

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

Monday, January 29, 2024 10:00 a.m. – 11:40 a.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005

HIGH COST OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each available for discussion upon request): A. Approval of High Cost & Low Income Committee Meeting Minutes of October 30, 2023 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>	5
Chair	a2. Recommendation for Election of Committee Chair and Vice Chair	5
Vic	a3. Approval of High Cost Support Mechanism 2nd Quarter 2024 Programmatic Budget and Demand Projection for the February 1, 2024 FCC Filing	5
Teleshia	i1. Information on 20 USAC Audit and Assurance Division High Cost Support Mechanism Beneficiary Audit Reports <i>(For Information Only)</i>	–
Vic	i2. High Cost Business Update: <ul style="list-style-type: none"> • 2023 Year in Review • 2024 Program Objectives <ul style="list-style-type: none"> ○ New Order Update ○ HCLI 2.0 Cutover • Roadmap • Appendix: Program Metrics and Verification Snapshot 	20

LOW INCOME OPEN SESSION		<i>Estimated Duration in Minutes</i>
Tim	a4. Approval of Low Income Support Mechanism 2nd Quarter 2024 Programmatic Budget and Demand Projection for the February 1, 2024 FCC Filing	5
Teleshia	i3. Information on Six USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Report <i>(For Information Only)</i>	–

Available For Public Use

Tim	i4. Low Income (Lifeline) Business Update <ul style="list-style-type: none"> • 2023 Year in Review <ul style="list-style-type: none"> ○ 2023 Metrics ○ National Verifier Highlights ○ Lifeline Subscriber Trends • Q1 2024 Plans • 2024 Plans Goals • Roadmap • Appendix: Program Metrics and Service Type Trends 	20
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LOW INCOME EXECUTIVE SESSION Confidential –HC Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Tim	i5. Low Income (Lifeline) Business Update <i>(Continued)</i> <ul style="list-style-type: none"> • Mitigating Fraud Risk 	10
Tim	a5. Approval of Low Income Support Mechanism 2024 Annual Programmatic Budget	10
Teleshia	i6. Information on One USAC Audit and Assurance Division Universal Service Low Income Audit Report <i>(For Information Only)</i>	–

HIGH COST EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Vic	i7. High Cost Business Update <i>(Continued, if needed)</i>	–
Vic	a6. Approval of High Cost Support Mechanism 2024 Annual Programmatic Budget	10

Next Scheduled USAC High Cost & Low Income Committee Meeting

Monday, April 29, 2024 USAC Offices, Washington, D.C.
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Available For Public Use

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

HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, January 29, 2024

MINUTES¹

The quarterly meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, January 29, 2024. Mr. Ken Mason, Committee Chair, called the meeting to order at 10:00 a.m. Eastern Time, with a quorum of 8 of 11 Committee members present (there is one vacancy):

Chacko, Sheba
Chalk, Indra
Freeman, Sarah
Mason, Ken – Chair

Sekar, Radha – Chief Executive Officer
Semmler, Kara
Skrivan, Michael
Wein, Olivia – Vice Chair

Ms. Angela Siefer joined the meeting *by telephone* at 10:04 a.m. Eastern Time. She did not vote on item a1. Mr. Jeff Waller joined the meeting *by telephone* at 10:15 a.m. Eastern Time. He did not vote on items a1-a3. Ms. Stephanie Polk joined the meeting *by telephone* at 10:22 a.m. Eastern Time. She did not vote on items a1-a3.

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Buzacott, Alan – *by telephone* – Member of the Board
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Domenech, Dan – Member of the Board
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and
Assistant Treasurer
Gregory, Amber – Member of the Board
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
Thompson, Mona – *by telephone* – Member of the Board
Wibberly, Dr. Kathy – *by telephone* – Member of the Board
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

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

Others present:

<u>NAME</u>	<u>COMPANY</u>
Ahmed, Sharmarke	USAC
Alomari, Ghanem	USAC
Boltz, Hanna – <i>by telephone</i>	USAC
Case, Kevin	USAC
Claxton, Naomi	USAC
Edson, Shauna – <i>by telephone</i>	Digital Inclusion
Greaney, Rachel	USAC
Green, Kevin	USAC
Goode, Vernell	USAC
Gustafson, Jaymie	USAC
Havivi, Daniel – <i>by telephone</i>	USAC
Kahn, Sammy	USAC
Kasting, Anna	USAC
Kirkpatrick, Matthew	USAC
King, Ryan	USAC
Little, Chris	USAC
Malashenok, Yelena	USAC
Nuzzo, Patsy	USAC
Oliver, Lindsay – <i>by telephone</i>	USAC
Rones, Julie	USAC
Ruffley, Brandon	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Simab, Habib	USAC
Smith, Chris	USAC
Suggs-Moore, Vickie	USAC

HIGH COST OPEN SESSION

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

- a1. **Consent Items.** Mr. Mason presented the consent items to the Committee:
- A. Approval of High Cost & Low Income Committee Meeting Minutes of October 30, 2023.
 - B. Approval of moving all *Executive Session* items into *Executive Session*:
 - (1) **i5** – Low Income (Lifeline) Business Update: Mitigating Fraud Risk.
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, and may also include discussion of *investigatory records or pending or contemplated enforcement action* against participants in the universal service support mechanisms.

- (2) **a5** – Approval of Low Income Support Mechanism 2024 Annual Programmatic Budget. USAC management recommends that this item be discussed in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.
- (3) **i6** – Information on One USAC Audit and Assurance Division Universal Service Low Income Audit Report. 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* 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.
- (4) **i7** – High Cost Business Update (*Continued, if needed*). 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, and may also include discussion of *investigatory records or pending or contemplated enforcement action* against participants in the universal service support mechanisms.
- (5) **a6** – Approval of High Cost Support Mechanism 2024 Annual Programmatic Budget. USAC management recommends that this item be discussed in *Executive Session* because this matter relates to USAC’s *procurement strategy and contract administration*.

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

RESOLVED, that the High Cost & Low Income Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of October 30, 2023; (2) discussion in *Executive Session* of the items noted above.

- a2. Recommendation for Election of Committee Chair and Vice Chair.** Mr. Mason introduced Commissioner Freeman. As the Chair of the Nominating Committee, Commissioner Freeman reported on the election recommendations for the Audit Committee.

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

RESOLVED, that the USAC Audit Committee recommends that the USAC Board of Directors elect **Olivia Wein** as Chair and **Michael Skrivan** as Vice Chair of the Committee. The term for each position begins immediately upon the election to such position 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).

- a3. Approval of High Cost Support Mechanism 2nd Quarter 2024 Programmatic Budget and Demand Projection for the February 1, 2024 Federal Communications Commission (FCC) Filing.** Mr. Gaither presented this item for consideration. The presentation included a written report on USAC management's recommendations for the High Cost support mechanism 2nd quarter 2024 programmatic budget and demand projection for the February 1, 2024 FCC filing.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 2nd Quarter 2024 High Cost Support Mechanism program budget of \$7.61 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$7.61 million for High Cost Support Mechanism administrative costs in the required February 1, 2024 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on January 29, 2024 the 2nd Quarter 2024 High Cost Support Mechanism demand estimate of \$1,100.91 million, hereby directs USAC staff to proceed with the required February 1, 2024 filing to the Federal Communications Commission on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i1. Information on 20 USAC Audit and Assurance Division High Cost Support Mechanism Beneficiary Audit Reports.** This item was provided for *information purposes* only. No discussion was held. Mr. Mason noted that the High Cost & Low Income Audit Briefing Book would be made public and posted to the USAC website.
- i2. High Cost Business Update.** Mr. Gaither presented PowerPoint slides to the Committee covering the following items:
- 2023 Year in Review
 - 2024 Program Objectives
 - New Order Update

- Roadmap
- Appendix: Program Metrics and Verifications

LIFELINE OPEN SESSION

- a4. Approval of Low Income Support Mechanism 2nd Quarter 2024 Programmatic Budget and Demand Projection for the February 1, 2024 FCC Filing.** Mr. O'Brien presented this item to the Committee for consideration. The presentation included a written report on USAC management's recommendations for the Low Income Support Mechanism 2nd quarter 2024 programmatic budget and demand projection for the February 1, 2024 FCC filing.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 2nd Quarter 2024 Low Income Support Mechanism direct program budget of \$12.70 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$12.70 million for Low Income Support Mechanism administrative costs in the required February 1, 2024 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on January 29, 2024 the 2nd Quarter 2024 Low Income Support Mechanism demand estimate of \$169.21 million, hereby directs USAC staff to proceed with the required February 1, 2024 filing to the Federal Communications Commission on behalf of the Committee. USAC staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i3. Information on Six USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Reports.** This item was provided for *information purposes* only. No discussion was held. Mr. Mason noted that the High Cost & Low Income Audit Briefing Book would be made public and posted to the USAC website.
- i4. Low Income (Lifeline) Business Update.** Mr. O'Brien presented PowerPoint slides the Committee covering the following items:
- 2023 Year in Review
 - 2023 Metrics
 - National Verifier Highlights

- Lifeline Subscriber Trends
- Q1 2024 Plans
- 2024 Plans Goals
- Roadmap
- Appendix: Program Metrics and Service Type Trends

At 10:48 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved into ***Executive Session*** for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

LOW INCOME EXECUTIVE SESSION

- i5. **Low Income (Lifeline) Business Update (Continued).** Mr. O'Brien provided a verbal discussion to the Committee on observations and actions on mitigating fraud.
- a5. **Approval of Low Income Support Mechanism 2024 Annual Programmatic Budget.** Mr. O'Brien presented this item to the Committee for consideration. The presentation included a written report on the Low Income Support Mechanism annual programmatic budget.

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

RESOLVED, the High Cost & Low Income Committee approves a 2024 annual programmatic budget for the Low Income Support Mechanism of \$55.35 million.

- i6. **Information on One USAC Audit and Assurance Division Universal Service Low Income Audit Report.** This item was provided for *information purposes* only. No discussion was held.

HIGH COST EXECUTIVE SESSION

- a6. Approval of High Cost Support Mechanism 2024 Annual Programmatic Budget.** Mr. Gaither presented this item to the Committee for consideration. The presentation included a written report on the High Cost Support Mechanism annual programmatic budget.

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

RESOLVED, that the High Cost & Low Income Committee approves a 2024 annual programmatic budget for the High Cost Support Mechanism of \$29.28 million.

OPEN SESSION

At 11:13 a.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Mr. Mason reported that in *Executive Session*, the Committee discussed items i5 and i6, and took action on items a5 and a6.

On a motion duly made and seconded, the Committee adjourned at 11:14 a.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

**Monday, April 29, 2024
10:00 a.m. – 11:30 a.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

HIGH COST OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each available for discussion upon request): A. Approval of High Cost & Low Income Committee Meeting Minutes of January 29, 2024 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i> C. Consideration and Approval of Three Routine Procurement	5
Vic	a2. Approval of High Cost Support Mechanism 3rd Quarter 2024 Programmatic Budget and Demand Projection for the May 2, 2024 FCC Filing	5
Teleshia	i1. Information on Three USAC Audit and Assurance Division High Cost Support Mechanism Beneficiary Audit Reports <i>(For Information Only)</i>	—
Vic	i2. High Cost Business Update <ul style="list-style-type: none"> • Q1 2024 Accomplishments • E-ACAM and Administrative Order Highlights • Plans for Q2 2024 • Roadmap • Appendices: A: Metrics and B: Glossary of Terms 	25

LOW INCOME OPEN SESSION		<i>Estimated Duration in Minutes</i>
Tim	a3. Approval of Low Income Support Mechanism 3rd Quarter 2024 Programmatic Budget and Demand Projection for the May 2, 2024, FCC Filing	5
Teleshia	i3. Information on Two USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Reports <i>(For Information Only)</i>	—

Available For Public Use

LOW INCOME OPEN SESSION (CONTINUED)		<i>Estimated Duration in Minutes</i>
Tim	i4. Low Income (Lifeline) Business Update <ul style="list-style-type: none"> • Q1 2024 Accomplishments • National Verifier Highlights • Lifeline Subscriber Trends • Plans for Q2 2024 • Roadmap • Appendix: Metrics, Service Type Trends, Glossary 	20

LOW INCOME EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Chris	i5. Low Income (Lifeline) Business Update <i>(Continued)</i> <ul style="list-style-type: none"> • Business Processing Outsourcing Performance Highlights for Q1 2024 	10
Teleshia	i6. Information on One USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Report <i>(For Information Only)</i>	—
Chris	a4. Consideration of a Contract Award for Computer Matching Program Operations and Maintenance Services <i>(same as aBOD07cf)</i>	5
Chris	a5. Consideration of a Contract Modification for Long-Term Affordable Connectivity Program (Lifeline) Program Management Office Services	—

HIGH COST EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Chris	a6. Consideration of a Contract Modification for Robotics Process Automation	—
Chris	a7. Consideration of a Contract Modification for High Cost Calculation Engine 2.0	—
Brandon Kyle	i7. High Cost Business Update <i>(Continued)</i> <ul style="list-style-type: none"> • CAF Lifecycle • High Cost System Modernization 	15

Next Scheduled USAC High Cost & Low Income Committee Meeting

**Monday, July 29, 2024
USAC Offices, Washington, D.C.**

Available For Public Use

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

HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, April 29, 2024

MINUTES¹

The quarterly meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, April 29, 2024. Ms. Olivia Wein, Committee Chair, called the meeting to order at 10:05 a.m. Eastern Time, with a quorum of seven of 11 Committee members present:

Chalk, Indra	Sekar, Radha – Chief Executive Officer
Freeman, Sarah	Skrivan, Michael – Vice Chair
Mason, Ken	Wein, Olivia – Chair
Polk, Stephanie – <i>by telephone</i>	

Members of the Committee not present:

Chacko, Sheba	Semmler, Kara
Waller, Jeff	Siefer, Angela

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Buzacott, Alan – Member of the Board
Davis, Craig – Vice President of Schools and Libraries
Delmar, Teleshia – Vice President of Audit and Assurance
Domenech, Dr. Dan – Member of the Board
Fontana, Brent – Member of the Board
Gaither, Victor – Vice President of High Cost
Garber, Michelle – Vice President of Finance, Chief Financial Officer, and Assistant Treasurer
Gregory, Amber – Member of the Board
Hutchinson, Kyle – Vice President of IT and Chief Information Officer
O'Brien, Tim – Vice President of Lifeline
Sanquist, Christine – Member of the Board
Sweeney, Mark – Vice President of Rural Health Care
Thompson, Mona – *by telephone* – Member of the Board
Wade, Dr. Joan – Member of the Board

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

Wibberly, Dr. Kathy – Member of the Board
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Ahmed, Sharmarke	USAC
Alomari, Ghanem	USAC
Calhoun, Mitch	USAC
Campbell, Jo-Ann	USAC
Case, Kevin	USAC
Claxton, Naomi	USAC
Estrella, Giulianna – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Green, Kevin	USAC
Hung, Jennifer	USAC
Kahn, Sammy	USAC
King, Ryan	USAC
Krueger, Katie – <i>by telephone</i>	KPMG
Little, Chris	USAC
Lougheed, Matt	USAC
Malashenok, Yelena	USAC
McKoy, Charmira – <i>by telephone</i>	USAC
Mitchell, Katherine – <i>by telephone</i>	USAC
Nuzzo, Patsy	USAC
Ruffley, Brandon	USAC
Sadirkhanova, Sabina – <i>by telephone</i>	USAC
Schrader, Theresa – <i>by telephone</i>	Broadband Legal Strategies
Simab, Habib	USAC
Smith, Chris	USAC
Staurulakis, Chresanthe	USAC
Steptoe, Carolyn – <i>by telephone</i>	USAC
Suggs-Moore, Vickie	USAC
Sural, Baylee	USAC
Tessler, Joelle	USAC
Walsh, Colleen – <i>by telephone</i>	USAC
Weith, Tim	USAC
Wilkins, Jon	USAC

HIGH COST OPEN SESSION

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

a1. Consent Items. Ms. Wein presented the consent items to the Committee:

A. Approval of High Cost & Low Income Committee Meeting Minutes of

January 29, 2024.

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

- (1) **i5.** Low Income (Lifeline) Business Update: Business Processing Outsourcing Performance Highlights for Q1 2024 (*Continued*). 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 and may also include matters related to USAC's *procurement strategy and contract administration*.
- (2) **i6.** Information on One USAC Audit and Assurance Division Universal Service Low Income Audit Report. 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* 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.
- (3) **a4.** 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 this matter relates to USAC's *procurement strategy and contract administration*.
- (4) **a5.** Consideration of a Contract Modification for Long-Term Affordable Connectivity Program (Lifeline) Project Management Office Services. USAC management recommends that this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- (5) **a6.** Consideration and Approval of a Contract Modification for Robotic Process Automation (RPA). USAC management recommends that this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- (6) **a7.** Consideration of a Contract Modification for High Cost Calculation Engine 2.0. USAC management recommends that this item be discussed in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.
- (7) **i7.** High Cost Business Update – (*Continued*). 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* 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.

C. Consideration of Three Routine Procurements.

- (1) Consideration of a Contract Modification for Long-Term Affordable Connectivity Program (Lifeline) Project Management Office Services. The resolution is provided in **aHCLI05cf**. If discussion is needed, it will be conducted in ***Executive Session***.
- (2) Consideration of a Contract Modification for Robotic Process Automation (RPA). The resolution is provided in **aHCLI06cf**. If discussion is needed, it will be conducted in ***Executive Session***.
- (3) Consideration of a Contract Modification for High Cost Calculation Engine 2.0. The resolution is provided in **aHCLI07cf**. 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 resolution:

RESOLVED, that the High Cost & Low Income Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of January 29, 2024; (2) discussion in ***Executive Session*** of the items noted above; and (3) the approval of three routine procurements as presented in items aHCLI05cf and aHCLI07cf.

- a2. Approval of High Cost Support Mechanism 3rd 2024 Programmatic Budget and Demand Projection for the May 2, 2024 Federal Communications Commission (FCC) Filing.** Mr. Gaither presented this item for consideration. The presentation included a written report on USAC management's recommendations for the High Cost support mechanism 3rd quarter 2024 programmatic budget and demand projection for the May 2, 2024 FCC filing.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 3rd Quarter 2024 High Cost Support Mechanism program budget of \$7.74 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$7.74 million for High Cost Support Mechanism administrative costs in the required May 2, 2024 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on April 29, 2024 the 3rd Quarter 2024 High Cost Support Mechanism demand estimate of \$1,171.22

million, hereby directs USAC staff to proceed with the required May 2, 2024 filing to the Federal Communications Commission on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i1. **Information on Three USAC Audit and Assurance Division High Cost Support Mechanism Beneficiary Audit Reports.** This item was provided for *information purposes* only. No discussion was held. Ms. Wein noted that the High Cost & Low Income Audit Briefing Book would be made public and posted to the USAC website.
- i2. **High Cost Business Update.** Mr. Gaither presented PowerPoint slides to the Committee covering the following items:
 - Q1 2024 Accomplishments
 - E-ACAM and Administrative Order Highlights New Order Update
 - Plans for Q2 2024
 - Roadmap
 - Appendix: Program Metrics and Glossary of Terms

LOW INCOME OPEN SESSION

- a3. **Approval of Low Income Support Mechanism 3rd Quarter 2024 Programmatic Budget and Demand Projection for the May 2, 2024 FCC Filing.** Mr. O'Brien presented this item to the Committee for consideration. The presentation included a written report on USAC management's recommendations for the Low Income Support Mechanism 3rd quarter 2024 programmatic budget and demand projection for the May 2, 2024 FCC filing.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 3rd Quarter 2024 Low Income Support Mechanism direct program budget of \$14.87 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$14.87 million for Low Income Support Mechanism administrative costs in the required May 2, 2024 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on April 29, 2024 the 3rd Quarter 2024 Low Income Support Mechanism demand estimate of \$203.54

million, hereby directs USAC staff to proceed with the required May 2, 2024 filing to the Federal Communications Commission on behalf of the Committee. USAC staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i3. **Information on Two USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Reports.** This item was provided for *information purposes* only. No discussion was held. Ms. Wein noted that the High Cost & Low Income Audit Briefing Book would be made public and posted to the USAC website.
- i4. **Low Income (Lifeline) Business Update.** Mr. O'Brien presented PowerPoint slides to the Committee covering the following items:
- Q1 2024 Accomplishments
 - National Verifier Highlights
 - Lifeline Subscriber Trends
 - Plans for Q2 2024
 - Roadmap
 - Appendix: Program Metrics, Service Type Trends, Glossary

At 10:47 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved into ***Executive Session*** for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

HIGH COST & LOW INCOME EXECUTIVE SESSION

- i5. **Low Income (Lifeline) Business Update (Continued).** Mr. Beyerhelm provided an update to the Committee on the business processing outsourcing vendors performance for Q1 2024.
- i6. **Information on One USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Report.** This item was provided for *information purposes* only. No discussion was held.
- a4. **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 Committee adopted the following resolution:

RESOLVED, that the USAC High Cost & Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes USAC management to award 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 Lifeline 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 Universal Service Fund in support of the Lifeline Program, as eventually determined by the parties and as instructed in writing by the Federal Communications Commission.

- a5. Consideration of a Contract Modification for Long-Term Affordable Connectivity Program (Lifeline) Program Management Office Services.** No additional discussion was held on this item. The Committee adopted the following resolution as part of the Consent Items:

RESOLVED, that the High Cost & Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes management to modify its contract with Deloitte LLP to exercise the added services provision of the contract to add scope for Lifeline Long-term project management services by increasing the total not-to-exceed amount by \$1,000,000.00 from \$24,830,195.00 to \$25,830,195.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a6. Consideration of a Contract Modification for Robotics Process Automation.** No additional discussion was held on this item. The Committee adopted the following resolution as part of the Consent Items:

RESOLVED, that the High Cost & Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes management to increase the total not-to-exceed amount of the Robotics Process Automation (“RPA”) contract with Ampcus (“Contract”) to implement the most current Hyperscience release that would greatly enhance the performance of the High Cost RPA Verification tool by \$350,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$3,178,319.99 (plus applicable taxes) to \$3,528,319.99 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a7. Consideration of a Contract Modification for High Cost Calculation Engine 2.0.** No additional discussion was held on this item. The Committee adopted the following resolution as part of the Consent Items:

RESOLVED, that the High Cost & Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes management to increase the total estimated cost of the High Cost Calculation Engine 2.0 (“HCLI 2.0”) contract with Accenture (“Contract”) to account for unplanned complexity of requirements and an FCC Order that added a new fund to the scope for the initial go-live and provide operations and maintenance services through the end of December 2024 by \$2,838,372.00 (plus applicable taxes, thereby increasing the total not-to-exceed amount from \$7,217,288.69 (plus applicable taxes) to \$10,055,660.69 (plus applicable taxes), subject to required Federal Communications Commission approval.

- i7. High Cost Business Update (*Continued*).** Mr. Brandon Ruffley and Mr. Hutchinson presented the following topic to the Committee:
- CAF Lifecycle Overview
 - High Cost System Modernization (HCLI 2.0) Update

OPEN SESSION

At 11:35 a.m. Eastern Time, the Committee moved out of ***Executive Session*** and immediately reconvened in ***Open Session***, at which time Ms. Wein reported that in ***Executive Session***, the Committee took action on items a4 and discussed items i5 and i7.

On a motion duly made and seconded, the Committee adjourned at 11:35 a.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

**Monday, July 29, 2024
10:00 a.m. – 11:00 a.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

HIGH COST OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each available for discussion upon request): A. Approval of High Cost & Low Income Committee Meeting Minutes of April 29, 2024 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i>	5
Teleshia	i1. Information on 12 USAC Audit and Assurance Division High Cost Support Mechanism Beneficiary Audit Reports <i>(For Information Only)</i>	—
Vic	a2. Approval of High Cost Support Mechanism 4th Quarter 2024 Programmatic Budget and Demand Projection for the August 2, 2024 FCC Filing	5
Vic/Kyle	i2. High Cost Business Update <ul style="list-style-type: none"> • Q2 2024 Accomplishments • HCLI 2.0 Operational Update • Plans for Q3 2024 • Roadmap • Appendices 	25

LOW INCOME OPEN SESSION		<i>Estimated Duration in Minutes</i>
Teleshia	i3. Information on Two USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Reports <i>(For Information Only)</i>	—
Tim	a3. Approval of Low Income Support Mechanism 4th Quarter 2024 Programmatic Budget and Demand Projection for the August 2, 2024, FCC Filing	5

Available For Public Use

LOW INCOME OPEN SESSION (CONTINUED)		<i>Estimated Duration in Minutes</i>
Tim	i4. Low Income (Lifeline) Business Update <ul style="list-style-type: none"> • Q2 2024 Accomplishments • National Verifier Highlights • Lifeline Subscriber Trends • Plans for Q3 2024 • Roadmap • Appendices 	20

LOW INCOME EXECUTIVE SESSION Confidential – <i>Executive Session Recommended</i>		<i>Estimated Duration in Minutes</i>
Tim	i5. Low Income (Lifeline) Business Update (<i>Continued, if needed</i>)	–

HIGH COST EXECUTIVE SESSION Confidential – <i>Executive Session Recommended</i>		<i>Estimated Duration in Minutes</i>
–	i6. High Cost Business Update (<i>Continued if needed</i>)	5

Next Scheduled USAC High Cost & Low Income Committee Meeting

<p align="center">Monday, October 28, 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

HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, July 29, 2024

MINUTES¹

The quarterly meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, July 29, 2024. Ms. Olivia Wein, Committee Chair, called the meeting to order at 10:16 a.m. Eastern Time, with a quorum of eight (8) of eleven (11) Committee members present:

Chalk, Indra	Semmler, Kara
Freeman, Sarah	Seifer, Angela
Mason, Ken	Skrivan, Michael – Vice Chair
Sekar, Radha – Chief Executive Officer	Wein, Olivia – Chair

Members of the Committee unable to participate in the meeting virtually due to a global FedRAMP Webex outage included Ms. Stephanie Polk, Ms. Sheba Chacko, and Mr. Jeff Waller.

Other Board members and 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
Sanquist, Christine – Member of the Board
Sweeney, Mark – Vice President of Rural Health Care
Thompson, Mona – Member of the Board
Wade, Joan – Member of the Board
Wibberly, Dr. Kathy – Member of the Board
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

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

Others present*:

<u>NAME</u>	<u>COMPANY</u>
Ahmed, Sharmarke	USAC
Case, Kevin	USAC
Claxton, Naomi	USAC
Goode, Vernell	USAC
Green, Kevin	USAC
Gustafson, Jaymie	USAC
Kahn, Sammy	USAC
King, Ryan	USAC
Kirkpatrick, Matthew	USAC
Little, Chris	USAC
Lougheed, Matt	USAC
Malashenok, Yelena	USAC
McKinnon, Amanda	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Ruffley, Brandon	USAC
Santana-Gonzalez, Jeanette	USAC
Schecker, Laurence	USAC
Suggs-Moore, Vickie	USAC
Weith, Tim	USAC
Zitin, Caroline	USAC

*Due to a global FedRAMP Webex outage, the public that registered to attend virtually were unable to join the meeting. They were notified by email of the problem and reminded that the public materials would be posted on the USAC website.

HIGH COST OPEN SESSION

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

a1. Consent Items. Ms. Wein presented the consent items to the Committee:

A. Approval of High Cost & Low Income Committee Meeting Minutes of April 29, 2024.

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

- (1) **i5.** Low Income Business Update (*Continued if needed*). 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* 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.

- (2) **i6.** High Cost Business Update (*Continued, if needed*). 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* 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.

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

RESOLVED, that the High Cost & Low Income Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of April 29, 2024; and (2) discussion in *Executive Session* of the items noted above.

- i1. Information on 12 USAC Audit and Assurance Division High Cost Support Mechanism Beneficiary Audit Reports.** This item was provided for *information purposes* only. No discussion was held. Ms. Wein noted that the High Cost & Low Income Audit Briefing Book would be made public and posted to the USAC website.
- a2. Approval of High Cost Support Mechanism 4th 2024 Programmatic Budget and Demand Projection for the August 2, 2024 Federal Communications Commission (FCC) Filing.** Mr. Gaither presented this item for consideration. The presentation included a written report on USAC management's recommendations for the High Cost support mechanism 4th quarter 2024 programmatic budget and demand projection for the August 2, 2024 FCC filing.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 4th Quarter 2024 High Cost Support Mechanism program budget of \$7.59 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$7.59 million for High Cost Support Mechanism administrative costs in the required August 2, 2024 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on July 29, 2024 the 4th Quarter 2024 High Cost Support Mechanism demand estimate of \$1,069.94 million, hereby directs USAC staff to proceed with the required August 2, 2024 filing to the Federal Communications Commission on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i2. High Cost Business Update.** Mr. Gaither presented PowerPoint slides to the Committee covering the following items:
- Q2 2024 Accomplishments
 - HCLI 2.0 Operational Update
 - Q3 2024 Plans
 - Roadmap
 - Appendices

During the presentation, Mr. Gaither noted that 100 percent of the FCC Form 481 annual certifications were collected, updated from the 60% reported in the published materials, and also the annual 54.314 ETC certification deadline is scheduled for October 1.

LOW INCOME OPEN SESSION

- i3. Information on Two USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Reports.** This item was provided for *information purposes* only. No discussion was held. Ms. Wein noted that the High Cost & Low Income Audit Briefing Book would be made public and posted to the USAC website.
- a3. Approval of Low Income Support Mechanism 4th Quarter 2024 Programmatic Budget and Demand Projection for the August 2, 2024 FCC Filing.** Mr. O'Brien presented this item to the Committee for consideration. The presentation included a written report on USAC management's recommendations for the Low Income Support Mechanism 4th quarter 2024 programmatic budget and demand projection for the August 2, 2024 FCC filing.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 4th Quarter 2024 Low Income Support Mechanism direct program budget of \$13.82 million; and

RESOLVED FURTHER, that the USAC High Cost &

Low Income Committee directs USAC staff to submit a collection requirement of \$13.82 million for Low Income Support Mechanism administrative costs in the required August 2, 2024 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on July 29, 2024 the 4th Quarter 2024 Low Income Support Mechanism demand estimate of \$198.37 million, hereby directs USAC staff to proceed with the required August 2, 2024 filing to the Federal Communications Commission on behalf of the Committee. USAC staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

i4. Low Income (Lifeline) Business Update. Mr. O'Brien presented PowerPoint slides to the Committee covering the following items:

- Q2 2024 Accomplishments
- National Verifier Highlights
- Lifeline Subscriber Trends
- Q3 2024 Plans
- Roadmap
- Appendices: Program Metrics, Service Type Trends, and Glossary

Ms. Thompson requested that USAC provide Tribal metrics for each meeting.

At 10:53 a.m. Eastern Time, on a motion duly made and seconded, the Committee moved into **Executive Session** for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

HIGH COST & LOW INCOME EXECUTIVE SESSION

i5. Low Income (Lifeline) Business Update (*Continued, if needed*). Mr. O'Brian provided confidential responses to question asked during the Lifeline Business Update.

i7. High Cost Business Update (*Continued, if needed*). No additional discussion was conducted.

OPEN SESSION

At 11:07 a.m. Eastern Time, the Committee moved out of **Executive Session** and immediately reconvened in **Open Session**, at which time Ms. Wein reported that in **Executive Session**, the Committee discussed item i5.

On a motion duly made and seconded, the Committee adjourned at 11:07 a.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary

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

**Monday, October 28, 2024
12:00 p.m. – 1:50 p.m. Eastern Time
USAC Offices
700 12th Street, N.W., Suite 900
Washington, D.C. 20005**

HIGH COST OPEN SESSION Available for Public Use		<i>Estimated Duration in Minutes</i>
Chair	a1. Consent Items (each available for discussion upon request): A. Approval of High Cost & Low Income Committee Meeting Minutes of July 29, 2024 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i> C. Consideration and Approval of Four Routine Procurements	5
Vic	a2. Approval of High Cost Support Mechanism 1st Quarter 2025 Programmatic Budget and Demand Projection for the November 1, 2024 FCC Filing	5
Vic	i1. High Cost Business Update <ul style="list-style-type: none"> • Impact of Fabric and Broadband Data Collections on the High Cost Program • Appendix: Glossary of Terms 	20

<u>HIGH COST INFORMATION ONLY</u> Available for Public Use		<i>Estimated Duration in Minutes</i>
Vic	i2. High Cost Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • HCLI 2.0 Impact • Q3 2024 Accomplishments • Q4 2024 Plans • Roadmap • Appendices: <ul style="list-style-type: none"> ○ A: Disbursements and Deployments, ○ B: 2024 Verification Deployments and Performance Measures Testing, and ○ C. Glossary of Terms 	—
Teleshia	i3. Information on Four USAC Audit and Assurance Division High Cost Support Mechanism Beneficiary Audit Reports.	—

Available For Public Use

LOW INCOME OPEN SESSION Available for Public Use		<i>Estimated Duration in Minutes</i>
Tim	a3. Approval of Low Income Support Mechanism 1st Quarter 2025 Programmatic Budget and Demand Projection for the November 1, 2024, FCC Filing	5
Tim	i4. Low Income (Lifeline) Business Update <ul style="list-style-type: none"> • National Verifier Highlights • Lifeline Subscriber Trends • Lifeline Program Impacts From Affordable Connectivity Program Sunset • Safe Connections Act <ul style="list-style-type: none"> ○ Overview ○ Administrative Action 	20

<u>LOW INCOME INFORMATION ONLY</u> Available for Public Use		<i>Estimated Duration in Minutes</i>
Tim	i5. Lifeline Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • Q3 2024 Accomplishments • Q4 2024 Plans • 2024 Roadmap • Program Metrics • Service Type Trends • Subscribership Trends • Glossary of Terms 	—
Teleshia	i6. Information on Four USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Reports	—

LOW INCOME EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Tim Teleshia	i7. Low Income (Lifeline) Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • Lifeline Tribal Support • Affordable Connectivity Program Tribal Support • Safe Connections Act Results • Lifeline Improper Payment Rate Results • Lifeline Improper Payment Rate Results – Key Outcomes • Lifeline Fraud Risk Assessment Observations • Lifeline Fraud Risk Assessments – Steps Taken • Affordable Connectivity Sunset Sentiments • Appendix: Glossary of Terms 	30
Chris	a4. Consideration of a Contract Modification for Operation and Maintenance, Design and Development, Licensing, and Hosting	

Available For Public Use

	of the National Verifier and National Lifeline Accountability Database Systems for the Lifeline Program	
Chris	a5. Consideration of a Contract Modification for Lifeline Email Services	
HIGH COST EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Chris	a6. Consideration of a Contract Modification for Robotics Process Automation	
Chris	a7. Consideration of a Contract Modification for High Cost Calculation Engine 2.0	
Teleshia Vic	i8. High Cost Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • High Cost Tribal Support • High Cost Improper Payment Results • HUBB Portal Data Performance Audit Update • High Cost Fraud Risk Assessment Observations • High Cost Fraud Risk Assessment – Steps Taken • Next Steps 	25

Next Scheduled USAC High Cost & Low Income Committee Meeting

Monday, January 27, 2025 USAC Offices, Washington, D.C.
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UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
700 12th Street N.W., Suite 900
Washington, D.C. 20005

HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, October 28, 2024

MINUTES¹

The quarterly meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was held at USAC's offices in Washington, D.C. on Monday, October 28, 2024. Ms. Olivia Wein, Committee Chair, called the meeting to order at 12:04 p.m. Eastern Time, with a quorum of seven of eleven Committee members present:

Chalk, Indra
Mason, Ken
Sekar, Radha – Chief Executive Officer
Siefer, Angela

Skrivan, Michael – Vice Chair
Waller, Jeff – *by telephone*
Wein, Olivia – Chair

Commissioner Sarah Freeman joined the call at 12:10 p.m. Eastern Time due to technical difficulties. She did not vote on item a1. Ms. Stephanie Polk joined the call at 12:29 p.m. Eastern Time. She did not vote on or participate in the discussion of items a1-a3 and i1-i3.

Members of the Committee not present:

Chacko, Sheba
Semmler, Kara

Other Board members and 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
Gregory, Amber – Member of the Board

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

Hutchinson, Kyle – Vice President and Chief Information Officer
 O'Brien, Tim – Vice President of Lifeline
 Sanquist, Christine – Member of the Board
 Sweeney, Mark – Vice President of Rural Health Care
 Thompson, Mona – Member of the Board
 Wade, Joan – Member of the Board – *by telephone*
 Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Adesegun, David	USAC
Ahmed, Sharmarke	USAC
Alomari, Ghanem	USAC
Claxton, Naomi	USAC
Crouse, Martin – <i>by telephone</i>	InHand Networks
Faunce, Donna – <i>by telephone</i>	USAC
Goode, Vernell	USAC
Green, Kevin	USAC
Harvey, Casey	Iron Bow
Havivi, Daniel – <i>by telephone</i>	USAC
Kahn, Sammy	USAC
King, Ryan	USAC
Kurisch, Bill	USAC
Little, Chris – <i>by telephone</i>	USAC
Malashenok, Yelena	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Parker, Ben	USAC
Sadirkhanova, Sabina – <i>by telephone</i>	USAC
Santana-Gonzalez, Jeanette	USAC
Simab, Habib	USAC
Smith, Chris	USAC
Staurulakis, Chresanthe	USAC
Suggs-Moore, Vickie	USAC
Tessler, Joelle	USAC
Weith, Tim	USAC
Zitin, Caroline	USAC

HIGH COST OPEN SESSION

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

a1. Consent Items. Ms. Wein presented the consent items to the Committee:

- A. Approval of High Cost & Low Income Committee Meeting Minutes of July 29, 2024.
- B. Approval of moving all *Executive Session* items into *Executive Session*:
- (1) **i7.** Low Income (Lifeline) Business Update (*Continued*). 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* 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.
 - (2) **a4.** 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 Lifeline 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.
 - (3) **a5.** Consideration of a Contract Modification for Lifeline Email 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.
 - (4) **a6.** Consideration of a Contract Modification for Robotics Process Automation. 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.
 - (5) **a7.** Consideration of a Contract Modification for High Cost Calculation Engine 2.0. 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) **i8.** High Cost Business Update (*Continued, if needed*). 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 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. In addition, this includes *pre-decisional matters pending before the FCC*.

C. Consideration and Approval of Four Routine Procurements.

- (1) 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 Lifeline Program. The resolution is provided in **aHCLI04cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (2) Consideration of a Contract Modification for Lifeline Email Services. The resolution is provided in **aHCLI05cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (3) Consideration of a Contract Modification for Robotics Process Automation. The resolution is provided in **aHCLI06cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (4) Consideration of a Contract Modification for High Cost Calculation Engine 2.0. The resolution is provided in **aHCLI07cf**. 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 High Cost & Low Income Committee of the USAC Board of Directors hereby approves: (1) the Committee meeting minutes of July 29, 2024; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of four routine procurements as presented in items **aHCLI04cf-aHCLI07cf**.

- a2. **Approval of High Cost Support Mechanism 1st Quarter 2025 Programmatic Budget and Demand Projection for the November 1, 2024 Federal Communications Commission (FCC) Filing.** Mr. Gaither presented this item for consideration. The presentation included a written report on USAC management's recommendations for the High Cost support mechanism 1st quarter 2025 programmatic budget and demand projection for the November 1, 2024 FCC filing.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 1st Quarter 2025 High Cost Support Mechanism program budget of \$5.93 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$5.93 million for High Cost Support Mechanism administrative costs in the required November 1, 2024 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on October 28, 2024 the 1st Quarter 2025 High Cost Support Mechanism demand estimate of \$1,086.40 million, hereby directs USAC staff to proceed with the required November 1, 2024 filing to the Federal Communications Commission on behalf of the Committee. USAC staff may make adjustments if the total variance for the High Cost Support Mechanism is equal to or less than \$10 million or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i1. **High Cost Business Update.** Mr. Gaither presented PowerPoint slides to the Committee covering the following items:
- Impact of Fabric and Broadband Data Collections on the High Cost Program
 - Appendix: Glossary of Terms
- i2. **High Cost Business Update (*Continued*).** This item was provided for *information purposes only*. No discussion was held. Ms. Wein noted that the High Cost materials listed below would be made public and posted to the USAC website.
- HCLI 2.0 Impact
 - Q3 2024 Accomplishments
 - Q4 2024 Plans
 - Roadmap
 - Appendices:
 - A: Disbursements and Deployments
 - B: 2024 Verification Deployments and Performance Measures Testing
 - C: Glossary of Terms
- i3. **Information on Four USAC Audit and Assurance Division High Cost Support Mechanism Beneficiary Audit Reports.** This item was provided for *information purposes only*. No discussion was held. Ms. Wein noted that the High Cost & Low Income Audit Briefing Book would be made public and posted to the USAC website.

LOW INCOME OPEN SESSION

- a3. Approval of Low Income Support Mechanism 1st Quarter 2025 Programmatic Budget and Demand Projection for the November 1, 2024 FCC Filing.** Mr. O'Brien presented this item to the Committee for consideration. The presentation included a written report on USAC management's recommendations for the Low Income Support Mechanism 1st quarter 2025 programmatic budget and demand projection for the November 1, 2024 FCC filing.

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

RESOLVED, that the USAC High Cost & Low Income Committee approves a 1st Quarter 2025 Low Income Support Mechanism direct program budget of \$13.81 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$13.81 million for Low Income Support Mechanism administrative costs in the required November 1, 2024 filing to the Federal Communications Commission on behalf of the Committee; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee, having reviewed at its meeting on October 28, 2024 the 1st Quarter 2025 Low Income Support Mechanism demand estimate of \$288.05 million, hereby directs USAC staff to proceed with the required November 1, 2024 filing to the Federal Communications Commission on behalf of the Committee. USAC staff may make adjustments if the total variance for the Low Income Support Mechanism is equal to or less than \$10 million or may seek approval from the Committee Chair to make adjustments if the total variance is greater than \$10 million, but not more than \$15 million.

- i4. Income (Lifeline) Business Update.** Mr. O'Brien presented PowerPoint slides to the Committee covering the following items:
- National Verifier Highlights
 - Lifeline Subscriber Trends
 - Lifeline Program Impacts from Affordable Connectivity Program Sunset
 - Safe Connections Act
 - Overview and Administrative Action

The Committee requested that USAC promote the awareness of the Safe Connections Act and Mr. O'Brien indicated that he would speak to the FCC regarding the promotion of this benefit.

- i5. **Income (Lifeline) Business Update (*Continued*)**. This item was provided for *information purposes only*. No discussion was held. Ms. Wein noted that the materials listed below would be made public and posted to the USAC website.
- Q3 2024 Accomplishments
 - Q4 2024 Plans
 - 2024 Roadmap
 - Program Metrics
 - Service Type Trends
 - Subscribership Trends
 - Glossary of Terms
- i6. **Information on Four USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Reports**. This item was provided for *information purposes only*. No discussion was held. Ms. Wein noted that the High Cost & Low Income Audit Briefing Book would be made public and posted to the USAC website.

At 12:42 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into ***Executive Session*** for the purpose of discussing confidential items. Only members of the Board and USAC staff were present.

EXECUTIVE SESSION

- i7. **Low Income (Lifeline) Business Update (*Continued*)**. Mr. O'Brien and Ms. Delmar, presented PowerPoint slides to the Committee covering the following items:
- Lifeline and Affordable Connectivity Program Tribal Support
 - Safe Connections Act Results
 - Lifeline Improper Payment Rate Results and Key Outcomes
 - Lifeline Fraud Risk Assessment Observations and Steps Taken
 - Affordable Connectivity Sunset Sentiments
 - Appendix: Glossary of Terms
- a4. **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 Lifeline Program**. No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the USAC High Cost & Low Income Committee, 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 Lifeline Program by adding and exercising a twelve month option term (“fourth option term”) for a not-to-exceed amount of \$4,735,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$21,800,000.00 (plus applicable taxes) to \$26,535,000.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a5. Consideration of a Contract Modification for Lifeline Email Services.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the High Cost & Low-Income Committee, having reviewed the recommendation of USAC management, hereby authorizes management to add and exercise a third and final one-year option term for Lifeline Email Services with Guidehouse for a not-to-exceed amount of \$2,100,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$23,915,123.31 to \$26,015,123.31 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a6. Consideration of a Contract Modification for Robotics Process Automation.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the High Cost & Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes management to increase the total not-to-exceed amount of the Robotics Process Automation (“RPA”) contract with Ampcus (“Contract”) to provide Operations and Maintenance services to ensure continuity of operations by \$250,000.00 (plus applicable taxes) and, to add Document Redaction Solution services from another existing contract with Ampcus to this contract to simplify contract administration and tracking for a not-to-exceed amount of \$200,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$3,528,319.99 (plus applicable taxes) to \$3,978,319.99 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a7. Consideration of a Contract Modification for High Cost Calculation Engine 2.0.** No additional discussion was held on this item. The Board adopted the following resolutions as part of the Consent Items:

RESOLVED, that the High Cost & Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes management to increase the total estimated cost of the High Cost Calculation Engine 2.0 contract with Accenture (“Contract”) to provide Operations and Maintenance services to ensure continuity of operations and provide for

enhanced integration with enterprise-level systems being simultaneously upgraded for twelve (12) months through the end of December 2025 by \$5,000,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$10,055,660.69 (plus applicable taxes) to \$15,055,660.69 (plus applicable taxes), subject to required Federal Communications Commission approval.

i8. High Cost Business Update (*Continued*). Mr. Gaither and Ms. Delmar presented PowerPoint slides to the Committee covering the following items:

- High Cost Tribal Support
- High Cost Improper Payment Results
- HUBB Portal Data Performance Audit Update
- High Cost Fraud Risk Assessment Observations, Steps Taken, and Next Steps

OPEN SESSION

At 1:44 p.m. Eastern Time, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Wein reported that in *Executive Session*, the Committee discussed items i7 and i8.

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

/s/ Erin Williams

Assistant Secretary