

**Universal Service Administrative Company  
Board of Directors Quarterly Meeting  
Agenda**

<p><b>January 27, 2015</b> <b>8:30 a.m. – 12:00 p.m. Eastern Time</b> <b>USAC Offices</b> <b>2000 L Street, N.W., Suite 200</b> <b>Washington, D.C. 20036</b></p>
---

<p><b><u>OPEN SESSION</u></b></p>
<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 Board of Directors Meeting Minutes of October 28, 2014.</li><li><b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>.</li><li><b>C.</b> Approval of audit reports without findings.</li><li><b>D.</b> Routine procurements: Deemed consideration and approval of in <i>Executive Session</i>.</li><li><b>E.</b> Approval of April 2016 – January 2017 Board of Directors Quarterly Meeting Schedule.</li><li><b>F.</b> Approval of Audit Committee Charter (<i>same as aAC01C</i>).</li></ul>
<p><b>a2.</b> Reports from the Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost &amp; Low Income Committee, Rural Health Care Committee, and Schools &amp; Libraries Committee</p>
<p><b>a3.</b> Approval of 2nd Quarter 2015 USAC Common and Consolidated Budgets</p>
<p><b>a4.</b> Annual Election of Committee Chairs and Vice Chairs and Election and Appointment of Corporate Officers</p>
<p><b>a5.</b> Consideration of Revision to Management Authority for Procurement Approval Threshold</p>
<p><b>a6.</b> Miscellaneous. Solicit ideas for the April 2015 Board meeting agenda.</p>
<p><b>i1.</b> USAC Procurement Competition Advocate Annual Report and 2015 Procurement Plan</p>
<p><b>i2.</b> Information on approval of USAC 2014 Annual Report to the FCC and Congress <i>Same as aEC02</i></p>

<p><b><u>EXECUTIVE SESSION</u></b></p>
<p><b>a7.</b> Action on One USAC Internal Audit Division Universal Service Contributor Revenue Audit Report – <b>Confidential</b> – <i>Executive Session Recommended</i></p>
<p><b>a8.</b> Consideration of USAC Information Technology Disaster Recovery Strategy – <b>Confidential</b> – <i>Executive Session Recommended</i></p>
<p><b>i3.</b> Report on the audit of the FCC Financial Statements for the Fiscal Year Ending September 30, 2014 – <b>Confidential</b> – <i>Executive Session Recommended</i> <i>Same as iAC01cf</i></p>
<p><b>i4.</b> USF Contributor Update – <b>Confidential</b> – <i>Executive Session Recommended</i></p>

To expedite navigation, please use the bookmarks located in the Navigation Pane.

**EXECUTIVE SESSION**

**a9. Business Update – Confidential – *Executive Session Recommended***

- Strategy and Performance Management Discussion.
- Key Strategic Initiatives.
- 2015 Annual Budget Discussion and Approval.
- General Business Update, including:
  - Cash and Accounts Receivable Management Report.
  - Procurement Update.

**a10. Discussion and Consideration of Personnel Matters – Confidential – *Executive Session Recommended***

**Next USAC Board of Directors Meeting**

**Tuesday, April 28, 2015  
8:30 a.m. – 12:00 p.m. Eastern Time  
USAC Offices, Washington, D.C.**

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**2000 L Street, N.W., Suite 200**  
**Washington, D.C. 20036**

**BOARD OF DIRECTORS MEETING**  
**Tuesday, January 27, 2015**

**MINUTES**

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, January 27, 2015. Dr. Brian Talbott, Board Chair, called the meeting to order at 8:34 a.m. Eastern Time, with a quorum of 17 of the 19 Board members present:

Bergmann, Scott	Jones, Rochelle
Brise', Ronald	Jortner, Wayne – Treasurer
Brown, Eric	Lubin, Joel – Vice Chair
Domenech, Dr. Daniel	Mason, Kenneth
Feiss, Geoff	Noriega, Raquel
Gillan, Joe	Tritt Schell, Julie
Henderson, Chris – CEO	Talbott, Dr. Brian
Jacobs, Ellis – Secretary – <i>by telephone</i>	Wein, Olivia – <i>by telephone</i>
Jimenez, Jose	

Dr. Kathy Wibberly joined the meeting at 8:36 a.m. Eastern Time. She did not participate in the discussion of or vote on item a1.

Board members not present:

Campbell, Anne

Officers of the corporation present:

Belden, Richard – Chief Operating Officer  
Blackwell, Mel – Vice President, Schools & Libraries Division  
Capozzi, David – General Counsel and Assistant Secretary  
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer  
Davis, Craig – Vice President, Rural Health Care Division  
Majcher, Karen – Vice President, High Cost & Low Income Division  
Scott, Wayne – Vice President of Internal Audit

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Bancroft, Royce	USAC
Beard, Jay	USAC

<u>NAME</u>	<u>COMPANY</u>
Betancourt, Laura	USAC
Carpenter, Nikki-Blair	USAC
Garber, Michelle	USAC
Gross Guinan, Gabriela	USAC
Gulick, Donna	USAC
Hanly, Garnet	FCC
Holo, Melissa	USAC
Hutchinson, Kyle	USAC
Jacobs, David	USAC
King, Lauren	USAC
Lee, Brandon	USAC
Murphy, Tom	USAC
Nalbach, Nick	USAC
Nuzzo, Patsy	USAC
Palcic, Catherine	USAC
Palmer, Ryan	FCC
Santana-Gonzalez, Jeanette	USAC
Schaible, Derek	USAC
Schrieber, Johnnay	USAC
Sinkfield, David	USAC
Skadin, Andy	FCC

## OPEN SESSION

### **a1. Consent Items.**

- A. Board meeting minutes of October 28, 2014 (*see Attachment A* to this briefing paper).
- B. Approval for discussing in *Executive Session* agenda items:
  - (1) a7 – Action on One USAC Internal Audit Division Universal Service contributor revenue audit report. USAC management recommended that this item be discussed in *Executive Session* because the report relate to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.*
  - (2) a8 – Consideration of USAC Information Technology Disaster Recovery Strategy. USAC management recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration.*
  - (3) i3 – Report on the Audit of the FCC’s Financial Statements for the Fiscal Year Ending September 30, 2014. USAC management recommended that this matter be discussed in *Executive Session* because the report relates to *specific internal controls, and/or confidential company data* that would constitute a discussion of internal rules and procedures.

- (4) i4 – USF Contributor Update. USAC management recommended that this matter be discussed in *Executive Session* because the report relates to *specific internal controls, and/or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.*
  - (5) a9 – Business Update. USAC management recommended 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.*
  - (6) a10 – Discussion and Consideration of Personnel Matters. Consistent with USAC’s long-standing practice and to preserve privacy, USAC management recommended that this item be discussed in *Executive Session.*
- C. Approval of audit reports without findings: None.
- D. Routine procurements, deemed consideration and approval of in *Executive Session*:
- (1) Approval of Microsoft Enterprise Agreement Renewal for USAC Information Technology Support. USAC makes extensive use of Microsoft software products, including Exchange, Office, Project, SQL Server, SharePoint, Project Server, Visual Studio, MSDN, Team Foundation Server, Forefront, Windows Server, and Windows. These products are used across USAC for communications, desktop productivity, software development, email and for both server and desktop operating systems. This proposed sole source contract award to Microsoft in the amount of \$1,570,095 will require FCC staff approval.
  - (2) Approval of Data Domain Disk Library Purchase to Supplement the Existing Library which is at Capacity. The Data Domain Disk Library is used to house backup data at USAC’s Colo 3 data center in support of production IT systems for Finance, NLAD, CACM, e-mail and other USAC corporate and USF data. Based on a competitive procurement, the proposed contract award to Freedom Solutions, LLC is for a firm fixed price of \$211,873.
  - (3) Approval of a Contract Award to Dr. Richard Bolstein for Statistical Support Services for USAC’s Internal Audit Division. Dr. Bolstein has been providing services to support the Payment Quality Assurance program for several years. This award is for a continuation of these same support services and is based on a competitive procurement conducted by USAC. The proposed contract award to Dr. Bolstein, is for a not-to-exceed amount of \$236,550.
- E. Approval of April 2016 – January 2017 Board of Directors Quarterly Meeting Schedule.

The USAC Board of Directors is required to meet quarterly in Washington, D.C. At its January 2014 meeting, the Board approved quarterly meeting dates through January 2016 as follows:

<b>Executive Committee</b>	<b>Programmatic Committees &amp; Board of Directors</b>
April 23, 2015	April 27-28, 2015
July 23, 2015	July 27-28, 2015
October 22, 2015	October 26-27, 2015
January 21, 2016	January 25-26, 2016 (Monday, January 19, 2015 is the Martin Luther King holiday.)

Below is the recommended schedule of meetings for April 2016 through January 2017:

<b>Executive Committee</b>	<b>Programmatic Committees &amp; Board of Directors</b>
April 21, 2016	April 25-26, 2016
July 21, 2016	July 25-26, 2016
October 20, 2016	October 24-25, 2016
January 26, 2017	January 30-31, 2017

F. Approval of Audit Committee Charter.

The Audit Committee approved the 2015 Audit Committee Charter during its meeting of January 26, 2015. The Audit Committee recommends that the Board approve the Charter as set forth in **Attachment B** to the briefing paper.

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

**RESOLVED**, that the USAC Board of Directors hereby approves the Board meeting minutes of October 28, 2014; and discussion in *Executive Session* of one USAC IAD contributor revenue audit report, consideration of the proposed USAC information technology disaster recovery strategy, a report on the audit of the FCC's financial statements for the fiscal year ending September 30, 2014, an update on USF contributor matters, a general business update, and discussion and consideration of personnel matters as required; and

**RESOLVED FURTHER**, that the USAC Board of Directors hereby authorizes management to renew the existing three-year enterprise agreement with Microsoft to license Microsoft products to USAC for a not to exceed amount of \$1,570,095; to enter into a contract to purchase the Data Domain Disk Library product from Freedom Solutions, LLC for the firm fixed price of \$199,879, plus \$11,993 in applicable sales tax; and to enter into a three

year contract for statistical support services supporting the Payment Quality Assurance program with Dr. Richard Bolstein for a not to exceed amount of \$236,550; and

**RESOLVED FURTHER**, that the USAC Board of Directors adopts the Board of Directors and Committee quarterly meetings schedule for April 2016 – January 2017 as proposed by management; and

**FURTHER RESOLVED**, that the USAC Board of Directors, after reviewing the recommendation of the USAC Audit Committee, hereby approves the 2015 Audit Committee Charter.

- a2. Reports from the Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, Nominating Committee, and Schools & Libraries Committee.** The committee chairs reported on matters discussed and actions taken by their respective committees since the October 2014 quarterly meetings. Mr. Gillan reported for the Audit Committee; Mr. Lubin reported for the High Cost & Low Income and Executive Compensation Committees; Mr. Jortner reported for the Rural Health Care Committee; Mr. Bergmann reported for the Nominating Committee; and Dr. Talbott reported for the Schools and Libraries and Executive Committees.
- a3. Approval of 2nd Quarter 2015 USAC Common and Consolidated Budgets.** Mr. Case presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors approves a 2nd Quarter 2015 USAC common operating budget of \$15.5 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 2nd Quarter 2015 USAC common capital budget of \$1.4 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$16.9 million for USAC common costs in the required January 30, 2015 filing to the FCC on behalf of the Board of Directors; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 2nd Quarter 2015 USAC consolidated operating budget of \$38.8 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 2nd Quarter 2015 USAC consolidated capital budget of \$2.7 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$41.5 million for USAC consolidated costs in the required January 30, 2015 filing to the FCC on behalf of the Board of Directors.

- a4. **Annual Election of Committee Chairs and Vice Chairs and Election and Appointment of Corporate Officers.** Dr. Talbott noted that elections and appointments would be deferred as FCC Chairman Wheeler had not yet made selections for seats of Board members whose terms have expired.
- a5. **Consideration of Revision to Management Authority for Procurement Approval Threshold.** Mr. Henderson presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to award contracts having a total value, including option years, taxes and expenses, of \$250,000 or less, and to obtain Board or appropriate committee approval prior to awarding contacts greater than \$250,000.

- i1. **USAC Procurement Competition Advocate Annual Report and 2015 Procurement Plan.** Mr. Belden presented this item for discussion.
- i2. **Information on approval of USAC 2014 Annual Report to the FCC and Congress.** Mr. Henderson presented this item for discussion requesting that comments be sent by February 6.

At 9:10 a.m. Eastern Time the Board moved into *Executive Session* for the purpose of discussing the confidential items listed above.

#### **EXECUTIVE SESSION**

- a7. **Action on One USAC Internal Audit Division Universal Service Contributor Revenue Audit Report.** Ms. Nikki-Blair Carpenter, Manager, Internal Audit, presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the USAC Internal Audit Division contributor revenue audit report listed in **Exhibit I** to the paper, together with management's responses thereto, accepts the recommendation of USAC management and hereby deems such report final.

- a8. Consideration of USAC Information Technology Disaster Recovery Strategy.** Mr. Belden presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to proceed with the recommended disaster recovery site selection criteria; and

**RESOLVED FURTHER**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to proceed with the recommended relocation approach with estimated one-time cost of \$708,088, and estimated monthly recurring costs of \$22,115.

- i3. Report on the audit of the FCC Financial Statements for the Fiscal Year Ending September 30, 2014.** Mr. Scott presented this item for discussion.
- i4. USF Contributor Update.** Mr. Case and Ms. Michelle Garber, Senior Director of Financial Operations, presented this item for discussion.

At 10:14 a.m. Eastern Time the Board recessed and reconvened at 10:28 a.m. Eastern Time, continuing in *Executive Session*.

- a9. Business Update.** Mr. Case, Mr. Henderson, Mr. Derek Schaible, Director of IT Security, and Mr. David Sinkfield, Director of Architecture and Standards, presented this item for consideration.
- Strategy and Performance Management Discussion.
  - Key Strategic Initiatives.
  - 2015 Annual Budget Discussion and Approval.
  - General Business Update, including:
    - Cash and Accounts Receivable Management Report.
    - Procurement Update.

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

**RESOLVED**, that the USAC Board of Directors approves a 2015 annual common operating budget of \$60.4 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 2015 annual consolidated budget of \$150.2 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 2015 annual common capital budget of \$4.0 million; and

To expedite navigation, please use the bookmarks located in the Navigation Pane.

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 2015 annual consolidated capital budget of \$10.4 million.

At 12:14 p.m. Eastern Time, the Board continued in *Executive Session*, with only members of the Board present.

**a10. Discussion and Consideration of Personnel Matters.** Mr. Henderson presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors hereby approves increasing the USAC Chief Executive Officer's salary to the new federal ES-1 schedule in accordance with the requirements of 47 C.F.R. § 54.715(b); and

**RESOLVED FURTHER**, that the USAC Board of Directors hereby approves the USAC 2015 annual employee compensation plan proposed by USAC management.

At 1:01 p.m. Eastern Time, the Board moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Talbott reported that in *Executive Session*, the Board discussed and took action on item a7, a8, a9 and a10 and discussed items i3 and i4. On a motion duly made and seconded, the Board adjourned at 1:02 p.m. Eastern Time.

/s/ David A. Capozzi  
Assistant Secretary

**Universal Service Administrative Company  
Board of Directors Quarterly Meeting  
Agenda**

<p><b>Tuesday, April 28, 2015</b>  <b>8:30 a.m. – 12:00 p.m. Eastern Time</b>  <b>USAC Offices</b>  <b>2000 L Street, N.W., Suite 200</b>  <b>Washington, D.C. 20036</b></p>
--

<u><b>OPEN SESSION</b></u>	
Chair	<p><b>a1.</b> Consent Items (each available for discussion upon request):</p> <p style="margin-left: 40px;"><b>A.</b> Approval of Board of Directors Meeting Minutes of January 27, 2015.  <b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>.  <b>C.</b> Routine procurements: Deemed consideration and approval of in <i>Executive Session</i>.</p>
Chair	<p><b>a2.</b> Reports from the Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost &amp; Low Income Committee, Rural Health Care Committee, and Schools &amp; Libraries Committee.</p>
Dave Case	<p><b>a3.</b> Approval of 3rd Quarter 2015 USAC Common and Consolidated Budgets.</p>
Chair	<p><b>a4.</b> Election of Committee Chairs and Vice Chairs and Election and Appointment of Corporate Officers.</p>
Wayne	<p><b>a5.</b> Approval of 2015 Audit Committee Charter.  <i>Same as aAC03</i></p>
Chris	<p><b>i1.</b> Business Update:</p> <ul style="list-style-type: none"> <li>• General Business Update (including Cash and Accounts Receivable Management Report and Procurement Report).</li> <li>• HR Update – Sola King.</li> <li>• IT Update – Pete Taylor.</li> <li>• Enterprise Data Strategy Update.</li> <li>• Stakeholder Outreach Assessment – Joiwind Ronen</li> </ul>

<u><b>EXECUTIVE SESSION</b></u>	
Charlie	<p><b>a6.</b> Action on One USAC Internal Audit Division Universal Service Contributor Revenue Audit Report – <b>Confidential</b> – <i>Executive Session Recommended</i>.</p>
Dave Case	<p><b>i2.</b> USF Contributor Update – <b>Confidential</b> – <i>Executive Session Recommended</i>.</p>
Chris	<p><b>i3.</b> Discussion and Consideration of Personnel Matters – <b>Confidential</b> – <i>Executive Session Recommended</i>.</p>

To expedite navigation, please use the bookmarks located in the Navigation Pane.

**Next USAC Board of Directors Meeting**

**Tuesday, July 28, 2015**

**8:30 a.m. – 12:00 p.m. Eastern Time**

**USAC Offices, Washington, D.C.**

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**2000 L Street, N.W., Suite 200**  
**Washington, D.C. 20036**

**BOARD OF DIRECTORS MEETING**  
**Tuesday, April 28, 2015**

**MINUTES**

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, April 28, 2015. Dr. Brian Talbott, Board Chair, called the meeting to order at 8:30 a.m. Eastern Time, with a quorum of 13 of the 19 Board members present:

Bergmann, Scott	Jacobs, Ellis – Secretary
Brise', Ronald	Jimenez, Jose
Brown, Eric	Jones, Rochelle
Domenech, Dr. Daniel	Mason, Kenneth
Feiss, Geoff	Noriega, Raquel
Gillan, Joe	Talbott, Dr. Brian
Henderson, Chris – CEO	

Dr. Kathy Wibberly joined the meeting at 8:32 a.m. Eastern Time and voted on item a1. Mr. Wayne Jortner and Ms. Julie Tritt Schell joined the meeting at 8:34 a.m. Eastern Time, and Ms. Olivia Wein joined the meeting at 8:36 a.m. Eastern Time. They did not participate in the discussion of or vote on item a1. Mr. Joel Lubin joined the meeting at 8:41 a.m. Eastern Time. He did not participate in the discussion or vote on items a1, a2 and a3.

Board members not present:

Campbell, Anne

Officers of the corporation present:

Belden, Richard – Chief Operating Officer  
Blackwell, Mel – Vice President, Schools & Libraries Division  
Capozzi, David – General Counsel and Assistant Secretary  
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer  
Davis, Craig – Vice President, Rural Health Care Division  
King, Sola – Vice President of Human Resource and Chief Human Capital Officer  
Majcher, Karen – Vice President, High Cost & Low Income Division  
Moeller, Mike – Vice President of Strategy and Performance Management  
Scott, Wayne – Vice President of Internal Audit  
Taylor, Peter – Vice President and Chief Information Officer

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Carpenter, Nikki-Blair	USAC
Christianson, Josh	Ethos
Emmanuel, Sherard	USAC
Garber, Michelle	USAC
Garnett, Erika	USAC
Gulick, Donna	USAC
Hanly, Garnet	FCC
Hills, Abby	USAC
Hiramoto, Scott	GAO
Hutchinson, Kyle	USAC
Johnston, Anna	USAC
Miller, Jack	Solix, Inc.
Murphy, Tom	USAC
Nuzzo, Patsy	USAC
Palmer, Ryan	FCC
Patankar-Stoll, Anita	FCC
Ronen, Joiwind	Ethos
Salvatore, Charles	USAC
Schrieber, Johnnay	USAC
Sinkfield, David	USAC
Vann, Alexis	USAC

## OPEN SESSION

### a1. Consent Items.

- A. Approval of Board of Directors Meeting Minutes of January 27, 2015.
- B. Approval for discussing in *Executive Session* agenda items:
  - (1) a6 – Action on One USAC Internal Audit Division Universal Service contributor revenue audit report. USAC management recommends this item be discussed in *Executive Session* because the report relates to *specific internal controls and/or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.*
  - (2) i2 – USF Contributor Update – USAC management recommends that this matter be discussed in *Executive Session* because the report relates to *specific internal controls, and/or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential.*
  - (3) i3 – Discussion and Consideration of Personnel Matters. Consistent with USAC’s long-standing practice and to preserve privacy, USAC management recommends that this item be discussed in *Executive Session.*

On a motion duly made and seconded, the Board adopted the following resolution:

**RESOLVED**, that the USAC Board of Directors hereby approves the Board meeting minutes of January 27, 2015; and discussion in *Executive Session* of one USAC IAD contributor revenue audit report, an update on USF contributor matters, and discussion and consideration of personnel matters as required.

- a2. Reports from the Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, Nominating Committee, and Schools & Libraries Committee.** The committee chairs reported on matters discussed and actions taken by their respective committees since the January 2015 quarterly meetings. Mr. Gillan reported for the Audit and the High Cost & Low Income Committees; Mr. Jortner reported for the Rural Health Care Committee; and Dr. Talbott reported for the Schools and Libraries and Executive Committees.
- a3. Approval of 3rd Quarter 2015 USAC Common and Consolidated Budgets.** Mr. Case presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors approves a 3rd Quarter 2015 USAC common operating budget of \$14.9 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 3rd Quarter 2015 USAC common capital budget of \$1.5 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$16.4 million for USAC common costs in the required May 1, 2015 filing to the FCC on behalf of the Board of Directors; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 3rd Quarter 2015 USAC consolidated operating budget of \$37.8 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 3rd Quarter 2015 USAC consolidated capital budget of \$2.8 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$40.6 million for USAC consolidated costs in the required May 1, 2015 filing to the FCC on behalf of the Board of Directors.

- a4. Election of Committee Chairs and Vice Chairs and Election and Appointment of Corporate Officers.** Dr. Talbott and Mr. Bergmann presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors elects **Brian Talbott** as Chair and **Joel Lubin** as Vice Chair of the Board, **Ellis Jacobs** as Secretary of the corporation, and **Wayne Jortner** as Treasurer of the corporation, each for a term that begins immediately upon adoption of this resolution and ends when such member's successor has been elected, when such member resigns such position, is removed by resolution of the Board, or is no longer a member of the Board.

**RESOLVED**, that the USAC Board of Directors accepts the recommendation of the Audit Committee and elects **Joe Gillan** as Chair, **Jose Jimenez** as Vice Chair, and **Julie Tritt Schell** as a member of the **Audit Committee**; and

**RESOLVED FURTHER**, that the USAC Board of Directors accepts the recommendation of the High Cost & Low Income Committee and elects **Joel Lubin** as Chair and **Joe Gillan** as Vice Chair of the **High Cost & Low Income Committee**; and

**RESOLVED FURTHER**, that the USAC Board of Directors accepts the recommendation of the Rural Health Care Committee and elects **Kathy Wibberly** as Chair and **Ronald Brise'** as Vice Chair of the **Rural Health Care Committee**; and

**RESOLVED FURTHER**, that the USAC Board of Directors accepts the recommendation of the Schools & Libraries Committee and elects **Julie Tritt Schell** as Chair and **Dan Domenech** as Vice Chair of the **Schools & Libraries Committee**; and

**RESOLVED FURTHER**, that each of the aforementioned directors shall serve for a term that begins immediately upon the adoption of this resolution by the Board and ends when a successor to a Chair and/or Vice Chair has been elected, when the Chair or Vice Chair resigns from the Committee, is removed by resolution of the Board, or is no longer a member of the Board.

**RESOLVED**, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and hereby elects **Oliva Wein** to the Executive Compensation Committee, and for a term that begins immediately upon the adoption of this resolution by the Board and ends when such person resigns from the Committee, is removed from the Committee by resolution of the Board, or is no longer a member of the Board; and

**RESOLVED FURTHER**, that the USAC Board of Directors accepts the recommendation of the Nominating Committee and hereby elects **Joel Lubin** as Chair of the Executive Compensation Committee for a term that begins immediately upon the adoption of this resolution by the Board and ends when a successor to the Chair has been elected, when the Chair resigns from the Committee or the Board, is removed by resolution of the Board, or the Chair is no longer a member of the Board.

**RESOLVED**, that the USAC Board of Directors accepts the recommendation of the USAC Nominating Committee and appoints **David A. Capozzi** as Assistant Secretary of the corporation and **David Case** as Assistant Treasurer of the corporation, each for a term that begins immediately upon adoption of this resolution and ends when such person's successor has been appointed, such person resigns from such position, his employment with USAC terminates for whatever reason, or such person is removed by the CEO or by resolution of the Board.

- a5. Approval of 2015 Audit Committee Charter.** Mr. Scott presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed management's proposed changes to the Audit Committee Charter and the Audit Committee's recommendation that the Board accept the proposed changes, hereby accepts the recommendation of the Audit Committee and approves the proposed changes to the Audit Committee Charter.

- i1. Business Update.** Mr. Henderson, Ms. King, and Ms. Joiwind Ronen, President of Ethos Strategic Consulting, and Mr. Peter Taylor presented these items for discussion.
- Engagement survey results.
  - Stakeholder engagement survey.
  - USAC IT – initial impressions and vision.

At 10:05 a.m. Eastern Time the Board recessed and reconvened at 10:19 a.m. Eastern Time. At 11:15 a.m. Eastern Time the Board moved into **Executive Session** with only officers, the Board (with the exception of Mr. Bergmann) and Ms. Nikki-Blair Carpenter present, for the purpose of discussing the confidential items listed above.

### **EXECUTIVE SESSION**

- a6. Action on One USAC Internal Audit Division Universal Service Contributor Revenue Audit Report.** Ms. Nikki-Blair Carpenter, Manager, Internal Audit, presented this item for consideration.

To expedite navigation, please use the bookmarks located in the Navigation Pane.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the USAC Internal Audit Division contributor revenue audit report listed in **Exhibit I** to the briefing paper, together with management's responses thereto, accepts the recommendation of USAC management and hereby deems such report final.

**i2. USF Contributor Update.** Mr. Case presented this item for discussion.

At 12:20 p.m. Eastern Time, the Board continued in *Executive Session* with only members of the Board present.

**i3. Discussion and Consideration of Personnel Matters.** Mr. Henderson presented this item for discussion.

At 12:10 p.m. Eastern Time, the Board moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Talbott reported that in *Executive Session*, the Board discussed and took action on item a6 and discussed items i2 and i3. On a motion duly made and seconded, the Board adjourned at 12:10 p.m. Eastern Time.

/s/ David A. Capozzi  
Assistant Secretary

**Universal Service Administrative Company  
Board of Directors Quarterly Meeting  
Agenda**

**Tuesday, July 28, 2015  
8:30 a.m. – 12:00 p.m. Eastern Time  
USAC Offices  
2000 L Street, N.W., Suite 200  
Washington, D.C. 20036**

**OPEN SESSION**

- a1.** Consent Items (each available for discussion upon request):
- A.** Approval of Board of Directors Meeting Minutes of April 28, 2015.
  - B.** Approval of moving all *Executive Session* items into *Executive Session*.
  - C.** Routine procurements: Deemed consideration and approval of in *Executive Session*.
  - D.** Approval of 4th Quarter 2015 USAC Common and Consolidated Budgets.
  - E.** Approval of USF Contributor Revenue Audits With No Findings.
  - F.** Resolution Honoring Board Members Whose Service on the Board Has Recently Ended.
- a2.** Reports from the Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.
- a3.** Review of Statement of Ethical Conduct for Members of the USAC Board of Directors.
- a4.** Review of USAC Employee Ethics Standards.
- i1.** Business Update:
- A.** General Business Update (including Cash and Accounts Receivable Management Report and Procurement Report).
  - B.** IT Update (Enterprise Data Strategy) – Dave Sinkfield.
  - C.** Strategic Initiatives Update – Mike Moeller.
  - D.** Stakeholder Engagement Update (initial impressions) – Kate Hays
- i2.** Acceptance of USAC’s 2014 Annual Financial Audit and Agreed-Upon Procedures Review.  
*Same as aAC02*

**EXECUTIVE SESSION**

- a5.** Consideration of Contract Award for New Phone System – **Confidential** – *Executive Session Recommended*.
- i3.** USF Contributor Update – **Confidential** – *Executive Session Recommended*.

**Next USAC Board of Directors Meeting**

**Tuesday, October 27, 2015  
8:30 a.m. – 12:00 p.m. Eastern Time  
USAC Offices, Washington, D.C.**

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**2000 L Street, N.W., Suite 200**  
**Washington, D.C. 20036**

**BOARD OF DIRECTORS MEETING**  
**Tuesday, July 28, 2015**

**MINUTES**

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, July 28, 2015. Dr. Brian Talbott, Board Chair, called the meeting to order at 8:31 a.m. Eastern Time, with a quorum of 14 of the 18 Board members present (there is one vacancy):

Bergmann, Scott – <i>by telephone</i>	Jimenez, Jose
Brown, Eric	Jones, Rochelle
Domenech, Dr. Daniel	Lubin, Joel – Vice Chair
Feiss, Geoff	Mason, Kenneth
Gillan, Joe	Schell, Julie Tritt
Henderson, Chris – CEO	Talbott, Dr. Brian
Jacobs, Ellis – Secretary – <i>by telephone</i>	Wibberly, Dr. Kathy

Ms. Olivia Wein and Mr. Wayne Jortner, joined the meeting at 8:41 a.m. Eastern Time. They did not participate in the discussion of or vote on item a1.

Board members not present:

Brise', Ronald  
Noriega, Raquel

Officers of the corporation present:

Belden, Richard – Chief Operating Officer  
Blackwell, Mel – Vice President, Schools & Libraries Division  
Capozzi, David – General Counsel and Assistant Secretary  
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer  
Davis, Craig – Vice President, Rural Health Care Division  
Garber, Michelle – Vice President, Lifeline Division  
Hays, Kate – Vice President of Stakeholder Engagement  
King, Sola – Vice President of Human Resource and Chief Human Capital Officer  
Majcher, Karen – Vice President, High Cost & Low Income Division  
Moeller, Mike – Vice President of Strategy and Performance Management  
Scott, Wayne – Vice President of Internal Audit

Others present for the meeting:

**NAME**  
Abebe, Hiwot

**COMPANY**  
USAC

<u>NAME</u>	<u>COMPANY</u>
Beard, Jay	USAC
Gerst, Mark	CTIA
Guinan, Gabriela Gross	USAC
Gulick, Donna	USAC
Hanly, Garnet	FCC
Hutchinson, Kyle	USAC
Johnston, Anna	USAC
Koussari-Amin, Adam	USAC
Kriete, Debra	South Dakota DOE
Mansfield, Graig	USAC
Murphy, Tom	USAC
Nelbach, Nick	USAC
Nuzzo, Patsy	USAC
Palcic, Catherine	USAC
Palmer, Ryan	FCC
Salvatore, Charles	USAC
Schrieber, Johnnay	USAC
Theobald, Fred	USAC

## OPEN SESSION

### **a1. Consent Items.**

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

**RESOLVED**, that the USAC Board of Directors hereby approves the Board meeting minutes of April 28, 2015; and discussion in *Executive Session* of a procurement matter and an update on USF contributor matters; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves awarding a contract to Quality Investment Properties Richmond, LLC for disaster recovery site services for a period of one year plus one priced option year in a total amount not to exceed \$387,524; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 4th Quarter 2015 USAC common operating budget of \$15.3 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 4th Quarter 2015 USAC common capital budget of \$0.2 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$14.2 million

for USAC common costs in the required July 31, 2015 filing to the FCC on behalf of the Board of Directors; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 4th Quarter 2015 USAC consolidated operating budget of \$37.1 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 4th Quarter 2015 USAC consolidated capital budget of \$1.5 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$31.6 million for USAC consolidated costs in the required July 31, 2015 filing to the FCC on behalf of the Board of Directors; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a revised 2015 annual USAC common operating budget of \$59.1 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a revised annual 2015 USAC consolidated operating budget of \$143.6 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors hereby expresses its sincere appreciation to Ms. Anne Leslie Campbell for her dedicated service on the Boards of Directors of the Schools and Libraries Corporation and the Universal Service Administrative Company, and the Board wishes her the best in her future endeavors.

- a2. Reports from Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, Nominating Committee, and Schools & Libraries Committee.** The committee chairs reported on matters discussed and actions taken by their respective committees since the April 2015 quarterly meetings. Mr. Gillan reported for the Audit Committee; Mr. Lubin reported for Executive, Executive Compensation and the High Cost & Low Income Committees; Dr. Wibberly reported for the Rural Health Care Committee; and Ms. Schell reported for the Schools and Libraries Committee.
- a3. Review of Statement of Ethical Conduct for Members of the USAC Board of Directors.** Mr. Capozzi presented this item for consideration.

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

To expedite navigation, please use the bookmarks located in the Navigation Pane.

**RESOLVED**, that the USAC Board of Directors hereby reaffirms the *Statement of Ethical Conduct for Members of the USAC Board of Directors*, July 2013 version, without revision.

- a4. Review of USAC Employee Ethics Standards.** Mr. Capozzi presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors accepts the recommendation of USAC management and hereby reaffirms the July 2013 version of the USAC *Statement of Ethical Conduct for Employees, Definition of Gifts Prohibited, Definition of Financial Interest, and Outside Employment*.

- i1. Business Update.** Mr. Case, Mr. Belden, Mr. Moeller, and Ms. Hays presented this item for discussion.
- General Business Update (including Cash and Accounts Receivable Management Report and Procurement Report).
  - IT Update (Enterprise Data Strategy).
  - Strategic Initiatives Update .
  - Stakeholder Engagement Update.

At 10:18 a.m. Eastern Time the Board recessed and reconvened at 10:32 a.m. Eastern Time.

- i2. Acceptance of USAC's 2014 Annual Financial Audit and Agreed-Upon Procedures Review.** Mr. Scott presented this item for discussion.

At 11:20 a.m. Eastern Time the Board moved into *Executive Session* with only officers, the Board, the FCC, and Mr. Fred Theobald present, for the purpose of discussing the confidential items listed below.

### **EXECUTIVE SESSION**

- a5. Consideration of Contract Award for New Phone System.** Mr. Belden presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to award a contract for a new phone system to Iron Bow Technologies for a firm-fixed price of \$492,083.50.

Mr. Belden provided an update on USAC office planning matters.

**i3. USF Contributor Update.** Mr. Case presented this item for discussion.

At 12:00 p.m. Eastern Time, the Board continued in *Executive Session* with only members of the Board present.

**i4. Discussion and Consideration of Personnel Matters.** Dr. Talbott presented this item for discussion.

At 12:20 p.m. Eastern Time, the Board moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Talbott reported that in *Executive Session*, the Board discussed and took action on item a5 and discussed items i3 and i4. On a motion duly made and seconded, the Board adjourned at 12:21 p.m. Eastern Time.

/s/ David A. Capozzi  
Assistant Secretary

**Universal Service Administrative Company  
Board of Directors Quarterly Meeting  
Agenda**

**Tuesday, October 27, 2015  
8:30 a.m. – 12:00 p.m. Eastern Time  
USAC Offices  
2000 L Street, N.W., Suite 200  
Washington, D.C. 20036**

<u><b>OPEN SESSION</b></u>	
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 Board of Directors Meeting Minutes of July 28, 2015.</li> <li><b>B.</b> Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>.</li> <li><b>C.</b> Routine procurements: Deemed consideration and approval of in <i>Executive Session</i>.</li> <li><b>D.</b> Approval of 1st Quarter 2016 USAC Common and Consolidated Budgets.</li> <li><b>E.</b> Appointment of a Nominating Committee and Direction to Committees for Nomination of Committee Chairs, Vice Chairs and Officers.</li> <li><b>F.</b> Election of Members to the USAC Board of Directors and Appointment of Members to Programmatic Committees.</li> </ul>
Chair	<p><b>a2.</b> Reports from the Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost &amp; Low Income Committee, Rural Health Care Committee, and Schools &amp; Libraries Committee.</p>
Chris	<p><b>i1.</b> Business Update:</p> <ul style="list-style-type: none"> <li><b>A.</b> General Business Update (including Cash and Accounts Receivable Management Report and Procurement Report).</li> <li><b>B.</b> Key Measurements.</li> <li><b>C.</b> Strategic Initiatives.</li> </ul>

<u><b>EXECUTIVE SESSION</b></u>	
Wayne	<p><b>a3.</b> Action on Nine USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports – <b>Confidential</b> – <i>Executive Session Recommended</i>.</p>
Richard	<p><b>a4.</b> Discussion of Office Space Plans – <b>Confidential</b> – <i>Executive Session Recommended</i>.</p>
Richard	<p><b>a5.</b> Consideration of Contract Awards for USAC Employee Benefits Programs – <b>Confidential</b> – <i>Executive Session Recommended</i>.</p>
Dave Case	<p><b>i2.</b> Quarterly Report on USF Contribution Matters – <b>Confidential</b> – <i>Executive Session Recommended</i>.</p>
Richard	<p><b>i3.</b> Information on Estimated 2016 Annual USAC Common and Consolidated Budgets – <b>Confidential</b> – <i>Executive Session Recommended</i>.</p>
Dave Capozzi	<p><b>i4.</b> Discussion of Publishing Board Materials on the USAC Website – <b>Confidential</b> – <i>Executive Session Recommended</i>.</p>
Chair	<p><b>i5.</b> Personnel Matter – <b>Confidential</b> – <i>Executive Session Recommended</i>.</p>

To expedite navigation, please use the bookmarks located in the Navigation Pane.

**Next USAC Board of Directors Meeting**

**Tuesday, January 26, 2016**  
**8:30 a.m. – 12:00 p.m. Eastern Time**  
**USAC Offices, Washington, D.C.**

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**  
**2000 L Street, N.W., Suite 200**  
**Washington, D.C. 20036**

**BOARD OF DIRECTORS MEETING**  
**Tuesday, October 27, 2015**

**MINUTES**

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, October 27, 2015. Dr. Brian Talbott, Board Chair, called the meeting to order at 8:30 a.m. Eastern Time, with a quorum of 14 of the 17 Board members present (there are two vacancies):

Bergmann, Scott	Jones, Rochelle
Brisé, Ronald	Jortner, Wayne
Feiss, Geoff	Lubin, Joel – Vice Chair
Gillan, Joe	Schell, Julie Tritt
Henderson, Chris – CEO	Talbott, Dr. Brian
Jacobs, Ellis – Secretary	Wein, Olivia
Jimenez, Jose	Wibberly, Dr. Kathy

Mr. Eric Brown joined the meeting by telephone at 8:33 a.m. and left the meeting at 11:03 a.m. Eastern Time. He did not participate in the discussion or vote on items a4, a5, i1, i3 and i5.

Board members not present:

Domenech, Dr. Daniel  
Mason, Kenneth

Officers of the corporation present:

Belden, Richard – Chief Operating Officer  
Blackwell, Mel – Vice President, Schools & Libraries Division  
Capozzi, David – General Counsel and Assistant Secretary  
Case, David – Vice President of Finance, Chief Financial Officer and Assistant Treasurer  
Davis, Craig – Vice President, Rural Health Care Division  
Garber, Michelle – Vice President, Lifeline Division  
Hays, Kate – Vice President of Stakeholder Engagement  
King, Sola – Vice President of Human Resource and Chief Human Capital Officer  
Majcher, Karen – Vice President, High Cost & Low Income Division  
Scott, Wayne – Vice President of Internal Audit  
Taylor, Peter – Vice President and Chief Information Officer

Others present for the meeting:

<u>NAME</u>	<u>COMPANY</u>
Abebe, Hiwot	Solix, Inc.
Barua, Anurag	USAC
Beard, Jay	USAC
Carpenter, Nikki-Blair	USAC
Davis, Rebecca	Ovington
Guinan, Gabriela Gross	USAC
Gulick, Donna	USAC
Hanly, Garnet	FCC
Harrington, John	Funds For Learning
Johnston, Anna	USAC
Miller, Jack	Solix
Nuzzo, Patsy	USAC
Palcic, Catherine	USAC
Palmer, Ryan	FCC
Riley, Adam	USAC
Salvatore, Charles	USAC
Schrieber, Johnnay	USAC
Seguin, Eric	Solix
Sinkfield, David	USAC
Spead, Laura	USAC
Theobald, Fred	USAC
Zufolo, Jessica	USAC

## OPEN SESSION

### **a1. Consent Items.**

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

**RESOLVED**, that the USAC Board of Directors hereby approves the Board meeting minutes of July 28, 2015; and discussion in *Executive Session* of nine USF contributor revenue reports, two procurement matters, the quarterly procurement update, the estimated 2016 annual USAC common and consolidated budgets, an update on USF contributor matters, a discussion of publishing Board materials on the USAC website and a personnel matter; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a contract award to Advanced Computer Concepts for a network intrusion protection product for the firm fixed price of \$427,585; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves amending the previously awarded contract to Cotton &

To expedite navigation, please use the bookmarks located in the Navigation Pane.

Company for Payment Quality Assurance program support services in an amount not to exceed \$500,000; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves amending the previously awarded contract task order to Hire Strategy in an amount not to exceed \$43,686.25; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 1st Quarter 2016 USAC common operating budget of \$15.6 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 1st Quarter 2016 USAC common capital budget of \$2.0 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$17.6 million for USAC common costs in the required November 2, 2015 filing to the FCC on behalf of the Board of Directors; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 1st Quarter 2016 USAC consolidated operating budget of \$37.3 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors approves a 1st Quarter 2016 USAC consolidated capital budget of \$6.7 million; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$44.0 million for USAC consolidated costs in the required November 2, 2015 filing to the FCC on behalf of the Board of Directors; and

**RESOLVED**, that the USAC Board of Directors establishes a Nominating Committee for the purpose of recommending to the USAC Board of Directors at its January 2016 meeting nominations for the elected USAC officer positions; and

**RESOLVED FURTHER**, that the USAC Board of Directors appoints **Geoff Feiss** as Nominating Committee chair and **Kathy Wibberly** and **Dan Domenech** as members of the Nominating Committee; and

**RESOLVED FURTHER**, that the USAC Board of Directors directs each committee of the Board to bring to the Board at the January 26, 2016 meeting nominations for a chair and vice chair of each respective committee; and

**RESOLVED FURTHER**, that the USAC Board of Directors may, at the discretion of the Board Chair, defer the election of officers, committee chairs, and committee vice chairs in the event that appointment of Board members to fill seats expiring on December 31, 2015 does not occur prior to the January 2016 quarterly Board of Directors meeting.

**RESOLVED**, that the USAC Board of Directors, having received the selections from the Chairman of the FCC pursuant to 47 C.F.R. § 54.703(c)(3) and pursuant to Article II, § 4 of the USAC By-laws, hereby elects to the USAC Board of Directors effective November 1, 2015:

- Robert Bocher, for a term expiring on December 31, 2016;
- Daniel A. Domenech, Ph.D., for a term expiring on December 31, 2016;
- Geoff Feiss, for a term expiring on December 31, 2017;
- Matt Gerst, for a term expiring on December 31, 2016;
- Joseph Gillan for a term expiring on December 31, 2017;
- Ellis Jacobs for a term expiring on December 31, 2017;
- Jose Jimenez, for a term expiring on December 31, 2016;
- Wayne Jortner, for a term expiring on December 31, 2016;
- Joel Lubin, for a term expiring on December 31, 2016;
- Brian L. Talbott, Ph.D., for a term expiring on December 31, 2017
- Atilla Tinic, for a term expiring on December 31, 2017; and
- Katharine Hsu Wibberly for a term expiring on December 31, 2017;

**RESOLVED FURTHER**, that each of the aforementioned directors shall remain a director until such director's: (i) resignation, (ii) removal pursuant to Article II, § 7 of the USAC By-laws and the provisions of the Delaware General Corporation Law, (iii) election of a successor pursuant to Article II, § 4 of the USAC By-laws or (iv) action by the stockholder of the corporation pursuant to the Article I of the USAC By-laws; and

**RESOLVED FURTHER**, that consistent with 47 C.F.R. § 54.705 and the USAC By-laws, Article II, and by virtue of the constituency they represent:

- Geoff Feiss, Matt Gerst, Joe Gillan, Ellis Jacobs, Wayne Jortner, Joel Lubin and Atilla Tinic are hereby appointed to the High Cost & Low Income Committee;
- Robert Bocher, Daniel A. Domenech and Brian L. Talbott are hereby appointed to the Schools & Libraries Committee; and
- Wayne Jortner and Kathy Wibberly are hereby appointed to the Rural Health Care Committee; and

**RESOLVED FURTHER**, that Jose Jimenez is hereby appointed to the Rural Health Care Committee.

- a2. Reports from Committee Chairs: Audit Committee, Executive Committee, Executive Compensation Committee, High Cost & Low Income Committee, Rural Health Care Committee, Nominating Committee, and Schools &**

**Libraries Committee.** The committee chairs reported on matters discussed and actions taken by their respective committees since the July 2015 quarterly meetings. Mr. Gillan reported for the Audit Committee; Mr. Lubin reported for the Executive Compensation and High Cost & Low Income Committees; Dr. Talbott reported for the Executive Committee; Dr. Wibberly reported for the Rural Health Care Committee; and Ms. Schell reported for the Schools and Libraries Committee.

- ii. Business Update.** Mr. Henderson, Mr. Case, Mr. Taylor, Mr. Anurag Barua, Senior Director of Data Services and Ms. Hays presented this item for discussion.
- General Business Update (including Cash and Accounts Receivable Management Report and Procurement Report).
  - Procurement Update.
  - Enterprise Data Strategy Update.
  - Stakeholder Engagement Update.

The Board recessed at 9:51 a.m. and reconvened at 10:02 a.m. At 10:52 a.m. Eastern Time the Board moved into *Executive Session* with only officers, the Board, the FCC, Ms. Gabriela Gross Guinan, Associate General Counsel, and Ms. Nikki-Blair Carpenter, Senior Manager of Internal Audit, present, for the purpose of discussing the confidential items listed below.

### **EXECUTIVE SESSION**

- a3. Action on Nine USAC Internal Audit Division Universal Service Contributor Revenue Audit Reports.** Ms. Carpenter presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the USAC Internal Audit Division contributor revenue audit reports listed in **Exhibit I** to this paper, together with management's responses thereto, accepts the recommendation of USAC management and hereby deems such reports final.

- a4. Discussion of Office Space Plans.** Mr. Belden presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to proceed with the overall relocation project as outlined above, including the execution of a lease with total lease payments of approximately \$81 million over the 12-year two-month term of the lease and contracted services

To expedite navigation, please use the bookmarks located in the Navigation Pane.

in an aggregate not-to-exceed amount of \$13.5 million, subject to obtaining any necessary FCC approvals.

- a5. Consideration of Contract Awards for USAC Employee Benefits Programs.** Mr. Belden presented this item for consideration.

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

**RESOLVED**, that the USAC Board of Directors , having reviewed the recommendation of USAC management, hereby authorizes USAC to award a contract to CIGNA for one base year and two one-year options for employee medical benefits and to Guardian for one base year and two one-year options for employee dental and vision benefits.

- i2. Quarterly Report on USF Contribution Matters.** Mr. Case presented this item for discussion.
- i3. Information on Estimated 2016 Annual USAC Common and Consolidated Budgets.** Mr. Henderson presented this item for discussion.
- i4. Discussion of Publishing Board Materials on the USAC Website.** This item was deferred to the January 26, 2015 Board of Directors Meeting.

At 12:12 p.m. Eastern Time the Board continued in *Executive Session* with only the Board present, for the purpose of discussing the confidential items listed below.

- i5. Personnel Matter.** Dr. Talbott presented this item for discussion.

At 1:28 p.m. Eastern Time, the Board moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Dr. Talbott reported that in *Executive Session*, the Board discussed and took action on items a3, a4 and a5 and discussed items i1, i2 and i5. On a motion duly made and seconded, the Board adjourned at 1:30 p.m. Eastern Time.

/s/ David A. Capozzi  
Assistant Secretary