

ATTACHMENT J

From: William England [mailto:wengland@usac.org]
Sent: Friday, February 19, 2010 2:08 PM
To: mcary@gci.com
Cc: John Nakahata; Rekha Ayalur
Subject: Request for Additional Information - YKHC

Dear Mr. Cary:

Thank you for your letter dated December 23, 2009 responding to our questions concerning service provided to Yukon-Kuskokwim Health Corporation (YKHC). Based on your responses, we have several follow-up questions concerning the rural rate pricing comparison and the over-limit usage charges assumptions. The information we are requesting is important for bringing our inquiry to conclusion, and we would appreciate receiving your written response by March 4, 2010. Because your December 23rd reply came through Wiltshire & Grannis LLP, I have included John Nakahata in this email.

As you noted in your letter of December 23, 2009, to determine the rural rate, Section 54.607(a) of the FCC's rules requires an averaging of the rates charged to commercial customers for identical or similar services provided in the area served. In determining the rural rate for commercial customers, you calculated the per Mbps cost for YKHC, a "carrier customer" and a "commercial customer" by totaling the "circuit" capacity and dividing it into the monthly service cost. Our concern with this method of calculation is that it is not comparing "identical or similar" services. Rather, it is pooling rates for 3 Mbps circuits and a 100 Mbps service. We typically expect to see volume discount effects or lower cost per Mbps rates for higher bandwidth services. Additionally, your averaging of rates included only two commercial customers. Based on our understanding of GCI's operations in the YK Delta, we are concerned that there appear to be more customer rates that should be included in the average, including rates for GCI subsidiaries.

To better assist USAC in determining the appropriate rural rate for Rural Health Care Support Mechanism benefits eligibility, please provide commercial customer rates for functionally equivalent speeds using the FCC's "safe harbor categories" as described in the FCC's Report and Order released on Nov. 17, 2003 (FCC 03-288; 18 FCC Rcd 24546, para. 34). Except for the Bethel hub site, the YKHC sites fall into the T-1 category of 1.4 to 8 Mbps. Please provide your commercial customer rates for all services in the 1.4 to 8 Mbps category provided by GCI in the YK Delta.

The next questions relate to the YKHC contract and the Hypernet Platinum service comparison provided on page 4 of the December 23rd letter. The per month base circuit price is listed as \$27,476. The bid price as indicated on the FCC Form 466 states the per circuit price as \$24,753. Please indicate the correct price.

One reason given as to why the Hypernet Platinum service is not suitable for YKHC is the over-limit usage charge. You estimated that the under the Hypernet Platinum plan, YKHC's usage fees could exceed \$19,000 assuming 3 Mbps symmetric service was available as part of the plan. We understand this is hypothetical, but we want to understand the assumptions that went into your estimate. A \$0.01/MB (\$10/GB) usage fee of \$19,000 is 1,900 GB per month. Streaming HD video at 2 Mbps would be $2 \times 3600 / 8 = 900$ MB/hr uploaded from the clinic (1.8GB for full duplex) so even using HD service $24 \times 7 = 1,680$ GB, well under 1,900 GB/month. Please provide more information as to how the \$19,000 over-limit usage charge assumption was

estimated.

If you would like the opportunity to discuss your response, we can schedule a meeting following receipt of your written response.

Best regards,

William England, Ph.D., J.D.
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ATTACHMENT K

CONFIDENTIAL PORTIONS OF RESPONSE ENCLOSED



December 23, 2009

Rekha Ayalur
Program Manager
Universal Service Administrative Company
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

*Re: Response to Letter Dated November 13, 2009 Regarding Service to
Yukon-Kuskokwim Health Corporation ("YKHC")*

Dear Ms. Ayalur:

GCI Communication Corp. ("GCI") hereby responds to the above-referenced letter.

As USAC is aware, GCI provides symmetric broadband Ethernet telecommunications service to YKHC medical facilities throughout the Yukon-Kuskokwim Delta ("Y-K Delta") region of southwestern Alaska over the DeltaNet regional microwave network.¹ Service speed is designated on a per-location basis and ranges from 1.5 to 3 to 5 megabits per second ("Mbps").² DeltaNet (together with associated local fiber facilities) currently connects YKHC's main medical facilities in Bethel with five sub-regional clinics and 26 village clinics, with an additional three village clinics coming on-line by year-end.

Because many of these clinics are located in extremely isolated areas, YKHC medical professionals often cannot provide advanced medical services in person, but instead must rely on telemedicine. By coupling advanced technologies, including medical telemetry and digital medical imaging, and high definition video conferencing, with GCI's reliable, high-availability broadband service, YKHC is able to provide modern medical services to an economically challenged rural population that would otherwise be left on the wrong side of the healthcare and digital divide.

GCI now addresses each of your specific questions.

¹ The remaining 15 YKHC clinics are served either by satellite or a microwave system that is operated by AT&T-Alascom and UUI, GCI's wholly owned subsidiary and serves locations in close proximity to Bethel.

² Five sub-regional clinics ("SRC") are each served with a 5 Mbps circuit. 23 village clinics are served with 3 Mbps circuits, and 3 are served with 1.5 Mbps circuits. In addition, Bethel is served by a 100 Mbps port onto DeltaNet. Three village clinics will be added to DeltaNet by year-end, with two at 3 Mbps and one at 1.5 Mbps.



Question 1: The GCI bid accepted by YKHC is for a 3 Mbps Packet Service for \$24,753 per month. Please explain why GCI did not offer YKHC a lower priced alternative, such as the Hypernet Platinum Service. Based on your analysis of their needs, were there technical specifications that would prevent this service from being compatible with their existing equipment or the Tandberg Edge 95 MXP VTC equipment they purchased through GCI?

Response to Question 1:

HyperNet Platinum cannot meet YKHC's technical and service availability requirements and therefore is not a "lower priced alternative" to the telecommunications service that YKHC purchases from GCI under the YKHC-GCI contract (the "YKHC Contract").

Here is a recap of the requirements YKHC sought to fill in its 2008 acquisition process and how GCI addressed those requirements:

Technical Requirements. YKHC needed Ethernet bandwidth in currently-served and planned DeltaNet-served villages sufficient to support (i) the provision of medical treatment using two-way high definition video teleconferencing ("HD VTC"), medical telemetry, and digital medical imaging and (ii) existing data and voice applications. HD VTC using the Tandberg Edge 95 VTC equipment requires at least two Mbps of symmetric, low-latency bandwidth for diagnostic quality, high resolution video and audio transmissions. In order to ensure that YKHC had adequate bandwidth to run existing data/voice applications concurrently with the HD VTC services, GCI's bid for clinics with a single HD VTC equipment set included two-way symmetric three Mbps broadband Ethernet connectivity.

Service Availability Requirements. YKHC also needed 24/7 access to the Ethernet bandwidth that it purchased. To that end, the YKHC contract includes a detailed, YKHC-specific service level agreement ("SLA") that provides for each Bethel-to-remote-clinic Ethernet "circuit" to be available 99.99% of the time. The SLA also sets forth other YKHC-specific provisions, including other service commitments, arrangements for 24/7 network monitoring and dedicated technical support, and service restoration/maintenance procedures. These SLA commitments are backed up by financial penalties.

Hypernet Platinum would not come close to meeting YKHC's technical and service availability requirements for the following reasons:



- **Inadequate Geographical Availability.** Hypernet Platinum is a cable modem service available only in communities where GCI operates a cable network. None of the existing or planned DeltaNet-served communities other than Bethel has GCI cable service.³
- **Technical Infeasibility.** With an advertised maximum download speed of 1.5 Mbps and a maximum upload of 256 kbps, Hypernet Platinum would not support standard definition VTC, much less the kind of HD VTC service that YKHC is using, even if it were available in all DeltaNet locations. GCI does not offer a symmetric 3 Mbps cable modem service anywhere in Alaska.
- **No Service Level Agreement.** Hypernet Platinum is not backed up by a detailed, customer-specific SLA. A Hypernet Platinum user's "circuit" is not continuously monitored with 24/7 dedicated technical support and other service commitments. For example, maintenance outages can take place at any time without notification or prior consent of the end-user. In contrast, the YKHC Contract requires that GCI secure YKHC's approval of maintenance outages outside of a pre-agreed maintenance window so that YKHC can minimize disruption during daytime hours.
- **Inappropriate Usage Pricing Model.** The YKHC Contract service is provisioned and priced on a customized basis for a highly sophisticated commercial user with specialized, mission-critical needs. There are no usage limits on the service.

The Hypernet Platinum plan is a cable modem service that is provisioned and priced for general consumer and small business usage. It is subject to usage limits, and usage beyond those limits results in additional charges. As a result, even if GCI offered Hypernet Platinum in all DeltaNet communities and even if Hypernet Platinum offered a symmetric 3 Mbps cable modem connection, an end-user with high bandwidth usage could incur over-limit usage fees exceeding \$19,000 per month without the benefit of a detailed, customer-specific SLA.⁴

³ GCI's cable modem services are provided to discrete regional hub communities, including Bethel, and are labeled on GCI's website as "Regional Ultimate Xtreme & HyperNet High Speed Modems." See http://www.gci.com/forhome/internet/standalone_modems.htm. The service is not provided beyond the communities listed.

⁴ The Hypernet Platinum over-limit usage charges are currently scheduled to rise substantially.



The differences between the YKHC Contract for DeltaNet services and Hypernet Platinum are summarized below:

Geographic Availability	YKHC's headquarters in Bethel and clinics in 31 DeltaNet communities	Bethel only
Circuit Capacity	3 Mbps x 3 Mbps Symmetric (typical location)	Up to 1.5 Mbps x 256 Kbps Asymmetric. No symmetric service available.
Base Circuit Price & Over-Limit Usage Charge	\$27,476/month for unlimited usage. No over-limit usage charge.	\$164.99/month for 16,384 megabytes of usage per month. Over-limit usage charge of one cent per megabyte. Usage fees could exceed \$19,000 per month (assuming 3Mbps x 3Mbps service were available).
Monitoring & Support	7x24 full carrier-grade Network Operations Center monitoring of each circuit and dedicated technical support	No customer-specific continuous monitoring or dedicated support
Service Level Agreement	Formal YKHC-specific SLA including detailed performance metrics (including 99.99% circuit availability), service maintenance/restoration procedures, and financial penalties	No SLA

Accordingly, the Hypernet Platinum service could not have been used to provision YKHC's telecommunications needs.



Question 2: Please provide details of how GCI determined its bid price for this service. Such information is necessary for USAC to determine whether a health care provider has selected the most cost-effective service for its needs in a situation where there is only one bidder, and the service is sufficiently unique that USAC cannot readily determine if the service for which support is requested is fairly priced. We recognize that such information may be privileged and confidential and you may request nondisclosure of the information you provide.

Response to Question 2:

**** BEGIN CONFIDENTIAL ****

REDACTED

REDACTED



REDACTED

REDACTED



REDACTED

**** END CONFIDENTIAL ****

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REDACTED



As it is bearing the financial burden of delays in the funding application process, GCI sincerely hopes that the foregoing information will resolve any questions that USAC has regarding YKHC's funding request and that USAC will immediately fund YKHC's funding request for these vital services. Indeed, the YKHC service deployment is a model of what the Rural Health Care Program was intended to support. It is not clear why the Rural Health Care Division has held up approval of YKHC's funding application, which benefits 28,000 Yup'ik Eskimo people in one of the most remote and economically challenged parts of the Nation, while the FCC simultaneously seeks to promote broadband connectivity to anchor tenants for exactly the types of technologies deployed by YKHC. To the extent that USAC continues to delay approval of YKHC's request, GCI respectfully requests a meeting with USAC personnel, including specifically you and Messrs. England and Capozzi, to promptly resolve any outstanding issues.

Sincerely,

GCI COMMUNICATION CORP.

A handwritten signature in purple ink, appearing to read "M Cary", is written over the printed name.

Martin Cary
Vice President and General Manager
Managed Broadband Services
mcary@gci.com
907-868-5459

ATTACHMENT L

November 13, 2009

Mr. Steve Walker
GCI Communications Corporation
2550 Denali Street
Anchorage, AK 99503

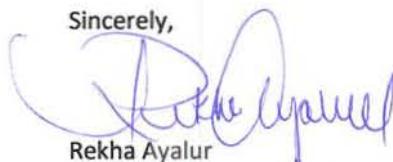
Dear Mr. Walker:

USAC is looking into the competitive bid process resulting in the selection of GCI as the new service provider for telecommunications and internet services provided to YKHC sites for FY2008. During the course of its investigation, USAC has reviewed GCI's website in order to gain a better understanding of services offered by GCI. On its website, GCI offers broadband internet services, specifically "Hypernet," to villages in Alaska including several YKHC villages for at or near \$164.99 per month. This Hypernet "Platinum" service is advertised on GCI's website to be 1.5/256Kbps, 16,384MB of throughput/month.

To assist USAC in reviewing YKHC's selection of the most cost-effective service, we respectfully request that you address the following questions:

1. The GCI bid accepted by YKHC is for a 3Mbps Packet Service for \$24,753 per month. Please explain why GCI did not offer YKHC a lower priced alternative, such as the Hypernet Platinum Service. Based on your analysis of their needs, were there technical specifications that would prevent this service from being compatible with their existing equipment or the Tandberg Edge 95 MXP VTC equipment they purchased through GCI.
2. Please provide details of how GCI determined its bid price for this service. Such information is necessary for USAC to determine whether a health care provider has selected the most cost-effective service for its needs in a situation where there is only one bidder, and the service is sufficiently unique that USAC cannot readily determine if the service for which support is requested is fairly priced. We recognize that such information may be privileged and confidential and you may request nondisclosure of information you provide.

Sincerely,



Rekha Ayalur
Program Manager, USAC

cc: Jessica Kelly

ATTACHMENT M



YUKON-KUSKOKWIM HEALTH CORPORATION

"Working Together to Achieve Excellent Health"

P.O. Box 528 • Bethel, Alaska 99559
(907) 543-6601 • Fax (907) 543-6570

Response to USAC Request for Information October 30, 2009

This document responds to the Universal Service Administrative Company's (USAC's) Second Request for Information, dated July 31, 2009 (SRFI). The SRFI seeks additional information from the Yukon-Kuskokwim Health Corporation (YKHC), this time in connection with YKHC's purchase of Video Conferencing Equipment (VTC), which did not involve USAC funds, as well as in connection with events that resulted in YKHC's current services contract with GCI Communication Corp. (GCI), HC-218.

As USAC is aware, YKHC provides health care services to 50 rural communities comprised principally of Alaska Natives and Native Americans who reside in rural and remote portions of southwest Alaska. YKHC's facilities include a regional hospital, Subregional Clinics, and local community-based clinics, which it refers to as Village Clinics. These facilities typically provide the only health care service options for the individuals and communities they serve. The services provided through these facilities include health promotion and disease prevention programs, dental services, behavioral health services, including psychiatric and substance abuse counseling and treatment, ophthalmological care, and environmental health services. Because many of YKHC's facilities are located in rural and remote regions in Alaska, many of these services are provided using telemedicine, which relies on broadband connectivity and advanced technologies such as medical telemetry, digital medical and dental imaging, and high definition video conferencing.

In an effort to ensure that the best possible medical care is provided to the individuals and communities that YKHC serves, YKHC has taken several steps over the past two years to effectuate a substantial upgrade and expansion of its various medical facilities. This upgrade and expansion has involved incorporating numerous recent advances in technology and telemedicine -- including the installation and use of Alaska Federal Health Care Access Network (AFHCAN) telemedicine carts and high-definition VTC equipment to transmit and receive medical information and facilitate telepsychiatry service -- to, for example, ensure that

patients who reside in rural, remote and sparsely populated portions of southwest Alaska can rely on the full panoply of resources in the YKHC network for their medical needs.

As USAC is aware, the funding for the VTC equipment that contributed to a substantial portion of YKHC's upgrade and expansion effort came from a \$500,000 matching grant provided by the Department of Agriculture's Rural Utilities Service (RUS). Additional information concerning this matching grant and YKHC's VTC equipment purchases is provided below in response to Question 1. Although YKHC purchased the VTC equipment through GCI, it did so without any USAC funds and solely because GCI was the only equipment vendor that offered to meet YKHC's equipment needs within the \$500,000 grant amount. YKHC understands that GCI was able to do this because GCI's status as a major regional vendor enabled it secure the equipment on more favorable terms that YKHC could have on its own.

YKHC's upgrade and expansion effort was a transformative event for YKHC that, to be truly effective, required substantial changes and improvements to the network services on which YKHC, and, in turn, this new equipment, would rely. YKHC at the time received network services from UUI. Although YKHC initially assumed that it would have to rely on UUI's network services to support this upgrade and expansion, and to continue to work with UUI (as it had been doing) in an effort to see those service improve, it eventually became clear to YKHC that UUI's asymmetric services and limited bandwidth capability would not meet YKHC's evolving needs. For instance, experience suggested that the level of bandwidth that UUI provided -- 1.5 mbps downstream and 512 kbps upstream in all locations -- would be insufficient to accommodate YKHC's use of telemedicine AFHCAN carts, high-definition VTC equipment, and administrative functions, including the use of high-speed Internet access, e-mail, VoIP telephony services and remote management support functionality, all of which today are critical to the day-to-day operation of YKHC's health facilities. And even if UUI was capable of increasing its bandwidth at these locations (which it was not), the asymmetric nature of UUI's network architecture meant that UUI would not be able to do so efficiently or in a cost-effective manner. Furthermore, even if the UUI network could have been modified to provide symmetric service, the UUI Agreement was limited to the provision of only asymmetric service. Any change in UUI's provision of asymmetric to symmetric service therefore would have required a new FCC Form 465 process and ultimately a new contract.

Among the reasons for UUI's limitations was that it relied on a combination of terrestrial- and satellite-based facilities to provide YKHC with broadband services. In YKHC's experience, these facilities -- and, in particular, the satellite-based facilities on which many of YKHC's Village Clinics depended entirely -- were routinely failing. In fact, YKHC over time developed a clear understanding of these satellite service failures after complaining about them on several

occasions to UUI and being referred to UUI's satellite subcontractor, DRS (formerly TAMSCO).¹ YKHC came to understand through these discussions that UUI was suffering financially, was unlikely to invest the resources necessary to improve its network, and that the level of satellite-based service that DRS was providing was unlikely to change. YKHC eventually came to understand that it could not depend on the services provided by UUI (and DRS), and this created concern for YKHC because YKHC knew that the success of its upgrade and expansion program could be maximized only with additional and more reliable bandwidth and network services.

It was against this backdrop that YKHC filed its FCC Form 465 on April 9, 2008, to notify all Eligible Telecommunications Carriers (ETCs) of the company's new service needs. YKHC at the time did not know or expect that it would be replacing its contract with UUI, but YKHC's FCC Form 465 was revised substantially from prior years and did not foreclose consideration of proposals from other service providers. YKHC certainly was not pleased with the level of service it was receiving from UUI, and YKHC had substantial reservations about whether its upgrade and expansion effort would yield its intended benefits if UUI remained the underlying service provider. Yet YKHC believed it had little choice at the time due to the lack of competitive alternatives in its region. As it happened, GCI at that same time was in the process of acquiring UUI and was the only ETC to respond to YKHC's FCC Form 465 filing. It was because of GCI's response, its ability to invest in developing a reliable, terrestrial network capable of delivering high-bandwidth, symmetric broadband services to all YKHC locations, and the subsequent negotiation of HC-218 to deliver those services, that GCI ultimately became YKHC's service provider.

YKHC is eager for USAC to conclude this inquiry. YKHC has responded fully to all of USAC's requests and YKHC believes that its responses demonstrate that the actions taken in connection with its purchase of the VTC equipment and its services contract with GCI complied fully with all applicable laws and regulations. It is YKHC's understanding that this inquiry has resulted in the delay by USAC of approximately \$9 million in reimbursable Universal Service Fund payments to GCI. Although GCI continues to provide YKHC with services under HC-218, YKHC is concerned that a further delay in these payments could at some point begin to adversely affect GCI's ability to deliver service to YKHC under the terms of HC-218. YKHC has invested substantial time, energy and resources into developing its communication and telemedicine capabilities between and among its various facilities. After a substantial amount of effort, these capabilities finally are working as designed, in large part due to GCI's network investment and provision of increased bandwidth and performance. Any

¹ We take this opportunity to note that the reference in our May 4, 2009, response that DRS today operates as Alaska Communications System was in error.

diminution in service would have a profound adverse effect on YKHC and its ability to serve its communities.

If, after reviewing the information provided below, USAC does not believe it can immediately issue a funding commitment letter, YKHC respectfully requests a meeting with USAC personnel so it can address and resolve any remaining concerns. Such a meeting likely would be more efficient and should lead to an expeditious and appropriate conclusion to this inquiry.

1. Please provide copies of the VTC equipment purchase contract, itemized invoices, and payment verification.

Copies of GCI's proposal for the VTC equipment, along with itemized invoices and payment verification for that equipment (the parties did not enter into a separate purchase contract), are provided in Attachment A to this submission. For ease of reference, a matrix summarizing the content of these documents also is included in Attachment A. The documents provided in Attachment A demonstrate that YKHC spent \$478,290 of the \$500,000 RUS matching grant amount to purchase the VTC equipment. No amount of USAC funding was used to finance YKHC's acquisition or installation of the VTC equipment.

2. Please disclose any other agreements or financial arrangements that YKHC or its employees have with GCI (to the extent YKHC knows or should know of such employee arrangements), including space or power leases, in addition to those for which support has been requested.

YKHC and GCI are parties to five agreements other than HC-218. The first is an "Interim Cellular Agreement," dated February 10, 2009; the second is a "Village Clinic Land Use and Space and Power Agreement," dated October 31, 2008; the third is an "Agreement for Non-USF-Eligible Video Teleconference Services," HC-235, dated August 17, 2008; the fourth is "Independent Contractor Agreement for Non-USF-Eligible Video Teleconferencing Services," HC-2, dated June 10, 2008; and the fifth is an "Independent Contractor Agreement for Connectivity Service," HC-203, dated April 24, 2008. Copies of these agreements are provided in Attachment B. GCI is the only entity that provides cellular service in YKHC's service region and the parties expect to replace the Interim Cellular Agreement with a permanent agreement once GCI makes mobile data services available later this year. YKHC anticipates that the service pricing set forth in the Interim Cellular Agreement will remain unchanged when the parties transition to a permanent agreement. Separately, numerous YKHC employees presumably rely on GCI for their personal wireline, wireless and/or cable television service at standard rates, terms and conditions. We do not believe any conflict of interest exists in connection with any of these agreements and we are not aware of any free services being provided -- or expected to be provided -- by GCI to YKHC or its employees.

3. Please detail the three phases of YKHC's VTC equipment purchase and installation and verify that GCI did not provide or support the equipment installation.

YKHC's purchase and installation of the VTC equipment was performed in three phases.

Phase I consisted of the installation of the equipment in YKHC's main hospital, in the McCann Treatment Center, and in the Bethel Community Health Services facility, each of which is located in Bethel, Alaska. All of these installations were performed by employees of YKHC's Information Technology department.

Phase II consisted of the installation of the equipment in four YKHC Subregional Clinics located in Emmonak, Aniak, Toksook Bay, and St. Mary's, Alaska.

Phase III consisted of the installation of the equipment in 33 YKHC Village Clinics. The specific equipment installation dates for each of the Subregional and Village Clinics were provided in YKHC's "Response to USAC Request for Information," dated May 4, 2009.

The Phase II and Phase III equipment installations in the Village Clinics (and portions of the Subregional Clinics) required new Category 5 cabling and electrical power upgrades. The terms of the RUS matching grant prevented YKHC from using any portion of that grant to finance equipment installation costs, and, at the time, YKHC estimated that combined installation costs for these locations would total over \$100,000. YKHC had not budgeted for this expense and did not have funds available at the time to finance these installation costs.

Fortunately, around this same time, the U.S. military was preparing to participate in Operation Artic Care 2009, an exercise involving the transportation of health care professionals, supplies, and equipment to remote villages in the Yukon-Kuskokwim Delta. Operation Artic Care is a joint military and civilian training exercise designed to simulate medical outreach plans in times of crisis, conflict or disaster. As part of this exercise, the U.S. Marine Corps provided two military electricians to help YKHC install the equipment, cabling and electrical power upgrades necessary to complete the VTC installation project in the Subregional and Village Clinics. This installation assistance was provided at the same time the military electricians were scheduled to upgrade other telemedicine equipment at each of these locations. The U.S. military did not charge YKHC for its assistance, and all travel costs to the Subregional and Village Clinics was financed by YKHC. No GCI personnel supported or were involved in the installation of the VTC equipment in any of these (or other) YKHC locations.

- 4. Please supplement your certification that the services are necessary for the provision of health care by describing exactly how these services are used to support needed medical services. Please detail how you determined the bandwidth demand appropriate to each site's request, including those not listed as receiving VTC equipment. Please do not just list device specifications, but explain the use in the provision of health care services sufficient to justify the bandwidth requested. If multiple high bandwidth devices may be**

used simultaneously, please explain the requirement for simultaneous use to validate it could not be handled by appropriate scheduling.

One of the principal applications for which YKHC purchased the Tandberg Edge 95 MXP equipment pertains to its provision of telepsychiatry services in remote regions of the Yukon-Kuskokwim Delta. The provision of effective telemedicine services is maximized through the use of full resolution, high definition video images. See, e.g., LeRouge, "Quality Attributed in Telemedicine Video Conferencing," IEEE Computer Society, 35 Annual Hawaii International Conference on System Sciences, Volume 6, September 2002, at 3 (explaining that "the use of video conferencing for direct medical care requires the highest degree of video conferencing quality, given its direct and immediate impact on patient care"), available at <http://www2.computer.org/portal/web/csdl/doi/10.1109/HICSS.2002.994132>.

Although 1.5 mbps of symmetric bandwidth generally is required to support the transmission of ordinary full motion video, the transmission of high definition video images requires at least two mbps of symmetric bandwidth for diagnostic quality, high resolution video and audio transmissions. YKHC's Subregional Clinics operate two to three video conferencing systems per location. This means that they can -- and do -- accommodate multiple telepsychiatry sessions simultaneously, resulting in additional bandwidth requirements (five mbps) in these locations. Requiring these locations to schedule or "stagger" telepsychiatry and other sessions that rely on VTC equipment to reduce bandwidth needs would be highly inefficient and detrimental to YKHC's ability to serve its communities. Each YKHC Village Clinic in which VTC equipment has been installed operates only one video conferencing system and thus has slightly lesser bandwidth needs, but these Village Clinics nevertheless require three mbps on average for optimal operation, which consists not only of the provision of video-based, full motion, high definition telepsychiatry services but also other services, such as the transmission of images and data through AFHCAN telemedicine carts, access to hospital information systems and other clinical systems, and the use of other administrative functions such as e-mail, Internet access, VoIP telephony services, and remote management and support functionality.

YKHC does not dispute that its Tandberg Edge 95 MXP equipment technically may be able to function at a rudimentary level with 768 kbps of bandwidth. But, for purposes of full motion, high definition video conferencing, which is what is required to provide high-quality telepsychiatry service, 768 kbps of bandwidth would lead to poor video resolution and pixilation, compromise the value and effectiveness of YKHC's telepsychiatry services, and result in sluggish and ineffective service for YKHC personnel and the communities they serve.

The circuits serving the few Village Clinics in which VTC equipment has not been installed provide service at 1.5 mbps symmetric, as this level of bandwidth is needed to support non-VTC functions at these locations, including all of the non-VTC functions discussed above.

5. Please provide any notes, emails or other written analysis supporting your decision that GCI service under the new contract would be more cost-effective than operating as UUI under the existing contract. What information was considered to show that GCI would provide more reliable service?

The services that YKHC sought to obtain could not have been provided on a cost-effective basis under the UUI Agreement. One of the principal differences between the services provided under the UUI Agreement and the services proposed for (and now provided under) the current GCI Agreement is that the former provided only for asymmetric services of 1.5 mbps downstream and 512 kbps upstream at all locations, whereas the latter provides for symmetric services of five mbps (where two to three VTC equipment sets operate), three mbps (where one VTC equipment set operates), and 1.5 mbps (where no VTC equipment sets operate). In other words, the services proposed under the current GCI Agreement provided for symmetric (not asymmetric) service and for substantially more bandwidth than under the UUI Agreement. Furthermore, while the UUI Agreement provided for the delivery of services through a combined terrestrial- and satellite-based solution (which proved to be unreliable and limited), the GCI Agreement requires that services will be provided through a terrestrial-based network, where available. Thus, it is important to recognize at the outset that the network design and services provided under the UUI Agreement and the GCI Agreement are markedly and materially different.

One also cannot -- and should not -- draw conclusions (as the SRFI appears to do leading into Question 5) about the extent to which comments that may have been made by YKHC in 2003 regarding UUI's and GCI's service quality have any bearing on the ability of these companies to today meet YKHC's telecommunications needs. YKHC had high hopes for the services it expected to receive under the UUI Agreement when it entered into that contract in 2003. But it eventually became clear to YKHC during the course of the UUI Agreement that UUI would not be able to provide the sufficient level of service YKHC anticipated to support the upgrade and expansion it was developing. As an initial matter, the UUI Agreement did not provide for sufficient bandwidth to support fully YKHC's plans to deploy telepsychiatry and similar services that rely on two-way, high quality, high definition video conferencing capabilities. The asymmetric design of UUI's network contributed to this limitation. And even if the services UUI was providing could support video conferencing services in their most rudimentary form in at least some locations, YKHC was concerned that the quality of those services would be poor and that the connectivity would leave little to no remaining bandwidth to accommodate

all of the other medical and administrative needs of YKHC at each location. It also is worth noting that GCI's willingness to improve UUI's network design from asymmetric to symmetric ultimately reduced the total cost of YKHC's telecommunications needs. Had GCI sought to meet YKHC's telecommunications need with the same asymmetric network design UUI had used, or had YKHC continued to rely on UUI for it (had GCI not acquired UUI), then YKHC would have needed even more bandwidth to ensure that enough upstream bandwidth was available to accommodate YKHC's transmission needs, thereby increasing the total cost of the services provided to YKHC (and presumably the amount of reimbursement sought from USAC).

YKHC is not in a position to know whether UUI's declining performance in recent years contributed to its eventual acquisition by GCI. But what is clear to YKHC is that GCI was the only carrier to respond to YKHC's FCC Form 465 in 2008, and that GCI did so by proposing a level of bandwidth and service that YKHC needed to maximize its deployment of telemedicine solutions in the Yukon-Kuskokwim Delta.

YKHC does not possess any notes, e-mails or other written analyses that describe the analysis it undertook to determine that the services under the proposed GCI Agreement would be more cost-effective than the services provided under the UUI Agreement. But that should not be surprising. YKHC's decision to pursue a service arrangement with GCI was obvious and fundamental. In the first place, a simple comparison of the cost and bandwidth provided under the UUI Agreement and the GCI Agreement demonstrates that the GCI Agreement provides more bandwidth at a lower cost to YKHC on a per-megabyte basis:

	UUI Agreement	GCI Agreement
Price Per One Megabyte Per Second	\$5498	\$4579

Furthermore, it had become increasingly clear by then that UUI was not going to be capable of best meeting YKHC's evolving service needs. In earlier meetings with Steve Hamlen, UUI's president, to discuss the fundamental service problems that YKHC was experiencing, YKHC was informed that UUI did not possess the requisite funds to meet certain YKHC contract deployment deadlines. YKHC also had numerous discussions with Fletcher Brown of DRS, a subcontractor to UUI, during which it became clear to YKHC that DRS and its satellite solution also would not be able to accommodate YKHC's bandwidth needs. YKHC understood as a result that UUI was not going to be able to meet its commitments under the UUI Agreement, and, further, that unless something changed, the asymmetric nature of UUI's network architecture meant that UUI's solutions were not going to accommodate YKHC's technical needs, anyway. YKHC also understood that GCI's track record and resources had improved substantially in recent years, so, when GCI announced that it intended to acquire UUI and, in response to the posting of YKHC's FCC Form 465, offered to provide YKHC with the level of

bandwidth it needed on a symmetric basis pursuant to a timeline that accommodated YKHC's needs, YKHC was interested in pursuing that opportunity. GCI's willingness to provide YKHC with technical support on a 24/7 basis (as compared with UUI, which, as a practical matter, provided such support only during the business workday) was another factor that made GCI's bid attractive. YKHC's experience with UUI, its technical understanding of the service, bandwidth and network improvements that would be needed to support the upgrade and expansion of YKHC's telemedicine services, and the proposal filed by GCI in response to the FCC Form 465, together provided YKHC with a clear and fundamental basis for its decision to pursue a service arrangement with GCI.

6. Please provide copies of the monthly reports required under Section 5.02 of the 2004 UUI-YKHC contract for the final month such reports were made under that contract and for the months of January 2008, July 2007, January 2007 and July 2006. These reports are requested in conjunction with determining your prior quality of service and prior bandwidth demand. If you have other records documenting performance under the UUI contract such as YKHC reports not created by the vendor, please provide them as well.

Copies of UUI's monthly reports for January 2008, July 2007, January 2007 and July 2006 are provided in Attachment C. Also provided in Attachment C is a copy of UUI's monthly report for July 2008, the last month for which such a report was provided to YKHC. These are the only performance reports that, to YKHC's knowledge, are available in connection with UUI's service to YKHC during these periods. It is worth noting in this regard that YKHC disagreed strongly with the data and conclusions provided in these performance reports, to the extent they indicated that UUI (and DRS) were meeting required performance benchmarks. But YKHC at the time did not have the appropriate mechanism in place to measure for itself this performance (YKHC has since put in place such a mechanism). Regardless, even if UUI's performance had been acceptable, its asymmetric network design, relatively low bandwidth, and monitoring and support capabilities would, to YKHC's knowledge, not have been capable of best fulfilling YKHC's evolving service needs.

7. Why were discussions concerning failure to deliver service under the UUI contract held with the subcontractor DRS rather than with UUI/GCI as the prime contractor? What efforts were undertaken after the purchase of UUI to obtain better performance from GCI?

UUI relied on DRS to provide YKHC with connectivity through satellite services for the Village Clinics. During the course of the UUI Agreement, YKHC came to believe that the DRS satellite to which its services were assigned was failing, that this was occurring several years before any such failure was expected given the anticipated useful life of the satellite, and that this failure may have contributed to the service failures that YKHC was experiencing in its Village

Clinics. UUI either was unable or unwilling to provide YKHC with information regarding the satellite failure or, more generally, in connection with other satellite-related service failures, which is why YKHC took steps to consult DRS directly. YKHC informed both UUI and DRS -- and they were aware -- that YKHC would be participating in weekly conference calls between UUI and DRS that were set up to address this matter. After GCI announced its intention in late 2007 to acquire UUI, YKHC made known to GCI its dissatisfaction with the level of service it was receiving under the UUI Agreement. YKHC had similar discussions with AT&T, the only other service provider in the region that YKHC thought may be able to provide YKHC with the services it needed (it was not). All of these discussions were in the hope of finding a service provider that could better meet YKHC's needs. Ultimately, the only service provider willing and able to meet YKHC's needs was GCI, which furnished its service proposal to YKHC on May 7, 2008, 28 days after YKHC's FCC Form 465 publicly seeking service was posted on USAC's website, and entered into a contract for those services more than 90 days later, on August 12, 2008.

8. Please explain the delay between the installation of new circuits and the installation of VTC equipment, as listed in Attachment A [of USAC's SRFI].

As an initial matter, the average period between the contract start date and the VTC equipment installation dates was less than three months, not six months as the SRFI states. YKHC entered into the GCI Agreement on August 12, 2008, and the circuit start dates under that Agreement generally ranged from August to November, 2008. The VTC equipment was installed in YKHC's hospital in Bethel and in the Subregional Clinics within roughly 45 days of execution of the GCI Agreement. Although YKHC would have preferred to install the VTC equipment in its Village Clinics during this same period, its Village Clinics are scattered in remote regions of the Yukon-Kuskokwim Delta and, as explained above in response to Question 3, YKHC did not at that time possess the financial resources to complete the installations in its Village Clinics. The onset of winter in this remote region of rural Alaska further complicated the options available to YKHC at that time, as the weather alone sometimes can limit or restrict the ability to travel even short distances in that portion of the state. Fortunately, in early 2009, YKHC was able to utilize the resources of the U.S. Marine Corps during Operation Artic Care 2009 to complete the installations in the Village Clinics. It was during that period that the VTC equipment was installed at only minimal cost to YKHC. Notably, although the VTC equipment was not installed in the Village Clinics until early 2009, those Clinics nevertheless were using the circuits for other purposes -- such as for VoIP telephone service, e-mail, Internet connectivity, and other telemedicine activities -- beginning on the circuit start dates. Furthermore, it would not have made sense to install lower capacity circuits in these locations for temporary periods, only to have to replace them with higher capacity circuits a short time later.

* * *

Again, we hope that this information is helpful and sufficient to resolve any outstanding questions or concerns. If USAC does not believe it can immediately issue a funding commitment letter after reviewing this response, we would be pleased to meet with USAC personnel to address and resolve any remaining concerns.

ATTACHMENT N

Via Electronic Mail

July 31, 2009

Yukon-Kuskokwim Health Corporation
ATTN: Mr. David Hodges
P.O. Box 528
Bethel, AK 99559

Re: Second Request for Information

Mr. Hodges,

As you are aware, the Rural Health Care Division (RHCD) of the Universal Service Administrative Company (USAC) is continuing its review of Yukon-Kuskokwim Health Corporation's (YKHC) request for support of telecommunications and internet services from General Communications Inc. (GCI) for Funding Year 2008. We reviewed your May 4, 2009 response to our April 14, 2009 request for additional information and we require further clarification and validation of your services as it relates to your request for Universal Service support. Our requested responses are numbered below, prefaced with a discussion of each issue.

You replied that several weeks after February 5, 2008 you agreed to purchase 50 Tandburg Edge 95 MXP devices from GCI. While that did not involve Universal Service funds, the equipment is a significant aspect of your need for increased bandwidth. Your record should document that the selection of GCI as an equipment vendor and selection of GCI as a service provider were unrelated and that the equipment did not induce selection of GCI for a telecommunications service contract.

Information Request No 1. Please provide copies of the Video Teleconferencing VTC equipment purchase contract, itemized invoices, and payment verification.

Information Request No. 2. Please disclose any other agreements or financial arrangements that YKHC or its employees have with GCI (to the extent YKHC knows or should know of such employee arrangements), including space or power leases, in addition to those for which support has been requested.

We understand that such relationships may be appropriate and proper, but the intermingling of supportable and non-supportable services from GCI requires that we determine if there could have been a conflict of interest or Free Service Advisory

consideration (see <http://www.usac.org/sl/applicants/step06/free-services-advisory.aspx>) in the selection or support of GCI services.

You replied that proposals from vendors that bid to provide VTC equipment were unacceptable due to fees or charges for installation, but that GCI subsequently provided an acceptable bid that required YKHC to arrange installation on its own.

Information Request No. 3. Please detail the three phases of YKHC's VTC equipment purchase and installation and verify that GCI did not provide or support the equipment installation.

You replied that Tandberg Edge 95 MXP devices you purchased require T-1 service and that each site required an increase to 3Mbps service (or 5Mbps service for the regional clinics). However, specifications show that the Edge 95 MXP connects IP calls at 768kbps in Auto mode and the maximum connection is 2Mbps. The device also includes a data port and connections for numerous peripherals. Because the device could operate at its default mode and can support simultaneous voice and data connections, it is unclear why a T-1 connection could not support the device or how 3Mbps service would be fully utilized.

Information Request No. 4. Please supplement your certification that the services are necessary for the provision of health care by describing exactly how these services are used to support needed medical services. Please detail how you determined the bandwidth demand appropriate to each site's request, including those not listed as receiving VTC equipment. Please do not just list device specifications, but explain the use in the provision of health care services sufficient to justify the bandwidth requested. If multiple high bandwidth devices may be used simultaneously, please explain the requirement for simultaneous use to validate it could not be handled by appropriate scheduling.

Question #8 in our April 14th request asked YKHC to detail how it determined the new GCI contract was more cost-effective than the existing UUI contract. You replied that you compared the price of bandwidth and reliability under the previous contract to GCI's proposal and determined that the GCI proposal was more cost-effective. We have compared the performance agreement of GCI to the performance agreement with UUI and they are similar with only minor differences. Thus, comparison of the service agreement does not clearly show that the GCI agreement is more cost-effective.

Further, comparing the GCI contract to the UUI contract schedule for deployment of Hi-Cap Wireless Service, it does not appear that UUI was substantially behind schedule or that GCI would provide for more timely deployment. In fact, upon review of the contracts, the UUI contract had stringent financial penalties against UUI if they did not meet the deployment schedule, whereas the GCI contract does not contain any similar penalties.

In your original selection of UUI in 2003, your evaluation panel wrote concerning past performance, “UUI responds timely with good follow-up with current services and has been operation in the Y-K Delta for many years with good performance reputation. GCI’s current services are very poor.” This was repeated under risk assessment, “GCI’s past performance is poor and they have not shown willingness to change, so the risk of selecting them is huge. UUI has been in the Delta for many years, solid company and past performance is good.” Although we understand that after years of operating with UUI, your experience concerning their performance has changed, your experience with GCI service prior to the selection of UUI was also unsatisfactory and we need the information you relied on to determine that GCI is now more reliable. Thus, we encourage you to elaborate on the role of past performance in your selection of the most cost-effective service and to clarify how you concluded that GCI would offer better service under a new contract than under the existing UUI contract.

Information Request No. 5. Please provide any notes, emails or other written analysis supporting your decision that GCI service under the new contract would be more cost-effective than operating as UUI under the existing contract. What information was considered to show that GCI would provide more reliable service?

Information Request No. 6. Please provide copies of the monthly reports required under Section 5.02 of the 2004 UUI-YKHC contract for the final month such reports were made under that contract and for the months of January 2008, July 2007, January 2007 and July 2006. These reports are requested in conjunction with determining your prior quality of service and prior bandwidth demand. If you have other records documenting performance under the UUI contract such as YKHC reports not created by the vendor, please provide them as well.

In your response you detailed conference calls with UUI and DRS to resolve performance issues, but it appears the discussion with UUI ended about the time of GCI’s purchase of UUI, and discussions were then initiated with the subcontractor, DRS.

Information Request No. 7. Why were discussions concerning failure to deliver service under the UUI contract held with the subcontractor DRS rather than with UUI/GCI as the prime contractor? What efforts were undertaken after the purchase of UUI to obtain better performance from GCI?

We are concerned by the delay between installation of new service under the GCI contract and installation of the VTC equipment at YKHC sites, which appears to average six months. We recognize that it is not possible to coordinate perfectly the installation of

Mr. David Hodges
July 31, 2009
Page 4 of 4

equipment and the installation of new service, but this delay is excessive and we are unclear how the new service was used for the provision of health care until the VTC equipment was installed.

Information Request No. 8. Please explain the delay between the installation of new circuits and the installation of VTC equipment, as listed in Attachment A.

We appreciate your continued cooperation with our review and your full and prompt response to these issues. Please contact us if additional clarification of these issues is required.

Sincerely,

RHCD

Second Request for Information

Dated: July 31, 2009

Attachment A

HCP	HCP Name	Circuit Start Date	VTC Install Date
10174	Nighmute Clinic	8/16/2008	1/30/2009
10175	Nunapithuk	11/1/2008	1/20/2009
10176	Oscarville Clinic	8/14/2008	
10177	Pilot Station Clinic	10/17/2008	1/26/2009
10178	Pitkas Point Clinic	8/14/2008	
10179	Quinhagak Clinic	8/16/2008	1/20/2009
10181	Russian Mission Clinic	10/18/2008	1/23/2009
10182	St. Mary's	8/16/2008	9/23/2008
10183	Scammon Bay Clinic	9/25/2008	2/2/2009
10184	Shageluk Clinic	11/11/2008	1/26/2009
10185	Sheldon Point Clinic	11/1/2008	1/26/2009
10186	Sleetmute Clinic	11/15/2008	
10187	Stony River Clinic	11/15/2008	
10188	Toksook Bay Clinic	8/16/2008	9/26/2008
10189	Tuluksak Clinic	9/20/2008	1/22/2009
10190	Tuntuntuliak	8/23/2008	1/22/2009
10191	Tununak Clinic	8/23/2008	2/2/2009
10192	Crooked Creek Clinic	11/5/2008	
10193	Eek Clinic	8/16/2008	1/20/2009
10194	Emmonak Clinic	11/1/2008	9/26/2008
10195	Grayling Clinic	11/11/2008	1/19/2009
10196	Holy Cross	11/21/2008	1/23/2009
10197	Hooper Bay Clinic	11/1/2008	
10198	Lower Kalskag	11/1/2008	1/22/2009
10199	Upper Kalskag	8/16/2008	1/22/2009
10200	Kasigluk Clinic	10/22/2008	1/20/2009
10201	Kipnuk Clinic	8/16/2008	1/26/2009
10203	Kongiganak	8/16/2008	1/28/2009
10204	Kotlik Clinic	11/18/2008	1/26/2009
10205	Kwethluk	10/22/2008	1/22/2009
10206	Kwigillingok Clinic	8/16/2008	1/28/2009
10207	Lime Village Clinic	11/18/2008	
10208	Marshall	8/16/2008	1/19/2009
10209	Mekoryuk Clinic	9/18/2008	1/29/2009
10210	Mountain Village Clinic	8/16/2008	1/26/2009
10211	Aklachak Native Comm Clinic	10/17/2008	2/2/2009
10212	Akiak	8/23/2008	1/22/2009
10213	Alakanuk Clinic	11/1/2008	1/26/2009
10214	Aniak	8/16/2008	9/16/2008
10215	Anvik Clinic	11/5/2008	
10216	Atmautluak Clinic	10/22/2008	1/21/2009
10218	Chefornak Clinic	8/16/2008	1/26/2009
10219	Chevak Clinic	11/1/2008	1/28/2009
10220	Chuathbaluk	8/14/2008	
10221	Napakiak Clinic	8/14/2008	
10222	Napaskiak	10/21/2008	1/19/2009
10223	Newtok Clinic	9/18/2008	1/30/2009

ATTACHMENT O



YUKON-KUSKOKWIM HEALTH CORPORATION

"Working Together to Achieve Excellent Health"

P.O. Box 528 • Bethel, Alaska 99559
(907) 543-6601 • Fax (907) 543-6570

Response to USAC Request for Information May 4, 2009

This document responds to the Universal Service Administrative Company's (USAC's) Request for Information, dated April 14, 2009 (RFI). The RFI seeks information from the Yukon-Kuskokwim Health Corporation (YKHC), principally in connection with the competitive bid process that resulted in YKHC's contract with GCI Communications (GCI), HC-218.

YKHC is a provider of health care services to 50 rural communities comprised principally of Alaska Natives and Native Americans who reside in remote portions of southwest Alaska. The facilities and services provided by YKHC include community clinics and sub-regional clinics, a regional hospital, dental services, behavioral health services, including substance abuse counseling and treatment, health promotion and disease prevention programs, and environmental health services.

YKHC is a recipient of support from the Universal Service Fund's Rural Health Care Program. YKHC greatly appreciates the support provided by this Program, which helps facilitate YKHC's provision of telemedicine, telepsychiatry, and similar services to Alaska Natives and Native Americans in rural and remote regions in the state. Absent funding from the Program, YKHC could not afford to pay for the telecommunications services made possible by the Program -- services on which YKHC's hospital, sub-regional and regional clinics, and other facilities depend. Put simply, the support provided by the Program is critical to YKHC's ability to provide effective and dependable health care services and solutions to the people of southwest Alaska.

As a recipient of Program support, YKHC takes seriously its obligation to adhere to all Program conditions and requirements, including those pertaining to the competitive bid process for Program services. YKHC notes in this regard that USAC recently completed an independent audit of YKHC's compliance with the Rural Healthcare Support Mechanism Rules for Funding Years 2006 and 2007 and concluded "that YKHC was compliant with the Rules for the funding years reviewed." See USAC Memo from Wayne Scott, Internal Audit Division, to William England, Rural Health Care Division, March 16, 2009, at 2. A copy of the USAC Memo that sets forth this finding is provided in Attachment 1. Notably, the independent audit completed by

USAC included a review of YKHC's compliance with competitive bidding requirements, *see id.* at 3, and, in this regard, YKHC's compliance practices in 2008 were materially identical to its practices in 2006 and 2007. YKHC therefore believes that it has at all times met its obligations and complied with Program rules and applicable laws. It is with this understanding that YKHC is providing the information below.

- 1. In prior discussions, YKHC indicated the need for an increase in bandwidth due to installation of new Video Conferencing Equipment (VTC). When was this equipment purchased and installed? What are the minimal and optimal bandwidth requirements? Please provide a list by YKHC site of the equipment at each site and when it was installed.**

YKHC purchased and installed VTC equipment in three phases. YKHC's earliest purchase of VTC equipment was on May 5, 2008, and YKHC began installation of this equipment on July 21, 2008. Later purchases and installations occurred thereafter in various phases. The equipment was purchased and installed to facilitate YKHC telemedicine and telepsychiatry services as well as meetings and training sessions, with the goal of reducing patient travel costs and, more generally, improving healthcare services to patients in the remote regions served by YKHC.

The minimum and optimal bandwidth requirements for the use of the VTC equipment purchased are the same: 1.5 mbps is required for full motion video.

The matrix below identifies the VTC equipment purchased by YKHC, the site at which the equipment was installed, and the date (or the range of dates) during which installation occurred.

VTC EQUIPMENT	SITE	DATE(S) OF INSTALLATION
9-Tandburg Edge 95 end-points	Bethel, Alaska	8/6/2008 – 2/6/2009
2-Tandburg Edge 95 end-points	Aniak Sub Region Clinic	9/16/2008
2-Tandburg Edge 95 end-points	Emmonak Sub Region Clinic	9/26/2008
2-Tandburg Edge 95 end-points	Toksook Bay Sub Region Clinic	9/26/2008
2-Tandburg Edge 95 end-points	St. Mary's Sub Region Clinic	9/23/2008
1-Tandburg Edge 95 end-point	Akiachak Village Clinic	2/2/2009
1-Tandburg Edge 95 end-point	Akiak Village Clinic	1/22/2009
1-Tandburg Edge 95 end-point	Alakanak Village Clinic	1/26/2009
1-Tandburg Edge 95 end-point	Atmautlak Village Clinic	1/21/2009
1-Tandburg Edge 95 end-point	Chefornak Village Clinic	1/26/2009
1-Tandburg Edge 95 end-point	Chevak Village Clinic	1/28/2009
1-Tandburg Edge 95 end-point	Eek Village Clinic	1/20/2009
1-Tandburg Edge 95 end-point	Grayling Village Clinic	1/19/2009

VTC EQUIPMENT	SITE	DATE(S) OF INSTALLATION
1-Tandburg Edge 95 end-point	Holy Cross Village Clinic	1/23/2009
1-Tandburg Edge 95 end-point	Marshall Village Clinic	1/19/2009
1-Tandburg Edge 95 end-point	Kasigluk Village Clinic	1/20/2009
1-Tandburg Edge 95 end-point	Kipnuk Village Clinic	1/26/2009
1-Tandburg Edge 95 end-point	Kongiganak Village Clinic	1/28/2009
1-Tandburg Edge 95 end-point	Kotlik Village Clinic	1/26/2009
1-Tandburg Edge 95 end-point	Kwethluk Village Clinic	1/22/2009
1-Tandburg Edge 95 end-point	Kwigillingok Village Clinic	1/28/2009
1-Tandburg Edge 95 end-point	Lower Kalskag Village Clinic	1/22/2009
1-Tandburg Edge 95 end-point	Mekoryuk Village Clinic	1/29/2009
1-Tandburg Edge 95 end-point	Mt. Village Village Clinic	1/26/2009
1-Tandburg Edge 95 end-point	Napaskiak Village Clinic	1/19/2009
1-Tandburg Edge 95 end-point	Newtok Village Clinic	1/30/2009
1-Tandburg Edge 95 end-point	Nightmute Village Clinic	1/30/2009
1-Tandburg Edge 95 end-point	Nunapitchuk Village Clinic	1/20/2009
1-Tandburg Edge 95 end-point	Quinhagak Village Clinic	1/20/2009
1-Tandburg Edge 95 end-point	Pilot Station Village Clinic	1/26/2009
1-Tandburg Edge 95 end-point	Russian Mission Village Clinic	1/23/2009
1-Tandburg Edge 95 end-point	Scammoon Bay Village Clinic	2/2/2009
1-Tandburg Edge 95 end-point	Shageluk Village Clinic	1/26/2009
1-Tandburg Edge 95 end-point	Sheldon's Point Village Clinic	1/26/2009
1-Tandburg Edge 95 end-point	Tuluksak Village Clinic	1/22/2009
1-Tandburg Edge 95 end-point	Tuntutuliak Village Clinic	1/22/2009
1-Tandburg Edge 95 end-point	Tununak Village Clinic	2/2/2009
1-Tandburg Edge 95 end-point	Upper Kalskag Village Clinic	1/22/2009

2. In prior discussions, YKHC indicated that it released a Request for Proposals (RFP) for VTC Network Solutions on November 1, 2007. However, on February 5, 2008, vendors were notified that the RFP for VTC Network Solutions was cancelled. The notice indicated that the bidders would remain on a list and would be notified if the solicitation was re-issued. Was the RFP re-issued? If so, when? Please document how vendors were notified or how the new solicitation was publicized. Although the VTC solicitation is not of interest to USAC per se, we are concerned that cancelling this procurement might have caused vendors to conclude that because the VTC equipment procurement was delayed, the need for additional bandwidth solicited by YKHC on the FCC Form 465 which referenced the

need to support VTC, might also be delayed until the VTC RFP was reissued. Please provide an explanation as to why that would not have been the case.

YKHC released the RFP for VTC Network Solutions on November 14, 2007. A copy of that RFP is provided in Attachment 2 to this response. Although the RFP did not specify it, funding for the VTC Network System was provided through a \$500,000 grant from the U.S. Department of Agriculture, Rural Utility Service division.

YKHC engaged in pre-proposal meetings with approximately 12 vendors who expressed an interest in responding to the RFP. YKHC also hosted follow up question-and-answer sessions with these vendors. Eight of these 12 vendors subsequently demonstrated their equipment to YKHC. It became clear to YKHC during these demonstrations that each vendor proposed to sell the same VTC equipment to YKHC -- equipment that was manufactured by either Tandberg or Polycom. Each vendor proposal also incorporated fees and charges that, in YKHC's view, prevented YKHC from maximizing its ability to purchase all of the VTC equipment it was seeking. YKHC therefore decided to cancel the RFP and consider whether it could purchase and install the VTC equipment on its own. YKHC transmitted a notice to all vendors on February 5, 2008, informing them that the RFP was cancelled. A copy of the RFP cancellation notice is provided in Attachment 2 to this response. Several weeks thereafter, YKHC was approached by GCI with an offer to provide YKHC with all of the VTC equipment it needed within the \$500,000 grant amount, provided YKHC arranged to install the equipment on its own. YKHC agreed to this proposed arrangement.

Notably, the RFP did not solicit proposals for any services provided by or funded through the Universal Service Fund Rural Health Care Program; and neither the RFP nor the cancellation notice contained any language or information suggesting that the proposal sought for the VTC Network System was connected with -- or in any way dependent upon -- the provision of services to YKHC. Vendors and service providers therefore would have had no basis to conclude that the cancellation of the RFP for VTC equipment on February 5, 2008, corresponded in any way to the T-1 services subsequently sought by YKHC in the FCC Forms 465 that we filed more than two months later on April 9, 2008. Furthermore, to the extent a vendor or service provider made this assumption, it should quickly have realized its error once YKHC filed its FCC Forms 465 on April 9, 2008, as those Forms specified that services were being sought to support, among other things, VTC services.

- 3. For the past several years, all FCC Form 465s for YKHC have said "To transmit patient health care data and medical images for health aide to physician consultation and specialty physicians per existing contract." It was well known in Alaska, this meant per the existing five year UUI contract that YKHC signed August 3, 2004. In 2007, we discussed your desire to add T-1s to your existing service for HCP 10217 (Bethel), and we said that**

was a cardinal change that could not be done "per existing contract". We recommended that you modify FCC Form 465 line 29 and repost the form to remove the "per existing contract" language and make it clear you are seeking new services. In response you added "To add additional TIs or greater for supporting additional healthcare service needs" to the form, but kept "per existing contract" in the prior sentence. On the 2008 FCC Form 465s for the remaining YKHC sites for which you did not seek additional services in Funding Year 2007, you removed the "per existing contract" language and added: "Additional T-Is or greater are required for supporting additional healthcare service needs and technology requirements." That was sufficient to say you were seeking additional T-Is not under the original contract, but "additional" may not imply replacing the original contract when you had two years remaining on the contract and had repeatedly posted Form 465s seeking services under the existing contract. Please document any additional steps you may have taken to insure that vendors knew you were considering replacement of the existing contracted services, rather than simply adding additional services.

On April 9, 2008, YKHC filed FCC Forms 465 seeking services to support its healthcare business throughout its region. These Forms subsequently were posted to USAC's website. It has long been YKHC's understanding that the posting of these Forms to USAC's website amounts to an invitation to service providers to bid to provide the services, irrespective of whether an agreement already may be in place to provide such services. Indeed, USAC's own summary of the Rural Healthcare Program process verifies this understanding:

When a Form 465 is received from a new applicant, USAC confirms eligibility. Once USAC reviews a Form 465 and determines it is complete, it is posted on the USAC website and a letter is sent to the health care provider to confirm the posting. The posting invites service providers to bid to provide services. The posting date starts the 28-day competitive bidding process. All health care providers expecting support must complete the 28-day posting requirement before entering into an agreement to purchase services with a service provider.

See <http://www.usac.org/rhc/about/process-overview.aspx> . YKHC's FCC Forms 465 made no reference to an existing contract. To the extent the Forms used the word "additional" to describe the T-1 lines sought, the use of that word was accurate -- YKHC already was being served by one T-1 line and needed others.

Significantly, at the time YKHC filed these Forms, it did not expect that it would be replacing its existing contract for services. YKHC was operating under the UUI Agreement at that time and assumed that it would continue to operate under that Agreement, principally because it was not aware of any other service provider that could provision terrestrial broadband connectivity in southwestern Alaska. For instance, earlier in 2008, YKHC approached AT&T to inquire as to

why AT&T routinely did not bid to provide YKHC with service. (YKHC was dissatisfied with the level of service it was receiving under the UUI Agreement and was eager for a potential choice of providers.) AT&T responded that it could not serve the Yukon- Kuskokwim Delta with anything other than a T-1 line leased from UUI or satellite connectivity, and that it could not compete on price with the former and could not provide the reliability YKHC was seeking with the latter.

In late 2007, GCI announced that it entered into an agreement to acquire UUI. YKHC made its dissatisfaction with the level of service it was receiving under the UUI Agreement known to GCI during the pendency of GCI's merger with UUI. GCI subsequently agreed to improve and expand upon that service by providing YKHC with the increased bandwidth and reliability it needed to provide healthcare services to its community. But the GCI proposal that resulted in the new services agreement was provided to YKHC on May 7, 2008, more than 28 days *after* YKHC's service needs were publicly known by the posting of its FCC Forms 465 on USAC's website on April 9, 2008.

- 4. We are also concerned that in conversations with USAC throughout 2008, you repeatedly said you were not seeking to replace the existing contract and that although GCI had purchased UUI, a SPIN change would not be necessary because GCI would continue to operate under the UUI SPIN. If that is the explanation we were getting, we assume any vendor that called would have gotten the same explanation, which would have discouraged them from bidding for the existing services, although they might have considered bidding for the additional services. If that is not the case, please explain how a potential vendor could have known of YKHC's intent to replace its existing contracted vendor with a new vendor.**

YKHC is not aware of making any such statements to USAC or to others. If a potential alternative service provider had called, YKHC would have welcomed its bid because it was dissatisfied with the level of service it was receiving under the UUI Agreement. When YKHC learned that GCI had entered into an agreement to purchase UUI in late 2007, YKHC hoped that the level of service it was receiving under the UUI Agreement would improve; but, again, YKHC had no expectation at the time it filed its FCC Forms 465 on April 9, 2008, that it would be replacing its existing contract or contracted vendor (UUI) with a new vendor.

- 5. In a conversation between David Hodges and Bill England on March 19, 2008, David indicated that he was new to YKHC and taking over the Universal Service application process. He said he was unhappy with the existing services and was interested in upgrading service. Bill reiterated that the Form 465s must indicate YKHC is soliciting new service. Bill suggested David reach out to known potential vendors in Alaska to make it clear that YKHC was seeking more than was covered by the current contract with UUI and**

to avoid vendors who might contend YKHC did not have an opportunity to bid. Please indicate if or how vendors were notified of YKHC's need for new services and what conversations or emails pertaining to bidding for new services may have taken place, including discussions or email.

As noted above in response to Question 3, it has long been YKHC's understanding that the posting of approved FCC Forms 465 to USAC's website amounts to an invitation to service providers to bid to provide the services. Potential service providers therefore were notified of YKHC's service needs through the posting of YKHC's FCC Forms 465 on April 9, 2008.

Notably, the Yukon- Kuskokwim Delta, the area served by YKHC, is located in a remote portion in southwest Alaska. The number of potential service providers in this area are few. Both then and today, YKHC was aware of only one service provider (UUI, now GCI) that could offer terrestrial-based services (and only in portions of the region). The only other service provider of which YKHC was aware was DRS (now Alaska Communications Systems), and that provider offered only satellite-based connectivity which did not meet YKHC's service needs. DRS, in fact, operated as a subcontractor to UUI to provide services under the UUI Agreement, and YKHC was in regular communication with DRS in early 2008 because the services provided by DRS to YKHC were routinely failing.

6. Please provide any written documentation between YKHC and GCI regarding the need for change or upgrading of services at YKHC sites.

See (1) GCI's written proposal to YKHC, dated May 7, 2008, which resulted in HC-218 (Attachment 4); and (2) GCI's written proposal to YKHC, dated April 15, 2008, to upgrade YKHC's internet services in response to an YKHC's FCC Form 465 filing of April 9, 2008 (Attachment 5).

7. Did YKHC contact UUI to discuss the need for an increase in bandwidth? If so, please provide any written communication between the parties regarding the need for YKHC to obtain additional bandwidth. Was there any reason to believe that UUI was unwilling or unable to provide the necessary increase in bandwidth?

Representatives of YKHC participated in a number of discussions with UUI President, Steve Hamlin, and with Fletcher Brown of DRS, during which the parties discussed YKHC's need for an increase in bandwidth. The dates and times on which those discussions occurred are set forth below.

DATE	TIME	DESCRIPTION
8/3/2007	9:30 a.m.	Conference call with Steve Hamlin re: UUI Agreement
8/3/2007	12:00 p.m.	Conference call with Steve Hamlin re: UUI Agreement
8/22/2007	12:00 p.m.	Meeting in Anchorage with Steve Hamlin re: UUI service issues

10/12/2007	1:30 p.m.	Conference call with Steve Hamlin re: cell network paging services
10/24/2007	9:00 a.m.	Meeting with GCI regarding GCI merger with UUI and UUI service issues
12/7/2007	1:00 p.m.	VTC presentation by DRS
2/13/2008	8:00 a.m.	Conference call with Fletcher Brown re: satellite issues
2/13/2008	9:00 a.m.	Conference call with Steve Hamlin and Fletcher Brown re: satellite issues
2/20/2008	8:00 a.m.	Conference call with Fletcher Brown re: satellite issues
3/5/2008	9:00 a.m.	Conference call with Fletcher Brown re: satellite issues
3/12/2008	9:00 a.m.	Conference call with Fletcher Brown re: satellite issues
3/19/2008	9:00 a.m.	Conference call with Fletcher Brown re: satellite issues
4/16/2008	9:00 a.m.	Conference call with Fletcher Brown re: satellite issues
4/30/2008	9:00 a.m.	Conference call with Fletcher Brown re: satellite issues

YKHC understood at the time that UUI was suffering financially and was unlikely to be in a position to invest further in its network. UUI also was behind (by roughly 18 months) on the timetable for constructing facilities to serve YKHC pursuant to the agreement between the parties. So, it was not clear to YKHC that UUI (or DRS) would be in a position to meet any new commitments, such as the provision of additional bandwidth.

8. Who was involved in selecting GCI as the new vendor? What analysis was performed to determine that the new contract was more cost-effective than continuing service under the existing UUI contract, possibly by adding service to the existing contract? Please detail how YKHC determined that the new contract was more cost-effective than the old contract.

YKHC did not “select” GCI as its vendor. GCI became YKHC’s vendor by acquiring UUI, YKHC’s vendor at the time. YKHC was willing to negotiate and enter into a new contract with GCI because GCI proposed to commit to satisfy YKHC’s expanded bandwidth needs while at the same time provide YKHC with the service level agreements and other commitments it was seeking. GCI’s proposal was made to YKHC on May 7, 2008.

YKHC’s Chief Information Officer, David Hodges, was the individual at YKHC with principal responsibility for evaluating the terms of the proposal offered by GCI. Mr. Hodges evaluated those terms by comparing the price of throughput, or bandwidth, offered by GCI and the reliability afforded by GCI’s proposed connectivity to the price, bandwidth and reliability of services provided under the UUI agreement. Mr. Hodges concluded on this basis that although YKHC’s monthly spend would more than double from \$400,000 to almost \$1M per month, the amount of bandwidth it was purchasing would increase by approximately five times between its location in Bethel and Anchorage, and increase up to three times in each of YKHC’s five sub region clinics. Furthermore, under the GCI proposal, YKHC would receive improved connectivity

to each of its 51 village clinics. This improved reliability further justified the increase in cost. It is important to note that YKHC's ability to provide health care services to its community was severely hampered by the limited bandwidth and connectivity problems it experienced under the UUI Agreement. As a result of increased bandwidth and reliability, YKHC today can provide more effective telemedicine service, including telepsychiatry and teleradiology services, as well as video conferencing services, none of which were supported adequately under the UUI Agreement.

9. Please provide documentation of when YKHC notified UUI of its intention to terminate the UUI-YKHC contract and also when the contract was actually terminated.

The GCI Agreement was executed on August 12, 2008. Section 3(d) of the GCI Agreement specified that YKHC and UUI were to terminate the UUI Agreement by mutual consent within 14 days of the execution of the GCI Agreement. The UUI Agreement was terminated by mutual consent effective August 13, 2008, through a termination agreement dated October 31, 2008. A copy of the termination agreement is provided in Attachment 6. As a practical matter, the delay in executing the termination agreement had no material effect on the parties or the terms of service, as GCI was a successor-in-interest to UUI.

* * *

Again, YKHC appreciates the opportunity to present this information in response to the RFI. YKHC assumes that the entirety of its response will be subject to confidential treatment. Please inform us if this is not the case. YKHC has endeavored to respond fully to each question. Should you have any questions about our responses or require additional information, please do not hesitate to contact us.

LIST OF ATTACHMENTS

1. USAC Memo from Wayne Scott, Internal Audit Division, to William England, Rural Health Care Division, March 16, 2009
2. YKHC Request for Proposal, VTC Network System (November 14, 2007)
3. YKHC Cancellation Notice, VTC Network System (February 5, 2008)
4. GCI's written proposal to YKHC, dated May 7, 2008, which resulted in HC-218
5. GCI's written proposal to YKHC, dated April 15, 2008, to upgrade YKHC's internet services
6. YKHC/UUI Termination Agreement, effective August 13, 2008, executed October 31, 2008

ATTACHMENT P

Via Electronic Mail

April 14, 2009

Yukon-Kuskokwim Health Corporation
ATTN: Mr. Joseph Shawler
P.O. Box 528
Bethel, AK 99559

Re: Request for Information

Mr. Shawler,

As you know, the Rural Health Care Division (RHCD) of the Universal Service Administrative Company (USAC) is reviewing Yukon-Kuskokwim Health Corporation (YKHC's) competitive bid process that led to selecting GCI Communications (GCI) as the new service provider for telecommunications and internet services for YKHC sites for Funding Year 2008.¹ In addition to reviewing the competitive bidding process, we are reviewing the substantial increase in cost that appears to have occurred under the new contract compared to the existing contract. We have received and reviewed a copy of the new GCI-YKHC contract number HC-218. We write to you as the FCC Form 465 site and mailing contact for procurement of these services, to reconcile several aspects of this process that have raised questions related to FCC program requirements.

To assist us in reviewing your request for support of these new services, please address these questions:

1. In prior discussions, YKHC indicated the need for an increase in bandwidth due to installation of new Video Teleconferencing Equipment (VTC). When was this equipment purchased and installed? What are the minimum and optimal bandwidth requirements? Please provide a list by YKHC site of the equipment at each site and when it was installed.
2. In prior discussions, YKHC indicated that it released a Request for Proposals (RFP) for VTC Network Solutions on November 1, 2007. However, on February 5, 2008, vendors were notified that the RFP for VTC Network Solutions was cancelled. The notice indicated that the bidders would remain on a list and would

¹ USAC is not reviewing the five connections that were procured for the Bethel locations via the Funding Year 2007 competitive bid process. USAC is only reviewing the competitive bid process that led to YKHC signing contract HC-218 with GCI Corporation.

- be notified if the solicitation was re-issued. Was the RFP re-issued? If so, when? Please document how vendors were notified or how the new solicitation was publicized. Although the VTC solicitation is not of interest to USAC per se, we are concerned that cancelling this procurement might have caused vendors to conclude that because the VTC equipment procurement was delayed, the need for additional bandwidth solicited by YKHC on the FCC Form 465 which referenced the need to support VTC, might also be delayed until the VTC RFP was reissued. Please provide an explanation as to why that would not have been the case.
3. For the past several years, all FCC Form 465s for YKHC have said “To transmit patient health care data and medical images for health aide to physician consultation and specialty physicians per existing contract.” It was well known in Alaska, this meant per the existing five year UUI contract that YKHC signed August 3, 2004. In 2007, we discussed your desire to add T-1s to your existing service for HCP 10217 (Bethel), and we said that was a cardinal change that could not be done “per existing contract”. We recommended that you modify FCC Form 465 line 29 and repost the form to remove the "per existing contract" language and make it clear you are seeking new services. In response you added “To add additional T1s or greater for supporting additional healthcare service needs” to the form, but kept “per existing contract” in the prior sentence. On the 2008 FCC Form 465s for the remaining YKHC sites for which you did not seek additional services in Funding Year 2007, you removed the “per existing contract” language and added: “Additional T-1s or greater are required for supporting additional healthcare service needs and technology requirements.” That was sufficient to say you were seeking additional T-1s not under the original contract, but “additional” may not imply replacing the original contract when you had two years remaining on the contract and had repeatedly posted Form 465s seeking services under the existing contract. Please document any additional steps you may have taken to insure that vendors knew you were considering replacement of the existing contracted services, rather than simply adding additional services.
 4. We are also concerned that in conversations with USAC throughout 2008, you repeatedly said you were not seeking to replace the existing contract and that although GCI had purchased UUI, a SPIN change would not be necessary because GCI would continue to operate under the UUI SPIN. If that is the explanation we were getting, we assume any vendor that called would have gotten the same explanation, which would have discouraged them from bidding for the existing services, although they might have considered bidding for the additional services.

If that is not the case, please explain how a potential vendor could have known of YKHC's intent to replace its existing contracted vendor with a new vendor.

5. In a conversation between David Hodges and Bill England on March 19, 2008, David indicated that he was new to YKHC and taking over the Universal Service application process. He said he was unhappy with the existing services and was interested in upgrading service. Bill reiterated that the Form 465s must indicate YKHC is soliciting new service. Bill suggested David reach out to known potential vendors in Alaska to make it clear that YKHC was seeking more than was covered by the current contract with UUI and to avoid vendors who might contend YKHC did not have an opportunity to bid. Please indicate if or how vendors were notified of YKHC's need for new services and what conversations or emails pertaining to bidding for new services may have taken place, including discussions or email.
6. Please provide any written documentation between YKHC and GCI regarding the need for change or upgrading of services at YKHC sites.
7. Did YKHC contact UUI to discuss the need for an increase in bandwidth? If so, please provide any written communication between the parties regarding the need for YKHC to obtain additional bandwidth. Was there any reason to believe that UUI was unwilling or unable to provide the necessary increase in bandwidth?
8. Who was involved in selecting GCI as the new vendor? What analysis was performed to determine that the new contract was more cost-effective than continuing service under the existing UUI contract, possibly by adding service to the existing contract? Please detail how YKHC determined that the new contract was more cost-effective than the old contract.
9. Please provide documentation of when YKHC notified UUI of its intention to terminate the UUI-YKHC contract and also when the contract was actually terminated.

We will hold our review until these issues are resolved, and we respectfully request a reply by May 4, 2009. You may request longer to research and reply to these issues, but otherwise, if you do not respond by May 4, 2009, we will continue our review without the benefit of your explanations.

Mr. Joseph Shawler
April 14, 2009
Page 4 of 4

We are happy to answer any clarifying questions that YKHC may have. We look forward to hearing from you soon and appreciate your cooperation.

Sincerely,

RHCD

ATTACHMENT Q

2008

Proposal for YKHC Telecommunications Services



GCI Communication Corporation

5/7/2008



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Executive Summary

This proposal is in response to the Form 465 your organization filed for USF funding. We shaped our service offering on your requests and an understanding of your organization, derived from time spent with your staff during recent video conferencing demos. This solution is designed to mirror your 4 Tier Health Delivery System. By providing matching technology to each level of your health system—village services, sub regional services, regional services, and extra regional services—we are offering YKHC an efficient, complementary telecommunications network.

Your Bethel-based medical leadership appears keenly focused on ensuring the excellent health of your community and maintaining a realistic view of the challenges of delivering medical and behavioral health services throughout your region. Based on the technical assistance we provided during the assessment of your network's performance, prior to the Internet upgrade, it is evident that your information-management team does an outstanding job managing the largest rural health-information network in Alaska and pursuing technological and budget efficiencies.

The network design created by GCI and outlined in this proposal will provide YKHC with state-of-the-art network infrastructure. It will more efficiently distribute your upgraded Internet access to all Bethel and village locations. Most importantly, it will enable YKHC with a next-generation, wide area network (WAN) that combines significant bandwidth capacity with negligible latency to support YKHC's deployment of high definition video teleconferencing (HD VTC) technology. The proposed network design deploys new satellite infrastructure to directly connect village clinics, without access to microwave or fiber facilities, to Bethel.

GCI's network design provides the quality and reliability required for delivering health services. It also offers the YKHC technical staff the capacity and opportunity to manage and monitor their services in real-time. GCI believes in its role as a quality vendor and an honest partner with your organization, and we will provide your staff with the tools to monitor the links between YKHC facilities. As YKHC's telecommunications provider, we will look to your leadership to set priorities and timelines for network build-out and transitions to the new facilities. To deliver these services, GCI will employ its ConnectMD team of highly experienced business and technical professionals with its extensive rural Alaska healthcare expertise.

We understand the challenge of providing recurring, hands-on medical and technical training opportunities in rural Alaska. GCI will make available its technical staff to YKHC's staff for mentoring opportunities. GCI's Service Desk can collaborate with YKHC staff members to develop best practices for the design and management of YKHC's help desk. GCI can also create 7x24 screens for network monitoring that allow YKHC's staff to monitor their communication links in a proactive, real-time manner.

GCI and its 1,300 plus Alaskan employees have been delivering services in Alaska for over 28 years. This summer, we expect to complete the purchase of United Utilities Inc. (UUI), increasing GCI's on-the-ground presence in the Delta region to over 85 staff. Also in late 2008, we will be rolling out wireless local-phone services to all the villages in the YK Delta. As a member of the Alaskan community, GCI is committed to working with organizations like YKHC to

guarantee the success and well being of all Alaskans. We believe all Alaskans should have the benefits of technology, rural and urban alike. Our focus on improving access and quality of care has led to the creation of the ConnectMD network, built specifically to support rural healthcare's need for reliable medical communications. All ConnectMD products and applications are designed around its customers' needs and supported by a highly dedicated staff located throughout Alaska. Its staff includes two senior medical administrators and a registered nurse, all focused on delivery healthcare services such as electronic healthcare records, telepharmacy, and behavioral-health video teleconferencing.

We are confident that the network design outlined in this proposal not only meets, but exceeds YKHC's baseline requirements today, and anticipates YKHC's need to continuously seek new opportunities to improve performance and efficiencies in the future. This proposal supports your Five Strategic Pillars – employee focus, native staff development, patient-centered excellence, financial viability, and community and partner satisfaction. It focuses specifically on the videoconferencing capabilities that will directly support the employee-focus and native staff-development pillars by extending educational opportunities to the villages, thereby allowing YKHC to distribute its job opportunities throughout the Delta's communities. Additionally, the pillars of patient-centered excellence and financial viability will be supported by extending constant and acute patient care to where patients live, simultaneously generating revenue for YKHC through billable encounters and cutting travel expenses for both staff and patients.

Ultimately, this telecommunications network provides YKHC the flexibility to meet its strategic pillars, however it deems most appropriate, in Bethel or the surrounding communities. GCI has a successful history of working with medical organizations to meet their needs, and we appreciate the opportunity to respond to YKHC's needs and provide additional options to accomplish your vision.

YKHC and GCI both have proven track records that display innovative and creative efforts within each company's respective roles – we both have leaders willing to take risks to set new standards for rural Alaska. With health care delivery becoming more dependent on high-quality, reliable technology, GCI's resources can greatly improve the medical service offerings available to the people of the YK Delta and provide an opportunity for YKHC and GCI to grow together. We at GCI hope to join YKHC in your mission to enhance the health status of the people of the Yukon-Kuskokwim Delta Region of Alaska.

Project Understanding

The Yukon Kuskokwim Health Corporation provides comprehensive health and wellness services on a 24x7x365 basis to the YK Delta community. The complexity of its service delivery, combined with the geographic diversity of YKHC's facilities, requires a solution that is robust and reliable. As the leading telecommunications provider in Alaska, GCI wants to be YKHC's partner in creating a showcase telemedicine network in America.

We are confident that the network outlined in this proposal not only meets, but exceeds YKHC's baseline requirements today, and anticipated YKHC's need to continuously seek opportunities to improve performance and cost efficiencies. This proposal supports your Five Strategic Pillars:

1. **Employee focus** – decreasing administrative travel requirements and extending educational opportunities to villages
2. **Native staff development** – distributing medical and administrative workforce throughout the Delta region, not just in Bethel alone
3. **Patient centered excellence** – delivering chronic and acute medical services to the patients' locations instead of having them travel to Bethel to receive care
4. **Financial viability**- reducing the cost of travel for medical encounters and administrative meetings
5. **Community and partner satisfaction** – continuing to service its community with the best telemedicine network in the U.S.

Based on our understanding of your medical and business needs, we have designed a network proposal that improves the efficiencies of your data transport network. The proposed network provides YKHC the flexibility to support the current applications YKHC uses, in addition to future deployments of services throughout YKHC's operation.

- Network Devices and Applications
 - Approximately 2,000 devices
 - High definition video teleconferencing (HD VTC)
 - EMC Storage Area Network
 - Internet
 - Corporate Intranet
 - Cisco Voice over IP phone network
 - E-mail (initially FirstClass, migrating to Exchange)
 - Supply Management Software
- Medical, Dental, and Business Applications
 - Resource and Patient Management System (RPMS)
 - Siemens Financial Platform (MS4)
 - CT Scanner
 - PACS/Imaging Services
 - Electronic Medical Records (future deployment)

Today, YKHC receives network services that have a number of bottlenecks, which limit the technological growth YKHC envisions for itself. These bottlenecks result from the relatively low data transport bandwidth of 1.544Mbps/512Kbps being used to connect each village clinic and Bethel, and the limited Internet access of 1.544Mbps from Bethel to the Internet. These constraints will only be further accentuated by your deployment of HD VTC, which requires at least 2Mbps of symmetric, dedicated low-latency bandwidth per endpoint for optimal operation. YKHC has already engaged GCI in overcoming the Internet bottleneck between Anchorage and Bethel.

The *Design and Technical Execution* section of this proposal outlines the technology GCI proposes to deploy at each location. In all instances where a low-latency microwave or terrestrial option is available, it is proposed. To limit latency on satellite circuits, we are proposing single-hop connections between village clinics and Bethel, using the latest technology. The satellite equipment that will be deployed is state-of-the-art in efficiency and reliability. We will construct a new satellite hub in Bethel, and install new enhanced VSAT equipment that is capable of growing in conjunction with YKHC's bandwidth requirements. Furthermore, as DeltaNet expands into additional villages, we will transition satellite connectivity to the microwave platform.

To provide YKHC with a seamless technology platform, we are proposing connections in Bethel for YKHC's numerous locations and employees' accessibility to corporate resources. For YKHC's Bethel location, we propose connections using the affordable, high-speed metro area network (MAN) that is currently operated by UUI. We also propose offering private residential DSL service to YKHC employees so they may securely access corporate resources from their homes. Bethel MAN and DSL services are identical to those utilized by YKHC today, and represent GCI's commitment to network stability, continuity of service, and single point-of-support for all network services.

GCI has carefully considered YKHC's operational requirements and vision for its community in this project. We believe that our experience, competitive pricing, support, and ease-of-use demonstrate our commitment to establishing a positive, long-term partnership with YKHC.

Design and Technical Execution

When YKHC conceived of DeltaNet, it envisioned an infrastructure that met its current and future needs of health IT and telemedicine delivery. Today, YKHC continues to make strategic decisions in support of new technology (e.g. HD VTC, EMC SAN, digital imaging) that further its healthcare mission. GCI is uniquely positioned to support YKHC's strategic initiatives from a technical and healthcare perspective. Our experience will ensure that the technology is easy-to-use and reliable for all locations.

GCI will manage the delivery of data circuits, which includes long-haul elements, local loops in all villages and Bethel, and circuit-termination equipment that demarks the transition from GCI's network to YKHC's. Along with the circuits, we will provide YKHC's technical staff with visibility into the performance of their network links. GCI's senior network engineers will work with YKHC technical staff to determine the most efficient way to locally transport and hand-off remote circuits to YKHC's core routing devices in Bethel and remote routing devices in outlying villages.

At YKHC's request, GCI will provide assistance during the design and development of optimized router configurations for YKHC-operated equipment. The configurations are critical for ensuring uniform implementation across the network of appropriate quality of service and prioritization mechanisms; all of which guarantees the proper function of optimal application performance and delay-sensitive applications, such as HD VTC.

The proposed GCI service platform consists of the most efficient and lowest-latency technologies available in rural Alaska. Organizations have used these platforms throughout Alaska to support applications, which include: voice, video conferencing, streaming video, remote desktop services, disaster backup, emergency response, corporate VPNs, encryption, back-office support, Internet browsing, rural telephony, fax via satellite, telemedicine, and distance learning. The proposed services will support any IP-based application, scale easily, and feature rich, high-performance technology.

This proposed network solution will allow all remote YKHC locations to have direct connectivity to YKHC's Bethel-based network. This configuration will be ideal for maintaining YKHC's privacy and security safeguards, while allowing the YKHC technical staff to manage applications from Bethel.

Bandwidth Recommendations Based on IP Applications per Location

Based on YKHC's current deployment of high definition video teleconferencing (HD VTC) equipment throughout the Delta, GCI recommends a network with three symmetrical bandwidth tiers. These tiers of bandwidth are 1.5Mbps, 3.0Mbps, and 5.0Mbps. GCI understands that the IP applications currently in use on the 1.544Mbps/512Kbps-YKHC network include: Internet access, voice over IP telephony, and medical and business applications.

VTC Units Per Village	Symmetrical Bandwidth
0	1.544Mbps
1	3.0Mbps
2	5.0Mbps

Table 1. Simplified Bandwidth Recommendations

The recent deployment of Tandberg Edge 95 HD VTC units requires 2.0Mbps of symmetrical bandwidth for video conferencing services in order to provide the optimum user experience. The table that follows, *Detailed Bandwidth Recommendations by HD VTC Usage*, accounts for maintaining (and improving) the performance of current IP applications, while optimizing the use of the deployed HD VTC units.

Table 2. Detailed Bandwidth Recommendations by HD-VTC Usage

	Locations & HD VTC Units	Actual Bandwidth / Recommendation	Bandwidth Allotment	
			HD-VTC	Internet, VoIP, IP Applications
Current Network	All Village and Sub-Regional Clinics with 0 VTC Units	1.544Mbps / 512Kbps		1.544Mbps / 512Kbps
Proposed Network	Village Clinics without VTC	1.544Mbps / 1.544Mbps		1.544Mbps / 1.544Mbps
	Village Clinics with 1 VTC Unit	3.0Mbps / 3.0Mbps	2.0Mbps / 2.0Mbps	1.0Mbps / 1.0Mbps
	Sub Regional Clinics with 2 VTC Units	5.0Mbps / 5.0Mbps	4.0Mbps / 4.0Mbps	1.0Mbps / 1.0Mbps

It should also be noted that although the bandwidth recommendations above show discrete allocations for video conferencing services and other applications, circuits and QoS will be provisioned such that aggregate bandwidth (i.e. 3Mbps or 5Mbps) is available for non-VTC applications when video conferencing services are not being utilized.

Wide Area Network Data Transport

GCI is excited about the pending acquisition of UUI. The combination of UUI's microwave and terrestrial facilities with GCI's satellite technology and service capabilities offers YKHC a powerful telecommunications partner. Through our involvement with UUI, we hope to raise to higher levels the customer support your organization receives in the Delta. Additionally, GCI is the only provider that offers such high bandwidth links, with negligible latency, to so many of your villages. This proposal represents the best technical effort by GCI to provide YKHC with the most advanced telecommunications network in the state.

GCI has extensive experience providing robust, high-capacity, wide area network (WAN) data-transport services to communities across rural Alaska. With this proposed service, GCI will provide YKHC with high-bandwidth data circuits from every village clinic, and sub-regional clinic, to Bethel. These circuits will use a combination of transport technologies including fiber, microwave, and satellite. Based on the critical applications that must reliably work on the network and conversations with YKHC technical staff, GCI proposes a network that will initially provide three symmetrical bandwidth options that connect each sub-regional clinic and village clinic to Bethel. For locations in Bethel, GCI proposes connections on Bethel's high-speed, fiber metro area network (MAN).

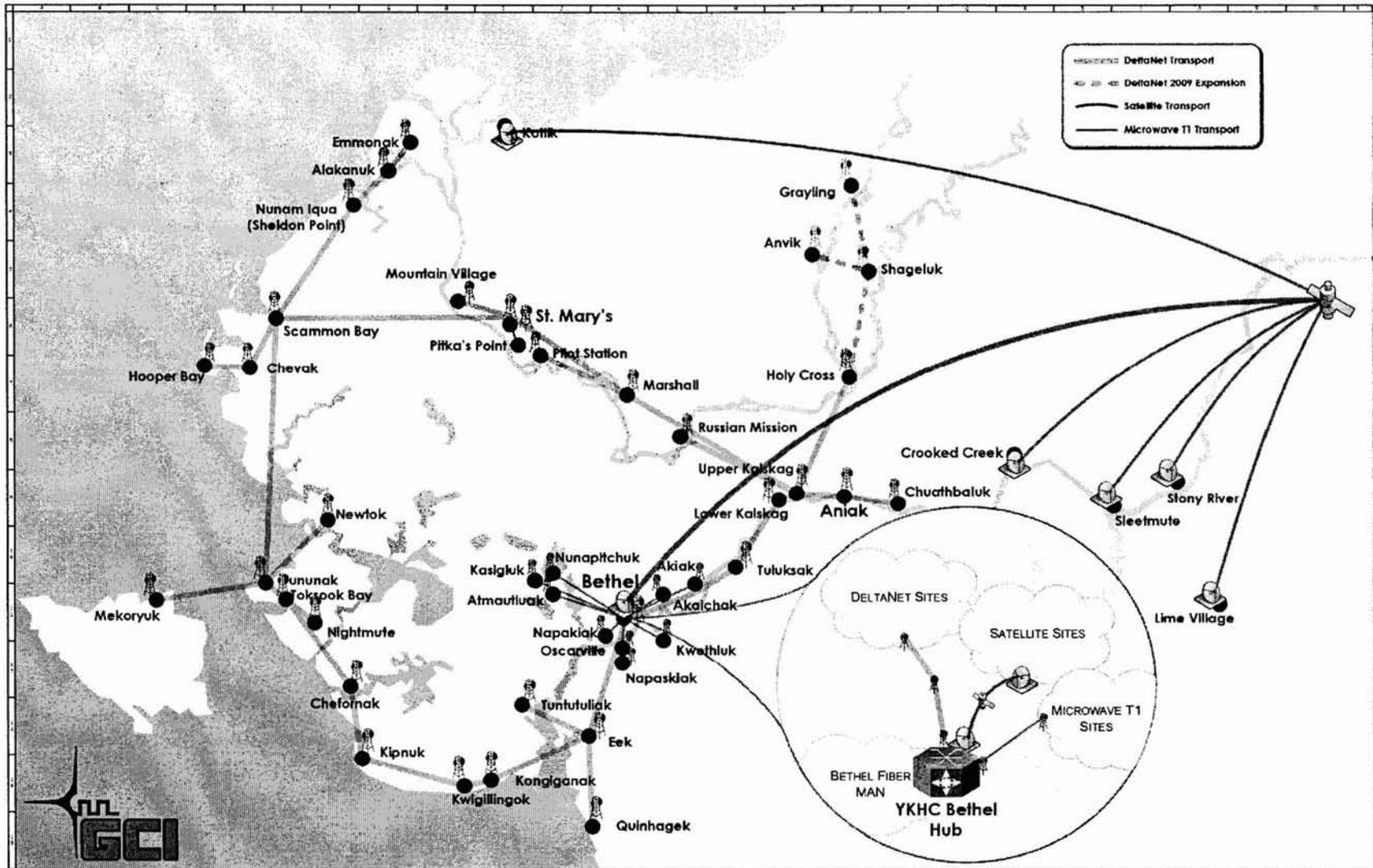
All remote village data links will be Quality of Service (QOS) enabled. In conjunction with YKHC technical staff, GCI will establish an end-to-end prioritization schema that guarantees voice, video, and other application traffic optimal bandwidth and throughput.

Below are descriptions of the various transport technologies we propose, with outlines of each option's ability to provide effective telecommunications and Internet solutions. In this section, we offer YKHC a complete solution that is a combination of terrestrial, microwave, and satellite transport options, with the majority of sites being connected via low-latency technology – fiber or microwave. All locations are proposed as using the best (highest bandwidth, highest reliability, lower latency) technology available.

Table 3. Proposed Transport Technology by Location

Transport Technology	Description	Locations
Ethernet Microwave (DeltaNet)	GCI will provide transport to these villages over DeltaNet. This ring and spur topology will employ virtual circuit technology that automatically redirects traffic if part of the ring is broken. The greater stability of the ringed network combined with extremely low-latency connections provides higher reliability than satellite connectivity, with the flexibility to grow capacity.	<p>Currently on DeltaNet Aniak, Eek, Kipnuk, Kongignak, Kwigillingok, Lower Kalskag, Marshall, Mekoryuk, Mountain Village, Newtok, Nightmute, Pitka's Point, Quinhagak, Scammon Bay, St. Mary's, Toksook Bay, Tuluksak, Tuntutuliak, Tununak, Upper Kalskag</p> <p>Scheduled to be Constructed in 2008 Alakanuk, Chevak, Emmonak, Holy Cross, Cheforanak, Chuathbaluk, Hooper Bay, Nunam Iqua, Pilot Station, Russian Mission</p> <p>Scheduled to be Constructed in 2009-2010 Anvik, Grayling, Shageluk</p>
Private Line Microwave	GCI will provide transport to these villages on existing microwave T1 connections between the interior villages and Bethel. These links are terrestrial, low-latency circuits.	Akiachak, Akiak, Atmautluak, Kasigluk, Kwethluk, Napakiak, Napaskiak, Nunapitchuk, Oscarville

Transport Technology	Description	Locations
<p>Satellite</p>	<p>The satellite network with GCI technology is a data service based on advanced network architecture that connects villages to a Bethel hub through a single satellite hop.</p>	<p>Anvik, Crooked Creek, Grayling, Kotlik, Lime Village, Shageluk, Sleetmute, Stony River</p>
<p>Fiber (Bethel MAN)</p>	<p>For YKHC sites on Bethel's metro area network (MAN), high-speed, terrestrial Ethernet connectivity is available. This ringed technology allows YKHC to manage all Bethel locations as one functional LAN, extending services and applications from the network core to any MAN site. As a terrestrial fiber service, GCI can provide YKHC with a range of bandwidth option from 10 Mbps to 1 Gbps.</p>	<p>Bethel locations: Bautista House, Behavioral Health, Bethel Community Service Building, CHSB, Crisis Respite Center, Earth Project Location, Health Aide Housing, Learning Center at BNC Complex, Materials Management Building, McCann Inhalant Center, Morgan House, New Malone Home, Keys Residential Diagnostic Treatment Center, Girls Group Home, Phillips Ayagnirvik Treatment Center, Pre-Maternal House, Bethel Hospital</p>
<p>Residential DSL</p>	<p>GCI will continue to provide a private DSL-based service for extension of YKHC network access employee residences. Speed is dependent on residence location, but is generally 8Mbps/2Mbps.</p>	<p>Bethel – up to 50 locations</p>



Quality of Service

Based upon GCI's understanding of YKHC's current and future network application requirements, it is necessary to implement Quality of Service (QoS) mechanisms in order to prioritize voice and video traffic required across the network. The real-time throughput requirements of these traffic types require the use of such mechanisms to avoid a decrease in quality caused by overwhelming lower-priority data and Internet traffic. In general, voice and video traffic are given the highest priority due to the interactive nature of the applications. High-priority data services, such as radiology image-transfer or remote terminal sessions, may be placed at a secondary priority level. Applications that do not have a real-time or delivery-priority requirement, such as e-mail and web surfing, are accommodated after the higher-priority applications have been provided for. An appropriately designed and implemented QoS plan will provide optimal experiences in each network application.

GCI has extensive experience implementing multi-service networks that accommodate voice, video, and data traffic simultaneously over satellite, microwave, fiber, and copper networks. Because the implementation of QoS involves both LAN and WAN components, GCI will work closely with YKHC's technical personnel to understand network-traffic prioritization requirements, to review existing QoS mechanisms, to design an end-to-end QoS solution, and to implement the designed solution into the YKHC WAN.

Service and Support

Our support structure is simple, yet thorough. One toll-free number gives your staff access to our dedicated support infrastructure 24 hours a day, seven days a week, providing easy access to certified staff that can efficiently resolve all network related issues. Furthermore, we will work with the YKHC technical staff to develop a support and escalation methodology that meets your requirements.

Technical Support and Network Management

GCI provides proactive monitoring, management, and escalations for any issues that arise on the GCI infrastructure. The GCI Customer Network Control Center (CNCC) monitors networks 24x7x365 and will troubleshoot the problem and escalate it to the necessary parties, such as the GCI Network Operations Control Center (NOCC), other carrier help desks or local exchanges (as necessary), and even the dispatching desk that will send out technicians to villages or clinics to investigate the issues that have arisen.

In conjunction with the 24x7 coverage of the CNCC, the GCI Managed Broadband Services (MBS) Service Desk has a staff dedicated to supporting the specific technical needs of school, health, and video clients from around the state. Their in-depth knowledge of customers' infrastructure, applications, and specific industries allows them to provide comprehensive end-to-end support for those customer networks. The MBS Service Desk is staffed Monday through Friday, 7:00 AM to 6:00 PM with on-call services available 24x7x365.

GCI's support and network management structure is built to provide the best service possible for its customers. Our philosophy is centered on transparency and proactivity. Part of this commitment includes making tools available to our customers that allow them to monitor their services up/down status, application status, ticket status, and bandwidth utilization across their network. These tools will be available to YKHC for GCI-managed devices and for YKHC-managed devices if simple network management protocol (SNMP) access to the routing infrastructure is granted to GCI.

Monitoring Tool: MBS Service Desk Portal

The MBS Service Desk Portal is an integral part of our quality and continuity management. GCI will provide YKHC the ability to view the status and availability of their services through a web interface. This allows YKHC to receive a comprehensive, single point view of the status and utilization of their current services, to check on open trouble tickets, submit feature requests, and provide feedback on their services. This set of tools/systems allows GCI and YKHC to jointly monitor key indicators of performance, service quality, and issue resolution.

Screen shots of the portal can be found on the following pages.

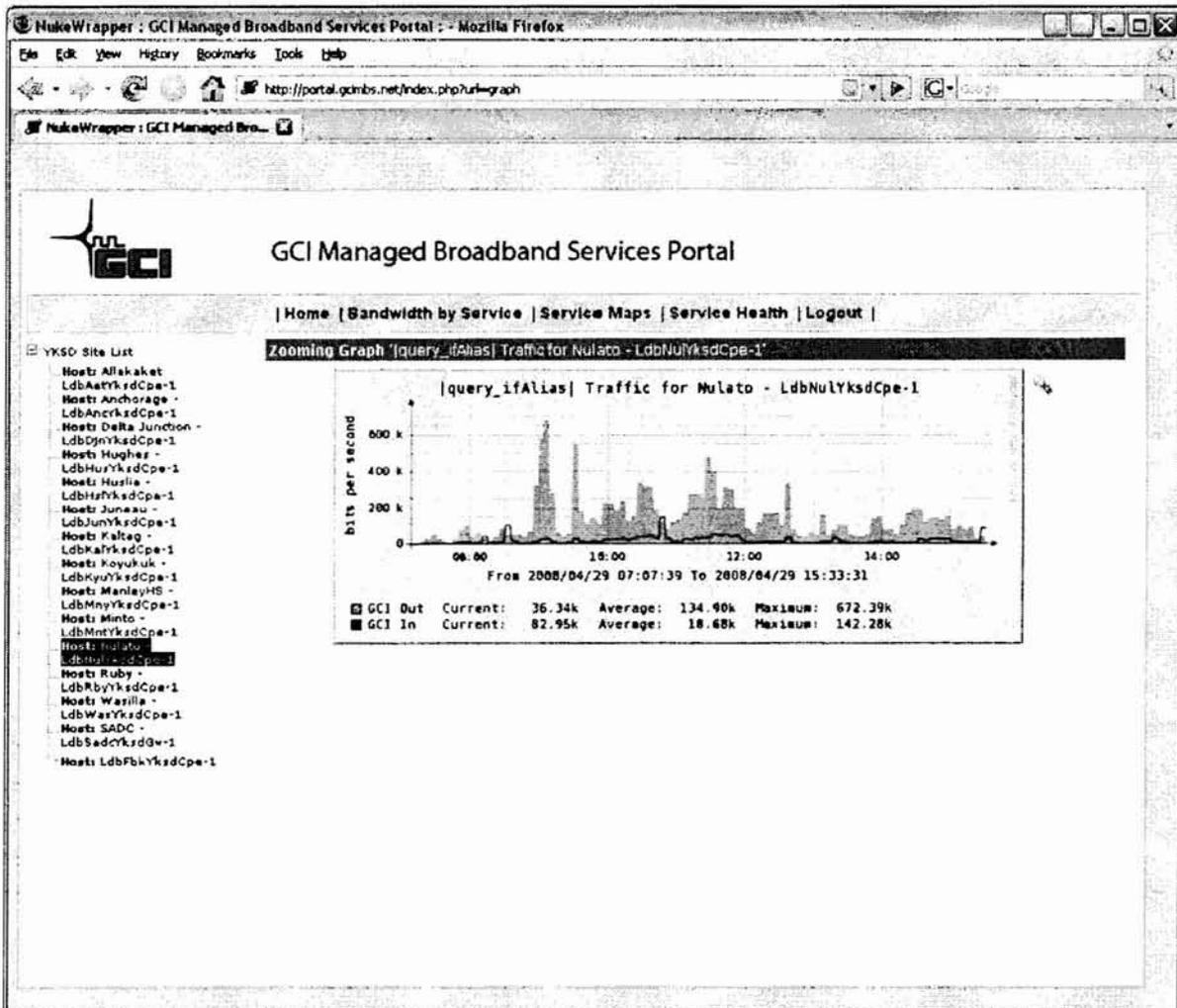


Figure 1. GCI MBS Service Portal Screen Shot 1: Bandwidth Reporting for Sites - 5 Minutes Roll-Up

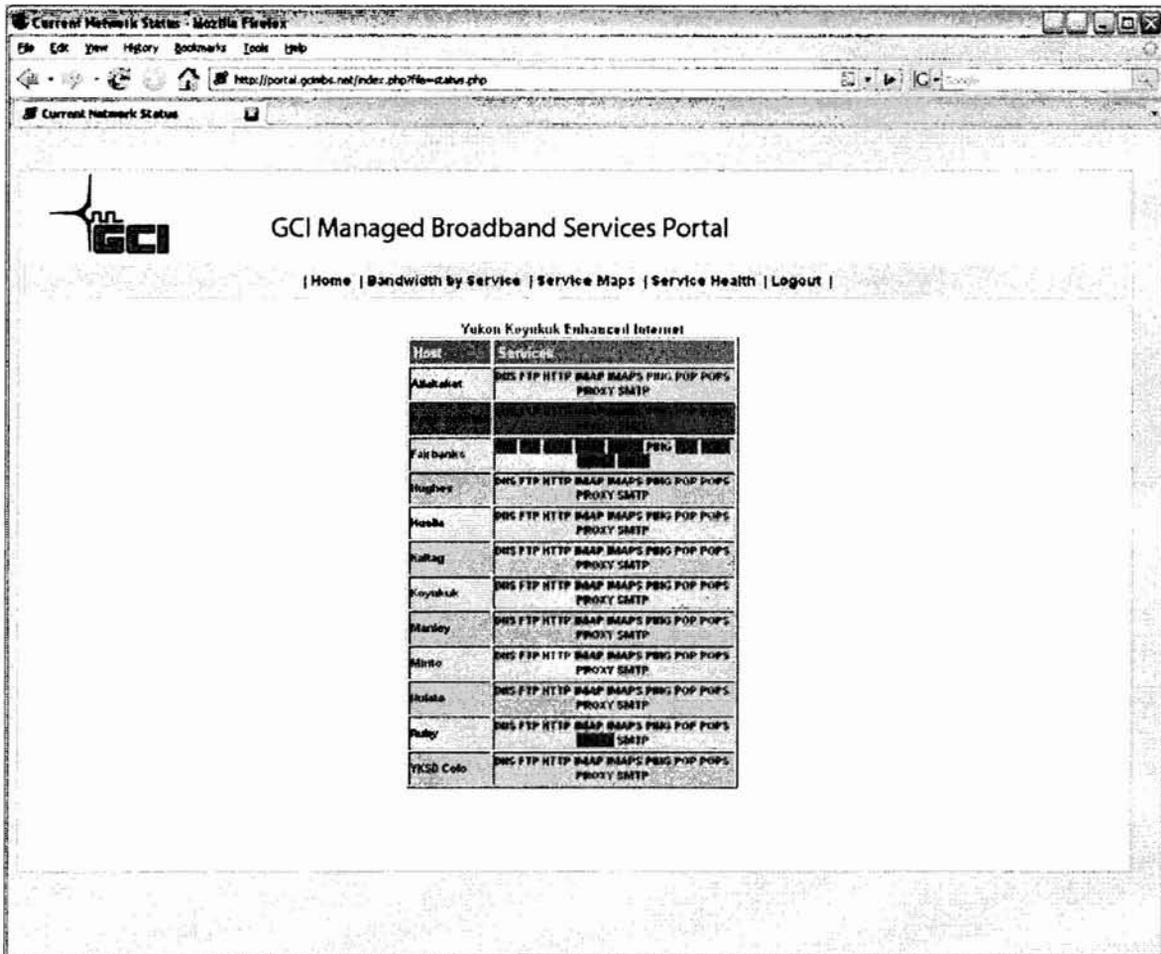


Figure 2. GCI MBS Service Portal Screen Shot 2: Service Availability and Monitoring

Monitoring Tool: Netflow Analyzer

NetFlow Analyzer is a bandwidth-monitoring and capacity management tool provided through the MBS Support Desk. It will provide YKHC with in-depth visibility into network traffic and its patterns, providing real-time network behavior information and how traffic impacts the network's overall health. NetFlow Analyzer gives detailed information on network bandwidth usage pattern for traffic analysis, capacity planning and making policy decisions. By drilling down into the specific applications, users, ports or network elements, managers are able to determine the exact source of spikes and bursts and are therefore able to proactively monitor, control, and make informed decisions. The granularity of information available via NetFlow Analyzer is dependent upon network topology and implementation. For example, if traffic encryption is performed inside the customer network and NetFlow monitoring occurs on a GCI device outside the customer network, per-user and per-application details are not available. GCI will work with YKHC to implement network services in a manner that allows for the greatest visibility desired by YKHC.

Screen shots of Netflow Analyzer can be found on the following pages.

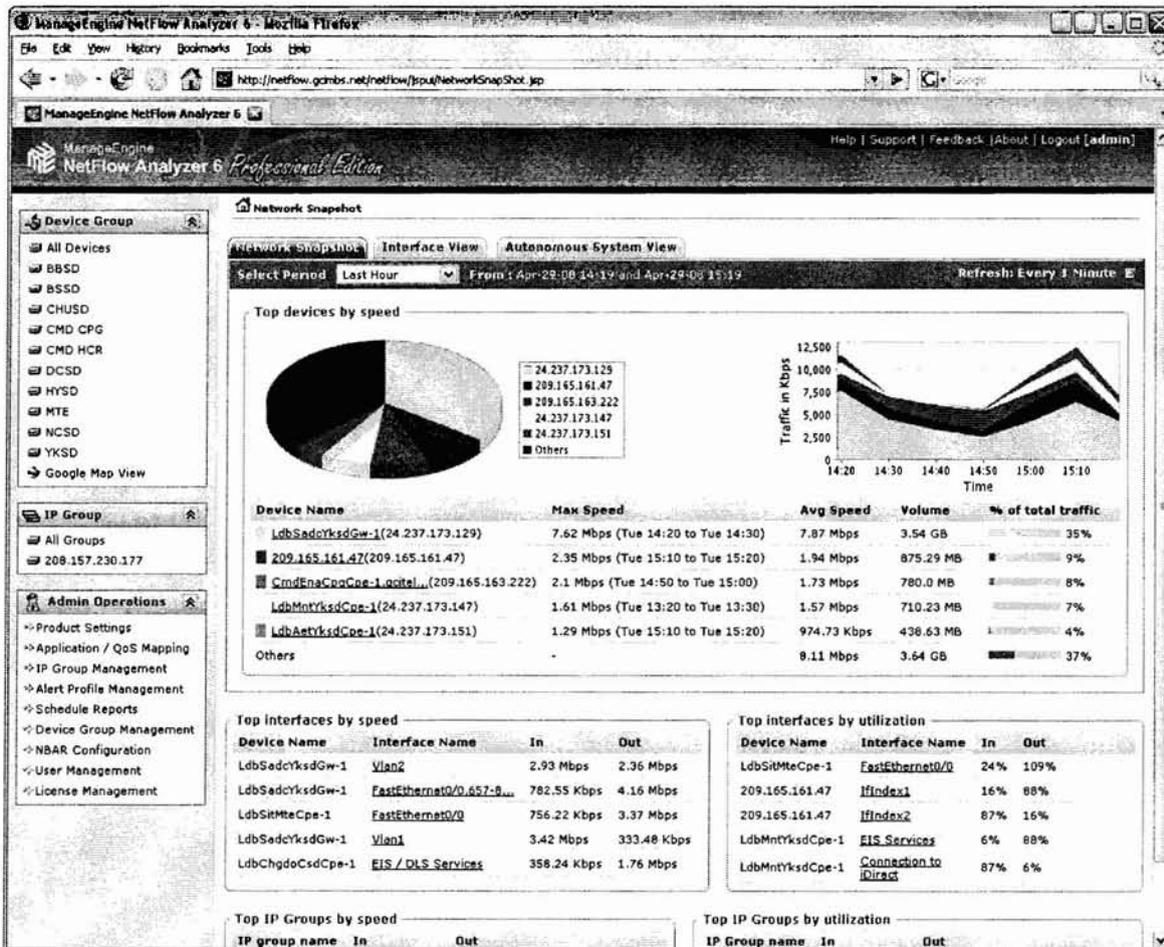


Figure 4. Netflow Analyzer Screen Shot 1: Applications Utilization on the Network Snapshot

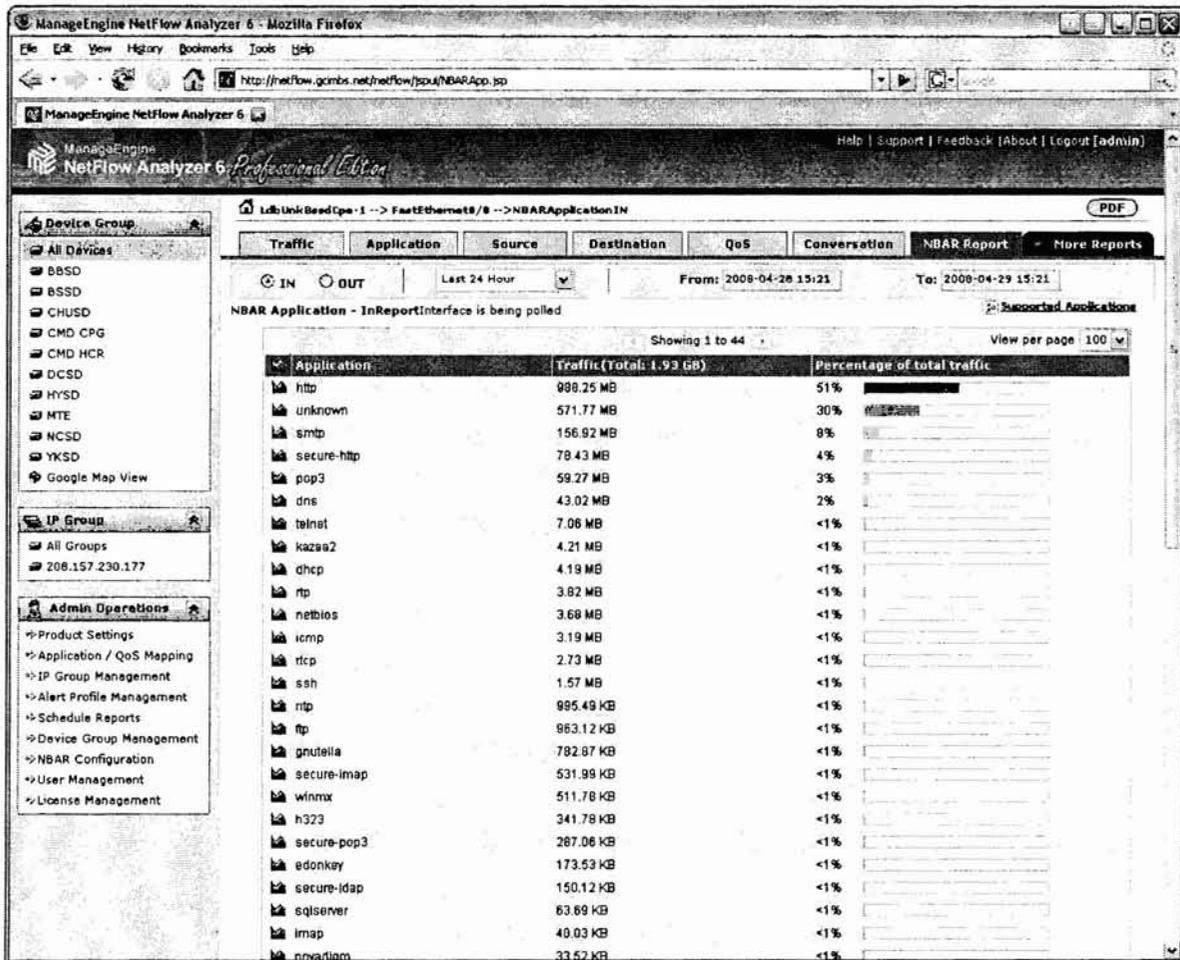


Figure 5. Netflow Analyzer Screen Shot 2 - Reports on what applications or devices are utilizing bandwidth, includes the ability to drill down into source, destination and port information

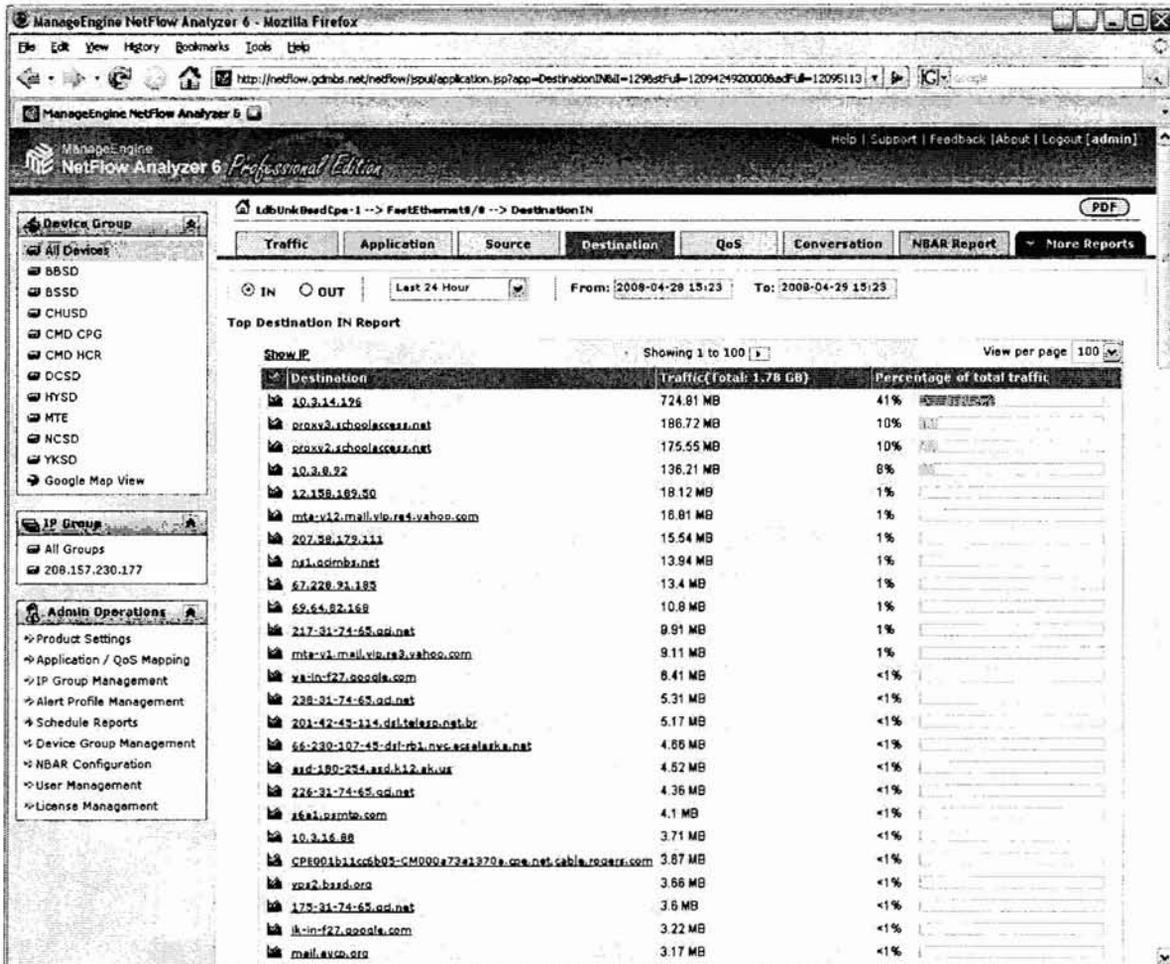


Figure 6. Netflow Analyzer Screen Shot 3 - Reports of which devices on the network are talking and with whom that are talking

CNCC and MBS Service Desk Support and Monitoring

In addition to the monitoring tools available to your staff, both the CNCC and MBS Service Desk actively communicate with YKHC and monitor the status of all GCI ConnectMD client network connections and components.

- Single Point of Contact for YKHC Trouble Calls 1-888-254-2858 – This number will always be answered by a live person, either from the MBS Service Desk (during business hours 7am-6pm) or the CNCC (after business hours). A trouble ticket number is assigned and given to YKHC on the first call.
- Recurring Technical Status Meeting – GCI will, at YKHC's request, create a regularly scheduled meeting between its operations team and YKHC's technology staff. This call will be used to address any technical issues, report the status of ongoing projects, and discuss any open tickets. Many clients request the meeting every 1-2 weeks.
- Network Monitoring – Network monitoring consists of CNCC and MBS staff monitoring devices and facilities to determine availability. GCI offers this service 24x7x365 and will notify designated YKHC contacts and the YKHC help desk on-call staff of a failure or degraded condition according to escalation/notification procedures. GCI will produce a daily report of events and status for the customer and management.
- Remedial Services – Technical staff is on duty 24x7x365 and can respond to error conditions immediately. The MBS Service Desk will be responsible for owning network error conditions through completion. They will coordinate customer resources, GCI's NOCC, GCI's CNCC, and other carriers if required to resolve a network problem. Advanced technical support, troubleshooting, and engineering is provided by MBS.
- Monthly and Quarterly Reports – GCI will produce monthly and quarterly reports discussing significant events, availability, and adherence to standards.
- Service Level Agreement – Monthly reporting of availability of the services will be provided by the 15th day of the following month. A daily report of service-affecting incidents will be provided.
- Problem Reporting/Analysis Process – In the event that a problem is reported, the GCI MBS Service Desk will:
 - Analyze the problem to determine, if possible, if it is a network or service problem.
 - Log the problem and provide an event number to the customer.
 - Advise the customer of status based upon severity, on a daily basis.
 - Advise the customer of completion status on a daily basis.

- **Escalation Procedure**

- When an event reaches an escalation stage, the MBS Service and Support Manager will send notifications according to the table that follows
- The YKHC Technical Coordinator or other designated YKHC staff will be kept updated on outage correction status
- GCI MBS Service Desk staff discretion can be used to escalate before designated periods, if the situation warrants escalation, or the customer requests additional attention to a particular issue

Escalation Table

Severity	One Location	Entire YKHC Network
Regular	Immediate notification: GCI & YKHC help desk	Immediate notification: GCI & YKHC help desk
	Secondary: Service & Support Manager, Technical Services Manager, Program Manager	Secondary: Service & Support Manager, Technical Services Manager, Program Manager, Vice President of AK Operations
Emergency	Immediate notification: GCI & YKHC help desk	Immediate notification: GCI & YKHC help desk, Service & Support Manager, Technical Services Manager, Program Manager, Vice President of AK Operations
	Secondary: Service & Support Manager, Technical Services Manager	Secondary: Executive Management
	Tertiary: Program Manager, Vice President of AK Operations	

Service Availability

GCI's communications systems are designed, engineered and supported to provide the following availability targets. These targets do not include outages stemming from scheduled maintenance, extreme weather, or solar activity.

- Ku-Band Satellite Facilities 99.7%
- C-Band Satellite Facilities 99.95%
- Microwave Facilities 99.99%
- LEC Loops 99.99%
- Bethel Fiber 99.999%

Configuration Management

To maintain efficient operation and service continuity, MBS staff will coordinate and assist with any upgrades to YKHC's routing and networking infrastructure that are associated with the proposed services. Router configuration upgrades are critical to uniformly implementing the appropriate quality of service and prioritization mechanisms across the network. Coordinated implementation optimizes application performance for delay-sensitive applications.

For router configuration management, GCI utilizes the Cisco Resource Manager Essentials (RME) product, which pulls and archives backup copies of configurations from the remote routers any time a change is performed on the device. This product allows for the maintenance of current and archival configurations in the event that a router needs to be reverted to a previous state or replaced because the device has failed.

As part of the management infrastructure, when an Internetwork Operating System (IOS) or update/upgrade to the routing devices is necessary, the operations group will identify the upgrade path and specify necessary RAM, flash, or other device upgrades. The GCI CNCC and GCI MBS Service Desk will manage the deployment of the new IOS versions to GCI remote devices and handle the coordination of those upgrades. GCI MBS Service Desk will coordinate with customers before any service-impacting changes occur. The GCI MBS Service Desk will coordinate with YKHC technical personnel when upgrades to YKHC devices are necessary or suggested.

Quality and Continuity Management

GCI has developed a continuous quality improvement (CQI) process that minimizes the impact on the customer's service and quality through our Upgrade (Transition) and provides:

- An ongoing communication channel with the customer

- Notice of service outages

- A process for communication with the customer before, during, and following a project

- A process for gathering input from the customer for scheduling maintenance and network changes

Change Process

The Change Process is detailed below. Our policies are in place to provide:

- **Planned preventative maintenance and network changes** (ChangeNet) happen during specific time periods (usually 2 AM to 6 AM, the GCI maintenance window) unless coordinated with impacted customers.
- **Normal changes** will be scheduled 7+ days in advance.
- **Emergency changes** will be scheduled depending on amount of customer impact currently being experienced. Each change is evaluated against specific criteria to identify whether we must wait for a normal ChangeNet or if it is impacting enough to require shorter notice.
- **Regular communication** with customers to understand when customers are performing upgrades and/or are in transition periods and how the ChangeNet process will or will not affect the customers' services or activities.

Upgrade (Transition) Change Process Overview

- Identify the need (hardware upgrade, software upgrade, configuration changes, service releases, etc.)
- Engineer the solution and/or re-engineer the current design
- Develop test plan and back-out plan
- Mock up the change in the lab, evaluating customer impacts
- Communication with customer on impacts, if applicable
- Create a ChangeNet package (specific instructions, hardware, software, steps, etc.)
- ChangeNet submitted to peers for review
- ChangeNet review meeting to verify impact and identify risk to other infrastructure
- Approval by schedulers to prevent overlap or conflicting changes
- Customer notification of change
- Change implemented
- Test of change/Validation of performance
- Close and review of change process

Health Information and Network Security Management

The ConnectMD staff understands the security demands and requirements that face healthcare organizations such as YKHC. We have dedicated personnel trained in healthcare information and systems security. The network services outlined in this proposal are designed with specific consideration to the HIPAA Final Security Rule that established the baseline for securing health information for covered entities.

If YKHC opts for GCI to manage its firewalls, we will manage firewall and router services to include configuration support. Access controls can be configured to the customer's standards, and on request, we can perform a full audit of the access controls and firewall configurations to ensure that each device and network is set up for maximum protection, without interrupting the customer's day-to-day business.

Information Security Policies

As a covered entity under HIPAA, YKHC's leadership is responsible for preventing unauthorized access to electronic personal health information that is transmitted over your communications network. To be able to adapt to customer security needs, the proposed network's security design was based on three key concepts: comprehensive capabilities, scalability, and technical neutrality. As we describe below, this secure network environment prevents unauthorized access to data in-transmission. GCI ConnectMD's staff will work with YKHC to determine any outstanding security risks in your network and implement measures that sufficiently reduce those risks and vulnerabilities to a reasonable and appropriate level.

- ▶ IP Security for HIPAA Compliance – Firewall implementation is central to the HIPAA requirement of separation between private patient data and the public Internet or other networks.
- ▶ IP Security Consistent with CERT® Best Practices – When Internet service is provided, GCI uses a firewall to delineate the boundary from the Internet and the customer's network. We understand and follow the CERT "Deploying Firewalls" security module. Within the firewall, GCI uses the IP routing, packet filtering, and logging tools provided by the software to provide security. The design, configuration, and implementation of the firewalls follow CERT guidelines.
- ▶ Router Access List Management – Within the firewall, there are specific Access Control List (ACLs) created to permit certain traffic sources access into the YKHC network. If YKHC opts for GCI to manage your firewalls, we can add or modify the firewall ACLs to meet your needs. These access control lists can be as specific as source and destination traffic flows based around application protocols.

GCI Security Experience

GCI takes our customers' security seriously. We have developed and implemented an extensive security infrastructure and procedures designed to protect our Public Switched Telephone Network (PSTN), data network, and the networks of our outsource customers. GCI's methodology is based on real world experience operating and maintaining PSTNs, data networks, and customer networks.

As a customer of GCI, YKHC will have access to several certified information security professionals for support on GCI's components of the ConnectMD network. GCI's security professionals have significant experience in all areas associated with administration of security programs for both PSTN and IP networks. GCI's organizational security infrastructure includes:

▶ **For IP Networks**

- Customer Network Control Center (CNCC)
- Data Network Security Administration

▶ **For PSTN**

- Network Operations Control Center (NOCC) – PSTN Network Security Administration, Fraud Management
- Local Service Operation (LSO)

As the largest Internet Service Provider (ISP) in Alaska, we manage firewalls, perform intrusion detection and response, support system audits and provide scheduled reporting.

Confidentiality

GCI's policy is to abide by the Federal Secrecy of Communications Act. As a condition of employment with GCI, all employees are required to read and sign the following statement, which is kept in their personnel file. They also attest on this statement that they will not reveal information they have had access to after they leave the employment of GCI.

- ▶ Employees must not disclose the contents of any part of any telephone, radio (including television or facsimile), teletypewriter or telegram message addressed to another person without the permission of the sender, or willfully alter the purport or meaning of any such message. Both parties to a telephone conversation are considered to be senders.
- ▶ Employees must not use information derived from any private message passing through their hands and addressed to another person, or acquired in any other manner, as an employee of the Company.
- ▶ Employees must not permit any unauthorized person to listen to any telephone conversation.
- ▶ Employees must not monitor any connection more than is needed for its proper supervision or operation.
- ▶ Employees must not tell anyone the existence of or nature of any message, except as required for handling it properly.

- ▶ Employees must not discuss communication arrangements made between the Company and its customers, except as required for handling them properly.
- ▶ Employees must not give any unauthorized person any information whatsoever about the location of equipment, trunks, circuits, etc., or about local or toll ticket records of calls, messages, etc.
- ▶ Employees must not disclose to unauthorized persons, or make personal use of information obtained while making service observations on non-telephone conversations.

GCI has security infrastructure that is used to assure the highest order of security for our communications infrastructure. An outline of this structure includes:

- ▶ Identification and Authentication
- ▶ Access Control and System Audits
- ▶ Security Administration
- ▶ Intrusion Detection Initiative
- ▶ Intrusion Response Capability
- ▶ Fraud Management and Security Awareness

GCI Project Team

Key GCI Contacts for YKHC Personnel

Clear lines of communication are critical to successfully executing and supporting a network of this size. Due to the remoteness of the village clinics and sub-regional clinics, and the quantity of hardware being installed, clear logistical planning and communications are necessary to meet the delivery schedule. In the *Installation and Delivery Timeline* section, we will provide a detailed deployment / service activation calendar, as well as a full project schedule. To facilitate the process, GCI is committed to providing YKHC with the most experienced, responsive team possible. This specialized Managed Broadband Services team—listed below—will be available to YKHC.



Executive

• Martin Cary, Vice President and General Manager,
Managed Broadband Services



Administrative

• Steve Constantine, Director, Medical & Video Services

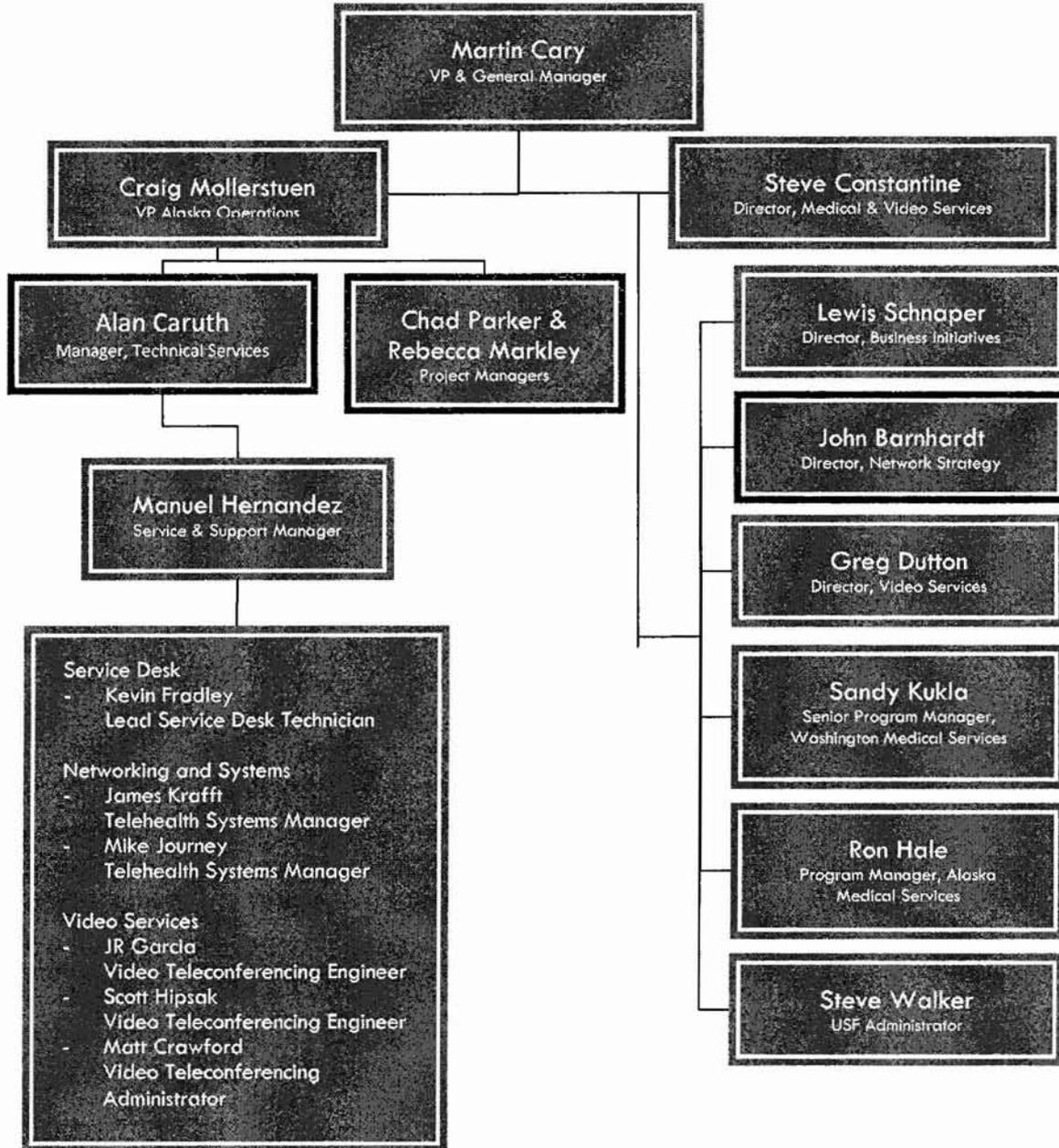


Technical

• Craig Mollerstuen, Vice President, Alaska Operations,
Managed Broadband Services

Organizational Chart

Figure 7 Functional Organizational Chart: YKHC Support Team



Team Bios



Executive Point-of-Contact
Martin Cary
VP and General Manager, Managed Broadband Services

Martin Cary is responsible for all GCI medical and educational initiatives delivered over a broadband satellite, fiber, and microwave infrastructure, including SchoolAccess and ConnectMD. Before joining GCI, Martin was Senior Partner of Astrolabe Systems, Inc., a technology management consulting firm acquired by GCI in 1995, where he developed SchoolAccess. Prior to Astrolabe Systems, Martin served as the Director of Information Technology for the North Slope Borough School District for nearly a decade. There he successfully managed numerous multi-million dollar projects, including the design, installation and facilitation of the school district's multi-media wide area and telecommunications network, data processing systems, and award winning distance learning apparatus. He designed and built one of thirty Model-Net sites studied by the US Department of Energy and the US Department of Education.



Lead Point-of-Contact
Steve Constantine, MA, CAAMA, CPHIMS, CHS
Director of Medical & Video Services

Steve Constantine is responsible for GCI Medical Services and the creation of the ConnectMD medical network. Steve is a former Air Force medical service officer, a medical center and regional medical Chief Information Officer (CIO). Steve has over 24 years of experience in a variety of healthcare disciplines and is a board certified medical administrator. Steve has been an Alaska resident since 1989 and has led GCI's medical programs for the past 8 years. An avid bicyclist, hunter and private pilot, Steve also carries professional certifications in health information management systems (CPHIMS) and electronic health records (CHS).



Technical Point-of-Contact
Craig Mollerstuen, MBA
VP Managed Broadband Services – Alaska Operations

Craig Mollerstuen manages the Alaska delivery of Managed Broadband's ConnectMD and SchoolAccess services. Before joining GCI Craig worked for ROLM, the North Slope Borough School District, the North Slope Borough, and Netscape Communications. Craig has a Bachelors Degree in electrical engineering and a Masters Degree in business management. Over the past six years, Craig has had a variety of responsibilities within Managed Broadband Services. Craig led our expansion of SchoolAccess in the lower 48, managed the original SchoolAccess Distance Learning Service implementation project, and oversaw budget and administration for Broadband Services. Since August 2005, he has led the operations group in, and been responsible for technical services, technical support, billing, and customer service for Managed Broadband's school, medical and videoconferencing customers.



Greg Dutton, MBA
Director of Video Services

Greg Dutton provides strategic planning and direction for GCI's Advantage Video. He has over 14 years experience with videoconferencing technologies. Greg previously served as Director of SchoolAccess for seven years. Before joining GCI, Greg served the North Slope Borough for three years as its Executive Video Producer. While there, he supervised and scheduled North Borough's television studio staff and resources, as well as the overall facilitation and broadcasting of North Slope Borough School District distance learning classes. He was also responsible for the operation of the North Slope Borough School District's videoconferencing network. Greg has a B.A. in Telecommunications from Texas Tech and an M.B.A. in Telecommunications Management from the Alaska Pacific University.



Alan Caruth, CCSP, CISSP, CCNP, CCDP, MCSE2000, INFOSEC
Technical Services Manager

Alan Caruth is the Technical Service Manager for GCI Managed Broadband Services. Alan manages and provides high level technical direction for the entire Technical Services group of GCI Managed Broadband Services. This service group represents the end-to-end network and systems support for health and educational clients statewide. Alan has been in the IT field for over ten years, specifically serving healthcare customers for the past four years, and brings a wide range of skills to the table. Alan has knowledge in Microsoft and Linux operating systems and a wide range of networking hardware from

various vendors including Cisco wireless equipment, routers, switches, voice products and firewalls. Alan maintains several Microsoft and Cisco certifications and has performed network design, implementation and support for a large number of clients in Alaska.



John Barnhardt, MBA
Director, Network Strategy

John Barnhardt has over 18 years of professional experience in data networking, telecommunications and educational technology. John led the technical development of the SchoolAccess product at Astrolabe Systems before it was purchased by GCI. At GCI, he has served in numerous senior engineering and technical product management roles, and was instrumental in expanding the GCI Internet product base and service offerings to its current market-leading levels. Prior to GCI, his career included years as a data and voice networking consultant for large private and public institutions, as well as operational management of many data and services networks. He was responsible for the operation, support and continuous expansion of the North Slope Borough School District's comprehensive data network, has consulted for multiple school districts throughout Alaska, and has been an educational technology instructor at the K-6 level. John received his B.S. degree in Computer Science from Gonzaga University, his M.B.A. from the University of Washington, and held the Cisco Certified Internetwork Expert (CCIE) designation from 1996-2005.



Ron Hale, MBA/HS, CPEHR
Program Manager, Alaska Medical Services

Ron Hale recently joined GCI as Program Manager, Medical Services Alaska. He has a wide variety of military and civilian health care administration experience bringing over 30 years of Medical/Dental Clinic, Medical Center, Hospital, and Physician Practice Management to our department. He was also an adjunct professor for LaVerne University, California teaching Hospital Administration in their masters in health care management program. Ron previously served as the Behavioral Health Division Administrator for Southcentral Foundation for four years and most recently as the Vice President for Pharmacy Operation for Geneva Woods Pharmacy. He is a long term member for the American College of Health Care Executives and a Certified Professional in Electronic Health Records. Ron and his family have been Alaskan residents since 1977.



Sandy Kukla, RN, CHFP
Senior Program Manager, Washington Medical Services

Sandy Kukla is a former RN and IT financial analyst. Sandy has worked extensively implementing electronic medical record systems and practice management solutions in clinical environments. She has over 30 years of experience in various healthcare disciplines including hospital and emergency room nursing, practice administration, application implementation and training, medical financial consulting and clinical analytics. Sandy is a member of the WSMA IT Advisory Board, a certified EMT and is very active in the Washington State Chronic Care Collaborative and Patient Safety Initiatives.



Steve Walker
USF Administrator, Managed Broadband Services

Steve Walker has been involved with GCI's rural services for eight years, managing the Universal Service Fund program since 1999. Steve built the original data management system and the custom billing processes used by GCI to support our Schools and Libraries and Rural Health Care USF-eligible customers. In 2000, he attended School and Libraries training in Washington, D.C., and Rural Health Care training in Billings, MT. Steve has attended numerous e-Rate Service Providers Training Workshops, most recently in 2007 in Phoenix, AZ. Prior to joining Managed Broadband Services, Steve was the manager for GCI's Technical Services, overseeing local and wide area network technicians providing service to many of GCI's corporate and small business clients. Steve has worked with more than 50 school districts and 15 health care organizations in Alaska and the western states, helping applicants get the USF support they needed. Steve has a B.A. from the University of Montana and an M.S. in Business Organizational Management from the University of La Verne.

Project Management



Chad Parker, MS
Project Manager, Technical Services, Managed Broadband Services

Chad is in charge of managing projects for the Managed Broadband Services technical support team. Chad has been with GCI since August 2001, originally working as the SchoolAccess Systems Manager. He has also been in the Army since 1986, and currently holds the rank of Lieutenant Colonel in the Alaska National Guard. Chad has served at all levels of command in the Army and most recently returned from a combat tour in Afghanistan. He holds specialties in Military Intelligence and Systems Automation. In addition, Chad has a Masters degree in Computer Science and is currently working on a Project Management Professional (PMP) certification.

Rebecca Markley
Project Manager, GCI

Rebecca is a professional telecommunications supervisor and project manager at GCI. She has over 5 years experience in telecommunications and 3 years experience managing 3rd Party Information systems support contracts, and project installations. Prior to joining GCI, Rebecca worked as a manager for a regional entertainment company. She has her B.S. from the University of Maryland University College with a major in Information Management Systems and is currently pursuing her MBA in Telecommunications Management from Alaska Pacific University, (projected graduation 2008).

Technical Services & Support Desk



Manuel Hernandez
Service Desk Manager, Managed Broadband Services

Manuel Hernandez focuses primarily on encouraging an environment of cooperation and enthusiasm within the service desk team while maintaining and improving customer experience, building relationships with vendors and other departments and assuring that the MBS service desk team is providing the highest level of customer satisfaction and support to all of our customers. Manuel's focus also includes service and support infrastructure providing a level of assurance that while GCI focuses on developing products and features for new clients, current customers are kept current. Manuel works closely with the project management team to assure that current support is balanced with the need to deploy new solutions. Manuel has been employed with GCI and in the IT and leadership field for more than 20 years with experience including: depot and field service technician, field service supervisor, technical support manager, and call center technical support manager. Manuel holds numerous management, administration, and technical training awards and certifications.



JR Garcia, CCVP, CCNA, Cisco IPT Operations Specialist, CIWA, Inet+, Net+, TCTA, TCTE, TCTS, AAS Computer
Video Teleconferencing Engineer, Managed Broadband Services

JR joined the MBS team as a video teleconferencing network engineer. He comes from the GCI commercial services department where he did design, implementation, and operational support for complex commercial networks utilizing voice, video, and data services. JR has extensive experience with pre and post sales support of enterprise level networks, including LAN/WAN infrastructure and secure network solutions.



Scott Hipsak, CVE, TCTMSS, TCTA, TCTE
Video Teleconferencing Engineer, Managed Broadband Services

Scott Hipsak is GCI's Video Teleconferencing Engineer. He is responsible for GCI's Video Teleconferencing network; from the cameras to the routers and network to the end user experience. Scott's responsibilities also include looking for and testing new technologies and platforms that are being developed daily, as well as making sure the old technologies work seamlessly. Scott joined GCI in May of 1999 as a second level tech support person. Within six months Scott became a network analyst working with GCI's service provider network. He has experience in most of the Cisco router and switch platforms. Scott currently

manages nine video bridges and two-hundred plus video endpoints resulting in over one million video conferencing minutes per year, as well as thousands of videoconferencing sessions.



Matt Crawford, Net+, CCNA
VTC Administrator, Managed Broadband Services

Matthew Crawford provides videoconferencing support for all Managed Broadband Service customers. Customers include schools, educational programs, health clinics, financial institutions, and the State of Alaska. Support ranges from conference scheduling to audio, video, and network troubleshooting. Matthew recently joined the videoconferencing team this summer after working on the MBS Support Desk for four years. Matthew supported servers, videoconferencing equipment, network troubleshooting, and monitoring WAN connectivity. Prior to working on the Support Desk, Matthew worked on providing dial-up and cable modem support for GCI residential customers. Matthew is Network+ and CCNA certified and has attended several training courses for Tandberg videoconferencing equipment.



Kevin Fradley
Support Desk Team Lead, Managed Broadband Services

Kevin Fradley is the main point of contact on the Support Desk team for all Managed Broadband Services customers. Kevin started at GCI as part of the Internet Support Help Desk in 2002, and transitioned to the MBS group in 2003. Bachelor's degree in Computer Science. Vendor certifications from Tandberg, Checkpoint, Microsoft, Cisco, Comptia, Sonicwall, and Novell.

GCI Managed Broadband Services Engineers

 <p>James Krafft, A+, N+, CNE(5), CCNA, CCNP, CCVP, CCIP Telehealth Systems Manager, Managed Broadband Services</p>	 <p>Mike Journey, JNCIA-WX and CCNA Telehealth Systems Manager, Managed Broadband Services</p>
<p>James Krafft works as a Telehealth Systems Manager for the ConnectMD platform and general network engineer for Managed Broadband Services networks. James has been in the IT field for the past seven years. James has extensive network troubleshooting experience with Cisco based networks and working with GCI managed customer networks to include, State of Alaska, several Telehealth clients and other major commercial private line customers. James has knowledge in Microsoft and Novell network operating systems, telco physical circuits and various networking hardware, such as Cisco routers, switches, firewalls and Cisco Voice over IP equipment.</p>	<p>Mike Journey joined GCI on November 1, 2004 in the position of TeleHealth Systems Manager for GCI Managed Broadband Services. In this position, Mike provides high level technical support for SchoolAccess and ConnectMD customers. Mike has been in the IT field for more than thirty years. For the past two years he specifically served healthcare and school customers, bringing a wide range of skills to the table. Mike has been a participant in and led teams that have supported, designed and implemented networks of various degrees of complexity while working in a large number of customer environments. Mike has knowledge of Microsoft operating systems and a wide range of networking hardware from various vendors including Cisco, Juniper, routers, switches, voice products, IP acceleration and firewalls.</p>

Experience

GCI Corporate Overview

GCI (NASDAQ: GNCMA) is the largest integrated telecommunications provider in Alaska. The company was founded by two Alaskan entrepreneurs, Bob Walp and Ron Duncan, who understood that Alaskans had a great deal to gain from competition in the telecommunications arena. Founded in 1979, GCI introduced the concept of competition to the Alaskan long-distance market. Throughout the years, competition has expanded to include local phone services, cable television, Internet, distance education, videoconferencing, CME, CNE, Grand Rounds, and telehealth services. Today, Ron Duncan continues to lead GCI as it serves all major cities, all regional centers, and 150 rural villages throughout Alaska.

GCI Network

GCI is renowned as a technology leader and innovator. Our robust company-owned network is the largest in Alaska and is comprised of fiber optics, satellites, and metropolitan area network facilities. This broadband platform is the only one of its kind in Alaska and allows the company to provide customized services—such as ConnectMD, SchoolAccess, and Advantage Video—to the Alaska market. In the last 15 years, GCI has invested more than \$1 billion in the Alaska telecommunications infrastructure.

GCI owns and operates two diverse fiber routes to the lower 48, as well as an ever-growing in-state terrestrial fiber network that connects all of Alaska's major cities, including an 800-mile long fiber optic cable that follows the TransAlaska pipeline. By the end of 2008, GCI's fiber network will include a new Southeast route connecting Ketchikan, Petersburg, Wrangell, Angoon, and Sitka to Juneau.

GCI Services

GCI has made broadband Internet available in 150 of Alaska's smallest villages and to more than 90 percent of Alaska's households. GCI operates and maintains the largest Internet network in the state of Alaska and has earned the coveted Cisco Powered Network certification, ranking it in the top one percent of telecommunications providers worldwide.

GCI owns and operates cable video systems in 17 regional locations, passing more than 90 percent of the homes in Alaska. In addition to cable video programming, GCI's cable system provides high-definition TV, music channels, and pay-per-view movies and events.

GCI also offers digital local phone service (DLPS) – brand new, state-of-the-art technology that enables dial tone to be delivered over our redundant fiber optic network. By the end of 2008, the network will be expanded to allow the following communities to receive DLPS: Bethel, Cordova, Homer, Nome, North Pole, Palmer, Petersburg, Prudhoe Bay, Seward, Valdez, and Wrangell. GCI currently offers DLPS to residents in Anchorage, Chugiak, Eagle River, Fairbanks, Juneau, Kenai, Ketchikan, Kodiak, Peters Creek, Sitka, Soldotna, and Wasilla.

The Future

GCI recently announced four new ventures:

1. Purchase of United Companies, Inc: United Utilities, United-KUC, and Unicom. These companies provide local telephone service in 60 rural communities and the DeltaNet broadband microwave network. The transaction is pending state and federal regulatory approval, which is estimated for late spring, 2008.
2. Plans to secure and install a multi-standard, statewide wireless infrastructure network that will enable expanded wireless services to over 200 of the state's rural villages. The service rollout for the Bethel region will begin the fourth quarter of 2008.
3. Construction of a fiber optic cable that will connect Ketchikan, Wrangell, Petersburg, Angoon, and Sitka to Juneau. This \$30 million project is scheduled for completion in November 2008.
4. Starting December 2007 and running through June 2012, GCI is investing approximately \$100 million to construct wireless facilities throughout the terrestrially served portion of Alaska, including the cities of Anchorage, Fairbanks, and Juneau.

Alaska Experience

GCI is an Alaskan company, employing 1,302 Alaskan people. From the beginning, GCI has been a telecommunications and cable company committed to investing in, and serving the needs of, both rural and urban markets. With programs such as SchoolAccess, ConnectMD, and Advantage Video, GCI has demonstrated its commitment to rural communities by serving some of the most isolated locations in Alaska. In doing so, GCI has brought the benefits of the Internet to thousands of Alaskan elementary and secondary school students, connected hospitals and clinics to medical and behavioral diagnostic specialists throughout the state, and provided wireless broadband Internet access in the homes of many rural Alaskans.

GCI is constantly seeking to provide our customers with the services they need and want. Often, the Alaskan environment demands a unique solution to technical challenges. In northwest Alaska in 2001, GCI solved the challenge of how to deliver Internet to homes by partnering with Maniilaq Association and the local phone company, OTZ Telephone, to form Inutek. Similarly, in southwest Alaska, GCI entered into a partnership with Bristol Bay Telephone Co-op to provide broadband Internet service that is supported by local staff.

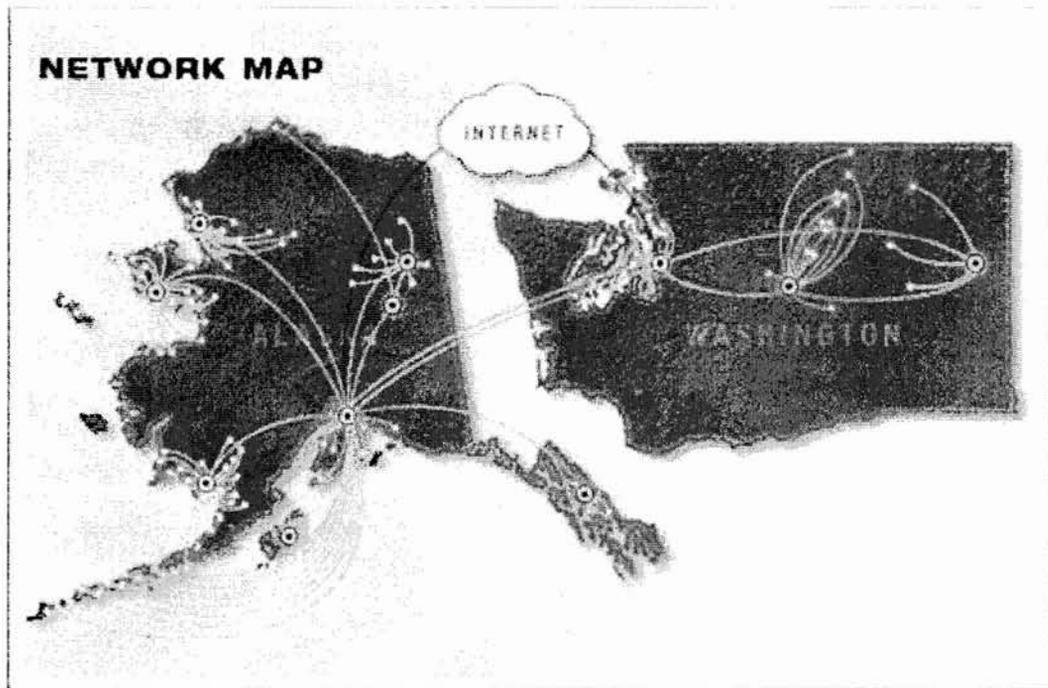
GCI also pioneered ConnectMD and SchoolAccess, two highly successful programs. Both were created to help residents in rural Alaska receive the same health and education benefits as their counterparts in other, more populated areas of the state. GCI has extensive experience providing robust, high-capacity network services to communities throughout Alaska. We have a great working relationship with our customers, and hope to build upon it in the future with YKHC as a customer.

ConnectMD Medical Network

ConnectMD is a private medical information network serving clinics, hospitals, and medical corporations that enables the secure and reliable exchange of medical data and critical health information. This service allows rural clinics to access medical expertise from resources in larger cities throughout Alaska and the lower 48 states. Currently, over 140 rural health clinics have access to the most advanced telehealth services in the world through GCI's ConnectMD program.

ConnectMD provides strong authentication, authorization, non-repudiation, and audit trail services to ensure that network services are compliant with relevant healthcare standards, regulations, and data security best practices. These services allow for the auditing of historical participant activities, but do not monitor or store actual medical data.

Members of our medical network include all sizes and types of medical institutions, from small rural clinics to specialized urban treatment centers. Below is a sample of the clinics, hospitals, and health corporations that operate on the GCI telecommunication facilities in Alaska and the lower 48.



- Alaska Billing Service
- Alaska Native Tribal Consortium
- Alaska Island Community Services
- Alaska Psychiatric Institute
- Alaska Regional Medical Center
- Alaska Rural TeleHealth Network
- Aleutian Pribilof Island Association
- Arctic Slope Native Corporation
- Bartlett Medical Center
- Bristol Bay Area Health Corporation
- Central Peninsula General Hospital
- Council for Athabascian Tribal Governments
- Cordova Community Medical Center
- Coulee Community Hospital
- Denai'na Health Clinic
- Ferry County Memorial Hospital
- North Valley Hospital
- Odessa Hospital
- Eastern Aleutian Tribes
- Fairbanks Memorial Hospital
- Hope Community Resources
- Kodiak Community Health Center
- Maniilaq Corporation
- Norton Sound Health Corporation
- Providence Kodiak Medical Center
- Providence Seward Medical Center
- Providence Valdez Medical Center
- Providence Hospital of Anchorage
- Southcentral Foundation
- Alaska Island Health Services
- Virginia Mason Medical Center
- Lake Chelan Community Hospital
- Mid-Valley Hospital
- Okanogan Douglas County Hospital
- Yukon Kuskokwim Health Corporation, Anchorage
- Veterans Administration Hospital

Government

GCI was awarded a second multi-year contract to provide the State of Alaska with telecommunications services that include:

- Creating a State of Alaska Program Management Office to manage the delivery of services to the state and serve as the primary management interface
- Establishing a dedicated State Service Desk in Anchorage
- Monitoring and managing the state's voice, data, and video network from GCI's state-of-the-art Anchorage Customer Network Control Center
- Maintaining the state's PBX network
- Maintaining and managing the state's current VTC systems
- Coordinating the maintenance and repair of the state's stand-alone PBXs and key systems
- Supporting the state's Cisco VoIP system
- Delivering customized reporting and billing
- Providing Internet access and long distance services

Yukon Kuskokwim Delta Experience

GCI has a long history of providing service to the Yukon Kuskokwim Health Corporation and the schools and communities in the Delta region. We are looking forward to an even brighter future in the Delta with our purchase of United Utilities, Inc. (UUI). The GCI/UUI alliance intends to build upon GCI's multi-year success in expanding rural medical, educational, and residential Internet initiatives. GCI's SchoolAccess network has provided educational services and Internet access to Alaska's Lower Kuskokwim, Lower Yukon, Yupiit, and Kuspuk School Districts. On the medical side, we currently support YKHC's Anchorage-based medical and business operations, as well as your air ambulance service.

It has taken GCI years to build an experienced and highly focused management team that is familiar with the complexity of the medical technology environment and stays current with the changing technology landscape. Compared to other vendors, GCI is uniquely qualified to serve medical customers because the ConnectMD and Advantage Video management teams are the most experienced in Alaska. GCI's industry-leading teams focus on providing customers a variety of options and "the most bang for the buck."

With the addition of UUI, the GCI team can ensure that YKHC receives the most responsive and comprehensive support program to every village that YKHC serves. UUI has maintained YK-Delta local exchange facilities since 1978, satellite earth station villages in the YK Delta since 1986; it brought the new terrestrial microwave DeltaNet network online in 2006. Our goal going forward is to provide seamless and reliable service to every end-user, regardless of the location or application being utilized. In addition, UUI has an established history of providing its customers with local, reliable, trained technicians. UUI is currently the largest employer of local and native telecommunications personnel in the YK Delta. The GCI/UUI alliance combines GCI's satellite resources, statewide presence, and technical expertise with UUI's DeltaNet, local presence, and skills to serve YKHC with state-of-the-art telemedicine and telecommunications services.

By combining GCI's and UUI's logistics operations, labor pools, and skill packages, we anticipate a much faster deployment and turn-up schedule than either organization was capable of delivering in the past. A very important by-product of the training is the natural social interaction that will be fostered as GCI, UUI, and YKHC people mutually experience the satisfaction of continuous professional growth and achievement. Small problems and issues will often be solved "on the spot," before they escalate to involve key executives and managers that have received joint training. GCI believes that this level of investment in innovative training will be a key factor in making the YKHC network experiences successful for all users.

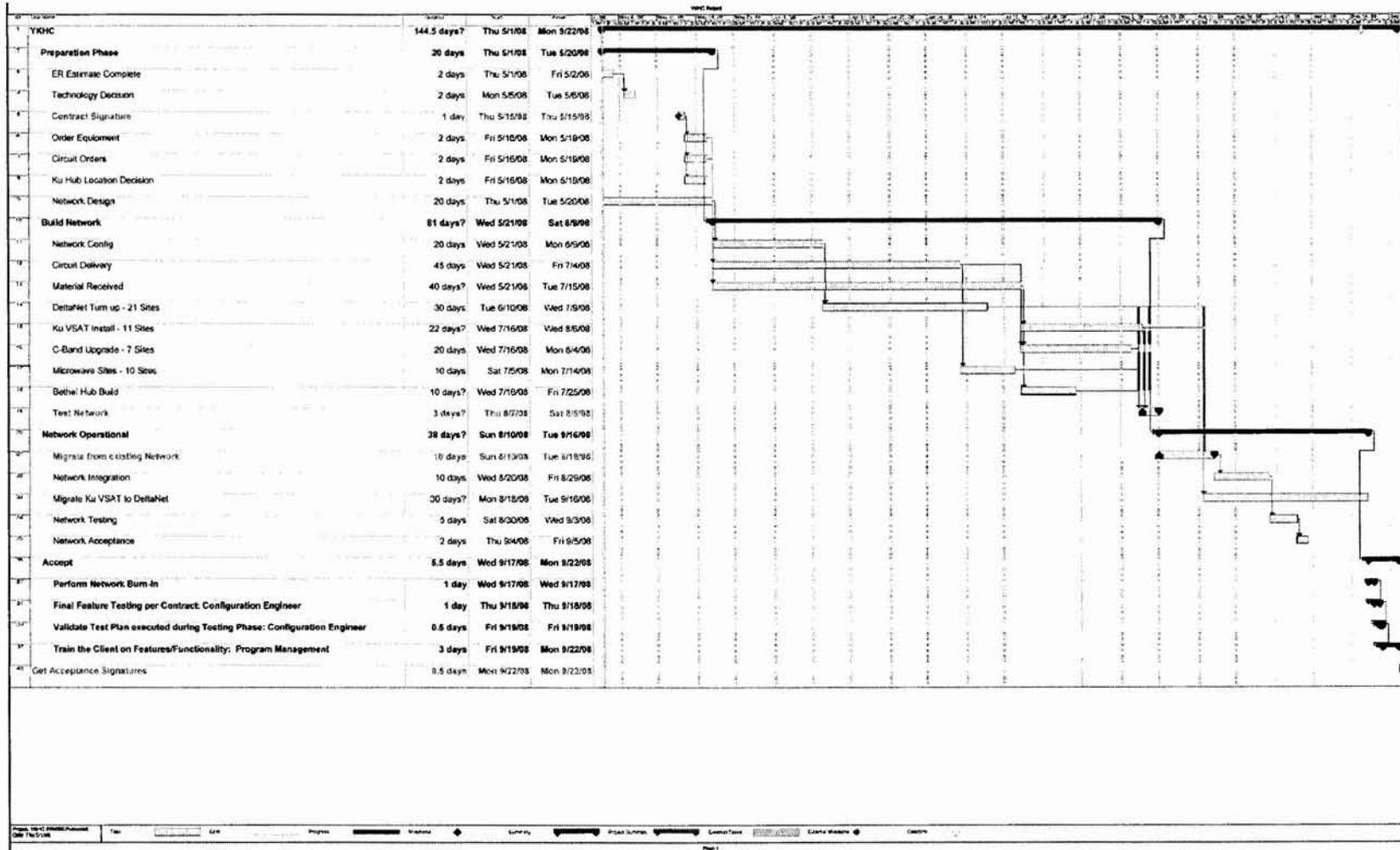
Installation and Delivery Timeline

Project Management Process

Delivering a quality service, on time, is important to both GCI and YKHC. For new services of this complexity, GCI employs a specialized project management process to ensure success during the build-out and operations phases. This project will undergo a thorough design process across the resources of GCI – Project Engineering, Internet, Radio Frequency (RF) Engineering, Facilities, Field Maintenance (FMG), Operations, and Managed Broadband Services (MBS). This structured design process involves the following steps:

- 1) Identification of YKHC's needs and any unique or necessary specific requirements/constraints.
- 2) Review and identification of any necessary additional details with customer interviews.
- 3) Assembly of a design team with representatives from Project Management, Engineering, Operations, and Managed Broadband Services.
 - a) The team creates tentative designs.
 - b) Designs that do not serve all the needed functions are eliminated.
 - c) Customer cost considerations and feedback are taken into account.
 - d) Designs are tested for feasibility in a lab setting to determine whether they are unique or have been previously deployed.
 - e) A team assembles a proposal fitting the customer requirements for presentation to the customer.
- 4) If the proposal is accepted, a project is launched within GCI with assigned project managers who are responsible for gathering the detailed list of tasks, coordinating the parties, and ensuring equipment and circuits are ordered. The Project Managers assigned to YKHC's project are **Chad Parker** and **Rebecca Markley**.
 - o Customer timeline considerations are taken into account when the implementation timeline is created.
- 5) After the project is completed, customer acceptance testing is performed to ensure that the services being delivered are consistent with the customer's expectations and provide the anticipated quality levels.
- 6) The network is then added to our Network Management System (NMS) for operational monitoring and the MBS Service Desk assumes responsibility for the daily maintenance, monitoring, and support of the network.

Installation Timeline



Service Delivery Constraints

Based upon USF Funding Year, service delivery can commence as early as July 1, 2008. There are a number of potential service delivery constraints that may affect the deployment of these services, should the timeline shift into the winter. These constraints include:

- **Space and Power** – This service requires space and power within a customer facility. The space must be sufficient for a half-cabinet of equipment inside the facility along with a potential wall penetration for equipment installation. Outside of satellite facilities, the satellite antenna requires either wall space adequate to mount a dish with a clear view of the southern sky or a flat, twelve-foot square area on the ground, adjacent to the customer location, to assemble a dish with clear view of the southern sky. Additionally, the installation requires a dedicated power outlet rated at 20 amperes.
- **YKHC Technical Support** – GCI will provide technicians to install and maintain the GCI owned equipment, but will need technical staff available from YKHC to provide testing and remote technical support of the LAN for any issues that may arise during the install. Having desktop and general LAN support staff available by telephone to help with testing and troubleshooting of network applications while the GCI staff is on site is beneficial. We recommend that a helpdesk, or support staff familiar with village LAN configurations, be available to assist in troubleshooting any issues that arise while our technicians are onsite.
- **Option Service Selection** – Depending on the optional services YKHC chooses, technical resources, or other vendors may be needed for installation and activation of new products.

Price

Out of Pocket Cost Analysis of Proposed Service

Table 4. Out of Pocket Cost Summary for Services from Villages to Bethel (hub not included)

Transport Technology Symmetrical Speed	DeltaNet			PL Microwave		Satellite	
	1.5Mbps	3Mbps	5Mbps	1.5Mbps	3Mbps	1.5Mbps	3.0Mbps
Rural Rate	\$12,377	\$24,753	\$41,255	\$1,187	\$2,374	\$8,000	\$16,000
Urban Rate / Out of Pocket per Site	\$135	\$193	\$232	\$198	\$397	\$198	\$397
Total Out of Pocket per Transport per Month	\$405	\$3,667	\$1,160	\$397	\$2,776	\$397	\$2,776
Total Out of Pocket per Month	\$11,974						

Table 5. Out of Pocket Cost for Bethel Hub

Bethel Hub Port for WAN	
Size of Bethel Port	100Mbps
Price	\$89,237
Out of Pocket Cost	\$686

Table 6. Cost Summary Table, Villages to Bethel

YKHC Network Improvement Cost Summary	
Current Monthly Urban Rate / Out of Pocket	\$36,131
Proposed Monthly Urban Rate / Out of Pocket	\$12,660
Monthly Cost Savings	\$23,471
Annual Savings Over Current Service	\$281,653
% Savings Over Current Service	65%
% Increase in Aggregate Bandwidth	290%
Monthly Rural Rate / Retail	\$975,395

Table 7. Out of Pocket Costs Today and Proposed by Village

Community	Transport Technology	Current Bandwidth	Purchased HD VTC Units	Proposed New Bandwidth	Current Out of Pocket Cost	Proposed Out of Pocket Cost
Akiachak	Private Line Microwave	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$397
Akiak	Private Line Microwave	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$397
Alakanuk	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Aniak	DeltaNet	1.544Mbps/512Kbps	2	5.0Mbps/5.0Mbps	\$768	\$232
Anvik	Satellite	1.544Mbps/512Kbps	0	1.544Mbps/1.544Mbps	\$768	\$198
Atmautluak	Private Line Microwave	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$397
Chefornak	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Chevak	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Chuathbaluk	DeltaNet	1.544Mbps/512Kbps	0	1.544Mbps/1.544Mbps	\$768	\$135
Crooked Creek	Satellite	1.544Mbps/512Kbps	0	1.544Mbps/1.544Mbps	\$768	\$198
Eek	DeltaNet	1.544Mbps/512Kbps	0	1.544Mbps/1.544Mbps	\$768	\$135
Emmonak	DeltaNet	1.544Mbps/512Kbps	2	5.0Mbps/5.0Mbps	\$768	\$232
Grayling	Satellite	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$397
Holy Cross	Satellite	1.544Mbps/512Kbps	0	1.544Mbps/1.544Mbps	\$768	\$198
Hooper Bay	DeltaNet	1.544Mbps/512Kbps	2	5.0Mbps/5.0Mbps	\$768	\$232
Kasigluk	Private Line Microwave	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$397
Kipnuk	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Kongiganak	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Kotlik	Satellite	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$397
Kwethluk	Private Line Microwave	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$397
Kwigillingak	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Lime Village	Satellite	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$397
Lower Kalskag	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Marshall	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Mekoryuk	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Mt. Village	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Napakiak	Private Line Microwave	1.544Mbps/512Kbps	0	1.544Mbps/1.544Mbps	\$768	\$198
Napaskiak	Private Line Microwave	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$397
Newtok	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193

Community	Transport Technology	Current Bandwidth	Purchased HD VTC Units	Proposed New Bandwidth	Current Out of Pocket Cost	Proposed Out of Pocket Cost
Nightmute	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Nunam Iqua	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Nunapitchuk	Private Line Microwave	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$397
Oscarville	Private Line Microwave	1.544Mbps/512Kbps	0	1.544Mbps/1.544Mbps	\$768	\$198
Pilot Station	Satellite	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$397
Pitka's Point	DeltaNet	1.544Mbps/512Kbps	0	1.544Mbps/1.544Mbps	\$768	\$193
Quinhagak	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Russian Mission	Satellite	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$397
Scammon Bay	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Shageluk	Satellite	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$397
Sleetmute	Satellite	1.544Mbps/512Kbps	0	1.544Mbps/1.544Mbps	\$768	\$198
St. Mary's	DeltaNet	1.544Mbps/512Kbps	2	5.0Mbps/5.0Mbps	\$768	\$232
Stony River	Satellite	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$397
Taksook Bay	DeltaNet	1.544Mbps/512Kbps	2	5.0Mbps/5.0Mbps	\$768	\$232
Tuluksak	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Tuntutuliak	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Tununak	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193
Upper Kalskag	DeltaNet	1.544Mbps/512Kbps	1	3.0Mbps/3.0Mbps	\$768	\$193

ATTACHMENT R



Universal Service Administrative Company
Rural Health Care Division

Via Electronic Mail

June 24, 2010

Mr. David Hodges
Yukon-Kuskokwim Health Corporation
P.O. Box 528
Bethel, AK 99559

Re: Yukon-Kuskokwim Health Corporation: Funding Year 2008 Funding Commitments

Dear Mr. Hodges:

The Universal Service Administrative Company (USAC) is pleased to provide the enclosed Funding Commitment Letters (FCLs) for the Yukon-Kuskokwim Health Corporation (YKHC) facilities listed in Appendix A and B to this letter. For the 38 health care providers (HCP) listed in Appendix A,¹ funding commitments for each circuit will be issued in three increments.² The first increment is the period from the start of service under the contract with GCI Communications Corp. (GCI). The second funding increment begins on the date GCI upgraded the service (as discussed in more detail below). The third increment begins on the date YKHC's high definition video conferencing (VTC) equipment was installed at each site. For the ten HCPs listed in Appendix B, funding will be issued only in the first and second funding increments because those sites did not install VTC equipment or request the higher bandwidth service. As described more fully below, we have issued a separate funding commitment letter associated with each funding increment for each segment of YKHC's network.

Background

YKHC essentially requested funding in two increments: the first increment covered requested funding for the same bandwidth services as was provided under the UUI contract but was now provided by GCI on its upgraded network; the start date for the second increment was the date the full bi-directional service was started.

On June 19, 2008, YKHC submitted funding requests (FCC Form 466) for Funding Year 2008 for services received under its contract with United Utilities Inc. (UUI) for 48 of its sites.³ On

¹ The sites are designated in the Appendices by unique HCP numbers.

² Crimet Phillips Clinic (HCP 10198) will be issued in two increments because the higher bandwidth request date and equipment installation date are the same so the middle funding increment is not required.

³ Funding Commitment Letters for the UUI services were issued on August 5, 2009.

August 12, 2008, YKHC signed a contract with GCI that replaced the contract with UUI. The new contract, for the same 48 sites, allowed for upgraded services, including higher bandwidth services at some sites than was provided under the UUI contract. To obtain funding for services provided under the GCI contract, YKHC subsequently submitted two sets of funding requests. One set of requests, submitted on February 4 and 5, 2008, requested funding for the same bandwidth services as was provided under the UUI contract but was now provided by GCI. For these services, YKHC requested funding beginning on August 13, 2008. The requested funding end date for these services varied by site. The end date for some sites was August 15, 2008, resulting in a very short funding period for the initial services provided under the GCI contract. For some sites the requested end of this funding period was as late as November 20, 2008. The specific requested funding end dates for each site for the GCI transition services is the “end date” for the first funding increment for each HCP listed in Appendices A and B.

The other set of funding requests, submitted on December 5, 2008, requested funding for higher bandwidth full bi-directional services. The higher bandwidth service was requested to accommodate use of VTC equipment along with existing medical equipment.⁴ YKHC requested higher bandwidth services only for the sites obtaining VTC equipment.⁵ The requested start dates for the higher bandwidth services coincided with the end dates for the lower bandwidth services, which were as early as August 16, 2008 and as late as November 20, 2008. YKHC requested funding for all the sites to June 30, 2009, which is the end of the 2008 Funding Year.

Due to the complexity of YKHC’s funding requests and the receipt of only one bid during the competitive bidding process, USAC engaged in follow-up correspondence and conversations with YKHC and GCI to obtain additional information concerning the services requested, the medical need for the services and GCI’s proposed rates.⁶ In particular, USAC focused on YKHC’s stated need for higher bandwidth service to support high definition VTC equipment for tele-psychiatry while maintaining the capability to transmit images and data from other health care equipment and systems.⁷

⁴ Letter from YKHC to USAC, 5 (Oct. 30, 2009).

⁵ Nine of the sites are not using VTC equipment so these sites did not submit a second funding request for support for higher bandwidth services.

⁶ See Letter from Rekha Ayalur, USAC to Steve Walker, GCI (Nov. 13, 2009); Letter from Martin Cary, VP and General Manager, GCI to Rekha Ayalur (Dec. 23, 2009); Email from William England, USAC, to Martin Cary, GCI (Feb. 19, 2010, 2:08 p.m.); Letter from Martin Cary to William England (Mar. 4, 2010); Email from William England to Martin Cary (Mar. 19, 2010, 6:39 p.m.); Letter from Martin Cary to William England (Apr. 2, 2010); Letter from RHCD to Joseph Shawler, YKHC (Apr. 14, 2009); Letter from YKHC to USAC (May 4, 2009); Letter from RHCD to David Hodges, YKHC (July 31, 2009); Letter from YKHC to USAC (Oct. 30, 2009); Email from William England to David Hodges (Feb. 1, 2010); Email from William England to David Hodges (Mar. 19, 2010); Letter from YKHC to USAC (Apr. 9, 2010).

⁷ Letter from YKHC to USAC, 6 (Oct. 30, 2009).

Decision

The federal Universal Service Rural Health Care Support Mechanism provides to rural health care providers discounts for telecommunications and/or Internet services that will be used “solely for purposes reasonably related to the provision of health care”⁸ In selecting a carrier to provide discounted telecommunications and/or Internet services, health care providers must comply with the competitive bidding rules.⁹ After selecting a service provider, the health care provider is required to certify that it is selecting the “most cost effective method of providing the requested service, where the most cost-effective method of providing a service is defined as the method that costs the least after consideration of the features, quality of transmission, reliability, and other factors that the health care provider deems relevant. . . .”¹⁰

Following the competitive bidding process, the health care provider submits to USAC a Form 466 or Form 466-A – Funding Request and Certification Form (Funding Request). The health care provider is required to certify, among other things, that the services requested will be used solely for purposes reasonably related to the provision of health care. . . .”¹¹ After receipt of a Funding Request, USAC: (1) verifies that the health care provider met the competitive bidding requirements by selecting the most cost-effective service necessary for the provision of health care;¹² (2) determines the rural rate on which to base the discount;¹³ and (3) if all requirements are met, issues a Funding Commitment Letter.

In determining if a Funding Request complies with the rules of the Rural Health Care program, USAC verifies that the requestor is eligible to receive support¹⁴ and has certified that the requested service will be used for the provision of health care.¹⁵ In the FCC’s order establishing the certification requirement, the Commission states: “. . .we recognize [the] concern that some health care providers may not have the necessary internal connections or customer premises equipment to use the services requested, we are confident that those providers will seek and receive the assistance they need *before* they order services, so that they do not waste their own resources by paying even the significant urban rates for such services (emphasis added).”¹⁶

⁸ 47 C.F.R. § 54.603(b)(1)(iv).

⁹ See generally, 47 C.F.R. § 54.603.

¹⁰ 47 C.F.R. § 54.603(b)(4).

¹¹ *Id.*

¹² 47 C.F.R. § 54.603(b)(4).

¹³ 47 C.F.R. § 54.607.

¹⁴ See 47 C.F.R § 54.601(a)(1-2) (HCPs eligible to receive support defined as any: post-secondary education institution offering health care instruction including a teaching hospital or medical school; community health center or health center providing health care to migrants; local health department or agency; community mental health center; not-for-profit hospital; rural health clinic; or consortium of health care providers consisting of one or more entities listed above.)

¹⁵ 47 C.F.R § 54.603(b)(1)(iv).

¹⁶ *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket 96-45, Report and Order, FCC 97-157, 12 FCC Rcd 8776, ¶ 727 (1997).

Based on information provided by YKHC concerning the equipment installation dates¹⁷ and the service start dates provided in the Funding Request, USAC concludes that for sites where higher bandwidth was requested to support the VTC equipment, the increased bandwidth was not necessary for the provision of health care until the VTC equipment was installed. Thus, funding for the increased bandwidth service is based on the equipment installation dates. As stated above, the FCC expects health care providers to obtain the necessary internal connections or equipment before ordering services. YKHC stated that it did not budget for or have the funds available to finance the installation costs before GCI's upgraded service was activated.¹⁸ Additionally, USAC understands that while equipment installation delay may have been caused in part by circumstances outside YKHC's control, such as onset of winter and remoteness of the health care provider sites,¹⁹ such factors are foreseeable given YKHC's location. It is reasonable to expect that YKHC would have had a plan in place such that the higher bandwidth service was not initiated until after the equipment that required the service was installed.

Therefore, after consideration and review, USAC hereby issues funding commitments as follows for the HCPs listed in Appendix A.²⁰

- *First Funding Increment:* The first funding increment is associated with the February 4, 2008 funding requests, and provides support for the period from the start of service under the GCI contract on August 13, 2008.
- *Second Funding Increment:* The second increment is designated as "new" under the packet column in Appendix A, and the start and end dates are bolded. Because the VTC equipment had not been installed at this point, support for all circuits was limited to that of a bi-directional T-1 during this second funding increment. The circuit cost for the "new" packets is half the amount of the higher bandwidth rate. However, please note that HCPs 10194 and 10198 do not require this middle funding increment because YKHC installed the VTC equipment before the higher bandwidth service was requested. Thus HCPs 10194 and 10198 will receive the higher bandwidth rate when service was upgraded to the higher bandwidth.
- *Third Funding Increment:* The third funding increment covers the higher bandwidth service associated with the funding requests submitted on December 5, 2008, and begins on the date the VTC equipment was installed.

Appendix B is only funded in increments one and two because YKHC did not submit funding requests for higher bandwidth services for eight of the sites. With respect to HCP 10207, YKHC requested increased bandwidth to 3 Mbps, however, it did not install VTC equipment at

¹⁷ Letter from YKHC to USAC (May 4, 2009).

¹⁸ Letter from YKHC to USAC, 5 (Oct. 30, 2009).

¹⁹ *Id.* at p. 10.

²⁰ USAC notes that although issuing the funding commitments described below are consistent with program rules at this time, the bandwidth requested by YKHC is not generally recognized as required to provide telepsychiatry. *Practice Guidelines for Videoconferencing-Based Telemental Health*. Peter Yellowlees, Jay Shore, Lisa Roberts, American Telemedicine Association, 8, 14 (Oct. 2009). See also, *Evidence Based Practice for Telemental Health*, Norbert Belz, Leslie Bennett, Lisa Carnahan, et. al., American Telemedicine Association (July 2009).

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June 24, 2010
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the site. Thus funding for HCP 10207 will be at the lower (1.5 Mbps) bandwidth level.²¹ Additionally, YKHC installed VTC equipment at HCP 10196 but did not request an upgrade to higher bandwidth services.²² Thus YKHC is receiving funding for HCP 10196 at the 1.5 Mbps rate for the second increment.

If you wish to appeal this decision, you may file an appeal with the FCC. Detailed instructions for filing appeals are available at:

<http://www.usac.org/rhc/about/filing-appeals.aspx>

Sincerely,

USAC

²¹ See email from David Hodges, YKHC to USAC (June 15, 2010, 3:40 p.m.) (stating that installation at the site was delayed and the clinic eventually closed).

²² See email from USAC to David Hodges, YKHC (May 10, 2010, 3:04 p.m.) (requesting confirmation of the bandwidths and start dates).

HCP	Packet	Bandwidth Mbps	Start Date	End Date	Circuit Cost	Urban Rate	Monthly Recurring Support	Months	Estimated Support
10174	83998	1.544	8/13/2008	8/15/2008	\$11,036.31	\$768.75	\$10,267.56	0.10	\$1,026.76
10174	New	1.544	8/16/2008	1/29/2009	\$12,376.50	\$155.00	\$12,221.50	5.46	\$66,729.39
10174	83434	3	1/30/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.06	\$124,116.74
10175	83999	1.544	8/13/2008	11/3/2008	\$1,492.51	\$768.75	\$723.76	2.71	\$1,961.39
10175	New	1.544	11/4/2008	1/19/2009	\$1,492.00	\$155.00	\$1,337.00	2.51	\$3,355.87
10175	83437	3	1/20/2009	6/30/2009	\$2,984.00	\$224.00	\$2,760.00	5.39	\$14,876.40
10177	84001	1.544	8/13/2008	10/16/2008	\$11,036.31	\$768.75	\$10,267.56	2.13	\$21,869.90
10177	New	1.544	10/17/2008	1/25/2009	\$12,376.50	\$155.00	\$12,221.50	3.29	\$40,208.74
10177	83439	3	1/26/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.19	\$127,305.51
10179	84003	1.544	8/13/2008	8/15/2008	\$11,036.31	\$768.75	\$10,267.56	0.10	\$1,026.76
10179	New	1.544	8/16/2008	1/19/2009	\$12,376.50	\$155.00	\$12,221.50	5.13	\$62,696.30
10179	83444	3	1/20/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.39	\$132,211.31
10181	84004	1.544	8/13/2008	10/17/2008	\$11,036.31	\$768.75	\$10,267.56	2.16	\$22,177.93
10181	New	1.544	10/18/2008	1/22/2009	\$12,376.50	\$155.00	\$12,221.50	3.16	\$38,619.94
10181	83446	3	1/23/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.29	\$129,758.41
10182	84005	1.544	8/13/2008	8/15/2008	\$11,036.31	\$768.75	\$10,267.56	0.10	\$1,026.76
10182	New	1.544	8/16/2008	9/22/2008	\$12,376.50	\$155.00	\$12,221.50	1.25	\$15,276.88
10182	83448	5	9/23/2008	6/30/2009	\$41,255.00	\$343.00	\$40,912.00	9.27	\$379,254.24
10183	84006	1.544	8/13/2008	9/23/2008	\$11,036.31	\$768.75	\$10,267.56	1.38	\$14,169.23
10183	New	1.544	9/24/2008	2/1/2009	\$12,376.50	\$155.00	\$12,221.50	4.27	\$52,185.81
10183	83452	3	2/2/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	4.96	\$121,663.84
10184	84007	1.544	8/13/2008	11/19/2008	\$11,036.31	\$768.75	\$10,267.56	3.24	\$33,266.89
10184	New	1.544	11/20/2008	1/25/2009	\$8,000.00	\$155.00	\$7,845.00	2.18	\$17,102.10
10184	83453	3	1/26/2009	6/30/2009	\$16,000.00	\$224.00	\$15,776.00	5.19	\$81,877.44
10185	84008	1.544	8/13/2008	11/10/2008	\$11,036.31	\$768.75	\$10,267.56	2.94	\$30,186.63
10185	New	1.544	11/11/2008	1/25/2009	\$12,376.50	\$155.00	\$12,221.50	2.48	\$30,309.32
10185	83454	3	1/26/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.19	\$127,305.51
10188	84011	1.544	8/13/2008	8/15/2008	\$11,036.31	\$768.75	\$10,267.56	0.10	\$1,026.76

10188	New	1.544	8/16/2008	9/25/2008	\$12,376.50	\$155.00	\$12,221.50	1.35	\$16,499.03
10188	83457	5	9/26/2008	6/30/2009	\$41,255.00	\$343.00	\$40,912.00	9.17	\$375,163.04
10189	84012	1.544	8/13/2008	9/18/2008	\$1,904.02	\$768.75	\$1,135.27	1.21	\$1,373.68
10189	New	1.544	9/19/2008	1/21/2009	\$12,376.50	\$155.00	\$12,221.50	4.08	\$49,863.72
10189	83458	3	1/22/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.32	\$130,494.28
10190	84013	1.544	8/13/2008	8/22/2008	\$11,036.31	\$768.75	\$10,267.56	0.32	\$3,285.62
10190	New	1.544	8/23/2008	1/21/2009	\$12,376.50	\$155.00	\$12,221.50	4.97	\$60,740.86
10190	83459	3	1/22/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.32	\$130,494.28
10191	84014	1.544	8/13/2008	8/22/2008	\$11,036.31	\$768.75	\$10,267.56	0.32	\$3,285.62
10191	New	1.544	8/23/2008	2/1/2009	\$12,376.50	\$155.00	\$12,221.50	5.33	\$65,140.60
10191	83460	3	2/2/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	4.96	\$121,663.84
10193	84016	1.544	8/13/2008	8/15/2008	\$11,036.31	\$768.75	\$10,267.56	0.10	\$1,026.76
10193	New	1.544	8/16/2008	1/19/2009	\$12,376.50	\$155.00	\$12,221.50	5.13	\$62,696.30
10193	83462	3	1/20/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.39	\$132,211.31
10194	84017	1.544	8/13/2008	11/10/2008	\$11,036.31	\$768.75	\$10,267.56	2.94	\$30,186.63
10194	83463	5	11/11/2008	6/30/2009	\$41,255.00	\$343.00	\$40,912.00	7.67	\$313,795.04
10195	84018	1.544	8/13/2008	11/17/2008	\$11,036.31	\$768.75	\$10,267.56	3.18	\$32,650.84
10195	New	1.544	11/18/2008	1/18/2009	\$8,000.00	\$155.00	\$7,845.00	2.01	\$15,768.45
10195	83464	3	1/19/2009	6/30/2009	\$16,000.00	\$224.00	\$15,776.00	5.42	\$85,505.92
10197	84020	1.544	8/13/2008	11/12/2008	\$11,036.31	\$768.75	\$10,267.56	3.01	\$30,905.36
10197	New	1.544	11/13/2008	6/4/2009	\$12,376.50	\$155.00	\$12,221.50	6.73	\$82,250.70
10197	83466	5	6/5/2009	6/30/2009	\$41,255.00	\$343.00	\$40,912.00	0.87	\$35,593.44
10198	84021	1.544	8/13/2008	1/21/2009	\$11,036.31	\$768.75	\$10,267.56	5.29	\$54,315.39
10198	83467	3	1/22/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.32	\$130,494.28
10199	84022	1.544	8/13/2008	8/15/2008	\$11,036.31	\$768.75	\$10,267.56	0.10	\$1,026.76
10199	New	1.544	8/16/2008	1/21/2009	\$12,376.50	\$155.00	\$12,221.50	5.20	\$63,551.80
10199	83468	3	1/22/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.32	\$130,494.28
10200	84023	1.544	8/13/2008	10/21/2008	\$1,567.33	\$768.75	\$798.58	2.29	\$1,828.75
10200	New	1.544	10/22/2008	1/19/2009	\$1,567.00	\$155.00	\$1,412.00	2.93	\$4,137.16
10200	83469	3	1/20/2009	6/30/2009	\$3,134.00	\$224.00	\$2,910.00	5.39	\$15,684.90

10201	84024	1.544	8/13/2008	8/15/2008	\$11,036.31	\$768.75	\$10,267.56	0.10	\$1,026.76
10201	New	1.544	8/16/2008	1/25/2009	\$12,376.50	\$155.00	\$12,221.50	5.33	\$65,140.60
10201	83470	3	1/26/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.19	\$127,305.51
10203	84025	1.544	8/13/2008	8/15/2008	\$11,036.31	\$768.75	\$10,267.56	0.10	\$1,026.76
10203	New	1.544	8/16/2008	1/27/2009	\$12,376.50	\$155.00	\$12,221.50	5.39	\$65,873.89
10203	83471	3	1/28/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.13	\$125,833.77
10204	84026	1.544	8/13/2008	11/10/2008	\$11,036.31	\$768.75	\$10,267.56	2.94	\$30,186.63
10204	New	1.544	11/11/2008	1/25/2009	\$8,000.00	\$155.00	\$7,845.00	2.48	\$19,455.60
10204	83472	3	1/26/2009	6/30/2009	\$16,000.00	\$224.00	\$15,776.00	5.19	\$81,877.44
10205	84027	1.544	8/13/2008	10/21/2008	\$1,006.18	\$768.75	\$237.43	2.29	\$543.71
10205	New	1.544	10/22/2008	1/21/2009	\$1,006.00	\$155.00	\$851.00	3.00	\$2,553.00
10205	83473	3	1/22/2009	6/30/2009	\$2,012.00	\$224.00	\$1,788.00	5.32	\$9,512.16
10206	84028	1.544	8/13/2008	8/15/2008	\$11,036.31	\$768.75	\$10,267.56	0.10	\$1,026.76
10206	New	1.544	8/16/2008	1/27/2009	\$12,376.50	\$155.00	\$12,221.50	5.39	\$65,873.89
10206	83474	3	1/28/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.13	\$125,833.77
10208	84035	1.544	8/13/2008	8/15/2008	\$11,036.31	\$768.75	\$10,267.56	0.10	\$1,026.76
10208	New	1.544	8/16/2008	1/18/2009	\$12,376.50	\$155.00	\$12,221.50	5.10	\$62,329.65
10208	83477	3	1/19/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.42	\$132,947.18
10209	84037	1.544	8/13/2008	9/17/2008	\$11,036.31	\$768.75	\$10,267.56	1.18	\$12,115.72
10209	New	1.544	9/18/2008	1/28/2009	\$12,376.50	\$155.00	\$12,221.50	4.33	\$52,919.10
10209	83478	3	1/29/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.10	\$125,097.90
10210	84038	1.544	8/13/2008	8/15/2008	\$11,036.31	\$768.75	\$10,267.56	0.10	\$1,026.76
10210	New	1.544	8/16/2008	1/25/2009	\$12,376.50	\$155.00	\$12,221.50	5.33	\$65,140.60
10210	83479	3	1/26/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.19	\$127,305.51
10211	84040	1.544	8/13/2008	10/16/2008	\$1,081.00	\$768.75	\$312.25	2.13	\$665.09
10211	New	1.544	10/17/2008	2/1/2009	\$1,081.00	\$155.00	\$926.00	3.52	\$3,259.52
10211	83480	3	2/2/2009	6/30/2009	\$2,162.00	\$224.00	\$1,938.00	4.96	\$9,612.48
10212	84042	1.544	8/13/2008	8/22/2008	\$1,700.13	\$768.75	\$931.38	0.32	\$298.04
10212	New	1.544	8/23/2008	1/21/2009	\$12,376.50	\$155.00	\$12,221.50	4.97	\$60,740.86
10212	83481	3	1/22/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.32	\$130,494.28

10213	84043	1.544	8/13/2008	11/10/2008	\$11,036.31	\$768.75	\$10,267.56	2.94	\$30,186.63
10213	New	1.544	11/11/2008	1/25/2009	\$12,376.50	\$155.00	\$12,221.50	2.48	\$30,309.32
10213	83482	3	1/26/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.19	\$127,305.51
10214	84044	1.544	8/13/2008	8/15/2008	\$11,036.31	\$768.75	\$10,267.56	0.10	\$1,026.76
10214	New	1.544	8/16/2008	9/15/2008	\$12,376.50	\$155.00	\$12,221.50	1.02	\$12,465.93
10214	83483	5	9/16/2008	6/30/2009	\$41,255.00	\$343.00	\$40,912.00	9.50	\$388,664.00
10216	84046	1.544	8/13/2008	10/21/2008	\$1,268.05	\$768.75	\$499.30	2.29	\$1,143.40
10216	New	1.544	10/22/2008	1/20/2009	\$1,268.00	\$155.00	\$1,113.00	2.97	\$3,305.61
10216	83485	3	1/21/2009	6/30/2009	\$2,536.00	\$224.00	\$2,312.00	5.35	\$12,369.20
10217	80552	T1 PL	7/1/2008	6/30/2009	\$8,442.00	\$198.30	\$8,243.70	12.00	\$98,924.40
10217	80553	T1 PL	7/1/2008	6/30/2009	\$8,442.00	\$198.30	\$8,243.70	12.00	\$98,924.40
10217	80554	T1 PL	7/1/2008	6/30/2009	\$8,442.00	\$198.30	\$8,243.70	12.00	\$98,924.40
10217	80555	T1 PL	7/1/2008	6/30/2009	\$8,442.00	\$198.30	\$8,243.70	12.00	\$98,924.40
10217	80556	T1 PL	7/1/2008	6/30/2009	\$8,442.00	\$198.30	\$8,243.70	12.00	\$98,924.40
10217	80557	7.5 Internet	7/1/2008	6/30/2009	\$4,125.00		\$1,031.25	12.00	\$12,375.00
10217	NA	1.544	8/13/2008	(Only on GCI spreadsheet - no corresponding Form 466)					
10217	83486	100	8/16/2008	6/30/2009	\$90,761.00	\$784.00	\$89,977.00	10.52	\$946,558.04
10218	84047	1.544	8/13/2008	8/15/2008	\$11,036.31	\$768.75	\$10,267.56	0.10	\$1,026.76
10218	New	1.544	8/16/2008	1/25/2009	\$12,376.50	\$155.00	\$12,221.50	5.33	\$65,140.60
10218	83487	3	1/26/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.19	\$127,305.51
10219	84049	1.544	8/13/2008	11/10/2008	\$11,036.31	\$768.75	\$10,267.56	2.94	\$30,186.63
10219	New	1.544	11/11/2008	1/27/2009	\$12,376.50	\$155.00	\$12,221.50	2.54	\$31,042.61
10219	83488	3	1/28/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.13	\$125,833.77
10222	84053	1.544	8/13/2008	10/20/2008	\$819.13	\$768.75	\$50.38	2.26	\$113.86
10222	New	1.544	10/21/2008	1/18/2009	\$819.00	\$155.00	\$664.00	2.93	\$1,945.52
10222	83491	3	1/19/2009	6/30/2009	\$1,638.00	\$224.00	\$1,414.00	5.42	\$7,663.88
10223	84054	1.544	8/13/2008	9/17/2008	\$11,036.31	\$768.75	\$10,267.56	1.18	\$12,115.72
10223	New	1.544	9/18/2008	1/29/2009	\$12,376.50	\$155.00	\$12,221.50	4.37	\$53,407.96
10223	83492	3	1/30/2009	6/30/2009	\$24,753.00	\$224.00	\$24,529.00	5.06	\$124,116.74

Total \$8,023,001.92

HCP	Packet	Bandwidth Mbps	Start Date	End Date	Circuit Cost	Urban Rate	Monthly Recurring Support	Months	Estimated Support
10176	84000	1.544	8/13/2008	8/13/2008	\$819.13	\$768.75	\$50.38	0.03	\$1.51
10176	83438	1.5	8/14/2008	6/30/2009	\$819.00	\$155.00	\$664.00	10.58	\$7,025.12
10178	84002	1.544	8/13/2008	8/13/2008	\$11,036.31	\$768.75	\$10,267.56	0.03	\$308.03
10178	83443	1.5	8/14/2008	6/30/2009	\$12,377.00	\$155.00	\$12,222.00	10.58	\$129,308.76
10186	84009	1.544	8/13/2008	11/17/2008	\$11,036.31	\$768.75	\$10,267.56	3.18	\$32,650.84
10186	83455	1.5	11/18/2008	6/30/2009	\$8,000.00	\$155.00	\$7,845.00	7.43	\$58,288.35
10187	84010	1.544	8/13/2008	11/20/2008	\$11,036.31	\$768.75	\$10,267.56	3.28	\$33,677.60
10187	83456	1.5	11/21/2008	6/30/2009	\$8,000.00	\$155.00	\$7,845.00	7.33	\$57,503.85
10192	84015	1.544	8/13/2008	11/19/2008	\$11,036.31	\$768.75	\$10,267.56	3.24	\$33,266.89
10192	83461	1.5	11/20/2008	6/30/2009	\$8,000.00	\$155.00	\$7,845.00	7.37	\$57,817.65
10196	84019	1.544	8/13/2008	11/14/2008	\$11,036.31	\$768.75	\$10,267.56	3.08	\$31,624.08
10196	83465	1.5	11/15/2008	6/30/2009	\$12,377.00	\$155.00	\$12,222.00	7.53	\$92,031.66
10207	84033	1.544	8/13/2008	11/5/2008	\$11,036.31	\$768.75	\$10,267.56	2.78	\$28,543.82
10207	83476	1.5	11/6/2008	6/30/2009	\$8,000.00	\$155.00	\$7,845.00	7.83	\$61,426.35
10215	84045	1.544	8/13/2008	11/14/2008	\$11,036.31	\$768.75	\$10,267.56	3.08	\$31,624.08
10215	83484	1.5	11/15/2008	6/30/2009	\$8,000.00	\$155.00	\$7,845.00	7.53	\$59,072.85
10220	84050	1.544	8/13/2008	8/13/2008	\$11,036.31	\$768.75	\$10,267.56	0.03	\$308.03
10220	83489	1.5	8/14/2008	6/30/2009	\$12,377.00	\$155.00	\$12,222.00	10.58	\$129,308.76
10221	84052	1.544	8/13/2008	8/13/2008	\$931.36	\$768.75	\$162.61	0.03	\$4.88
10221	83490	1.5	8/14/2008	6/30/2009	\$931.00	\$155.00	\$776.00	10.58	\$8,210.08
Total									\$852,003.19

ATTACHMENT S

FCC Form

Health Care Providers Universal Service

465

Description of Services Requested & Certification Form

OMB Approval

3060-0804

To be completed by Health Care Provider

Estimated Average Burden Hours Per Response: 1 hour

Read all instructions thoroughly before completing form. Failure to comply may cause delayed or denied funding

Form 465 Application Number (assigned by RHCD): 24436	
Block 1: HCP Location Information	
Information required in this block applies to the physical location of the HCP. Do not enter a "PO Box" or "Rural Route" address.	
1 HCP Number: 10217	2 Consortium Name:
3 HCP Name: Yukon-Kuskokwim Delta Regional Hospital	4 HCP FCC Registration Number (FCC RN): 0013620463
5 Contact Name: David P Hodges	
6 Address Line 1: 700 Chief Eddie Hoffman Highway	
7 Address Line 2: PO Box 528	8 County: AK-Bethel
9 City: Bethel	10 State: AK 11 Zip Code: 99559
12 Phone #: 907-543-6601 13 Fax #: 907-543-6570 Ext.	14 E-mail: david_hodges@ykhc.org
MAD: 405	
Block 2: HCP Mailing Contact Information	
15 Is the HCP's mailing address (where correspondence should be sent) different from its physical location as described in Block 1? No, go to Block 3.	
16 Contact Name: David P Hodges	17 Organization: Yukon-Kuskokwim Delta Regional Hospital
18 Address Line 1: 700 Chief Eddie Hoffman Highway	
19 Address Line 2: PO Box 528	
20 City: Bethel	21 State: AK 22 Zip Code: 99559
23 Phone #: 907-543-6601 Ext.	24 Fax #: 907-543-6570 25 E-mail: david_hodges@ykhc.org
Block 3: Funding Year Information	
26 Funding Year Year 2007 (7/1/2007-6/30/2008) <input type="checkbox"/> X Year 2008 (7/1/2008-6/30/2009) Year 2009 (7/1/2009-6/30/2010)	
Block 4: Eligibility	
27 Only the following types of HCPs are eligible. Indicate which category describes the applicant (check only one). Post-secondary educational institution offering health care instruction, teaching hospital or medical school Community health center or health center providing health care to migrants Local health department or agency Community mental health center	

XXX Not-for-profit hospital

- Rural health clinic
- Consortium of the above
- Dedicated emergency department of rural, for-profit hospital
- Part-time eligible entity

28 If Consortium, Dedicated emergency department, or Part-time eligible entity was selected in Line 27, please describe the entity.

Not Applicable

29 Please describe the eligible health care provider's telecommunications and/or Internet service needs, so that service providers may bid to provide the services. The description should describe whether video or store and forward consultations will be used, whether large image files or X-rays will be transmitted, the quality of connection needed, or other relevant considerations.

Services and technology required for transmitting health care data, patient record and medical images from health aide to physician consultants. This includes YKHC based physicians and contracted service providers, some of which are outside the YKHC service area. These services are for EMR, VTC and Tele psychiatry, and include CT scanner images, PACS images and Internet services. Additional T-1s or greater are required for supporting additional healthcare service needs and technology requirements.

Block 5: Request for Services

30 Is the HCP requesting reduced rates for:
Both Telecommunications & Internet Services

Block 6: Certification

31 I certify that I am authorized to submit this request on behalf of the above-named entity or entities, that I have examined this request, and that to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

32 I certify that the health care provider has followed any applicable State or local procurement rules.

33 I certify that the telecommunications services that the HCP receives at reduced rates as a result of the HCP's participation in this program, pursuant to 47 U.S.C. Sec. 254 as implemented by the Federal Communications Commission, will be used solely for purposes reasonably related to the provision of health care service or instruction that the HCP is legally authorized to provide under the law of the state in which the services are provided and will not be sold, resold, or transferred in consideration for money or any other thing of value.

34 I certify that the health care provider is a non-profit or public entity.

35 I certify that the health care provider is located in a rural area. Visit the RHCD web site (www.rhc.universalservice.org/eligibility/ruralareas.asp) or contact RHCD at 1-800-229-5476 for a listing of the rural areas.

36 Pursuant to 47 C.F.R. Secs. 54.601 and 54.603, I certify that the HCP or consortium that I am representing satisfies all of the requirements herein and will abide by all of the relevant requirements, including all applicable FCC rules, with respect to funding provided under 47 U.S.C. Sec. 254.

37 Signature **E-SIGNATURE ACCEPTED**

38 Date **E-SIGNATURE ON 4/9/2008**

39 Printed name of authorized person
(First name, MI, Last name)
David P Hodges

40 Title or position of authorized person
Service Desk Manager

41 Employer of authorized person
YKHC

42 Employer's FCC RN
0013620463

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

NOTICE: Section 54.615(c) of the Federal Communications Commission's rules requires all health care providers requesting benefits from this support mechanism to certify to their eligibility to receive them. 47 C.F.R. § 54.615(c). In addition, Section 54.603 Commission's rules requires eligible health care providers to participate in a competitive bidding of the Federal Communications process prior to receiving telecommunications services at reduced rates. 47 C.F.R. § 54.603. The collection of information stems from the Commission's authority under Section 254 of the Communication's Act of 1934, as amended, 47 U.S.C. § 254. The data in the report will be used to certify an applicant's eligibility to receive support pursuant to 47 C.F.R. § 54. 615(c) and to ensure compliance with the competitive bidding requirements of 47 C.F.R. § 54.603. All health care providers requesting services eligible for universal service support must file this Description of Services Requested & Certification Form (FCC Form 465).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The foregoing Notice is required by the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, et seq.

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management Branch, Washington, D.C. 20554.

This form should be submitted to: Rural Health Care Division 100 S. Jefferson Rd.
Whippany, NJ 07981

Please remember:

- ▶ Form 465 is the **FIRST** step a health care provider must take in order to receive the benefit of reduced rates resulting from participation in this universal service support program.
- ▶ After the HCP submits a complete and accurate Form 465, the RHCD will post it on the RHCD web site for 28 days.
- ▶ HCPs may not enter into agreements to purchase eligible services from service providers before the **28 days expire**
- ▶ Entering into any agreement during the 28 day posting period is **prohibited**.
- ▶ After the HCP selects a carrier, the HCP must initiate the **next** step in the application process, the filing of Forms 466 & 468.

FCC Form 465
January 2008

[Back to the HCP Results Page](#)