

October 3, 2018

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The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Dear Chairman Pai:

I write to ask that you expedite the review of a waiver that the Northland Healthcare Alliance (Northland) requested from the Federal Communications Commission (FCC) in March 2018 relating to Northland's contracts with the Universal Service Fund Rural Health Care (RHC) program. Northland has requested a waiver from an FCC rule (47 CFR 54.720(a)) which requires an appeal or review at the Universal Service Administrative Company (USAC) to take place within 60 days from the date the USAC Administrator issues a decision, or in this case, 60 days from when several RHC program contracts expired on July 1, 2017. Thank you for your consideration of this request.

As you know, the RHC program aims to improve the quality of health care in rural communities by providing funds to eligible health care providers to enhance their telecommunications and broadband services. Northland coordinates applications to the Healthcare Connect Fund within the RHC program for a consortia of 55 health care providers in North Dakota, South Dakota, and Minnesota. In most applications to the RHC program, Northland has applied for a three-year contract for their consortia members, with the option to extend the contract for a fourth year.

For the 2017 funding cycle, Northland believed that five rural health care providers in North Dakota would begin the third year of their contract and be reimbursed for telecommunications and broadband services amounting to \$278,000. These health care providers include Sakakawea Medical Center (FRN 14597011) Coal Country Health (FRNs 15674001, 15694381, 14597001), West River Health System (FRNs 14613841, 14615351, 14616881) Northland PACE (FRN 14573501) and Jacobsen Memorial Hospital (FRN 14573121). As you know, applicants to the RHC program faced significant delays in the notice and disbursement of funds this year. It is my understanding that in previous funding years, notices of funding from USAC were typically sent to applicants in July or August. For the 2017 cycle, applicants were not notified of funding until March 2018.

After these late notifications were received by other applicants, Northland then realized that the five aforementioned health care providers did not receive funding for the 2017 cycle. Northland immediately contacted USAC in an attempt to remedy the situation and was informed that these five health care providers needed to apply for extensions to their contracts. As the extensions were not filed by July 1, 2017, these five providers were not funded for the 2017 cycle. Further,

Northland was told it was not able to ask for a review of this situation due to an FCC rule that any USAC review or appeal must take place within 60 days.

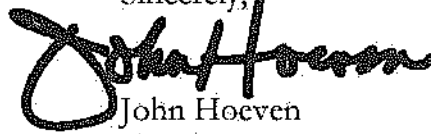
I am told that if notices were sent out in a timely manner this funding cycle, Northland would have realized its error and appealed to USAC immediately. However, due to the substantial delay in RHC program funding, Northland was unable to meet the 60 day appeal timeframe. After continued outreach to the FCC, Northland still has not received a determination regarding its request for a waiver of the 60 day appeal window.

I believe it is clear that Northland has attempted to comply with FCC and USAC policy. The combined bill of \$278,000 is causing significant pressure on these five rural health care providers in my home state, potentially impeding their ability to provide quality care to the North Dakotans who depend on them. I respectfully request your timely answers to the following questions:

1. What are the reasons there has been a delayed response from the FCC to Northland?
2. What is the primary cause of the backlog of requests currently at the FCC?
3. What can be done to expedite the review of requests in the backlog?
4. What is the precedent for granting a waiver for FCC Rule 47 CFR 54.720?
5. Which individual or entity at the FCC will make the final determination on whether or not to grant Northland a waiver?

Ultimately, Northland hopes to submit an appeal to USAC to reinstate funding for these five health care providers for 2017, or be compensated in the 2018 funding cycle. I urge the FCC to promptly consider Northland's request for a waiver. Thank you for attention to this urgent matter. I look forward to receiving your timely response.

Sincerely,



John Hoeven
U.S. Senator

C: Mark Sweeney, Vice President of the Rural Health Care Program, Universal Service Administrative Company



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

January 3, 2019

The Honorable John Hoeven
United States Senate
338 Russell Senate Office Building
Washington, D.C. 20510

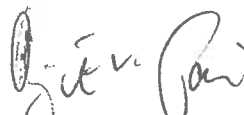
Dear Senator Hoeven:

Thank you for your letter regarding the Northland Healthcare Alliance's request for waiver of Commission rules related to the Rural Health Care program. Although I cannot comment on the merits of this issue, I can assure you that the Wireline Competition Bureau is making every effort to conclude its review as quickly and equitably as possible in accordance with the law and the facts. Our staff will take into consideration the issues and concerns presented by all stakeholders. As in all such cases, we will strive to achieve the Rural Health Care program's important mission to serve communities in need throughout the United States while protecting the program from potential waste, fraud, and abuse—an issue that has become all the more pressing and thus required more scrutiny of applications in the Rural Health Care program over the past few years.

In recent years, significant enforcement actions against two carriers increased awareness of potential problems in the Rural Health Care Program, which demonstrated the need for additional scrutiny of funding requests. Initially, this resulted in increased review times, as well as an influx of appeals and waiver requests. Commission staff have been working diligently to address these requests, and as USAC's review process has improved, any backlog has been alleviated, and staff should be able to act on Northland Healthcare Alliance's waiver request in the near future. Under section 1.3 of the Commission's rules, 47 CFR. § 1.3, the Commission may grant a waiver of its rules if (1) special circumstances warrant deviation from the general rule, and (2) the deviation would better serve the public interest than strict application of the general rule. In accordance with Commission practice, staff of the Wireline Competition Bureau review requests for waivers of the Rural Health Care Program's rules in the first instance, and the Bureau's decision can be appealed to the full Commission.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,


Ajit V. Pai

Senator, look forward to working with you in the 116th Congress!