



February 8, 2011

Sharon Gillett, Chief  
Wireline Competition Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street S.W.  
Washington, DC 20554

Re: WC Docket No. 02-60

Dear Ms. Gillett:

On behalf of the Health Information Exchange of Montana, Inc. (HIEM), I write to correct distorted and misleading information about the HIEM recently provided by the Montana Telecommunications Association (MTA).<sup>1</sup>

HIEM is a not-for-profit collaboration of healthcare providers in communities across northwest and north central Montana, established to develop and share electronic health information and to improve patient care throughout a shared service area. Within this service area, many health care facilities have had limited access to essential and affordable telecommunications infrastructure, necessary to provide efficient quality care to thousands of rural and frontier Montanans.

MTA's implication that infrastructure in our region is sufficient to meet our needs, at an affordable price, is inconsistent with our experience as a participant in the rural health care pilot program and is misleading. MTA's *ex parte* incorrectly asserted that "HIEM's clients appear to need only T-1 service according to HIEM's sustainability plans."<sup>2</sup> What HIEM's sustainability plan actually said is that HIEM members will pay the same amount for the high bandwidth connections made possible by HIEM as they are currently paying for the inadequate T-1 connections they are required to rely on.<sup>3</sup>

The pilot program has, for the first time, allowed HIEM members an opportunity to access **affordable** high speed broadband facilities. Our sustainability plan contemplates HIEM members being able to offer rural citizens access to cutting edge medical technology that will

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<sup>1</sup> See *ex parte* Letter from Geoffrey A. Feiss, General Manager, Montana Telecommunications Association, to Marlene Dortch, Secretary, Federal Communications Commission (FCC), WC Docket No. 02-60 (dated Jan. 30, 2011).

<sup>2</sup> See *id.* at 1.

<sup>3</sup> See, e.g., *Rural Health Care Pilot Program Quarterly Report of the Health Information Exchange of Montana*, WC Docket No. 02-60, at 11 (submitted February 7, 2011).

deliver enormous societal benefit, over a network that we control, and without the need for ongoing and indefinite government subsidies.

The FCC must recognize its investment in the HIEM and similar infrastructure projects are one-time investments, rendered cost-effective through a competitive bid process which is open to all interested parties, including MTA members. These projects potentially save increasingly vital USF dollars by not relying on the perpetual subsidies provided under the traditional Rural Health Program. The HIEM is currently pursuing contracts with three telecommunications providers, including two MTA members, for broadband links between a number of HIEM participating sites following a very competitive RFP response process.

With respect to MTA's professed concern that direct investment in the HIEM undermines the economic case for non-health broadband service to these rural areas and "effectively cannibalizes rural telecommunications infrastructure", HIEM's experience suggests this is not the case. HIEM's ability to pay for and install excess capacity and to make such capacity available at rates sufficient to cover network sustainability, keeps infrastructure development costs down for incumbent providers who lease that capacity. Such providers in turn can serve more customers and profit from increased retail business.

HIEM has already entered into one agreement with a telecommunications carrier (and MTA member) to share excess capacity, and we reasonably expect there will be more. This is a win for HIEM members and carriers in our region. More important it is a huge win for rural communities who desperately need access to modern health care. Finally, it is a win for the FCC, because its scarce universal service funds are used far more efficiently when a participant builds facilities and sustains its network, rather than relying on subsidies to offset high costs to carriers into perpetuity.

Should you have any questions or require additional information, please contact me directly at 406-751-6687 or [kipsmith@krmc.org](mailto:kipsmith@krmc.org).

Sincerely,



Kipman Smith  
Executive Director

cc David LaFuria, Esq.  
Jeffrey Mitchell, Esq.  
Lukas Nace Gutierrez & Sachs, LLP