



May 3, 2018

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W., Room TW-B204  
Washington, DC 20554

**Re: Notice of *Ex Parte* in WC Docket Nos. 02-60, 17-310**

Madam Secretary:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, we hereby provide notice of the following oral *ex parte* presentations in connection with the above-captioned proceedings:

- Monday, April 16 with Jamie Susskind (Commissioner Carr's office) (attended by John Windhausen, Colleen Meiman and Jeff Mitchell)
- Tuesday, April 17 with Nese Guendelsberger (Commissioner Clyburn's office) and Nirali Patel (Chairman Pai's office) (attended by John Windhausen, Colleen Meiman and Eric Brown).
- Monday, April 23 with Travis Litman (Commissioner Rosenworcel's office) (attended by John Windhausen, Colleen Meiman and Jeff Mitchell).

John Windhausen is Executive Director of the Schools, Health & Libraries Broadband (SHLB) Coalition, Colleen Meiman is Senior Policy Advisor at the National Association of Community Health Centers (NACHC), Jeff Mitchell is with the law firm of Lukas, LaFuria, Gutierrez and Sachs and is counsel to the SHLB Coalition, and Eric Brown is CEO of the California Telehealth Network.

We discussed SHLB's recently filed emergency petition for waiver of the Rural Health Care Program funding cap, pending completion of the Rural Health Care (RHC) rulemaking.<sup>1</sup> We noted how the large and effectively retroactive funding cuts in the RHC program are impacting safety-net health care providers and undermining federal policies promoting telemedicine and electronic health records, which require affordable broadband connectivity.

We also discussed the SHLB Coalition's comments in response to the current Notice of Proposed Rulemaking and Order in the RHC program.<sup>2</sup> Finally, Mr. Windhausen discussed recent meetings

---

<sup>1</sup> See SHLB Coalition, [Emergency Petition For Waiver of The Rural Health Care Program Funding Cap Pending Conclusion Of The Open Rulemaking](#), WC Docket Nos. 02-60, 17-310, filed April 3, 2018.

<sup>2</sup> [Promoting Telehealth in Rural America](#), WC Docket No. 17-310, [Notice of Proposed Rulemaking and Order](#), FCC 17-164 (Dec. 18, 2017) (*NPRM & Order*).

that SHLB Coalition members had with USAC and other FCC 8th Floor offices concerning the effects of recent USAC changes to the Form 470 data entry process.<sup>3</sup>

Among the points raised in the meetings were:

1. The RHC funding cuts of 15% and 25% are effectively retroactive, because the cuts were announced in March 2018 and apply to broadband services that were purchased by health care providers beginning July 1, 2017.
2. The size of the funding cutbacks was unexpectedly large. In fact, applicants had reason to believe that the cutbacks for FY 2017 would be smaller than the 7.5% reduction in FY 2016 because a) the amount of gross demand for FY 2017 (\$567 M) was about the same as the gross demand for FY 2016 (\$556 M) and b) the FCC had already authorized the rollover of approximately \$30 M in unused funds from prior years to help cover the funding needed for FY 2017. There is no way that health care providers and broadband providers could have prepared in advance for such large reductions.
3. The funding reductions are effectively causing rate increases for health care providers because the providers of broadband services are not able to absorb these funding reductions and must pass some or all of these rate increases through to their customers.
4. There is a real risk that telehealth networks that currently participate in the program will decide to exit the program altogether because of the uncertainty of funding from one year to the next. If this occurs, it would raise questions about whether the program is fulfilling the intent of Congress, which directed the FCC to establish the RHC program in the Telecommunications Act of 1996.
5. The FCC's December 2017 Order clearly stated that it did not want program recipients to suffer a second consecutive year of reductions in support, and yet such funding reductions have nevertheless occurred.

For all these reasons, the meeting participants urged the FCC to grant the SHLB Coalition's Emergency Petition for Waiver to fully fund existing and future applications until the issues in the underlying rulemaking proceeding are resolved and implemented.<sup>4</sup>

Sincerely,



John Windhausen, Jr.  
Executive Director, SHLB Coalition  
1250 Connecticut Ave. NW Suite 200  
Washington, DC 20036  
[jwindhausen@shlb.org](mailto:jwindhausen@shlb.org)  
(202) 263-4626

---

<sup>3</sup> See SHLB Coalition, [Ex Parte Submission](#), WC Docket Nos. 02-6, 13-184, filed April 9, 2018.

<sup>4</sup> The signatory acknowledges that this *ex parte* notice is delayed. Because this is not a contested proceeding, there is no harm to other parties for failing to file this notice in a timely manner.