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For Immediate Release

WINDSTREAM COMMUNICATIONS WILL PAY \$1.2 MILLION FOR VIOLATING THE COMMISSION'S RURAL HEALTH CARE PROGRAM RULES

Company Failed to Follow Rural Rate Determination Rules and Maintain Documents

WASHINGTON, April 5, 2022—The Federal Communications Commission's Enforcement Bureau today announced that it has achieved a settlement with Windstream Communications to resolve its investigation into the company's practices for determining rural rates and retention of Rural Health Care Program (RHC) documents. To resolve this matter, Windstream will pay a settlement amount of \$1,204,445.24, which includes a \$200,000 civil penalty, and implement enhanced compliance measures in connection with its participation in the RHC Program.

The Enforcement Bureau's Fraud Division investigation found that Windstream failed to use any of the three rate-setting methods available to service providers under FCC rules, instead opting to use its own methods to prepare bids and seek Universal Service Fund (USF) support. Windstream was not able to provide the Commission with sufficient documents to demonstrate the processes used to set its rural rates. Through its investigation, the Bureau determined that Windstream received over \$1 million in improper payments from the USF related to rural rate violations in connection with services provided in Funding Year 2017 through Funding Year 2020. The company will now repay that entire amount to the Universal Service Fund.

"To facilitate the proper distribution of funds for these limited and invaluable resources, we vigorously pursue violations of the Commission's Rural Health Care rules to ensure that funds designated for rural areas and health care providers are available to program participants with no entity receiving an improper or disproportionate share," said Acting FCC Enforcement Bureau Chief Loyaan A. Egal.

The Rural Health Care Program provides financial support to eligible rural health care providers so that all health care providers—regardless of whether they are located in rural or urban areas—can implement the modern communications systems that are vital to 21st century medical care. The RHC Program's Telecommunications Program is paid for through the Universal Service Fund (USF). Eligible rural health care providers can obtain rates for supported services that are no higher than the "urban rate." The urban rate is defined as a rate no higher than the highest tariffed or 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 that state. The carrier providing the eligible services must provide services at the urban rate, and is entitled to support payments from USF to account for the difference between the urban rate and the rural rate, which is generally higher.

During the relevant timeframe, the Commission's rules established three methods for a service provider to determine its rural rate. These methods need to be considered in sequence based on the factual circumstances. In addition, carriers participating in the Telecom Program are required to retain documents related to the delivery of discounted services for at least five years, including any other document that demonstrates compliance with the statutory or regulatory requirements for the rural health care mechanism.

The Consent Decree is available at <https://www.fcc.gov/document/fcc-settles-rural-health-care-program-rule-violations-windstream>.

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).