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information about participation in each of the universal service support mechanisms and administrative action intended to prevent waste, fraud, and abuse. The report also shall include an assessment of subcontractors’ performance, and an itemization of monthly administrative costs that shall include all expenses, receipts, and payments associated with the administration of the universal service support programs. The Administrator shall consult each year with Commission staff to determine the scope and content of the annual report.

(h) The Administrator shall report quarterly to the Commission on the disbursement of universal service support program funds. The Administrator shall keep separate accounts for the amounts of money collected and disbursed for eligible schools and libraries, rural health care providers, low-income consumers, interstate access universal service support, interstate common line support, and high-cost and insular areas.

(i) Information based on the Administrator’s reports will be made public by the Commission at least once a year as part of a Monitoring Report.

(j) The Administrator shall provide the Commission full access to the data collected pursuant to the administration of the universal service support programs.

(k) Pursuant to § 64.903 of this chapter, the Administrator shall file with the Commission a cost allocation manual (CAM) that describes the accounts and procedures the Administrator will use to allocate the shared costs of administering the universal service support mechanisms and its other operations.

(l) The Administrator shall make available to whomever the Commission directs, free of charge, any and all intellectual property, including, but not limited to, all records and information generated by or resulting from its role in administering the support mechanisms, if its participation in administering the universal service support mechanisms ends.

(m) If its participation in administering the universal service support mechanisms ends, the Administrator shall be subject to close-out audits at the end of its term.

(n) The Administrator shall account for the financial transactions of the Universal Service Fund in accordance with generally accepted accounting principles for federal agencies and maintain the accounts of the Universal Service Fund in accordance with the United States Government Standard General Ledger. When the Administrator, or any independent auditor hired by the Administrator, conducts audits of the beneficiaries of the Universal Service Fund, contributors to the Universal Service Fund, or any other providers of services under the universal service support mechanisms, such audits shall be conducted in accordance with generally accepted government auditing standards. In administering the Universal Service Fund, the Administrator shall also comply with all relevant and applicable federal financial management and reporting statutes.

(o) The Administrator shall provide performance measurements pertaining to the universal service support mechanisms as requested by the Commission by order or otherwise.


§ 54.703 The Administrator’s Board of Directors.

(a) The Administrator shall have a Board of Directors separate from the Board of Directors of the National Exchange Carrier Association. The National Exchange Carrier Association’s Board of Directors shall be prohibited from participating in the functions of the Administrator.

(b) Board composition. The independent subsidiary’s Board of Directors shall consist of nineteen (19) directors:

(1) Three directors shall represent incumbent local exchange carriers, with one director representing the Bell Operating Companies and GTE, one director representing ILECs (other than the Bell Operating Companies) with annual operating revenues in excess of $40 million, and one director representing ILECs (other than the Bell Operating Companies) with annual operating revenues of less than $40 million.

(2) One director shall represent the interests of non-profit educational institutions.

(3) Two directors shall represent the interests of the public.

(4) One director shall represent the interests of the carriers who are not covered by paragraphs (b)(1) and (b)(2) of this section and who are not eligible to participate in the administration of the Universal Service Fund.

(5) One director shall represent the interests of the public

(6) One director shall represent the interests of the carriers who are not covered by paragraphs (b)(1) and (b)(2) of this section and who are not eligible to participate in the administration of the Universal Service Fund.

(7) One director shall represent the interests of the public

(8) One director shall represent the interests of the carriers who are not covered by paragraphs (b)(1) and (b)(2) of this section and who are not eligible to participate in the administration of the Universal Service Fund.

(9) One director shall represent the interests of the public

(10) One director shall represent the interests of the carriers who are not covered by paragraphs (b)(1) and (b)(2) of this section and who are not eligible to participate in the administration of the Universal Service Fund.

(11) One director shall represent the interests of the public

(12) One director shall represent the interests of the carriers who are not covered by paragraphs (b)(1) and (b)(2) of this section and who are not eligible to participate in the administration of the Universal Service Fund.

(13) One director shall represent the interests of the public

(14) One director shall represent the interests of the carriers who are not covered by paragraphs (b)(1) and (b)(2) of this section and who are not eligible to participate in the administration of the Universal Service Fund.

(15) One director shall represent the interests of the public

(16) One director shall represent the interests of the carriers who are not covered by paragraphs (b)(1) and (b)(2) of this section and who are not eligible to participate in the administration of the Universal Service Fund.

(17) One director shall represent the interests of the public

(18) One director shall represent the interests of the carriers who are not covered by paragraphs (b)(1) and (b)(2) of this section and who are not eligible to participate in the administration of the Universal Service Fund.

(19) One director shall represent the interests of the public
Companies (with annual operating revenues of $40 million or less);
(2) Two directors shall represent interexchange carriers, with one director representing interexchange carriers with more than $3 billion in annual operating revenues and one director representing interexchange carriers with annual operating revenues of $3 billion or less;
(3) One director shall represent commercial mobile radio service (CMRS) providers;
(4) One director shall represent competitive local exchange carriers;
(5) One director shall represent cable operators;
(6) One director shall represent information service providers;
(7) Three directors shall represent schools that are eligible to receive discounts pursuant to § 54.501;
(8) One director shall represent libraries that are eligible to receive discounts pursuant to § 54.501;
(9) Two directors shall represent rural health care providers that are eligible to receive supported services pursuant to § 54.601;
(10) One director shall represent low-income consumers;
(11) One director shall represent state telecommunications regulators;
(12) One director shall represent state consumer advocates; and
(13) The Chief Executive Officer of the Administrator.

(c) Selection process for board of directors. (1) Sixty (60) days prior to the expiration of a director’s term, the industry or non-industry group that is represented by such director on the Administrator’s Board of Directors, as specified in paragraph (b) of this section, shall nominate by consensus a new director. The industry or non-industry group shall submit the name of its nominee for a seat on the Administrator’s Board of Directors, along with relevant professional and biographical information about the nominee, to the Chairman of the Federal Communications Commission. Only members of the industry or non-industry group that a Board member will represent may submit a nomination for that position.
(2) The name of an industry or non-industry group’s nominee shall be filed with the Office of the Secretary of the Federal Communications Commission in accordance with part 1 of this chapter. The document nominating a candidate shall be captioned “In the matter of: Nomination for Universal Service Administrator’s Board of Directors” and shall reference FCC Docket Nos. 97–21 and 96–45. Each nomination shall specify the position on the Board of Directors for which such nomination is submitted. Two copies of the document nominating a candidate shall be submitted to the Wireline Competition Bureau’s Telecommunications Access Policy Division.
(3) The Chairman of the Federal Communications Commission shall review the nominations submitted by industry and non-industry groups and select each director of the Administrator’s Board of Directors, as each director’s term expires pursuant to paragraph (d) of this section. If an industry or non-industry group does not reach consensus on a nominee or fails to submit a nomination for a position on the Administrator’s Board of Directors, the Chairman of the Federal Communications Commission shall select an individual to represent such group on the Administrator’s Board of Directors.
(d) Board member terms. The directors of the Administrator’s Board shall be appointed for three-year terms, except that the Chief Executive Officer shall be a permanent member of the Board. Board member terms shall run from January 1 of the first year of the term to December 31 of the third year of the term, except that, for purposes of the term beginning on January 1, 1999, the terms of the six directors shall expire on December 31, 2000, the terms of another six directors on December 31, 2001, and the terms of the remaining six directors on December 31, 2002. Directors may be reappointed for subsequent terms pursuant to the initial nomination and appointment process described in paragraph (c) of this section. If a Board member vacates his or her seat prior to the completion of his or her term, the Administrator will notify the Wireline Competition Bureau of such vacancy, and a successor will be chosen pursuant to the nomination and appointment process described in paragraph (c) of this section.
§ 54.704 The Administrator’s Chief Executive Officer.

(a) Chief Executive Officer’s functions.

(1) The Chief Executive Officer shall have management responsibility for the administration of the federal universal service support mechanisms.

(2) The Chief Executive Officer shall have management responsibility for all employees of the Universal Service Administrative Company. The Chief Executive Officer may delegate such responsibility to heads of the divisions established in §54.701(g).

(3) The Chief Executive Officer shall serve on the Administrator’s Board of Directors as set forth in §54.703(b) and on the Committees of the Board established under §54.705.

(b) Selection process for the Chief Executive Officer. (1) The members of the Board of Directors of the Administrator shall nominate by consensus a Chief Executive Officer. The Board of Directors shall submit the name of its nominee for Chief Executive Officer, along with relevant professional and biographical information about the nominee, to the Chairman of the Federal Communications Commission.

(2) The Chairman of the Federal Communications Commission shall review the nomination submitted by the Administrator’s Board of Directors. Subject to the Chairman’s approval, the nominee shall be appointed as the Administrator’s Chief Executive Officer.

(3) If the Board of Directors does not reach consensus on a nominee or fails to submit a nomination for the Chief Executive Officer, the Chairman of the Federal Communications Commission shall select a Chief Executive Officer.

[63 FR 70574, Dec. 21, 1998]