

Alaska Communications
WC Docket No. 17-310
December 13, 2018

1. Service providers and healthcare providers (HCPs) alike have struggled to comply with RHC Telecom Program rules that are outmoded (or have been interpreted in an unreasonably restrictive manner) for today's market – Particularly the rules governing the “**urban rate**” and the “**rural rate**” for what are essentially unregulated business data services

- As discussed in our comments previously filed in this proceeding, AC recommends using **Lowest Corresponding Price (LCP)** as the basis for approving the rural rate – This works well for E-Rate, USAC seems to understand it, and there is merit in adopting a measure that has proven to be straightforward to administer
- In the event the Commission rejects LCP as a basis for approving a rural rate, the rural rate should be deemed reasonable if within **rate caps** established by USAC **biannually**, using an average of available prices for reasonably comparable services in reasonably comparable locations in the state, based on services actually provided to customers:

Layer 2 Rates			
Bandwidth (Mbps)	Area		
	Rural On-Road	Rural Off-Road	Satellite-Only
Less than 10M			
More than 10M less than 100M			
More than 100M			
Layer 3 Rates			
Bandwidth (Mbps)	Area		
	Rural On-Road	Rural Off-Road	Satellite-Only
Less than 10M			
More than 10M less than 100M			
More than 100M			

- The rules should incorporate some flexibility, reflecting a rapidly-evolving market, and permit common sense comparisons between services that are “reasonably comparable” to the service provider and the HCP
- The **urban rate (floor and ceiling)** may be set by USAC on a statewide basis, based on commercial contracts (including higher bandwidths)

2. Greater **transparency, predictability and accountability** are needed if this program is to ensure the availability of communications services *which are necessary for the provision of healthcare services in rural America*, as required by statute

- FY 2016, 2017 and 2018 were characterized by unacceptable delays in funding
- Predictability mandates that **deadlines** be set and enforced so HCPs and service providers are certain of funding – ideally a schedule can be established that requires Funding Commitment Letters to be issued shortly after the conclusion of the bidding process, but **prior the commencement of the funding year**
- Transparency would be served by **greater sharing of information** by USAC and the FCC
- Accountability requires more hands-on FCC **oversight** of USAC and the RHC program, including ensuring that USAC employees are appropriately **trained** and responsive to the public, ensuring that USAC **deadlines** are met, and ensuring the program is **meeting the needs** of healthcare providers serving rural America

3. Demand will soon outstrip the current budget. The Commission must **increase the budget** in 2019 so sufficient funding is available to meet the current and anticipated communications demands of advanced tele-health applications

- Biannually, the FCC should **assess the needs** of public and non-profit HCPs serving persons who reside in rural areas, and update the budget for the RHC program based on expected demand for the program, taking into account evolving healthcare needs as well as technology changes and market forces
- Based on changes in technology and business process, we believe the budget should currently be set in the **\$800M - \$1B** per year, and continue to be adjusted for inflation