**Before the**

Federal Communications Commission

Washington, D.C. 20554

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| In the Matter of  Application for Review of  Tanana Chiefs Conference  Fairbanks, AK  Rural Health Care Universal Service  Support Mechanism | **)**  **)**  **)**  **)**  **)**  **)**  **)**  **)**  **)** | WC Docket No. 02-60 |

ORDER ON REVIEW

**Adopted: May 25, 2023 Released: May 26, 2023**

By the Commission:

# INTRODUCTION

1. By this Order on Review, we grant in part and deny in part an application for review submitted by the Tanana Chiefs Conference (TCC).[[1]](#footnote-3) TCC seeks review of a Wireline Competition Bureau (Bureau) decision that denied its requests: (1) to permit the filing of three TCC funding year 2016 Rural Health Care (RHC) Program requests for support after the application filing deadline; and (2) to fully fund all of TCC’s RHC Program funding year 2016 commitments despite a proration requirement triggered when program-wide demand exceeded available support.[[2]](#footnote-4) For the reasons set forth below, we waive the application filing deadline as it applies to the three TCC funding year 2016 requests but maintain the requirement to prorate TCC’s funding commitments for funding year 2016.

# BACKGROUND

1. Eligible health care providers may apply for reduced rates on eligible telecommunications, advanced telecommunications and information services through the RHC Program.[[3]](#footnote-5) The Commission’s rules generally require health care providers to file new funding requests for each funding year in order to receive support.[[4]](#footnote-6) The Commission’s rules also direct the Universal Service Administrative Company (USAC), the RHC Program administrator, to open a filing window for RHC Program applications and to treat all eligible health care providers filing within the window period as if their applications were simultaneously received.[[5]](#footnote-7) Applicants must submit their requests prior to the close of the application filing window in order to be considered for RHC Program funding.[[6]](#footnote-8) Pursuant to section 54.675(f) of the Commission’s rules in place during funding year 2016, if demand for support during a filing window period exceeded the RHC Program’s funding cap, USAC was obligated to apply a pro rata reduction in support to all those requests received during that filing window period.[[7]](#footnote-9)
2. For the first time in RHC Program history, in funding year 2016 there were pre-established application filing windows for the RHC Program.[[8]](#footnote-10) Before then, applications had been accepted on a rolling basis through the end of each funding year.[[9]](#footnote-11) In March 2016, USAC opened a filing window period for funding year 2016 that ended on June 1, 2016.[[10]](#footnote-12) Because RHC Program funding remained available at the end of that initial filing window, in August 2016 the Bureau released a public notice providing a schedule for additional filing windows in funding year 2016.[[11]](#footnote-13) The schedule called for a second filing window period from September 1, 2016 through November 30, 2016, and then “anticipate[d]” a third filing window period from February 1, 2017 through April 30, 2017 “based on historic demand trends” but “assuming demand [did] not exceed the cap during the second filing window period.”[[12]](#footnote-14) Because demand for RHC Program support during the second filing window period did exceed the total amount available for the RHC Program, no third filing window was opened.[[13]](#footnote-15) The excess demand also resulted in a 7.5% prorated reduction of all qualifying funding requests submitted during the second filing window period.[[14]](#footnote-16)
3. TCC is a Fairbanks, Alaska-based, nonprofit intertribal consortium that provides health care services through regional and village health clinics serving approximately 15,000 Alaska Natives in the state’s interior region.[[15]](#footnote-17) For funding year 2016, TCC timely filed applications for Telecom Program support for 27 of its clinics within the second filing window period.[[16]](#footnote-18) Due to second filing window demand’s exceeding the available funding, TCC’s funding requests were prorated and the resulting funding commitments reduced by 7.5%.[[17]](#footnote-19) TCC, however, did not file funding requests for the three remaining clinics in its consortium during the first or second filing window (the Omitted Clinics).[[18]](#footnote-20) TCC asserts that the applications for the Omitted Clinics were not filed “due to inadvertent errors, as well as misunderstandings concerning the USAC-imposed filing windows.”[[19]](#footnote-21) TCC discovered its omissions in late March 2017, several months after the closing of the second filing window.[[20]](#footnote-22) When it attempted to submit applications for the Omitted Clinics, TCC was advised by USAC that the filing window for funding year 2016 was closed, that it could not submit applications after the close of the window, and that it was not possible for USAC to waive the filing deadline rules.[[21]](#footnote-23) On April 28, 2017, TCC filed a request for review of USAC’s decision not to allow TCC to file requests for support for the Omitted Clinics or, in the alternative, that the Commission waive the filing window period deadline.[[22]](#footnote-24) TCC also requested waiver of the proration requirement to permit full funding of each of its funding year 2016 requests.[[23]](#footnote-25) The Bureau denied TCC’s requests after concluding that TCC failed to present special circumstances that would warrant the relief sought.[[24]](#footnote-26)
4. TCC now seeks review of the Bureau’s decision. TCC maintains that, in denying its requests, the Bureau abused its discretion by deviating from the Commission’s rural health care policy,[[25]](#footnote-27) ignoring “binding legal precedents” despite granting waivers to “similarly situated applicants,”[[26]](#footnote-28) disregarding TCC’s statutory and public interest arguments,[[27]](#footnote-29) and misstating material facts raised by TCC.[[28]](#footnote-30) TCC asks that we reverse the Bureau’s denials and permit TCC to submit applications for the Omitted Clinics and waive the prorated funding rule as it applies to each of TCC’s funding year 2016 funding requests.[[29]](#footnote-31)

# DISCUSSION

1. *Grant of Application Filing Deadline Waiver Request.* We grant TCC’s request to waive the application filing deadline to permit it to file funding year 2016 applications for the Omitted Clinics.[[30]](#footnote-32) TCC asserts that its failure to submit applications for the Omitted Clinics was the result of “misunderstandings and confusion about the filing deadline,” which, consistent with precedent, provides the special circumstances required to justify a waiver of the Commission’s rules.[[31]](#footnote-33) Although the multiple filing window periods were promoted by the Bureau and USAC through outreach efforts,[[32]](#footnote-34) we find that the Bureau did not take into account the possibility that the transition away from rolling applications and the first-ever implementation of multiple filing windows could confound applicants attempting to understand the new filing requirements and deadlines. Adding to the potential for confusion are the facts that the *Filing Window Public Notice* announcing the multiple filing window periods was issued only days before the second window opened[[33]](#footnote-35) and expressly “anticipate[d]” a third filing window “based on historic demand trends.”[[34]](#footnote-36) TCC persuades us that its failure to submit the applications for the Omitted Clinics was a product of this set of special circumstances unique to funding year 2016.[[35]](#footnote-37)
2. Granting the filing deadline waiver request will also advance the public interest. One of the statutory principles guiding implementation of universal service is the provision of access to advanced telecommunications services to rural areas.[[36]](#footnote-38) TCC and several commenting parties described the hardships that the Omitted Clinics would suffer if denied access to such services.[[37]](#footnote-39) Although we find that hardship alone is insufficient to warrant a waiver of the application filing deadline, the public interest benefits realized from extending the opportunity for TCC to obtain RHC Program support, when coupled with the special circumstances discussed above, satisfies the requirements for a rule waiver in this case. We also note that in missing the filing deadline, there is no evidence in the record of any waste, fraud, or abuse, a misuse of funds, or a failure to adhere to core program requirements on the part of TCC.[[38]](#footnote-40) We therefore grant the request to waive the application filing deadline as it applies to the three Omitted Clinics to permit TCC to submit funding year 2016 requests for these clinics. In granting this waiver, we take no position on the merits of any of TCC’s funding requests that may be filed in response to today’s action. USAC is directed to make arrangements with TCC to file any funding year 2016 request for any of the Omitted Clinics within 30 days of the release of this Order on Review. USAC should review any such requests for funding for compliance with Program rules applicable to funding year 2016 before issuing a funding decision.[[39]](#footnote-41)
3. We emphasize the limited scope of today’s waiver, which we grant only because of TCC’s confusion during the transition from rolling applications to multiple filing window periods. Circumstances of the type that caused TCC’s filing deadline confusion have not existed since funding year 2016. Given that there is now generally only one application filing window, the likelihood that future program participants will encounter confusion similar to that experienced by TCC is remote.[[40]](#footnote-42) In any event, nothing in today’s decision relieves RHC Program applicants of their obligation to abide by the application filing deadlines set forth in our current rules.[[41]](#footnote-43)
4. *Denial of Request to Waive Proration Rule.* We deny TCC’s request for waiver of the funding proration rule. As an initial matter, we agree with the Bureau that USAC, consistent with the requirements of section 54.675(f) of the Commission’s rules, properly applied a 7.5% proration to all granted funding year 2016 commitments filed in the second filing window.[[42]](#footnote-44) Furthermore, we agree with the Bureau that TCC failed to demonstrate the special circumstances necessary to warrant a deviation from the proration requirement contained in section 54.675(f).[[43]](#footnote-45) Indeed, rather than offer special circumstances, TCC advances its justification for a proration rule waiver largely on statutory and policy grounds.[[44]](#footnote-46) First, TCC argues that, in denying relief to TCC, the Bureau improperly ignored the language of section 254(h)(1)(A) of the Communications Act, which “mandates that telehealth services should be available to any rural [health care provider] that requests it.”[[45]](#footnote-47) To the extent it relies on section 254(h)(1)(A) for the proposition that full RHC Program funding is statutorily required, TCC is mistaken. The Commission “has never treated the section 254(h)(1)(A) provision as creating an unlimited right to Universal Service Fund support for telecommunications services provided to rural health care providers.”[[46]](#footnote-48) Accordingly, we do not find that section 254(h)(1)(A) of the Communications Act mandates full funding of TCC’s funding year 2016 requests.
5. TCC next asserts that waiving the proration rule “comports with the Commission’s rural health care policy, . . . the crux of which is to *ensure* that rural [health care providers] are *fully funded* for critical telehealth services through the RHC program.”[[47]](#footnote-49) We disagree with TCC’s premise that Commission policy dictates full RHC Program funding. We have never adopted such a policy for the simple reason that it is not possible to ensure full funding when demand for RHC Program funds exceeds available funding. When facing a funding shortfall, the Commission’s rules applicable to funding year 2016 triggered a means to divide the available funding among all eligible applicants in a manner intended not to favor one applicant (TCC or otherwise) over another.[[48]](#footnote-50) As TCC offers no justification to deviate from this impartial approach, we see no basis to waive the proration rules as applied to TCC’s funding year 2016 funding requests.[[49]](#footnote-51) In fact, granting a waiver of the proration rules for TCC only would favor TCC over other applicants.
6. For related reasons, we find that the public interest will best be served by denying TCC’s request to waive the proration rule. TCC maintains that the Bureau disregarded its public interest justifications for waiving the proration rule by ignoring the adverse effects that prorated funding would have on the health care available to the patients that the TCC clinics serve.[[50]](#footnote-52) We disagree that the Bureau ignored these concerns. Instead, the Bureau properly concluded that prioritizing individual TCC funding needs over the needs of other program participants would be inconsistent with the larger, global public interest benefit realized from strict application of the proration rule, which is a fair and equitable distribution of limited RHC Program funds among all eligible applicants.[[51]](#footnote-53)

# ORDERING CLAUSES

1. Accordingly, **IT IS HEREBY ORDERED**, pursuant to sections 4(i), 4(j), 5(c), and 254(h) of the Communications Act, 47 U.S.C. §§ 154(i), 154(j), 155(c), and 254(h), and sections 1.3, 1.115, and 54.722 of the Commission’s rules, 47 CFR §§ 1.3, 1.115, and 54.722, that the Application for Review filed by Tanana Chiefs Conference on February 14, 2020 is **GRANTED IN PART** and **DENIED IN PART** to the extent described herein.
2. **IT IS FURTHER ORDERED** that this Order on Review **SHALL BE EFFECTIVE** upon release.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch

Secretary

# ATTACHMENT A

Tanana Chiefs Conference Application for Review

Comments and Reply Comments

DA 20-224

**Comments**

|  |  |
| --- | --- |
| Commenter | Date Filed |
| Bristol Bay Area Health Corporation | Mar. 30, 2020 |
| Mt. Sanford Tribal Consortium | Mar. 31, 2020 |
| Copper River Native Association | Mar. 31, 2020 |
| Maniilaq Association | Mar. 31, 2020 |
| Alaska Native Tribal Health Consortium | Mar. 31, 2020 |
| Alaska Legal Services Corporation | Mar. 31, 2020 |
| Hughes Village Council | Apr. 1, 2020 |
| Alaska Native Health Board | Apr. 1, 2020 |
| Healy Lake Village Council | Apr. 1, 2020 |
| Nulato Tribal Council | Apr. 1, 2020 |
| Native Village of Stevens | Apr. 1, 2020 |
| Manley Hot Springs Village | Apr. 1, 2020 |
| Circle Tribal Council | Apr. 1, 2020 |
| Eagle Village Council | Apr. 1, 2020 |
| Huslia Tribal Council | Apr. 1, 2020 |
| Native Village of Tetlin | Apr. 1, 2020 |
| Kaltag Tribal Council | Apr. 1, 2020 |
| Koyukuk Village Council | Apr. 1, 2020 |
| Tanacross Village Council | Apr. 1, 2020 |
| Chalkyitsik Village Council | Apr. 1, 2020 |
| Louden Tribal Council | Apr. 1, 2020 |
| Rampart Village Council | Apr. 1, 2020 |
| Native Village of Minto | Apr. 2, 2020 |
| Evansville Tribal Council | Apr. 2, 2020 |
| ADS Advanced Data Services, Inc. | Apr. 10, 2020 |

**Reply Comments**

|  |  |
| --- | --- |
| Commenter | Date Filed |
| Tanana Chiefs Conference | Apr. 17, 2020 |

# ATTACHMENT B

Health Care Providers Comprising

the Tanana Chiefs Conference Consortium\*

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| Health Care Provider (HCP) | HCP No. |
| Allakaket Village Health Clinic | 10715 |
| Evansville Village Health Clinic | 10716 |
| Eagle Village Health Clinic | 10717 |
| Louden (Galena) Village Health Clinic | 10718 |
| Kaltag Village Health Clinic | 10722 |
| Koyokuk Village Health Clinic | 10723 |
| Manley Village Health Clinic | 10724 |
| Minto Village Health Clinic | 10726 |
| Nenana Village Health Clinic | 10727 |
| Nulato Village Health Clinic | 10729 |
| Northway Village Health Clinic | 10730 |
| Rampart Village Health Clinic | 10731 |
| Ruby Village Health Clinic | 10732 |
| Stevens Village Health Clinic | 10733 |
| Tetlin Village Health Clinic | 10735 |
| Upper Tanana Health Clinic (Tok) | 10736 |
| Chief Andrew Issac – FAI-ANC Link | 10737 |
| Dot Lake Village Health Clinic | 10738 |
| Alatna Village Health Clinic | 10739 |
| Circle – CATG | 11011 |
| Tanacross Health Clinic | 12804 |
| Anaktuvuk Pass Counseling Center | 15464 |
| Tanana Health Clinic | 15465 |
| Allakaket Mental Health Clinic | 16362 |
| UTHC to Tok | 10736 |
| Tok Area Mental Health | 176991 |
| Healy Lake Health Clinic | 10719 |
| Hughes Village Health Clinic | 10720 |
| Huslia Village Health Clinic | 10721 |
| Chalkyitsik - CATG | 11022 |

\* *See* Request for Review and Waiver by Tanana Chiefs Conference of Decision by the Universal Service Administrative Company, Interior Alaska Regional Health Consortium, WC Docket No. 02-60, at Exhibit One (filed Apr. 28, 2017).

1. *See* Application for Review of Tanana Chiefs Conference, WC Docket No. 02-60 (filed Feb. 14, 2020), <https://www.fcc.gov/ecfs/document/102240387929324/1> (Application for Review). We review applications for review of action taken on delegated authority pursuant to section 5(c)(4) of the Communications Act of 1934, as amended (Communications Act), 47 U.S.C. § 155(c)(4). The Wireline Competition Bureau issued a public notice requesting comment on the Application for Review. *Wireline Competition Bureau Seeks Comment on Tanana Chiefs Conference Application for Review*, WC Docket No. 02-60, Public Notice, 35 FCC Rcd 1897 (WCB 2020) (*AFR Public Notice*). The *AFR Public Notice* prompted 25 comments, primarily from communities and health care organizations located in the areas of Alaska served by TCC, and one set of reply comments from TCC. A complete list of commenting parties is included as Attachment A to this Order on Review. [↑](#footnote-ref-3)
2. *See Request for Review and Waiver of a Decision by the Universal Service Administrator by Tanana Chiefs Conference, Fairbanks, AK, Interior Alaska Regional Health Consortium, Rural Health Care Universal Service Support Mechanism,* WC Docket No. 02-60, Order, 35 FCC Rcd 482 (WCB 2020) (*Bureau Order*). [↑](#footnote-ref-4)
3. The RHC Program consists of two support mechanisms: the Telecommunications (Telecom) Program and the Healthcare Connect Fund (HCF) Program, 47 CFR §§ 54.602(a) and (b) (2018). The Commission’s rules cited in this Order on Review are those applicable in all cases to the TCC funding requests and commitments at issue in this proceeding. [↑](#footnote-ref-5)
4. 47 CFR §§ 54.623(a); 54.675(d) (2018). Health care providers that have received a multi-year funding commitment in the HCF Program are not required to file funding requests after the first year. 47 CFR § 54.675(d) (2018). [↑](#footnote-ref-6)
5. 47 CFR § 54.675(c)(2) (2018). [↑](#footnote-ref-7)
6. 47 CFR § 54.675(c)(4) (2018) (providing that the deadline to submit a funding request is June 30 for the funding year that begins on the previous July 1). [↑](#footnote-ref-8)
7. *See* 47 CFR § 54.675(f) (2018). In 2019, the Commission replaced the proration requirement with a system that prioritizes support based on rurality tiers and the degree to which the rural area is medically underserved. *See Promoting Telehealth in Rural America*, WC Docket No. 17-310, Report and Order, 34 FCC Rcd 7335, 7385-90, paras. 107-16 (2019) (*Promoting Telehealth Report and Order*); 47 CFR § 54.621(b). [↑](#footnote-ref-9)
8. *See Wireline Competition Bureau Provides a Filing Window Period Schedule for Funding Requests Under the Telecommunications Program and the Healthcare Connect Fund*, WC Docket No. 02-60, Public Notice, 31 FCC Rcd 9588, 9590 (WCB 2016) (*Filing Window Public Notice*). [↑](#footnote-ref-10)
9. *See id.* at 9589. [↑](#footnote-ref-11)
10. *Bureau Order*, 35 FCC Rcd at 484, para. 4. After the close of the first filing window, USAC continued to accept funding requests on a rolling basis and made funding commitments to eligible participants on a “first-come, first-served” basis. *Id*. [↑](#footnote-ref-12)
11. *See Filing Window Public Notice*, 31 FCC Rcd at 9590-91. [↑](#footnote-ref-13)
12. *Id*. at 9591. [↑](#footnote-ref-14)
13. *See Bureau Order*, 35 FCC Rcd at 484, para. 4. [↑](#footnote-ref-15)
14. *See id*. [↑](#footnote-ref-16)
15. Application for Review at 2. Attachment B to this Order on Review lists the 30 health care providers that comprise TCC’s consortium. [↑](#footnote-ref-17)
16. *Id.* at 4. [↑](#footnote-ref-18)
17. *Bureau Order*, 35 FCC Rcd at 485, para. 5.  [↑](#footnote-ref-19)
18. Application for Review at 4. The Omitted Clinics are Hughes Village Health Clinic, Huslia Village Health Clinic, and Chalkyitsik Village Clinic. [↑](#footnote-ref-20)
19. Application for Review at 12. *See also Bureau Order*, 35 FCC Rcd at 485, para. 5 (summarizing TCC’s explanation for why it failed to file applications for the Omitted Clinics during the second filing window period). [↑](#footnote-ref-21)
20. Application for Review at 4. [↑](#footnote-ref-22)
21. *Bureau Order*, 35 FCC Rcd at 485, para. 5. [↑](#footnote-ref-23)
22. *See* Request for Review and Waiver by Tanana Chiefs Conference of Decision by the Universal Service Administrative Company, Interior Alaska Regional Health Consortium, WC Docket No. 02-60, at 1 (filed Apr. 28, 2017) (Request for Review and Waiver). [↑](#footnote-ref-24)
23. *See id*. at 2. [↑](#footnote-ref-25)
24. *See Bureau Order,* 35 FCC Rcd at 486, 490, paras. 8, 15. [↑](#footnote-ref-26)
25. *See* Application for Review at 8-10. [↑](#footnote-ref-27)
26. *See id*. at 11-17. [↑](#footnote-ref-28)
27. *See id*. at 18-22. [↑](#footnote-ref-29)
28. *See id*. at 22-24. [↑](#footnote-ref-30)
29. *See id*. at 1 (requesting that the Commission “grant the relief TCC applied for in its Waiver Request”). [↑](#footnote-ref-31)
30. Our rules may be waived for good cause shown. 47 CFR § 1.3. The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest.  *Northeast Cellular Tel. Co.* *v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*). In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis. *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Northeast Cellular*, 897 F.2d at 1166. Waiver of the Commission’s rules is appropriate if both (i) special circumstances warrant a deviation from the general rule, and (ii) such deviation will serve the public interest. *Northeast Cellular*, 897 F.2d at 1166. [↑](#footnote-ref-32)
31. *See* Application for Review at 11-13 (citing *Request for Review of the Decision of the Universal Service Administrator by Bishop Perry Middle School, New Orleans, LA, et al., Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Order, 21 FCC Rcd 5316 (2006) (*Bishop Perry*); *Requests for Waiver and Review of Decisions of the Universal Service Administrator by Acorn Public Library District, Oak Forest, IL, et al., Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Order, 23 FCC Rcd 15474 (WCB 2008)). *See also* Comments of ADS Advanced Data Services, Inc., WC Docket No. 02-60, at 1 (rec. Apr. 10, 2020) (arguing that funding year 2016 “saw a radical change in program rules for filing after many years of no change, and it is reasonable to classify these changes as special circumstances”). [↑](#footnote-ref-33)
32. *See Bureau Order,* 35 FCC Rcd at 484, para. 4(describing the outreach efforts of the Bureau and USAC, including an email blast to all account holders, webinar, newsletter, and website notices regarding the dates of the second filing window period). [↑](#footnote-ref-34)
33. The *Filing Window Public Notice* was issued on August 26, 2016. The second filing window opened on September 1, 2016. [↑](#footnote-ref-35)
34. *Filing Window Public Notice*, 31 FCC Rcd at 9591. [↑](#footnote-ref-36)
35. TCC states that allowing the Omitted Clinics to file their applications “would further the statutory requirements of Section 254(h), as it would enable the [Omitted Clinics] to ‘realize the intended benefits of the universal service program.’” Application for Review at 19, *quoting Bishop Perry*, 21 FCC Rcd at 5317, para. 2. We disagree with TCC to the extent that it argues that section 254(h) of the Communications Act requires the Commission to waive its filing deadline rules to accept late-filed applications. *See* Application for Review at 18-20. That conclusion cannot reasonably be drawn from the language of section 254(h), and no Commission precedent supports such a reading. TCC’s argument would allow any application to be filed at any time because doing so could potentially result in Universal Service Fund benefits for the applicant. We find that in implementing section 254(h), the Commission has the authority to, and a legitimate interest in, being able to efficiently administer the RHC Program through the use of filing deadlines. *Cf. Bishop Perry*, 21 FCC Rcd at 5327, para. 26 (recognizing that “filing deadlines and minimum processing standards are necessary for the efficient administration of the E-rate program”). [↑](#footnote-ref-37)
36. *See* 47 U.S.C. § 254(b). [↑](#footnote-ref-38)
37. *See, e.g.*,Application for Review at 10; Comments of Chalkyitsik Village Council, WC Docket No. 02-60, at 2 (rec. Apr. 1, 2020); Comments of Hughes Village Council, WC Docket No. 02-60, at 2 (rec. Apr. 1, 2020); Comments of Huslia Tribal Council, WC Docket No. 02-60, at 2 (rec. Apr. 1, 2020). [↑](#footnote-ref-39)
38. *See Bishop Perry*, 21 FCC Rcd at 5324, para. 16 (waiving deadline filing requirement in connection with E-Rate applications). [↑](#footnote-ref-40)
39. In the event that USAC finds that TCC’s funding requests are in compliance with RHC Program rules, we disagree with the Bureau that there is no funding available to fund TCC’s requests. *See Bureau Order,* 35 FCC Rcd at 489, para. 14. The Bureau was correct that there is no longer funding year 2016 funding available to fund TCC’s requests, *id.*, and therefore we disagree with TCC that such a conclusion by the Bureau constituted an abuse of discretion meriting reversal of the Bureau’s decision. *See* Application for Review at 22-24. Nevertheless, we find there is sufficient funding in the RHC Program’s reserve that could be reallocated to TCC in the event USAC were to grant any of its funding requests. [↑](#footnote-ref-41)
40. TCC questions the legality of the Bureau’s implementation of multiple filing windows for funding year 2016. *See* Application for Review at 21 (“Because the current FCC rule allows for only one filing window and [the Bureau] changed the rule without effectuating the proper waiver procedures, it is [sic] does not appear that the multiple filling windows were even legal.”). We find the Bureau acted in accordance with section 254 and pursuant to its delegated authority in adopting the multiple filing windows. In the public notice announcing the multiple filing windows, the Bureau explained that expanding an applicant’s filing opportunities “furthers the Commission’s goals of supporting healthcare delivery in as many parts of rural America as possible.” *Filing Window Public Notice*, 31 FCC Rcd at 9590, *citing* section 254(h)(1)(A) and (h)(2)(A) of the Communications Act, 47 U.S.C. § 254(h)(1)(A), (h)(2)(A). In adopting multiple filing windows, the Bureau properly relied on the Commission’s decision to delegate authority to the Common Carrier Bureau (now the Wireline Competition Bureau) “to issue orders interpreting our rules as necessary to ensure that support for services provided to . . . rural health care providers operate to further our universal service goals”). *See id.* at 9590, n.18, *citing Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Third Report and Order, 12 FCC Rcd 22485, 22488-89, para. 6 (1997). In any event, had there been only one filing window for funding year 2016, TCC would have been denied the opportunity to file any of its applications, as the only applications it managed to submit on time were those filed during the second filing window period. [↑](#footnote-ref-42)
41. *See* 47 CFR § 54.621(a) (directing USAC to open a filing window with an end date no later than 90 days prior to the start of the funding year). [↑](#footnote-ref-43)
42. *See Bureau Order,* 35 FCC Rcd at 489-90, para. 14. [↑](#footnote-ref-44)
43. 47 CFR § 54.675(f) (2018). [↑](#footnote-ref-45)
44. TCC appears to limit its discussion of special circumstances to those that purportedly support waiving the application filing deadline. *See* Application for Review at 11-14. However, to the extent TCC maintains that the adverse effect that a prorated reduction in funding would have on an applicant provides the special circumstances necessary to warrant a waiver of the proration rule, we disagree. Instead, we agree with the Bureau that “a general claim that a reduction of funding will have a detrimental impact does not constitute special circumstances for waiving the Commission’s rules.” *Bureau Order,* 35 FCC Rcd at 490, para. 15. Otherwise, every applicant that received prorated support during the second filing window would have grounds to seek a waiver, which clearly contradicts the requirement that a deviation from the general rule requires special circumstances. *See Northeast Cellular*, 897 F.2d at 1166. [↑](#footnote-ref-46)
45. Application for Review at 19. *See also, e.g.,* Comments of Maniilaq Association, WC Docket No. 02-60, at 1-2 (rec. Mar. 31, 2020); Comments of Alaska Native Tribal Health Consortium, WC Docket No. 02-60, at 1 (rec. Mar. 31, 2020) (arguing that the *Bureau Order* “did not consider any of the precedents and statutes cited by TCC regarding the granting of filing deadline waivers”). [↑](#footnote-ref-47)
46. *Promoting Telehealth Report and Order*, 34 FCC Rcd at 7399, para. 136 (rejecting comments arguing that section 254(h)(1)(A) requires the Commission to fully fund without limit all requests for commitments under the Telecom Program). As we explained in 2019, the Commission “would not have adopted . . . a proration mechanism if it believed that it lacked statutory authority to set limits on the Telecom Program.” *Id*. [↑](#footnote-ref-48)
47. Application for Review at 8 (emphasis added). TCC offers several examples presumably intended to demonstrate the RHC Program policy requirement for full funding, including excerpts from a 2017 letter from former Commission Chairman Pai to Congress, a 2017 Memorandum of Understanding between the Commission and the National Cancer Institute, and a 2017 letter from six U.S. Senators to the Commission. *See id.* at 8-10. None of the examples mentions or describes a requirement to fully fund RHC Program funding requests. [↑](#footnote-ref-49)
48. *See Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Fifth Order on Reconsideration and Fourth Report and Order in CCC Docket No. 96-45, 13 FCC Rcd 14915, 14940-41, para. 40 (1998) (adopting the proration approach) (*Fifth Order on Reconsideration)*. As noted above, the Commission subsequently determined that prioritizing limited RHC Program funding improves upon the proration approach, and adopted rules to that effect. *See Promoting Telehealth Report and Order*, 34 FCC Rcd at 7385, para. 107. [↑](#footnote-ref-50)
49. TCC also claims that the Bureau “misstates material facts” in connection with the amount of RHC Program funding available to TCC. Application for Review at 22. First, TCC takes issue with the Bureau’s calculations of overall available funding for funding year 2016. *See id*. We reject any suggestion by TCC that the potential availability of reserve funding would provide a special circumstance for granting TCC’s request to waive proration with respect to its applications. As discussed herein, USAC properly applied the proration rule for the second filing window and granting a waiver of the proration with respect to just TCC would be inequitable and not in the public interest because it would provide more funding to TCC than other health care providers simply because it sought a waiver of the proration rule. Second, TCC asserts that the Bureau “did not dispute” its claim that “USAC earmarks funding for evergreen contract holders, which is the reason why evergreen contract holders are exempt from competitive bidding,” thereby implying that funding for TCC’s evergreen contracts is available. *See Application for Review* at 24. TCC, however, is incorrect. USAC does not earmark or otherwise guarantee funding for evergreen contracts. Evergreen contracts are instead multi-year contract exempt from the competitive bidding process during the term of the contract. 47 CFR § 54.642(h)((4) (2018). The Commission’s evergreen contract rules benefit health care providers by incentivizing service providers to offer lower rates by entering into longer contract terms and simplifying competitive bidding. *See Rural Health Care Support Mechanism*, WC Docket No. 02-60, Report and Order, 27 FCC Rcd 16678, 16791 (2012) (“[E]vergreen procedures likely will benefit participating [healthcare providers] by affording them: (1) lower prices due to longer contract terms; and (2) reduced administrative burdens due to fewer required [requests for services].”). [↑](#footnote-ref-51)
50. Application for Review at 18 (citing discussion of the public interest arguments raised in the Request for Review and Waiver at pages 17-19). [↑](#footnote-ref-52)
51. *See Bureau Order,* 35 FCC Rcd at 490, para. 15 (concluding that “it would be inconsistent with the Commission’s intent in establishing [the proration] rule to prioritize full funding to the rural health care clinics as part of TCC’s consortium over other eligible health care providers that also submitted funding requests during the final filing window for funding year 2016 and received prorated funding”). *See also Fifth Order on Reconsideration*, 13 FCC Rcd at 14940-41, para. 40 (adopting the proration rule that will “ensure fairness and equity to each health care provider applying for universal service support and will not impose an undue administrative burden upon either the applicants or the Administrator”). We again note that while the Bureau properly applied the rules and policies in place during funding year 2016, the Commission has since revised its prioritization and proration rules to better direct funding to applicants with the highest need. *See* 47 CFR § 54.621; *Promoting Telehealth Report and Order*, 34 FCC Rcd at 7385, para. 107. [↑](#footnote-ref-53)