

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

In the Matter of	)	
	)	
Requests for Review and Waiver of	)	
Decision of the	)	
Universal Service Administrator by	)	
	)	
Peoples Communications, Inc.	)	
Quitman, Texas	)	
	)	
The University of Texas Health Science Center at	)	
Tyler	)	
Tyler, Texas	)	
	)	
Rural Health Care Universal Service	)	WC Docket No. 02-60
Support Mechanism	)	

**ORDER**

**Adopted: August 28, 2025**

**Released: August 28, 2025**

By the Chief, Wireline Competition Bureau:

**I. INTRODUCTION**

1. In this Order, we grant the request of Peoples Communications, Inc. (Peoples) to reverse the decision of the Universal Service Administrative Company (USAC) to recover Rural Health Care (RHC) Program support for funding year 2017.<sup>1</sup> Based on our *de novo* review of the record, we find insufficient basis to conclude that a conflict of interest existed that compromised the competitive bidding process.<sup>2</sup> We also dismiss as moot the related request to waive the competitive bidding rules filed by The University of Texas Health Science Center at Tyler (UT-Tyler), the health care provider that received the RHC Program-supported services from Peoples.<sup>3</sup>

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<sup>1</sup> Request for Review and Waiver of Peoples Communications, Inc., WC Docket No. 02-60 (Sept. 25, 2023) (Peoples Request for Review). USAC initiated recovery on December 30, 2022 for the 12 funding request numbers listed in Appendix A.

<sup>2</sup> The Wireline Competition Bureau (Bureau) conducts *de novo* reviews of requests for review of decisions issued by USAC. 47 CFR § 54.723(a).

<sup>3</sup> Request for Review and Waiver of The University of Texas Health Science Center at Tyler, WC Docket No. 02-60 (filed Feb. 17, 2023) (UT-Tyler Waiver Request). UT-Tyler filed a replacement pleading on March 16, 2023, after its initial filing was submitted without having been identified as confidential. Although it captions its pleading as a Request for Review and Waiver, UT-Tyler effectively seeks only a rule waiver “to the extent necessary to reverse the Commitment Adjustment Letters (“COMADs”) issued by the Universal Service Administrative Co. on December 30, 2022.” UT-Tyler Waiver Request at 1. We treat UT-Tyler’s pleading herein as a waiver request exclusively.

## II. BACKGROUND

2. The RHC Program consists of two support mechanisms: The Telecommunications (Telecom) Program and the Healthcare Connect Fund Program.<sup>4</sup> The mechanism at issue here, 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.<sup>5</sup>

3. Like other programs supported by the Universal Service Fund, the RHC Program uses competitive bidding as an open, competitively neutral process to identify the most cost-effective option for eligible services.<sup>6</sup> Applicants for Telecom Program funding must make a bona fide request for eligible services by posting an FCC Form 465 to USAC's website for review by prospective bidders, and the posting must remain open for at least 28 days, after which applicants are allowed to select a service provider.<sup>7</sup> Once the applicant has selected a provider and entered into a service contract, the applicant must submit its request for funding to USAC by filing an FCC Form 466.<sup>8</sup> The applicant uses the FCC Form 466 to verify the type of services ordered and to certify that the selected service provider is the most cost-effective option.<sup>9</sup> After review, USAC issues a funding commitment in accordance with the Commission's rules.

4. To protect the neutrality and integrity of the competitive bidding process, a service provider cannot be involved in the preparation of the health care provider's FCC Form 465 or the service provider selection process.<sup>10</sup> Consultants or other parties working on behalf of the health care provider that have an ownership interest, sales commission arrangement, or other financial stake with respect to a bidding service provider are also prohibited from performing any of the same tasks on behalf of the health care provider.<sup>11</sup> In addition, the individual listed as the contact person on the FCC Form 465 may not be affiliated with a service provider that participates in the bidding process.<sup>12</sup>

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<sup>4</sup> 47 CFR §§ 54.602(a) and (b) (2017). The Commission's rules cited in this Order are those applicable to the funding requests listed in Appendix A.

<sup>5</sup> See 47 U.S.C. § 254(h)(1)(A); 47 CFR § 54.607(a) (2017).

<sup>6</sup> *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9134, para. 689 (1997). See also *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, 22 FCC Rcd 20360, 20413-14, paras. 101-02 (2007).

<sup>7</sup> 47 CFR § 54.603(b) (2017). These requirements are currently set forth in sections 54.622(e)-(g) of the Commission's rules. 47 CFR § 54.622(e)-(g).

<sup>8</sup> 47 CFR § 54.603(b)(4) (2017). See also 47 CFR § 54.623(a) (current requirement).

<sup>9</sup> 47 CFR § 54.603(b)(4) (2017). See also 47 CFR § 54.623(a)(1)(iii) (current requirement).

<sup>10</sup> See *Requests for Review of the Decisions of the Universal Service Administrator by Windstream Communications, LLC, Little Rock, Arkansas, et al.*, WC Docket No. 02-60, Order, 35 FCC Rcd 10312, 10321, para. 17 (WCB 2020) (*Windstream Order*); *Requests for Review of Decisions of the Universal Service Administrator by Hospital Networks Management, Inc., Manchaca, Texas, Verizon Business Services, Arlington, Virginia, Rural Health Care Universal Service Support Mechanism*, WC Docket No. 02-60, Order, 31 FCC Rcd 5731, 5733, para. 4 (WCB 2016) (*Hospital Networks Management Order*).

<sup>11</sup> See 47 CFR § 54.623(a)(1)(x) (requiring applicants that request funding to certify that consultants or third parties hired by the applicant do not have an ownership interest, sales commission arrangement, or other financial stake in its selected service provider). See also *Promoting Telehealth in Rural America*, WC Docket No. 17-310, Report and Order, 34 FCC Rcd 7335, 7414, para. 170 (2019) (*Promoting Telehealth Order*); *Hospital Networks Management Order*, 31 FCC Rcd at 5733-34, para. 4 (citing *Requests for Review of the Decision of the Universal Service Administrator by SEND Technologies, L.L.C.*, CC Docket No. 02-6, Order, 22 FCC Rcd 4950 (WCB 2007)).

<sup>12</sup> See *Windstream Order*, 35 FCC Rcd at 10321, para. 17; *Hospital Networks Management Order*, 31 FCC Rcd at 5742, para. 20.

5. The current matter concerns a single funding year but is part of a multi-year series of events involving UT-Tyler, its consultants, and its service providers as they sought to participate in the Telecom Program. For funding years 2012-2016, UT-Tyler's consultant was ABS Telecom, LLC (ABS Telecom), which assisted UT-Tyler to obtain RHC Program support by completing application forms and conducting bid evaluations.<sup>13</sup> During this time, ABS Telecom simultaneously operated as a "channel partner" (i.e., sales agent) for Windstream Communications, LLC, (Windstream), which UT-Tyler selected as its service provider for funding years 2012-2016.<sup>14</sup> In 2020, we determined that the dual role served by ABS Telecom through its managing partner, Gary Speck, created an impermissible conflict of interest that impaired UT-Tyler's ability to hold a fair and open competitive bidding process.<sup>15</sup> As a result, we directed USAC to recover funding disbursed or rescind funding commitments issued to UT-Tyler over the five-year period ending with funding year 2016.<sup>16</sup>

6. In March 2016, as it began preparations for funding year 2017, UT-Tyler (at the suggestion of ABS Telecom) switched consultants, replacing ABS Telecom with CFT Filings, LLC (CFT Filings).<sup>17</sup> Amy Speck, the wife of Gary Speck, filed documents with the Texas Secretary of State in February 2016 to establish CFT Filings, listing herself as the entity's managing member.<sup>18</sup> Staff from Windstream represent that the Specks sought to position CFT Filings as an entity that would perform RHC Program consulting work for health care providers while ABS Telecom would continue to represent service providers, including Peoples.<sup>19</sup> To effectuate the separation between ABS Telecom and CFT Filings, Amy Speck was removed as the managing member of CFT Filings in May 2016, and in her place Warren Lai was designated the managing member.<sup>20</sup>

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<sup>13</sup> *Windstream Order*, 35 FCC Rcd at 10315, para. 6.

<sup>14</sup> *Id.* at 10315-16, paras. 7-8.

<sup>15</sup> *Id.* at 10319, para. 14.

<sup>16</sup> *Id.* at 10324, para. 23. Windstream filed an application for review of the decision to recover or rescind support for funding years 2012-2016 but subsequently withdrew its application. See Letter from Matthew A. Brill, Latham & Watkins, LLP, Counsel for Windstream Communications, LLC, to Marlene H. Dortch, Secretary, FCC (July 11, 2025) (on file in WC Docket No. 02-60) (withdrawing the Application for Review filed on October 15, 2020).

<sup>17</sup> See Peoples Communication, Inc., Performance Audit on Compliance with the Federal Universal Service Fund Rural Health Care Support Mechanism Rules, USAC Audit No. RH2019SP002, at 7 (Feb. 4, 2022) (Peoples Audit).

<sup>18</sup> See Consolidated Communications of Fort Bend Company, Limited Review Performance Audit on Compliance with the Federal Universal Service Fund Rural Health Care Support Mechanism Rules, USAC Audit No. RH2019SP008, at 21-22 (Nov. 4, 2022) (Consolidated Audit). The Consolidated Audit is a USAC-conducted performance audit involving UT-Tyler, CFT Filings, and the service provider Consolidated Communications of Fort Bend Company whose findings includes evidence related to the formation of CFT Filings. The Consolidated Audit is also involved in a separate decision by USAC that UT-Tyler is appealing. See Request for Review and Waiver of The University of Texas at Tyler, WC Docket No. 02-60 (filed Aug. 22, 2024). The Commission will address this second appeal at a later date.

<sup>19</sup> See Declaration of Tim Loken, Attach. to Request for Review of Windstream Communications, WC Docket No. 02-60, ¶¶ 9, 12 (filed Aug. 23, 2018) (declaring that Gary Speck represented to Windstream that ABS Telecom "was going to divest itself of the consulting role for health care providers participating in the RHC program and transfer that role to CFT [Filings]" and that "ABS further asserted that, following transition of the business to CFT [Filings], it would maintain no relationship with CFT [Filings]"). See also Peoples Request for Review at 6 (citing the declaration by Loken). In the *Windstream Order*, we noted that the formation of CFT Filings was undertaken "presumably to address the perceived conflict of interest" that involved Gary Speck's dual role as UT-Tyler's consultant and Windstream's sales agent. See *Windstream Order*, 35 FCC Rcd at 10316, n.26.

<sup>20</sup> See Consolidated Audit, at 23-26 (reproducing copies of a Certificate of Amendment to the Office of the Secretary of State of Texas designating Warren Lai as the registered agent and managing member of CFT Filings). See also

(continued....)

7. In October 2016, with the assistance of CFT Filings, UT-Tyler requested services for funding year 2017 and, after conducting the required competitive bidding, selected Peoples as its service provider.<sup>21</sup> Peoples, which at the time maintained a channel partner agreement with ABS Telecom, was the only entity to bid on UT-Tyler's service request.<sup>22</sup> USAC granted 12 funding requests for funding year 2017 support for services provided by Peoples to UT-Tyler's Andrews Center Clinic facility.<sup>23</sup>

8. On February 4, 2022, USAC's Audit and Assurance Division (AAD) released the results of a performance audit of Peoples' compliance with RHC Program rules for funding year 2017. AAD concluded that UT-Tyler's relationship with CFT Filings violated RHC Program conflict of interest rules because ABS Telecom management maintained a "direct relationship" with both Peoples and CFT Filings through Amy Speck.<sup>24</sup> AAD reached this conclusion based in part on its review of "public records" that identified Amy Speck as a managing member of CFT Filings.<sup>25</sup> Relying on the results of AAD's audit, USAC issued Commitment Adjustment (COMAD) letters to Peoples on December 30, 2022, seeking recovery of the funding year 2017 disbursements issued for the Andrews Center Clinic.<sup>26</sup> Peoples timely appealed USAC's decision on February 13, 2023, and USAC denied this appeal on the merits.<sup>27</sup> Peoples now requests reversal of USAC's decision to issue COMADs, maintaining that the basis for USAC's decision – the conflict of interest involving UT-Tyler, Peoples, ABS Telecom, and CFT Filings – did not exist.<sup>28</sup> UT-Tyler separately maintains that, even if such a conflict existed, special circumstances warrant a waiver of the competitive bidding rules because UT-Tyler and Peoples could not have known of the conflict and the conflict did not impact the bidding process.<sup>29</sup>

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Peoples Request for Review at 7 and Exhibit C (including screenshot taken from the Texas Secretary of State website listing Warren Lai as the only Member of CFT Filings as of May 24, 2016).

<sup>21</sup> Peoples Request for Review at 2-3.

<sup>22</sup> *Id.*.

<sup>23</sup> See Appendix A.

<sup>24</sup> Peoples Audit at p. 8. In reaching its finding, AAD relied on the *Hospital Networks Management Order*.

<sup>25</sup> *Id.* at 8. AAD cites to a corporationwiki.com entry for support that apparently did not reflect the removal of Amy Speck as the managing member of CFT Filings in May 2016. That entry currently lists Amy Speck as "Managing Member" despite also listing CFT Filings as no longer active. See Corporation Wiki, CFT Filings LLC, <https://www.corporationwiki.com/p/2rgtul/cft-filings-llc> (last visited Aug. 11, 2025). To support its finding of a conflict of interest, AAD also relied on UT-Tyler's statement that its "subsequent research indicated that CFT Filings might have been created and/or controlled by the owners of ABS." Peoples Audit at 8.

<sup>26</sup> See Letter from Universal Service Administrative Company to Gena Von Reyn, Peoples Communications, Inc. at 4 (July 28, 2023) (included as Exhibit E to Peoples Request for Review) (Peoples Decision Letter). See also Peoples Request for Review, Exhibit A (including 12 COMADs dated December 30, 2022); UT-Tyler Request for Review, Confidential Exhibit 1 (including 10 COMADs dated December 30, 2022). Appendix A identifies the 10 out of 12 funding requests that are the subject of UT-Tyler's waiver request.

<sup>27</sup> See Peoples Decision Letter at 4. UT-Tyler did not appeal USAC's decision and instead timely filed its request to waive the competitive bidding rules directly with the Commission. See 47 CFR § 54.719(c) (parties seeking waivers of the Commission's rules shall seek relief directly from the Commission).

<sup>28</sup> Peoples Request for Review at 5-8.

<sup>29</sup> UT-Tyler Waiver Request at 8-9. Peoples also requests a waiver as an alternative form of relief. See Peoples Request for Review at 8-14. In addition, Peoples maintains that upholding USAC's decision would have a "chilling effect" on prospective future service providers unable "to uncover a potential conflict of interest that is not apparent after due inquiry." Peoples Request for Review at 15.

### III. DISCUSSION

9. Based on our review of the record, we find that there are insufficient grounds to conclude that a conflict of interest existed that prevented UT-Tyler from conducting a fair and open competitive bidding process. We therefore grant Peoples' request to reverse USAC's decision to recover funding, and direct USAC to rescind the COMAD letters issued in connection with the 12 funding request numbers (FRNs) listed in Appendix A. We also dismiss as moot UT-Tyler's request to waive the competitive bidding rules.

10. *Grant of Peoples's Request for Review.* AAD's audit of Peoples, which formed the factual predicate for USAC's COMAD decisions, concluded that a "direct relationship" between ABS Telecom and CFT Filings through Amy Speck created a conflict of interest.<sup>30</sup> We reach a different conclusion, finding instead that the record falls short of establishing the type of relationship among program participants previously found to form an impermissible conflict of interest. In *Hospital Networks Management*, the precedent relied upon by AAD in its audit of Peoples, the dual role relationship involving an individual simultaneously serving as president of the apparent service provider and as a health care consortium consultant presented a clear conflict of interest.<sup>31</sup> Similarly, in *Windstream*, the relationship between the health care provider and service provider was indisputable and flagrant: Gary Speck's name was listed on the FCC Form 465 as UT-Tyler's agent while he at the same time served, through ABS Telecom, as a sales agent for Windstream.<sup>32</sup> By contrast, the record in this matter does not conclusively link Amy Speck (and by extension Gary Speck and ABS Telecom) to Warren Lai and CFT Filings in October 2016 when UT-Tyler commenced the competitive bidding process.<sup>33</sup> At that time, Amy Speck was no longer affiliated with CFT Filings, according to Texas Secretary of State records, having been replaced months earlier by Warren Lai as managing member, who was designated as UT-Tyler's contact person on its FCC Forms 465.<sup>34</sup> Additionally, unlike in *Hospital Networks Management* and *Windstream*, Warren Lai and CFT Filings did not serve as sales agents for Peoples while simultaneously serving as a consultant to UT-Tyler. We conclude that the weight of the evidence favors granting the relief sought by Peoples as there was no apparent conflict of interest at the time USF funding was sought.<sup>35</sup>

11. Peoples maintains that the relationship among ABS Telecom, CFT Filings and its principals did not amount to a conflict of interest.<sup>36</sup> Although we agree the relationship here does not amount to a conflict of interest, we caution that our decision today should not be construed to mean a conflict of interest exists only when it is as blatant as those found in *Hospital Networks Management* and *Windstream*. An impermissible conflict of interest, no matter how convoluted or surreptitious, will be

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<sup>30</sup> Peoples Audit at 8.

<sup>31</sup> *Hospital Networks Management Order*, 31 FCC Rcd at 5739-40, para. 18.

<sup>32</sup> *Windstream Order*, 35 FCC Rcd at 10319, para. 15.

<sup>33</sup> UT-Tyler states that while undergoing competitive bidding it was unaware of a relationship between CFT Filings and the Specks, between CFT Filings and ABS Telecom, or between Warren Lai and any service providers. See Peoples Audit at 17; UT-Tyler Request for Review at 5-6.

<sup>34</sup> Peoples Request for Review at 7 and Exhibit C.

<sup>35</sup> We note that UT-Tyler states that "after the procurement," it uncovered information "suggesting that CFT Filings may have been created and/or controlled by the owners of ABS Telecom but found no evidence that CFT Filings received sales commissions from Peoples and no other evidence of rule violations." UT-Tyler Request for Review at 5.

<sup>36</sup> Peoples Request for Review at 5-8. See also UT-Tyler Request for Review at 3 (noting that it "disagrees with the conclusion" that because "Amy Speck . . . was a member of CFT Filings, . . . Gary Speck's and ABS Telecom's sales agency relationship with Peoples should be imputed to CFT Filings.")).

found whenever there is a relationship between or among health care providers, service providers, and their consultants that improperly undermines the fairness and openness of the competitive bidding process.<sup>37</sup> Determining whether such a conflict of interest exists is ultimately a case-by-case inquiry based on a careful examination of the record. Our examination of the present record finds no such conflict.<sup>38</sup>

12. *Dismissal of UT-Tyler's Waiver Request.* UT-Tyler requests a waiver of the competitive bidding rules “to the extent necessary to reverse” the COMADs at issue in this proceeding.<sup>39</sup> In light of the foregoing grant of Peoples’ request to rescind the COMADs, we dismiss as moot UT-Tyler’s waiver request.<sup>40</sup>

#### IV. ORDERING CLAUSES

13. ACCORDINGLY, IT IS ORDERED, pursuant to the authority contained in sections 1-4 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, and sections 0.91, 0.291, and 54.722(a) of the Commission’s rules, 47 CFR §§ 0.91, 0.291, and 54.722(a), the Request for Review and Waiver filed by Peoples Communications, Inc. on September 25, 2023, IS GRANTED to the extent described herein.

14. IT IS FURTHER ORDERED, pursuant to authority contained in sections 1-4 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, sections 0.91, 0.291, and 54.722(a), 47 CFR §§ 0.91, 0.291, and 54.722(a), that the applications identified in Appendix A ARE REMANDED to USAC for further action in accordance with the terms of this Order.

15. IT IS FURTHER ORDERED that, pursuant to the authority contained in in sections 1-4 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, and sections 0.91, 0.291, 1.3 and 54.722(a) of the Commission’s rules, 47 CFR §§ 0.91, 0.291, 1.3 and 54.722(a), the Request for Waiver filed by The University of Texas Health Science Center at Tyler on February 17, 2023, IS DISMISSED AS MOOT to the extent described herein.

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<sup>37</sup> See *Promoting Telehealth Order*, 34 FCC Rcd at 7410-11, para. 162 (providing a non-exhaustive list of actions that violate the Commission’s “fair and open” competitive bidding standard, including impermissible relationships between a service provider and an applicant and between an applicant’s consultant and its service provider).

<sup>38</sup> Having found that no conflict of interest existed that compromised the competitive bidding process conducted by UT-Tyler, we need not address Peoples’ claim that upholding USAC’s decision would have a “chilling effect” on prospective future service providers.

<sup>39</sup> UT-Tyler Waiver Request at 1.

<sup>40</sup> Although we dismiss UT-Tyler’s waiver request as moot, we note our disagreement with UT-Tyler’s position that because Peoples was the only service provider to submit bids, its choice of vendor was not affected by any possible conflict of interest. See UT-Tyler Waiver Request at 8; see also Peoples Request for Review at 12-13 (stating that “[e]ven if there was a relationship between CFT [Filings] and ABS [Telecom], no evidence has been presented to suggest that such relationship had any effect on [UT-Tyler’s] choice of vendor . . .”). In the *Windstream Order*, we explained that “[e]ven the perception of a relationship between a service provider and applicant could lead prospective bidders to believe that bidding will not be conducted in a fair and open matter and depress participation in the bidding process” and, therefore, the presence of only one bidder “is not necessarily evidence of a lack of harm to the competitive bidding process.” *Windstream Order*, 35 FCC Rcd at 10324, para. 22.

16. IT IS FURTHER ORDERED that, pursuant to the authority delegated in 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

Joseph S. Calascione  
Chief  
Wireline Competition Bureau

**APPENDIX A**

2017 FRNs Subject to the  
December 30, 2020 USAC COMAD Letters

17267851
17268271*
17268291
17268301
17268311
17268341
17268361
17268371
17268381
17268421
17268431
17268521*

\* Funding requests listed in the pleading submitted by Peoples Communications, Inc. only and not in the pleading submitted by The University of Texas Health Science Center at Tyler.