

**STATEMENT OF CHAIRMAN JULIUS GENACHOWSKI ON
RURAL HEALTH CARE PILOT PROGRAM COMMITMENTS
February 18, 2010**

In 2007, the Commission established the Rural Health Care Pilot Program. This program makes \$417 million in universal service funding available to support broadband infrastructure deployment to areas of the country where the need for telemedicine is most acute. Nationwide, 62 projects are eligible to receive Pilot Program funding for telehealth networks serving 6,000 health care facilities in 42 states and three U.S. territories. To receive funding commitments under the Pilot Program, projects must first competitively bid their networks and demonstrate, among other things, that they have selected the most cost-effective vendor.

Today, I am pleased to announce that the Pilot Program has made funding commitments for 16 broadband telehealth networks that will link hundreds of hospitals regionally in 17 states. This is in addition to six projects previously approved for funding, as announced by the FCC in April 2009. Collectively, these projects are eligible to receive up to \$191.2 million for costs associated with network deployment.

These health care networks will enable robust telemedicine services and provide high-speed highways for electronic medical records, saving lives by improving health care in rural America. They are an important step toward realizing our national commitment to bring the benefits of robust broadband to every corner of our country.

To help ensure the success of the projects in the Pilot Program, the Wireline Competition Bureau has also extended by one year – to June 30, 2011 – the deadline for projects to select a vendor. Many of the program participants have experienced delays due to coordination with potential American Recovery and Reinvestment Act funding opportunities, or to ongoing negotiations with vendors for network deployment. The extension provides the additional time that participants need to select vendors and seek funding commitments. I am pleased that the FCC can provide this additional flexibility for the buildout of these critical health care networks.

Finally, I want to thank the Wireline Competition Bureau's Rural Health Care Team for their diligent efforts in coordinating with the Universal Service Administrative Company to expedite funding commitments under the Pilot Program. I very much appreciate their hard work, and I look forward to their continued efforts to accelerate funding commitments and to assist program participants through the extension period.