

appeal was filed with USAC on September 20, 2013 and pertains to USAC's Commitment Adjustment Letters issued to Alascom, Inc. d/b/a AT&T Alascom whereby USAC seeks recovery of funds disbursed to AT&T for the service supplied by the T-1 circuits that are the subject of the two earlier appeals. As referenced, this fourth appeal pertains to funding in FY 2012 for the period running from the date that the contract with the service provider (AT&T) terminated in August, 2012¹ through the date that service was terminated on December 26, 2012.

FACTS

Providence Seward Medical and Care Center (PSMCC) is a rural health care provider in Seward, Alaska. Seward has a population of approximately 3,000 and is located in the southcentral region of Alaska, at the head of Resurrection Bay on the eastern shore of the Kenai Peninsula, a rugged largely wilderness area, with a significant mountain range running the length of the peninsula close to the eastern shore. See Ex. 2 – map of Alaska. Access to Seward is limited to small airplane, helicopter, boat, seasonal train, and by vehicle via one road that stretches 126 miles north to Anchorage, Alaska's largest city.

PSMCC consists of a six-bed acute care facility and a 43-bed long term care facility. Its services include emergency, inpatient hospital care, laboratory, radiology, rehabilitation, respiratory therapy, family care clinic, home health care, and long term care.

The facility is owned by the city of Seward, and managed by Providence Health & Services. Providence Health and Services (PHS) is a not-for-profit network of hospitals, care centers, health plans, physicians, clinics, home health services, affiliated services and educational facilities that span five states, including Alaska. One of the PHS facilities is the Providence Alaska Medical Center (PAMC), which is located in Anchorage and is Alaska's largest hospital. As a PHS managed facility, PSMCC has access to many of PAMC's services, including the services of radiologists and pathologists who interpret the imaging and lab services that are provided at PSMCC, and the Electronic Medical Record (EMR) data center.

¹ The contract with AT&T for the two T-1 lines at issue terminated on August 27, 2012. However, the Form 466 that was submitted for one of the T-1 lines incorrectly listed the termination date as August 9, 2012. This resulted in USAC issuing funding for this T-1 line through August 9, 2012, and for the second T-1 line through August 27, 2012..

All of PSMCC telecommunication circuits connect back to PAMC and are used primarily for transmitting digital imaging (PACS, CT, X-ray), biomedical resources (drug libraries, instruction or information on pumps, etc.), facility operations, and Electronic Medical Records (EMR).

The use of and tie-in to PAMC's EMR plays an important role in the delivery of health care in the small rural community of Seward. It provides a single repository for all patient information and can be accessed across the continuum of care (e.g., PAMC, and physician offices). For the vast majority of heart attack, stroke, and traumatic injury patients on the eastern side of the Kenai Peninsula, PSMCC is the only place where they can be stabilized and given initial treatment before being transferred to a tertiary care center, which is almost always PAMC. Electronic medical records facilitate the emergency room treatment and transfer of these patients and contribute to high quality emergency and trauma care equivalent to that available in Anchorage, Alaska's largest urban center.

For many years, PSMCC relied on two T-1 land circuits supplied by carrier GCI that traveled between Seward and Anchorage through the Chugach Mountain Range. These circuits traverse through several mountain passes that are subject to avalanches, high wind, and other adverse climatic conditions that have subjected the circuits to outages during winter months, which in Alaska are particularly lengthy and which have impacted patient care and safety at PSMCC. In addition, the single roadway connection between Seward and Anchorage is subject to being periodically closed for between several hours and several days, several different times each winter, due to avalanches that block the roadway. This reality combined with stretches in the winter when small plane travel in and out of Seward becomes impossible as a result of prolonged adverse weather conditions results in periodic instances when seriously injured or seriously ill patients cannot be medivaced to Anchorage necessitating periodic interim intensive care at PSMCC, during which absolutely reliable communications can make the difference between life and death.

Over the years, PSMCC's reliance on PAMC and its staff of advanced practitioners for the operation of its clinic, emergency department, and radiology and lab services has grown significantly. This growth, along with implementation of the EMR database has increased the need for uninterrupted connectivity with PAMC.

In the spring of 2009, PSMCC explored available telecommunication options that could provide PSMCC's circuits with increased bandwidth, redundancy and diversity to maintain PSMCC's operations without interruption in connectivity. It was determined that the only option² available at that time that could provide geographic and carrier diversity and redundancy was a submarine fiber optic circuit, already then in existence, that traverses from Seward to Kodiak Island and from Kodiak Island to Anchorage. See Ex. 3 – map of all cable circuitry in Alaska with a blow up of the circuitry servicing Seward. Alascom, Inc., d/b/a AT&T Alascom (AT&T) submitted a proposal to provide PSMCC with two T-1 private line submarine fiber optic circuits at a custom fiber rate that was not a mileage based rate.

On July 31, 2009, PSMCC finance officer, Maryann Freepartner, submitted a Form 465 to USAC for the two additional T-lines to transmit data and medical images, including X-rays and CT-scans, view dictation and lab results, and to access EMR. The Form 465 was successfully posted to USAC's website. No competitive bids were subsequently received in response to the posting.

On August 28, 2009, PHS entered into an agreement with AT&T to provide PSMCC with two private line circuits at a custom fiber rate with a total monthly recurring charge of \$9,005.20 per line. See Ex. 4 – Pricing Schedule.

On November 3, 2009, the two T-1 circuits were installed.

Following installation of the circuits PSMCC Finance Officer Maryann Freepartner worked with AT&T in gathering the information necessary to submit Form 466s for the T-1 circuits.

On February 22, 2010, Ms. Freepartner submitted the Form 466s for the two T-1 lines for FY 2009. Ex. 5. Since the pricing for the T-1 circuits was not distance based, funding was requested using the Comprehensive Rate Comparison method.

Following submission of the Form 466s, various email requests for additional information were received from USAC Reviewer Hazel Diaz. Ms. Freepartner, being new to her position as Finance Officer at PSMCC, worked with AT&T Representative Amy Merchant in obtaining the requested information, which she in turn provided to USAC Reviewer Ms. Diaz.

² Satellite service is not a viable option due to its high latency rate.

In an email sent to AT&T representative Andy Rabung³ on August 30, 2010 (Ex. 22), USAC Reviewer Hazel Diaz asked Mr. Rabung to clarify if there were any total billed miles associated with the two T-1 lines, and if so, a cost breakdown of the billed circuit miles, monthly mileage based charges, and cost per mile per month.

On September 30, 2010, Mr. Rabung responded to Ms. Diaz's 8/30/10 email and advised:

"Answers to the questions are as follows:

Billed Circuit miles: 475 miles – Anchorage to Kodiak 271, Kodiak to Seward 204

Monthly Mileage Based Charges - \$8369.00

Cost per mile per month - \$17.62"

See, Ex. 7 – 9/23/10 5:06 PM email from Rabung, Andrew to hdiaz.

Through a letter dated September 30, 2010, two hundred twenty-five days after submission of the Form 466s, and well into the FY 2010 funding year, Ms. Freepartner finally received Funding Commitment Letters for the two circuits for FY 2009. These letters reflected funding amounts for the circuits at rates considerably reduced from what Ms. Freepartner had requested and anticipated based on the actual cost per line per month. See Ex. 6 - Funding Commitment Letters.

On October 12, 2010, in response to a request from Ms. Freepartner for an explanation of the funding computation, Ms. Diaz sent an email to Ms. Freepartner explaining that funding was reduced based on information received from AT&T representative Andy Rabung in response to a request from Ms. Diaz

³ Mr. Rabung had been recently assigned to cover temporarily the PSMCC account in the absence of Amy Merchant, the AT&T representative who had been working on the account from its inception, and who was at that time on temporary maternity leave from AT&T. Mr. Rabung was completely inexperienced with this transaction and failed to consult with either Ms. Merchant or anyone at PSMCC before casually passing along to USAC a completely inapplicable calculation which he mischaracterized as a "monthly mileage based charge" apparently by simply dividing the distance associated with the undersea cables between Seward and Kodiak and Kodiak and Anchorage and dividing that figure by the rate charged. PSMCC had been assured by AT&T that the rate, however, would not be determined by AT&T on the basis of the associated mileage. Accordingly, this entire dispute has been solely a product of Mr. Rabung's inexperience and apparent incompetence.

regarding mileage charges associated with the PHS contract. See Ex. 7 - 10/13/10 6:58 a.m. email from H. Diaz to Maryann Freepartner. In her email, Ms. Diaz explained that the rural rate was adjusted based on information obtained from Mr. Rabung that reflected total billed miles for the circuits at 475 miles, that the cost per mile for the circuits was \$17.62 per mile, and that USAC could only cover funding up to the Maximum Allowable Distance of 85 miles, which reduced the funding by \$6,871.80 per line (charges over the MAD).

On October 14, 2010, Ms. Freepartner provided Ms. Diaz with a letter from AT&T which stated that the circuit costs for the PSMCC circuits were not mileage based, but were calculated based on the contract.

On October 15, 2010, Ms. Diaz informed Ms. Freepartner that if she did not agree with the information provided in the funding commitment letters, she could follow up with a formal appeal.

On October 26, 2010, Ms. Freepartner submitted her letter of appeal or request for reconsideration of the FY 2009 funding determination to USAC's RHCD. Ex. 8.

On April 1, 2011, Ms. Freepartner sent an email to USAC RHC Manager Elizabeth Anderson asking if she should proceed with filing the form 466s for the two T-1 circuits for FY 2010 while the appeal for FY 2009 was still pending. Ms. Anderson responded that Ms. Freepartner could file her FY 2010 Form 466s while the appeal was still pending.

On April 8, 2011, Ms. Freepartner submitted her Form 466s for FY 2010 for the two T-1 lines. Ex.11.

On June 13, 2011, after many, many requests for status updates and being informed that PSMCC's request for reconsideration of the FY 2009 funding determination was "under review" and a call to USAC's complaint line, Ms. Freepartner was able to speak with USAC Rural Health Care Program Manager Carol McCornac who informed Ms. Freepartner that USAC's reduction in funding based on miles exceeding the Maximum Allowable Distance had been correctly applied. Ms. McCornac informed Ms. Freepartner that PSMCC could continue to pursue the appeal, which would result in a formal Administrators Decision, or request its withdrawal. Ms. Freepartner subsequently requested a formal Administrator's Decision.

On July 1, 2011, in response to a request from Ms. McCornac, Ms. Freepartner sent Ms. McCornac an explanation of the basis for the need for the Anchorage-Kodiak-Seward route in lieu of an Anchorage-Seward route. See Ex. 9 - 7/1/11 11:07 a.m. email from Maryann Freepartner to Carol McCornac.

On July 27, 2011, two hundred seventy-four days after PSMCC filed its request for reconsideration of the FY 2009 funding determination, USAC issued its Administrator's Decision. Ex. 10. In its decision, USAC denied PSMCC's appeal based on the Maximum Allowable Distance limitation.

Through a letter dated September 8, 2011, one hundred fifty-two days after submission of the Form 466s and over two months into the FY 2011 funding period, Ms. Freepartner received Funding Commitment Letters for the two circuits for FY 2010. Ex.12. Consistent with its funding determination for FY 2009, USAC, again, adjusted the rural rate for the two circuits based on the Maximum Allowable Distance calculation.

On September 23, 2011, PSMCC, filed its request for further review/appeal of USAC's FY 2009 funding determination with the Federal Communications Commission. Ex. 13⁴. That appeal remains currently pending with the FCC.

On October 28, 2011, Ms. Freepartner submitted her letter of appeal/request for reconsideration of USAC's funding determination for FY 2010 to USAC's RHCD. Ex.14.

On January 10, 2012, Ms. Freepartner submitted her Form 466s for the two T-1 lines for FY 2011. Ex.15.

On January 16, 2012, eighty days after PSMCC filed its request for reconsideration of the FY 2010 funding determination, USAC issued its Administrator's Decision. Ex.16. In its decision, USAC again denied PSMCC's appeal based on the Maximum Allowable Distance limitation.

On February 2, 2012, just 24 days after PSMCC submitted its form 466 requests for FY 2011 funding, USAC issued its Funding Commitment for FY 2011. Ex.17. USAC approved funding for FY 2011 in the amounts that Ms. Freepartner had requested and did not make any reduction in funding based on the Maximum Allowable Distance limitation. Providence, of course, naturally

⁴ Insofar as the exhibits to this appeal are the same exhibits submitted with Ex. 13, they are not attached to Ex. 13 to avoid unnecessary duplication.

assumed that the USAC had reviewed all of the material that had been submitted associated with these two T-1 lines and made a substantive decision correcting its previous reliance on inaccurate information from AT&T.

On March 16, 2012, PSMCC, filed its request for further review/appeal of USAC's FY 2010 funding determination with the Federal Communications Commission. Ex. 18⁵. That appeal remains pending with the FCC.

On September 10, 2012, Ms. Freepartner submitted her Form 466s for the two T-1 lines for FY 2012. Ex. 19.

In June, 2012 PSMCC entered into an agreement with Alaska Communications (ACS) to provide PSMCC with a MPLS line that was capable of handling the increased bandwidth needs of PAMC and PSMCC, which AT&T's T-1 lines⁶ were not capable of handling, and thus maintain circuit redundancy as well as carrier diversity, at a lower monthly recurring charge.

On August 27, 2012, the contract with AT&T for the two T-1 circuits terminated. Since the ACS MPLS line was not yet in service, the T-1 circuit service through AT&T was continued.

Following implementation of the ACS MPLS service, on December 26, 2012 the T-1 service provided by AT&T was terminated.

On February 19, 2013, USAC issued its Funding Commitment for the two T-1 lines for FY 2012 (Ex. 20) wherein it approved funding for FY 2012 in the monthly recurring support amounts requested by Ms. Freepartner, but only for the period July 1, 2012 through the date in August, 2012⁷ when the Evergreen contract with AT&T terminated. Consistent with its funding determination for FY

⁵ Insofar as the exhibits to this appeal are the same exhibits submitted with Ex. 18, they are not attached to Ex. 18 to avoid unnecessary duplication.

⁶ AT&T's T-1 circuits provided 3 mbps of bandwidth; the terrestrial line, which was upgraded from two T-1 circuits to an MPLS circuit in July 2011, provided 10 mbps of bandwidth.

⁷ The contract with AT&T terminated on August 27, 2012. However, the Form 466 submitted by Ms. Freepartner for one of the T-1 lines incorrectly listed the termination date as August 9, 2012. Based on this information, USAC issued funding for this T-1 line through August 9, 2012.

2011, USAC did not make any reduction in funding based on the Maximum Allowable Distance limitation.

On February 20, 2013, USAC representative Claudio Ramos, in response to an inquiry from Ms. Freepartner concerning funding for the period that the T-1 circuits were in service after the contract with AT&T terminated in August until service was terminated on December 26, 2012, Mr. Ramos advised Ms. Freepartner that she would need to file month-to-month Form 466s for the period from when the contract terminated to the date service was terminated. Ex. 23.

Pursuant to Mr. Ramos' instructions, on March 11, 2013 Ms. Freepartner submitted form 466s Funding Requests for each of the subject T-1 circuits requesting funding on a month-to-month basis. Ex. 24.⁸

In addition to the month-to-month form 466s (Ex. 24), to ensure that PSMCC's right to appeal was preserved, on April 17, 2013 Ms. Freepartner submitted to USAC RHCD a letter of appeal of USAC's FY 2012 funding determination wherein she requested funding for the period that the T-1 lines remained in service following termination of the Evergreen contract in August, 2012 through termination of the T-1 service on December 26, 2012. Ex. 21.

On July 23, 2013, USAC issued Commitment Adjustment Letters to AT&T seeking recovery of the charges paid for miles over the Maximum Allowable Distance limitation for PSMCC's two T-1 circuits for FY 2011 and FY 2012. Ex. 25.

On September 20, 2013, PSMCC filed its appeal with USAC requesting reconsideration of USAC's Commitment Adjustment Letters dated July 23, 2013. Ex. 26.⁹ That appeal remains currently pending with the USAC.

Also on September 20, 2013, AT&T filed an appeal of USAC's Commitment Adjustment letters dated July 23, 2013. Ex. 27. In support of its appeal, AT&T provided an affidavit of Shawn Uschmann, Regional Vice-President of Alascom, Inc., d/b/a AT&T Alaska that affirmed that AT&T's price to

⁸ Since the form 466 indicated that there was no applicable contract, the service would be deemed month-to-month.

⁹ Insofar as the exhibits to this appeal are the same exhibits submitted with Ex. 26, they are not attached to Ex. 26 to avoid unnecessary duplication.

PSMCC for the T-1 circuits "was based on the cost AT&T incurred to purchase capacity on the undersea cable, not on the mileage of the undersea cable route." See Ex. 27. Attachment 4 (emphasis added).

On November 26, 2013, 260 days after submission of the Form 466s, Ms. Freepartner received from USAC Funding Commitment Letters for the two T-1 circuits, one for the period running from August 28, 2012 through the end of FY 2012, and one for the period August 10, 2012 through the end of FY 2012. Ex. 1.

Since the month-to-month FY 2012 funding determinations (Ex. 1) were in an amount considerably reduced from what Ms. Freepartner had requested, on December 26, 2013 Ms. Freepartner sought clarification from USAC as to how the funding amount was calculated. Through a series of emails, Ms. Freepartner was advised that funding was calculated based on Maximum Allowable Distance. Ex. 27.

It is USAC's funding determination for the post-contract service period in FY 2012 (Ex. 1) that is the subject of this appeal.

QUESTION PRESENTED FOR REVIEW: DID USAC CORRECTLY
ADJUST THE AMOUNT OF SUPPORT FOR PSMCC'S T-1 CIRCUITS?

I. *USAC incorrectly applied a mileage-based charge*

In its commitment adjustment decision, USAC again now belatedly relies on the vague communications between USAC's Ms. Diaz and AT&T's Andy Rabung converting the rate charge and the mileage involved into a cost per mile, which USAC in turn erroneously relies on in denying most of PSMCC's funding request. Mr. Rabung was not involved in the negotiations with PHS for the purchase of the T-1 lines, and at the time USAC sent AT&T the email (Ex. 2) requesting a breakdown of "billed circuit miles, monthly mileage based charges, and cost per mile," he had only recently been assigned temporarily to cover the PSMCC account in the absence of AT&T Representative Amy Merchant, who was the person directly involved for AT&T in negotiations for the purchase of the T-1 lines service, their installation, and billing, and who had worked with Ms. Freepartner in filing the initial Form 466s. The information provided by Mr. Rabung was, put simply, incorrect. The charge for the circuits was not a mileage-based charge. In spite of being apprised of this fact before making its initial determination, USAC nonetheless made its funding determination based on a fictitious mileage-based charge.

- II. PSMCC is entitled to advanced telecommunication services at rates that are reasonably comparable to rates charged for similar services in urban areas.

The Universal Service program is administered under authority of 47 USC §254. 47 USC §254(b)(6) provides that the Joint Board and the Commission shall base policies for the preservation and advancement of universal service on the following principles:

- (1) Quality and rates

Quality services should be available at just, reasonable, and affordable rates.

- (2) Access to advanced services

Access to advanced telecommunications and information services should be provided in all regions of the Nation.

- (3) Access in rural and high cost areas

Consumers in all regions of the Nation, including low-income and those in rural, insular and high cost areas, should have access to telecommunications and information services, including interexchange and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.

....

- (6) Access to advanced telecommunications services for schools, health care, and libraries

... health care providers ... should have access to advanced telecommunication services as described in subsection (h) of this section.

(7) Additional principles

Such other principles as the Joint Board and the Commission determine are necessary and appropriate for the protection of the public interest, convenience, and necessity and are consistent with this chapter.

47 USC §254(h)(1)(A) provides:

A telecommunications carrier shall, upon receiving a bona fide request, provide telecommunications services which are necessary for the provision of health care services in a State ... to any public or nonprofit health care provider that serves persons who reside in rural areas in that State at rates that are reasonably comparable to rates charged for similar services in urban areas in that State (emphasis added).

III. The Maximum Allowable Distance limitation should not be applied as it results in a rate that is not reasonably comparable.

The purpose of the universal service program is to afford rural health care providers the opportunity to access telecommunications and information services that are “reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.” 47 USC §254(b)(3).

Given PSMCC’s unique circumstances – its remote location, the mountainous terrain and adverse climatic conditions that impact the functionality of terrestrial wirelines that service Seward, and the fact that the only alternative form of wireline service available at the time that the two undersea T-1 line service was initiated which could provide the needed bandwidth, diversity and redundancy was a submarine fiber optic cable that, of necessity, apparently runs a course of 475 miles - applying the maximum allowable distance limitation under 47 CFR §54.613 is inconsistent with the purpose and legislative intent of the Universal Service mechanism.

IV. PSMCC has been unfairly prejudiced by the extraordinary delays associated with USAC's determinations.

As a final point in support of this appeal, PSMCC wishes to point out that it has been unfairly prejudiced by the extraordinary delays associated with USAC's determinations at virtually each stage of the process. The USAC did not make an initial decision on the first year of funding for these lines for FY 2009 until three months after the conclusion of FY 2009 funding period, and three months into the FY 2010 funding period, a total of two hundred twenty-five days after submission of the Form 466s for FY 2009. USAC then took a total of an additional two hundred seventy-four days to make a decision on PSMCC's request for reconsideration of its determination on FY 2009 funding, a step that PSMCC was encouraged to take before appealing to the FCC. Thus, the USAC had PSMCC's request for FY 2009 funding under consideration for a total of four hundred ninety-seven days before making a final decision on July 27, 2011, almost a month past the FY 2010 funding period and a month into the FY 2011 funding period.

USAC required an additional one hundred fifty-two days after submission of the Form 466s for FY 2010 funding to make an initial determination on FY 2010 funding, three months past the end of the FY 2010 funding period. The fact that the USAC delayed a decision on funding for FY 2009, the first year for these lines, until past the end of the second year funding period has severely prejudiced PSMCC with respect to both years' funding. It put PSMCC into a position where it had not received a determination on first year funding until after the entire costs of second year funding had been incurred, and on second year funding until after all of the costs for that year had been incurred. Now it is proposing to take back a significant portion of the funding approved for FY 2011 and FY 2012 well after the fact on simply an overly bureaucratic application of the MAD formula. As such, USAC's administration of this program has been abusive and fundamentally unfair. Accordingly, both the proposed Commitment Adjustments should be withdrawn and this final denial of full funding for the remaining months that AT&T service was provided in 2012 should be reversed both on the substantive basis set out above and based on PSMCC's detrimental reliance on USAC's reasonable administration of the universal services program.

REQUEST FOR RELIEF

It cannot be overemphasized that at the time the undersea T-1 line service was initiated the sole alternative for reliable communication services for PSMCC

comparable to those available in an urban setting were the undersea T-1 lines that simply happen to run from Anchorage to Kodiak and Kodiak to Seward. There was no other alternative. Accordingly, funding should remain as approved per the funding commitments for FY 2011 (Ex. 17) and FY 2012 (Ex. 20), which are at rates calculated based on a comprehensive rate comparison method and which result in PSMCC paying a rate that an urban health care provider would pay for similar services.

GRUENSTEIN & HICKEY

Attorneys for Providence Health & Services – Alaska



Daniel W. Hickey, ABA #7206026

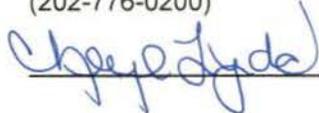
cc: Susan Humphrey-Barnett
Area Operations Administrator
Providence Health & Services – Alaska

Maryann Freepartner
Finance Manager
Providence Seward Medical and Care Center
Maryann.Freepartner@providence.org

Certificate of Service

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by electronic mail and by Fed Ex this 24 day of January, 2014, on:

Rural Health Care Division
Universal Service Administrative Company
2000 L St., NW, Suite 200
Washington, D.C. 2003
(202-776-0200)



Ex. 1

Terri Humphrey

From: rhcadmin@usac.org
Sent: Tuesday, November 26, 2013 10:54 AM
To: maryann.freepartner@providence.org
Subject: Funding Commitment Letter (FCL) for HCP 10382, FRN 12195601

Date: 26-Nov-2013

Funding Year: 2012
Health Care Provider (HCP) Name: Providence Seward Medical & Care Center
HCP Number: 10382
FCC Form 465 Application Number: 43124011
Funding Request Number: 12195601

The Rural Health Care (RHC) division of the Universal Service Administrative Company (USAC) has completed the review of the *Funding Request and Certification Form (FCC Form 466)* submitted on behalf of the Health Care Provider (HCP) named above. Based on the information provided, RHC has determined that the HCP is eligible for the estimated support listed below. Additionally, if the HCP submitted a contract or service agreement with the form, the outcome of the contract review is included in this letter.

HCP Physical Location: 417 1st Avenue, PO Box 365, Seward, AK, 99664

Service Type: T1 or DS1

Bandwidth: 1.544 Mbps

Service Provider Name: Alascom, Inc.

Service Provider Identification Number (SPIN): 143005617

Billing Account Number: 8002-765-6315

Funding Start Date	Funding End Date	Months of Support	Non-Recurring Support Amount	Monthly Recurring Support Amount	Total Support Amount
28-Aug-2012	30-Jun-2013	10.12903	\$0.00	\$3,347.72	\$33,909.16

It is the HCP's responsibility to review and verify that all information on this FCL is accurate. All account holders and the service provider listed on the form have received a copy of this FCL. A copy is also saved in the *My Documents* section of *My Portal*.

Contract/Service Agreement Endorsement Determination: Non-Evergreen/MTM

Non-evergreen (or month-to-month) service offering: If an HCP submits a service agreement that is not signed and dated, or if the type of service, the terms of service, or the duration of the service(s) are not specified, the service agreement will be designated as Non-evergreen, (month-to-month, tariffed service). The HCP must therefore submit an FCC Form 465 and select the most cost-effective service and service provider each year **for the life of the agreement**. In order to be eligible for a full year of funding, the HCP's FCC Form 465 must be posted by June 2nd to satisfy the required 28-day competitive bidding period prior to the start of the funding year on July 1st.

Your responsibility:

It is the HCP's responsibility to review the information in this FCL. Contact RHC at rhc-admin@usac.org if there is an error with the amount of support or other information in this FCL.

If, at any time, the supported services are not being provided to the HCP or the HCP is not otherwise receiving the approved support, it is the HCP's responsibility to notify RHC immediately.

The Billing Account Number, certifications, and all other information provided on FCC Forms 465, 466, 466-A, and 467 may be subject to audit by RHC and the FCC.¹ HCPs are subject to audits and other reviews that the RHC and/or the FCC may undertake to ensure that the universal service support is being used in compliance with FCC program rules. If RHC discovers that supported services are not used in compliance with program rules, applicants will be subject to enforcement activities and other means of recourse by RHC and other appropriate federal, state, and local authorities.

Next Steps:

Complete and submit an FCC Form 467 (*Connection Certification*), which will confirm receipt of the services for which support has been approved, and the date on which the service provider began providing those services. Funding cannot be issued until this form is processed. To submit the FCC Form 467, go to the *My Forms* tab of *My Portal* and find the applicable Form 466 or Form 466-A and click on the "Create 467" button. Once the Form 467 is approved, the HCP and the service provider will receive a copy of the HCP Support Schedule (HSS). Receipt of the HSS is an indicator to the service provider that it should begin crediting the HCP for the support amount (if it has not yet done so) and may begin to invoice USAC.

Appeals:

Appeals must be electronically date-stamped or postmarked within 60 days of the date of this letter. Letters of appeal must contain the HCP Number, Funding Request Number(s), the SPIN, the affected funding year, and documentation of the decision being appealed (this FCL, denial letter, etc.)

Additionally, FCC rule section 54.721 requires "a statement setting forth the party's interest in the matter presented for review; a full statement of relevant, material facts with supporting affidavits and documentation; the question presented for review. . .[and] a statement of the relief sought and the relevant statutory or regulatory provision pursuant to which such relief is sought."

Failure to include the required information in the letter of appeal or the required documentation to support the appeal will result in a delayed response time, or the appeal may not be considered.

Detailed instructions on filing an appeal may be found at: www.usac.org/rhc/about/program-integrity/appeals.aspx.

Questions:

Details about and definitions of all terms used in this FCL are provided on the RHC website (www.usac.org/rhc).

If you have any questions or need assistance, call the RHC Help Desk at 1-800-229-5476, Monday through Friday, 8AM - 8PM, Eastern Time (or at rhc-admin@usac.org).

¹ 47 C.F.R. 54.619(c).

Terri Humphrey

From: rhcadmin@usac.org
Sent: Tuesday, November 26, 2013 10:54 AM
To: maryann.freepartner@providence.org
Subject: Funding Commitment Letter (FCL) for HCP 10382, FRN 12195631

Date: 26-Nov-2013

Funding Year: 2012
Health Care Provider (HCP) Name: Providence Seward Medical & Care Center
HCP Number: 10382
FCC Form 465 Application Number: 43124011
Funding Request Number: 12195631

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Bandwidth: 1.544 Mbps
Service Provider Name: Alascom, Inc.
Service Provider Identification Number (SPIN): 143005617
Billing Account Number: 8002-765-6315

Funding Start Date	Funding End Date	Months of Support	Non-Recurring Support Amount	Monthly Recurring Support Amount	Total Support Amount
10-Aug-2012	30-Jun-2013	10.70968	\$0.00	\$3,364.81	\$36,036.04

It is the HCP's responsibility to review and verify that all information on this FCL is accurate. All account holders and the service provider listed on the form have received a copy of this FCL. A copy is also saved in the *My Documents* section of *My Portal*.

Contract/Service Agreement Endorsement Determination: Non-Evergreen/MTM

Non-evergreen (or month-to-month) service offering: If an HCP submits a service agreement that is not signed and dated, or if the type of service, the terms of service, or the duration of the service(s) are not specified, the service agreement will be designated as Non-evergreen, (month-to-month, tariffed service). The HCP must therefore submit an FCC Form 465 and select the most cost-effective service and service provider each year **for the life of the agreement**. In order to be eligible for a full year of funding, the HCPs FCC Form 465 must be posted by June 2nd to satisfy the required 28-day competitive bidding period prior to the start of the funding year on July 1st.

Your responsibility:

It is the HCP's responsibility to review the information in this FCL. Contact RHC at rhc-admin@usac.org if there is an error with the amount of support or other information in this FCL.

If, at any time, the supported services are not being provided to the HCP or the HCP is not otherwise receiving the approved support, it is the HCP's responsibility to notify RHC immediately.

The Billing Account Number, certifications, and all other information provided on FCC Forms 465, 466, 466-A, and 467 may be subject to audit by RHC and the FCC.¹ HCPs are subject to audits and other reviews that the RHC and/or the FCC may undertake to ensure that the universal service support is being used in compliance with FCC program rules. If RHC discovers that supported services are not used in compliance with program rules, applicants will be subject to enforcement activities and other means of recourse by RHC and other appropriate federal, state, and local authorities.

Next Steps:

Complete and submit an FCC Form 467 (*Connection Certification*), which will confirm receipt of the services for which support has been approved, and the date on which the service provider began providing those services. Funding cannot be issued until this form is processed. To submit the FCC Form 467, go to the *My Forms* tab of *My Portal* and find the applicable Form 466 or Form 466-A and click on the "Create 467" button. Once the Form 467 is approved, the HCP and the service provider will receive a copy of the HCP Support Schedule (HSS). Receipt of the HSS is an indicator to the service provider that it should begin crediting the HCP for the support amount (if it has not yet done so) and may begin to invoice USAC.

Appeals:

Appeals must be electronically date-stamped or postmarked within 60 days of the date of this letter. Letters of appeal must contain the HCP Number, Funding Request Number(s), the SPIN, the affected funding year, and documentation of the decision being appealed (this FCL, denial letter, etc.)

Additionally, FCC rule section 54.721 requires "a statement setting forth the party's interest in the matter presented for review; a full statement of relevant, material facts with supporting affidavits and documentation; the question presented for review. . .[and] a statement of the relief sought and the relevant statutory or regulatory provision pursuant to which such relief is sought."

Failure to include the required information in the letter of appeal or the required documentation to support the appeal will result in a delayed response time, or the appeal may not be considered.

Detailed instructions on filing an appeal may be found at: www.usac.org/rhc/about/program-integrity/appeals.aspx.

Questions:

Details about and definitions of all terms used in this FCL are provided on the RHC website (www.usac.org/rhc).

If you have any questions or need assistance, call the RHC Help Desk at 1-800-229-5476, Monday through Friday, 8AM - 8PM, Eastern Time (or at rhc-admin@usac.org).

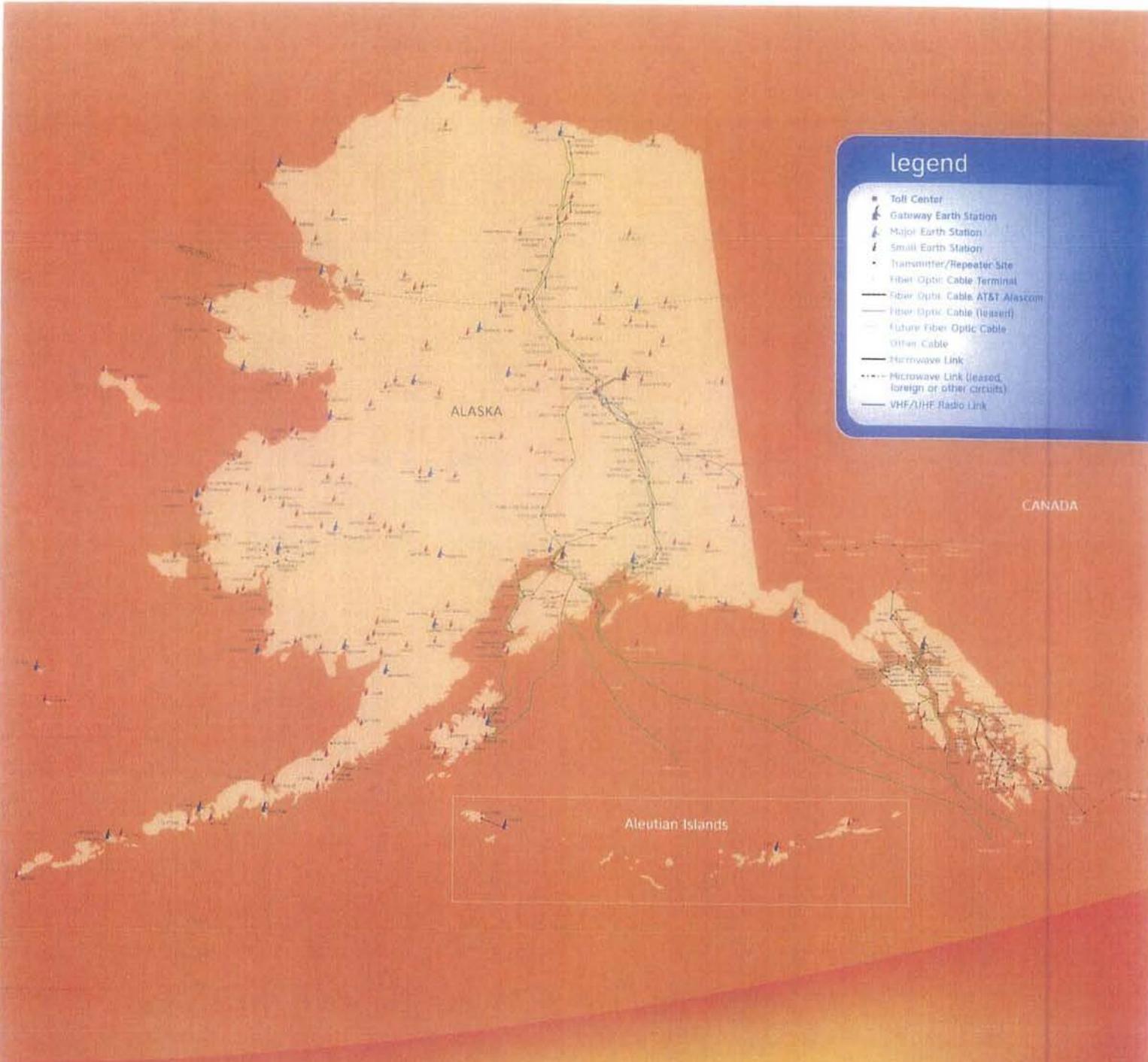
¹ 47 C.F.R. 54.619(c).

Ex. 2

1 inch represents approx. 124 miles
0 25 50 75 100 mi
1 50 100 150 km



Ex. 3



legend

- Toll Center
- 📡 Gateway Earth Station
- 📡 Major Earth Station
- 📡 Small Earth Station
- Transmitter/Repeater Site
- ⊕ Fiber Optic Cable Terminal
- Fiber Optic Cable AT&T Alascom
- Fiber Optic Cable (leased)
- Future Fiber Optic Cable
- Other Cable
- Microwave Link
- Microwave Link (leased, foreign or other circuits)
- VHF/UHF Radio Link

alaska system map



Ex. 4