

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

	)	
In the Matter of	)	
	)	
Rural Health Care	)	WC Docket No. 02-60
Support Mechanism	)	
	)	

**COMMENTS OF  
MOBILE SATELLITE VENTURES SUBSIDIARY LLC**

By Notice of Proposed Rulemaking<sup>1</sup> released April 19, 2002, the Commission requests comment on proposed modifications to its rules and other changes governing the rural health care universal service support mechanism. In response thereto, Mobile Satellite Ventures Subsidiary LLC (“MSV”) submits the following comments.

**Introduction**

MSV supports the Commission’s stated goal “to strengthen the ability of rural health care providers to provide critical health care services, consistent with section 254, and thereby further our national homeland security.” *Notice* at ¶ 3. MSV’s system allows rural health care providers to establish an immediate link to a hospital or medical facility of their choice and, in cases that may implicate a danger to the broader public, MSV’s system provides an immediate link to a state’s emergency preparedness agencies and personnel. Public policy supports Commission action that results in universal service support for MSV’s provision of telecommunications services to rural health care providers.

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<sup>1</sup> *In the Matter of Rural Health Care Support Mechanism*, Notice of Proposed Rulemaking, FCC 02-122, 67 Fed.Reg. 34653 (May 15, 2002) (hereinafter “*Notice*”).

## Background

MSV's system provides voice and data communications services to people who live, work, or travel in rural and remote areas of the U.S. unserved by terrestrial technologies. No matter how remote an individual's location, an MSV terminal allows that person to communicate with any party who can be reached through the public switched telephone network. As the Commission has previously recognized, the public interest benefits associated with MSV's system are significant, including the ability to meet rural public safety needs and provide emergency communications to any area during emergencies and natural disasters.<sup>2</sup>

Though intended primarily as a mobile service, MSV's system also provides fixed-site telephone service. In fact, in unserved areas of low population density, the provision of fixed telecommunications using MSV's system is more efficient and cost-effective than service provided by wireline technology.<sup>3</sup> As a result, MSV has long urged the Commission to make clear that high cost area support is available to LECs reselling MSV's system to customers in areas without wireline service.<sup>4</sup>

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<sup>2</sup> Notice of Proposed Rulemaking, IB docket No. 96-132, at 6-7.

<sup>3</sup> *The Cost of Basic Universal Service*, prepared for MCI Communications corporation by Hatfield Associates, Inc. (July 1994), filed with the Comments of MCI Communications Corporation, FCC Docket No. 80-286 (October 28, 1994). MSV's fixed-site telephone service is provided by installing a high-gain L-band transceiver at the user's location, with a standard interface and handset. All outbound calls (from the customer) are routed through the satellite to the MSV earth station in Reston, Virginia, and into the public switched telephone network. Inbound calls (to the customer) are routed through the MSV earth station to the satellite and terminate at the customer's location. Local providers with sufficient traffic volume may choose to install a local gateway earth station as an alternative to routing calls through the Reston earth station.

<sup>4</sup> See, e.g., Comments of AMSC Subsidiary Corporation, CC Docket No. 95-115 (September 27, 1995); Comments of AMSC Subsidiary Corporation, CC Docket 80-286 (October 10, 1995).

In addition to fixed-site service, MSV provides mobile telecommunications services urgently needed in rural and remote areas for the provision of emergency medical care. Since approximately eighty percent of casualties in emergency situations occur in rural areas, a mobile communications capability is critical if rural health care providers are to locate, treat, and transport these individuals.<sup>5</sup> Unfortunately, because the cost of constructing and operating terrestrial Emergency Medical Radio Service systems and other private radio systems is prohibitive, and given the limited range of cellular service, mobile telecommunication service in rural areas is often either inadequate or entirely unavailable. In such areas, rural health care providers must identify alternative means of mobile communication for use in response to medical emergencies.

MSV offers rural health care providers two options. In addition to its Satellite Telephone Service (“STS”), MSV offers a Satellite Dispatch Service (“SDS”) that provides rural health care providers with a mobile communications capability unlike any service offered by terrestrial, wireline, or cellular telecommunications providers. Using SDS, rural health care providers can establish links with other local groups, with similar groups on a regional, statewide, or national basis, or with medical experts or homeland emergency personnel in the event of a broader emergency.

MSV appreciates the Commission’s understanding of the importance of MSV’s system to rural health care providers and looks forward to a universal service support mechanism that allows MSV to expand its offerings to rural health care providers. To the extent MSV is able to

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<sup>5</sup> *Findings and Recommendations of the Advisory Committee on Telecommunications and Health Care at 5.*

provide its communications capabilities to rural health care providers at a discount, its services and the benefits therefrom can be made more widely available.

### Discussion

The Commission recognizes that in some areas, satellite systems may provide the only viable means for a rural health care provider to receive telecommunications services. *Notice* at ¶ 38. It also recognizes that a rural provider using satellite services typically does not receive a discount under the universal service support mechanism because, under current Commission policies, the cost of rural satellite service would be compared to the cost of urban satellite service, and the price of satellite service does not vary by location. *Id.*

MSV previously has offered two proposals to the Commission regarding the possible calculation of a subsidy for rural health care providers' use of MSV's satellite communications services.<sup>6</sup>

MSV has suggested that the Commission should adopt a fair, market-oriented approach and establish that the urban services that are "similar" to MSV's rural emergency medical communications are the terrestrial mobile communications services typically used by ambulances and other emergency medical vehicles in those urban areas. Under this approach, all providers of emergency mobile communications systems would be eligible for the same subsidy. As a result, market forces and the relative cost-effectiveness of competing technologies would determine which telecommunications technology would be the most successful in rural and remote areas. This proposal has certain elements in common with the Commission's functionality proposal. *See Notice* at ¶¶ 32-40.

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<sup>6</sup> *See* AMSC Petition for Clarification or Reconsideration, CC Docket No. 96-45 (July 17, 1997); MSV Comments, CC Docket No. 96-45 (Dec. 20, 2001).

MSV also has suggested that the Commission establish a universal service support mechanism that reflects the difference between a “base charge” and additional “distance charges.” This proposal was intended to work within the Commission’s policies governing urban/rural calculations, although the base and distance charges are not based on standard urban distances (“SUDs”) or maximum allowable distances (“MADs”) as these concepts cannot be applied to satellite service. Under this approach, the base charge would be the flat monthly rate and per-minute charges for dial-out calls associated with the region in which the health care provider is located and the initial Talk Group the provider has established under MSV’s SDS private network. Additional distance charges would be those costs to the provider to add an additional region to the private network, to add an additional Talk Group, to add individuals to a Talk Group, and/or to dial outside of the Talk Group.

MSV’s proposals are consistent with and further the goals of Section 254, including the universal service principle that quality services should be available at just, reasonable, and affordable rates. 47 U.S.C. § 254(b)(1). The MSV system was designed to serve the unique telecommunications needs of rural America. No other system offers the range of services, the coverage area, and the configuration flexibility that MSV’s system offers. MSV’s rate structure necessarily reflects the technologies that it uses to provide its services. Allowing MSV’s rural health care customers to obtain discounted telecommunications services advances the universal service policies articulated in Section 254.

While recognizing the benefits of satellite service, the Commission expresses the concern that “widespread use of satellite-based services by rural health care providers that do have reasonably priced land-based alternatives, if fully funded by the rural health care mechanism, may prove costly for the universal service support mechanism and offer an unnecessarily

expensive service option for some applicants.” *Notice* at ¶ 38. This concern is unfounded, in part, because rural customers are primarily those with few, if any, reasonably priced land-based alternatives.

The Commission’s concern appears based on the assumption that satellite service will always be the most expensive option to a rural health care provider. MSV’s SDS, however, is offered at a very competitive flat-rate. An SDS customer that judiciously uses the STS function to dial outside the talk group achieves a very affordable configuration. Alternatively, the rural health care provider may pair satellite services with land-based services to develop a cost-effective telecommunications solution that meets its unique needs. Unless and until it has evidence of a negative impact to the universal service support mechanism, the Commission should focus on expanding – not restricting – the tools available to rural health care providers that will help them save lives.

The cost savings associated with satellite service are most significant when the provision of service would require a terrestrial build-out. While a satellite customer incurs initial costs associated with pre-packaged sending and receiving mechanisms included in the terminal and peripheral equipment, the cost of this equipment is a fraction of the cost of a terrestrial network build-out. Moreover, unlike a build-out, the satellite network is in-service immediately. The Yurok Tribe offers a concrete example of the cost-effectiveness and flexibility of MSV’s system, and the value its customers receive from that system. *See* June 27, 2002 letter of Howard McConnell, Vice Chairperson, Yurok Tribe, attached hereto. The Yurok Reservation follows the narrow and winding Klamath River Canyon approximately 45 miles from the confluence of the Klamath and Trinity Rivers to the Pacific Ocean. A terrestrial network build-out is currently impracticable due to overwhelming capital costs and logistical difficulties associated with the

reservation site. MSV's satellite dispatch service, in conjunction with STS, offers the Tribe its only viable telecommunications service option.

The Commission has requested comment on whether it should "seek ways to encourage" the health care provider to use the lowest bidder. *Notice* at ¶ 59. The Commission should refrain from any action that pressures the rural health care provider to use the services of the lowest bidder, particularly as its urban counterpart would be under no corresponding pressure. Commission action that "encourages" use of the lowest bidder represents a significant intrusion into the health care provider's business. Such action would force both the provider and carrier to focus on costs to the exclusion of all other considerations, thereby jeopardizing the quality and scope of services provided. Further, it may inadvertently lead to higher costs to the provider, as bare-bones bids are supplemented with expensive add-ons after the contract is awarded. Ultimately, any Commission action to direct the selection of a service provider would be contrary to the Commission's long-standing policy to promote customer choice in the selection of a carrier.

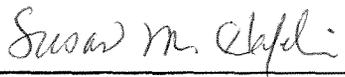
MSV's satellite system is uniquely positioned to provide high-quality, low-cost fixed site and mobile communications to rural health care providers in rural and remote areas unserved by terrestrial technologies. A workable support mechanism will encourage the use of MSV's system in these areas and promote national universal service goals.

**Conclusion**

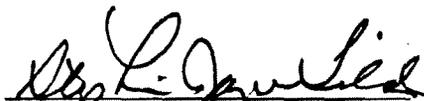
For the reasons discussed herein, MSV respectfully requests that the Commission grant MSV the relief requested in its Petition for Clarification and establish a mechanism that allows MSV to offer discounted telecommunications services to rural health care providers.

Respectfully submitted,

**MOBILE SATELLITE VENTURES  
SUBSIDIARY LLC**



Bruce D. Jacobs  
Susan M. Hafeli  
Shaw Pittman LLP  
2300 N Street, NW  
Washington, D.C. 20037  
Telephone: (202) 663-8000  
Facsimile: (202) 663-8007



Stephanie Jayne Wilden  
Regulatory Administrator  
Mobile Satellite Ventures Subsidiary LLC  
10802 Park Ridge Boulevard  
Reston, Virginia 20191  
(703) 758-6000

July 1, 2002

# YUOK TRIBE

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 Eureka

1034 Sixth Street • Eureka, CA 95501  
(707) 444-0433  
FAX (707) 444-0437

 Klamath

15900 Hwy. 101 N. • Klamath, CA 95548  
(707) 482-2921  
FAX (707) 482-9465

 Weitchpec

Hwy 169 • Weitchpec Route  
Hoop, CA 95548  
(707) 444-5606

June 27, 2002

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
The Portals  
445 Twelfth Street, SW  
Washington, DC 20554

Re: **Federal-State Joint Board on Universal Service**  
**CC Docket No. 96-45**  
**Comments of Mobile Satellite Ventures Subsidiary LLC**  
**Filed December 20, 2001**

Dear Ms. Dortch:

The Yurok Tribe (the "Tribe") supports the comments filed by Mobile Satellite Ventures Subsidiary LLC ("MSV") on December 20, 2001, asking for clarification or reconsideration in order to facilitate the use of MSV's system to provide Universal Service supported services in rural and remote areas. Granting the relief requested by MSV is consistent with the Commission's commitment to bringing telecommunications to Native American lands and to other remote and rural areas. Further, it allows both MSV and customers, such as the Tribe, to receive the benefits intended by the Universal Service provisions.

The Yurok Tribe has installed MSV's satellite-dispatch service in various Tribal offices and vehicles, including the Tribal Department of Public Safety, Fisheries, Watershed Restoration, United Indian Health Services Health Clinic, and other Tribal offices. It has done so because there is no wireline or wireless telephone or other communications service option available on most of the Yurok Reservation. The Yurok Tribe has chosen to use the MSV system to provide communications on and off the Reservation until such time as more traditional telephone service is available.

The Yurok Reservation follows the narrow and winding Klamath River canyon approximately 45 miles, from the confluence of the Klamath and Trinity Rivers to the Pacific Ocean. The geography of the Reservation makes it extremely difficult for telephone service to be provided using existing wireline and wireless technologies. Use of the MSV network has provided the Yurok Tribe with extensive and quality communications coverage without incurring the capital costs associated with a

terrestrial based system. Allowing MSV to obtain Universal Service subsidies for services offered under these circumstances would offer substantial benefit to the residents of the Yurok Reservation.

For these reasons, the Yurok Tribe supports the Mobile Satellite Ventures Subsidiary LLC petition before the FCC. If you have any questions, please feel free to contact Peggy O'Neill, Yurok Tribe Planning & Community Development Department (707-444-0433).

Sincerely,



HOWARD MCCONNELL  
Vice Chairperson  
Yurok Tribe

cc Stephanie Jayne Tilden, MSV