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June 20, 2017

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Federal-State Joint Board on Universal Service – CC Docket No. 96-45

Dear Ms. Dortch:

Thank you for the opportunity to respond to the recent FCC Public Notice released by the Office of Managing Director proposing a universal service contribution factor of 17.1 percent for the third quarter 2017.

We understand the FCC's desire to lower the universal service contribution factor. We also understand the FCC intends to lower the contribution factor from 17.9 percent for the third quarter to 17.1 percent by using $100 million of reserves already collected for the Rural Health Care (RHC) program.

While using RHC program reserve funds may help lower the contribution factor in the near term, that decision could have negative long-term implications on rural health care services across our country. We urge the FCC to fully fund the RHC program and not to use previously collected RHC reserve funds to reduce the universal service contribution factor before more broadly considering whether and how those funds could better be used to serve the Commission's commitment to improving rural healthcare.

As we have shared in previous letters with the FCC, the RHC program has enabled us to dramatically improve access to care, accelerate diagnosis and treatment, avoid unnecessary medivacs and greatly expand local treatment options.

We now face having to pay 7.5 percent of our approved FY 2016 application. For many of us, that equals hundreds of thousands of unbudgeted dollars, which in turn means a loss of telemedicine services and layoffs, negatively impacting healthcare in our communities.

We've advocated that the current $400 million RHC budget, set in 1997, should be adjusted for inflation, advances in technology and increased demand for services. If anything, the FCC should consider increasing the RHC program fund, not reallocating dollars from it. In total, USAC reduced FY 2016 funding commitments filed in the second funding window by $20 million. The fact that USAC has now identified $100 million in uncommitted previous contributions could fill that hole for many years, smoothing the transition while the Commission considers the best way to reform and improve the RHC support mechanism.

We thank the Commission for its support of the Rural Health Care program which enables world-class medical care in rural areas through increased connectivity. We hope the Commission will not borrow from the RHC reserve for a short-term reduction in contributions, but will instead apply those reserves for the purpose for which they were collected, to enable advanced telemedicine services across our great country.

Thank you,

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CC:

The Honorable Senator Murkowski
The Honorable Senator Sullivan
The Honorable Congressman Young