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L.L.P.

DAVID L. SIERADZKI  
COUNSEL  
DIRECT DIAL (202) 637-6462  
INTERNET DS0@DC2.HHLAW.COM

COLUMBIA SQUARE  
555 THIRTEENTH STREET, NW  
WASHINGTON, DC 20004-1109  
TEL (202) 637-5600  
FAX (202) 637-5910

July 9, 1999

Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 Twelfth St., S.W.  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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

Dear Ms. Salas:

I am writing on behalf of the American Samoa Telecommunications Authority ("ASTCA") to suggest matters that the Commission could productively address in the upcoming notice of proposed rulemaking on universal service for underserved areas and related issues. <sup>1/</sup> The upcoming proceeding provides a perfect opportunity for the Commission to address several difficult problems affecting consumers in the U.S. insular territories, including American Samoa, including (1) special problems with rural telemedicine and (2) funding for the high cost of toll service, particularly for toll-free access and access to information services.

1. The Commission should use this opportunity to seek comment on providing support for telemedicine in insular areas such as American Samoa. There is no fully-equipped university hospital in American Samoa, and health care

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<sup>1/</sup> ASTCA is a semi-autonomous agency of the American Samoa Government, with divisions that provide local and long distance telecommunications service to over 17,000 access lines in the Territory of American Samoa, and is a "rural telephone company" that has been designated as an Eligible Telecommunications Carrier for universal service purposes. *See American Samoa Government and the American Samoa Telecommunications Authority, Petition for Waivers and Declaratory Rulings to Enable American Samoa to Participate in the Universal Service High Cost Support Program and the National Exchange Carrier Association Pools and Tariffs*, CC Docket No. 96-45, AAD/USB File No. 98-41, DA No. 99-1131 (Com. Car. Bur. Accounting Policy Div., released June 9, 1999).

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providers in the Territory need access to the closest such facility available -- at the University of Hawaii in Honolulu. ASTCA, at its own expense, has set up and currently operates a high-capacity circuit to connect health care providers, including the approximately 25 physicians and 20 nurses at American Samoa's lone hospital, LBJ Tropical Medical Center, to the facility at the University of Hawaii in Honolulu. This is precisely the type of service offering that the universal service program for rural health care was intended to support. But because of the structure of the program, ASTCA's operation may be ineligible for support.

Although ASTCA has been designated an "eligible telecommunications carrier," <sup>2/</sup> the rural health care program is structured in such a way that American Samoa and other insular areas are excluded. The program is set up to support the difference in cost between access to advanced health care facilities by health care providers in "rural" areas of a "state" and such access in "urban" areas of a "state." But *all* of American Samoa is "rural." The Commission's designation of the main island of Tutuila as the "urban" area for this purpose makes no sense, given that Tutuila includes 95% of the population and *all* of the health care providers in the Territory. <sup>3/</sup> And because ASTCA maintains a single set of rates that apply throughout the territory, there is no difference between the rates in "urban" and "rural" rates within the Territory. The rural telemedicine that American Samoa needs support for is access to the nearest U.S. *urban* area with advanced health care facilities -- Honolulu.

The intent of Congress was to ensure that rural areas such as American Samoa receive support for the high cost of providing telemedicine to rural health care providers. <sup>4/</sup> But under the program adopted by the Commission, American Samoa may not be eligible to receive any rural telemedicine support. The

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<sup>2/</sup> Under Executive Order No. 13-1997, Tauese P.F. Sunia, Governor of American Samoa, exercised authority provided by 47 U.S.C. § 214(e) to designate the ASTCA as an "eligible telecommunications carrier" for the purpose of receiving federal universal service support.

<sup>3/</sup> *Federal-State Joint Board on Universal Service*, First Report and Order, 12 FCC Rcd 8776, 9137, ¶ 697 (1997) ("*Universal Service First Report and Order*").

<sup>4/</sup> The Joint Conference Report of the 1996 Act indicates that Section 254 was explicitly amended to add "insular areas' (such as the Pacific Island territories) to the list of consumers to whom access to telecommunications and information services should be provided" under universal service. Joint Managers' Statement, S. Conf. Rep. No. 104-230, 104th Cong., 2d Sess., at 131 (1996).

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people of this U.S. territory would thus be deprived of the major benefits of telemedicine, which have been recognized by the Commission. 5/

The upcoming proceeding to seek further comment on issues affecting insular areas would be an excellent opportunity to revisit the structure of the support program for telemedicine in rural and insular areas. Specifically, the Commission should consider providing for the utilization of a "surrogate" urban area for purposes of determining comparable rates for insular areas. In the case of American Samoa, the program should provide support for rural health care facilities' links to Honolulu, Hawaii. The funding could be provided either by the Rural Telemedicine Fund or by the High-Cost Universal Service Fund.

2. As a general matter, the provision of the Telecommunications Act of 1996 requiring geographic rate averaging and integration -- 47 U.S.C. § 254(g) -- apparently was intended to be the primary vehicle for ensuring that residents of rural and insular areas have access to long distance services at reasonable rates. 6/ But because the cost of providing long distance service between the United States mainland and the remote Pacific Island territories is so much more extraordinarily costly than domestic long distance service, rate averaging and rate integration may not be sufficient to ensure reasonably priced long distance and related services in the territories. The Commission considered (but declined to take action on) one aspect of this problem in the *Universal Service First Report and Order*, observing that toll service to the Pacific Island territories is costly, and that as a result residents of those territories may lack access to toll-free access services and information services. 7/ The upcoming proceeding presents an excellent opportunity to gather additional information and to address these issues more broadly.

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5/ *Universal Service First Report and Order*, 12 FCC Rcd at 9093-95, ¶¶ 609-611.

6/ At the direction of the Common Carrier Bureau, in 1997 the American Samoa Government (including its Office of Communications, the predecessor of ASTCA) proposed a rate integration plan for American Samoa. Among other things, it proposed that American Samoa would remain outside the North American Numbering Plan, and would retain its own international dialing code. The proposal remains pending before the Commission. See The American Samoa Government's Proposed Rate Integration Plan For American Samoa, *Policy and Rules Concerning the Interstate, Interexchange Marketplace; Implementation of Section 254(g) of the Communications Act of 1934, as amended*, CC Docket No. 96-61 (filed Oct. 1, 1997).

7/ *Universal Service First Report and Order*, ¶¶ 410-423.

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Finally, the upcoming proceeding is likely to be coordinated with the Commission's high-priority initiative to promote telecommunications service to underserved American Indian reservations. <sup>8/</sup> ASTCA submits that the same rationale supports the measures discussed above to promote telecommunications service to the insular territories. There are some historical similarities between the population of Indian reservations and the population of American Samoa and other insular territories, and like the Indians on reservations, American Samoans have much lower incomes and lower telephone penetration rates than the rest of the United States. The federal government owes the residents of its insular territories a historical debt, similar to that owed to the Indians on reservations. The FCC should take advantage of this opportunity to stimulate economic development in the insular territories by adopting measures to promote telecommunications service in those territories.

Please contact me if you have any questions.

Respectfully submitted,



David L. Sieradzki  
Counsel for the American Samoa  
Telecommunications Authority

cc: Valerie Yates, Assistant Chief, Common Carrier Bureau (by fax)

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<sup>8/</sup> See generally *Overcoming Obstacles to Telephone Service on Indian Reservations*, BO Docket No. 99-11, [http://www.fcc.gov/Panel\\_Discussions/ Teleservice\\_reservations/](http://www.fcc.gov/Panel_Discussions/Teleservice_reservations/).