

RURAL HEALTH CARE CORPORATION

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October 28, 1998

RECEIVED

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Kathryn Brown
Chief, Common Carrier Bureau
Federal Communications Commission
Washington, DC 20554

Re: CC Docket No. 96-45

Dear Ms. Brown:

The purpose of this letter is to request that the 1998 funding year for the universal service program for rural health care providers be extended from a 12 month cycle (January 1 - December 31, 1998) to an 18 month cycle (January 1, 1998 - June 30, 1999).

The net program cost to extend the fiscal year to June 30, 1999 would be minimal, as all current program requirements would remain the same. Only a small expense would be associated with notifying current applicants as well as potential new applicants of the change.

The applicant and program benefits far outweigh the costs. Applicants would not be required to complete another application form for the new funding year (1999) so soon after just recently completing their 1998 applications. Also, extending the funding year would give those who are still in the process of completing their current applications additional time to complete them as well as allowing time for new applicants to apply. It is reasonable to expect that demand for 1998 will begin to decrease because applicants feel there is no need to apply for 1998 funding because they cannot complete their applications in time and there will be little economic benefit realized. Finally, conforming the Rural Health Care Corporation (RHCC) funding year with that of the Schools and Libraries program will result in some efficiency at the Universal Service Administrative Company (USAC). USAC concurs with our request.

The RHCC estimates that, if the funding year is not extended to June 30, 1999, no more than \$2 million will be committed in 1998. If the funding year is extended to June 30, 1999 and applicants are allowed an additional 6 months of retroactive funding support, RHCC estimates approximately \$10 million will be committed.

I trust that this will provide you with the information that you need. If you require further information, please let me know.

Very truly yours,



Lee E. Bailey,
President

Attachments

cc: Magalie Salas, Tom Power, Lisa Gelb, Pam Gallant

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