

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

<p>Wednesday, January 24, 2024 Written Unanimous Consent Please Respond by Friday, January 26, 2024 at 5:00 p.m. ET Universal Service Administrative Company Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>

<u>LEAD</u>	<u>Open Session</u> Available for Public Use
Chair	a1. Amendment and Restatement of USAC Corporate By-laws to Expand the Board to Twenty Members.

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

BOARD OF DIRECTORS MEETING
Wednesday, January 26, 2024
MINUTES¹

On Wednesday, January 24, 2024, USAC Management requested that the Board of Directors (Board) vote electronically for the following matter pursuant to Article II, Section 9 of USAC's By-laws.² Responses were requested by January 26, 2024, at 6:00 p.m. Eastern Time.

- a1. Amendment and Restatement of USAC Corporate By-laws to Expand the Board to Twenty Members.** On January 26, 2024, unanimous written responses were received to amend and restate the Universal Service Administrative Company (USAC) corporate By-laws to add a new director to the USAC Board of Directors to represent the interests of Tribal communities, add the Tribal director to the Schools and Libraries Committee, create a tie-breaking mechanism for the Board, and update references to the Federal Communications Commission's (FCC) Common Carrier Bureau. The Board also ratified the election of directors and committee appointments on December 18, 2023.

The Board adopted the following resolution:

RESOLVED, that the USAC Board of Directors, pursuant to Article VI of the USAC By-laws, hereby adopts the Amended and Restated By-laws and ratifies the election of Board members and committee assignments adopted on December 18, 2023, effective January 1, 2024.

/s/ Erin Williams
Assistant Secretary

¹ Draft resolutions were presented to the Board prior to the Board vote. 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.

² See USAC By-laws, Article II, § 9 ("Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.").

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

<p>Tuesday, January 30, 2024 10:00 a.m. – 1:30 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>
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<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each available for discussion upon request):</p> <ul style="list-style-type: none"> A. Approval of Board of Directors Meeting Minutes of October 31 and December 18, 2023 B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i> C. Consideration and Approval of Four Routine Procurements D. Review of the 2024 Audit Committee Charter E. Approval of Board of Directors Quarterly Meeting Schedule for April 2025 – January 2026 F. Resolution Honoring Three Board Member Whose Service on the Board Recently Ended 	10
Chair	<p>a2. Annual Election of Committee At-Large Seats, Chairs and Vice Chairs and Election of Appointment of Corporate Officers</p>	15
Chair	<p>i1. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Executive Compensation Committee, Rural Health Care Committee, and Schools & Libraries Committee</p>	10
Mark	<p>i2. Connected Care Pilot Program Update (<i>For Information Only</i>)</p>	-
Michelle	<p>a3. Approval of USAC Common and Consolidated 2nd Quarter 2024 Budget and Demand Projection for the February 1, 2024 FCC Filing</p>	10
Radha Michelle Stephen	<p>i3. Enterprise Business Updates</p> <ul style="list-style-type: none"> A. CEO Update <ul style="list-style-type: none"> • 2023 Accomplishments B. Enterprise Resource Planning Update C. Shared Services Business Update <ul style="list-style-type: none"> • Tribal Initiatives Update • Annual Report 	10 10 5 5

<u>EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Confidential – Executive Session Recommended		
Radha	i4. CEO Update <ul style="list-style-type: none"> • Appropriated Programs – ACP and ECF 	10
Michelle	a4. Approval of 2024 Annual USAC Common and Consolidated Budgets	15
Michelle	i5. Information on Contribution Factor	5
Erin	a5. Review and Approval of Board Statement of Ethical Conduct and the Board Member Annual Disclosure of Corporate or Entity Affiliations Form <ol style="list-style-type: none"> 1. Statement of Ethical Conduct for Members of the USAC Board 2. Revision to Board Members Annual Disclosure of Corporate or Entity Affiliations Form 	10
Chris / Erin	i6. Annual Competition Advocate Report	5
Chris	i7. Procurement Business Update <i>(For Information Only)</i>	–
Chris	i8. Enterprise Risk Management Update: <ol style="list-style-type: none"> 1. Q4 2023 Risk Management 2. Risk Management Council Minutes <i>(For Information Only)</i>	–
Chris	a6. Consideration of a Task Order Award for Contributor Revenue Audit Services	5
Chris	a7. Consideration of a Task Order Award for Contributor Revenue Audit Services	5
Chris	a8. Consideration of a Contract Award for Enterprise Audit & Compliance Modernization Tool	5
Chris	a9. Consideration of Contract Award for Veracode Licenses	5
Chris	a10. Consideration of Contract Award for Dell/EMC Transformational License Agreement	5
Chris	a11. Consideration of Contract Award for Dell/EMC Unity Hardware Maintenance and Support Services	5
Chris	a12. Consideration of a Contract Award for ServiceNow Instance Licenses and Support Services	5

<u>EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Confidential – Executive Session Recommended		
Chris	a13. Consideration of Contract Award for Okta Licenses and Support Services	5
Chris	a14. Consideration of a Contract Award for Microsoft Enterprise Agreement	5
Chris	a15. Consideration of a Contract Award for Cisco SmartNet	5
Chris	a16. Consideration of Contract Award for Tableau Licenses	5
Chris	a17. Consideration of a Contract Award for VMWare Enterprise Licenses Agreement	5
Chris	a18. Consideration of a Contract Modification for IT Security Assessment Contract with Coalfire	–
Chris	a19. Consideration to Exercise Option Terms for Penetration Testing	–
Chris	a20. Consideration of a Contract Modification for Appian Licenses and Support	–
Chris	a21. Consideration of a Contract Modification for Amazon Web Services and GovCloud Hosting	–
Teleshia	i9. Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Report <i>(For Information Only)</i>	–
Erin	a22. <i>Confidential Executive Session:</i> RESERVED	5
Chair	a23. <i>Confidential Executive Session:</i> Personnel Matter, Consideration of 2024 Compensation Item	5
Chair	i10. <i>Confidential Executive Session:</i> Board of Directors Only	25

Next Scheduled USAC Board of Directors Meeting

<p>Tuesday, April 30, 2024 USAC Offices, Washington, D.C.</p>
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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

BOARD OF DIRECTORS MEETING
Tuesday, January 30, 2024

MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, January 30, 2024. Mr. Ken Mason, Board Vice Chair, called the meeting to order at 10:00 a.m. Eastern Time, with a quorum of 17 of 20 Board members present:

Buzacott, Alan	Sanquist, Christine – <i>by telephone</i>
Chacko, Sheba	Sekar, Radha – Chief Executive Officer
Chalk, Indra	Semmler, Kara
Domenech, Dr. Dan	Skrivan, Michael
Fontana, Brent – <i>by telephone</i>	Wade, Dr. Joan
Freeman, Sarah	Waller, Jeff – <i>by telephone</i>
Gregory, Amber	Wein, Olivia – Secretary
Mason, Ken – Vice Chair	Wibberly, Dr. Kathy
Polk, Stephanie – <i>by telephone</i>	

Ms. Angela Siefer joined the meeting *by telephone* at 10:03 a.m. Eastern Time and left the meeting at 11:13 a.m. Eastern Time. She voted on items a1 – a4 and joined the discussion of items i1-i4. Ms. Mona Thompson joined the meeting *by telephone*, at 10:14 a.m. Eastern Time and left the meeting at 12:56 p.m. Eastern Time. She voted on items a3 – a23 and participate in the discussion of items i1 – i6. Ms. Julie Tritt Schell joined the meeting *by telephone* at 11:02 p.m. Eastern Time. She did not vote on items a1-a3 or participate in the discussion of items i1-i3.

Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Gaither, Victor – Vice President of High Cost – *by telephone*
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
O'Brien, Tim – Vice President of Lifeline
Sweeney, Mark – Vice President of Rural Health Care

¹ Draft resolutions were presented to the Board prior to the Board 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.

Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Armstrong, Katlyn	USAC
Borg, Jeanenne	USAC
Brady, Jair	USAC
Claxton, Naomi	USAC
Edson, Shauna – <i>by telephone</i>	National Digital Inclusion Alliance
Faunce, Donna	USAC
Francisco, Dale	USAC
Goode, Vernell	USAC
Green, Kevin	USAC
Gustafson, Jaymie	USAC
Jaruboon, Jetshada	Maximus
King, Ryan	USAC
Kriete, Debra – <i>by telephone</i>	Debra M. Kriete, Esq.
Labarta, Gem	USAC
Little, Chris	USAC
Lougheed, Matt	USAC
Morgan, Meredith	USAC
Nary, Ryan	Government Accountability Office
Nuzzo, Patsy	USAC
Oliver, Lindsay – <i>by telephone</i>	USAC
Sadir Khanova, Sabina	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Staurulakis, Chresanthe	USAC
Strandberg, Steve	USAC
Theobald, Fred	USAC
Wirfs, Tyler	USAC

OPEN SESSION

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

- a1. Consent Items.** Mr. Mason presented this item to the Board.
- A.** Approval of Board of Directors Meeting Minutes of October 31, 2023, and December 18, 2023.
 - B.** Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) i4 – CEO Update: Appropriated Programs Update.** USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures. In addition, this item might include discussion of *pre-decisional matters pending before the FCC* or

- discussion related to USAC's *procurement strategy and contract administration*.
- (2) **a4** – Approval of 2024 Annual USAC Common and Consolidated Budgets. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
 - (3) **i5** – Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and may also include *pre-decisional matters pending before the FCC*. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
 - (4) **a5** – Review and Approval of the Board of Directors Statement of Ethical Conduct; and the Board Members Annual Disclosure of Corporate or Entity Affiliations Form. USAC management USAC management recommends that discussion of these items be conducted in *Executive Session* because the discussion may include examples of how the Statement and Disclosure Form applies and could include specific facts protected by the *attorney/client privilege*.
 - (5) **i6** – Annual Competition Advocate Report. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
 - (6) **i7** – Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
 - (7) **i8** – Enterprise Risk Management Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
 - (8) **a6** – Consideration of Task Orders for Contributor Revenue Audit Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
 - (9) **a7** – Consideration of Task Orders for Contributor Revenue Audit Services. USAC management recommends that this item be

discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

- (10) **a8** – Consideration of a Contract Award for Enterprise Audit & Compliance Modernization. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (11) **a9** – Consideration of a Contract Award for Veracode Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (12) **a10** – Consideration of Contract Award for Dell/EMC Transformational License Agreement (TLA). USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (13) **a11** – Consideration of Contract Award for Dell/EMC Unity Hardware Maintenance and Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (14) **a12** – Consideration of a Contract Award for ServiceNow Instance Licenses and Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (15) **a13** – Consideration of a Contract Award for Okta Licenses and Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (16) **a14** – Consideration of a Contract Award for Microsoft Enterprise Agreement. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (17) **a15** – Consideration of a Contract Award for Cisco Smartnet. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (18) **a16** – Consideration of a Contract Award for Tableau Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (19) **a17** – Consideration of a Contract Award for VMWare Enterprise License Agreement. USAC management recommends that this

item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

- (20) **a18** – Consideration of a Contract Modification for IT Security Assessment Contract with Coalfire. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (21) **a19** – Consideration to Exercise Option Terms for Penetration Testing. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (22) **a20** – Consideration of a Contract Modification for Appian Licenses and Support. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (23) **a21** – Consideration of a Contract Modification for Amazon Web Services and GovCloud Hosting. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (24) **i9** – Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and may also include *pre-decisional matters* pending before the FCC to which USAC is privy, where discussion of such matters in open session would undermine the deliberative process or result in the disclosure of an agency's conclusions or rationales before the matter is formally decided. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
- (25) **a22** – Confidential Executive Session: RESERVED. Consideration of Item. USAC management recommends that discussion of this item occur in *Executive Session* because it involves *attorney/client privileged communications*.
- (26) **a23** – *Confidential Executive Session: Personnel Matter* Consideration of 2024 Compensation Item. USAC management recommends that discussion of this item occur in *Executive Session* because it involves *internal personnel matters*.
- (27) **i10** – Confidential Board of Directors *Executive Session*. For Board of Directors Only. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

C. Consideration and Approval of Four Routine Procurements:

Available for Public Use

- (1) Consideration of a Contract Modification for Security Controls Assessment. The resolution is provided in **aBOD18cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (2) Consideration to Exercise Option Terms for Penetration Testing. The resolution is provided in **aBOD19cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (3) Consideration to Increase the Contract for Appian Licenses. The resolution is provided in **aBOD20cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (4) Consideration of a Contract Modification for Amazon Web Services and GovCloud Hosting. The resolution is provided in **aBOD21cf**. If discussion is needed, it will be conducted in *Executive Session*.

- D. Review of the 2024 Audit Committee Charter.
- E. Approval of April 2025 – January 2026 Board of Directors Quarterly meeting Schedule.
- F. Resolution Honoring Board Members Whose Service on the Board Has Recently Ended.

On a motion duly made and seconded, with Mr., Fontana abstaining from item a21, and after discussion, the Committee adopted the following resolutions:

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of October 31, December 18, 2023; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of four routine procurements as presented in items aBOD18cf – aBOD21cf; and

RESOLVED FURTHER, that the USAC Board of Directors, having reviewed the revised 2024 Audit Committee Charter presented by the Audit Committee, hereby accepts the recommendation of the Audit Committee, and approves the revised 2024 Audit Committee Charter; and

RESOLVED, that the USAC Board of Directors adopts the Board of Directors quarterly meetings schedule for April 2025 through January 2026.; and

RESOLVED FURTHER, that the USAC Board of Directors hereby expresses its sincere appreciation to Joe Gillan, Geoff Feiss, and Ellis Jacobs for their dedicated service on the Board of Directors of the Universal Service Administrative Company and wishes them the best in their future endeavors.

- a2. **Annual Election of Committee At-Large Seats, Chairs and Vice Chairs and Election of Appointment of Corporate Officers.** Mr. Mason introduced this item to the Board requesting that Ms. Freeman, Chair of the Nominating

Committee, report on the Nominating Committee's recommendations for the election of committee chairs, vice chairs, and at-large members, corporate officers, and the appointment of USAC staff members as Assistant Secretary and Assistant Treasurer.

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

Election of Board Chair, Vice Chair, Secretary and Treasurer

RESOLVED, that the USAC Board of Directors elects **Ken Mason** as Chair of the Board and **Julie Tritt Schell** as Vice Chair of the Board, **Olivia Wein** as Secretary of the corporation, and **Dr. Joan Wade** 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.

Election of Board Members to Committee At-Large Seats

RESOLVED, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Schools & Libraries Committee**: **Alan Buzacott** (representing service providers), **Indra Chalk**, **Brent Fontana**, and **Christine Sanquist**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **High Cost & Low Income Committee**: **Olivia Wein** and **Ken Mason**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Rural Health Care Committee**: **Kraa Semmler** (representing service providers), **Mona Thompson**, and **Michael Skrivan**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Audit Committee**: **Sheba Chacko** (representing the High Cost & Low Income Committee), **Brent Fontana** (representing the Rural Health Care Committee), **Amber Gregory** (representing the Schools & Libraries Committee), **Julie Tritt Schell**, and **Stephanie Polk**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendations of the Nominating Committee and elects the following directors to serve in at-large seats on the **Executive Compensation**

Committee: Dr. Dan Domenech, Christine Sanquist, Julie Tritt Schell, Dr. Joan Wade, and Dr. Kathy Wibberly.

Election of Committee Chairs and Vice Chairs

RESOLVED, that the USAC Board of Directors accepts the recommendation of the Schools & Libraries Committee and elects **Dr. Dan Domenech** as Chair and **Amber Gregory** as Vice Chair of the **Schools & Libraries Committee**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendation of the High Cost & Low Income Committee and elects **Olivia Wein** as Chair and **Michael Skrivan** 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 **Dr. Kathy Wibberly** as Chair and **Brent Fontana** as Vice Chair of the **Rural Health Care Committee**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendation of the Audit Committee and elects **Julie Tritt Schell** as Chair and **Stephanie Polk** as Vice Chair of the **Audit Committee**; and

RESOLVED FURTHER, that the USAC Board of Directors accepts the recommendation of the Board Chair and elects **Julie Tritt Schell** as Chair of the **Executive Compensation 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 at such time as the chair or vice chair (as the case may be): (i) is replaced by a successor selected by the Board, (ii) resigns from the Committee or the Board, (iii) is removed by resolution of the Board, or (iv) is no longer a member of the Board (whichever comes first).

- i1. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** Ms. Wein presented the report for the High Cost & Low Income Committee. Dr. Domenech presented the report for the Schools & Libraries Committee. Dr. Wibberly presented the report for the Rural Health Care Committee. Ms. Stephanie Polk presented the report for the Audit Committee.
- i2. Connected Care Pilot Program Update.** Mr. Mason noted that the report was provided for *information only* and would be posted on USAC's public website. No discussion was held.
- a3. Approval of USAC Common and Consolidated 2nd Quarter 2024 Budget and Demand projection for the February 1, 2024 FCC Filing.** Ms. Garber

presented this item for consideration. The presentation included a written report on USAC management's recommendations for USAC's common and consolidated 2nd Quarter 2024 budget and demand projection for the February 1, 2024 FCC filing.

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 2024 common budget of \$38.32 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$38.32 million for common costs in the required February 1, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 2nd Quarter 2024 consolidated budget to administer the Universal Service Fund of \$75.34 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$75.34 million for consolidated costs in the required February 1, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

i3. Enterprise Business Updates:

- A. CEO Update.** Ms. Sekar provided a verbal update on 2023 accomplishments.
- B. Enterprise Resource Planning Update.** Ms. Garber provided a verbal update on this item.

At 10:45 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing confidential items. Only members of the Board, USAC staff, and GAO were present.

EXECUTIVE SESSION

- i4. CEO Update.** Ms. Sekar provided a verbal update on Appropriated Programs – ACP and ECF.
- a4. Approval of 2024 Annual USAC Common and Consolidated Budgets.** Ms. Garber presented this item for consideration. The presentation included a written report on USAC management's recommendations for the 2024 annual USAC common and consolidated budgets.

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

resolution:

RESOLVED, that the USAC Board of Directors approves the 2024 annual common budget of \$153.95 million; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 2024 annual consolidated budget of \$299.61 million.

- i5. Information on the Contribution Factor.** Ms. Garber presented this item to the Board. The presentation included a written report providing USAC's estimate of the 2nd Quarter 2024 contribution factor.
- a5. Review and Approval of Board Statement of Ethical Conduct and the Board Member Annual Disclosure of Corporate or Entity Affiliations Form.** Ms. Williams presented this item to the Board. The presentation included a report detailing USAC management's request that the Board review and reaffirm the Statement of Ethical Conduct for Members of the USAC Board of Directors without revision and approve minor revisions to the Corporate or Entity Affiliations Form.

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

RESOLVED, that the USAC Board of Directors hereby reaffirms the Statement of Ethical Conduct for Members of the USAC Board of Directors without revision, and approves the Director Affiliation Disclosure Form, as revised.

- i6. Annual Competition Advocate Report.** Mr. Beyerhelm presented this item to the Board. The presentation included a written report providing the role of competition advocate and the year-to-year comparison.
- i7. Procurement Business Update.** Mr. Mason noted that the report was provided for *information only*. No discussion was held. The report included an overview of major procurements completed in Q4 2023 and Q1 2024 anticipated activities.
- i8. Enterprise Risk Management Update.** Mr. Mason noted that the report was provided for *information only*. No discussion was held. The report included the following items:
- Q4 2024 Enterprise Risk Management Update
 - Q4 2024 Risk Management Council Minutes

The Board recessed at 11:45 a.m. Eastern Time and reconvened, continuing in *Executive Session* at 12:15 p.m. Eastern Time.

- a6. Consideration of a Task Order Award for Contributor Revenue Audit Services.** Mr. Beyerhelm presented this item for consideration. The presentation

included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for contributor revenue audit services.

On a motion duly made and seconded, 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 award a time and material task order under the USAC Professional Services Indefinite Delivery/Indefinite Quantity contract (Contract No. USAC 20-015) to KPMG LLP for contributor revenue audit services to perform full scope performance audits of select contributors to the Universal Service Fund. The task order has a twelve (12) month period of performance for a total not-to-exceed amount of \$546,309.26 (plus applicable taxes), with such amount including a contingency of \$49,664.48 (plus applicable taxes) to cover any unforeseen charges during the period of performance.

- a7. Consideration of a Task Order Award for Contributor Revenue Audit Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award for contributor revenue audit services.

On a motion duly made and seconded, 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 award a time and material task order under the USAC Professional Services Indefinite Delivery/Indefinite Quantity contract (Contract No. USAC 20-015) to Moss Adams LLP for contributor revenue audit services to perform full scope performance audits of select contributors to the Universal Service Fund. The task order has a twelve (12) month period of performance for a total not-to-exceed amount of \$616,150.00 (plus applicable taxes).

- a8. Consideration of a Contract Award for Enterprise Audit & Compliance Modernization Tool.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for the design, development, and implementation of an enterprise audit & compliance modernization tool.

On a motion duly made and seconded, 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 award a contract for the design, development, and implementation of an enterprise audit & compliance modernization tool to Ernst & Young, LLP. The contract has a hybrid fee structure of firm-fixed price and labor hours, with a nineteen (19) month base period of performance, which includes a three (3) month support term, for a total not-to-exceed amount of \$3,971,657.71 (plus applicable taxes), with such amount including a ten percent (10%) contingency in the amount of \$361,059.79 (plus applicable taxes) to cover unforeseen development or enhancement needs throughout the life of the contract, subject to required Federal Communications Commission approval.

- a9. Consideration of Contract Award for Veracode Licenses.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a twelve (12) month, firm-fixed price contract for Veracode Licenses.

On a motion duly made and seconded, 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 award a twelve (12) month, firm-fixed price contract for Veracode Licenses to vCloud Tech, Inc. for a total not-to-exceed amount of \$288,133.72 (plus applicable taxes), with such amount including a contingency of \$32,000 (plus applicable taxes) to cover potential future growth.

- a10. Consideration of Contract Award for Dell/EMC Transformational License Agreement.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for Dell/EMC Transformational License Agreement.

On a motion duly made and seconded, 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 award a five (5) year firm-fixed price contract for a Dell/EMC Transformational License Agreement to Computer Design & Integration, LLC for a total not-to-exceed amount of \$1,800,000.00 (plus applicable taxes), with such amount including a contingency of \$100,150.99 (plus applicable taxes) to cover potential increases in the number of licenses and support services required during the period of performance, subject to required Federal Communications Commission approval.

- a11. Consideration of Contract Award for Dell/EMC Unity Hardware Maintenance and Support Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion

provided background detailing USAC management's recommendation to award a contract for Dell/EMC Unity hardware maintenance and support services.

On a motion duly made and seconded, 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 award a twelve (12) month firm-fixed price contract for Dell/EMC Unity hardware maintenance and support services to Computer Design & Integration, LLC for a total not to-exceed amount of \$394,075.00 (plus applicable taxes), with such amount including a ten percent (10%) contingency of \$35,825.00 (plus applicable taxes) to cover potential increases in hardware maintenance and support services during the period of performance.

- a12. Consideration of a Contract Award for ServiceNow Instance Licenses and Support Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for ServiceNow instance licenses and support.

On a motion duly made and seconded, 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 award a thirty-six (36) month firm-fixed price contract for ServiceNow instance licenses and support to New Tech Solutions, Inc. for a not-to-exceed amount of \$1,268,650.68 (plus applicable taxes), with such amount including a ten percent (10%) contingency of \$115,331.88 (plus applicable taxes) to cover potential increases in the number of instance licenses and support services required during the period of performance.

- a13. Consideration of Contract Award for Okta Licenses and Support Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for Okta licenses and support services.

On a motion duly made and seconded, 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 award a three (3) year firm-fixed price contract for Okta licenses and support services to Okta, Inc. for a total not-to-exceed amount of \$2,100,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a14. Consideration of a Contract Award for Microsoft Enterprise Agreement.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for a Microsoft Enterprise Agreement.

On a motion duly made and seconded, 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 award a thirty-six (36) month firm-fixed price contract for a Microsoft Enterprise Agreement to Microsoft Corporation for a total not-to-exceed amount of \$6,800,000.00 (plus applicable taxes), with such amount including a contingency of \$500,000.00 (plus applicable taxes) to cover potential increases in the support services and number of licenses due to growth in the business units, subject to required Federal Communications Commission approval.

- a15. Consideration of a Contract Award for Cisco SmartNet.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for Cisco SmartNet.

On a motion duly made and seconded, 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 award a twelve (12) month, firm-fixed price contract for Cisco SmartNet to Disys Solutions, Inc. for a total not-to-exceed amount of \$319,149.12 (plus applicable taxes), with such amount including a contingency of \$20,000.00 (plus applicable taxes) to cover potential increases in the support level required during the twelve (12) month period of performance, subject to required Federal Communications Commission approval.

- a16. Consideration of Contract Award for Tableau Licenses.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for Tableau licenses.

On a motion duly made and seconded, 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 award a twenty-four (24) month, firm-fixed price contract for

Tableau licenses to Salesforce, Inc. for a total not-to-exceed price of \$641,025.00 (plus applicable taxes), with such amount including a contingency of \$30,000.00 (plus applicable taxes) to cover increases in licenses due to future growth.

- a17. Consideration of a Contract Award for VMWare Enterprise Licenses Agreement.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a twelve (12) month firm-fixed price contract for a VMWare Enterprise License.

On a motion duly made and seconded, 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 award a twelve (12) month firm-fixed price contract for a VMWare Enterprise License Agreement to CDI, LLC for a total not-to-exceed price of \$524,630.00 (plus applicable taxes), with such amount including a contingency of \$20,000.00 (plus applicable taxes) to cover potential increases in the number of licenses and support services required during the period of performance.

- a18. Consideration of a Contract Modification for IT Security Assessment Contract with Coalfire.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its existing IT Security Assessment contract with Coalfire by increasing the not-to-exceed amount of the contract by \$181,510.78 (plus applicable taxes) from a total not-to exceed amount of \$3,710,620.20 (plus applicable taxes) to a total not-to-exceed amount of \$3,892,130.98 (plus applicable taxes), and by extending the fourth and final option year period of performance for three (3) additional months.

- a19. Consideration to Exercise Option Terms for Penetration Testing.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise the first and second one (1) year option terms of its existing task order with Ampcus, Inc., thereby increasing the total not-to-exceed amount of its existing task order by \$698,739.54 (plus applicable taxes) from a total not-to-exceed amount of \$328,656.00 (plus applicable taxes) to a total not-to-exceed amount of \$1,027,395.54 (plus applicable taxes), with such amount including a contingency of \$114,000.00 (plus applicable taxes) over both one (1) year option terms.

- a20. Consideration of a Contract Modification for Appian Licenses and Support.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its Appian Licenses and Support contract with Appian Corporation, in support of the E-Rate Productivity Center and other USAC systems, by increasing the not-to-exceed amount by \$4,600,000.00 (plus applicable taxes), from \$13,785,698.32 (plus applicable taxes) to the not-to-exceed amount of \$18,385,698.32 (plus applicable taxes), over the remainder of the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval. Recently, USAC enabled Report Processing Automation within the High Cost program that utilizes Appian to manage the workflow of those automated processes. Additionally, the new High Cost calculation engine that is being built will utilize Appian as its workflow engine. As new applications are added to the Appian platform, USAC will continue to need additional user licenses and increased infrastructure to support these applications.

- a21. Consideration of a Contract Modification for Amazon Web Services and GovCloud Hosting.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its Amazon Web Services and GovCloud hosting contract with Amazon Web Services, Inc. to support USAC's various Universal Service Fund programs, including hosting the Lifeline National Eligibility Verifier, High Cost Broadband Portal, National Lifeline Accountability Database, Centralized Geocoding, and other IT projects, by increasing the not-to exceed amount by \$2,000,000.00 (plus applicable taxes), from the not-to-exceed amount of \$1,500,000.00 (plus applicable taxes) to the not-to-exceed amount \$3,500,000.00(plus applicable taxes), over the remainder of the twelve (12) month period of performance, subject to required Federal Communications Commission approval. This modification is necessary due to USAC's increased Amazon Web Services usage for both existing and new projects and initiatives.

- i9. Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports.** This item was provided for *information purposes only*. No discussion was held.

At 12:51 p.m. the Board continued in *Confidential Executive Session* with only members of the Board, Ms. Nuzzo, and Ms. Williams present.

- a22. RESERVED.**

- a23. *Personnel Matter:*** Consideration of 2024 Salary Increase for the USAC Chief Executive Officer. Mr. Mason facilitated this discussion.

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

RESOLVED, that the USAC Board of Directors having reviewed the proposed 2024 merit-based salary increase for USAC's Chief Executive Officer as recommended by the Executive Compensation Committee, hereby approves the salary increase, effective retroactively as of January 1, 2024.

At 1:02 p.m. the Board continued in ***Confidential Executive Session*** with only non-staff members of the Board present.

- i10. *Confidential Executive Session: Board of Directors Only.*** Mr. Mason facilitated this discussion.

OPEN SESSION

At 1:44 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of ***Executive Session*** and immediately reconvened in ***Open Session***, at which time Mr. Mason reported that, in ***Executive Session***, the Board acted on items a4-a17, a22 and a23, and discussed items i4-i6, and i10.

On a motion duly made and seconded, the Board adjourned at 1:45 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

**Tuesday, April 30, 2024
10:00 a.m. – 12:30 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each available for discussion upon request): A. Approval of Board of Directors Meeting Minutes of January 26 and January 30, 2024 B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i> C. Consideration and Approval of Seven Routine Procurements	5
Chair	i1. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee	10
Michelle	a2. Approval of USAC Common and Consolidated 3rd Quarter 2024 Budgets for the May 2, 2024 FCC Filing	10
Tim Steve	i2. Enterprise Business Updates A. Affordability Connectivity Program Wind Down B. 2023 Annual Complaints Report	10 10

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Radha Kyle	i3. Enterprise Business Update (<i>Continued</i>) A. Appropriated Program Updates B. Cybersecurity Directive and Zero Trust Architecture Update	10 10
Michelle	i4. Information on Contribution Factor	5
Teleshia	i5. Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Report <i>(For Information Only)</i>	–
Chris	i6. Enterprise Risk Management: 1. Q1 2024 Risk Management Update 2. Risk Management Council Minutes <i>(For Information Only)</i>	–
Chris	i7. Procurement Business Update (<i>For Information Only</i>)	–

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Chris	a3. Consideration of Contract Award for Carbon Black VMware Licenses and Support	5
Chris	a4. Consideration of Contract Award for Red Hat Linux Enterprise License Agreement	5
Chris	a5. Consideration of Contract Award for Proofpoint Email Fraud Defense Licenses and Support Services	5
Chris	a6. Consideration of Contract Award for AWS GOVCloud Hosting Services	5
Chris	a7. Consideration of a Contract Award for Computer Matching Program Operations and Maintenance Services <i>(same as HCLI04cf)</i>	5
Chris	a8. Consideration of Contract Award for EnterpriseDB Postgres License and Support Services	5
Chris	a9. Consideration of Contract Award for Disaster Recovery Collocation	–
Chris	a10. Consideration of a Task Order Modification for Web Application Support Services	–
Chris	a11. Consideration to Exercise the Second One-year Option Term for Information Security Program Compliance Support Services	–
Chris	a12. Consideration of a Contract Modification for Document Redaction Services	–
Chris	a13. Consideration of a Contract Modification for IT Development and Technical Services to Support Appian-based Platforms	–
Chris	a14. Consideration of a Contract Modification for Benefits Broker Services	–
Chris	a15. Consideration of a Contract Modification for Long-Term Affordable Connectivity Program Project Management Office Services	–

CONFIDENTIAL EXECUTIVE SESSION Confidential Executive Session Recommended		
Sabina	i8. <i>Confidential Executive Session:</i> Personnel Employee Survey Results	10
Chris	a16. <i>Confidential Executive Session:</i> Consideration of a Contract Modification for to Employee Benefits	–
Chair	i9. <i>Confidential Executive Session:</i> Board of Directors Only	15

Next Scheduled USAC Board of Directors Meeting

<p>Tuesday, July 30, 2024 USAC Offices, Washington, D.C.</p>
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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

BOARD OF DIRECTORS MEETING
Tuesday, April 30, 2024

MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, April 30, 2024. Mr. Ken Mason, Board Chair, called the meeting to order at 10:00 a.m. Eastern Time, with a quorum of 13 of 20 Board members present:

Buzacott, Alan	Sekar, Radha – Chief Executive Officer
Chalk, Indra	Semmler, Kara
Fontana, Brent	Skrivan, Michael
Gregory, Amber	Thompson, Mona – <i>by telephone</i>
Mason, Ken – Chair	Wade, Dr. Joan – Treasurer
Sanquist, Christine – <i>by telephone</i>	Wein, Olivia – Secretary
Schell, Julie Tritt – Vice Chair	

Commissioner Sarah Freeman joined the meeting at 10:18 a.m. Eastern Time. She did not vote on or participate in the discussion of items a1, a2, and i1. Ms. Stephanie Polk joined the meeting *by telephone*, at 11:07 a.m. Eastern Time. She did not vote on or participate in the discussion of items a1, a2, i1, and i2a.

Members of the Board not present:

Chacko, Sheba	Waller, Jeff
Domenech, Dr. Dan	Wibberly, Dr. Kathy
Siefer, Angela	

Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Gaither, Victor – Vice President of High Cost – *by telephone*
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and Assistant Treasurer
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
O'Brien, Tim – Vice President of Lifeline

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

Sweeney, Mark – Vice President of Rural Health Care
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Armstrong, Katlyn	USAC
Botts, Rachel – <i>by telephone</i>	Kellogg & Sovereign Consulting, LLC.
Burchuk, Hillary	USAC
Calhoun, Mitch	USAC
Campbell, Jo-Ann	USAC
Chavez, Luis – <i>by telephone</i>	USAC
Claxton, Naomi	USAC
Estrella, Guilianna – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Green, Kevin	USAC
Hung, Jennifer – <i>by telephone</i>	USAC
Janne, Nina	USAC
King, Ryan	USAC
Kriete, Debra – <i>by telephone</i>	South Dakota Department of Education
Krueger, Katie – <i>by telephone</i>	KPMG
Little, Chris	USAC
Lougheed, Matt	USAC
McKoy, Charmira – <i>by telephone</i>	USAC
Mitchelle, Katherine	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Sadirkhanova, Sabina	USAC
Sneed, Matthew	USAC
Spade, Gina – <i>by telephone</i>	Broadband Legal Strategies, LLC
Steptoe, Carolyn	USAC
Walsh, Colleen	USAC
Wirfs, Tyler	USAC

OPEN SESSION

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

a1. Consent Items. Mr. Mason presented this item to the Board.

A. Approval of Board of Directors Meeting Minutes of January 26, 2024, and January 30, 2024.

B. Approval of moving all *Executive Session* items into *Executive Session*:

- (1) **i3A-B.** Enterprise Business Update (*Continued*). USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* that

would constitute a discussion of internal rules and procedures. In addition, this item might include discussion of *pre-decisional matters pending before the FCC* or discussion related to USAC's *procurement strategy and contract administration*.

- (2) **i4.** Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures and may also include *pre-decisional matters pending before the FCC*. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
- (3) **i5.** Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and may also include *pre-decisional matters* pending before the FCC to which USAC is privy, where discussion of such matters in open session would undermine the deliberative process or result in the disclosure of an agency's conclusions or rationales before the matter is formally decided. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
- (4) **i6.** Enterprise Risk Management Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (5) **i7.** Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (6) **a3.** Consideration of Contract Award for Carbon Black VMware Licenses and Support. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (7) **a4.** Consideration of Contract Award for Red Hat Linux Enterprise License Agreement. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (8) **a5.** Consideration of Contract Award for Proofpoint Email Fraud Defense Licenses and Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

- (9) **a6.** Consideration of Contract Award for AWS GovCloud Hosting Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (10) **a7.** Consideration of a Contract Award for Computer Matching Program Operations and Maintenance Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (11) **a8.** Consideration of Contract Award for EnterpriseDB Postgres License and Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (12) **a9.** Consideration of Contract Award for Disaster Recovery Collocation. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (13) **a10.** Consideration of a Task Order Modification for Web Application Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (14) **a11.** Consideration to Exercise the Second One-year Option Term for Information Security Program Compliance Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (15) **a12.** Consideration of a Contract Modification for Document Redaction Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (16) **a13.** Consideration of a Contract Modification for IT Development and Technical Services to Support Appian-based Platforms. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (17) **a14.** Consideration of a Contract Modification for Benefits Broker Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.
- (18) **a15.** Consideration of a Contract Modification for Long-Term Affordable Connectivity Program Project Management Office Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*.

- (19) **i8. Confidential Executive Session: Personnel Matter:** Employee Survey Results. Consideration of Item. USAC management **recommends** that discussion of this item occur in **Executive Session** because it involves **personnel matters**.
- (20) **a16. Confidential Executive Session: Personnel Matter:** Consideration of a Contract Modification for Employee Benefits. USAC management **recommends** that discussion of this item occur in **Executive Session** because it involves **personnel matters** and relates to USAC's **procurement strategy and contract administration**.
- (21) **i9. Confidential Executive Session:** Board of Directors Only. USAC **management** recommends that this item be discussed in **Executive Session** because it involves **internal personnel matters**.

C. Consideration and Approval of Seven Routine Procurements.

- (1) Consideration of a Task Order Modification for Web Application Support Services. The resolution is provided in **aBOD10cf**. If discussion is needed, it will be conducted in **Executive Session**.
- (2) Consideration to Exercise the Second One-year Option Term for Information Security Program Compliance Support Services. The resolution is provided in **aBOD11cf**. If discussion is needed, it will be conducted in **Executive Session**.
- (3) Consideration of a Contract Modification for Document Redaction Services. The resolution is provided in **aBOD12cf**. If discussion is needed, it will be conducted in **Executive Session**.
- (4) Consideration of a Contract Modification for IT Development and Technical Services to Support Appian-based Platforms. The resolution is provided in **aBOD13cf**. If discussion is needed, it will be conducted in **Executive Session**.
- (5) Consideration of a Contract Modification for Benefits Broker Services. The resolution is provided in **aBOD14cf**. If discussion is needed, it will be conducted in **Executive Session**.
- (6) Consideration of a Contract Modification for Long-Term Affordable Connectivity Program Project Management Office Services. The resolution is provided in **aBOD15cf**. If discussion is needed, it will be conducted in **Executive Session**.
- (7) Consideration of a Contract Modification for Employee Benefits. The resolution is provided on **aBOD16cf**. If discussion is needed, it will be conducted in **Confidential Executive Session**.

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

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of January 26 and 30, 2024; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of seven routine procurements as presented in items aBOD10cf – aBOD16cf.

- il. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** Ms. Wein presented the report for the High Cost & Low Income Committee. Ms. Gregory presented the report for the Schools & Libraries Committee. Mr. Fontana presented the report for the Rural Health Care Committee. Ms. Schell presented the report for the Audit Committee.
- a2. Approval of USAC Common and Consolidated 3rd Quarter 2024 Budget and Demand projection for the May 2, 2024 FCC Filing.** Ms. Garber presented this item for consideration. The presentation included a written report on USAC management’s recommendations for USAC’s common and consolidated 3rd Quarter 2024 budget and demand projection for the May 2, 2024 FCC filing.

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 2024 common budget of \$38.49 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$38.49 million for common costs in the required May 2, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 3rd Quarter 2024 consolidated budget to administer the Universal Service Fund of \$75.85 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$75.85 million for consolidated costs in the required May 2, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

- i2. Enterprise Business Updates.** Mr. O’Brien provided an update on the Affordable Connectivity Program wind down and Mr. Butler presented the 2023 Annual Complaints Report to the Board.

At 11:08 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing confidential items. Only members of the Board, and USAC staff were present.

EXECUTIVE SESSION

- i3. Enterprise Business Update (Continued).** Ms. Sekar provided an update on the
Available for Public Use

Appropriated Programs and Mr. Hutchinson shared a PowerPoint presentation on Cybersecurity Directives and Zero Trust Architecture.

The Board recessed at 11:38 a.m. Eastern Time and reconvened, continuing in *Executive Session* at 11:45 a.m. Eastern Time.

- i4. **Information on the Contribution Factor.** Ms. Garber presented a written report providing USAC's estimate of the 3rd Quarter 2024 contribution factor.
- i5. **Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports.** This item was provided for *information purposes only*. No discussion was held.
- i6. **Enterprise Risk Management Update.** Mr. Mason noted that the report was provided for *information only*. No discussion was held. The report included the following items:
 - Q1 2024 Enterprise Risk Management Update
 - Q1 2024 Risk Management Council Minutes
- i7. **Procurement Business Update.** Mr. Mason noted that the report was provided for *information only*. No discussion was held. The report included an overview of major procurements completed in Q1 2024 and Q2 2024 anticipated activities.

The Board recessed at 11:49 a.m. Eastern Time and reconvened, continuing in *Executive Session* at 11: 55 a.m. Eastern Time.

- a3. **Consideration of Contract Award for Carbon Black VMware Licenses and Support.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for VMware licenses and support services.

On a motion duly made and seconded, 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 award a thirty-six (36) month, firm-fixed price contract for Carbon Black VMware licenses and support to AccessIT Group, Inc. for a total not-to-exceed amount of \$709,232.16 (plus applicable taxes), with such amount including a contingency of \$50,000.00 (plus applicable taxes)) to cover potential increases on the number of licenses and/or software support during the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval.

- a4. **Consideration of Contract Award for Red Hat Linux Enterprise License Agreement.** Mr. Beyerhelm presented this item for consideration. The

presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for Red Hat Linux Enterprise License Agreement.

On a motion duly made and seconded, 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 award a thirty-six (36) month, firm-fixed price contract for a Red Hat Enterprise License Agreement to New Tech Solutions, Inc. for a total not-to-exceed amount of \$1,579,511.92 (plus applicable taxes), with such amount including a contingency of \$100,000.00 (plus applicable taxes) to cover potential increases in the number of licenses and/or software support during the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval.

- a5. Consideration of Contract Award for Proofpoint Email Fraud Defense Licenses and Support Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for Proofpoint Email Fraud Defense licenses and support services.

On a motion duly made and seconded, 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 award a thirty-six (36) month, firm-fixed price contract for Proofpoint Email Fraud Defense licenses and support services to SHI International Corporation for a total not-to-exceed amount of \$1,467,229.00 (plus applicable taxes), with such amount including a contingency of \$50,000.00 (plus applicable taxes) to cover potential increases in the number of licenses and/or software support during the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval.

- a6. Consideration of Contract Award for AWS GovCloud Hosting Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for AWS GovCloud hosting services.

On a motion duly made and seconded, with Mr. Fontana abstaining, 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 award a twelve (12) month firm-fixed price sole source contract to Amazon Web Services, Inc. for GovCloud hosting services, for a total not-to-exceed amount of \$3,700,000.00 (plus applicable taxes), with such amount including a contingency of \$500,000.00 (plus applicable taxes) to cover USAC's additional hosting needs based on the 2024-2025 USAC IT projects roadmap, subject to required Federal Communications Commission approval.

- a7. Consideration of a Contract Award for Computer Matching Program Operations and Maintenance Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for computer matching operations and maintenance services.

On a motion duly made and seconded, 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 award a one (1) year sole source contract to the Centers for Medicare and Medicaid Services for operations and maintenance services and IT security incident work in support of the currently developed and in-use application programming interface providing automated computer matching for eligibility verifications for the Affordable Connectivity Program, for a firm-fixed price of \$648,120.00 (plus applicable taxes) over the one (1) year term, subject to required Federal Communications Commission approval and subject to an allocation of the total contract cost to the congressionally appropriated funds available to the Affordable Connectivity Program, as eventually determined by the parties and as instructed in writing by the Federal Communications Commission.

- a8. Consideration of Contract Award for Enterprise DB Postgres License and Support Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for EnterpriseDB Postgres license and support services.

On a motion duly made and seconded, 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 award a thirty-six (36) month, firm-fixed price contract for EnterpriseDB Postgres licenses and support to New Tech Solutions, Inc. for a total not-to-exceed amount of \$1,421,374.00 (plus applicable taxes), with such amount including a contingency of \$100,000.00 (plus applicable taxes) to cover

potential increases in licenses required during the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval.

- a9. Consideration of Contract Award for Disaster Recovery Collocation.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract for Disaster Recovery Collocation.

On a motion duly made and seconded, 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 award a thirty-six (36) month firm-fixed price contract to Quality Investment Properties Richmond, LLC for USAC's disaster recovery collocation, for a not-to-exceed amount of \$600,000.00 (plus applicable taxes), with such amount including a contingency of \$40,000.00 (plus applicable taxes) to cover USAC's additional needs during the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval.

- a10. Consideration of a Task Order Modification for Web Application Support Services.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise the second of three one-year option terms with 22nd Century Technologies, Inc. for services related to the operations and maintenance, development, modernization, and enhancement support for USAC's High Cost program, increasing the total not-to-exceed amount by \$1,855,750.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$4,853,573.60 (plus applicable taxes) to \$6,709,323.60 (plus applicable taxes), subject to required Federal Communications Commission approval.

RESOLVED, that Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise the second of three one-year option terms with Accenture Federal Services LLC, for services related to the operations and maintenance, development, modernization, and enhancement support for USAC's Lifeline program, increasing the total not-to-exceed amount by \$2,669,612.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$7,356,328.16 (plus applicable taxes) to \$10,025,940.20 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a11. Consideration to Exercise the Second One-year Option Term for Information Security Program Compliance Support Services.** No additional

discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise the second one-year option term of the information security program compliance support services contract with KPMG LLP, for a total not-to exceed amount of \$3,595,851.81 (plus applicable taxes), increasing the total not-to-exceed amount of the contract from \$7,512,460.02 (plus applicable taxes) to \$11,108,311.83 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a12. Consideration of a Contract Modification for Document Redaction Services.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to increase the total not-to-exceed amount of the Document Reduction Contract with Ampcus Inc. by \$700,000.00 (plus applicable taxes), increasing the total not-to-exceed amount of option year two (2) from \$2,500,000.00 (plus applicable taxes) to \$3,200,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a13. Consideration of a Contract Modification for IT Development and Technical Services to Support Appian-based Platforms.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to modify its contract with ICF International, Inc. for IT development and technical services to support Appian-based platforms and associated support by increasing the not-to-exceed amount of the first option year by \$2,000,000.00 (plus applicable taxes), increasing the total not-to-exceed amount from \$8,848,569.60 (plus applicable taxes) to \$10,848,569.60 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a14. Consideration of a Contract Modification for Benefits Broker Services.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, subject to required Federal Communications Commission approval, hereby authorizes management to modify its existing contract with Gallagher Benefit Services, Inc. to add

services related to post-employment benefits other than pensions, increasing the total not-to-exceed amount of the remaining option terms by \$24,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$495,663.00 (plus applicable taxes) to \$519,663.00 (plus applicable taxes) over the contract term.

- a15. Consideration of a Contract Modification for Long-Term Affordable Connectivity Program Project Management Office Services.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its contract with Deloitte LLP for long-term project management office services to support the Affordable Connectivity Program (ACP) by increasing the total not-to-exceed amount of the second option year by \$2,000,000.00 (plus applicable taxes), increasing the total not-to-exceed amount from \$22,830,195.00 (plus applicable taxes) to \$24,830,195.00 (plus applicable taxes), subject to required Federal Communications Commission approval. Amounts associated with these services will be expensed using congressionally appropriated funds and not the Universal Service Fund.

At 12:19 p.m. the Board continued in *Confidential Executive Session* with only members of the Board, the Leadership team, Ms. Nuzzo, and Ms. Goode.

- i8. Personnel Matter: Employee Survey Results.** Ms. Sadirkhanova presented this item to the Board and facilitated this discussion.

- a16. Consideration of a Contract Modification for to Employee Benefits.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its existing contract with Cigna for a health benefits plan to remove pre-authorization requirements for services, increasing the total not-to-exceed amount of the remaining option terms by \$253,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$13,543,594.00 (plus applicable taxes) to \$13,796,594.00 (plus applicable taxes) over the contract term, subject to required Federal Communications Commission approval.

At 12:45 p.m. the Board continued in *Confidential Executive Session* with only non-staff members of the Board present.

- i9. Confidential Executive Session: Board of Directors Only.** Mr. Mason facilitated this discussion.

OPEN SESSION

At 1:05 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Mason reported that, in *Executive Session*, the Board acted on items a3-a9 and discussed items i3-i4 and i8-i9.

On a motion duly made and seconded, the Board adjourned at 1:05 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

**Tuesday, July 30, 2024
10:00 a.m. – 12:30 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

<u>OPEN SESSION</u>		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each available for discussion upon request): A. Approval of Board of Directors Meeting Minutes of April 30, 2024 B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i> C. Consideration and Approval of Two Routine Procurements D. Review of the Executive Compensation Charter (<i>See aBOD11cf</i>)	5
Chair	i1. Reports from the Committee Chairs: High Cost & Low Income Committee, Schools & Libraries Committee, Rural Health Care Committee, Audit Committee, and Executive Compensation Committee	10
Teleshia	i2. Information on Five USAC Audit and Assurance Audit Division Universal Service Supply Chain Audit Reports <i>(For Information Only)</i>	–
Michelle	a2. Approval of USAC Common and Consolidated 4th Quarter 2024 Budgets for the August 2, 2024, Federal Communications Commission Filing	10
Michelle	i3. Enterprise Business Update: A. Enterprise Resource Planning (ERP) Readiness and Launch	20

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Radha Kyle	i3. Enterprise Business Updates (<i>Continued</i>) B. CEO Update C. FISMA Maturity at USAC	10 10
Michelle	i4. Information on Contribution Factor	5
Michelle	i5. Acceptance of USAC’s Restated 2022 Financial Statements and the 2023 Annual Financial Statement Audit and Agreed-Upon Procedures Review (<i>Same as aAC05cf</i>)	20

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Teleshia	i6. Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports <i>(For Information Only)</i>	–
Chris	i7. Enterprise Risk Management Scorecard 1. Q2 2024 Risk Management 2. Risk Management Council Minutes <i>(For Information Only)</i>	–
Chris	i8. Procurement Business Update <i>(For Information Only)</i>	–
Chris	a3. Consideration of a Contract Award for Oracle Licenses and Technical Support	20 min.
Chris	a4. Consideration of Contract Awards for Beneficiary and Contributor Audit Program (BCAP) and Supply Chain Audit Services	
Chris	a5. Consideration of a Contract for Award CyberArk Licenses	
Chris	a6. Consideration of a Contract Award for Atlassian Jira and Confluence Cloud Licenses	
Chris	a7. Consideration of a Contract Award for Carto Licenses	
Chris	a8. Consideration of a Contract for Security and Privacy Assessment	
Chris	a9. Consideration to Exercise the First One-year Option Term for IT Security Operations Center Services	–
Chris	a10. Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing Call Center Services	–

CONFIDENTIAL EXECUTIVE SESSION Confidential Executive Session Recommended		
Erin	a11. Confidential Executive Session: Review of the Executive Compensation Charter	–
Chair	i9. Confidential Executive Session: Board of Directors Only	15

Next Scheduled USAC Board of Directors Meeting

Tuesday, October 29, 2024 USAC Offices, Washington, D.C.

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

BOARD OF DIRECTORS MEETING
Tuesday, July 30, 2024

MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, July 30, 2024. Mr. Ken Mason, Board Chair, called the meeting to order at 10:00 a.m. Eastern Time, with a quorum of 18 of the 20 Board members present:

Buzacott, Alan – <i>by telephone</i>	Schell, Julie Tritt – Vice Chair
Chacko, Sheba	Sekar, Radha – Chief Executive Officer
Chalk, Indra	Semmler, Kara
Domenech, Dr. Dan	Siefer, Angela
Freeman, Sarah	Skrivan, Michael
Gregory, Amber – <i>by telephone</i>	Thompson, Mona – <i>by telephone</i>
Mason, Ken – Chair	Wade, Dr. Joan – Treasurer
Polk, Stephanie – <i>by telephone</i>	Wein, Olivia – Secretary
Sanquist, Christine	Wibberly, Kathy

Mr. Brent Fontana joined the meeting at 11:05 a.m. Eastern Time. He did not vote on items a1, a2, or participate in the discussion of item i1–i5.

Members of the Board not present:

Waller, Jeff

Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and Assistant Treasurer
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
O'Brien, Tim – Vice President of Lifeline
Sweeney, Mark – Vice President of Rural Health Care
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Archer, Christopher – by telephone	Radius Technology Group
Armstrong, Katlyn	USAC
Bailey, Macey	USAC
Borg, Jeanenne – <i>by telephone</i>	USAC
Bui, Brandon	USAC
Burchuk, Hillary	USAC
Calhoun, Mitch	USAC
Claxton, Naomi	USAC
Estrella, Guilianna – <i>by telephone</i>	USAC
Franciso, Dale	USAC
Goode, Vernell	USAC
Green, Kevin	USAC
Gustafson, Jaymie	USAC
Harvey, Casey	Iron Bow
Janne, Nina	USAC
King, Ryan	USAC
Kriete, Debra – <i>by telephone</i>	South Dakota Department of Education
Kurisch, William	USAC
Labarta, Gem	USAC
Little, Chris	USAC
Morgan, Meredith	USAC
Morning, Kimberly – <i>by telephone</i>	Morgan Lewis
Nuzzo, Patsy	USAC
Sadirkhanova, Sabina	USAC
Santana–Gonzalez, Jeanette	USAC
Shrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Theobald, Fred	USAC
Wirfs, Tyler	USAC
Zitin, Carolyn	USAC

OPEN SESSION

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

a1. Consent Items. Mr. Mason presented this item to the Board.

A. Approval of Board of Directors Meeting Minutes of April 30, 2024.

B. Approval of moving all *Executive Session* items into *Executive Session*:

- (1) **i3B-C.** Enterprise Business Updates (*Continued*). USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures. In

addition, this item might include discussion of *pre-decisional matters pending before the FCC*.

- (2) **i4.** Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures and may also include *pre-decisional matters pending before the FCC*. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
- (3) **i5.** Acceptance of USAC's Restated 2022 Financial Statements and the 2023 Annual Financial Statement Audit and Agreed-Upon Procedures Review. USAC management recommends that this matter be discussed in *Executive Session* because it relates to *specific internal controls, or confidential company data* that would constitute a discussion of internal rules and procedures.
- (4) **i6.** Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and may also include *pre-decisional matters* pending before the FCC to which USAC is privy, where discussion of such matters in open session would undermine the deliberative process or result in the disclosure of an agency's conclusions or rationales before the matter is formally decided. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
- (5) **i7.** Enterprise Risk Management Scorecard. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data* and *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.
- (6) **i8.** Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (7) **a3.** Consideration of a Contract Award for Oracle Licenses and Technical Support. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.

- (8) **a4.** Consideration of Contract Awards for Beneficiary and Contributor Audit Program (BCAP) and Supply Chain Audit Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (9) **a5.** Consideration of Contract for Award CyberArk Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (10) **a6.** Consideration of Contract Award for Atlassian Jira and Confluence Cloud Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (11) **a7.** Consideration of a Contract Award for Carto Licenses. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (12) **a8.** Consideration of a Contract Award for Security and Privacy Assessment. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (13) **a9.** Consideration to Exercise the First One-year Option Term for IT Security Operations Center Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (14) **a10.** Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing Call Center Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.

- (15) **a11. Confidential Executive Session:** Review of the Executive Compensation Charter. USAC management recommends that discussion of this item occur in *Executive Session* because *it involves internal personnel matters*. In addition, as set forth in Section D of the Committee charter, Committee business shall be conducted in *Executive Session*.
- (16) **i9. Confidential Executive Session:** Board of Directors Only. USAC management recommends that this item be discussed in *Executive Session* because it involves *internal personnel matters*.

C. Consideration and Approval of Two Routine Procurements.

- (1) Consideration to Exercise the First One-year Option Term for IT Security Operations Center Services. The resolution is provided in **aBOD09cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (2) Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing Call Center Services. The resolution is provided in **aBOD10cf**. If discussion is needed, it will be conducted in *Executive Session*.

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

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of April 30, 2024; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of two routine procurements as presented in items aBOD09cf and aBOD10cf.

- i1. Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** Ms. Wein presented the report for the High Cost & Low Income Committee. Dr. Domenech presented the report for the Schools & Libraries Committee. Dr. Wibberly presented the report for the Rural Health Care Committee. Ms. Schell presented the report for the Audit Committee.
- i2. Information on Five USAC Audit and Assurance Audit Division Universal Service Supply Chain Audit Reports.** This item was provided for *information purposes* only. No discussion was held. Mr. Mason noted that the Board of Directors Supply Chain Audit Briefing Book would be made public and posted to the USAC website.
- a2. Approval of USAC Common and Consolidated 4th Quarter 2024 Budget and Demand projection for the August 2, 2024 FCC Filing.** Ms. Garber presented this item for consideration. The presentation included a written report on USAC management's recommendations for USAC's common and consolidated 4th Quarter 2024 budget and demand projection for the August 2, 2024 FCC filing.

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 4th Quarter 2024 common budget of \$39.79 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$39.79 million for common costs in the required August 2, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 4th Quarter 2024 consolidated budget to administer the Universal Service Fund of \$76.88 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$76.88 million for consolidated costs in the required August 2, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

- i3. **A. Enterprise Business Updates: Enterprise Resource Planning (ERP) Readiness and Launch.** Ms. Garber provided an update on the ERP project that included the project background, design overview, implementation timeline, and next steps.

At 10:29 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing confidential items. Only members of the Board, and USAC staff were present.

EXECUTIVE SESSION

- i3. **Enterprise Business Update (Continued). A. CEO Update.** Ms. Sekar provided a verbal CEO update. **B. FISMA Maturity at USAC.** Mr. Hutchinson shared a PowerPoint presentation that provided definitions of the maturity levels, self-assessment metrics, a compliance update, and next steps.
- i4. **Information on the Contribution Factor.** Ms. Garber presented a written report providing USAC's estimate of the 4th Quarter 2024 contribution factor.
- i5. **Acceptance of USAC's Restated 2022 Financial Statements and the 2023 Annual Financial Statement Audit and Agreed-Upon Procedures Review.** Ms. Garber provided a summary of PwC presentation provided to the Audit Committee the previous day.
- i6. **Information on Two USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports.** This item was provided for *information purposes only*. No discussion was held.

- i7. **Enterprise Risk Management Update.** Mr. Beyerhelm provided an overview of the updated Enterprise Risk Management Heat Map.
- i8. **Procurement Business Update.** Mr. Mason noted that the report was provided for *information only*. No discussion was held. The report included an overview of major procurements completed in Q2 2024 and Q3 2024 anticipated activities.
- a3. **Consideration of a Contract Award for Oracle Licenses and Technical Support.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a contract to Oracle for licensing and technical support.

On a motion duly made and seconded, 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 award a twelve (12) month firm-fixed price contract to Oracle America, Inc. for Oracle licenses and technical support, for a total not-to-exceed (NTE) amount of \$1,754,301.04 (plus applicable taxes), with such amount including a contingency of \$200,000.00 (plus applicable taxes) to cover potential increases in license and support required during the twelve (12) month period of performance, subject to required Federal Communications Commission approval.

- a4. **Consideration of a Contract Award for Beneficiary and Contributor Audit Program (BCAP) and Supply Chain Audit Services.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award 12 indefinite delivery indefinite quantity (IDIQ) task order-based contracts for Beneficiary and Contributor Audit Program (BCAP) & Supply Chain Audit Services.

On a motion duly made and seconded, 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 award twelve (12) Indefinite Delivery Indefinite Quantity task order-based contracts to CohnReznick, Crowe, Deloitte & Touche, DP George, Ernst & Young, GKA, Hurlbert, Kearney, KPMG, Moss Adams, Regis, and Sikich for Beneficiary and Contributor Audit Program (BCAP) & Supply Chain Audit Services for a not-to-exceed amount of \$15,000,000.00 (plus applicable taxes) covering all twelve (12) IDIQ task order-based contracts over a twelve (12) month base period, subject to required Federal Communications Commission (FCC) approval.

- a5. Consideration of a Contract for Award CyberArk Licenses.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a firm-fixed price contract for CyberArk Licenses.

On a motion duly made and seconded, 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 award a twenty-four (24) month firm-fixed price contract to Access IT Group Inc. for CyberArk Licenses for a total not-to-exceed amount of \$1,237,838.00 (plus applicable taxes), with such amount including a contingency of \$200,000.00 (plus applicable taxes) to cover potential increases in licenses required during the twenty-four (24) month period of performance, subject to required Federal Communications Commission approval.

- a6. Consideration of a Contract Award for Atlassian Jira and Confluence Cloud Licenses.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a firm-fixed price for Atlassian Jira and Confluence Cloud Licenses.

On a motion duly made and seconded, 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 award a thirty-six (36) month, firm-fixed price contract for Atlassian Jira and Confluence Cloud Licenses to Empyra.com, Inc. for a total not-to-exceed amount of \$1,495,000.00 (plus applicable taxes), with such amount including a contingency of \$60,463.25 (plus applicable taxes) to cover potential increases in the number of licenses required during the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval.

- a7. Consideration of a Contract Award for Carto Licenses.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a firm-fixed price for Carto Licenses.

On a motion duly made and seconded, 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 award a thirty-six (36) month firm-fixed price contract to SHI International Corp for the renewal of Carto Licenses for a total not-to-exceed amount of \$362,986.11 (plus applicable taxes), with such amount including a contingency of \$32,998.74 (plus applicable taxes) to cover potential increases in licenses required during the thirty-six (36) month period of performance, subject to required Federal Communications Commission approval.

- a8. Consideration of a Contract for Security and Privacy Assessment.** Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award a firm-fixed price for security and privacy assessment services.

On a motion duly made and seconded, 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 award a firm-fixed price contract to Veris Group LLC dba Coalfire Federal for Security and Privacy Assessment Services. The contract will have a total not-to-exceed (NTE) amount of \$625,000.00 (plus applicable taxes) over the twelve (12) month base period, with such amount including a contingency of \$31,972.00 (plus applicable taxes) to cover unforeseen costs over the twelve (12) month base period, with the ability to exercise four (4) additional one (1) year option terms, for a five (5) year total not-to-exceed amount of \$2,358,884.56 (plus applicable taxes), subject to required Federal Communications Commission approval. Exercise of options to extend the contract beyond the initial twelve (12) month base period is subject to additional required Federal Communications Commission and USAC Board of Directors approval.

- a9. Consideration to Exercise the First One-year Option Term for IT Security Operations Center Services.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise the first one-year option of the IT Security Operations Center (SOC) Services Contract with XOR Security LLC, for a total not-to-exceed amount of \$1,479,677.73 (plus applicable taxes), thereby increasing the total not-to-exceed amount of the contract from \$1,403,320.70 (plus applicable taxes) to \$2,882,998.43 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a10. Consideration of a Contract Modification for Emergency Connectivity Fund Long Term Project Management, Business Process Outsourcing Call Center**

Services. No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to modify its contract with Ernst & Young LLP for Emergency Connectivity Fund (ECF) long-term project management, business process outsourcing, and call center services by increasing the not-to-exceed amount of the second and final option term by \$400,000.00 (plus applicable taxes) for a not-to-exceed amount of \$8,800,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount of the contract from \$41,731,126.00 to \$42,131,126.00 (plus applicable taxes), subject to required Federal Communications Commission approval. Amounts associated with these services will be expensed using congressionally appropriated funds and not the Universal Service Fund.

The Board recessed for lunch at 11:33 a.m. Eastern Time and reconvened, in **Confidential Executive Session** at 12:15 p.m. Eastern Time with only members the Board, Ms. Williams, Ms. Goode, and Ms. Nuzzo present.

a11. Review of the Executive Compensation Charter. Ms. Williams presented this item to the Board.

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

RESOLVED, that the USAC Board of Directors, having reviewed the existing Executive Compensation Committee Charter, hereby accepts the recommendation of the Executive Compensation Committee and approves the current Executive Compensation Committee Charter without revision.

At 12:17 p.m. Eastern Time the Board of Directors continued in **Confidential Executive Session** with only non-staff members of the Board present.

i9. Confidential Executive Session: Board of Directors Only. Mr. Mason facilitated this discussion.

OPEN SESSION

At 12:45 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of **Confidential Executive Session** and immediately reconvened in **Open Session**, at which time Mr. Mason reported that, in **Executive Session**, the Board acted on items a1-a8, and a11, and discussed items i3B and C, i5, i4, i7, and i9.

On a motion duly made and seconded, the Board adjourned at 12:45 p.m. Eastern Time.

/s/ Erin Williams

Assistant Secretary

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

<p>Thursday, September 12, 2024 4:00 p.m. – 5:00 p.m. ET Virtual Meeting USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005</p>
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<u>EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Confidential – Executive Session Recommended Attorney Client Privileged Communications		
Erin	a1. Consideration of Adoption of a New FCC–USAC Memorandum of Understanding	60

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

BOARD OF DIRECTORS MEETING
Thursday, September 12, 2024

MINUTES¹

The non-quarterly meeting of the USAC Board of Directors (Board) was conducted by web conference on Thursday, September 12, 2024. Mr. Ken Mason, Board Chair, called the meeting to order at 4:02 p.m. Eastern Time, with a quorum of 13 of the 20 Board members present:

Buzacott, Alan	Sekar, Radha – Chief Executive Officer
Chacko, Sheba	Semmler, Kara
Chalk, Indra	Siefer, Angela
Freeman, Sarah	Thompson, Mona
Gregory, Amber	Wein, Olivia – Secretary
Mason, Ken – Chair	Wibberly, Dr. Kathy
Schell, Julie Tritt - Vice Chair	

Member of the Board not present:

Domenech, Dr. Dan	Skriwan, Michael
Fontana, Brent	Wade, Dr. Joan – Treasurer
Polk, Stephanie	Waller, Jeff
Sanquist, Christine	

Officers of the corporation present:

Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present by telephone:

<u>NAME</u>	<u>COMPANY</u>
Nuzzo, Patsy	USAC

OPEN SESSION

- a1. **Consideration of Adoption of New FCC-USAC Memorandum of Understanding.** USAC management recommends that discussion of this matter be

¹ Draft resolutions were presented to the Board prior to the Board 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.

conducted in *Executive Session* because it involves *attorney/client privileged communications*.

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

RESOLVED, that the USAC Board of Directors determines that the discussion of this item be conducted in *Executive Session*.

At 4:04 p.m. Eastern Time, on a motion duly made and seconded, the Board moved into *Executive Session* for the purpose of discussing the confidential item listed above.

EXECUTIVE SESSION

- a1. Consideration of Adoption of New FCC-USAC Memorandum of Understanding.** Ms. Williams presented this item for consideration. The presentation included a written summary highlighting the changes from 2018 Memorandum of Understanding.

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

RESOLVED, that the USAC Board of Directors hereby approves the adoption of the new FCC-USAC Memorandum of Understanding (MOU) recommended by USAC management, and the Board authorizes management, subject to making editorial changes agreed upon by USAC and the FCC, to execute the new MOU as proposed.

OPEN SESSION

At 4:29 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Mason reported that, in *Executive Session*, the Board took action on item a1.

On a motion duly made and seconded, the Board adjourned at 4:29 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

**Tuesday, September 24, 2024
3:00 p.m. – 3:30 p.m. ET
Virtual Meeting
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

<u>EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Confidential – Executive Session Recommended		
Radha	i1. Informational Update on the USAC Employee Benefits Program	30

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

BOARD OF DIRECTORS MEETING
Tuesday, September 24, 2024

MINUTES¹

The non-quarterly meeting of the USAC Board of Directors (Board) was conducted by web conference on Tuesday, September 24, 2024. Mr. Ken Mason, Board Chair, called the meeting to order at 3:02 p.m. Eastern Time, with a quorum of 14 of the 20 Board members present:

Chalk, Indra	Sekar, Radha – Chief Executive Officer
Fontana, Brent	Semmler, Kara
Freeman, Sarah	Siefer, Angela
Gregory, Amber	Skrivan, Mike
Mason, Ken – Chair	Waller, Jeff
Sanquist, Christine	Wein, Olivia – Secretary
Schell, Julie Tritt – Vice Chair	Wibberly, Dr. Kathy

The following Board member joined the call after roll call and did participate in the discussion of item 11: Dr. Dan Domenech, Mona Thompson, Dr. Joan Wade – Treasurer

Members of the Board not present:

Buzacott, Alan
Chacko, Sheba
Polk, Stephanie

Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present by telephone:

<u>NAME</u>	<u>COMPANY</u>
Nuzzo, Patsy	USAC

¹ Draft resolutions were presented to the Board prior to the Board 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.

OPEN SESSION

- a1. Informational Update on the USAC Employee Benefits Program.** USAC management recommends that discussion of this matter be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration and personnel matters*.

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

RESOLVED, that the USAC Board of Directors determines that the discussion of this item be conducted in *Executive Session*.

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

EXECUTIVE SESSION

- a1. Informational Update on the USAC Employee Benefits Program.** The presentation included a written summary with Ms. Sekar presenting and responding to questions from the Board regarding the termination of the USAC medical and life insurance retiree benefit effective August 6, 2024.

OPEN SESSION

At 3:18 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Mason reported that, in *Executive Session*, the Board discussed item a1.

On a motion duly made and seconded, the Board adjourned at 3:18 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

**Tuesday, October 29, 2024
10:00 a.m. – 12:30 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

<u>OPEN SESSION</u> Available for Public Use		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each available for discussion upon request): A. Approval of Board of Directors Meeting Minutes of July 30, September 12, and September 24, 2024 B. Approval of moving all <i>Executive Session</i> Items into <i>Executive Session</i> C. Consideration and Approval of Four Routine Procurements D. Consideration of Approval to Reimburse Board Members to Attend an Event Other Than a Quarterly USAC Board or Committee Meeting	5
Chair	i1. Reports from the Committee Chairs: High Cost & Low Income Committee, Schools & Libraries Committee, Rural Health Care Committee, Audit Committee, and Executive Compensation Committee	10
Chair	a2. Appointment of a Nominating Committee and Direction to Committees for the Appointment of Committee Chairs and Vice Chairs	5
Michelle	a3. Approval of USAC Common and Consolidated 1st Quarter 2025 Budgets for the November 1, 2024, Federal Communications Commission Filing	10
Michelle	i2. Enterprise Business Update <ul style="list-style-type: none"> • Enterprise Resource Planning Launch Status 	15

<u>INFORMATION ONLY</u> Available for Public Use		<i>Estimated Duration in Minutes</i>
Teleshia	i3. Information on One USAC Audit and Assurance Audit Division Universal Service Supply Chain Audit Reports <i>(For Information Only)</i>	–

<u>EXECUTIVE SESSION</u> Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Kyle	i4. Enterprise Business Update <i>(Continued)</i> A. Zero Trust Architecture Maturity Model	10

Available For Public Use

<u>EXECUTIVE SESSION</u>		<i>Estimated Duration in Minutes</i>
Confidential – Executive Session Recommended		
Aaron Hamm Chris S./Ben Sabina	B. Contract Administration and Vendor Performance C. USAC Fraud Risk Insights and Antifraud Activities D. USAC Retention, Growth, and Effectiveness Story	10 10 10
Michelle	i5. Information on Contribution Factor	5
Chris	a4. Consideration to Exercise Option Terms for Call Center Services and Customer Relationship Management System	–
Chris	a5. Consideration of a Contract Modification for Enterprise Resource Planning Analysis and Project Management Office (PMO) Services Contract	–
Chris	a6. Consideration of a Contract Modification for Enterprise Architecture Assessment and Support Services	–
Chris	a7. Consideration of a Contract Modification for Operation and Maintenance, Design and Development, Licensing, and Hosting of the National Verifier and National Lifeline Accountability Database Systems for the Affordable Connectivity Program	–
Chris	a8. Consideration of a Contract Award for Fraudulent Document Identification Tool	5

<u>EXECUTIVE SESSION – INFORMATION ONLY</u>		<i>Estimated Duration in Minutes</i>
Executive Session Recommended		
Teleshia	i6. Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports	–
Chris	i7. Enterprise Risk Management Scorecard 1. Q3-Q4 2024 Risk Management Scorecard 2. Risk Management Council Minutes	–
Chris	i8. Procurement Business Update	–

CONFIDENTIAL EXECUTIVE SESSION		<i>Estimated Duration in Minutes</i>
Confidential Executive Session Recommended		
Erin	i9. Litigation Update	10
Chris	a9. Personnel Matter: Consideration of Contract Awards for the USAC Employee Benefit Programs	10
Sabina	a10. Personnel Matter: Consideration of 2025 Compensation Item	10
Chair	i10. Confidential Executive Session: Board of Directors Only	20

Next Scheduled USAC Board of Directors Meeting

<p>Tuesday, January 28, 2025 USAC Offices, Washington, D.C.</p>

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

BOARD OF DIRECTORS MEETING
Tuesday, October 29, 2024

MINUTES¹

The quarterly meeting of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Tuesday, October 29, 2024. Mr. Ken Mason, Board Chair, called the meeting to order at 10:00 a.m. Eastern Time, with a quorum of 17 of the 20 Board members present:

Buzacott, Alan	Schell, Julie Tritt – Vice Chair
Chacko, Sheba – <i>by telephone</i>	Sekar, Radha – Chief Executive Officer
Chalk, Indra	Siefer, Angela
Domenech, Dr. Dan	Skrivan, Michael
Fontana, Brent – <i>by telephone</i>	Thompson, Mona – <i>by telephone</i>
Freeman, Sarah – <i>by telephone</i>	Waller, Jeff – <i>by telephone</i>
Gregory, Amber	Wein, Olivia – Secretary
Mason, Ken – Chair	Wibberly, Kathy
Sanquist, Christine – <i>by telephone</i>	

Dr. Joan Wade joined the call by telephone at 10:33 a.m. ET. She did not vote on items a1-a3 or participate in the discussion of item i1. Ms. Stephanie Polk joined the meeting by telephone at 11:10 a.m. Eastern Time. She did not vote on items a1-a3, or participate in the discussion of items i1, i2, and i4A.

Members of the Board not present:

Semmler, Kara

Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer

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

Hutchinson, Kyle – Vice President of IT and Chief Information Officer
 O'Brien, Tim – Vice President of Lifeline
 Sweeney, Mark – Vice President of Rural Health Care
 Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Armstrong, Katlyn	USAC
Burchuk, Hillary	USAC
Calhoun, Mitch	USAC
Carrington, Samuel	USAC
Claxton, Naomi	USAC
Crouse, Martin – <i>by telephone</i>	InHand Networks
Emory, Matthew	Deloitte
Enayat, Falak Jan	USAC
Faunce, Donna	USAC
Franciso, Dale	USAC
Goode, Vernell	USAC
Green, Kevin	USAC
Hamm, Aaron	USAC
Harrington, Samuel	USAC
Harvey, Casey	Iron Bow
Havivi, Daniel	USAC
Hawkins, Crystal	USAC
Khairkhwah, Hameed	USAC
King, Ryan	USAC
Little, Chris	USAC
Lougheed, Matt	USAC
Massoud, Jawed	USAC
McCullough, LaShae	USAC
Mitchell, Katherine	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Parker, Ben	USAC
Pond, Mike	USAC
Robinson, Ben	USAC
Sadirkhanova, Sabina	USAC
Santana-Gonzalez, Jeanette	USAC
Shrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Smith, Chris	USAC
Staurulakis, Chresanthe	USAC
Strandberg, Steve	USAC
Tyler, Gerrod	USAC
Wirfs, Tyler	USAC

OPEN SESSION

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

a1. Consent Items. Mr. Mason presented this item to the Board.

A. Approval of Board of Directors Meeting Minutes of July 30, September 12, and September 24, 2024.

B. Approval of moving all *Executive Session* items into *Executive Session*:

- (1) **i4A-D.** Enterprise Business Updates (*Continued*). USAC management recommends that these items be discussed in *Executive Session* because they relate to *specific internal controls or confidential company data* that would constitute a discussion of internal rules and procedures, relate to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy, and involve *personnel matters*.
- (2) **i5.** Information on Contribution Factor. USAC management recommends that this item be discussed in *Executive Session* because the reports relate to specific *internal controls or confidential company data*. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*. Additionally, the reports relate to *pre-decisional matters* before a governmental agency or instrumentality to which USAC is privy, where discussion of such matters in open session would undermine the agency's deliberative process or would result in the disclosure of an agency's conclusions or rationales before the agency had formally decided the matter.
- (3) **i6.** Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports. USAC management recommends that these items be discussed in *Executive Session* because they relate to *specific internal controls or confidential company data* and may also include *pre-decisional matters* pending before the FCC to which USAC is privy, where discussion of such matters in open session would undermine the deliberative process or result in the disclosure of an agency's conclusions or rationales before the matter is formally decided. In addition, *47 C.F.R. § 54.711(b) requires USAC to keep all data obtained from contributors confidential*.
- (4) **i7.** Enterprise Risk Management Scorecard. USAC management recommends that this item be discussed in *Executive Session* because it relates to *specific internal controls or confidential company data*

and *internal rules and procedures* concerning the administration of the universal service support mechanisms, where discussion of the matter in open session would result in *disclosure of confidential techniques and procedures* that would compromise program integrity.

- (5) **i8.** Procurement Business Update. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (6) **a4.** Consideration to Exercise Option Term for Call Center Services and Customer Relationship Management System. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (7) **a5.** Consideration of a Contract Modification for Enterprise Resource Planning Analysis and PMO Services Contract. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (8) **a6.** Consideration of a Contract Modification for Enterprise Architecture Assessment and Support Services. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (9) **a7.** Consideration of a Contract Modification for Operation and Maintenance, Design and Development, Licensing, and Hosting of the National Verifier and National Lifeline Accountability Database Systems for the Affordable Connectivity Program. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (10) **a8.** Consideration of a Contract Award for Fraudulent Document Identification Tool. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, where discussion

of such matters in open session would compromise USAC's business objectives or negotiating strategy.

- (11) **i9. *Litigation Update (verbal presentation)***. USAC management recommends that discussion of this item occur in ***Confidential Executive Session*** because *it involves Attorney Client Privileged Communications*.
- (12) **a9. *Personnel Matter***: Consideration of Contract Awards for the USAC Employee Benefit Program. USAC management recommends that this item be discussed in ***Confidential Executive Session*** because it relates to USAC's ***procurement strategy and contract administration***, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy ***and relates to personnel matters***.
- (13) **a10. *Personnel Matter***: Consideration of 2025 Compensation Item. USAC management recommends that this item occur in ***Confidential Executive Session*** because it involves internal ***personnel matters***.
- (14) **i10. *Confidential Executive Session***: Board of Directors Only. USAC management recommends that this item be discussed in ***Confidential Executive Session*** because it involves ***internal personnel matters***.

C. Consideration and Approval of Four Routine Procurements.

- (1) Consideration to Exercise Option Term for Call Center Services and Customer Relationship Management System. The resolution is provided in **aBOD04cf**. If discussion is needed, it will be conducted in ***Executive Session***.
- (2) Consideration of a Contract Modification for Enterprise Resource Planning Analysis and PMO Services Contract. The resolution is provided in **aBOD05cf**. If discussion is needed, it will be conducted in ***Executive Session***.
- (3) Consideration of a Contract Modification for Enterprise Architecture Assessment and Support Services. The resolution is provided in **aBOD06cf**. If discussion is needed, it will be conducted in ***Executive Session***.
- (4) Consideration of a Contract Modification for Operation and Maintenance, Design and Development, Licensing, and Hosting of the National Verifier and National Lifeline Accountability Database Systems for the Affordable Connectivity Program. The resolution is provided in **aBOD07cf**. If discussion is needed, it will be conducted in ***Executive Session***.

D. Consideration of Approval to Reimburse Board Members to Attend an Event Other than a Quarterly USAC Board or Committee Meeting.

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

RESOLVED, that the USAC Board of Directors hereby approves: (1) the Board meeting minutes of July 30, September 12, and September 24, 2024; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of four routine procurements as presented in items aBOD04cf-aBOD7cf.

RESOLVED FURTHER, that in accordance with the *Procedures for Requesting Approval and Reimbursing a Member of the Board of Directors for Expenses Incurred while Conducting USAC Business other than Board of Directors Meetings*, the Board of Directors authorizes USAC management to reimburse Mr. Ken Mason, Ms. Julie Tritt Schell, and Dr. Joan Wade should they travel to Washington, D.C. for the purpose of participating in USAC's 2025 Budget Planning Review.

- ii. **Reports from the Committee Chairs: Audit Committee, High Cost & Low Income Committee, Rural Health Care Committee, and Schools & Libraries Committee.** Ms. Wein presented the report for the High Cost & Low Income Committee. Dr. Domenech presented the report for the Schools & Libraries Committee. Dr. Wibberly presented the report for the Rural Health Care Committee. Ms. Schell presented the report for the Audit Committee and the Executive Compensation Committee.
- a2. **Appointment of a Nominating Committee and Direction to Committees for the Appointment of Committee Chairs and Vice Chairs.** Mr. Mason presented this item to the Committee.

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

RESOLVED, that the USAC Board of Directors establishes a Nominating Committee and directs the Committee to recommend to the USAC Board of Directors at its January 28, 2025 meeting nominations for the elected USAC officer positions; and

RESOLVED FURTHER, that the USAC Board of Directors appoints **Sarah Freeman** as Nominating Committee Chair and **Amber Gregory** and **Dr. Joan Wade** 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 28, 2025 meeting, nominations for a chair and vice chair of each respective committee.

- a3. Approval of USAC Common and Consolidated 1st Quarter 2025 Budgets for the November 1, 2024, Federal Communications Commission Filing.** Ms. Garber presented a written report on USAC management's recommendations for USAC's common and consolidated 1st Quarter 2025 budget and demand projection for the November 1, 2024 FCC filing.

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 1st Quarter 2025 common budget of \$36.12 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$36.12 million for common costs in the required November 1, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors; and

RESOLVED FURTHER, that the USAC Board of Directors approves a 1st Quarter 2025 consolidated budget to administer the Universal Service Fund of \$68.84 million; and

RESOLVED FURTHER, that the USAC Board of Directors directs USAC staff to submit a collection requirement of \$68.84 million for consolidated costs in the required November 1, 2024 filing to the Federal Communications Commission on behalf of the USAC Board of Directors.

- i2. Enterprise Business Update.** Ms. Garber presented a PowerPoint presentation on that provided updated status on the launch of the Enterprise Resource Planning system.
- i3. Information on One USAC Audit and Assurance Audit Division Universal Service Supply Chain Audit Report.** This item was provided for *information purposes* only. No discussion was held. Mr. Mason noted that the Board of Directors Supply Chain Audit Briefing Book would be made public and posted to the USAC website.

At 10:41 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into **Executive Session** for the purpose of discussing confidential items. Only members of the Board, and USAC staff were present.

EXECUTIVE SESSION

- i4. Enterprise Business Update (Continued).**
- A. Zero Trust Maturity Model.** Mr. Hutchinson shared a PowerPoint update on USAC's status on the Zero Trust Maturity Model.

- B. Contract Administration and Vendor Performance.** Mr. Hamm shared a PowerPoint presentation and discussed how USAC administers contracts, manages vendors, and tracks vendor performance.
- C. USAC Fraud Risk Insights and Antifraud Activities.** Mr. Smith presented a PowerPoint that provided an overview of the goals, assessment activities, investigations, and whistleblower monitoring to the Board. Mr. Parker discussed using data analytics and provided examples of how they are used in the E-Rate and Lifeline programs.
- D. USAC's Retention and Growth Effectiveness.** Ms. Sadirkhanova shared USAC's strategy for recruitment, onboarding, and development, in coordination with benefits and compensation and provided examples of the impact of the strategy.
- i5. Information on the Contribution Factor.** Ms. Garber presented a written report providing USAC's estimate of the 1st Quarter 2025 contribution factor.
- a4. Consideration to Exercise Option Terms for Call Center Services and Customer Relationship Management System.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise the third of four one-year option terms of its existing contract with Ernst & Young LLP for call center and customer relationship management system services for E-Rate, Rural Health Care, Finance, and High Cost by increasing the total not-to-exceed amount by \$4,256,176.63 (plus applicable taxes), thereby increasing the total not-to-exceed amount supporting these programs from \$14,236,134.61 (plus applicable taxes) to \$18,492,311.24 (plus applicable taxes) subject to required Federal Communications Commission approval.

RESOLVED FURTHER, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to exercise the third of four one-year option terms of its existing contract with Ernst & Young LLP for call center and customer relationship management system services for the Emergency Connectivity Fund by increasing the total not-to-exceed amount by \$670,475.04 (plus applicable taxes), thereby increasing the total not-to-exceed amount supporting the Emergency Connectivity Fund from \$1,620,872.00 (plus applicable taxes) to \$2,291,347.04 (plus applicable taxes) plus applicable taxes) subject to required Federal Communications Commission approval. This amount will be expensed using congressionally appropriated funds and not the Universal Service Fund.

- a5. Consideration of a Contract Modification for Enterprise Resource Planning Analysis and Project Management Office Services Contract.** No additional

discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify the contract with Ernst & Young LLP for analysis and project management services for the enterprise resource planning system to add and exercise a fourth option period of thirteen (13) months, to the contract for not-to-exceed amount of \$6,000,000.00 (plus applicable taxes) thereby increasing the total not-to-exceed amount from \$19,949,744.00 (plus applicable taxes), to \$25,949,744.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a6. Consideration of a Contract Modification for Enterprise Architecture Assessment and Support Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes management to modify its contract with Guidehouse, LLP for Enterprise Architecture Assessment and Support Services by adding and exercising a twelve month option term (“third option term”) for a not-to-exceed amount of \$3,000,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$8,372,493.64 to \$11,372,493.64 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a7. Consideration of a Contract Modification for Operation and Maintenance, Design and Development, Licensing, and Hosting of the National Verifier and National Lifeline Accountability Database Systems for the Affordable Connectivity Program.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management to modify its contract with Accenture Federal Services, LLC for the operation and maintenance, design, development, licensing and hosting of the National Verifier and National Lifeline Accountability Database system for the Affordable Connectivity Program by adding and exercising a twelve month option term (“fourth option term”) for a not-to-exceed amount of \$1,765,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$22,415,000.00 (plus applicable taxes) to \$24,180,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a8. Consideration of a Contract Award for Fraudulent Document Identification Tool.** Mr. Beyerhelm presented a written summary, providing background detailing USAC management’s recommendation to award a contract for a tool to support the

ability to detect fraudulent documents or images.

On a motion duly made and seconded, 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 award a fifteen (15) month firm-fixed price contract to Thomson Reuters Special Services, LLC for the design, development, and implementation of a Fraudulent Document Identification Tool, for a total not-to-exceed amount of \$4,546,860.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- i6. **Information on Four USAC Audit and Assurance Audit Division Universal Service Contributor Revenue Audit Reports.** This item was provided for *information purposes only*. No discussion was held.
- i7. **Enterprise Risk Management Update.** Mr. Beyerhelm provided an overview of the updated Enterprise Risk Management Heat Map.
- i8. **Procurement Business Update.** Mr. Mason noted that the report was provided for *information only*. No discussion was held. The report included an overview of major procurements completed in Q3 2024 and Q4 2024 anticipated activities.

At 12:14 a.m. Eastern Time, on a motion duly made and seconded, the Board moved into ***Confidential Executive Session*** for the purpose of discussing confidential items. Only members of the Board, Ms. Williams, Mr. Beyerhelm, and Ms. Sadirkhanova were present.

CONFIDENTIAL EXECUTIVE SESSION

- i9. **Litigation Update.** Ms. Williams provided a verbal update on ligations impacting USAC.
- a11. **Review of the Executive Compensation Committee Charter.** Ms. Williams noted that the Board needed to approve the Executive Compensation Charter (Charter) as included in the July 30th briefing materials as a consent item (aBOD11cf 07302024 Review of the Executive Compensation Committee Charter), however the resolutions for Charter was omitted from the resolutions. Therefore, the Board was asked to approve the Charter as included in the July 30th briefing materials.

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

RESOLVED, that the USAC Board of Directors, having reviewed the existing Executive Compensation Committee Charter, hereby

accepts the recommendation of the Executive Compensation Committee and approves the current Executive Compensation Committee Charter without revision.

The meeting continued in Confidential Executive Session at 12:38 p.m. with members of the Board, Mr. Beyerhelm, and Ms. Sadirkhanova present.

a9. Consideration of Contract Awards for the USAC Employee Benefit Programs.

Mr. Beyerhelm presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation to award contracts for medical, prescription drug, dental, and vision benefits, as well as life, and disability benefits for employees.

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

RESOLVED, that the USAC Board of Directors, having reviewed the recommendation of USAC management, hereby authorizes USAC management, subject to required Federal Communications Commission approval, to award a one-year contract for employee medical, prescription, dental and vision benefits to United Healthcare Corporation for a not-to-exceed cost of \$12,835,001 (plus applicable taxes) and to award a one-year contract to The Guardian Life Insurance Company of America, Inc. for life, and disability benefits, for a not-to-exceed cost of \$649,659 (plus applicable taxes). The total estimated costs for the Calendar Year 2025 for USAC employee benefits program is \$13,484,660 (plus applicable taxes).

a10. Personnel Matter: Consideration of 2025 Merit-Based Salary Increase and Incentive Awards Program for USAC Employees. Ms. Sadirkhanova presented this item for consideration. The presentation included a written summary, and the discussion provided background detailing USAC management's recommendation for the salary increase and incentive awards.

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

RESOLVED, that the USAC Board of Directors, having reviewed the USAC management and the Executive Compensation Committee proposed 2025 merit-based salary increase and incentive awards programs for USAC employees, hereby approves the proposed program.

At 1:10 p.m. Eastern Time the Board of Directors continued in *Confidential Executive Session* with only non-staff members of the Board present.

i9. Confidential Executive Session: Board of Directors Only. Mr. Mason facilitated this discussion.

OPEN SESSION

At 1:50 p.m. Eastern Time, on a motion duly made and seconded, the Board moved out of *Confidential Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Mason reported that, in *Executive Session*, the Board acted on items a9 an a10, and discussed items i4A-D, i5, i9, and i10.

On a motion duly made and seconded, the Board adjourned at 1:50 p.m. Eastern Time.

/s/ Erin Williams

Assistant Secretary

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

**Monday, December 23, 2024
Written Unanimous Consent
Please Respond by December 30, 2024 at 6:00 p.m. ET
Universal Service Administrative Company Offices 700
12th Street, N.W., Suite 900
Washington, D.C. 20005**

<u>LEAD</u>	<u>Open Session</u> <i>Available for Public Use</i>
Chair	a1. Election of Members to the USAC Board of Directors and Appointment of Members to Programmatic Committees

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

BOARD OF DIRECTORS MEETING
Tuesday, December 31, 2024

MINUTES

In a Public Notice dated December 19, 2024 (DA-24-1274A1), Federal Communications Commission (FCC or Commission) Chairwoman Rosenworcel appointed the following eight individuals to the USAC Board of Directors (Board):

- Anisa Green, Director – Federal Regulatory, AT&T as the Representative for interexchange carriers with annual operating revenues of more than \$3 billion (term expires on December 31, 2027);
- Dan Kettwich, Founder, President, and CEO of ADS Advanced Data Services, Inc. as the Representative for rural health care providers that are eligible to receive supported services under section 54.601 of the Commission's rules (term expires on December 31, 2027);
- Sarah Freeman, Commissioner, Indiana Utility Regulatory Commission as the Representative for state telecommunications regulators (term expires on December 31, 2027);
- Kenneth Mason, Industry Consultant as the Representative for incumbent local exchange carriers (non-Bell Operating Companies) with more than \$40 million in annual revenues (term expires on December 31, 2027);
- David Schuler, Executive Director of AASA, The School Superintendents Association as the Representative for schools that are eligible to receive discounts pursuant to section 54.501 of the Commission's rules (term expires on December 31, 2027);
- Julie Tritt Schell, E-Rate Coordinator, State of Pennsylvania as the Representative for schools that are eligible to receive discounts pursuant to section 54.501 of the Commission's rules (term expires on December 31, 2025);
- Olivia Wein, Senior Attorney, National Consumer Law Center as the Representative for information service providers (term expires on December 31, 2027);
- Brian Dalhover, Head of SLED Engineering & Policy, Zayo Group LLC as the Representative for interexchange carriers with annual operating revenues of \$3 billion or less (term expires on December 31, 2026).

On December 23, 2024, the Board was requested to vote by written unanimous consent to elect these members to the Board and appoint them to a committee by virtue of the constituency they represent.

- a1. Election of Members to the USAC Board of Directors and Appointment of Members to Programmatic Committees.** On December 31, 2024 on a motion duly made and approved by written unanimous consent, the Board adopted the following resolutions:

RESOLVED, that the USAC Board of Directors, having received the selections from the Chairwoman 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 January 1, 2024:¹

- Brain Dalhover for a term expiring on December 31, 2026;
- Sarah Freeman for a term expiring on December 31, 2027;
- Anisa Green. for a term expiring on December 31, 2027;
- Dan Kettwich for a term expiring on December 31, 2027;
- Kenneth Mason for a term expiring on December 31, 2027;
- Julie Tritt Schell for a term expiring on December 31, 2025;
- David Schuler for a term expiring on December 31, 2027; and
- Olivia Wein, for a term expiring on December 31, 2027.

RESOLVED FURTHER, that each of the aforementioned directors shall remain a director until: (i) such director's resignation, (ii) such director's removal pursuant to Article II, § 7 of the USAC By-laws and the provisions of the Delaware General Corporation Law, (iii) the 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 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:

- Julie Tritt Schell and David Schuler are hereby appointed to the Schools & Libraries Committee;
- Sarah Freeman is hereby appointed to the High Cost & Low Income Committee; and
- Sarah Freeman and Dan Kettwich are hereby appointed to the Rural Health Care Committee.

/s/ Erin Williams
Assistant Secretary

¹ Each director is appointed for a three-year term. *See* 47 C.F.R. § 54.703(d). In the event a director vacates his or her seat prior to the completion of the three-year term, the chosen successor will serve the remaining term of the vacating director. *See* USAC By-laws, Article II, § 4.