

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

**Monday, January 26, 2026
1:35 – 3:10 p.m. Eastern Time
VIRTUAL MEETING
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 27, 2025 and December 11, 2025 B. Approval of moving all <i>Executive Session</i> items into <i>Executive Session</i> C. Consideration and Approval of One Routine Procurement	5
Chair	a2. Recommendation for Election of Committee Chair and Vice Chair	5
Vic	a3. Approval of High Cost Support Mechanism 2nd Quarter 2026 Programmatic Budget and Demand Projection for the January 30, 2026 FCC Filing	5
Vic	i1. High Cost Business Update <ul style="list-style-type: none"> • 2025 Year in Review • 2026 Program Plans • Appendix A: 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"> • Q4 2025 Accomplishments • Q1 2026 Program Plans • Roadmap • Appendices: <ul style="list-style-type: none"> A. 2025 Disbursements and Deployments B. 2025 Verification - Performance Measures Testing 	–
Teleshia	i3. Information on 11 USAC Audit and Assurance Division High Cost Support Mechanism Beneficiary Audit Reports.	–

LOW INCOME OPEN SESSION Available for Public Use		<i>Estimated Duration in Minutes</i>
Tim	a4. Approval of Low Income Support Mechanism 2nd Quarter 2026 Programmatic Budget and Demand Projection for the January 30, 2026 FCC Filing	5
Tim	i4. Low Income (Lifeline) Business Update <ul style="list-style-type: none"> • 2025 Year in Review • 2026 Plans • California Opt-Out-State Status • National Verifier Highlights • Lifeline Subscriber Trends 	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 2025 Accomplishments • Q1 2026 Plans • 2026 Roadmap • Program Metrics • Service Type Trends • Subscribership Trends • Tribal Subscriber Trends • Glossary of Terms 	—
Teleshia	i6. Information on One USAC Audit and Assurance Division Low Income Support Mechanism Beneficiary Audit Report	—

LOW INCOME EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Kevin Tim	i7. Low Income (Lifeline) Business Update (<i>Continued</i>) <ul style="list-style-type: none"> • Email Transition Update • State and Federal Connections (Verbal) 	20
Chris	a5. Consideration of Contract Award for Computer Matching Program Operations and Maintenance Services	—
Chris	a6. Consideration of a Contract Modification for Lifeline Third Party Identification and Verification Services	—
Tim	a7. Approval of Low Income (Lifeline) Support Mechanism 2026 Annual Programmatic Budget	10

HIGH COST EXECUTIVE SESSION Confidential – Executive Session Recommended		<i>Estimated Duration in Minutes</i>
Vic	i8. High Cost Business Update <i>(Continued, if needed)</i>	–
Vic	a8. Approval of High Cost Support Mechanism 2026 Annual Programmatic Budget	10

Next Scheduled USAC High Cost & Low Income Committee Meeting

<p>Monday, April 27, 2026 USAC Offices, Washington, D.C.</p>

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

HIGH COST & LOW INCOME COMMITTEE MEETING
Monday, January 26, 2026

MINUTES¹

Due to inclement weather the USAC office was closed on Monday, January 26, 2026. The quarterly meeting of the High Cost & Low Income Committee (Committee) of the USAC Board of Directors (Board) was conducted virtually. The USAC website was updated to allow the public to join the Open Session portion of the meeting virtually. Ms. Olivia Wein, Committee Chair, called the meeting to order at 2:05 p.m. Eastern Time, with a quorum of nine of the 10 Committee members present.

Chacko, Sheba
Garber, Michelle – Chief Executive Officer (Interim) and Assistant Treasurer
Green, Anisa
Minnock, Stephanie
Schram, Tim
Semmler, Kara
Seifer, Angela
Wade, Dr. Joan
Wein, Olivia – Chair

Members of the Committee not present:

Sanborn, Heather

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
Francisco, Dale – Chief Financial Officer (Interim)
Gaither, Victor – Vice President of High Cost
Hutchinson, Kyle – Vice President and Chief Information Office
Kettwich, Dan – Member of the Board
Mason, Ken – Member of the Board
Minard, Alexander – 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.

Minnock, Stephanie – Member of the Board
 O’Brien, Tim – Vice President of Lifeline
 Schell, Julie Tritt – Member of the Board
 Sweeney, Mark – Vice President of Rural Health Care
 Thompson, Mona – Member of the Board
 Wibberly, Dr. Kathy – Member of the Board
 Williams, Erin – Vice President, General Counsel, and Assistant Secretary

Others present:

<u>NAME</u>	<u>COMPANY</u>
Ayer, Catriona	USAC
Benham, Cathy	CSM Central
Broadax, Folasade	USAC
Brown, Daniel	Nelson Mullins
Case, Kevin	USAC
Claxton, Naomi	USAC
Corriher, Kim	SOHCN
Goode, Vernell	USAC
Green, Kevin	USAC
King, Ryan	USAC
Little, Chris	USAC
Lougheed, Matthew	USAC
Loveless, Nikole	Kellogg and Sovereign Consulting
Markarian, Lehna	CSM Consulting.
McCornac, Carolyn	USAC
Morgan, Meredith	USAC
Nuzzo, Patsy	USAC
Sadirkhanova, Sabina	USAC
Schrader, Theresa	Broadband Legal Strategies, LLC
Smith, Chris	USAC
Staurulakis, Chresanthe	USAC
Terry, D’wana	FCC

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 27, 2025 and December 11, 2025.
 - 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***. 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 of Contract Award for Computer Matching Program Operations and Maintenance Services. USAC management recommends that this item be discussed in ***Executive Session*** because it relates to USAC's ***procurement strategy and contract administration***, where discussion of such matters in open session would compromise USAC's business objectives or negotiating strategy.
- (3) **a6.** Consideration of a Contract Modification for Lifeline 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 2026 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, 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.
- (6) **a8.** Approval of High Cost Support Mechanism 2026 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 One Routine Procurements

- (1) Consideration of a Contract Modification for Lifeline 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, with Mr. Schram abstaining, 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 27, 2025 and December 11, 2025; (2) discussion in *Executive Session* of the items noted above; and (3) the approval of one routine procurement as presented in items **aHCLI06cf**.

- a2. **Recommendation for Election of Committee Chair and Vice Chair.** At the request of Ms. Wien, Dr. Wibberly presented this item to the Committee.

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

RESOLVED, that the USAC High Cost & Low Income Committee recommends that the USAC Board of Directors re-elect **Oliva Wein** as Chair and elect **Kara Semmler** 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 2026 Programmatic Budget and Demand Projection for the January 30, 2026 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 2026 programmatic budget and demand projection for the January 30, 2026 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 2026 High Cost Support Mechanism program budget of \$7.07 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$7.07 million for High Cost Support Mechanism administrative costs in the required January 30, 2026 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 26, 2026 the 2nd Quarter 2026 High Cost Support Mechanism demand estimate of \$1,011.56 million, hereby directs USAC staff to proceed with the required January 30, 2026 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 topics:
- 2025 Year in Review
 - 2026 Program Plans
 - 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.
- Q4 2025 Accomplishments
 - Q1 2026 Program Plans
 - Roadmap
 - Appendices:
 - A: 2025 Disbursements and Deployments
 - B: 2025 Verification Deployments and Performance Measures Testing
- i3. Information on 11 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 2026 Programmatic Budget and Demand Projection for the January 30, 2026 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 2026 programmatic budget and demand projection for the January 30, 2026 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 2026 Low Income Support Mechanism direct program budget of \$12.79 million; and

RESOLVED FURTHER, that the USAC High Cost & Low Income Committee directs USAC staff to submit a collection requirement of \$12.79 million for Low Income Support Mechanism administrative costs in the January 30, 2026 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 26, 2026 the 2nd Quarter 2026 Low Income Support Mechanism demand estimate of \$190.38 million, hereby directs USAC staff to proceed with the required January 30, 2026 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 topics:

- 2025 Year in Review
- 2026 Plans
- California Opt-Out-State Status
- 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 Low Income materials listed below would be made public and posted to the USAC website.

- Q4 2025 Accomplishments
- Q1 2026 Program Plans
- 2026 Roadmap

- Program Metrics
- Service Type Trends
- Subscribership Trends
- Tribal Subscriber Trends
- Glossary of Terms

- 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. Ms. Wein noted that the High Cost & Low Income Audit Briefing Book would be made public and posted to the USAC website.

At 2:57 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 FCC and USAC staff were present.

EXECUTIVE SESSION

- i7. Low Income (Lifeline) Business Update (*Continued*).** Mr. O'Brien and Mr. Green presented PowerPoint slides to the Committee providing an update on the following:

- Email Transition Update
- State and Federal Connections (Verbal)

- a5. Consideration of Contract Award for Computer Matching Program Operations and Maintenance Services.** Mr. Beyerhelm presented this item requesting authorization to award a three year sole source contract to the Centers for Medicare & Medicaid Services (CMS) for operations and maintenance services and IT security incident work in support of the application programming interface that provides automated computer matching for eligibility verifications for the Lifeline Program (Lifeline).

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 three (3) 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 total firm-fixed amount of \$1,944,360.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a6. Consideration of a Contract Modification for Lifeline Third Party Identification and Verification Services.** No additional discussion was held on this item. The Board adopted the following resolution as part of the Consent Items:

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

RESOLVED, that the High Cost & Low Income Committee, having reviewed the recommendation of USAC management, hereby authorizes USAC management to increase the total not-to-exceed (NTE) amount of its contract for Third Party Identification and Verification (TPIV) services with Transunion Public Sector (Transunion) to support the Lifeline Program by adding \$200,000.00 (plus applicable taxes) to the current fourth option term to cover overages in verifications, and an additional \$240,000.00 (plus applicable taxes) to the fifth option term to account for anticipated volume increases in 2026, for a total not-to-exceed amount of \$440,000.00 (plus applicable taxes), thereby increasing the total not-to-exceed amount from \$5,067,675.00 (plus applicable taxes) to \$5,507,675.00 (plus applicable taxes), subject to required Federal Communications Commission approval.

- a7. Approval of Low Income (Lifeline) Support Mechanism 2026 Annual Programmatic Budget.** Mr. O'Brien presented this item to the Committee.

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

RESOLVED, that the High Cost & Low Income Committee approves a 2026 annual programmatic budget for the Low Income Support Mechanism of \$46.71 million.

- i8. High Cost Business Update (*Continued, if needed*).** The Committee determined there was no additional discussion required in Executive Session.

- a8. Approval of High Cost Support Mechanism 2026 Annual Programmatic Budget.** Mr. Gaither presented this item to the Committee.

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

RESOLVED, that the High Cost & Low Income Committee approves a 2026 annual programmatic budget for the High Cost Support Mechanism of \$24.73 million.

OPEN SESSION

At 3:25 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 voted on items a5, a7, and a8 and discussed item i7.

On a motion duly made and seconded, the Committee adjourned at 3:25 p.m. Eastern Time.

/s/ Erin Williams

Assistant Secretary