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*NOT ADMITTED IN VA

October 17, 2011

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-B204
Washington, DC 20554

**Re: Notice of *Ex Parte* in WC Docket No. 02-60
New England Telehealth Consortium**

Madam Secretary:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, we hereby provide notice of an oral *ex parte* presentation in connection with the above captioned proceeding. On October 13, 2011, Brian Thibeau, President, New England Telehealth Consortium (NETC), Red Hutchinson, member NETC Executive Committee and Chair of the NETC Board of Directors Technical Subcommittee, and undersigned counsel met with Trent Harkrader, Division Chief, and Attorney Advisors Chin Yoo, Erica Myers, and Linda Oliver in the Telecommunications Access Policy Division of the Wireline Competition Bureau to discuss the Federal Communications Commission's Rural Health Care (RHC) program.

NETC thanked the Wireline Competition Bureau for further extending the funding commitment deadline for the RHC Pilot Program and discussed how NETC has made use of the additional time. In the last 10 months, NETC has made dramatic progress implementing a cutting edge network dedicated to health care across the states of Maine, New Hampshire and Vermont, which is poised to connect hundreds of hospitals, community health centers, primary care clinics, and other rural health care providers in northern New England. The network, provisioned with capacity leased from local providers but managed and operated by NETC, will soon be transmitting Telemedicine Services, Electronic Medical Records, CT scans, X-ray images and health educational information on a secure and dedicated broadband network, independent of, but with secure connections to, the public Internet and Internet2. We discussed the benefits this increased connectivity will bring for the over 2 million residents in three states that reside in areas served by NETC members.

Marlene H. Dortch

October 17, 2011

Page 2

We discussed how the Pilot Program is encouraging the development of meaningful broadband connectivity for health care providers in northern New England. In particular, NETC's competitive bid process resulted in numerous service providers aggressively competing to provide equipment and services to NETC, dramatically driving down costs and stretching valuable USF dollars. NETC estimates that, pursuant to contract terms recently negotiated, NETC's \$24.6 million pilot program award will bring savings in excess of \$161 million to NETC participants over the 10-year contract term. (As compared to the cost to purchase those same services using current market pricing projected over the same period. NETC's analysis assumes comparable services are available even though, in many cases they currently are not).

These expected savings dramatically illustrate the benefits of combining competitive bidding with the purchasing power made possible by substantial pilot program awards. Indeed, as NETC's situation illustrates, the Pilot Program is finally delivering the cost savings and increased connectivity it was intended to deliver – at a crucial time for rural America and for the health care system of the country. Although NETC's sustainability plan is not dependent on permanent RHC subsidies, NETC urged the Commission to continue to support the establishment of Telehealth consortia such as NETC and to maintain a robust and flexible RHC program. Consortia help small rural providers manage the administrative burdens of RHC participation, can potentially support the FCC's needs for real-world data on program effectiveness, and thus are key to a successful RHC program.

Finally, we noted the substantial administrative costs incurred by successful pilot projects such as NETC and discussed how the FCC might improve administrative processes going forward. We noted NETC's board is made up of volunteers from member institutions and that NETC members have invested substantial funds to bring the project to a successful conclusion.

NETC looks forward to delivering more good news to the Commission over the next year in the form of measurable savings as well as concrete health care outcomes that will demonstrate the RHC program's importance and effectiveness. If you have any questions or require any additional information, please contact undersigned counsel directly.

Sincerely,



Jeffrey A. Mitchell
Counsel for New England
Telehealth Consortium

Enclosures

cc: Trent Harkrader, Esq.

NETC Cost and Savings over 10 Years

Gross NETC WAN Service	\$30,097,109	NETC pays for connectivity from NETC Core to Edge Sites
RHCPP Subsidy	\$15,581,945	
NETC Sites Pay	<u>\$14,515,164</u>	
Gross NETC Internet Service	\$785,500	NETC pays for connectivity to the Commodity Internet
RHCPP Subsidy	\$264,514	
NETC Sites Pay	<u>\$520,986</u>	
Gross NETC Internet2 Service	\$1,874,967	NETC pays for Internet2
RHCPP Subsidy	\$625,575	
NETC Sites Pay	<u>\$1,249,392</u>	
Gross NETC Equipment Purchase	\$2,183,901	NETC pays for Core and Edge Equipment
RHCPP Subsidy	\$1,785,216	
NETC Sites Pay	<u>\$398,685</u>	
Gross NETC Equipment Maintenance	\$521,952	NETC pays for Core Equipment Maintenance
RHCPP Subsidy	\$434,846	
NETC Sites Pay	<u>\$87,106</u>	
Gross NOC/Implementation Proj Mgmt	\$10,329,960	NETC pays for NOC and Proj. Mgmt. of Implementation
RHCPP Subsidy	\$4,927,424	
NETC Sites Pay	<u>\$5,402,536</u>	
NETC Sites Pay Total	<u>\$22,173,869</u>	
Market WAN Service	\$94,935,306	Market based on a survey of NETC sites' current WAN rates
Market Internet Service	\$59,094,000	Market based on a survey of NETC sites' current Internet rates
Market Equipment Purchase	\$5,274,275	Market based on List Price of Equipment
Market Equipment Maintenance	\$705,340	Market based on List Price of Maintenance
Market NOC/Implementation	\$23,592,000	Market Price
Market Total	<u>\$183,600,921</u>	
Market Total	\$183,600,921	
NETC Sites Pay Total	<u>\$22,173,869</u>	
Total Savings (10 Years)	<u>\$161,427,052</u>	

NEW ENGLAND TELEHEALTH CONSORTIUM SITES

