EXHIBIT 6

Administrator's Decision on Rural Health Care Program Appeal

Via Electronic and Certified Mail

January 27, 2016

Mr. Art Spies
Iowa Rural Health Telecommunications Program
100 E. Grand Avenue, Suite 100
Des Moines, IA 50309-1835

Re: Appeals of Independent Auditor's Report on Iowa Rural Health Telecommunications Program's Compliance with Rural Health Care Pilot Program Rules (USAC Audit No. RH2013PP018) and of USAC's Commitment Adjustment Letters for Funding Requests (FRNs) 41446 and 63145

Dear Mr. Spies:

The Universal Service Administrative Company (USAC) has completed its evaluation of the July 6, 2015 letter of appeal that Laura Philips submitted on behalf of Iowa Rural Health Telecommunications Program (IRHTP) and the July 6, 2015 letter of appeal that Adam Zenor submitted on behalf of Access Integration Specialists (AIS).[1] The appeals request that USAC reconsider the audit finding[2] and rescind the commitment adjustment (COMAD) letter[3] for the above-referenced FRNs for the federal Universal Service Rural Health Care Pilot Program (RHC Pilot Program). The audit finding and appeals concern whether IRHTP complied with Federal Communications Commission (FCC) competitive bidding rules for the RHC Pilot Program with respect to the above-referenced FRNs.

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[1] Letter from Laura Philips, counsel for IRHTP, to USAC (July 6, 2015) (*IRHTP Appeal*); Letter from Adam Zenor, counsel for AIS, to USAC (July 6, 2015) (*AIS Appeal*).

[2] Independent Auditor's Report on Iowa Rural Health Telecommunications Program's Compliance with Rural Health Care Pilot Program Rules (USAC Audit No. RH2013PP018) (Sept. 5, 2014) (*Audit Report*).

[3] Letter from USAC to AIS (May 6, 2015). USAC is required to rescind funding commitments in full or in part, and seek recovery of funds disbursed not in compliance with FCC rules. *See In the Matter of Comprehensive Review of the Universal Service Fund Management, Administration and Oversight*, *et al*., WC Docket Nos. 05-195, *et al*., Report and Order, FCC 07-150, 22 FCC Rcd 16372, 16386, ¶ 30 (2007) ("Consistent with our conclusion regarding the schools and libraries program, funds disbursed from the high-cost, low-income, and rural health care support mechanisms in violation of a Commission rule that implements the statute or a substantive program goal should be recovered."). *See also In the Matter of Rural Health Care Support Mechanism,* WC Docket No. 02-60, Order, FCC 07-198, 22 FCC Rcd 20360, 20423, ¶ 125 (2007) (*Pilot Program Order*) (explaining that USAC must recover funds when it is determined that a participant or service provider did not comply with FCC rules and/or funds were distributed or used improperly) .

Decision Summary

USAC has reviewed the appeals, supporting documentation, and the facts related to this matter, and determined that IRHTP and AIS have not demonstrated that IRHTP's competitive bidding process for the above-referenced FRNs complied with the FCC's competitive bidding rules. Specifically, IRHTP's competitive bidding processes for the above-referenced FRNs did not ensure that one service provider was not disadvantaged over another, and also may have discouraged prospective bidders. In addition, IRHTP's written disclosures to USAC for the above-referenced FRNs did not include the information required under the FCC's written disclosure requirements.

Based on the provided documents, AIS' owner and principal associate, Tony Crandell, performed work for IRHTP to implement and execute the IRHTP, including developing IRHTP's first RFP for quality assurance inspection services for its outside fiber plant ("inspection services") which did not result in a contract award, and several other IRHTP RFPs. IRHTP screened Mr. Crandell from IRHTP's two subsequent RFPs for scaled-back inspection services, and AIS ultimately competed for and was awarded contracts to provide those services. However, as a result of Mr. Crandell's work to execute and implement the IRHTP, AIS had access to information that was potentially relevant to prospective bidders for the scaled-back inspection services, including information concerning IRHTP's needs for inspection services, the bids that IRHTP received for its first RFP for inspection services, IRHTP's fiber plant to be inspected, IRHTP's budget, and IRHTP's general competitive and vendor selection processes. The documents do not indicate that other prospective bidders had access to this same information. Therefore, IRHTP's competitive bidding processes for FRNs 41446 and 63145 did not ensure that one service provider was not disadvantaged over another as required by FCC rules. In addition, the fact that Mr. Crandell executed and implemented the IRHTP (including working on IRHTP's first RFP for inspection services) and also competed to provide the scaled-back inspection services may have discouraged some prospective bidders from submitting bids.

Further IRHTP did not comply with the FCC's written disclosure requirements for the RHC Pilot Program because IRHTP's written disclosures to USAC for the requested scaled-back inspection services from AIS did not indicate that Mr. Crandell worked on IRHTP's first RFP for inspection services. IRHTP's provision of incomplete information in its original written disclosures to USAC for the above-referenced FRNs hindered USAC's competitive bidding review. Accordingly, the fact that IRHTP disclosed this information during the audit, did not remedy IRHTP's non-compliance with the FCC's written disclosure requirements. Further, USAC is not authorized to waive the FCC's written disclosure requirements.

Based on our analysis, as discussed below, USAC is unable to grant the appeals with respect to the audit finding and the requests to rescind the COMAD letter for the above-referenced FRNs.

Appeal Decision Explanation

A. Background

As explained by IRHTP, IRHTP did not have the required technical expertise on its staff to develop IRHTP's RFPs or select vendors for the supported services and equipment for the RHC Pilot Program. As a result, IRHTP relied upon Anthony Crandell (the sole proprietor and principal associate of service provider AIS, and also an independent contractor to service provider Iowa Communications Network (ICN)) and staff from service provider ICN (primarily David Swanson) to implement and execute the IRHTP.[4] Mr. Crandell's work for IRHTP included developing and participating in the vendor selection process for IRHTP's 2008 RFP for inspection services (for which IRHTP elected not to award a contract), and IRHTP's RFPs for network and site electronics, outside fiber plant, Meshed Ethernet services and broadband lit services.[5] In 2009 and 2012, AIS competed for and was awarded contracts to provide scaled-back inspection services to IRHTP for the above-referenced FRNs. [6]

B. FCC Competitive Bidding Rules

RHC Pilot Program participants are required to competitively bid for eligible services and equipment, and select the most cost-effective provider of the eligible services based on their evaluation factors.[7] Participants submit the FCC Form 465 to initiate the competitive bidding process.[8] FCC rules provide that "vendors or service providers participating in the competitive bid process are prohibited from assisting with or filling out a selected participant's FCC Form 465."[9] To ensure compliance with the competitive bidding

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[4] *See, e.g.,* AIS Appeal at 4 ("[Mr. Crandell's] expertise was requested by IRHTP in carrying out the RHC Pilot Program in Iowa….Mr. Crandell was able to assist IRHTP Project Coordinator, Art Spies, in making sure the RFPs covered all necessary services for creating the new healthcare network intended by the RHC Pilot Project."); Affidavit of Tony Crandell at 2-3, ¶¶ 13, 14 (June 29, 2015) (*Crandell Affidavit*) ("[M]y technical expertise and assistance was requested and I assisted Art Spies, Project Coordinator for IRHTP, with drafting and evaluating the following Requests for Proposal (RFPs)….I was the drafter for the above-identified RFPs"); Affidavit of Scott Curtis at 2, 4, ¶¶ 15, 44 (July 6, 2015) (*Curtis Affidavit*) ("Mr. Crandell was recruited by IRHTP to provide his independent technical expertise on the drafting and evaluating of certain RFPs." and "IRHTP has no in house technical experience in the drafting of Requests for Proposals ('RFPs') for communications connectivity or services. Thus, for the Outside Fiber RFP, IRHTP sought the assistance of Mr. Crandell, who had substantial technical experience, and Mr. Crandell participated in drafting the IRHTP Outside Fiber RFP."); Memorandums from Art Spies, IRHTP, to USAC auditors at 1 (Mar. 13, 2014 and May 12, 2014) (identifying the IRHTP RFPs for which Mr. Crandell performed work).

[5] *See* Memoranda from Art Spies, IRHTP, to USAC auditors at 1 (Mar. 13, 2014 and May 12, 2014) (identifying the IRHTP RFPs for which Mr. Crandell performed work); Crandell Affidavit at 2-3, ¶¶ 13, 14 (indicating same).

[6] *See, e.g.,* Crandell Affidavit, at 3-5, ¶¶ 18-20, 34-36, Memorandum from Art Spies, IRHTP, to IRHTP Steering Committee at 1 (Sept. 16, 2009); Memorandum from Art Spies, to USAC and FCC, at 1 (June 21, 2012).

[7] *See Pilot Program Order*, 22 FCC Rcd at 20412, 20414, ¶¶ 100, 102; 47 C.F.R. §§ 54.603 and 54.615 (2008-11).

[8] 47 C.F.R. §54.603(b)(1) (2008-11).

[9] *Pilot Program Order*, 22 FCC Rcd at 20405, ¶ 86, n. 281. *See also* USAC website at http://www.usac.org/rhcp/vendors/step03/ ("Vendors or service providers participating in the competitive bid process are prohibited from assisting with or filling out a selected participants' service request (e.g., FCC Form 465

requirements, the FCC requires participants to "identify, when they submit their Form 465, to USAC and the Commission any consultants, service providers, or other outside experts, whether paid or unpaid, who aided in the preparation of their Pilot Program applications….they must disclose *all* of the types of relationships explained above."[10] The FCC further explained that "[i]dentifying these consultants and outside experts could facilitate the ability of USAC, the Commission, and law enforcement officials to identify and prosecute individuals that may seek to manipulate the competitive bidding process or engage in other illegal activities."[11] USAC is not authorized to waive the FCC's competitive bidding rules.[12] Participants that do not comply with the *Pilot Program Order* requirements, including USAC administrative processes, are prohibited from receiving RHC Pilot Program support.[13]

In the *Pilot Program Order,* the Commission denied multiple requests, including one by IRHTP, to waive the FCC's competitive bidding requirements for the RHC Pilot Program.[14] In denying the waiver requests, the Commission affirmed "the competitive bidding process remains an important safeguard to ensuring universal service support is used wisely and efficiently ensuring that the most cost-effective service providers are selected by selected participants…."[15] The Commission also explained that competitive bidding "ensure[s] that universal service support does not disadvantage one provider over another, or unfairly favor one technology over the other."[16] The Commission concluded that "it is in the public interest and consistent with the 2006 Pilot Program Order to require all participants to participate in the competitive bidding process. None of the selected participants that seek a waiver of the competitive bidding rules offer persuasive evidence to the contrary."[17]

C. <u>IRHTP Did Not Comply With the FCC's Competitive Bidding Rules</u>

1. *IRHTP's Competitive Bidding Processes for FRNs 41446 and 63145 Did Not Ensure that One Service Provider Was Not Disadvantaged Over Another and May Have Discouraged Prospective Bidders*

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and related materials).").
[10] *Pilot Program Order*, 22 FCC Rcd at 20415, ¶ 104 (emphasis added).
[11] *Id.*
[12] *See generally*, 47 C.F.R. § 54.702(c) (2008) ("[USAC] may not make policy, interpret unclear provisions of the statute or rules, or interpret the intent of Congress."), § 1.3 ("The provisions of this chapter may be suspended, revoked, amended, or waived for good cause shown, in whole or in part, at any time by the Commission, subject to the provisions of the Administrative Procedures Act and the provisions of this chapter.").
[13] *See Pilot Program Order*, 22 FCC Rcd at 20362, ¶ 4.
[14] *See id.* at 20395, 20413-14, ¶¶ 70, 100-101, n. 326. Some of the participants sought a waiver because they had already identified a service provider as the "optimal provider" or that was "uniquely positioned to bury fiber and maintain the system" in their location. *Id.* at 20414, ¶ 101. The FCC concluded that these circumstances did not warrant a waiver because there was "no assurance that [the participants requesting waivers] are aware of other alternatives or that the identified providers offer the most cost-effective method of providing service." *Id.*
[15] *Pilot Program Order,* 22 FCC Rcd at 20395, ¶ 70. *See also id.* at 20414, ¶ 102.
[16] *Id.* at 20414, ¶ 102. *See also* FCC Frequently Asked Questions and Answers for RHC Pilot Program, *available at* http://www.fcc.gov/encyclopedia/rural-health-care-pilot-program#faq18.
[17] *Pilot Program Order*, 22 FCC Rcd at 20414, ¶ 102.

FCC rules require RHC Pilot Projects to competitively bid supported services and equipment and competitive bidding ensures that one service provider is not disadvantaged over another service provider.[18] Based on the documents, IRHTP's competitive bidding processes for the above-referenced FRNs did not ensure that one service provider was not disadvantaged over another. In addition, IRHTP's competitive processes for these FRNs may have discouraged prospective bidders.

As explained above, Mr. Crandell is AIS's sole owner and principal associate and also performed work for IRHTP to implement and execute the IRHTP, including work on IRHTP's first RFP for inspection services.[19] The documents indicate that Mr. Crandell attended IRHTP's November 12, 2008 steering committee meeting where IRHTP discussed the price of the two bids received for its first RFP for inspection services and ultimately elected not to award a contract because "[b]oth bids (AT&T $2.3 million and Adesta $1.3 million) exceeded any remaining funds available for the project."[20] During this meeting, IRHTP also determined that "[a] substantially lower cost quality assurance process can be developed using the above factors and periodic (not constant) inspection….An alternative method of quality assurance may require another competitive bidding process."[21] The documents do not indicate that any other prospective bidders for the inspection services were present at this meeting. Following the November 12, 2008 meeting, Mr. Crandell "mentioned [to IRHTP] that he might be interested in bidding on a more scaled back quality assurance RFP if IRHTP decided in the future to issue one."[22] As a result, IRHTP screened Mr. Crandell from work on its two subsequent RFPs for scaled-back inspections services.[23] IRHTP issued its two subsequent RFPs for scaled-back inspection services on July 8, 2009 and May 4, 2012, and AIS competed for and was awarded contracts to provide those services for the above-referenced FRNs.[24]

In addition, Mr. Crandell also worked on IRHTP's RFPs for outside fiber plant, network and site electronics, broadband lit services, and meshed Ethernet services.[25] As a result of Mr. Crandell's work on these RFPs, AIS also had access to information concerning IRHTP's fiber plant, IRHTP's remaining available RHC Pilot Program funding, and general information

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[18] *See Pilot Program Order*, 22 FCC Rcd at 20412, 20414, ¶¶ 100, 102; 47 C.F.R. §§ 54.603 and 54.615 (2008-11).
[19] *See supra* n. 4.
[20] IRHTP Steering Committee Minutes at 2 (Nov. 12, 2008). The minutes for this meeting list Mr. Crandell as IRHTP "staff" present during the meeting. *Id.*
[21] *Id.*
[22] Affidavit of Art Spies, IRHTP, at 1 (Oct. 3, 2014) (*Spies Affidavit*).
[23] *See, e.g.*, Curtis Affidavit, at 3, ¶¶ 25-26, 29-31; Spies Affidavit, at 1-2; Crandell Affidavit at 4, ¶¶ 28-33.
[24] *See, e.g.,* Spies Affidavit at 1-3; Crandell Affidavit, at 3-5, ¶¶ 18-20, 34-36, Memorandum from Art Spies, IRHTP, to IRHTP Steering Committee at 1 (Sept. 16, 2009); Memorandum from Art Spies, to USAC and FCC, at 1 (June 21, 2012). For IRHTP's second RFP for inspection services, Adesta and AIS were the only bidders. For the third RFP, AIS was the only bidder. *See* Memorandum from Art Spies, IRHTP, to IRHTP Steering Committee at 1 (Sept. 16, 2009); Memorandum from Art Spies, to USAC and FCC, at 1 (June 21, 2012).
[25] *See, e.g.,* Crandell Affidavit at 2, ¶ 13, Memoranda from Art Spies, IRHTP, to USAC auditors at 1-2 (Mar. 13, 2014 and May 12, 2014).

about IRHTP's competitive bidding and vendor selection processes and procedures. The documents do not indicate that other prospective bidders for the inspection services had access to this same information.

AIS and IRHTP assert that IRHTP complied with the FCC's competitive bidding rules by screening Mr. Crandell from work on the RFPs for scaled-back inspection services and also state that this action was consistent with USAC guidance.[26] In addition, AIS and IRHTP assert that Mr. Crandell's work on the first RFP for inspection services had no bearing on the competitive bidding processes for IRHTP's second and third RFPs for inspection services because those subsequent RFPs requested "scaled-back" inspection services and used a different bid price format than what was used in the first RFP for inspection services.[27] AIS further asserts that it did not use information that was not available to other bidders in submitting its bid.[28]

USAC acknowledges that the documents indicate that Mr. Crandell was screened from work on IRHTP's second and third RFPs for scaled-back inspection services.[29] However, the fact remains that as a result of Mr. Crandell's work to implement and execute the IRHTP, AIS had access to information about IRHTP's needs for inspection services, the bids received for IRHTP's first inspection services RFP, IRHTP's outside fiber plant, IRHTP's budget, and IRHTP's general competitive bidding and vendor selection processes. The documents do not indicate that other prospective bidders had access to this same information. Therefore, IRHTP's competitive bidding processes for the above-referenced FRNs did not ensure that one service provider was not disadvantaged over another.[30] Further, the fact that Mr. Crandell

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[26] *See* AIS Appeal at 2-3, 7-8; IRHTP Appeal at 6, 13-16; Curtis Affidavit, at 3, ¶¶ 25-26, 38, 29-31; Spies Affidavit, at 1-2; Crandell Affidavit at 3-4, ¶¶ 19-20, 25, 28-33.

[27] IRHTP Appeal at 4-5; AIS Appeal at 3-4, n. 11. USAC acknowledges that the documents indicate that the second and third RFPs used a different pricing format than the first RFP and also requested periodic rather than the constant inspections requested in the first RFP. However, the documents also indicate that there are significant similarities between the three inspection services RFPs. Therefore, IRHTP's first RFP for inspection services is not wholly unrelated to IRHTP's second and third RFPs for inspection services. Specifically, the three RFPs contain similar (and in many places, identical) language in the "vendor qualifications," "site inspectors" and "services requested" sections. *Compare* Notice to Vendors Request for Proposal IRHTP RFP 08-001 at 16-18, §§ 3.18 (Vendor Qualifications), 3.19 (Site Inspectors), 3.20 (Services Requested), to Notice to Vendors Request for Proposal IRHTP RFP 09-002 at 14-16, §§ 3.6 (Vendor Qualifications), 3.7 (Site Inspectors), 3.9 (Services Requested), and also to Notice to Vendors Request for Proposal IRHTP RFP 12-004 at 15-17, §§ 4.6 (Vendor Qualifications), 4.7 (Site Inspectors), 4.9 (Services Requested). All three RFPs also requested inspection services for outside fiber plant for the IRHTP network. *See* Notice to Vendors, Request for Proposal IRHTP RFP 08-001 at 16, § 3.13 (General) (Notice to Vendors, Request for Proposal IRHTP RFP 09-002, at 12, § 3.1 (Background and General Information.) requesting scaled-back inspection services for the sites listed in the first RFP); Notice to Vendors Request for Proposal IRHTP RFP 12-004 at 14 (requesting scaled-back inspection services for a few sites not included in the second RFP).

[28] AIS Appeal at 6.

[29] *See, e.g.*, Curtis Affidavit, at 3, ¶¶ 25-26, 28-31; Spies Affidavit, at 1-2; Crandell Affidavit at 4-5, ¶¶ 28-33.

[30] *See, e.g., In the Matter of Requests for Review of Decisions of the Universal Service Administrator by Marana Unified Sch. Dist..,* CC Docket No. 02-6, Order, DA 12-196, 27 FCC Rcd 1525, 1530-1531, ¶¶ 10-11 (2012) (upholding USAC's determination that an applicant for Schools and Libraries Program funding violated the

performed work to implement and execute the IRHTP and also bid on the scaled-back inspection services may have discouraged prospective bidders for the scaled-back inspection services.[31] As a result, IRHTP's competitive bidding processes for the above-referenced FRNs did not comply with the FCC's competitive bidding rules.[32] Further, consistent with FCC orders, any guidance that USAC may have provided to IRHTP concerning screening Mr. Crandell from work on IRHTP's second and third RFPs for inspection services did not relieve IRHTP of its obligation to comply with the FCC's competitive bidding rules.[33]

2. *IRHTP's Required Written Disclosures for FRNs 41446 and 63145 Did Not Comply With FCC Rules*

In addition, IRHTP's required written disclosures to USAC for the above-referenced FRNs did not contain all of the information required under the FCC's written disclosure requirements for the RHC Pilot Program. As explained above, to ensure compliance with the competitive bidding requirements, the FCC requires RHC Pilot Projects to identify, *when they submit their Form 465*, "any consultants, service providers, or other outside experts, whether paid or unpaid, who aided in the preparation of their Pilot Program applications."[34] As the FCC further explained in the *Pilot Program Order,* the written disclosure requirements for the RHC Pilot Program facilitate USAC's competitive bidding reviews.[35]

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competitive bidding requirements where the applicant gave the selected service provider information that was not available to other prospective bidders including "engag[ing] in meetings, email discussions, and verbal discussions" before the applicant posted its FCC Form 470 to request bids, and the applicant provided the service provider "with information about the current needs of the school district and advised [the service provider] on what [it] should include in its bid response."). As with the RHC Pilot Program, competitive bidding is a cornerstone of the Schools and Libraries Program. *See, e.g., In the Matter of Federal-State Joint Board on Universal Service,* CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9029, ¶ 480 (1997) ("We, therefore, adopt the Joint Board's finding that fiscal responsibility compels us to require that eligible schools and libraries seek competitive bids for all services eligible for section 254(h) discounts. Competitive bidding is the most efficient means for ensuring that eligible schools and libraries are informed about all of the choices available to them.").

[31] *See, e.g., In the Matter of Request for Review of Decisions of the Universal Service Administrator by MasterMind Internet Services, Inc. Federal-State Joint Board on Universal Service,* FCC 00-167, 16 FCC Rcd 4028, 4033, ¶¶ 10-11 (2000) ("We find that an applicant violates the competitive bidding requirements when it surrenders control of the bidding process to a service provider that participates in the bidding process….We believe that the participation of the contact person in the bidding process may significantly affect the submission of bids by other prospective bidders, thereby undermining the ability of the applicant to obtain the most cost-effective bid.").

[32] *See Pilot Program Order,* 22 FCC Rcd at 20414, ¶ 102.

[33] *See, e.g., In re Mary Ann Salvatiello*, Memorandum Opinion and Order, 6 FCC Rcd 4705, 4707-8, ¶ 22 (1991) (citing Office of Personnel Management v. Richmond, 497 U.S. 1046 (1990)) (finding that incorrect Commission advice would not estop the Commission from enforcing its rules and stating "[a] person relying on informal advice given by Commission staff does so at their own risk."); *In the Matter of Requests for Review of the Decision of the Universal Service Administrator by Sullins Acad., Federal-State Joint Board on Universal Service, Changes to the Bd. of Dir. of the Nat'l Exchange Carrier Ass'n, Inc*., 17 FCC Rcd 23829, 23830, ¶ 5 (2002) ("Commission precedent establishes that where a party has received erroneous advice, the government is not estopped from enforcing its rules in a manner that is inconsistent with the advice provided by the employee."). USAC notes that its records do not indicate the specific guidance that USAC may have provided concerning this matter.

[34] *Pilot Program Order*, 22 FCC Rcd at 20415, ¶ 103 (emphasis added).

[35] *Id.*

IRHTP's written disclosures to USAC for the above-referenced FRNs requesting scaled-back inspection services from AIS did not indicate that AIS's owner, Mr. Crandell, worked on IRHTP's first RFP for inspection services, as required by FCC rules.[36] However, FCC rules required IRHTP to disclose this information because Mr. Crandell's work for IRHTP and his company AIS's subsequent participation in the competitive bidding process for IRHTP's RFPs for scaled-back inspection services raised competitive bidding concerns. IRHTP did not disclose that Mr. Crandell worked on the first RFP for inspection services, until the audit, which was well *after* IRHTP awarded AIS the contracts to provide the scaled-back inspection services and received its funding commitments for those services.[37] IRHTP asserts that this was an oversight that IRHTP remedied by disclosing Mr. Crandell's work on IRHTP's first RFP for inspection services during the audit.[38] However, IRHTP's provision of this information during the audit did not cure IRHTP's non-compliance with the FCC's written disclosure requirements. Because IRHTP's written disclosures did not identify Mr. Crandell's work on IRHTP's first RFP for inspection services, USAC did not have complete information concerning IRHTP's competitive bidding processes for the scaled-back inspection services. This in turn hindered USAC's competitive bidding review for FRNs 41446 and 63145 and USAC issued funding commitments based on the information in IRHTP's original written disclosures and supporting competitive bidding documents. While USAC acknowledges that IRHTP disclosed Mr. Crandell's work on IRHTP's first RFP for inspection services during the audit, USAC is not authorized to waive the FCC's written disclosure requirements for the RHC Pilot Program.[39]

Conclusion

For the foregoing reasons, IRHTP and AIS have not demonstrated that IRHTP complied with the FCC's competitive bidding requirements for FRNs 41446 and 63145. As explained above, USAC is not authorized to waive the FCC's competitive bidding rules for the RHC Pilot Program. For these reasons, USAC is unable to grant the appeals and the requests to rescind the COMAD letter for the above-referenced FRNs.

[36] *See* Audit Report at 7-8; Email from Art Spies, IRHTP, to USAC, at 1 (May 29, 2008) (identifying Art Spies and ICN staff as the parties that developed the original inspection services RFP and evaluated bids); Memorandum from Art Spies, IRHTP, to USAC, at 1 (June 29, 2009) (indicating same individuals worked on IRHTP's second RFP for inspection services); Memorandum from Art Spies, IRHTP, to USAC and FCC, at 1 (June 21, 2012) (indicating same individuals worked on IRHTP's third RFP for inspection services).
[37] *See* Memoranda from Art Spies, IRHTP, to USAC auditors (Mar. 13, 2014 and May 12, 2014).
[38] *See* IRHTP Appeal at 6.
[39] *See generally*, 47 C.F.R. §§ 1.3, 54.702(c) (2008).

If you wish to appeal this decision, you may file an appeal pursuant to the requirements of 47 C.F.R. Part 54, Subpart I. Detailed instructions for filing appeals are available at:

http://www.usac.org/about/about/program-integrity/appeals.aspx

Sincerely,

/s/ Universal Service Administrative Company

cc: Laura Philips, Drinker Biddle & Reath LLP