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WIRELINE COMPETITION BUREAU ANNOUNCES THE AVAILABILITY OF UNUSED FUNDS TO FULLY SATISFY DEMAND FOR RURAL HEALTH CARE PROGRAM FUNDING FOR FUNDING YEAR 2023

WC Docket No. 02-60

By this Public Notice, the Wireline Competition Bureau (Bureau), in consultation with the Office of the Managing Director, announces the amount of unused funds for the Rural Health Care (RHC) Program that have been carried forward for funding year 2023.¹ The Commission's rules for the RHC Program establish a process to carry forward unused funds from past funding years for use in future funding years.² In consultation with the Office of the Managing Director, the Bureau must announce a specific amount of unused funds from prior funding years to be carried forward to increase available funding for future funding years.³

The Universal Service Administrative Company (USAC) projects that, as of April 30, 2023, \$211.50 million in unused funds is available for use in future funding years beginning in funding year 2023.⁴ Pursuant to the Commission's direction and section 54.619(a)(4)-(5) of the Commission's rules, the Bureau, in consultation with the Office of the Managing Director, directs USAC to carry forward up to \$211.50 million in unused funds from prior funding years to the extent necessary to satisfy funding year 2023 RHC Program demand.⁵

With the carry-forward funding announced in this Notice, all eligible RHC Program funding requests filed during the funding year 2023 application filing window can be fully funded without

¹ See 47 CFR § 54.619(a)(5); see also Promoting Telehealth in Rural America, WC Docket No. 17-310, Report and Order, 33 FCC Rcd 6574, 6584-85, para. 27 (2018) (RHC Program Funding Cap Order) ("The Bureau will announce the availability and amount of carryover funds during the second quarter of the calendar year."); Promoting Telehealth in Rural America, WC Docket 17-310, Report and Order, 34 FCC Rcd 7335, 7402, para. 142 (2019).

² See RHC Program Funding Cap Order, 33 FCC Rcd at 6584-85, paras. 24-28; see also 47 CFR § 54.619(a)(4)-(5).

³ RHC Program Funding Cap Order, 33 FCC Rcd at 6584-85, para. 27; 47 CFR § 54.619(a)(5).

⁴ Letter from Mark Sweeney, Vice President, Rural Health Care Division, USAC, to Jodie Griffin, Chief, Telecommunication Access Policy Division, FCC Wireline Competition Bureau, and Bryan Boyle, Deputy Chief, Telecommunication Access Policy Division, FCC Wireline Competition Bureau, WC Docket 02-60 (filed May 24, 2023) (*USAC Demand and Carry-Forward Funding Letter*). The amount of unused funding may fluctuate slightly due to the resolution of pending funding requests and appeals. If the actual amount of unused funds is lower than the estimated amount, USAC is directed to carry forward the lower amount.

⁵ 47 CFR § 54.619(a)(4)-(5).

prioritization.⁶ The RHC Program funding cap for funding year 2023 is \$682,361,586.⁷ The internal cap on multi-year commitments and upfront payments under the Healthcare Connect Fund Program is \$172,294,354.⁸ These funding year 2023 caps represent a 7.0% inflation-adjusted increase to the RHC Program funding cap and the internal cap on multi-year commitments and upfront payments from funding year 2022.⁹ The estimated total RHC Program demand for funding year 2023 is \$739.47 million, of which approximately \$169.78 million represents demand for upfront payments and multi-year commitments in the Healthcare Connect Fund. ¹⁰

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⁶ See 47 CFR § 54.621(b) (requiring prioritization of funding requests by Priority Tiers when demand for RHC Program support exceeds available funding).

⁷ Wireline Competition Bureau Announces E-Rate and RHC Programs' Inflation-Based Caps for Funding Year 2023, CC Docket No. 02-6, WC Docket No. 02-60, Public Notice, DA 23-178, 2023 WL 2436840, at *1 (WCB Mar. 3, 2023). The 2023 funding year runs from July 1, 2023 to June 30, 2024.

⁸ *Id*.

⁹ *Id*.

¹⁰ See USAC Demand and Carry-Forward Funding Letter. The \$ 739.47 million total RHC Program demand includes the gross demand estimate of \$711.42 million from all program funding requests filed during the application filing window and the projected USAC administrative expenses of \$28.05 million. *Id.*