

September 1, 2017

**Ex Parte**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

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

Dear Ms. Dortch:

On August 30, 2017, Chris Nierman of General Communication, Inc. (“GCI”) and I met with Trent Harkrader, Jonathan Lechter, Ryan Palmer, Preston Wise, Dana Bradford, Soumitra Das and Regina Brown. We discussed the difficulties created by the \$400 million cap on the Rural Health Care (“RHC”) program and the hardship created by the Commission’s June 30, 2017 order allowing service providers to voluntarily reduce prices for health care providers (“HCPs”) in Remote Alaska for funding year (“FY”) 2016.<sup>1</sup>

We suggested, first, that the Commission should allow for reasonable increases in the RHC cap to accommodate the growing use of telemedicine, the attendant increase in HCP bandwidth needs, and the addition of skilled nursing facilities to the list of eligible HCPs.

With regard to the current FY 2017, we asked the Commission not to place the full burden of any proration on the service providers in Remote Alaska, as such a burden will have detrimental effects on investment decisions, which runs counter to the program’s goals of providing rural HCPs with advanced communications services.

Finally, we urged the Commission to act quickly to implement a stable, predictable solution in time for FY 2018, noting again that the existing uncertainty hurts both health care providers in remote areas and the ability of network providers to plan for future infrastructure deployments.

Specifically, we proposed that the Commission establish a Highly Rural funding priority system for HCPs located in counties with less than seven persons per square mile, paired with greater cost sharing for Highly Rural HCPs in the Telecommunications Program. The Highly Rural classification is adopted from the Veteran’s Affairs Highly Rural Transportation Grant program that is available to provide no-cost transportation to veterans living in counties with fewer than seven people per square mile.<sup>2</sup> Such a priority would provide stability to HCPs that

---

<sup>1</sup>See *Rural Health Care Support Mechanism*, Order, FCC 17-84, WC Docket No. 02-60 (rel. Jun. 30, 2017) (“FY 2016 Remote Alaska Waiver Order”).

<sup>2</sup>See Pub. L. 111-163 sec. 307(c)(1); 38 C.F.R. § 17.700.

Ms. Marlene H. Dortch

September 1, 2017

Page 2 of 2

are most reliant on telemedicine. At the same time, greater cost sharing for Highly Rural HCPs in the Telecommunications Program, which should be phased in, would discipline demand while allowing Highly Rural HCPs to budget for increases over time, as opposed to being hit with immediate, and prospectively unknowable pro rata discount reductions. Such increased cost sharing would need to be carefully calibrated so as not to fundamentally undermine Congress' objectives in enacting rural healthcare provider support. We also noted that per-Mbps prices in rural Alaska have decreased over the past several years and that we expect price compression to continue.

Please contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Nakahata", written in a cursive style.

John T. Nakahata

*Counsel to General Communication, Inc.*

cc: Trent Harkrader  
Jonathan Lechter  
Ryan Palmer  
Preston Wise  
Dana Bradford  
Soumitra Das  
Regina Brown