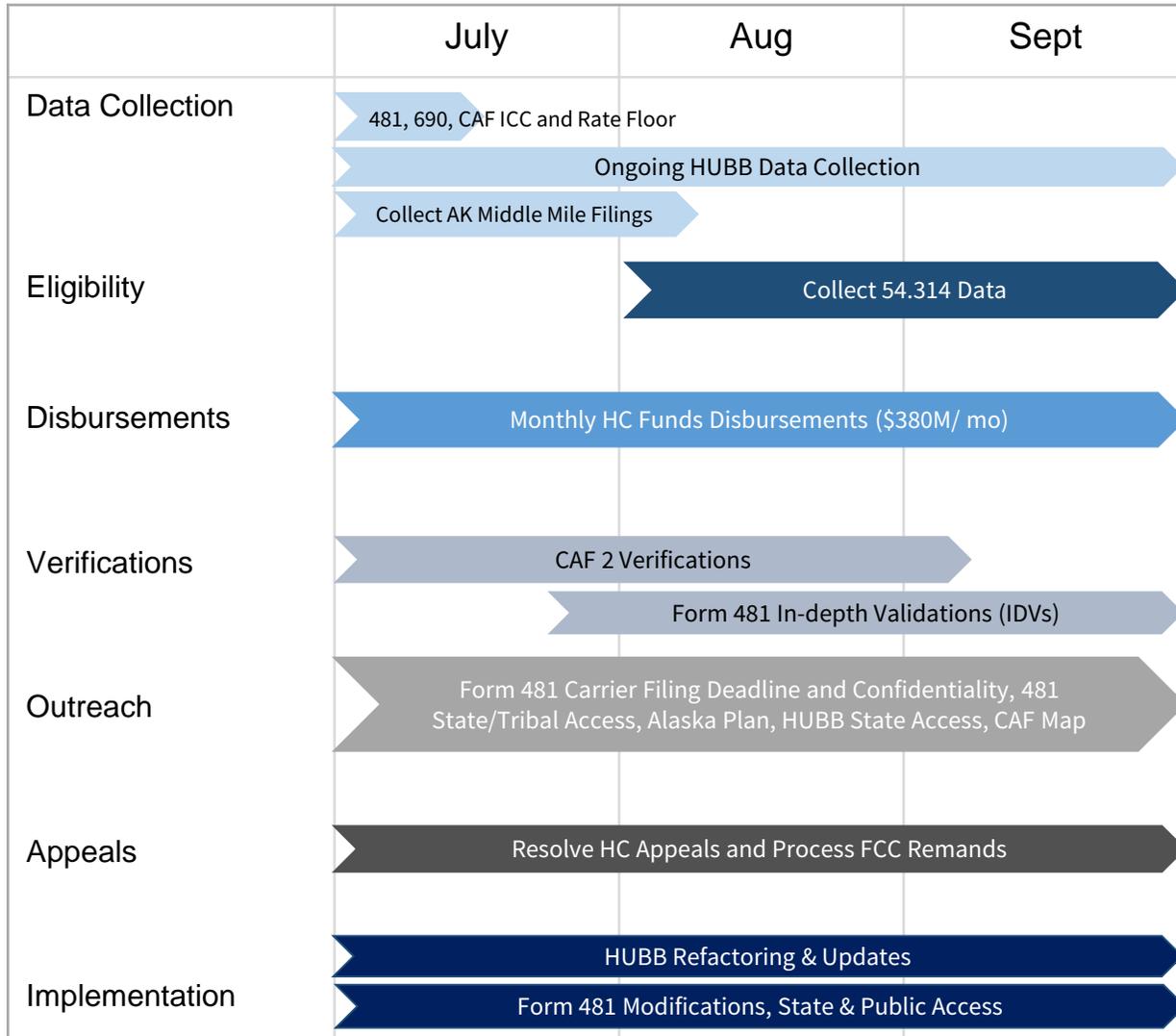
- ★ Completed
- ★ On Track
- ★ At-Risk
- ★ Delayed
- ★ On Hold/TBD

Legend

- Determine Eligibility
- Collect Data
- Calculate Payments
- Outreach
- Appeals
- Verifications
- Implementation Activity

CAF Program at a Glance

Briefing book excludes all materials discussed in Executive Session



Objective

- Implement CAF Programs per FCC Orders disbursing funds monthly to eligible carriers.
- Collecting , validating and verifying data to ensure compliance with FCC rules and orders.

Recent Accomplishments

- As of May 2018, disbursed \$1.89 billion in HC support to over 1,580 carriers.
- Outreach and training to prepare Alaska Plan carriers for middle mile filing.
- Completed high level design requirements for RoR FCC Order 18-29.
- Closed CAF 1 Verifications sampling from among 523,753 locations deployed.
- Developed and communicated process to allow carriers to request confidentiality of Form 481 data.
- Finalized requirements for ROR Order 18-29.
- Successful launch of new call center to assist stakeholders on April 1.

Upcoming Activities

- Release Form 481 State, Tribal and Public Access and Conduct Outreach to States, Tribes and Carriers.
- Complete CAF 2 Verifications for Price Cap Carriers.
- Evaluate the recent CAF Performance Testing Order (DA 18-710).
- Begin CAF 1 waiver reviews and Form 481 IDVs.
- Close Alaska Middle Mile Certifications.

Lessons Learned / Observations

- Enhance Functional Requirements Gathering through more targeted stakeholder interactions in support of desired program outcomes.

On track to close out verifications and implement new FCC orders

MF 2 Program at a Glance

Briefing book excludes all materials discussed in Executive Session

	July	Aug	Sept
Data Collection	Collect Challenge Data		Collect Response Data
Eligibility	N/A		
Disbursements			
Verifications			
Outreach	Educate Carriers and State/Local/Tribal Officials on MF II Challenge Process		
Implementation	Implement Challenge, Response & Adjudication Functionality		

On track for Response phase implementation

Objective

- Implement Mobility Fund 2 Challenge Process per FCC Order.
- Prepare for the MF II Auction.
- Initiate demand intake process for the MF II Fund.

Recent Accomplishments

- Launched final Challenge functionality on 6/7.
- Finalized requirements for adjudication phase.
- Held webinars to explain the MF II Challenge Process, including webinar targeted at local government officials.

Upcoming Activities

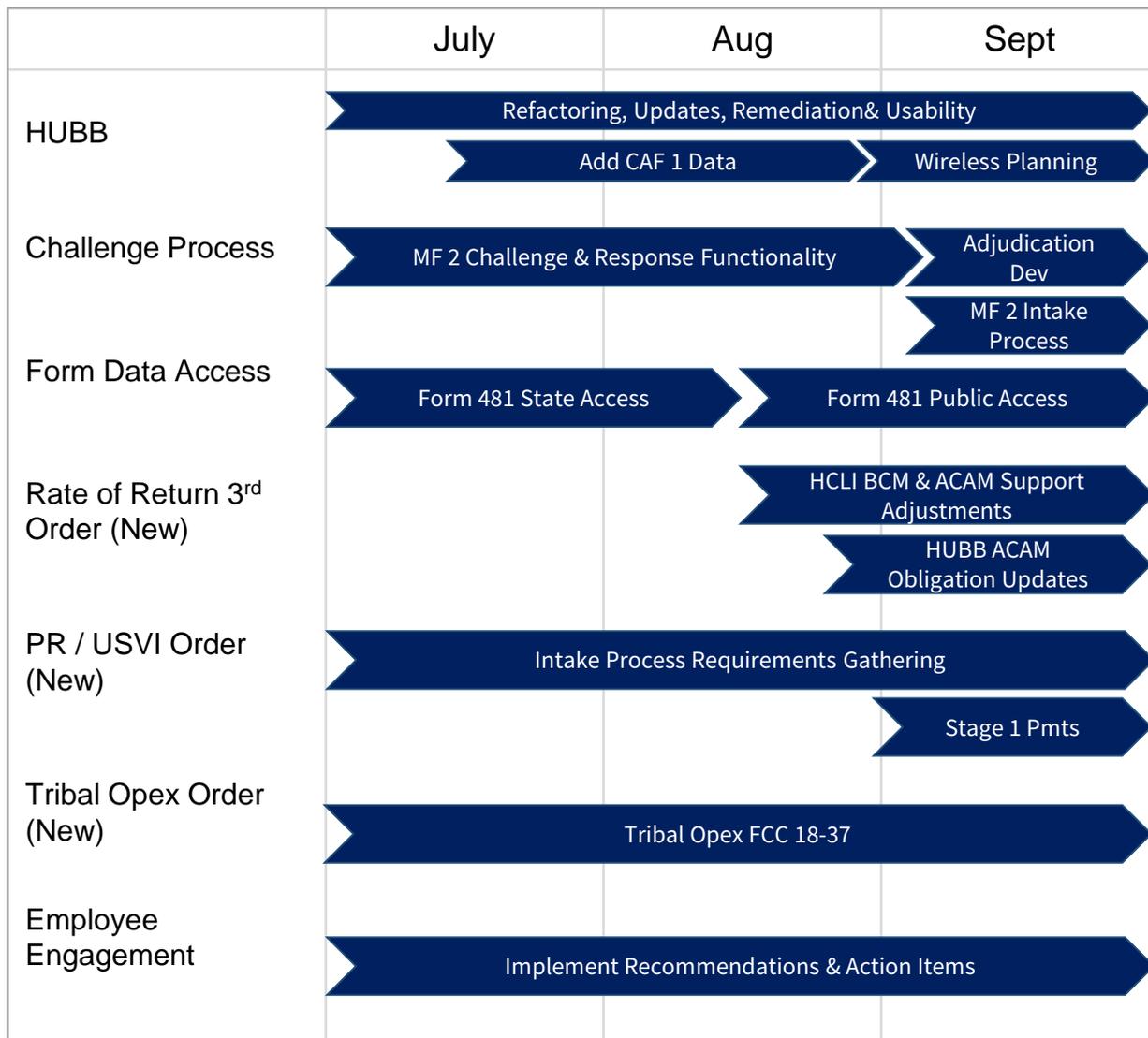
- Evaluate Impact of potential Challenge window extension.
- Release 1.2 with response phase functionality targeted for 7/26.
- Evaluate impact of wire center verification request.
- Conduct MF II Challenge Process outreach targeted at Tribal communities targeted for late July.

Lessons Learned / Observations

- Collaborate closely with stakeholders to better manage changes to requirements.

Implementation Activities

Briefing book excludes all materials discussed in Executive Session



Objective

- Support HC operations and verifications requirements.
- Implement new FCC orders.
- Implement standard processes to ensure timely and accurate requirements collection.

Recent Accomplishments

- Developed process to manage Form 481 confidential data.
- MF 2 Release with time zone, water only and Challenge phase updates.

Upcoming Activities

- Develop HC roadmap for 2019 and beyond.
- Implement 481 state access.
- Implement 481 public access solution.
- Implement budget control mechanism change for RoR Order.
- Process PR / USVI Stage 1 payments per FCC directive.

Lessons Learned / Observations

- Process for prioritizing and acquiring incremental resources needs to be improved.

On track with implementation activities, planning for 2019 budget process

Operational Performance Metrics Overview as of June 2018

High Cost is on track for meeting targets associated with metrics.

Metric	Target	Jan	Feb	Mar	Apr	May	June	Variance	Description/mitigation
1 Wireless Road miles build out	63,698	49,140	49,140	49,140	49,140	49,140	49,140	14,558	Target Completion is July 2019
2 Wireless Tribal population build out	56,932	38,351	38,351	38,351	38,351	38,351	38,351	18,581	Target Completion is July 2018
3 Wireline Locations validated (CAFII)	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	CAFII target 40% by 3/1/2018, only two carriers did not file milestone locations
4 Wireline Locations Verified (CAFI)	1,547	954	1,547	1,547				0.0%	CAF1r.1 and CAF1r.2 review completed.
Wireline Locations Verified (CAF II)	100%	N/A	N/A	N/A	N/A	N/A	N/A	--	
5 Disbursements completed (\$M)	375.5	379	375	375	375	375	389	-13.5	Disbursements included PPAs not included in forecast. Actuals based on Jun (May Disb.) cash flow month 2018.
6 Disbursement cycle time	18 Days	20 Days	18 Days	19 Days	19 Days	20 Days	17 Days	-1	Monthly cycle time disbursement
7 IT Systems availability (%)	99%	100%	100%	99.96%	100%	100%	-	1.0%	Availability of HUBB, CAP and HCLI systems
8 Appeals	N/A	3	4	3	2	2	1	N/A	One audit Appeal resolved 6/27
9 Call Ctr Abandon Rate	3%	0%	0%	0%	0%	0%	0%	-3%	No abandoned calls

**Universal Service Administrative Company
High Cost & Low Income Committee Meeting**

ACTION ITEM

**Approval of Low Income Support Mechanism
4th Quarter 2018 Programmatic Budget and
Demand Projection for the August 2, 2018 FCC Filing**

Action Requested:

The USAC Board of Directors High Cost & Low Income Committee (Committee) is requested to approve the 4th Quarter 2018 (4Q2018) programmatic budget and demand projection for the Low Income Support Mechanism for submission to the Federal Communications Commission (FCC) in USAC's August 2, 2018 quarterly filing.

Discussion:

On a quarterly basis, USAC is required to submit to the FCC each program's budget¹ and projected demand for the upcoming quarter.²

Funding Requirement

Based on current subscribership levels, USAC estimates the 4Q2018 funding requirement for the Low Income Support Mechanism as follows:

<i>(in millions)</i>	Funding Requirement
Lifeline	\$289.94
Link Up	0.04
4Q2018 Funding Requirement	\$289.98

Projected Administrative Expenses

Projected 4Q2018 administrative expenses for the Low Income Program are \$12.31 million, which includes \$7.81 million in direct program costs and \$4.50 million in common allocated costs. Details are provided in the table below.

¹ 47 C.F.R. § 54.715(c).

² 47 C.F.R. § 54.709(a)(3).

<i>(in millions)</i>	YTD Actuals as of 6/30/18	3Q2018 Budget	4Q2018 Budget
Direct Program Costs			
Employee Expenses (see Note 1)	\$3.10	\$1.76	\$1.77
Professional Services (see Note 2)	4.52	2.90	3.27
Overhead (Direct) (see Note 3)	0.84	0.74	0.89
Capital Costs (Direct) (see Note 4)	3.25	1.08	1.88
Total Direct Program Costs	\$11.71	\$6.48	\$7.81
Common Allocated Costs (see Note 5)			
Operating Costs (Common)	\$7.83	\$4.51	\$4.47
Capital Costs (Common)	0.12	0.26	0.03
Total Common Allocated Costs	\$7.95	\$4.77	\$4.50
Total Program Budget	\$19.66	\$11.25	\$12.31

Note 1: Employee expenses for 41 FTEs as of 6/30/2018 versus 45 FTEs budgeted.

Note 2: Professional Services include the National Verifier (NV) BPO vendor, beneficiary and contributor audit program audits, third party identify verification, and the expensed portion of NV software development.

Note 3: Overhead costs include computer support maintenance agreements, printing, postage, meetings, and conferences.

Note 4: Direct capital costs include NV software development.

Note 5: Common costs include costs not directly attributable to a program and are allocated based on the Cost Allocation Methodology.

Summary of Demand

The 4Q2018 funding requirement of \$289.98 million is adjusted as follows, resulting in a total projected 4Q2018 demand for the Low Income Support Mechanism of \$279.25 million:

<i>(in millions)</i>	3Q2018	Increase/ (Decrease)	4Q2018
Program Funding Requirement	\$303.20	(\$13.22)	\$289.98
Prior Period Adjustment ³	(16.84)	(6.11)	(22.95)
USAC Administrative Expenses	11.25	1.06	12.31
Interest Income	(0.10)	0.01	(0.09)
Total Demand (see Note 6)	\$297.51	(\$18.26)	\$279.25

³ Prior period adjustments reconcile projections to actual results and include adjustments for billings, disbursements, interest income, bad debt and administrative expenses.

Note 6: The change in demand between 3Q2018 and 4Q2018 is primarily related to a decrease in Lifeline subscribership.

Recommendation:

USAC management recommends the Committee approve the budget and projection of demand as proposed.

Recommended High Cost & Low Income Committee Actions:

APPROVAL OF THE FOLLOWING RESOLUTIONS:

RESOLVED, that the USAC High Cost & Low Income Committee approves a 4th Quarter 2018 Low Income Support Mechanism direct program budget of \$7.81 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$7.81 million for Low Income Support Mechanism administrative costs in the required August 2, 2018 filing to the FCC on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on July 23, 2018, a summary of the 4th Quarter 2018 Low Income Support Mechanism demand estimate, hereby directs USAC staff to proceed with the required August 2, 2018 filing to the FCC on behalf of the Committee. USAC staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million, or may seek approval from the High Cost & Low Income Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

A photograph of a man and a young child standing in a field of tall grass. The man is wearing a dark hoodie and a baseball cap, and the child is wearing a plaid shirt. They are standing in front of a large, weathered wooden barn. The background shows rolling hills under a clear sky. The entire image has a blue color cast.

Lifeline Business Update

High Cost & Low Income Committee

July 23, 2018



Universal Service
Administrative Co.

Agenda

Topic	Description	Purpose	Presenter	Length
Recap	Review of action items and status from previous HCLI Committee meeting(s)	Informational	Michelle	1 min
Program Goals & Objectives	Review of major goals & objectives of the program, as administered by USAC	Informational	Michelle	- min
Program View at a Glance	Major deliverables and areas of focus for CY2018	Informational	Michelle	- min
National Verifier Update	Review of accomplishments, upcoming milestones, and highlights for the project	Informational	Michelle	10 min
Key Lifeline Activity & Highlights	Overview of other significant program accomplishments and milestones	Informational	Michelle	5 min
Operational Metrics	Update on the program's operational status and efficiency	Informational	Michelle	2 min
Executive session				
Employee Engagement	<ul style="list-style-type: none"> Update on action plans 	Informational	Michelle	1 min
Discussion Topics	<ul style="list-style-type: none"> National Verifier, including API concerns filed with FCC May NLAD Outage 	Informational	Michelle	10 min

April & May(off cycle) Recap

Action items and update from previous HCLI Committee meetings

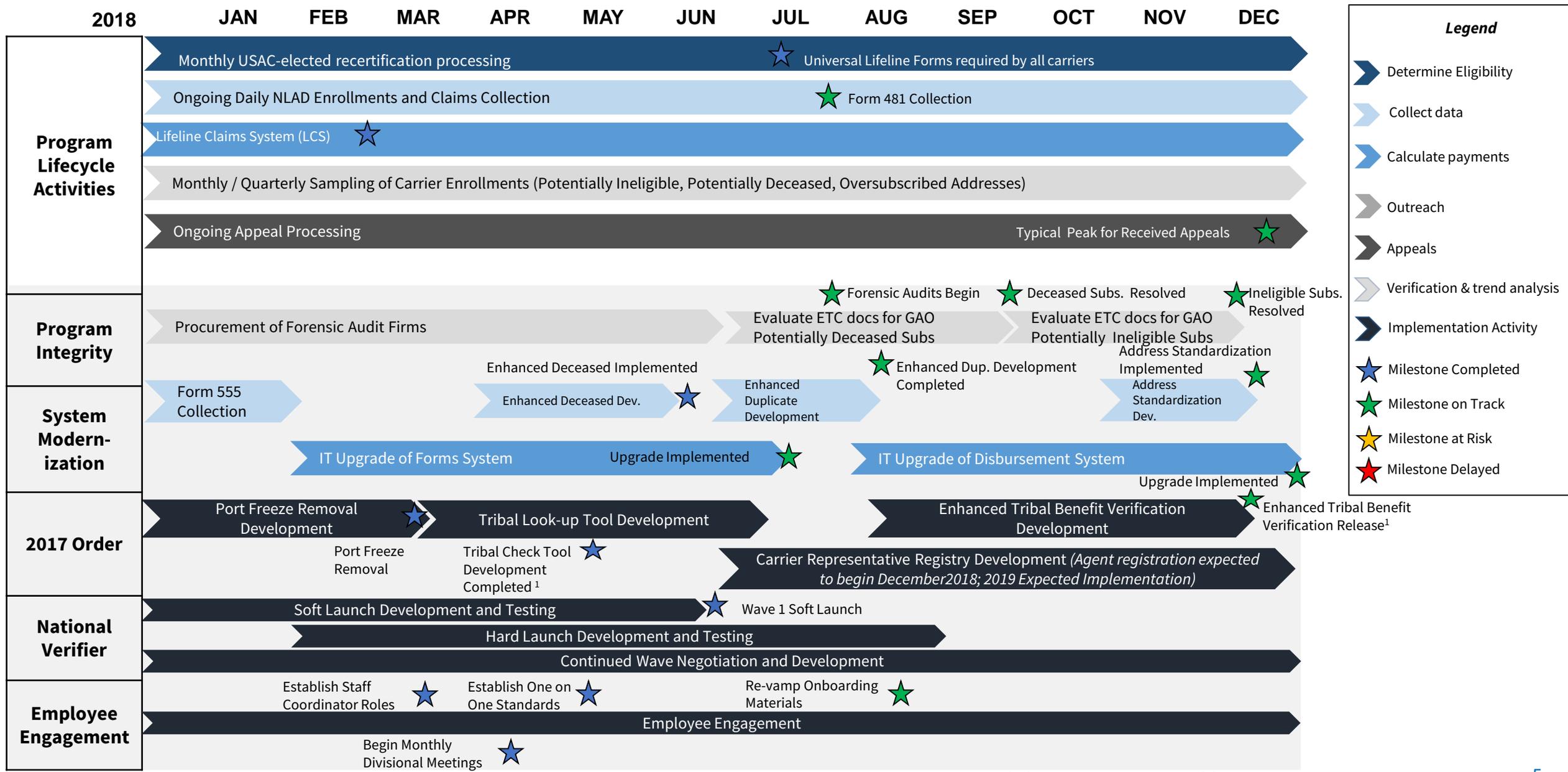
Activity	Status	Due Date	Owner
<p><u>NV Announcement</u>: How much time will carriers have between the NV Soft Launch announcement and the actual Go-Live dates? USAC should communicate this commitment proactively.</p>	<p>NV was launched on 6/18. Carriers were informed upon successful launch and will have time to use the system on an optional basis prior to the required use at hard launch. The hard launch date has not yet been communicated to allow time for the soft launch to be monitored and stabilized.</p>	<p>6/18</p>	<p>Lifeline</p>
<p><u>NLAD Outage May 2018</u>: Status update</p>	<p>Briefing to be provided today in Executive Session.</p>	<p>7/23</p>	<p>Lifeline</p>
<p><u>National Verifier API</u>: What are stakeholders' concerns?</p>	<p>Briefing to be provided today in Executive Session.</p>	<p>7/23</p>	<p>Lifeline</p>

Program Goals & Objectives

Goals	Objectives / Program Outcomes	How Lifeline will meet the goal
Mission Critical Performance Focused Culture	Execute program operations to ensure the timely and accurate delivery of Lifeline (LL) funds to those who are eligible.	Monthly disbursements of funds based on validated NLAD subscribership, completion of USAC-elected rolling recertification, and completion of accurate and timely enrollment decisions through National Verifier.
	Implement FCC orders, policy clarifications/changes and mandates in a timely manner.	Timely implementation of the National Verifier milestones, 2017 Lifeline Order milestones, and Lifeline Safeguards Plan milestones in compliance with the directives.
Operational Efficiency	Increase LL business productivity through increased efficiency and effectiveness of both LL and USAC operational processes.	Actively support USAC governance initiatives, consistently review LL business processes to ensure they are aligned with changing FCC priorities and USAC business needs, improve the documentation of processes and decision making within the program.
Customer Experience	Streamline and simplify the program participants' experience to enable successful participation and to enhance the FCC relationship.	Meet metrics associated with customer service, turnaround times, and system performance. Continue to cultivate positive relationships with state and federal partners for the National Verifier. Collaborate with the FCC across all Lifeline activities to identify goals and strategies, align on expectations, and track against desired outcomes.
Program Integrity	Monitor, report, and implement enhanced controls to assess program effectiveness and program business value.	Continuously review LL data to identify trends that require attention or that may drive the improper payment rate. Respond quickly to findings in audits.
Employee Engagement	Enhance individuals through career development and fostering a positive work environment.	Implement action plans, including confirming goals and expectations, delivering regular feedback, and conducting routine individual and team level meetings to exchange information and celebrate successes.

Lifeline Program at a Glance

Working book excludes all materials discussed in Executive Session



Legend

- Determine Eligibility
- Collect data
- Calculate payments
- Outreach
- Appeals
- Verification & trend analysis
- Implementation Activity
- ★ Milestone Completed
- ★ Milestone on Track
- ★ Milestone at Risk
- ★ Milestone Delayed

1- Date calculated subject to PRA approval

National Verifier Update

The National Verifier soft launched on June 18th!

National Verifier State	Lifeline Carriers	Carriers who have entered applications	Total Applications Submitted	Determined as Eligible by a Data Source Check	Determined as Eligible by a Manual Review	Documents Pending for Eligibility Verification	Deemed Not Eligible
Colorado	38	4	26	23	1	2	-
Mississippi	30	4	8	2	-	6	-
Montana	26	5	20	-	4	16	-
New Mexico	23	4	14	10	-	4	-
Utah	24	2	2	2	-	-	-
Wyoming	14	-	-	-	-	-	-
	155	19	70	37	5	28	-

Data as of July 9, 2018

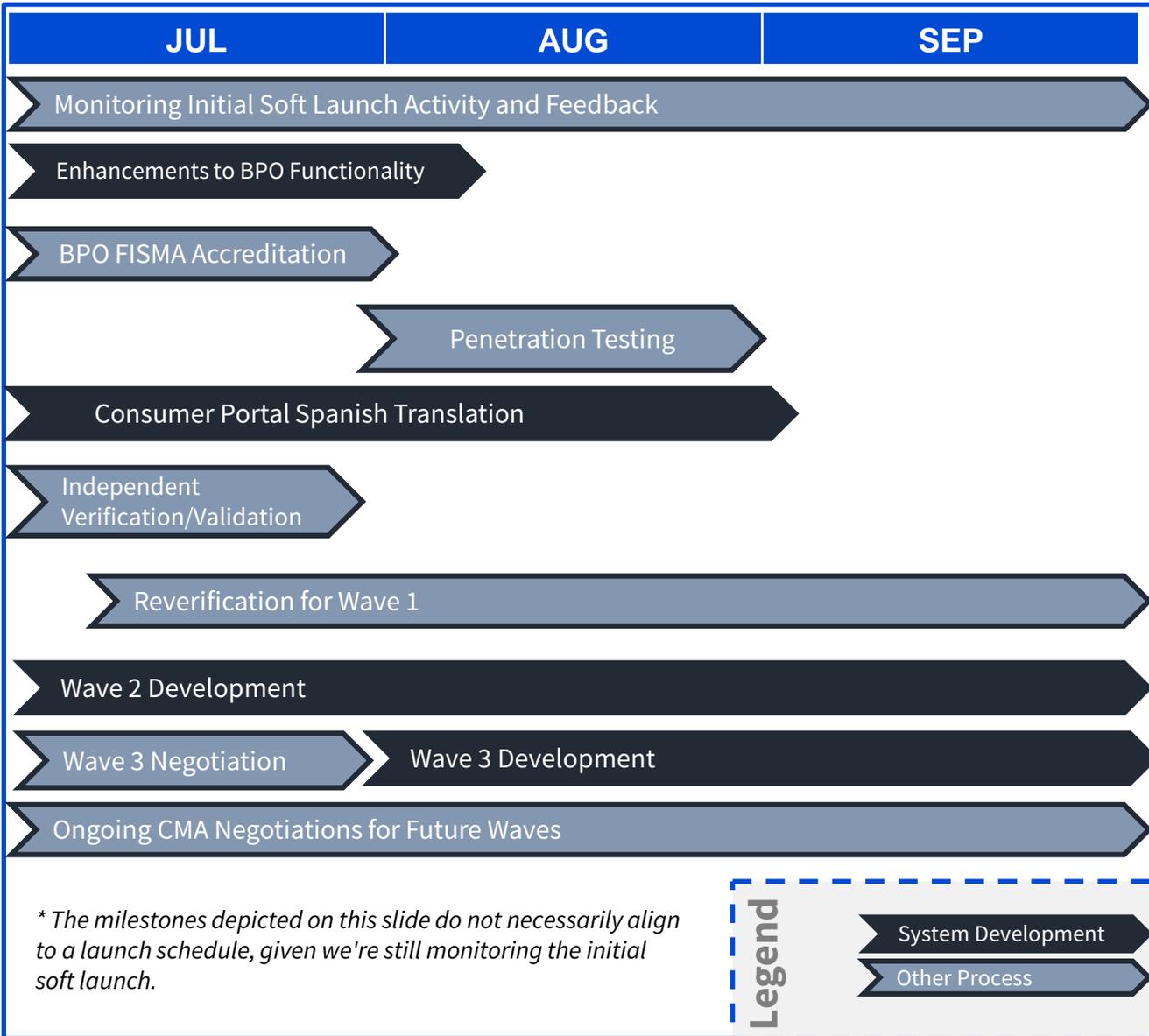
- This data demonstrates eligibility checking only – consumers must also pass NLAD checks before enrolling.
- Montana and Wyoming do not have state data sources, but do leverage the HUD data source available to all implemented states.
- Documentation must be provided within 30 days of a submitted application to avoid the application expiring.

What We’re Hearing from Users:

- The portal looks great – it’s very easy to use
- We’re anxious to start using the National Verifier as soon as we get our internal systems aligned.
- We plan to move our processes to the National Verifier when the paper forms process is available.
- We’d like the National Verifier to automatically populate NLAD with the push of a button after eligibility is confirmed.

National Verifier Update

Briefing book excludes all materials discussed in Executive Session



Program Objective

- Stronger Program Integrity
- Enhanced Consumer Experience
- Cost Effectiveness

Recent Accomplishments (Q2)

- June 18th Wave 1 Soft Launch: Colorado, Mississippi, Montana, New Mexico, Utah, and Wyoming.
- Four states have agreed to Computer Matching Agreements (CMAs) for Wave 2.

Upcoming Activities (Q3)

- Start obtaining Wave 1 reverification documentation in August.
- BPO FISMA Accreditation completed allowing mailed in applications.
- BPO Enhancements and Spanish Translation to be finalized.
- Final IV&V report due in mid-July, and Pen testing late-August.
- Wave 2 states to be announced and development and testing to begin.
- Wave 3 discovery to be completed and development started.

Lessons Learned & Observations

- Some carriers needed more individualized, targeted training and communication. Despite attending broader webinars and trainings, they do not fully understand how to use the soft launch.
- We must learn about state or federal agency IT prioritization and governance processes sooner to avoid surprises during CMA negotiations.

Key Program Activity Highlights

Program Integrity

- Documentation submitted by carriers in response to USAC reviews varies in format, slowing down review processes. USAC is providing more clear standards for submitting supporting documentation.

System Modernization Activities

- Deployed enhancements in NLAD on 5/30, with a new dispute processes for deceased subscriber verification.
- IT upgrade of Forms System scheduled for 7/21, allowing carriers to search all previous filings in one tool, rather than going to separate legacy systems.

2017 Order

- Completed development of a standalone geo-coding address tool for carriers to verify subscribers' eligibility for enhanced Tribal support based on their residence on rural Tribal lands. Deployment date is currently being determined.
- Changes to NLAD and National Verifier will begin in later Q3 to address the new Tribal enhanced benefit requirements based on subscribers' residence on rural Tribal lands. Effective date of changes to enhanced Tribal support and production release date are dependent on PRA approval.

Operational Performance Metrics Overview

Metric		Target	January Actuals	February Actuals	March Actuals	April Actuals	May Actuals	June Actuals	Variance to Target	Comment
1	Recertification Rate	70%	67%	66%	63%	68%	58%	62%	-8%	Puerto Rico is back in recertification as hurricane waivers expire; recertification rate was in this range prior to PR hurricane waivers.
2	Disbursements Completed (\$M)	103	102.3	103.3	98.1	107.5	96.9	96.2	-6.8	Increase in de-enrollments after hurricane waivers expired and recertification was completed.
3	System Uptime (%)	99%	100%	100%	99.91%	100%	96%	100%	+1%	No unplanned outages.
4	Call Center Abandon Rate	3.0%	4.0%	4.8%	0.6%	0.9%	1.8%	3.1%	+0.01%	Many new staff were on-boarded in anticipation of the National Verifier launch, which had some impact on metrics as they were trained.
5	Appeals over 90 days aged	0	6	6	46	46	40	41	+41	In June, 1 additional case was aged >90 days.
6	Appeals Average Age (days)	90	84	112	141	165	111	139	+49	Lifeline is on track to eliminate backlog of appeals by 9/30, with the exception of 44 appeals recently moved from non-workable to workable based on a recent FCC decision.
7	Manual eligibility verification (% of total applications)	TBD						55%	+15%	19 of 43 applications passed automated eligibility checks in June. Currently monitoring soft launch to baseline expectations.
8	Cycle time for applications requiring manual verification	<10 min						24 min	+19 min	2 applications were manually reviewed in June, averaging 24 minutes. Currently monitoring soft launch to baseline expectations.
9	Reverifications Completed									Reverification for Wave 1 states is in progress.
10	Variable unit volumes versus forecast									Given soft launch began on 6/18, target volumes versus actuals will first be reported in October for Q3.