



May 4, 2018

Chris Nierman  
(202) 457-8815  
[cnierman@gci.com](mailto:cnierman@gci.com)

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554  
2550 M Street, NW  
Washington, DC 20037

Re: *Rural Health Care Support Mechanism*, WC Docket No. 02-60

Dear Ms. Dortch:

On April 27, 2018, Tina Pidgeon and Chris Nierman of GCI Communication Corp. (“GCI”) met with Barbara Esbin, Deputy Bureau chief of the Consumer and Governmental Affairs Bureau, and Matthew Duchesne, Sayuri Rajapakse, and Janet Sievert of the Office of Native Affairs and Policy. In this meeting, we discussed the challenges created by the current funding deficit in the Rural Healthcare (“RHC”) Program, as well as points made in previous comments in response to the RHC NPRM.<sup>1</sup> Specifically, we urged rapid completion of the Funding Year 2017 commitments process, as we are already ten months through that year. The delay in completing the commitments and disbursement process is threatening to disrupt GCI’s ability to undertake key network improvements to improve wireless and wireline broadband in Alaska during the coming construction season. We urged that relief from the current cap is necessary for Funding Year 2017, and likely Funding Year 2018, given the large, continued increases in overall demand and the delayed announcement of the pro-rata reductions, which limits the ability of health care providers and service providers to accommodate reduced support levels. For example, USAC reports over \$450 million in the Rural Healthcare cash account; the Commission and USAC should examine whether a portion of that balance can be applied to Funding Year 2017 or Funding Year 2018 demand in light of the fact that Congress has waived the Anti-Deficiency Act through 2019.<sup>2</sup>

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<sup>1</sup> Comments of GCI Communication Corp., WC Docket No. 17-310 (filed February 2, 2018).

<sup>2</sup> P.L. 115-141, Division P—Ray Baum’s Act of 2018, Section 201.

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We also reiterated GCI's proposals for longer-term reform of the Telecom Program, and we emphasized the need for a system to prioritize support under the Rural Health Care Program. As it currently stands, the pro-rata reductions in the Rural Health Care Program are unique in that they hit the highest cost to serve areas the hardest—in contrast to E-rate, which only has pro-rata reduction within a tier, with all higher discount tiers receiving full funding, and High Cost Loop Support, which reduces support by equal dollar amounts across all recipients.

Respectfully submitted,



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Chris Nierman  
Senior Counsel, Federal Affairs  
General Communication, Inc.  
1900 L St., N.W., Suite 700  
Washington, DC 20036  
(202) 457-8815

cc: Barbara Esbin  
Matthew Duchesne  
Sayuri Rajapakse  
Janet Sievert