



**January 20, 2021**

**Addendum TWO to**

**RFP FY21 – Telehealth Network Services for Maniilaq Association**

This Addendum Number Two is issued to extend the deadline for receipt of proposals for the RFP FY21 – Telehealth Network Services for Maniilaq Association.

Maniilaq has become aware of the Federal Communication Commission (FCC) Order DA 21-83, which was released January 19, 2021, and is attached to this RFP Addendum for reference. The revised deadline extension will provide adequate time for potential bidders to review FCC Order DA 21-83.

It is the responsibility of the bidder to ensure compliance with FCC Order DA21-83 and to monitor Maniilaq's website for any potential additional RFP addenda issued given the FCC's publication of Order DA 21-83.

This Addendum is hereby made part of the RFP, and each bidder shall take this Addendum into consideration when preparing and submitting a proposal. It is the sole responsibility of the bidder to be knowledgeable of all addenda related to this procurement.

1) Revised Deadline for Proposals:

On the RFP coversheet and Section 6, the deadline for receipt of proposals is hereby extended to read as follows:

Proposals, including all required attachments, must be received by Albie Dallemolle, Director of Contracts and Grants, no later than 5:00 PM AST on February 4, 2021.

2) Procurement Timeline:

Page 10, Section 3, Procurement Timeline is revised to reflect the extended deadline for responses and subsequent events to follow:

<b>Event</b>	<b>Date</b>
461 Form (RFP and Network Plan) submitted to USAC for review via My Portal	December 2020
USAC will post 461 Form (RFP and Network Plan)	Approximately two weeks following the initial submission in My Portal
RFP Responses Due	February 4, 2021
Evaluation of Proposals	Evaluation period is 14 days
Notification of Bidding Outcomes to Service Providers	Following the bid evaluation period
Contract Negotiations	Following the notification period
462 Form Submitted	Following the identification of service providers/return of contracts, etc.
Approximate Service Start Date	July 1, 2021 *Contingent Upon Successful Contract Negotiations and Board of Directors Approval
463 Forms Submitted	Ongoing following the approval of funding

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of )  
 )  
Promoting Telehealth in Rural America ) WC Docket No. 17-310

**ORDER**

**Adopted: January 19, 2021**

**Released: January 19, 2021**

By the Chief, Wireline Competition Bureau:

1. In August 2019, the Commission adopted rules to improve transparency, predictability, and efficiency in the Rural Health Care Program's Telecommunications Program beginning in funding year 2021.<sup>1</sup> The new rules introduced a database of urban and rural rates (Rates Database) intended to apply nationwide and to ease the burden of rate calculations. However, examination of the Rates Database reveals significant anomalies in the calculations of rural rates for the State of Alaska that could potentially provide Alaskan telecommunications service providers with inadequate and inconsistent Telecom Program support. These same anomalies are also the subject of petitions for reconsideration filed by some carriers participating in the program in Alaska.<sup>2</sup>

2. We now take action to ensure that telecommunications service providers in Alaska will receive sufficient Telecom Program support for the next two funding years, thereby providing a reliable telecommunications marketplace for Alaskan health care providers, while the Commission further examines how to apply the Rates Database to Alaska in light of its unique and challenging geography. Specifically, the Wireline Competition Bureau (Bureau) waives the requirement to use the Telecom Program Rates Database for determining rural rates for health care providers in the State of Alaska.<sup>3</sup> We also provide guidance for calculating rural rates for health care providers in Alaska in the interim. We take these actions for funding year 2021, for which competitive bidding has already begun, and for funding year 2022 unless the Commission has separately addressed the pending petitions for reconsideration within the year (i.e., by January 19, 2022).

**I. BACKGROUND**

3. The Rural Health Care Program consists of two component mechanisms: (1) the Telecom Program; and (2) the Healthcare Connect Fund Program. The Telecom Program subsidizes the difference between the rates in the health care provider's rural area and rates for comparable services available in urban areas within that state.<sup>4</sup> The Healthcare Connect Fund Program promotes the use of broadband services and facilitates the formation of health care provider consortia that include both rural and urban

<sup>1</sup> See *Promoting Telehealth in Rural America*, WC Docket No. 17-310, Report and Order, 34 FCC Rcd 7335 (2019) (*Promoting Telehealth Report and Order*).

<sup>2</sup> See, e.g., Alaska Communications Petition for Reconsideration, WC Docket No. 17-310 (filed Nov. 12, 2019) (Alaska Communications Petition); State of Alaska, Office of the Governor Petition for Reconsideration, WC Docket No. 17-310 (filed Nov. 12, 2019) (Alaskan Governor Petition).

<sup>3</sup> See 47 CFR § 54.605(a) (requiring an applicant to use the lower of the applicable rural rate available in the Rates Database or the rural rate included in the service agreement that the health care provider enters into with the service provided when requesting funding).

<sup>4</sup> See 47 U.S.C. § 254(h)(1)(A); *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9093-161, paras. 608-749 (1997) (*Universal Service First Report and Order*).

health care providers by providing a flat 65% discount on an array of advanced telecommunications and information services.<sup>5</sup>

4. Under the Commission's rules applicable through funding year 2020, three methods can be used for calculating the rural rates in the Telecom Program, depending on the circumstances.<sup>6</sup> Section 54.607 of the Commission's rules applicable to funding year 2020 provides that the rural rate will be: (1) the average of rates that the carrier actually charges to other non-health care provider commercial customers for the same or similar services provided in the rural area where the health care provider is located (Method 1);<sup>7</sup> (2) if the carrier does not have any commercial customers in the health care provider's rural area, the average of tariffed and other publicly available rates charged by other service providers for the same or similar services provided over the same distance in the rural health care provider's area (Method 2); or (3) if there are no such rates or the carrier reasonably determines that those rates would be unfair, a cost-based rate that is approved by the Commission for interstate services (or the relevant state commission for intrastate services) (Method 3).<sup>8</sup> A carrier seeking approval of a rural rate under Method 3 must provide "a justification of the proposed rural rate that includes an itemization of the costs of providing the requested service."<sup>9</sup>

5. To improve transparency, predictability, and efficiency for the Telecom Program, in the *Promoting Telehealth Report and Order*, the Commission determined that rather than individual health care providers identifying all urban and rural rates for determining support amounts, rates would be calculated based on a publicly available database of urban and rural rates beginning in funding year 2021.<sup>10</sup> The Commission directed the Universal Service Administrative Company (the Administrator) to create a database of urban and rural rates within each state,<sup>11</sup> and determined that the urban rate would be the median of all available rates identified by the Administrator for functionally similar services in all urbanized areas of the state where the health care provided is located to the extent that the urbanized areas falls within the state<sup>12</sup> and that the rural rate would be the median of all rates for functionally similar services in the relevant state in the database for functionally similar services within the health care provider's applicable rurality tier.<sup>13</sup> In the *Promoting Telehealth Report and Order*, the Commission recognized the unique importance of rural healthcare in Alaska as well as the special challenges of its geography, carving out an additional "Frontier" tier of rurality in addition to the three rurality tiers found

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<sup>5</sup> See 47 U.S.C. § 254(h)(2)(A); 47 CFR §§ 54.611, 54.612; *Rural Health Care Support Mechanism*, WC Docket No. 02-60, Report and Order, 27 FCC Rcd 16678, 16680-81, paras. 1-3 (2012) (*Healthcare Connect Fund Order*).

<sup>6</sup> See 47 CFR § 54.607 (2019). All references herein to section 54.607 refer to this version of the rule and its subparts as set forth in the Commission's rules prior to the effective date of the Rural Health Care Program reforms adopted in 2019. Except as otherwise provided in this Order, section 54.607 remains in effect through the end of Funding Year 2020. See *Wireline Competition Bureau Provides Guidance on the Implementation Schedule for Reforms Adopted by the Rural Health Care Program Promoting Telehealth Report and Order*, WC Docket No. 17-310, Public Notice, 34 FCC Rcd 11983, 11985 (WCB 2019) (*Promoting Telehealth Implementation Public Notice*) (announcing the effective date of section 54.605(a), which replaces section 54.607 as the means for determining rural rates, at the beginning of the funding year 2021 competitive bidding period).

<sup>7</sup> For the purposes of section 254 of the Communications Act, a "rate" is a single rate for a complete end-to-end service, and not rates for components of a service. See *Universal Service First Report and Order*, 12 FCC Rcd at 9128, paras. 674-75.

<sup>8</sup> 47 CFR § 54.607(a), (b) (2019).

<sup>9</sup> 47 CFR § 54.607(b)(1) (2019).

<sup>10</sup> *Promoting Telehealth Report and Order*, 34 FCC Rcd at 7372-73, para. 78.

<sup>11</sup> See *id.*; 47 CFR §§ 54.604(b) (urban rate database); 54.605(b) (rural rate database).

<sup>12</sup> 47 CFR § 54.604(a).

<sup>13</sup> 47 CFR § 54.605(a).

in all other states.<sup>14</sup> The Commission instructed the Administrator to determine whether services are functionally similar based on a “technology-agnostic inquiry” from the perspective of the end user experience and specifically noted that rates used to determine the median rate should include rates for private carriage and information services.<sup>15</sup> Section 54.605 of the Commission’s rules directs applicants to use the lower of either the rural rate in the Rates Database or the rural rate included in a service agreement between the health care provider and the service provider.<sup>16</sup>

6. In 2019, the Commission received several petitions for reconsideration of the *Promoting Telehealth Report and Order* arguing (among other things) that the Rates Database would not accurately reflect the diverse challenges of providing telehealth services in Alaska.<sup>17</sup> The Rates Database was made available to the public on July 1, 2020.<sup>18</sup>

## II. DISCUSSION

7. Generally, the Commission’s rules may be waived or suspended for good cause shown.<sup>19</sup> The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest.<sup>20</sup> In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis.<sup>21</sup> Waiver of the Commission’s rules is appropriate only if both (1) special circumstances warrant a deviation from the general rule, and (2) such deviation will serve the public interest.<sup>22</sup>

8. Examination of the Rates Database reveals significant anomalies in the calculations of rural rates in the Rates Database for Alaska that could potentially provide Alaskan health care providers with inadequate and inconsistent Telecom Program support. The Rates Database approach to rate determination is based on the notions that, in general, the cost to provide services increases as the level of rurality increases and overall rates tend to increase (while rates per megabit per second tend to decrease) as bandwidth increases.<sup>23</sup> In Alaska, however, the Rates Database all too often provides a lower rural rate

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<sup>14</sup> Under the Commission’s rules, the rurality tiers in Alaska are defined as Less Rural, Rural, Extremely Rural, and Frontier. Less Rural areas are those that contain an urban area with a population of 25,000 or greater but are within a specific census tract that itself does not contain any part of a Place or Urban Area with a population of greater than 25,000. Rural areas are those that are within a Core Based Statistical Area that does not have an Urban Area with a population of 25,000 or greater. Extremely Rural areas are those that are entirely outside of a Core Based Statistical Area. Frontier areas are located in Alaska only, in areas outside of a Core Based Statistical Area that are inaccessible by road as determined by the Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs. 47 CFR § 54.605(a)(1)-(4).

<sup>15</sup> *Promoting Telehealth Report and Order*, 34 FCC Rcd at 7345, para. 18.

<sup>16</sup> 47 CFR § 54.605(a).

<sup>17</sup> See, e.g., Alaska Communications Petition at 4 (raising concerns that the Rates Database did not provide sufficient funding for the most remote health care providers in Alaska); Alaskan Governor Petition at 4-5 (noting geographic challenges to serving Alaska health care providers related to resources and infrastructure).

<sup>18</sup> See *Promoting Telehealth Implementation Public Notice*, 34 FCC Rcd at 11985.

<sup>19</sup> 47 CFR § 1.3.

<sup>20</sup> *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*).

<sup>21</sup> *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Northeast Cellular*, 897 F.2d at 1166.

<sup>22</sup> *Northeast Cellular*, 897 F.2d at 1166.

<sup>23</sup> *Promoting Telehealth Report and Order*, 34 FCC Rcd at 7351, para. 33; see also *Connect America Fund, et al.*, WC Docket No. 10-90, et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17717 n.220 (2011) (noting that the same characteristics, such as lack of density, that make it expensive to provide voice service make it expensive to provide broadband service as well); Federal Communications Commission, *Connecting America: The National Broadband Plan*, at 136 (rel. Mar. 16, 2010), [www.broadband.gov/download-plan](http://www.broadband.gov/download-plan) (last visited Jan. 11, 2021) (observing that “[b]ecause service providers in these [areas with low population

(continued....)

for more remote health care providers and higher bandwidths. In fact, rates calculated in the Rates Database for the Rural Tier in Alaska are consistently higher than rates in the Extremely Rural Tier.<sup>24</sup> To illustrate, the rural rate in the Rates Database for a 15 Mbps dedicated service data connection in Alaska is currently \$16,042 for the Rural Tier but \$4,165 for the Extremely Rural Tier.<sup>25</sup> In other instances, the Rates Database provides higher median rates for lower bandwidths. Within the Frontier Tier, the median monthly rate in the Rates Database for a 20 Mbps dedicated service data connection is \$47,536 but the median rate for a 50 Mbps dedicated service is \$21,333.<sup>26</sup>

9. Additionally, certain rural rates available in the Rates Database vary so significantly from some of the rural rates calculated under the prior rules that they raise questions about whether telecommunications carriers in Alaska will receive adequate support to provide critical services to certain Alaskan health care providers. For example, the rural rate for a 10 Mbps connection in the Frontier Tier under the Rates Database is in some cases approximately 37% of the approved funding year 2019 rural rate for a 10 Mbps connection for some Alaskan health care providers that are located in the Frontier Tier.<sup>27</sup>

10. These anomalies appear related to the extreme geographic diversity unique to Alaska. Alaska covers 663,000 square miles, about two and a half times the size of Texas,<sup>28</sup> with a statewide population of 730,000 and almost half that population living in the Anchorage municipality.<sup>29</sup> Many Alaska communities are not connected by road and are only accessible by plane or boat.<sup>30</sup> The outputs of

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density] cannot earn enough revenue to cover the costs of deploying and operating broadband networks, including expected returns on capital, there is no business case to offer broadband services in these areas”).

<sup>24</sup> Most of Alaska is considered rural under the Commission’s rules except for those census tracts falling within the Anchorage and Fairbanks Urbanized Areas. *See* 47 CFR § 54.600(e); Census Bureau, [https://www2.census.gov/geo/maps/metroarea/stcbsa\\_pg/Feb2013/cbsa2013\\_AK.pdf](https://www2.census.gov/geo/maps/metroarea/stcbsa_pg/Feb2013/cbsa2013_AK.pdf) (last visited Jan. 13, 2021); Census Bureau, <https://www.census.gov/geographies/reference-files/time-series/demo/metro-micro/delineation-files.html> (Delineation Files, last visited Jan. 13, 2021). For purposes of calculating rural rates, only those areas within the Juneau and Ketchikan Core Based Statistical Areas are considered within the “Rural” rate tier under the Telecom Program rules because they do not contain any Urban Area with a population of 25,000 or greater. *See id.*, 47 CFR § 54.605(a)(1)(ii). However, these areas are isolated in the southeast portion of Alaska, are not necessarily connected by roads despite being located in a Core Based Statistical Area, and are therefore relatively expensive to serve compared to locations that are designated Extremely Rural because they fall outside of a Core Based Statistical Area but are located near roads and fiber deployments.

<sup>25</sup> *See* USAC Rural Health Care Telecom Program Rates Database, <https://rhc.usac.org/ratesdb/#/ratesSearch> (last visited January 11, 2021).

<sup>26</sup> *Id.*

<sup>27</sup> The level of support for a 10 Mbps connection in the Frontier tier in the Rates Database is \$27,129. Some approved rates for health care providers in that tier were as high as \$73,119 per month for Funding Year 2019. *See, e.g.*, Rural Health Care Commitments and Disbursements for Ouzinkie Clinic, Funding Request Number (FRN) 1957791; Port Lions Clinic, FRN 1957786; Akhiok Clinic, FRN 1957649; Larsen Bay Clinic, FRN 1957645; and Old Harbor Health Clinic, FRN 1956984, RHC Program Open Data Platform, <https://opendata.usac.org/stories/s/Rural-Health-Care-Tools/qi66-q66c/> (last visited Jan. 19, 2021); *see also* Alaska Communications Petition at 4 (raising concerns that the Rates Database would not provide sufficient funding for the most remote health care providers in Alaska).

<sup>28</sup> *See* Brian Shreckengast, *How Big is Alaska?*, Alaska Business, <https://www.akbizmag.com/industry/education/how-big-is-alaska/#:~:text=At%20663%2C300%20square%20miles%2C%20Alaska,looks%20much%20larger%20than%20that> (Apr. 4, 2016).

<sup>29</sup> *See* Census Bureau, <https://www.census.gov/quickfacts/fact/table/anchagemunicipalityalaska.AK/PST045219> (last visited Jan. 11, 2021).

<sup>30</sup> *See Promoting Telehealth Report and Order*, 34 FCC Rcd at 7353, para. 34.

the Rates Database suggest that factors other than population density, e.g., the existence of communications infrastructure near communities, may significantly affect the prices available in Alaska to end users in remote rural areas.<sup>31</sup> The inconsistencies in the Rates Database and the significant reductions in levels of support caused by Alaska’s uniquely challenging geography qualify as special circumstances meriting a waiver to give the Commission time to examine the causes of these anomalies and make adjustments to the Rates Database model if needed. In the interim, as the Commission works to improve the reliability of the Rates Database, we conclude that no service provider in Alaska should make use of the rural rates available in the Rates Database.

11. The public interest will be served by waiving the requirement to use the Rates Database for determining rural rates in Alaska for funding year 2021, for which competitive bidding has already begun. And in the interest of providing the “predictability” required by section 254 of the Communications Act to applicants and participating telecommunications carriers,<sup>32</sup> the public interest will be best served by extending that waiver through funding year 2022 unless the Commission has separately addressed the pending petitions for reconsideration within the year (i.e., by January 19, 2022). This action ensures that Alaska rural telecommunications service providers will receive levels of support on par with the support they received through funding year 2020, preserving the status quo while the Commission examines questions surrounding the support available to Alaska service providers providing critically important telecommunications services to Alaska health care providers.

12. In light of our decision to waive the use of the Rates Database to calculate rural rates in Alaska, we next address how applicants and participating telecommunications carriers should establish their rural rates. We believe it most appropriate for such applicants and providers to rely on the preexisting rules for determining rural rates as a default—as such, health care providers in Alaska and their service providers may continue to use Method 1, Method 2, or Method 3 to calculate rural rates, using the same processes for submission and review of rates that applied for funding year 2020. As a reminder, these methods for calculating the rural rate are sequential. Method 1 must be used unless the carrier is not actually charging non-health care provider customers rates for the same or similar services in the rural area where the health care provider is located.<sup>33</sup> Method 2 generally must be used if Method 1 cannot be used.<sup>34</sup> Finally, where there are no tariffed or other publicly available rates charged by other carriers for same or similar services in the rural area where the health care provider is located, or if the carrier reasonably determines that the rural rate calculated under Method 2 is unfair, then the carrier may seek approval of a cost-based rural rate under Method 3.<sup>35</sup>

13. Nonetheless, we recognize that relying on the prior methods alone is not ideal. As the Commission recognized in the *Promoting Telehealth Report and Order*, “the rural rate has proven to be difficult for health care and service providers to calculate and is susceptible to manipulation.”<sup>36</sup> Indeed, the Commission noted that these methods all too often “lead to rural rates inconsistently calculated, artificially inflated, and difficult to verify against public data sources. It also results in review process

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<sup>31</sup> See Alaskan Governor Petition at 4-5.

<sup>32</sup> 47 U.S.C. § 254(b)(5).

<sup>33</sup> See 47 CFR § 54.607(a).

<sup>34</sup> See 47 CFR § 54.607(b) (“If the telecommunications carrier serving the health care provider is not providing identical or similar services in the rural area, then the rural rate shall be the average of tariffed and other publicly available rates, not including any rates reduced by universal service programs, charged for the same or similar services in that rural area over the same distance as the eligible service by other carriers.”).

<sup>35</sup> See 47 CFR § 54.607(b) (“If there are no tariffed or publicly available rates for such services in that rural area, or if the carrier reasonably determines that this method for calculating the rural rate is unfair, then the carrier shall submit for the state commission’s approval, for intrastate rates, or the Commission’s approval, for interstate rates, a cost-based rate for the provision of the service in the most economically efficient, reasonably available manner.”).

<sup>36</sup> *Promoting Telehealth Report and Order*, 34 FCC Rcd at 7363, para. 55.

delays that understandably tax the patience of RHC Program participants waiting for final support determinations and funding commitments. Inefficiency and waste of this type is especially problematic now given the extreme demands on limited RHC Program funds.<sup>37</sup> We accordingly draw on this guidance to provide a more efficient option for rural healthcare providers and participating carriers in Alaska to determine rural rates until the Rates Database is used. Specifically, we recognize that for the past three years the Commission and Administrator have already intensely reviewed and approved numerous rural rates that comply with our prior rules. As such, we find it in the public interest to allow the use of a rural rate that has been approved for the same service at the same facility within the past three funding years. To minimize potential gamesmanship, if more than one such rate has been approved, the rural rate must be the most recently approved rate for that facility/service combination. The Commission also recognized in the *Promoting Telehealth Report and Order* that rural rates for services similar to those requested by a particular applicant (including rates in the same geographic area) are good evidence of the appropriate rural rate for a particular service at a particular facility.<sup>38</sup> As such, if there is no approved rate for a particular facility/service combination, the health care provider and its carrier may use rural rates approved for the same or similar services to the facility with the same or similar geographic characteristics. The health care provider or service provider should submit these rural rates to the Administrator with documentation showing that the rural rates were previously approved. And if no such comparables are available, the rural rate must be established using one of the preexisting methods.

14. This waiver does not apply to urban rate calculations. Applicants in Alaska must still use the Rates Database to determine urban rates for health care providers.<sup>39</sup> Our analysis of the Rates Database indicates that there are not persistent anomalies with Alaskan urban rates in the Rates Database comparable to the anomalies in rural rates discussed above. Furthermore, continued use of the urban rates in the Rates Database will reduce administrative burdens on rural health care providers and service providers by removing the onus for determining median urban rates and assigning that responsibility to the Administrator.<sup>40</sup>

15. The current version of the FCC Form 466 (Funding Request Form) automatically populates the median rural rate calculated in the Rates Database and does not allow for health care providers to change this rate. As result of today's waiver, the rural rate that automatically appears on a health care provider's FCC Form 466, and the requested funding commitment listed on the FCC Form 466, will no longer be accurate for health care providers in Alaska because that rate will be generated by the Rates Database rather than by one of the methods for determining rural rates that will apply pursuant to this order. If a service provider is able to provide applicants with an appropriate rural rate as determined by the contours of this order before the filing of an FCC Form 466, we encourage the health care provider to enter that rural rate into Line 33 (rural rate per month per service agreement) of the application and upload supporting documentation. If the applicant does not enter such a rural rate, we direct the Administrator to conduct outreach to determine that rural rate.

16. We recognize that some health care providers may have already completed the competitive bidding process for funding year 2021 using bids based on rates generated by the Rates Database. To the extent necessary, we waive our competitive bidding rules to permit any health care provider in Alaska that has completed the competitive bidding process to re-initiate a new competitive bidding process at its discretion in light of today's changes to the level of support available.<sup>41</sup> Additionally, to the extent necessary, we waive program rules to permit service providers who submitted

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<sup>37</sup> *Id.* at 7364–65, para. 58 (footnote omitted).

<sup>38</sup> *Id.* at 7343–46, 7349–54, paras. 14–20, 29–37; *see id.* at 7344, para. 16 (“[W]e anticipate a 30% range will provide a sufficiently large range of functionally similar services to enable reasonable rate comparisons.”).

<sup>39</sup> *See* 47 CFR § 54.604(a).

<sup>40</sup> *See Promoting Telehealth Report and Order*, 34 FCC Rcd at 7372-73, para. 81.

<sup>41</sup> *See* 47 CFR § 54.622 (competitive bidding requirements and exemptions).



bids based on rates available in the Rates Database in response to Requests for Services issued by health care providers in Alaska for funding year 2021 to submit new bids.<sup>42</sup> Absent a competitive bidding exemption, health care providers must comply with all other competitive bidding requirements, including conducting a fair and open competitive bidding process, waiting 28 days after posting a Request for Services to make a bid selection, and selecting the most cost-effective means of meeting its specific health care needs.<sup>43</sup>

17. We are committed to guarding against waste, fraud, and abuse in the Universal Service Fund (USF) programs, including the Rural Health Care Program. Although we grant the limited waivers described herein, program participants and service providers remain otherwise subject to audits and investigations to determine compliance with USF program rules and requirements. We will require the Administrator to recover funds through its normal process that we discover were not used properly. We emphasize that we retain the discretion to evaluate the uses of monies disbursed through the USF programs and to determine on a case-by-case basis that waste, fraud, or abuse of program funds occurred, and that recovery is warranted. Additionally, in the event we discover any improper activity resulting from our action today, we will subject the offending party to all available penalties at our disposal, and will direct the Administrator to recover funds, assess retroactive fees and/or interest, or both. We remain committed to ensuring the integrity of the Rural Health Care Program and will continue to aggressively pursue instances of waste, fraud, or abuse under our own procedures and in cooperation with law enforcement agencies.

### III. ORDERING CLAUSES

18. ACCORDINGLY, IT IS ORDERED that pursuant to the authority in sections 1-4 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, and pursuant to sections 0.91, 0.291, and 1.3 of the Commission's rules, 47 CFR §§ 0.91, 0.291, and 1.3, that sections 54.605(a) and 54.622 of the Commission's rules, 47 CFR §§ 54.605(a) and 54.622 ARE WAIVED to the extent provided herein.

19. IT IS FURTHER ORDERED that, pursuant to section 1.102(b)(1) of the Commission's rules, 47 CFR § 1.102(b)(1), this order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Kris Anne Monteith  
Chief  
Wireline Competition Bureau

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<sup>42</sup> *Id.*

<sup>43</sup> *See id.*