



November 27, 2018

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-B204
Washington, DC 20554

Re: Notice of *Ex Parte* in WC Docket Nos. 02-60, 17-310

Madam Secretary:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, I hereby provide notice of the following oral *ex parte* meetings in connection with the above-captioned proceedings regarding the FCC's Rural Health Care (RHC) program on Tuesday, November 21, 2018:

- Commissioner Michael O'Rielly, Arielle Roth, and Kagen Despain
- FCC Bureau staff Liz Drogula, Trent Harkrader and Ryan Palmer.

The meetings included Jeff Mitchell with the law firm of Lukas, LaFuria, Gutierrez & Sachs, LLP (on behalf of the New England Telehealth Consortium), Eric Brown, President California Telehealth Network/OCHIN Broadband Network Services, and the undersigned on behalf of the Schools, Health & Libraries Broadband (SHLB) Coalition.

In our meetings, we discussed our frustration with the lack of transparency with the RHC program and the pace of funding decisions for 2018 applicants. We noted that the application window closed at the end of June and yet the total demand for funding (which is not difficult to calculate) has not yet been released. We also pointed out that the FCC's RHC Order from 2012 directed USAC to publish information regarding the demand for the multi-year applications that require up-front payment.¹ We noted that no applicants we spoke to had received any funding decisions, and that the lack of information is making it very difficult for applicants to plan for the future.

We also noted our possible concern about a recent statement in USAC's News Brief about funding for 2018. The News Brief indicated that eligible single-year applications would be fully funded, which implies that applicants who did not request single-year funding might not be fully funded. We expressed concern that multi-year applications and applications for upfront costs in the Healthcare Connect Fund (HCF) might suffer cutbacks in funding similar to the cutbacks

¹ See *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Report and Order, 27 FCC Rcd 16678, 16795-96, ¶ 275 (2012) (*HCF Order*) ("We . . . direct USAC to periodically inform the public, through its web site, of the total dollar amounts (1) requested by HCPs and (2) actually committed by USAC for the funding year, as well as the amounts committed in upfront payments (for purposes of the \$150 million cap on upfront payments."); *id.* at 16802, ¶ 298 n.717 ("We require USAC to post this information both for the \$150 million cap on multi-year commitments and upfront payments, and for the overall \$400 program cap.").

announced in the last two years. We urged the FCC to treat applicants for the Telecommunications program and the HCF equally.²

We also asked the Commission to follow through on the underlying rulemaking proceeding to modernize the Rural Health Care program. We noted that there are several open issues, such as how to calculate the rural rate in the Telecommunications program, how to define a rural area, how to determine the amount of the discount for rural applicants, that are not resolved. We have the impression from SHLB members that participate in these programs that these issues are often decided on a case-by-case basis without consistency, because of a lack of formal policy direction from the Commission.

Finally, we expressed our support for the FCC's proposed Connected Care pilot program. We suggested this proceeding might also provide an opportunity for the Commission to consider a process that would allow applicants to combine funding requests from other Universal Service Fund programs in one application. We also suggested that applications for the Connected Care program funding could be processed by an organization other than USAC.

Sincerely,

A handwritten signature in cursive script that reads "John Windhausen, Jr." followed by a period.

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² Bureau staff noted that they are exploring administrative mechanisms to avoid funding reductions in the HCF for program year 2018. *Cf. Id.* ("If an applicant signs a multi-year contract but funds are no longer available for the funding year for a multi-year commitment, the applicant may choose to simply seek a one-year funding commitment, have the contract designated as 'evergreen,' and apply for a multiyear funding commitment in the next funding year.").