

**STATEMENT OF
COMMISSIONER ROBERT M. McDOWELL**

Re: Rural Health Care Support Mechanism, WC Docket No. 02-60

In establishing the Rural Health Care Program, Congress recognized the importance of rural America having access to advanced healthcare just like urban America, and it envisioned that this program could help. During my travels as a Commissioner, I have witnessed first-hand some of the tremendous benefits that telemedicine has provided to rural America especially in areas of Alaska that are not even connected to the road system let alone a health care system. Although the Rural Health Care Program has been successful in some parts of the country, more Americans could stand to benefit from it. As such, I commend the Chairman for initiating this Notice of Proposed Rulemaking (NPRM) which seeks comment on various ideas to reform the program.

Thankfully, allocations for the Rural Health Care Program have never reached the Commission-imposed \$400 million annual cap. With fiscal restraint in mind, the reform ideas outlined in this NPRM identify ways to bring the program's benefits to a greater number of rural Americans. In reality, however, if these reforms are implemented, we could face increased demand on the overall Universal Service Fund. As such, I am pleased that the Commission is highlighting our intention to retain the \$400 million spending cap.

Additionally, I would be remiss if I did not reiterate my strong desire that the Commission identify and finalize reforms that provide savings in other areas of the Universal Service Fund. It is critical that the Commission undertake this examination in a comprehensive manner so that any reforms that we may implement in the rural health care arena do not simply result in runaway growth of the overall Universal Service Fund.

This is not the first time that the FCC has made reforms to the program. Most recently, the Commission established the Rural Health Care Pilot Program which both Commissioner Copps and I supported along with all of our colleagues in 2006. While the pilot program has shown some success, it did experience some bumps along the way. As such, I support our effort to build on the lessons we have learned from that experience. For example, the pilot program required a fifteen percent match to all eligible costs. We learned, however, that some participants had difficulty obtaining the funds for the match requirement. To avoid this type of situation in the future, we propose that receipt of infrastructure funds be conditioned upon certification of the availability of matching funds.

Finally, I cannot underscore enough that we need to always remember Congress' original intent in establishing this program under Section 254 of the Act. Congress' mandate was for us to ensure that rural parts of our nation are connected to medical assistance. Some parts of rural America simply do not have any access to health care, period - no doctors, no nurses, no technicians. To be fiscally responsible, we need to be mindful in this proceeding, and in future proceedings, that this program's mission is critically important to rural America and Congress did not intend for it to be expanded to fulfill other goals.

In conclusion, I commend Sharon Gillett, Carol Matthey, Tom Buckley, Ernesto Beckford, and the many other Bureau staff for their diligence and hard work on this challenging but important initiative. I look forward to reviewing the record and working with all of my colleagues and stakeholders in pursuit of fiscally prudent reforms that also ensure that rural America continues to benefit from this program.