

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
Rural Health Care Support Mechanism) WC Docket No. 02-60
)
Promoting Telehealth in Rural America) WC Docket No. 17-310

ORDER

Adopted: April 8, 2021

Released: April 8, 2021

By the Chief, Wireline Competition Bureau:

1. By this Order, the Wireline Competition Bureau (Bureau) waives sections 54.604(a) and 54.605(a) of the Commission’s rules,¹ the requirements that health care providers and service providers participating in the Telecommunications (Telecom) Program of the Rural Health Care (RHC) Program use the database of rates (Rates Database) to calculate urban and rural rates for funding years 2021 and 2022. We also waive section 54.626(a),² the RHC Program service delivery deadline, and section 54.627(a),³ the invoice filing deadline, in addition to providing relief with respect to the deadline to respond to information requests from the Universal Administrative Service Company (USAC). Our actions are intended to ensure that telecommunications service providers nationwide will receive sufficient Telecom Program support for funding years 2021 and 2022 and that health care providers can focus their attention on care for patients impacted by COVID-19 and administering COVID-19 vaccines.

I. BACKGROUND

2. The Commission’s RHC Program consists of two component mechanisms: (1) the Telecommunications (Telecom) Program; and (2) the Healthcare Connect Fund (HCF) Program. The Telecom Program subsidizes the difference between the rates in the health care provider’s rural area and rates for comparable services available in urban areas within the health care provider’s state.⁴ The HCF Program promotes the use of broadband services and facilitates the formation of health care provider consortia that include both rural and urban health care providers by providing a flat 65% discount on an array of advanced telecommunications and information services.⁵ To prevent waste, fraud, and abuse and ensure efficient and effective administration, the RHC Program has requirements for random compliance audits and USAC’s Payment Quality Assurance (PQA) Program, and maintains deadlines for applying for

¹ 47 CFR §§ 54.604(a), 54.605(a).

² 47 CFR § 54.626(a).

³ 47 CFR § 54.627(a).

⁴ See 47 U.S.C. § 254(h)(1)(A); *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9093-161, paras. 608-749 (1997) (*Universal Service First Report and Order*).

⁵ See 47 U.S.C. § 254(h)(2)(A); 47 CFR §§ 54.611, 54.612; *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Report and Order, 27 FCC Rcd 16678, 16680-81, paras. 1-3 (2012) (*Healthcare Connect Fund Order*).

funding, filing invoices, delivery of services, responding to USAC information requests, and appeals or requests for waivers.⁶

A. Rates Database

3. Under the Commission's rules applicable through funding year 2020, three methods could be used for calculating rural rates in the Telecom Program, depending on circumstances.⁷ Section 54.607 of the Commission's rules applicable prior to funding year 2021 provided that the rural rate would be: (1) the average of rates that the carrier actually charges to other non-health care provider commercial customers for the same or similar services provided in the rural area where the health care provider is located (Method 1);⁸ (2) if the carrier does not have any commercial customers in the health care provider's rural area, the average of tariffed and other publicly available rates charged by other service providers for the same or similar services provided over the same distance in the rural health care provider's area (Method 2); or (3) if there are no such rates or the carrier reasonably determines that those rates would be unfair, a cost-based rate that is approved by the Commission for interstate services (or the relevant state commission for intrastate services) (Method 3).⁹ A carrier seeking approval of a rural rate under Method 3 was required to provide "a justification of the proposed rural rate that includes an itemization of the costs of providing the requested service."¹⁰

4. The Commission's rules applicable through funding year 2020 required that urban rates in the Telecom Program "be at a rate no higher than the highest publicly-available rate charged to a commercial customer for a functionally similar service in any city with a population of 50,000 or more in a state."¹¹ The urban rate was determined by the health care provider, often with the assistance of a consultant or service provider, and reported on the FCC Form 466. Health care providers were directed to document the urban rate reported with "tariff pages, contracts, a letter on company letterhead from the urban service provider, rate pricing information printed from the urban service provider's website or similar documentation showing how the urban rate was obtained."¹² Alternatively, applicants could use,

⁶ See, e.g., 47 CFR §§ 54.621, 54.626, 54.627, 54.631; *Rural Health Care Support Mechanism*; WC Docket No. 02-60, Order, 35 FCC Rcd 2922, 2927, para. 13 (WCB 2020) (*COVID-19 RHC Relief Order*) (reminding program participants and service providers that they are subject to audits and investigations to determine compliance with RHC Program rules and requirements); *Promoting Telehealth in Rural America*, WC Docket 17-310, Report and Order, 34 FCC Rcd 7335, 7423, para. 189 (2019) (*Promoting Telehealth Report and Order*) (explaining that "filing deadlines are necessary for efficient administration of the RHC Program."); *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, 30 FCC Rcd 1063, 1065, para. 6 (WCB 2015) (reminding applicants that adherence to the filing deadlines and program rules are necessary for the efficient administration of the RHC Program).

⁷ See 47 CFR § 54.607 (2019). All references herein to section 54.607 refer to this version of the rule and its subparts as set forth in the Commission's rules prior to the effective date of the Rural Health Care Program reforms adopted in 2019. Except as otherwise provided in this Order, section 54.607 remains in effect through the end of funding year 2020. See *Wireline Competition Bureau Provides Guidance on the Implementation Schedule for Reforms Adopted by the Rural Health Care Program Promoting Telehealth Report and Order*, WC Docket No. 17-310, Public Notice, 34 FCC Rcd 11983, 11985 (WCB 2019) (*Promoting Telehealth Implementation Public Notice*) (announcing the effective date of section 54.605(a), which replaces section 54.607 as the means for determining rural rates, at the beginning of the funding year 2021 competitive bidding period).

⁸ For the purposes of section 254 of the Communications Act, a "rate" is a single rate for a complete end-to-end service, and not rates for components of a service. See *Universal Service First Report and Order*, 12 FCC Rcd at 9128, paras. 674-75.

⁹ 47 CFR § 54.607(a), (b) (2019).

¹⁰ 47 CFR § 54.607(b)(1) (2019).

¹¹ 47 CFR § 54.605(a) (2019).

¹² See FCC Form 466 Instructions, at 8 (2019).

without any additional documentation, the “safe harbor” urban rate listed for a limited number of services in certain states on USAC’s website.¹³

5. In the *Promoting Telehealth Report and Order*, the Commission directed USAC to create a database of urban and rural rates within each state that would be used to calculate median rural and urban rates for functionally similar services in the state within a health care provider’s applicable rurality tier beginning in funding year 2021.¹⁴ Section 54.605 of the Commission’s rules directs applicants to use the lower of either the rural rate in the Rates Database or the rural rate included in a service agreement between the health care provider and the service provider.¹⁵ Section 54.604 of the Commission’s rules requires that an applicant’s urban rate be the median of all available rates for functionally similar services in urbanized areas of the state as identified in the Rates Database.¹⁶ The Rates Database was made available to the public on July 1, 2020.¹⁷

6. On January 19, 2021, in the *Alaska Rates Database Waiver Order*, the Bureau waived the requirement to use the Rates Database for determining rural rates for health care providers in the State of Alaska for funding year 2021 and, unless the Commission addresses petitions for reconsideration of the *Promoting Telehealth Report and Order* prior to January 19, 2022, for funding year 2022.¹⁸ The Bureau waived the Rates Database requirement due to significant anomalies in the initial rural rate calculations that ran counter to the general assumptions that the cost to provide service increases as rurality increases and that rates increase as the bandwidth provided increases.¹⁹ Health care providers in Alaska may now either use a rural rate that has been approved in the previous three funding years for the same service at the same facility or rely on the previous rural rate determination methods while the Rates Database waiver is in effect.²⁰

7. On January 25, 2021, the Schools, Health & Libraries Broadband (SHLB) Coalition filed a letter requesting that the Commission waive the requirement that health care providers use the Rates Database to determine urban and rural rates for the purpose of calculating Telecom Program support.²¹

¹³ *See id.*

¹⁴ *Promoting Telehealth Report and Order*, 34 FCC Rcd at 7372-73, para. 78; 47 CFR §§ 54.604(b) (determining the urban rate); 54.605(b) (determining the rural rate). Under the Commission’s rules, the rurality tiers are defined as Less Rural, Rural, Extremely Rural, and Frontier. Less Rural areas are those in a Core Based Statistical area that contains an urban area with a population of 25,000 or greater but are within a specific census tract that itself does not contain any part of a Place or Urban Area with a population of greater than 25,000. Rural areas are those that are within a Core Based Statistical Area that does not have an Urban Area with a population of 25,000 or greater. Extremely Rural areas are those that are entirely outside of a Core Based Statistical Area. Frontier areas are located in Alaska only, in areas outside of a Core Based Statistical Area that are inaccessible by road as determined by the Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs. 47 CFR § 54.605(a)(1).

¹⁵ 47 CFR § 54.605(a).

¹⁶ 47 CFR § 54.604(a).

¹⁷ *See Promoting Telehealth Implementation Public Notice*, 34 FCC Rcd at 11985.

¹⁸ *Promoting Telehealth in Rural America*, WC Docket No. 17-310, Order, DA 21-83, at 1, para. 2 (WCB Jan. 19, 2021) (*Alaska Rates Database Waiver Order*).

¹⁹ *Id.* at 3, para. 8.

²⁰ *Id.* at 5-6, paras. 12-13.

²¹ Letter from John Windhausen, Jr., Executive Director, SHLB, to Jessica Rosenworcel, Acting Chairwoman, FCC, et al., WC Docket No. 17-310 (filed Jan. 25, 2021) (*SHLB Request Letter*). *See also* Letter from Dan Kettwich, Chief Executive Officer, ADS Advanced Data Services, to Jessica Rosenworcel, Acting Chairwoman, Federal Communications Commission, et. al, WC Docket No. 17-310 (filed Feb. 3, 2021) (*ADS Letter*); Letter from Kristi Walker, Senior Project Manager, Community Care of West Virginia, to Jessica Rosenworcel, Acting Chairwoman,

(continued....)

On February 25, 2021, Alaska Communications filed a letter seeking clarification as to whether the Bureau's direction in the *Alaska Rates Database Waiver Order* that USAC could approve rural rates from the previous three funding years applied to (1) rural rates that are either the same or lower than previously approved rates for the same or similar services at the same or comparable facilities; or (2) the same or lower than previously approved rates for a lower bandwidth service at the same or comparable facilities.²² On March 23, 2021, GCI Communication Corp. (GCI) filed a letter supporting the clarification requests sought by Alaska Communications and further requesting that (1) if there is no comparable approved rural rate within 30% of the bandwidth requested, the Bureau allow service providers to calculate the rural rate for the requested bandwidth by applying a previously approved rural rate on a per-Mbps basis; (2) service providers may rely on funding year 2020 rural rates in certain instances; and (3) service providers will not be required to recalculate rural rates on a continuous basis based on new information.²³

B. Administrative Deadlines and Requirements

8. The COVID-19 pandemic has caused significant disruptions to health care providers throughout the United States for over a year. Since March 2020, the Bureau has issued several orders to provide relief to RHC Program participants. The *COVID-19 Gift Rules Waiver Order*, which was issued in March 2020, waived the RHC Program gift rule to allow service providers to offer, and for program participants to solicit and accept, improved broadband connections or equipment for telehealth.²⁴ The RHC gift rule waiver was subsequently extended in September and December 2020 and is currently effective through June 30, 2021.²⁵

9. In March 2020, the Bureau also extended several RHC Program deadlines to alleviate administrative burdens on RHC Program participants so that they can concentrate their attention on

Federal Communications Commission, et al., WC Docket No. 17-310 (filed Feb. 18, 2021) (*CCWV Letter*); Letter from Whitney Walker, Director, Telecom Funding Programs, Community Hospital Corp., to Jessica Rosenworcel, Acting Chairwoman, et. al, WC Docket No. 17-310 (filed Feb. 5, 2021) (*CHC Letter*); Letter from Angie Kronenberg, Chief Advocate and General Counsel, INCOMPAS, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 17-310 (filed Feb. 12, 2021) (*INCOMPAS Letter*); Letter from Carl Baranowski, Vice President and Chief Legal Officer, University of Texas Health Science Center at Tyler, to Acting Chairwoman Jessica Rosenworcel, et. al, WC Docket No. 17-310 (filed Jan. 27, 2021) (*UTHSC Letter*) (all supporting SHLB's waiver request). This request also sought an extension of the application filing window for funding year 2021. *SHLB Request Letter*, at 1. The Bureau has already waived section 54.621(a)(1) of the Commission's rules and extended the close of the funding year 2021 application filing window for the RHC Program until June 1, 2021. *Rural Health Care Support Mechanism; Promoting Telehealth in Rural America*, WC Docket No. 02-60, WC Docket No. 17-310, Order, DA 21-168, 2021 WL 631033, at *1, para. 1 (WCB Feb. 12, 2021).

²² Letter from Richard Cameron, Counsel for Alaska Communications, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 17-310 (filed February 25, 2021) (*Alaska Communications Clarification Request*).

²³ Letter from John T. Nakahata, Counsel for GCI Communication Corp, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 17-310 (filed March 23, 2021) (*GCI Clarification Request*).

²⁴ *Rural Health Care Universal Service Support Mechanism; Schools and Libraries Universal Service Support Mechanism*, WC Docket No. 02-60, CC Docket No. 02-6, Order, 35 FCC Rcd 2741, 2741-42, para. 1 (WCB 2020) (*COVID-19 Gift Rules Waiver Order*) (initially waiving the RHC and E-Rate Programs' gift rules through September 30, 2020).

²⁵ *Rural Health Care Universal Service Support Mechanism; Schools and Libraries Universal Service Support Mechanism*, WC Docket No. 02-60, CC Docket No. 02-6, Order, 35 FCC Rcd 9416, 9416, para. 1 (WCB 2020) (*COVID-19 Gift Rules Waiver Extension Order*) (extending the waivers of the RHC and E-Rate Programs' gift rules through December 31, 2020); *Rural Health Care Universal Service Support Mechanism; Schools and Libraries Universal Service Support Mechanism*, WC Docket No. 02-60, CC Docket No. 02-6, Order, 35 FCC Rcd 14544, 14544, para. 1 (WCB 2020) (extending the waivers of the RHC and E-Rate Programs' gift rules through June 30, 2021).

responding to COVID-19.²⁶ Specifically, the Bureau waived the invoice filing deadline and extended the deadline 180 days for funding year 2019 HCF funding requests,²⁷ waived the service delivery deadline for non-recurring services in the HCF Program for funding year 2019 and extended the deadline an additional year,²⁸ waived the 14-day deadline for responding to USAC information requests and automatically extended the deadline for an additional 28 days,²⁹ and waived the 60-day deadlines to file appeals and waiver requests and provided an additional 60 days for such requests.³⁰ Both the extensions for the 14-day response deadline and the 60-day appeal and waiver request deadlines expired after September 30, 2020.³¹ The 14-day response deadline was subsequently extended once and expired after December 31, 2020.³²

10. On February 1, 2021, the Fiberutilities Group (FG) requested that the Commission provide the following relief to RHC Program participants due to the ongoing COVID-19 pandemic: (1) extend the service delivery deadline by an additional year; (2) extend the invoice filing deadline by an additional 180 days; (3) extend the response deadline for USAC information requests by at least an additional 28 days; (4) extend the deadlines for appeals and requests for waiver by at least an additional 60 days; and (5) temporarily suspend USAC audit and PQA activity.³³

II. DISCUSSION

11. Generally, the Commission's rules may be waived or suspended for good cause shown.³⁴ The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest.³⁵ In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis.³⁶ Waiver of the Commission's rules is appropriate only if both (1) special circumstances warrant a deviation from the general rule, and (2) such deviation will serve the public interest.³⁷ We find that such special circumstances exist and that it would serve the public interest to waive the requirements that health care providers and service providers use the Rates Database to calculate urban and rural rates in the Telecom Program. We similarly find that waivers of the RHC Program service delivery deadline and the invoice filing deadline are justified.

²⁶ *COVID-19 RHC Relief Order*, 35 FCC Rcd at 2924-27, paras. 6-12 (extending the RHC Program funding year 2020 application filing window, expiring evergreen contracts, the deadline for responses to USAC information requests, the service delivery deadline, the invoicing deadline, and deadlines for filing appeals and requests for waiver).

²⁷ *Id.* at 2926, para. 11.

²⁸ *Id.* at 2926, para. 10.

²⁹ *Id.* at 2925-26, para. 9.

³⁰ *Id.* at 2927, para. 12.

³¹ *Id.* at 2925-27, paras. 9, 12.

³² *COVID-19 Gift Rules Waiver Extension Order*, 35 FCC Rcd at 9421, para. 12.

³³ Letter from John J. Heitmann, Counsel for Fiberutilities Group, LLC, to Jessica Rosenworcel, Acting Chairwoman, FCC, et al., WC Docket No. 17-310, at 4 (filed Feb. 1, 2021) (*FG Request Letter*). FG also requested that the Commission extend the RHC Program's funding year 2021 application filing window, in support of SHLB's request. The Bureau already extended the end date of the RHC Program's funding year 2021 application filing window to June 1, 2021. *See supra* note 21.

³⁴ 47 CFR § 1.3.

³⁵ *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*).

³⁶ *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Northeast Cellular*, 897 F.2d at 1166.

³⁷ *Northeast Cellular*, 897 F.2d at 1166.

A. Rates Database

12. We expand the waiver of section 54.605(a),³⁸ granted in the *Alaska Rates Database Waiver Order*, to apply nationwide, delaying implementation of the Rates Database for rural rates for all health care providers that apply for Telecom Program support. We also waive section 54.604(a) for health care providers nationwide, which delays implementation of the Rates Database for urban rates. These waivers apply for funding year 2021, for which competitive bidding has already begun, and funding year 2022.³⁹

13. *Rural Rate Waiver*. Further examination of initial median rural rate calculations in the Rates Database reveals anomalies in states beyond Alaska that could result in inadequate or inconsistent Telecom Program support. A primary rationale for adopting the Rates Database and associated rurality tiers was that, in general, the cost to provide services increases as the level of rurality increases and overall rates tend to increase (while rates per megabit per second tend to decrease) as bandwidth increases.⁴⁰ However, initial rural rate calculations in the Rates Database revealed examples of lower median rural rates in more rural areas of a state. For example, for California, the current median rural rate for a 100 Mbps dedicated data service is \$3,520.73 in the Less Rural Tier and \$842.00 in the Rural Tier.⁴¹ In other instances, the Rates Database provides higher median rates for lower bandwidths. In Georgia, the current median rural rate in the Rural Tier for a 100 Mbps dedicated data service is \$3,036, compared to \$1,057 for 250 Mbps and \$2,634 for 1 Gbps.⁴²

14. There is no clearly identifiable cause for these rate inconsistencies based on currently-available rural rate data. The Rates Database outputs suggest that in certain circumstances cost factors other than population density and bandwidth level are significantly impacting the prices available to health care providers in rural areas. The rate inconsistencies and resulting reduction in Telecom Program support for service providers could reduce the quality and availability of telecommunications services for health care providers in some areas. These potential impacts on health care providers and service providers qualify as special circumstances meriting a nationwide waiver of the Rates Database to give the Commission time to examine the causes of the rate anomalies and make adjustments to the Rates Database model if needed.

15. The public interest will be served by waiving the requirement to use the Rates Database for determining rural rates for funding year 2021, for which competitive bidding has already begun. In the interest of providing the “predictability” required by section 254 of the Communications Act to

³⁸ 47 CFR § 54.605(a).

³⁹ In the *Alaska Rates Database Waiver Order*, the Bureau waived section 54.605(a) for funding year 2022 unless the Commission separately addressed pending petitions for reconsideration of the *Promoting Telehealth Report and Order* by January 19, 2022. *Alaska Rates Database Waiver Order* at 1, para. 2. To provide certainty to applicants and service providers on the rates available for funding year 2022 when competitive bidding for funding year 2022 begins on July 1, 2021, we extend the waiver granted in the *Alaska Rates Database Waiver Order* through funding year 2022 regardless of when the pending petitions for reconsideration are resolved.

⁴⁰ *Promoting Telehealth Report and Order*, 34 FCC Rcd at 7351, para. 33; see also *Connect America Fund, et al.*, WC Docket No. 10-90, et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17717 n.220 (2011) (noting that the same characteristics, such as lack of density, that make it expensive to provide voice service make it expensive to provide broadband service as well); Federal Communications Commission, *Connecting America: The National Broadband Plan*, at 136 (rel. Mar. 16, 2010), www.broadband.gov/download-plan (last visited Jan. 11, 2021) (observing that “[b]ecause service providers in these [areas with low population density] cannot earn enough revenue to cover the costs of deploying and operating broadband networks, including expected returns on capital, there is no business case to offer broadband services in these areas”).

⁴¹ See USAC Rural Health Care Telecom Program Rates Database, <https://rhc.usac.org/ratesdb/#/ratesSearch> (last visited March 10, 2021).

⁴² *Id.*; *SHLB Letter* at 4.

applicants and participating telecommunications carriers,⁴³ the public interest will be best served by extending that waiver through funding year 2022. This action ensures that rural telecommunications service providers will receive levels of support on par with the support they received through funding year 2020, preserving the status quo while the Commission examines questions surrounding the Rates Database and rural rate determination process. This action will also ensure that service providers receive consistent Telecom Program support that meets the cost of providing service and avoids interruptions of service to health care providers that are managing the ongoing impacts of the COVID-19 pandemic.⁴⁴

16. *Establishing Rural Rates.* In light of our decision to waive the use of the Rates Database to calculate rural rates nationwide, we next address how applicants and participating telecommunications service providers should establish their rural rates. In the absence of a national rural Rates Database, we believe that the preexisting rules result in rural rates that most accurately reflect the current costs of providing service. Health care providers and their service providers may therefore continue to use Method 1, Method 2, or Method 3 to calculate rural rates, using the same processes for submission and review of rates that applied for funding year 2020.⁴⁵ As a reminder, these methods for calculating the rural rate are sequential. Method 1 must be used unless the carrier is not actually charging non-health care provider customers rates for the same or similar services in the rural area where the health care provider is located.⁴⁶ Method 2 generally must be used if Method 1 cannot be used.⁴⁷ Finally, where there are no tariffed or other publicly available rates charged by other carriers for same or similar services in the rural area where the health care provider is located, or if the carrier reasonably determines that the rural rate calculated under Method 2 is unfair, then the carrier may seek approval of a cost-based rural rate under Method 3.⁴⁸

17. We also expand nationwide our finding in the *Alaska Rates Database Waiver Order* that it is in the public interest to allow the use of a rural rate that has been approved for the same service at the same facility within the past three funding years.⁴⁹ Permitting the use of previously-approved rural rates will both reduce administrative burdens and avoid repeating problems with cost-based rate submissions that have been resolved in the course of previous years' rate approval processes.⁵⁰ To minimize potential gamesmanship, if more than one such rate has been approved, the rural rate must be the most recently approved rate for that facility/service combination. The Commission also recognized in the *Promoting Telehealth Report and Order* that rural rates for services similar to those requested by a particular applicant (including rates in the same geographic area) are good evidence of the appropriate rural rate for

⁴³ 47 U.S.C. § 254(b)(5).

⁴⁴ See *INCOMPAS Letter* at 1; *CHC Letter* at 2.

⁴⁵ See 47 CFR § 54.607 (2019).

⁴⁶ See 47 CFR § 54.607(a) (2019).

⁴⁷ See 47 CFR § 54.607(b) (2019) (“If the telecommunications carrier serving the health care provider is not providing identical or similar services in the rural area, then the rural rate shall be the average of tariffed and other publicly available rates, not including any rates reduced by universal service programs, charged for the same or similar services in that rural area over the same distance as the eligible service by other carriers.”).

⁴⁸ See 47 CFR § 54.607(b) (2019) (“If there are no tariffed or publicly available rates for such services in that rural area, or if the carrier reasonably determines that this method for calculating the rural rate is unfair, then the carrier shall submit for the state commission’s approval, for intrastate rates, or the Commission’s approval, for interstate rates, a cost-based rate for the provision of the service in the most economically efficient, reasonably available manner.”).

⁴⁹ *Alaska Rates Database Waiver Order* at 5-6, para. 13.

⁵⁰ *Id.*

a particular service at a particular facility.⁵¹ As such, if there is no approved rate for a particular facility/service combination, the health care provider and its carrier may use rural rates approved for the same or similar services to the facility with the same or similar geographic characteristics. The health care provider or service provider should submit these rural rates to USAC with documentation showing that the rural rates were previously approved. And if no such comparables are available, the rural rate must be established using one of the preexisting methods.⁵²

18. *Alaska Communications and GCI Requests for Clarification.* In response to the requests submitted by Alaska Communications and GCI, we clarify that for the purposes of the *Alaska Rates Database Waiver Order* and the waivers we issue today, service providers may submit to USAC rural rates approved within the past three years that are either (1) a rate lower than the previously approved rate for the same or similar service to the same facility or one with the same or similar geographic characteristics or (2) the same or lower rate as previously approved but for a higher bandwidth service than in previous funding years, including bandwidth that is more than 30 percent higher than in previous funding years, at the same facility or one with the same or similar geographic characteristics.⁵³ Approval of rural rates under these two scenarios is in the public interest and will result in reduced costs and/or improved service for the health care provider without additional cost to the Universal Service Fund. We decline GCI's request that service providers be permitted to calculate rural rates by applying a per-Mbps calculation to a previously-approved rural rate.⁵⁴ The Commission previously rejected the per-Mbps methodology in the *Promoting Telehealth Report and Order* because rates must be based on the total price of the service requested by the health care provider and basing rates for a service on the per-Mbps price of a lower bandwidth service conflicts with the requirement that rates compared to establish the median rates be functionally equivalent from the perspective of the end user.⁵⁵ Service providers may use a rural rate that has been approved for the same service at the same facility within the past three funding years or rely on the three preexisting rate determination methods.⁵⁶

19. We also decline Alaska Communications' request that we allow the use of rural rates for the same service at the same facility dating back to funding year 2017.⁵⁷ This Order waives rules regarding use of the Rates Database for funding years 2021 and 2022. Therefore, we clarify that our decision to allow rates from the "past three funding years" refers to funding year 2018, funding year 2019, and funding year 2020. Limiting rural rates to the three most recent funding years preceding the waiver will limit the rural rates to those most recently approved and minimize the potential for gamesmanship.⁵⁸ Accordingly, in response to GCI's request,⁵⁹ we affirm that service providers may rely on approved funding year 2020 rural rates. Lastly, in response to GCI's request, we clarify that service

⁵¹ *Promoting Telehealth Report and Order*, 34 FCC Rcd. at 7343–46, 7349–54, paras. 14–20, 29–37; *see id.* at 7344, para. 16 (“[W]e anticipate a 30% range will provide a sufficiently large range of functionally similar services to enable reasonable rate comparisons.”).

⁵² *See* 47 CFR § 54.607 (2019).

⁵³ *Alaska Communications Clarification Request* at 2-3; *GCI Clarification Request* at 3.

⁵⁴ *GCI Clarification Request* at 3.

⁵⁵ *Promoting Telehealth Report and Order* 34 FCC Rcd at 7366, para. 64, n. 179.

⁵⁶ *See supra* paras. 15-16.

⁵⁷ *Alaska Communications Clarification Request* at 3; *see also GCI Clarification Request* at 4.

⁵⁸ *See Alaska Rates Database Waiver Order* at 6, para. 13. Alaska Communications expresses concern that it may not be able to use funding year 2020 rural rates for funding year 2021 because it had not yet received funding commitments for funding year 2021 as of late February 2021. *See Alaska Communications Clarification Request* at 3. We clarify that, for the limited purpose of this process to determine rural rates for funding years 2021 and 2022, service providers may use rural rates approved for funding year 2018, funding year 2019, or funding year 2020 even if USAC has not yet issued a funding commitment for the rates.

⁵⁹ *GCI Clarification Request* at 4.

providers are not required to re-calculate rural rates when new information becomes available.⁶⁰ Rural rates for a funding year are final upon approval by the Commission or USAC.

20. *Urban Rates Waiver.* We also grant a waiver of section 54.604(a),⁶¹ the requirement that applicants use the applicable urban rates available in the Rates Database, for all urban rates nationwide, including urban rates in Alaska, for funding years 2021 and 2022.

21. SHLB and other stakeholders have identified examples of apparent anomalies in the urban Rates Database in some states, including some instances where urban rates for lower bandwidths exceed urban rates for higher bandwidths for the same service and examples of where urban rates for some services exceed all rural rates for those services in a given state.⁶² We find the evidence introduced to date regarding urban rates inconclusive and not necessarily definitive evidence that the urban rates in the Rates Database fail to accurately reflect the relative cost of providing service in those areas. Because there are generally more rates in the samples that determine the medians for urban rates than rural rates, it is possible, on the whole, the urban rates generated by the Rates Database better reflect market conditions than the rural rates generated by the Rates Database. We are therefore not convinced that there are pervasive nationwide anomalies with urban rates in the Rates Database.⁶³ In some cases, increased urban rates may reflect the Commission's intent in the *Promoting Telehealth Report and Order* to eliminate artificially low urban rates.⁶⁴

22. However, we find that the circumstances where the urban rate at a bandwidth in a state exceeds the urban rate at a lower bandwidth in that state, an issue that we have flagged as problematic with respect to the rural rates, merit further inquiry and investigation. We also recognize that the new, often higher, urban rates are being implemented at a time when health care providers, particularly those in rural areas, are experiencing significant financial hardships due to the ongoing COVID-19 pandemic and are particularly ill-prepared to absorb additional financial burdens. Due to these unique circumstances, we grant a temporary waiver of the requirement that applicants use the applicable urban rates from the Rates Database while we further investigate to ensure that the Rates Database accurately determines the urban rate for similar services. We conclude that a full waiver of section 54.604(a) is preferable to a waiver limited to specific situations. A more narrow waiver, limited for instance to only those situations where an urban rate at a lower bandwidth exceeds that of an urban rate for a higher bandwidth, could create new administrative burdens for USAC as well as create the potential for gamesmanship and uncertainty for stakeholders.

23. *Establishing Urban Rates.* As with rural rates, we conclude that it is in the public interest to allow health care providers nationwide to use an urban rate that has been approved for the same service at the same facility within the past three funding years.⁶⁵ To minimize potential gamesmanship, if more

⁶⁰ *Id.* at 5-6.

⁶¹ 47 CFR § 54.604(a).

⁶² See Letter from Gina Spade, Counsel for Schools, Health & Libraries Broadband Coalition to Marlene H. Dortch, Secretary, FCC, at 3-9, WC Docket No. 17-310 (dated Mar. 27, 2021) (showing that the urban rate for a 10 Mbps dedicated service exceeds the urban rate for a 100 Mbps dedicated service in Connecticut, that the urban rate for a 20 Mbps dedicated service exceeds the urban rate for a 100 Mbps dedicated service in Alabama, and that the urban rate for a 10 Mbps dedicated service exceeds the urban rate for a 100 Mbps dedicated service in Illinois). See also *SHLB Request Letter* at 4; *CCWV Letter* at 2 (noting that the Extremely Rural Tier rate for a 1 Gbps service in West Virginia is lower than the urban rate); *UTHSC Letter* at 1 (many sites would receive no support for 1 Gbps Ethernet service without a waiver of Rates Database rural rates).

⁶³ See *Alaska Rates Database Waiver Order* at 6, para. 14.

⁶⁴ *Promoting Telehealth Report and Order*, 34 FCC Rcd at 7357-60, paras. 42-45 (expressing concern that pre-Rates Database urban rates are artificially low and demonstrating that median urban rates in the Telecom Program were significantly higher than rates for similar or the same E-Rate supported services in urban areas).

⁶⁵ See *supra* para. 16.

than one such rate has been approved, the urban rate must be the most recently approved rate for that facility/service combination. If there is no approved urban rate for a particular facility/service combination, the health care provider may use an urban rate approved for the same or similar services to a facility with the same or similar geographic characteristics.⁶⁶ The health care provider or service provider should submit these urban rates to USAC with documentation showing that the urban rates were previously approved. If no such comparables are available, the urban rate must be established using the preexisting rule.⁶⁷

24. *Filing Funding Requests.* The current version of the FCC Form 466 (Funding Request Form) automatically populates the median urban and rural rates calculated in the Rates Database and does not allow for health care providers to change these rates. As result of today's waiver, the urban and rural rates that automatically appear on a health care provider's FCC Form 466, and the requested funding commitment listed on the FCC Form 466, will no longer be accurate for health care providers seeking Telecom Program support because those rates will be generated by the Rates Database rather than by the procedures for determining urban and rural rates that will apply pursuant to this Order. With respect to rural rates for funding year 2021, as we provided in the *Alaska Rates Database Waiver Order*, if a service provider is able to provide applicants with an appropriate rural rate as determined by the contours of this Order before the filing of an FCC Form 466, we encourage the health care provider to enter that rural rate into Line 33 (rural rate per month per service agreement) of the application and upload supporting documentation such as a Funding Commitment Letter or rate approval letter.⁶⁸ If the applicant does not enter such a rural rate, we direct USAC to conduct outreach to determine that rural rate.

25. With respect to urban rates for funding year 2021, health care providers should upload to their FCC Form 466 documentation substantiating their urban rate, whether it be documentation supporting a previously-approved urban rate such as a Funding Commitment Letter or other record containing the funding request number associated with the previously-approved urban rate or documentation substantiating their urban rate under the preexisting rule. If a health care provider does not upload such documentation to its FCC Form 466, or had filed an FCC Form 466 before the release of this Order, we direct USAC to conduct outreach to obtain it. In the event that a health care provider does not provide this documentation to USAC, we direct USAC to use the previously-approved urban rate for the particular facility/service combination or, if that does not exist, an urban rate approved for the same or similar services to a facility with the same or similar geographic characteristics. In the rare event in which there is no previously-approved urban rate for the particular facility/service combination or for the same or similar services to a facility with the same or similar geographic characteristics, we direct USAC to use the urban rate generated by the Rates Database instead of denying the health care provider's funding request. To obviate the need for the manual rural and urban rate review and outreach outlined above for funding year 2022, we direct USAC to make the necessary revisions to FCC Form 466 in order to accommodate the rural and urban rates waivers that we issue in today's Order in time for use by applicants in funding year 2022.

26. *Competitive Bidding.* We recognize that some health care providers may have already completed the competitive bidding process for funding year 2021 using bids based on urban and rural rates generated by the Rates Database. To the extent necessary, we waive our competitive bidding rules to permit any health care provider that has completed the competitive bidding process to re-initiate a new competitive bidding process at its discretion in light of today's changes to the level of support available.⁶⁹ Additionally, to the extent necessary, we waive program rules to permit service providers who submitted bids based on urban and rural rates available in the Rates Database in response to Requests for Services

⁶⁶ *Id.*

⁶⁷ See 47 CFR § 54.605 (2019).

⁶⁸ *Alaska Rates Database Waiver Order* at 6, para. 15.

⁶⁹ See 47 CFR § 54.622 (competitive bidding requirements and exemptions).

issued by health care providers for funding year 2021 to submit new bids.⁷⁰ As we provided in the *Alaska Rates Database Waiver Order*, health care providers that choose to re-initiate a new competitive bidding process must comply with all competitive bidding requirements, including conducting a fair and open competitive bidding process, waiting 28 days after posting a Request for Services to make a bid selection, and selecting the most cost-effective means of meeting its specific health care needs.⁷¹

B. Administrative Deadlines and Requirements

27. We grant in part and deny in part the request for waivers filed by FG of the RHC Program service delivery deadline, invoice filing deadline, response deadline for USAC information requests, deadlines for appeals and requests for waiver, and USAC audit and PQA activity. We find that good cause exists to grant a one-year extension of the service delivery deadline to June 30, 2022, to grant a 120-day extension of the invoice filing deadline for funding year 2020, and to direct USAC to grant an extension of 28 days if the applicant requests the extension for an information request before the expiration of the initial 14-day deadline for health care providers nationwide. We do not find good cause to automatically extend the deadlines for appeals and requests for waiver or to temporarily suspend USAC audit and PQA activity.

28. We find that the extensive and ongoing disruptions to health care providers caused by the persistent and prolonged COVID-19 crisis, the emergence and quick spreading of the more contagious new variants, and the overwhelming burden placed on health care providers in administering COVID-19 testing and vaccines⁷² present compelling and unique circumstances that merit waivers of our rules and the additional relief discussed below. We also find that it is in the public interest to take these actions to allow RHC Program participants to focus their limited resources on responding to COVID-19 and providing critical health care to their patients. We further find that any potential costs to the RHC Program that could result from these actions will be outweighed by their benefits.

29. *Service Delivery Deadline.* We waive the service delivery deadline in section 54.626(a) of the Commission's rules for non-recurring services in the HCF Program for funding year 2020 and extend that deadline an additional year.⁷³ Program rules require non-recurring services in the HCF Program to be delivered by June 30 of the funding year for which services were sought.⁷⁴ Applicants may request a one-year extension of the service delivery deadline for non-recurring services (for example,

⁷⁰ *Id.*

⁷¹ *See id.* *See also Alaska Rates Database Waiver Order* at 6-7, para. 16.

⁷² *See, e.g.,* Centers for Disease Control and Prevention, *US COVID-19 Cases Caused by Variants*, <https://www.cdc.gov/coronavirus/2019-ncov/transmission/variant-cases.html> (last visited Mar. 10, 2021); Robert Bollinger and Stuart Ray, *New Variants of Coronavirus: What You Should Know*, Johns Hopkins Medicine (Feb. 22, 2021), <https://www.hopkinsmedicine.org/health/conditions-and-diseases/coronavirus/a-new-strain-of-coronavirus-what-you-should-know>; Joel Achenbach and Carolyn Y. Johnson, *New research shows California coronavirus variant is more transmissible*, The Washington Post (Feb. 24, 2021), https://www.washingtonpost.com/health/california-covid-variant/2021/02/24/0fb75550-76a3-11eb-948d-19472e683521_story.html; Jared S. Hopkins and Arian Campo-Flores, *Demand for COVID-19 Vaccines Overwhelms State Health Providers*, The Wall Street Journal (Feb. 8, 2021), <https://www.wsj.com/articles/demand-for-covid-19-vaccines-overwhelms-state-health-providers-11612789789>; Sean McMinn, Audrey Carlsen, and Zach Levitt, *Many Hospitals Are Still Overwhelmed By COVID-19 Patients. Is Yours? National Public Radio* (March 8, 2021), <https://www.npr.org/sections/health-shots/2020/12/09/944379919/new-data-reveal-which-hospitals-are-dangerously-full-is-yours>.

⁷³ 47 CFR § 54.626(a) (requiring that all applicants use non-recurring services for which Healthcare Connect Fund Program funding has been approved by June 30 of the funding year for which the program support was sought).

⁷⁴ *Id.*

construction and installation of network equipment) if the applicants meet one of four criteria.⁷⁵ In the March 2020 *COVID-19 RHC Relief Order*, the Bureau waived the service delivery deadline for non-recurring services in the HCF Program for funding year 2019 and extended the deadline an additional year.⁷⁶ Given that COVID-19 continues to directly impact health care providers throughout the country,⁷⁷ we find automatically granting the one-year extension of the service delivery deadline under section 54.626(b) for funding year 2020 is consistent with RHC Program rules,⁷⁸ is in the public interest, and protects the integrity of the Program while easing administrative burdens on health care providers that are dedicating administrative resources to the ongoing COVID-19 pandemic and addressing any ongoing disruptions with supply chains.

30. *Invoice Filing Deadline.* We also waive section 54.627(a) of the RHC Program rules to provide all RHC Program participants with an automatic 120-day extension of their invoice filing deadline for funding year 2020. Section 54.627(a) requires that RHC Program participants submit invoices to USAC within 120 days after the later of: (1) the service delivery deadline; or (2) the date of a revised funding commitment letter issued pursuant to an approved post-commitment request made by the applicant or service provider or a successful appeal of a previously denied or reduced funding request.⁷⁹ Program participants may request a one-time extension of the invoice filing deadline.⁸⁰ If the extension is timely requested, USAC is required to grant a 120-day extension.⁸¹ We recognize that RHC Program participants may have difficulty adhering to the invoicing deadline given the ongoing strain COVID-19 has placed on health care providers. We therefore find it appropriate to automatically grant the 120-day extension currently available upon request to HCF and Telecom Program participants for funding year 2020, which means that the invoice deadline for all RHC Program participants will be 240 days after the service delivery deadline or the date of a revised funding commitment letter.⁸² We find that automatically granting the 120-day extension will ease administrative burdens on health care providers because they

⁷⁵ 47 CFR § 54.626(b) (“An applicant may request and receive a one-year extension of the implementation deadline for non-recurring services if it satisfies one of the following criteria: (1) Applicants whose funding commitment letters are issued by the Administrator on or after March 1 of the funding year for which discounts are authorized; (2) Applicants that receive service provider change authorizations or site and service authorizations from the Administrator on or after March 1 of the funding year for which discounts are authorized; (3) Applicants whose service providers are unable to complete implementation for reasons beyond the service provider's control; or (4) Applicants whose service providers are unwilling to complete delivery and installation because the applicant's funding request is under review by the Administrator for program compliance.”).

⁷⁶ *COVID-19 RHC Relief Order*, 35 FCC Rcd at 2926, para. 10.

⁷⁷ See, e.g., Carla K. Johnson and Nicky Forster, 2 in 5 Americans Live Where COVID-19 Strains Hospital ICUs, AP News, <https://apnews.com/article/us-news-coronavirus-pandemic-faf144ff9442077a9f2bb292614e1342> (Jan. 24, 2021) (reporting that ICUs across the country are at or nearing capacity); see also Centers for Disease Control and Prevention, *Coronavirus Disease 2019 (COVID-19) Data Tracker*, <https://covid.cdc.gov/covid-data-tracker/#datatracker-home> (last visited Mar. 2, 2021). In addition to treating coronavirus patients, health care providers are also attempting to meet demand for the coronavirus vaccine. See Chris Wilson, *The U.S. COVID-19 Vaccine Rollout Is Getting Faster. But Is it Enough?*, TIME, <https://time.com/5938128/covid-19-vaccine-rollout-biden/> (Feb. 12, 2021) (citing reports of hospitals and other facilities experiencing a supply shortage).

⁷⁸ 47 CFR § 54.626(b).

⁷⁹ 47 CFR § 54.627(a).

⁸⁰ 47 CFR § 54.627(b).

⁸¹ *Id.*

⁸² *Id.* Because we are automatically granting a 120-day extension, no additional extension of the invoice deadline is available under RHC Program rules.

would not have to direct administrative resources to affirmatively request the extension and will have a longer invoice filing period.⁸³

31. *Response Time for USAC Information Requests.* We direct USAC to grant an extension of 28 days if an applicant requests an extension for an information request before the initial 14-day response deadline expires. RHC Program applicants are given 14 calendar days to respond to information requests from USAC.⁸⁴ If an applicant does not respond by the deadline, its funding request may be denied.⁸⁵ USAC currently allows an extension of 7 days if the applicant requests the extension for an information request before the 14-day deadline expires. We find that it is in the public interest to increase the existing 7-day extension to 28 days, thereby allowing those health care providers that need additional time due to the COVID-19 pandemic a total of 42 days to respond to USAC's information requests. Allowing health care providers to request an extension that would give them a total of 42 days to respond to an information request, rather than automatically providing a 42-day response time for all information requests as we did in the March 2020 *COVID-19 Relief Order*, will ensure the timely processing of applications while targeting administrative relief to those who need it.⁸⁶ This relief will apply to information requests issued from the release date of this Order through December 31, 2021.⁸⁷ Consistent with the *COVID-19 Relief Order*, this relief applies to information requests related to funding requests, appeals and waivers, invoices, audits, and other documentation submitted by RHC Program applicants.⁸⁸

32. *Deadlines for Appeals and Waiver Requests.* We deny FG's request for a waiver of the deadlines to file appeals and waiver requests. We find that it is not in the public interest to extend the deadlines for appeals and requests for waiver. While some applicants filed their appeals and waiver

⁸³ See *COVID-19 RHC Relief Order*, 35 FCC Rcd at 2926, para. 11. The invoice filing deadline waived in the *March 2020 COVID-19 Relief Order* was waived under section 54.645(b) of the Commission's rules, which is no longer applicable. 47 CFR § 54.645(b) (2018); *Promoting Telehealth in Rural America*, WC Docket 02-60, Order, 35 FCC Rcd 13819, 13820, para. 4 (WCB 2020) (*RHC Rules Effective Date Acceleration Order*). We find that automatically granting the 120-day extension available to participants, rather than a 180-day extension as was granted in the *March 2020 COVID-19 Relief Order* and requested by FG, is consistent with the current RHC Program rules and still provides a sufficiently meaningful extension of the invoice filing deadline.

⁸⁴ *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, 30 FCC Rcd 230, 231-232, para. 3 (WCB 2015) (*FCC Form 466 Documentation Order*); *Healthcare Connect Fund Order*, 27 FCC Rcd at 16803, para. 300.

⁸⁵ *FCC Form 466 Documentation Order*, 30 FCC Rcd at 232, para. 3; *Healthcare Connect Fund Order*, 27 FCC Rcd at 16803-04, para. 302.

⁸⁶ FG requested the Commission grant the same response deadline relief that it did in the March 2020 *COVID-19 RHC Relief Order*. *FG Request Letter*, at 4. The automatic extension of time to respond to information requests granted in the March 2020 *COVID-19 RHC Relief Order* extended the time it took USAC to resolve issues with applications, which likely delayed funding commitments. Moreover, not all applicants need the additional time to respond as some requested information or clarifications are simple or minor. Thus, instead of automatically extending the 14-day deadline by an additional 28 days for all information requests, allowing an extension of 28 days to only those requesting it strikes a balance between providing necessary relief to health care providers in need of additional time due to the COVID-19 pandemic and promoting the efficiency and effectiveness of the RHC Program. See *FCC Form 466 Documentation Order*, 30 FCC Rcd at 232, para. 3 ("We find that allowing applicants to submit supporting documentation after the funding year or inadequate supporting documentation compromises the efficiency and effectiveness of the RHC program . . . When USAC must seek submission of supporting documentation or direction on locating the relevant information to support an applicant's FCC Form 466, the efficiency of USAC's review process suffers, administrative costs increase, and funding commitments are delayed.>").

⁸⁷ For information requests issued on or after January 1, 2021, and before the release date of this Order, applicants can request relief from the Commission by filing appeals or requests for waiver if their funding requests are denied for missed response deadlines.

⁸⁸ *COVID-19 RHC Relief Order*, 35 FCC Rcd at 2925-26, para. 9; *COVID-19 Gift Rules Waiver Extension Order*, 35 FCC Rcd at 9421, para. 12.

requests to USAC and the Commission within the extended 120-day deadline of the March 2020 *COVID-19 RHC Relief Order*,⁸⁹ the majority of appeals and waiver requests were filed within the standard 60-day deadline, indicating that the relief was not needed by most applicants. Therefore, the Bureau did not provide an extension for the appeals and waiver requests deadline. Furthermore, such an extension could increase the backlog of RHC Program appeals by delaying the filing of appeals and waiver requests. Although we decline to automatically extend deadlines for all appeals and waiver requests, petitioners who missed the deadline for filing an appeal or request for waiver can individually request relief for late-filed appeals or waiver requests from the Commission. A petitioner may seek a waiver of the deadline to file an appeal or waiver request if it reasonably attempted to meet the deadline but was unable to do so due to the COVID-19 pandemic and it filed within a reasonable amount of time after the deadline.

33. *USAC Audit and PQA Activity.* We deny FG's request for wavier and suspension of USAC audit and PQA activities. We find it would not serve the public interest to delay or suspend USAC's audit or PQA activity. FG presents no evidence to suggest that USAC audit and PQA activity is unduly burdensome on health care providers while health care providers combat the ongoing COVID-19 pandemic. While FG cites to the Bureau's decision to suspend the periodic review of the Lifeline Program's subscribers as support for its waiver request,⁹⁰ we do not find the Lifeline suspension to be analogous to FG's request. Unlike in the Lifeline context, where the Bureau acted to ensure that low-income consumers remained connected during the ongoing pandemic,⁹¹ FG provides no evidence to suggest that USAC's conduct of audits and PQA reviews creates any potential for health care providers to lose service. Finally, the increased extension period for responding to information requests that we grant today would apply to information requests for PQA and audit activity, which allows health care providers and service providers more time to respond to requests without a temporary suspension of necessary PQA and audit activity. We find that any potential benefit resulting from the suspension of audit and PQA activity is therefore outweighed by the need to protect the integrity of the RHC Program.

34. We are committed to guarding against waste, fraud, and abuse in the Universal Service Fund (USF) programs, including the Rural Health Care Program. Although we grant the limited waivers described herein, program participants and service providers remain otherwise subject to audits and investigations to determine compliance with USF program rules and requirements. We will require USAC to recover funds through its normal process that we discover were not used properly. We emphasize that we retain the discretion to evaluate the uses of monies disbursed through the USF programs and to determine on a case-by-case basis that waste, fraud, or abuse of program funds occurred, and that recovery is warranted. Additionally, in the event we discover any improper activity resulting from our action today, we will subject the offending party to all available penalties at our disposal, and will direct USAC to recover funds, assess retroactive fees and/or interest, or both. We remain committed to ensuring the integrity of the Rural Health Care Program and will continue to aggressively pursue instances of waste, fraud, or abuse under our own procedures and in cooperation with law enforcement agencies.

⁸⁹ *COVID-19 RHC Relief Order*, 35 FCC Rcd at 2927, para. 12 (waiving the 60-day deadlines in section 54.720(a)-(b) of the Commission's rules for requests for review or waiver of decisions by USAC and providing an additional 60 days for such requests).

⁹⁰ *FG Request Letter*, at 5, n. 12.

⁹¹ *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Order, 35 FCC Rcd 2950, 2953, para. 12 (WCB 2020).

IV. ORDERING CLAUSES

35. ACCORDINGLY, IT IS ORDERED that pursuant to the authority in sections 1-4 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, and pursuant to sections 0.91, 0.291, and 1.3 of the Commission's rules, 47 CFR §§ 0.91, 0.291, and 1.3, that the Requests for Waiver of the Schools, Health & Libraries Broadband Coalition and Fiberutilities Group are GRANTED IN PART AND DENIED IN PART to the extent provided herein.

36. IT IS FURTHER ORDERED that sections 54.604(a), 54.605(a), 54.622, 54.626(a)-(b), and 54.627(a)-(b) of the Commission's rules, 47 CFR §§ 54.605(a), 54.622, 54.626(a)-(b), and 54.627(a)-(b) ARE WAIVED to the extent provided herein.

37. IT IS FURTHER ORDERED that, pursuant to section 1.102(b)(1) of the Commission's rules, 47 CFR § 1.102(b)(1), this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Kris Anne Monteith
Chief
Wireline Competition Bureau