

JULY 18, 2012

THE FCC INDICATES THAT NEW RULES FOR USF WILL BE ISSUED IN 2012

On July 6, 2012, the FCC issued an order in which it indicated that it would likely issue revised regulations for the Universal Service Fund (USF). Specifically, within Docket 02-06 the FCC has been entertaining comments regarding reform to the USF in the following three areas:

1. Health Infrastructure Program - 85% one-time subsidy for network investments that would be owned/controlled by Healthcare Providers (HCPs), including long-term dark fiber leases or construction (previously known as the FCC's Pilot Project);
2. Health Broadband Services Program - 50% subsidy for recurring costs associated with "broadband services";
3. Expansion of the current primary Program to new eligible entity types including HCP administrative offices, data centers, skilled nursing facilities, and renal dialysis centers.

It is possible the FCC will move forward in all three proposed areas with or without modifications based on comments filed since July 2010; it is also possible the FCC does some but not all of what it originally proposed - e.g., move forward with Broadband Services and new entity types but table or seek further comment on Health Infrastructure Program. The record in the RHC reform proceeding has not closed, so new or updated comments can still be filed in the docket (02-60). Interested parties may contact Michael T. Batt, (317) 977-1417, mbatt@hallrender.com or William Dummett (317) 977-1427, wdummett@hallrender.com regarding submission of comments to this rule making.