



*Via Email and Electronic Comment Filing System*

June 27, 2012

Sharon Gillett  
Chief, Wireline Competition Bureau  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Re: Rural Health Care Pilot Program, Docket No. 02-60  
USAC Data on the FCC Rural Health Care Pilot Program

Dear Ms. Gillett:

The Universal Service Administrative Company (USAC) is further supplementing the information provided to the Federal Communications Commission (FCC) in a letter submitted on May 4, 2012 and supplemented on May 30, 2012.<sup>1</sup> USAC is providing the information pursuant to a request from FCC staff for certain data points from the federal Universal Service Rural Health Care (RHC) Pilot Program (Pilot or RHCPP). The data points relate to funding and participation in the RHCPP and the traditional Rural Health Care Support Mechanism Program (Primary Program).

- From the start of the Pilot to January 31, 2012, USAC issued commitments for 2,107 health care providers (HCPs) participating in the RHCPP. Of those HCPs, 733 were located in urban areas and 1,374 were located in rural areas. Urban sites make up 34.8% of all Pilot participants that received funding commitments as of January 31, 2012.
- Almost all Pilot projects that utilized leased services for their networks chose to obtain primarily Ethernet or MPLS services and to obtain customized arrangements with the telecommunications providers to meet the needs of their participating HCPs. Many of these projects obtained plant or infrastructure upgrades from their telecommunications providers as part of their project implementation.
- Appendix A of *USAC's May 30 Letter* provided the average reimbursement rate per state for supported telecommunications services for HCPs in the Primary

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<sup>1</sup> Letter from Craig Davis, USAC, to Sharon Gillett, FCC, dated May 4, 2012 (*USAC's May 4 Letter*).  
Letter from Craig Davis, USAC, to Sharon Gillett, FCC, dated May 30, 2012 (*USAC's May 30 Letter*).

Program.<sup>2</sup> The average rates were derived from Primary Program funding year 2010 (July 1, 2010 through June 30, 2011).

- *USAC's May 30 Letter* provided a chart showing the percentage of bids received in response to Primary Program FCC Form 465 postings for certain funding years for all states.<sup>3</sup> Below is the same information but with the information for Alaska separated from the remaining states and a chart with data from all the states except Alaska.

Competitive bids in the Primary Program:

**Alaska only**

Funding Year	Bids Received	No Bids Received	No Response on Form
2003	28.78%	64.94%	6.27%
2004	28.87%	64.55%	6.57%
2005	29.36%	59.86%	10.78%
2006	32.27%	65.45%	2.29%
2007	8.75%	88.89%	2.36%
2008	5.18%	93.90%	0.92%
2009	27.34%	70.02%	2.65%
2010	45.59%	52.58%	1.83%
Effective Rate 2006-2010	23.82%	74.17%	2.01%
Effective Rate 2007-2010	21.71%	76.35%	1.94%

**All states excluding Alaska**

Funding Year	Bids Received	No Bids Received	No Response on Form
2003	4.75%	88.07%	7.18%
2004	5.03%	87.91%	7.07%
2005	5.53%	88.08%	6.40%
2006	11.60%	82.76%	5.64%
2007	8.89%	85.60%	5.51%
2008	15.52%	80.58%	3.90%
2009	11.36%	85.61%	3.04%
2010	9.63%	87.75%	2.62%
Effective Rate 2006-2010	11.40%	84.46%	4.14%
Effective Rate 2007-2010	11.35%	84.88%	3.77%

<sup>2</sup> *USAC's May 30 Letter*, 1 and Appendix A.

<sup>3</sup> *Id.*, 2.

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- *USAC's May 4 Letter* provided a list of the Pilot projects that are receiving funding for construction and a description of each project.<sup>4</sup> Attached is a supplement to that information, which includes HCP counts and construction dollars committed.
- Using the funding amounts from the most recent year an HCP participated in the Primary Program, USAC compared the circuit bandwidth from the HCP's submitted FCC Form 467, Connection Certification form,<sup>5</sup> to the reported circuit bandwidth from the same HCP when it participated in the Pilot. Either prior to or after participating in the Pilot, 550 HCPs participated in the Primary Program.<sup>6</sup>
  - For 39 of the HCPs that constructed facilities in the Pilot, USAC is unable provide a comparison to services being reported in the Primary Program because USAC does not collect bandwidth speeds in the Pilot for construction projects. USAC does not collect bandwidth data for Pilot Projects that are constructing networks because the funding covers the cost to lay dark fiber. Bandwidth data are collected when funding is provided to light circuits.
  - Of 19 HCPs reporting equipment only purchases in the Pilot, USAC does not have reported bandwidth and is unable provide a comparison to services reported in the Primary Program. USAC does not collect bandwidth data when Pilot projects purchase equipment because the equipment can function at variable speeds. USAC obtains the bandwidth data when a project requests support for circuits that are connected to the purchased equipment.
  - 122 of the Pilot HCPs submitted funding certification request forms, FCC Form 466-A, in the Primary Program. Because the FCC Form 466-A in Primary does not require the applicant to report bandwidth, USAC is unable to compare bandwidth usage for these 122 HCPs.
  - Of the remaining 370 HCPs, 288 (77.8%) report higher bandwidth speeds in the Pilot than they reported in the Primary Program; 61(16.5%) report receiving the same bandwidth and 21(5.7%) have lower bandwidth in the Pilot compared to the Primary Program.

Please contact me if you have questions concerning this information.

Sincerely,

/s/ Craig Davis

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<sup>4</sup> *USAC's May 4 Letter*, 3 and Appendix D.

<sup>5</sup> FCC Form 467, Connection Certification, Item 10 (April 2008).

<sup>6</sup> HCPs participating in the Pilot Program are not permitted to obtain simultaneous support from the Primary Program. *In the Matter of Rural Health Care Support Mechanism*, Order, WC Docket No. 02-60, FCC 07-198, 22 FCC Rcd 20360, ¶ 77 (2007).

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