

December 20, 2007



Re: *Universal Service Rural Health Care Pilot Program*

Dear [REDACTED]:

On November 19, 2007, the Federal Communications Commission (Commission) released the *Rural Health Care Pilot Program Selection Order*, selecting your organization to participate in the Rural Health Care Pilot Program.¹ As set forth in that order, your organization is eligible to receive funding for up to 85 percent of the costs associated with: (1) the construction of a state or regional broadband network and the advanced telecommunications and information services provided over that network; (2) connecting to Internet 2 or National LambdaRail (NLR); and (3) connecting to the public Internet.² I would like to take this opportunity to congratulate you on your selection and let you know the Commission looks forward to working with you to implement this Pilot Program and the Chairman's goal of ensuring that all Americans, including those in the most remote areas of the country, receive first-rate medical care.

As you are aware, the Pilot Program operates under the Commission's existing universal service rules, including the competitive bidding requirements. The Commission provided for a limited exception to the competitive bidding rules allowing applicants to pre-select the use of Internet2 or National LambdaRail (NLR) as a nationwide backbone provider in their applications filed in May 2007 to participate in the Pilot Program.³ Other than existing pre-selections covered by this approved, limited exception, all funding requests are subject to the competitive bidding rules.⁴

¹ See generally *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order, FCC 07-198 (rel. Nov. 19, 2007) (*Rural Health Care Pilot Program Selection Order*), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-279101A1.pdf

² See *id.* at para. 16

³ See *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Order on Reconsideration, 22 FCC Rcd 2555 (2007). However, to the extent that you did not pre-select Internet2 or NLR in your Pilot Program application, you are required to seek bids through the established rural health care mechanism competitive bidding process, consistent with subpart G of the Commission's Part 54 universal service rules and with section E of the *Rural Health Care Pilot Program Selection Order* in order to select the use of Internet2 or NLR.

⁴ *Rural Health Care Pilot Program Selection Order*, at para. 100 & n.321. See 47 C.F.R. §§ 54.601 *et. seq.* (Subpart G – Universal Service Support for Health Care Providers).

Again, congratulations on your selection for participation in the Pilot Program. We look forward to working with you as the Pilot Program is implemented; you will hear from a member of my staff and/or the Universal Service Administrative Company (USAC) soon regarding upcoming informational sessions for selected participants.

Sincerely,

Dana R. Shaffer
Chief
Wireline Competition Bureau

cc: Kent R. Nilsson, Inspector General, Federal Communications Commission
Anthony Dale, Managing Director, Federal Communications Commission
Scott Barash, Acting Chief Executive Officer, Universal Service Administrative Company
Douglas E. Van Houweling, President and Chief Executive Officer, Internet2
Thomas W. West, President and Chief Executive Officer, National LambdaRail