

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

**Monday, January 27, 2025
1:15 p.m. – 2:45 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 October 28, 2024 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i> C. Consideration and Approval of Two Routine Procurements	5
Chair	a2. Recommendation for Election of Committee Chair and Vice Chair	5
Vic	a3. Approval of High Cost Support Mechanism 2nd Quarter 2025 Programmatic Budget and Demand Projection for the January 31, 2025 FCC Filing	5
Vic	i1. High Cost Business Update • 2024 Year in Review • 2025 Plans • 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>) • Q4 2024 Accomplishments • Q1 2025 Plans • Roadmap • Appendices: 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	a4. Approval of Low Income Support Mechanism 2nd Quarter 2025 Programmatic Budget and Demand Projection for the January 31, 2025, FCC Filing	5
Tim	i4. Low Income (Lifeline) Business Update <ul style="list-style-type: none"> • 2024 Year in Review • 2024 Metrics • National Verifier Highlights • Lifeline Subscriber Trends • 2025 Priorities 	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"> • Q4 2024 Accomplishments • Q1 2024 Plans • 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	i7. Low Income (Lifeline) Business Update (<i>Continued</i>)	5
Chris	a5. Consideration to Exercise Option Term for Lifeline Program Business Process Outsourcing Services	—
Chris	a6. Consideration of Contract Increase for Option Year Three and Four for Lifeline Program Third Party Identification and Verification Services	—
Tim	a7. Approval of Low Income (Lifeline) Support Mechanism 2025 Annual Programmatic Budget	10

Available For Public Use

HIGH COST EXECUTIVE SESSION Confidential – <i>Executive Session Recommended</i>		<i>Estimated Duration in Minutes</i>
Vic	i8. High Cost Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • Current FCC and GAO High Cost Audit Updates 	10
Vic	a8. Approval of High Cost Support Mechanism 2025 Annual Programmatic Budget	10

Next Scheduled USAC High Cost & Low Income Committee Meeting

Monday, April 28, 2025 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 27, 2025

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 27, 2025. Ms. Olivia Wein, Committee Chair, called the meeting to order at 1:15 p.m. Eastern Time, with a quorum of 10 of the 11 Committee members present (there was one vacancy):

Chacko, Sheba
Chalk, Indra
Freeman, Sarah
Mason, Ken
Polk, Stephanie – *by telephone*

Sekar, Radha – Chief Executive Officer
Semmler, Kara – *by telephone*
Siefer, Angela
Waller, Jeff – *by telephone*
Wein, Olivia – Chair

Other Board members and officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Butler, Stephen – Vice President of Shared Services
Dalhover, Brian – Member of the Board
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
Green, Anisa – Member of the Board
Gregory, Amber – Member of the Board
Hutchinson, Kyle – Vice President and Chief Information Officer
Kettwich, Dan – Member of the Board
O'Brien, Tim – Vice President of Lifeline
Sanquist, Christine – Member of the Board
Schell, Julie Tritt – 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>
Alomari, Ghanem	USAC
Cardile, Christina – <i>by telephone</i>	USAC
Curtis, Jessamy – <i>by telephone</i>	USAC
Edson, Shauna – <i>by telephone</i>	National Digital Inclusion Alliance
Estrella, Julianna	USAC
Goode, Vernell	USAC
Green, Kevin	USAC
Havivi, Daniel – <i>by telephone</i>	USAC
Hipolito, Mharizza	USAC
Kahn, Sammy	USAC
King, Ryan	USAC
Kurisch, Bill	USAC
Little, Chris	USAC
Lloyd, Pamela – <i>by telephone</i>	USAC
Malashenok, Yelena	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Ruffley, Brandon	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
White, Stacy	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 October 28, 2024.

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

- (1) **i7.** Low Income Business Update (*Continued*). USAC management recommends that this matter be discussed in *Executive Session*. 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) **a5.** Consideration to Exercise Option Term for Lifeline Program Business Process Outsourcing 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.
- (3) **a6.** Consideration of Contract Increase for Option Year Three and Four for Lifeline Program Third Party Identification and Verification 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) **a7.** Approval of Low Income (Lifeline) Support Mechanism 2025 Annual Programmatic Budget. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration*, as well as *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*.
- (5) **i8.** 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. In addition, this includes *pre-decisional matters pending before the FCC*.
- (6) **a8.** Approval of High Cost Support Mechanism 2025 Annual Programmatic Budget. USAC management recommends that this item be discussed in *Executive Session* because it relates to USAC's *procurement strategy and contract administration* as well as *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 Two Routine Procurements.

- (1) Consideration to Exercise Option Term for Lifeline Program Business Process Outsourcing Services. The resolution is provided in **aHCLI05cf**. If discussion is needed, it will be conducted in *Executive Session*.
- (2) Consideration of Contract Increase for Option Year Three and Four for Lifeline Program Third Party Identification and Verification Services. The resolution is provided in **aHCLI06cf**. 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 October 28, 2024; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of two routine procurements as presented in items **aHCLI05cf** and **aHCLI06cf**.

- a2. Recommendation for Election of Committee Chair and Vice Chair.** 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 the High Cost & Low Income Committee Chair and Vice Chair.

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 recommends that the USAC Board of Directors elect **Olivia Wein** as Chair and **Indra Chalk** 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 2025 Programmatic Budget and Demand Projection for the January 31, 2025 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 2025 programmatic budget and demand projection for the January 31, 2025 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 2025 High Cost Support Mechanism program budget of \$5.29 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$5.29 million for High Cost Support Mechanism administrative costs in the required January 31, 2025 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 27, 2025 the 2nd Quarter 2025 High Cost Support Mechanism demand estimate of \$1,123.90 million, hereby directs USAC staff to proceed with the required January 31, 2025 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 2024 Year in Review and 2025 Plans.
- 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.
 - Q4 2024 Accomplishments
 - Q1 2025 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

- a4. Approval of Low Income Support Mechanism 2nd Quarter 2025 Programmatic Budget and Demand Projection for the January 31, 2025 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 2025 programmatic budget and demand projection for the January 31, 2025 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 2025 Low Income Support Mechanism direct program budget of \$12.12 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$12.12 million for Low Income Support Mechanism administrative costs in the required January 31, 2025 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 27, 2025 the 2nd Quarter 2025 Low Income Support Mechanism demand estimate of \$305.12 million, hereby directs USAC staff to proceed with the required January 31, 2025 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:

- 2024 Year in Review
- 2024 Metrics
- 2025 Priorities
- National Verifier Highlights
- Lifeline Subscriber Trends

- i5. Low 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.

- Q4 2024 Accomplishments
- Q1 2025 Plans

- 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 1:55 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 presented PowerPoint slides to the Committee providing an update on the Safe Connections Act.
- a5. Consideration to Exercise Option Term for Lifeline Program Business Process Outsourcing 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 exercise the second one-year option term of its Lifeline Program Business Process Outsourcing contract with Maximus Federal Services for a not-to-exceed amount of \$8,423,725.70 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$16,922,106.70 (plus applicable taxes) to \$25,345,832.40 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a6. Consideration of Contract Increase for Option Years Three and Four for Lifeline Program Third Party Identification and Verification 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 increase the not-to-exceed amount of the current option year, Option Year 3, by \$450,000.00 (plus applicable taxes), and to add a not-to exceed amount of \$500,000.00 (plus applicable taxes) to fund the fourth and final one-year option terms of its Third Party Identification and Verification contract with

TransUnion Public Sector to support the Lifeline Program, thereby increasing the total not-to-exceed amount of the contract from \$3,617,675.00 00 (plus applicable taxes) to \$4,567,675.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a7. Approval of Low Income (Lifeline) Support Mechanism 2025 Annual Programmatic Budget.** Mr. O'Brien presented this item for consideration. The presentation included a written report on USAC management's recommendations for the Low Income (Lifeline) Support Mechanism 2025 Annual Programmatic Budget.

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

RESOLVED, that the High Cost & Low Income Committee approves a 2025 annual programmatic budget for the Low Income Support Mechanism of \$52.88 million.

- i8. High Cost Business Update (*Continued*).** Mr. Gaither presented PowerPoint slides to the Committee providing an update on the current FCC and GAO High Cost audits.

- a8. Approval of High Cost Support Mechanism 2025 Annual Programmatic Budget.** Mr. Gaither presented this item for consideration. The presentation included a written report on USAC management's recommendations for the High Cost Support Mechanism 2025 Annual Programmatic Budget.

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

RESOLVED, that the High Cost & Low Income Committee approves a 2025 annual programmatic budget for the High Cost Support Mechanism of \$22.89 million.

OPEN SESSION

At 2:26 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 and took action on items a5-a8.

On a motion duly made and seconded, the Committee adjourned at 2:27 p.m. Eastern Time.

/s/ Erin Williams

Assistant Secretary

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

Monday March 10, 2025 1:00 p.m. – 1:30 p.m. Eastern Time USAC Offices 700 12th Street, N.W., Suite 900 Washington, D.C. 20005

<u>LEAD</u>	<u>EXECUTIVE SESSION</u> Confidential – <i>Executive Session Recommended</i>
Radha / Chris	a1. Consideration of a Contract Modification for Lifeline Email Services

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

HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, March 10, 2025

MINUTES¹

The non-quarterly meeting of the High Cost & Low Income Committee (Committee) was conducted by web conference on Monday, March 10, 2025. Ms. Oliva Wein, High Cost & Low Income Committee Chair, called the meeting to order at 1:01 p.m. Eastern Time with a quorum of eight of the 11 Committee members present:

Chacko, Sheba	Siefer, Angela
Chalk, Indra – Vice Chair	Wade, Dr. Joan
Sekar, Radha – Chief Executive Officer	Waller, Jeff
Semmler Kara	Wein, Olivia – Chair

Ms. Anisa Green joined the meeting at 1:10 p.m. Eastern Time and voted on item a1.

Members of the Committee not present:

Freeman, Sarah	Polk, Stephanie
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Officers of the corporation present:

Beyerhelm, Chris – Vice President and Chief Administrative Officer
Mason, Ken – Member of the Board
Schell, Julie Tritt – Member of the Board
Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present by telephone:

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

OPEN SESSION

- a1. Consideration of a Contract Modification for Lifeline Email Services.** Ms. Williams noted that USAC management recommended that discussion of this item be conducted in *Executive Session* because this matter relates to USAC's *procurement strategy and contract administration*.

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.

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

RESOLVED, that the High Cost & Low Income Committee approves discussion of this item in *Executive Session*.

At 1:02 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved into *Executive Session* for the purpose of discussing the confidential item listed above.

EXECUTIVE SESSION

- a1. Consideration of a Contract Modification for Lifeline Email Services.** Ms. Sekar provided an update on this procurement. The presentation included a written summary and report detailing USAC management's recommendation to award a contract for Lifeline BPO services.

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

RESOLVED, the High Cost & Low-Income Committee, having reviewed the recommendation of USAC management, hereby authorizes management to utilize the added services provision of our Lifeline Email Services contract with Guidehouse LLP and add Business Process Outsourcing (BPO) support for the Lifeline program. These added services are for not-to-exceed amount of \$4,437,492.00 (plus applicable taxes) over base period of nine (9) months, with the ability to exercise a twelve (12) month option term for a total not-to-exceed amount of \$5,329,992.00 (plus applicable taxes). This increases the total not-to-exceed amount of Task Order 18 from \$26,015,123.31 (plus applicable taxes) to \$35,782,607.31 (plus applicable taxes).

OPEN SESSION

At 1:18 p.m. Eastern Time, on a motion duly made and seconded, the Committee moved out of *Executive Session* and immediately reconvened in *Open Session*, at which time Ms. Wein reported that, in *Executive Session*, the Committee took action on item a1.

On a motion duly made and seconded, the Committee adjourned at 1:23 p.m. Eastern Time.

/s/ Erin Williams
Assistant Secretary