

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

<p>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</p>
--

HIGH COST OPEN SESSION		<i>Estimated Duration in Minutes</i>
Chair	<p>a1. Consent Items (each available for discussion upon request):</p> <p style="padding-left: 20px;">A. Approval of High Cost & Low Income Committee Meeting Minutes of October 30, 2023</p> <p style="padding-left: 20px;">B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i></p>	5
Chair	<p>a2. Recommendation for Election of Committee Chair and Vice Chair</p>	5
Vic	<p>a3. Approval of High Cost Support Mechanism 2nd Quarter 2024 Programmatic Budget and Demand Projection for the February 1, 2024 FCC Filing</p>	5
Teleshia	<p>i1. Information on 20 USAC Audit and Assurance Division High Cost Support Mechanism Beneficiary Audit Reports <i>(For Information Only)</i></p>	–
Vic	<p>i2. High Cost Business Update:</p> <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	<p>a4. Approval of Low Income Support Mechanism 2nd Quarter 2024 Programmatic Budget and Demand Projection for the February 1, 2024 FCC Filing</p>	5
Teleshia	<p>i3. Information on Six USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Report <i>(For Information Only)</i></p>	–

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
-----	---	----

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.
--

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	Sekar, Radha – Chief Executive Officer
Chalk, Indra	Semmler, Kara
Freeman, Sarah	Skrivan, Michael
Mason, Ken – Chair	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