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September 24, 2012

BY ELECTRONIC FILING

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

Re: *Rural Health Care Support Mechanism* – WC Docket No. 02-60
Notice of *Ex Parte* Communication

Dear Ms. Dortch:

On Thursday, September 20, 2012, Richard Cameron, Assistant Vice President and Senior Counsel of Alaska Communications Systems Group, Inc. ("ACS"), and I met with Linda Oliver, Beth McCarthy and Lindsey Bohl of the Wireline Competition Bureau (the "Bureau") concerning the above-captioned proceeding.

ACS described the importance of the Rural Health Care support program to rural Alaska, and urged that the Rural Health Care ("RHC") primary support mechanism be maintained while the Commission works to implement a program to cover broadband. In designing the proposed Broadband Services Program, ACS urged the Commission to make funding for infrastructure deployment available, if at all, only to service providers, which have the necessary expertise and resources to deploy, operate, and maintain telecommunications and broadband facilities.

Further, ACS explained that many areas of Alaska are dependent on satellite middle mile connectivity in many parts of Alaska. While terrestrial-based alternatives may be preferable, they are not available in all parts of Alaska. In some instances, the cost of leasing satellite transport is lower than the cost of leasing terrestrial fiber and microwave-based capacity; such has been the case in southwest Alaska in recent months. In order to limit the burden on RHC support mechanisms, ACS therefore suggested that the Commission consider amending Sections 54.609(d)(1) and (d)(3) of its rules, as well as any analogous rule that may be enacted under the broadband support mechanism, to cap support at the *lower of* the cost-based terrestrial rate or the satellite rate, where both are available at the start of a contract.

ACS also noted the necessity and benefits of longer-term contracts (especially for satellite capacity) and need for predictability in RHC support levels. If alternative service is not available when a contract is signed, funding at the agreed-upon rate should be made available for the full duration of the contract term; support should not be subject to reduction mid-way through the term of a contract merely because new capacity becomes available. Any efficiencies to be gained through an alternative service provider can be realized when the contract comes up for renewal or renegotiation.

Finally, ACS discussed its pending request for review of a USAC decision to withdraw RHC funding part-way through the contract term, for a satellite-based service being provided to the Cordova Community Medical Center. ACS seeks reinstatement of RHC funding at the full contracted rate, for the duration of the initial term of the contract.

The attached materials, providing additional details concerning these topics, were distributed in the meeting. ACS's advocacy also is reflected in the company's August 23, 2012 response to the Bureau's Public Notice seeking comment on the structure of a RHC Broadband Services Program.[1] Please direct any questions concerning this matter to me.

Very truly yours,

/s/
Karen Brinkmann
Counsel for ACS

Attachments

cc: Linda Oliver
Elizabeth Valinoti McCarthy
Lindsey Bohl

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[1] *Wireline Competition Bureau Seeks Further Comment On Issues In the Rural Health Care Reform Proceeding,* Public Notice in WC Docket No. 02-60, DA 12-1166 (rel. July 19, 2012).