

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
	)	
Request for Review by Norton Sound	)	WCB Docket No. 02-60
Health Corporation of Decision of Universal	)	
Services Administrator	)	
	)	
HCP 10672	)	

**REQUEST FOR REVIEW BY NORTON SOUND HEALTH CORPORATION**

Yaron Dori  
Morgan Kennedy  
COVINGTON & BURLING LLP  
1201 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004-2401  
(202) 662-6000  
ydori@cov.com  
mrkennedy@cov.com  
*Counsel for Norton Sound Health  
Corporation*

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## EXECUTIVE SUMMARY

NSHC is a tribally owned and operated rural health care provider that principally supports Alaska Natives who reside in some of the most remote and sparsely populated villages in northwest Alaska. The services provided by NSHC's facilities generally are the only health care options available to the individuals who live in these areas, which mostly are roadless and inaccessible except by air or sea. NSHC's ability to serve patients in these areas relies on the use of telemedicine, which, in turn, depends on telecommunications and broadband connectivity.

The Universal Service Fund's Rural Health Care Program enables NSHC to afford the telecommunications and broadband services it needs for its Regional Hospital in Nome, as well as in fifteen village clinics dispersed throughout the Norton Sound region. In 2010, NSHC filed an FCC Form 465 to secure telecommunications and Internet services for each of these facilities. In its FCC Form 465, NSHC did not specify the broadband speeds needed, but it documented the broad services for which it required telecommunications and broadband support. This approach was consistent with USAC guidance as to best practices for completing FCC Forms 465.

At the conclusion of the competitive bidding process, NSHC entered into a contract for these services with GCI. The contract, which appropriately was accorded "evergreen" status by USAC, provided pricing for bandwidth speeds ranging from 1.5 Mbps to 20 Mbps and it specifically acknowledged that NSHC "may grow bandwidth to meet expanding needs."

Three years later, due to the implementation of an electronic health records system and increased telemedicine and telepsychiatry activities, NSHC found that it did not have enough bandwidth to adequately pass both data and video traffic and sought to increase the bandwidth at the Regional Hospital's West Campus from six Mbps to 15 Mbps. USAC issued a FCL in February 2014 approving the cost for this increase, but in doing so it simultaneously revoked the evergreen status of the NSHC-GCI Contract covering the Regional Hospital, converting it to a

month-to-month arrangement. This non-evergreen/month-to-month conversion was incorrect because the bandwidth increase was contemplated by the plain language of the contract and thus was not a cardinal change necessitating a new competitive bidding process for services in the 2013 Funding Year.

If not corrected, USAC's decision will result in a costly, crippling, and unwarranted gap in funding in the 2013 Funding Year and undermine NSHC's ability to provide reliable, affordable, and efficient health care services to remote and isolated portions of Alaska. The Commission should review and promptly overturn USAC's month-to-month conversion and instruct USAC to provide funding for this gap period.

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**REQUEST FOR REVIEW BY NORTON SOUND HEALTH CORPORATION**

The Norton Sound Health Corporation (“NSHC”) hereby respectfully requests that the Federal Communications Commission (“FCC” or “Commission”) review the decision of the Universal Services Administrative Company (“USAC” or “Administrator”) to revoke the evergreen status of the GCI Medical Services Agreement (GCI Contract Number HC-302) (the “NSHC-GCI Contract” or “Contract”) between NSHC and GCI Communication Corp. (“GCI”) for the Norton Sound Regional Hospital (the “Regional Hospital”) and fund NSHC’s request for increased bandwidth only on a month-to-month basis.<sup>1</sup>

**I. INTRODUCTION & BACKGROUND**

NSHC is a tribally owned and operated, independent, not-for-profit health care organization that provides health care services to the Inupiaq, Siberian Yupik, and Yup’ik people living in rural and remote communities in northwest Alaska. NSHC’s services include

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<sup>1</sup> NSHC has also filed FCC Forms 466 for each of the village clinics to increase bandwidth from 1.5 Mbps to two Mbps pursuant to the Contract. USAC has not yet acted on those submissions. To the extent USAC issues similar decisions for the village clinics, NSHC respectfully requests that those facilities be incorporated herein by reference at the appropriate time, as they would be similarly situated to the Regional Hospital that is the subject of this submission.

behavioral health services, educational programs, inpatient and emergency treatment, preventative care, and laboratory services. In almost all cases, NSHC facilities provide the only locally-available health care services to the individuals living in these remote communities with limited resources.

NSHC operates the Regional Hospital which serves Nome, Alaska, and a clinic in each of fifteen surrounding villages. In order to effectively meet the health care needs of the residents of the Norton Sound region, NSHC must rely on telemedicine to connect the doctors at the Regional Hospital in Nome with the patients being served by community health aide practitioners in the village clinics. Like other rural health care providers, NSHC relies heavily on the Universal Service Fund's Rural Health Care Program to secure telecommunications and broadband connectivity at affordable rates.

In 2010, NSHC posted an FCC Form 465 on USAC's website seeking telecommunications and Internet services for all of its facilities. Consistent with USAC best practices for completing FCC Forms 465, NSHC described its service needs at the time in general terms: "Teleradiology, Patient Health Information Delivery, Videoteleconferencing, Telepsychiatry, Distance Learning, Medical Consultation, Patient Information." Attachment 1 (2010 FCC Form 465). After posting this FCC Form 465, NSHC received proposals from more than one bidder. At the conclusion of the competitive bidding process, NSHC entered into a single master contract for telecommunications and Internet services with GCI for a five-year term covering the Regional Hospital and the village clinics. The Contract — which appropriately was accorded evergreen status by USAC — provided pricing for bandwidth speeds ranging from 1.5 Mbps to 20 Mbps and specifically acknowledged that "[d]uring the term of this agreement [NSHC] may grow bandwidth to meet expanding needs." Attachment 3 at 4, § 1.6.1

(NSHC-GCI Contract). NSHC recognized that its bandwidth needs would evolve as telemedicine equipment and related services evolved; therefore, the Contract not only set forth prices for its existing bandwidth needs, but also “growth options” to meet its “expanding needs.” *Id.*

In January 2013, NSHC determined that it needed more bandwidth at the Regional Hospital’s West Campus. NSHC’s need for more bandwidth partly was a byproduct of its implementation of the Health Information Technology for Economic and Clinical Health (“HITECH”) Act, which establishes incentive payments and penalties under the Medicare and Medicaid programs to encourage eligible professionals to meaningfully use Certified EHR Technology (“CEHRT”). *See* 42 U.S.C. § 1395w-4(o). Subject to a hardship exception, if eligible professionals do not adopt and successfully demonstrate meaningful use of a CEHRT by 2015, the eligible professional’s Medicare physician fee schedule amount for covered professional services will be adjusted down by one percent each year. *See id.* at § 1395w-4(a)(7). This created a strong incentive for NSHC to implement EHRs and to do so quickly. Increased telemedicine and telepsychiatry activities also contributed to NSHC’s increased bandwidth needs.

Consistent with the terms of its USAC-approved evergreen Contract, NSHC upgraded the service at the Regional Hospital’s West Campus from six Mbps to 15 Mbps. In April 2013, NSHC filed the appropriate FCC Form 466 to request funding for the increased bandwidth at this facility for Funding Year 2012. Attachment 5 (FCC Form 466 for 15 Mbps).

On February 4, 2014, USAC issued a Funding Commitment Letter (“FCL”) approving the increase to 15 Mbps for Funding Year 2012, but in doing so USAC also revoked the NSHC-GCI Contract’s evergreen status and converted it to a month-to-month arrangement. Attachment

7 (February 2014 FCL). As explained more fully herein, this conversion from evergreen to month-to-month status was in error because NSHC's FCC Form 465 appropriately described the broad needs for which the telecommunications and Internet services were needed, did not specify or limit broadband speeds, and the subsequently-approved NSHC-GCI Contract contemplated the possibility of growing bandwidth needs to these and even higher levels. Under applicable FCC precedent, there was no reason to treat the bandwidth increase in January 2013 as a cardinal change and it should not have affected the evergreen status of the Contract.

This USAC decision not only was incorrect as a matter of law, but if not corrected it will seriously undermine the ability of NSHC to provide quality and cost-effective health care services to people living in some of the most remote, underprivileged, and disadvantaged regions in the U.S. Importantly, this does not appear to be an isolated incident, as NSHC understands that USAC may be treating bandwidth upgrades by others as cardinal changes, too, regardless of whether they were contemplated during the bidding process and were memorialized in the underlying contract. Indeed, NSHC is aware of at least one other rural HCP that has experienced similar treatment. *See Request for Review by Yukon-Koskokwim Health Corporation of Decision of Universal Services Administrator*, WCB Docket No. 02-60 (October 28, 2013). These decisions must be overturned by the Commission immediately, before they impose further adverse consequences on NSHC and other similarly-situated rural health care providers. For these reasons, each of which is described more fully below, NSHC respectfully requests that, pursuant to 47 C.F.R. § 54.723, the Commission direct USAC to restore evergreen status to the NSHC-GCI Contract for its Regional Hospital in Nome and issue funding for the gap period that would exist in the absence of such action — July 1, 2013 and October 9, 2013.

## II. DISCUSSION

In support of this request, and pursuant to the requirements of 47 C.F.R. § 54.721(b), NSHC hereby states the following:

### A. Statement of Interest

As the beneficiary of, and applicant for, the denied funding, NSHC is qualified to file this appeal as a “person aggrieved by an action taken by a division of the Administrator.” 47 C.F.R. § 54.719(c).

### B. Statement of Facts

NSHC is a tribally owned and operated, independent, non-profit organization that serves as the principal health care organization for Alaska’s Norton Sound region. NSHC was founded in 1970 to meet the health care needs of the Inupiaq, Siberian Yupik, and Yup’ik people living in this region. NSHC, <http://www.nortonsoundhealth.org/> (last visited April 2, 2014). To serve these remote communities in northwest Alaska, NSHC operates the Regional Hospital in Nome and clinics in fifteen villages, which range in size from 150 to 750 residents and are scattered within the 44,000 square miles that comprise the Norton Sound region. *Id.*; NSHC, *Village Clinics*, <http://www.nortonsoundhealth.org/Locations/Village-Clinics> (last visited April 2, 2014). The village clinics are located between 58 and 196 miles away from Nome and accessibility to and from the villages is limited. NSHC, *Regional Map*, <http://www.nortonsoundhealth.org/Locations/Regional-Map> (last visited April 2, 2014). For example, many of the villages are accessible by air and sea only. *See, e.g.*, NSHC, *St. Michael*, <http://www.nortonsoundhealth.org/Locations/Regional-Map/St-Michael> (last visited April 2, 2014); NSHC, *Diomedes*, <http://www.nortonsoundhealth.org/Locations/Regional-Map/Diomedes> (last visited April 2, 2014).

NSHC's services include preventative care, inpatient and emergency services at the Regional Hospital, behavioral health assessment and treatment services, specialized programs for people living with developmental disabilities, and many education programs to promote healthy living. NSHC, *Wellness and Prevention*, <http://www.nortonsoundhealth.org/Divisions/Community-Health-Services> (last visited April 2, 2014). The majority of the staff in the village clinics are local residents who have been trained as community health aide practitioners at the Health Aide Training Center in Nome. These front-line primary health care providers serve as a critical link between medical staff in Nome and patients in villages. Many essential health care services can be provided at a patient's village clinic, minimizing the need for travel to the Regional Hospital, in part because of a telemedicine program linking Nome and the constituent villages. NSHC relies on the Universal Service Fund's Rural Health Care Program to help it obtain the connectivity it needs at an affordable cost to provide these advanced telemedicine services.

On May 26, 2010, NSHC, pursuant to the procedures outlined in section 54.603 of the Commission's rules, filed an FCC Form 465 for the 2010 funding year with the Rural Health Care Division ("RHCD") of USAC. Attachment 1 (2010 FCC Form 465). In this filing, NSHC indicated that it required both telecommunications and Internet services for its facilities and listed its needs as follows: "Teleradiology, Patient Health Information Delivery, Videoteleconferencing, Telepsychiatry, Distance Learning, Medial Consultation, Patient Education." *Id.*

In response to the posting of the FCC Form 465 on the RHCD website, three service providers notified NSHC that they would be submitting proposals. More than one service provider submitted a proposal in response to NSHC's FCC Form 465.

On June 22, 2010, GCI submitted its proposal. The GCI Proposal gave NSHC the “[o]ption to upgrade bandwidth to all sites with flexibility to further increase bandwidths in the future” and offered pricing for the Regional Hospital up to 20 Mbps. *Id.* at 5, 49-50. GCI also demonstrated an ability to deliver services to facilities in remote geographic areas. *Id.* at 1-2. NSHC’s Board of Directors and Information Services Director carefully considered the proposals to determine which one met the organization’s technical requirements and infrastructure needs.<sup>2</sup> NSHC ultimately selected GCI to provide the services because its proposal demonstrated that it had adequate infrastructure to provide telecommunications and Internet services in remote locations and could support NSHC’s telemedicine needs both immediately and in the future.

On August 9, 2010, NSHC entered into a services agreement with GCI, which provided that GCI would deliver telecommunications and Internet services to all NSHC locations for a period of five years. Attachment 3 at 1-2 (NSHC-GCI Contract). The initial pricing schedule in the NSHC-GCI Contract provides a price for multiprotocol label switching (“MPLS”) services at six Mbps for the Regional Hospital. *Id.* at 1. However, the Contract also contemplates that “NSHC “may grow bandwidth to meet expanding needs” during the term and sets forth five “growth options.” *Id.* at 4, §1.6.1. The growth options identify prices for different bandwidth levels and delivery methods. *Id.*

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<sup>2</sup> The proposal received from the other service provider also addressed “network growth” and recognized that one of the “guiding principles” for NSHC’s healthcare network was “[s]ufficient capability to support new services that [NSHC] may utilize in the future.” Based on its proposal, this bidder therefore apparently understood that NSHC’s bandwidth needs would vary; however, this bidder also made clear that its ability to increase bandwidth beyond a certain level was limited. NSHC also determined that this bidder’s proposed pricing was not as favorable.

On April 19, 2013, NSHC filed an FCC Form 466 for the Regional Hospital's West Campus for the six Mbps MPLS service that was in place at the beginning of the 2012 Funding Year and the initial level of bandwidth provided under the Contract. Attachment 4 (FCC Form 466 for Six Mbps). On August 6, 2013, USAC approved funding for the six Mbps service and maintained the NSHC-GCI Contract's evergreen status. Attachment 6 (August 2013 FCL). However, as explained more fully below, when NSHC sought to increase the bandwidth at the Regional Hospital's West Campus partially through the 2012 Funding Year, USAC took a different view.

On January 7, 2013, NSHC upgraded the service at the Regional Hospital's West Campus from six Mbps to 15 Mbps.<sup>3</sup> NSHC's bandwidth needs increased as a result of its implementation of EHRs and increased deployment of telemedicine and telepsychiatry activities. On April 19, 2013, NSHC filed a FCC Form 466 to request funding for the increase to 15 Mbps. Attachment 5 (FCC Form 466 for 15 Mbps). USAC did not act on NSHC's FCC Form 466 until February 4, 2014, when it approved funding for this bandwidth increase for the balance of the 2012 Funding Year (January 7, 2013 through June 30, 2013), but revoked the Contract's evergreen status with respect to the upgraded services and deemed it month-to-month. Attachment 7 (February 2014 FCL). In doing so, the FCL instructed NSHC to file a FCC Form 465 for the 2013 Funding Year (July 1, 2013 through June 30, 2014) not later than 28 days before the start of that funding year (*i.e.*, at least 28 days before July 1, 2013): "In order to be

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<sup>3</sup> At the time NSHC requested an increase in bandwidth for the West Campus, it was also building an East Campus, which opened in March 2013. Although NSHC intended to eventually transition services from the West Campus to the East Campus, NSHC requested additional bandwidth for the West Campus in January 2013 because six Mbps no longer was adequate to support EHRs and the facility's telemedicine activities on that Campus. The West Campus continued to require this bandwidth until January 2014 when the transition to the East Campus was complete.

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 bidding period prior to the start of the funding year on July 1st." *Id.*<sup>4</sup>

C. Question Presented

Whether bandwidth beyond six Mbps was contemplated (1) during the competitive bidding process, and (2) in the provisions of the NSHC-GCI Contract, so that the increase in bandwidth did not constitute a "cardinal change" to the NSHC-GCI Contract and should have been funded without revoking the Contract's evergreen status. *See Federal-State Joint Board on Universal Service, Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, End User Common Line Charge, Fourth Order on Reconsideration* in CC Docket No. 96-45, 13 FCC Rcd. 5318, 5425-26, ¶¶ 224-29 (1997) (*Fourth Order on Reconsideration*) (and cases cited therein).

D. Relief Sought

USAC's revocation of the Contract's evergreen status and simultaneous month-to-month endorsement is contrary to long-standing and current FCC rules and orders that require a fact-specific analysis of whether the requested upgrade constituted a cardinal change to the contract. *See id.*; *see also Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Federal-State Joint Board on Universal Service*, CC Docket Nos. 97-21 and

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<sup>4</sup> When NSHC became aware that USAC was considering revoking evergreen status for bandwidth changes similar to the one it was seeking, it filed a new Form 465 for the Regional Hospital as quickly as it could out of an abundance of caution to ensure that it would have services and clear funding for at least part of the 2013 Funding Year. But because even with such efforts NSHC did not file a FCC Form 465 until September 11, 2013, the allowable contract start date (following the requisite 28-day bidding period) was not until October 9, 2013. Attachment 2 (2013 FCC Form 465). NSHC did not enter into a new contract for services until November 18, 2013. Accordingly, if USAC's decision is not overturned, NSHC will lose funding for the period between July 1, 2013 and October 9, 2013, because the Regional Hospital presumably was not covered by a USAC-approved contract during this time period. We refer to this period herein as the "gap period," and this submission is intended to ensure a sufficient level of funding for this gap period.

96-45, Sixth Order on Reconsideration in CC Docket No. 97-21 and Fifteenth Order on Reconsideration in CC Docket No. 96-45, 14 FCC Rcd. 18756, ¶ 59 (1999) (*Sixth and Fifteenth Orders on Reconsideration*) (reaffirming applicability of cardinal change doctrine to RHC program); *Rural Health Care Mechanism*, WC Docket No. 02-60, 27 FCC Rcd. 16678, 16791, ¶ 261 (2012) (*HCF Order*) (reaffirming and extending cardinal change doctrine to Healthcare Connect Fund (“HCF”)). By revoking evergreen status for a bandwidth upgrade, USAC disregarded the broad scope of the services for which NSHC indicated it needed telecommunications and Internet support during the bidding process and the provisions of the NSHC-GCI Contract.

1. *The “Cardinal Change” Doctrine*

The “cardinal change” doctrine governs whether a HCP can upgrade bandwidth under an evergreen contract without initiating a new competitive bidding process for a new contract to cover the upgraded services. *See Fourth Order on Reconsideration* ¶¶ 226, 228. This federal doctrine considers whether a proposed change represents a minor change to the contract, meaning “the modified work is essentially the same as that for which the parties contracted.” *Id.* ¶ 227; *see also id.* ¶ 224 (“adding a few additional lines to an existing contract” is an example of minor modifications that need not require a new competitive bidding process). As the Commission has explained: “Ordinarily a modification falls within the scope of the original contract if potential offerors reasonably could have anticipated [the modification] under the changes clause of the contract.” *Id.* ¶ 227. Furthermore, the rationale behind the doctrine is that “a modification that exceeds the scope of the original contract harms disappointed bidders because it prevents those bidders from competing for what is essentially a new contract.” *Id.* ¶ 228. If a proposed modification is not a cardinal change, there is no requirement to undertake the competitive bidding process again for a new contract.

Significantly, in illustrating the cardinal change doctrine, the FCC referenced a case that involved a telecommunications services contract in which the court held that a substantial increase in bandwidth did not represent a cardinal change. *Id.* ¶ 227, n.692; *AT&T Commc'ns, Inc. v. Wiltel, Inc.*, 1 F.3d 1201 (Fed. Cir. 1993). In that case, the federal government had procured telecommunications services from a service provider pursuant to a competitively bid contract to provide “dedicated transmission service” to include analog, digital, and T1 (1.5 Mbps) transmission service. *AT&T*, 1 F.3d at 1203. The service provider wanted to increase the bandwidth provided by adding T3 circuits as another type of dedicated transmission service. *Id.* at 1204. T3 circuits, as the Commission is aware, provide substantially more bandwidth — 45 Mbps — than a T1 circuit. *Id.* In conducting its analysis of whether the modification of service from a T1 to a T3 constituted a cardinal change, the court analyzed the scope of the contracted-for service by looking at the original solicitation and to the contract itself. *Id.* at 1205-07. The court held that the T3 technology fit within the scope of the work contemplated by the contract:

T3 is the next generation of dedicated transmission service. T3 conveys the same voice or data information as the other forms of dedicated transmission service, but at a higher rate of speed. The higher capacity T3 circuits convey information twenty-eight times faster than the T1 technology. In the interim between the original procurement and the [contract] modification, T3 became commercially available on a wide-scale. In light of the contractor's obligations to propose improvements to keep the Government's telecommunications technology in step with technology advances, T3 falls within the scope of the . . . contract.

*Id.* at 1206. The court also concluded that the T3 circuits represented the same “service” as the T1 circuits — *i.e.*, they were both a dedicated transmission service. *Id.* at 1206-07. Finally, the court held that an important factor in determining whether the modification was a cardinal change was the expectations of the bidders — *i.e.* “whether the solicitation for the original contract adequately advised offerors of the potential for the type of changes during the course of

the contract that in fact occurred, or whether the modification is of a nature which potential offerors would reasonably have anticipated.” *Id.* at 1207 (quoting *Neil R. Gross & Co.*, 69 Comp. Gen. 247, 294 (1990)) (internal quotation marks omitted).

The Commission’s discussion of the cardinal change doctrine in the 2012 *HCF Order* also is instructive. In the *HCF Order*, the Commission “adopt[ed] the same requirements” for contract modifications as articulated in the *Fourth Order on Reconsideration* for the new HCF. See *HCF Order* ¶¶ 261, 306-10. Furthermore, there is no material distinction between evergreen contracts in the Telecommunications Program and in the HCF.<sup>5</sup> In its discussion of evergreen contracts in the *HCF Order*, the Commission expressly stated, “[S]ervice upgrades will be permitted as part of an evergreen contract if the contemplated upgrades are proposed during the competitive bidding process, and the contract explicitly provides for the possibility of service upgrades.” *Id.* ¶ 263. The most plausible interpretation of the *HCF Order* is that this statement regarding service upgrades is intended to be consistent with the Commission’s articulation of the cardinal change doctrine for the Telecommunications Program.<sup>6</sup> Furthermore, nothing in that

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<sup>5</sup> Evergreen contracts in the Telecommunications Program must contain the authorized signatures of the HCP and service provider, be dated, specify the service type(s), duration, terms, and cost of service(s), and identify all HCP location(s) within the contract. USAC, *Questions and Answers: Focus on Alaska Webinar*, [http://www.usac.org/\\_res/documents/rhc/training/2011/QA-Focus-on-Alaska-June-2011.pdf](http://www.usac.org/_res/documents/rhc/training/2011/QA-Focus-on-Alaska-June-2011.pdf) (last visited April 2, 2014). Evergreen contracts in the HCF share the same requirements, except that only the individual HCP or consortium lead entity must sign. See *HCF Order* ¶ 263.

<sup>6</sup> The fact that the Commission in the *HCF Order* denied GCI’s request to extend the HCF’s specific site or service substitution process to the Telecommunications Program is of no consequence to the issues raised in this submission. In the first instance, that policy addressed only site or service substitutions that would not require disbursement of support above the amounts previously authorized in an FCL. See *HCF Order* ¶ 315. Sensibly, the *HCF Order* concluded that under certain circumstances, no further USAC approval in the form of a new FCL was needed. The Commission did not consider the merits of GCI’s request to extend that same capability to the Telecommunications Program, but explained that the public notice leading up to the *HCF Order* did not raise the possibility of such changes to the Telecommunications Program. See *id.* For any site or service substitutions that fell outside of that specific policy, those (continued...)

*HCF Order* indicates that the FCC intended this statement about service upgrades to be confined to the HCF and it thus can — and should — be interpreted to reflect the Commission’s application of the cardinal change doctrine to evergreen contracts more generally.

2. *Varying Bandwidth Levels Were Contemplated by the Terms of the NSHC-GCI Contract and During the Competitive Bidding Process*

Here, the increase in bandwidth from six Mbps to 15 Mbps clearly fell within the scope of the NSHC-GCI Contract. In addition to the pricing schedule setting forth initial bandwidth levels and prices, the NSHC-GCI Contract also provided “growth options” and additional prices for MPLS service at bandwidth levels beyond six Mbps up to 20 Mbps. *See* Attachment 3 at 4, §1.6.1 (NSHC-GCI Contract). For example, “Growth Option 3” includes pricing for the 15 Mbps MPLS service that USAC funded month-to-month. *Id.* at 5, §1.6.1.3. And critically, the NSHC-GCI Contract has a clear statement of GCI’s intent to accommodate NSHC’s expanding medical needs by facilitating bandwidth increases. *Id.* at 4, § 1.6.1 (“During the term of this agreement Customer may grow bandwidth to meet expanding needs.”). The facts are even more compelling than the ones the court relied on in *AT&T*, where the contract specified a T1 circuit and did not specifically address increases in bandwidth.<sup>7</sup> It is also notable that the increase at

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remained under the cardinal change rule, which the Commission discussed at length in the subsection of the *HCF Order* that immediately preceded its discussion of the additional site or service substitution policy. *See HCF Order* ¶ 306 *et seq.*

Notably, RHCD appears at least once before to have resisted full implementation of the Commission’s cardinal change requirements. *See Sixth and Fifteenth Orders on Reconsideration* ¶ 59 (directing RHCD to implement cardinal change doctrine for Telecommunications Program consortia applications over apparent RHCD objections). It was not permitted to do so then, and it possesses no authority to do so now.

<sup>7</sup> The contract in *AT&T* did include a more general “Service Improvements Clause” that encouraged contractors “to propose independently improvements to the services, features, or other requirements of the contract” and also expressly provided that services under the contract should “conform as closely as possible with those offered commercially.” *AT&T*, 1 F.3d at 1206.

issue here is far more modest than the upgrade the *AT&T* court found to not constitute a cardinal change (*i.e.* from 1.5 Mbps to 45 Mbps ).

Moreover, potential bidders were reasonably on notice that a contract with NSHC would provide for varying levels of bandwidth. The 2010 FCC Form 465 posted to the RHCD website outlined the broad needs that NSHC had in terms of services for which it needed bandwidth support (*i.e.* teleradiology, patient health information delivery, videoteleconferencing, telepsychiatry, distance learning, medical consultation, and patient education.) NSHC did not request any specific levels of bandwidth. Therefore, it was reasonably clear that these services would require varying levels of bandwidth over time depending upon the volume and timing of services that NSHC would be providing. Indeed, the bidder that ultimately was not selected by NSHC recognized in its proposal that NSHC's needs would vary in the future. Given these facts, it cannot be said that competitive harm would occur if USAC funded upgrades under the NSHC-GCI Contract during its five year term.

### 3. *USAC's Decision is Inconsistent with its Published Training Guidance*

USAC's revocation of evergreen status is contrary to the training guidance USAC has provided to HCPs. USAC provides on its website that evergreen status is granted to the entire contract, and not the specific service listed on the FCC Form 466. USAC, *Questions and Answers: Focus on Alaska Webinar*, [http://www.usac.org/\\_res/documents/rhc/training/2011/QA-Focus-on-Alaska-June-2011.pdf](http://www.usac.org/_res/documents/rhc/training/2011/QA-Focus-on-Alaska-June-2011.pdf) (last visited April 2, 2014). Thus, per USAC's own guidance, the evergreen endorsement was not for six Mbps, but for the entire contract, which contemplated bandwidth growth and specified prices for different "growth options."<sup>8</sup>

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<sup>8</sup> The USAC website claims that "[d]ifferent service type[s] or bandwidth" are cardinal changes. USAC, *Evergreen Contracts, Changes to the Contract*, <http://www.usac.org/rhc/telecommunications/health-care-providers/evergreen-contracts.aspx> (last visited April 2, 2014). (continued...)

In addition, NSHC's formulation of its service needs on its FCC Form 465 also was consistent with the guidance USAC offers for completing these forms. USAC "recommend[s] that HCPs] do NOT request a specific telecom service and/or bandwidth" and "[i]nstead . . . describe the needs of the HCP" because "[b]eing too specific locks you into receiving that service type only." Attachment 8 (USAC Competitive Bidding Requirements). NSHC did just that and described services for which it needed bandwidth support and did not specify any bandwidth speeds. USAC's advice to HCPs to broadly describe their service needs so that they are not locked into a specific service type would be irrelevant if all service upgrades required a new FCC Form 465, 28-day bidding process, and contract regardless of what was specified on the form. If all service upgrades, including new bandwidth levels, are a cardinal change requiring a new FCC Form 465 and a new round of bidding, then there would be no reason why a HCP should fear being "locked in" to a specific telecom service or bandwidth, other than that the HCP may have erred in its evaluation of what services it needed at a particular moment.

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But that is not dispositive here. In fact, the most plausible interpretation of that statement is that while *contract changes* that affect service types or bandwidth speeds may be cardinal changes in some cases, that does not mean that *all* bandwidth increases are cardinal changes, especially not those that are expressly contemplated in the contract.

### **III. CONCLUSION**

It is critical that the Commission review and overturn USAC's month-to-month endorsement so that NSHC does not lose the funding it needs to ensure that the residents of rural and remote parts of northwest Alaska continue to have access to high quality health care. USAC's determination directly contradicts established Commission rules and precedent and USAC's own prior guidance to Rural Health Care Program beneficiaries.

Respectfully submitted,

NORTON SOUND HEALTH  
CORPORATION

By:



Yaron Dori  
Morgan Kennedy  
COVINGTON & BURLING LLP  
1201 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004-2401  
(202) 662-6000  
ydori@cov.com  
mrkennedy@cov.com

Its attorneys

April 3, 2014

**DECLARATION OF TWOSIXTWO FIVEONEZEROZERO**

I have read the foregoing Petition, and I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief, formed after reasonable inquiry.



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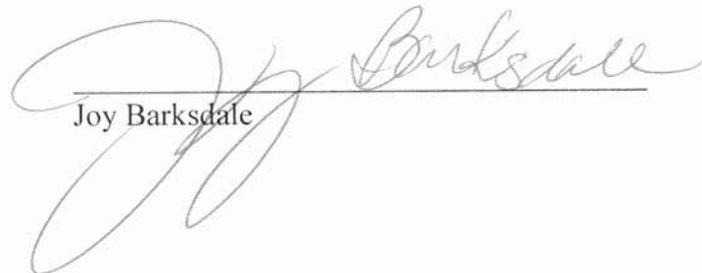
TwoSixTwo FiveOneZeroZero  
Chief Information Officer  
Norton Sound Health Corporation

Executed on April 2, 2014

## CERTIFICATE OF SERVICE

I, Joy Barksdale, certify that on this 3rd day of April, 2014, I caused a copy of the foregoing Request for Review to be served by first-class mail, postage pre-paid upon:

Rural Healthcare Division of USAC  
2000 L Street, NW  
Suite 200  
Washington, D.C. 20036

  
\_\_\_\_\_  
Joy Barksdale

**TABLE OF ATTACHMENTS**

2010 FCC Form 465 ..... Attachment 1

2013 FCC Form 465 ..... Attachment 2

NSHC-GCI Contract..... Attachment 3

FCC Form 466 for Six Mbps ..... Attachment 4

FCC Form 466 for 15 Mbps..... Attachment 5

August 2013 FCL..... Attachment 6

February 2014 FCL..... Attachment 7

USAC Competitive Bidding Requirements ..... Attachment 8

# ATTACHMENT 1

FCC Form

**Health Care Providers Universal Service**

**465**

**Description of Services Requested & Certification Form**

OMB Approval  
3060-0804

To be completed by Health Care Provider

Estimated Average Burden Hours Per Response: 1 hour

Read all instructions thoroughly before completing form. Failure to comply may cause delayed or denied funding

<b>Form 465 Application Number (assigned by RHCD): 41341</b>	
<b>Block 1: HCP Location Information</b>	
Information required in this block applies to the <b>physical location</b> of the HCP. Do not enter a "PO Box" or "Rural Route" address.	
1 HCP Number: <b>10672</b>	2 Consortium Name: <b>Norton Sound Health Corporation</b>
3 HCP Name: <b>Norton Sound Health Coporation</b>	4 HCP FCC Registration Number (FCC RN): <b>0014835128</b>
5 Contact Name: <b>Richard Wideman</b>	
6 Address Line 1: <b>306 West Fifth Avenue</b>	
7 Address Line 2: <b>PO Box 966</b>	8 County: <b>AK-Nome</b>
9 City: <b>Nome</b>	10 State: <b>AK</b> 11 Zip Code: <b>99762</b>
12 Phone #: <b>907-443-3272</b> 13 Fax #: <b>907-443-4545</b> Ext.	14 E-mail: <b>rwideman@nshcorp.org</b>
MAD: <b>548</b>	
<b>Block 2: HCP Mailing Contact Information</b>	
15 Is the HCP's mailing address (where correspondence should be sent) different from its physical location as described in Block 1? <b>Yes, complete Block 2.</b>	
16 Contact Name: <b>Richard B Wideman</b>	17 Organization: <b>Norton Sound Health Coporation</b>
18 Address Line 1: <b>P. O. Box 966</b>	
19 Address Line 2:	
20 City: <b>Nome</b>	21 State: <b>AK</b> 22 Zip Code: <b>99762</b>
23 Phone #: <b>907-443-3272</b> 24 Fax #: <b>907-443-4545</b> Ext.	25 E-mail: <b>rwideman@nshcorp.org</b>
<b>Block 3: Funding Year Information</b>	
26 Funding Year <input checked="" type="checkbox"/> Year 2010 (7/1/2010-6/30/2011) <input type="checkbox"/> Year 2011 (7/1/2011-6/30/2012) <input type="checkbox"/> Year 2012 (7/1/2012-6/30/2013)	
<b>Block 4: Eligibility</b>	
27 Only the following types of HCPs are eligible. Indicate which category describes the applicant (check only one). Post-secondary educational institution offering health care instruction, teaching hospital or medical school Community health center or health center providing health care to migrants Local health department or agency Community mental health center	

**XXX Not-for-profit hospital**

Rural health clinic

Consortium of the above

Dedicated emergency department of rural, for-profit hospital

Part-time eligible entity

28 If Consortium, Dedicated emergency department, or Part-time eligible entity was selected in Line 27, please describe the entity.

**Not Applicable**

29 Please describe the eligible health care provider's telecommunications and/or Internet service needs, so that service providers may bid to provide the services. The description should describe whether video or store and forward consultations will be used, whether large image files or X-rays will be transmitted, the quality of connection needed, or other relevant considerations.

**Teleradiology, Patient Health Information Delivery, Videoteleconferencing, Telepsychiatry, Distance Learning, Medical Consultation, Patient Education.**

**Block 5: Request for Services**

30 Is the HCP requesting reduced rates for:

**Both Telecommunications & Internet Services**

**Block 6: Certification**

31 I certify that I am authorized to submit this request on behalf of the above-named entity or entities, that I have examined this request, and that to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

32 I certify that the health care provider has followed any applicable State or local procurement rules.

33 I certify that the telecommunications services that the HCP receives at reduced rates as a result of the HCP's participation in this program, pursuant to 47 U.S.C. Sec. 254 as implemented by the Federal Communications Commission, will be used solely for purposes reasonably related to the provision of health care service or instruction that the HCP is legally authorized to provide under the law of the state in which the services are provided and will not be sold, resold, or transferred in consideration for money or any other thing of value.

34 I certify that the health care provider is a non-profit or public entity.

35 I certify that the health care provider is located in a rural area. Visit the RHCD web site ([www.rhc.universalservice.org/eligibility/ruralareas.asp](http://www.rhc.universalservice.org/eligibility/ruralareas.asp)) or contact RHCD at 1-800-229-5476 for a listing of the rural areas.

36 Pursuant to 47 C.F.R. Secs. 54.601 and 54.603, I certify that the HCP or consortium that I am representing satisfies all of the requirements herein and will abide by all of the relevant requirements, including all applicable FCC rules, with respect to funding provided under 47 U.S.C. Sec. 254.

37 Signature **E-SIGNATURE ACCEPTED**

38 Date **E-SIGNATURE ON 5/26/2010**

39 Printed name of authorized person  
(First name, MI, Last name)  
**Richard B Wideman**

40 Title or position of authorized person  
**Network Admin**

41 Employer of authorized person  
**Norton Sound Health Coporation**

42 Employer's FCC RN  
**0014835128**

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

NOTICE: Section 54.615(c) of the Federal Communications Commission's rules requires

all health care providers requesting benefits from this support mechanism to certify to their eligibility to receive them. 47 C.F.R. § 54.615(c). In addition, Section 54.603 Commission's rules requires eligible health care providers to participate in a competitive bidding of the Federal Communications process prior to receiving telecommunications services at reduced rates. 47 C.F.R. § 54.603. The collection of information stems from the Commission's authority under Section 254 of the Communication's Act of 1934, as amended, 47 U.S.C. § 254. The data in the report will be used to certify an applicant's eligibility to receive support pursuant to 47 C.F.R. § 54. 615(c) and to ensure compliance with the competitive bidding requirements of 47 C.F.R. § 54.603. All health care providers requesting services eligible for universal service support must file this Description of Services Requested & Certification Form (FCC Form 465).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The foregoing Notice is required by the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, et seq.

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management Branch, Washington, D.C. 20554.

This form should be submitted to: Rural Health Care Division, 30 Lanidex Plaza West, P.O. Box 685, Parsippany, NJ 07054-0685

**Please remember:**

- ▶ Form 465 is the **FIRST** step a health care provider must take in order to receive the benefit of reduced rates resulting from participation in this universal service support program.
- ▶ After the HCP submits a complete and accurate Form 465, the RHCD will post it on the RHCD web site for 28 days.
- ▶ HCPs may not enter into agreements to purchase eligible services from service providers before the **28 days expire**
- ▶ Entering into any agreement during the 28 day posting period is **prohibited**.
- ▶ After the HCP selects a carrier, the HCP must initiate the **next** step in the application process, the filing of Forms 466 & 468.

FCC Form 465  
January 2008

**[Back to the HCP Results Page](#)**

## ATTACHMENT 2

**Health Care Providers Universal Service**  
**Description of Services Requested & Certification Form**

Estimated time per response: 1 hour

Read instructions thoroughly before completing this form. Failure to comply may cause delayed or denied funding.

Form 465 Application Number (assigned by RHCD) 43137987

**Block 1: HCP Location Information**

Information required in this block applies to the physical location of the HCP. Do not enter a "PO Box" or "Rural Route" address.

1 HCP Number <b>10672</b>		2 Consortium Name	
3 HCP Name <b>Norton Sound Health Corporation</b>		4 HCP FCC Registration Number (FCC RN) <b>0014835128</b>	
5 Contact Name <b>Richard B Wideman</b>			
6 Address Line 1 <b>306 W. 5th Ave.</b>			
7 Address Line 2 <b>PO Box 966</b>		8 County <b>Nome</b>	
9 City <b>Nome</b>		10 State <b>AK</b>	11 ZIP Code <b>99762</b>
12 Phone # (907) 443-3272	13 Fax #	14 E-mail <b>rwideman@nshcorp.org</b>	

**Block 2: HCP Mailing Contact Information**

15 Is the HCP's mailing address (where correspondence should be sent) different from its physical location described in Block 1?		<input type="checkbox"/> Yes, complete Block 2
		<input checked="" type="checkbox"/> No, go to Block 3.
16 Contact Name <b>Richard B Wideman</b>		17 Organization <b>Norton Sound Health Corporation</b>
18 Address Line 1 <b>306 W. 5th Ave.</b>		
19 Address Line 2 <b>PO Box 966</b>		
20 City <b>Nome</b>		21 State <b>AK</b>
		22 ZIP Code <b>99762</b>
23 Phone # (907) 443-3272	24 Fax #	25 E-mail <b>rwideman@nshcorp.org</b>

**Block 3: Funding Year Information**

26 Funding Year (Check only one box)		
<input checked="" type="checkbox"/> Year 2013 (7/1/2013-6/30/2014)	<input type="checkbox"/> Year 2014 (7/1/2014-6/30/2015)	<input type="checkbox"/> Year 2015 (7/1/2015-6/30/2016)

**Block 4: Eligibility**

27 Only the following types of HCPs are eligible. Indicate which category describes the applicant. (Check only one.)

<input type="checkbox"/> Post-secondary educational institution offering health care instruction, teaching hospital or medical school	<input type="checkbox"/> Rural health clinic
<input type="checkbox"/> Community health center or health center providing health care to migrants	<input type="checkbox"/> Consortium of the above
<input type="checkbox"/> Local health department or agency	<input type="checkbox"/> Dedicated ER of rural, for-profit hospital
<input type="checkbox"/> Community mental health center	<input type="checkbox"/> Part-time eligible entity
<input checked="" type="checkbox"/> Not-for-profit hospital	

28 If consortium, dedicated emergency department, or part-time eligible entity was selected in Line 27, please describe the entity.

29 Please describe the eligible health care provider's telecommunications and/or Internet service needs, so that service providers may bid to provide the services. The description should describe whether video or store and forward consultations will be used, whether large image files or X-rays will be transmitted, the quality of connection needed, or other relevant considerations. Teleradiology, Patient Health Information Delivery, Videoteleconferencing, Telepsychiatry, Distance Learning, Medical Consultation, Patient Education.

**Block 5: Request for Services**

30 Is the HCP requesting reduced rates for:

<input checked="" type="checkbox"/> Both Telecommunications & Internet Services	<input type="checkbox"/> Telecommunications Service ONLY	<input type="checkbox"/> Internet Service ONLY
---	--	--

**Block 6: Certification**

31  I certify that I am authorized to submit this request on behalf of the above-named entity or entities, that I have examined this request, and that to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

32  I certify that the health care provider has followed any applicable State or local procurement rules.

33  I certify that the telecommunications services and/or Internet access charges that the HCP receives at reduced rates as a result of the HCPs' participation in this program, pursuant to 47 U.S.C. Sec. 254 as implemented by the Federal Communications Commission, will be used solely for purposes reasonably related to the provision of health care service or instruction that the HCP is legally authorized to provide under the law of the state in which the services are provided and will not be sold, resold, or transferred in consideration for money or any other thing of value.

34  I certify that the health care provider is a non-profit or public entity.

35  I certify that the health care provider is located in a rural area. Visit the RHCD website: (<http://www.usac.org/rhc/tools/rhcd/Rural/2005/search.asp>) or contact RHCD at 1-800-229-5476 for a listing of rural areas.

36  Pursuant to 47 C.F.R. Secs. 54.601 and 54.603, I certify that the HCP or consortium that I am representing satisfies all of the requirements herein and will abide by all of the relevant requirements, including all applicable FCC rules, with respect to funding provided under 47 U.S.C. Sec. 254.

37 Signature Electronically signed	38 Date 11-Sep-2013
---------------------------------------	------------------------

39 Printed name of authorized person Richard B Wideman	40 Title or position of authorized person TeleHealth Coordinator
---	---

41 Employer of authorized person Norton Sound Health Corporation	42 Employer's FCC RN 0014835128
---	------------------------------------

**Please remember:**

- ♦ Form 465 is the **first** step a health care provider must take in order to receive the benefit of reduced rates resulting from participation in this universal service support program.
- ♦ After the HCP submits a complete and accurate Form 465, the RHCD will post it on the RHCD web site for 28 days.
- ♦ HCPs may not enter into agreements to purchase eligible services from service providers before the **28 days expire**.
- ♦ After the HCP selects a service provider, the HCP must initiate the **next** step in the application process, the filing of Form 466 and/or 466A.

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

**FCC NOTICE FOR INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT**

Part 3 of the Commission's Rules authorize the FCC to request the information on this form. The purpose of the information is to determine your eligibility for certification as a health care provider. The information will be used by the Universal Service Administrative Company and/or the staff of the Federal Communications Commission, to evaluate this form, to provide information for enforcement and rulemaking proceedings and to maintain a current inventory of applicants, health care providers, billed entities, and service providers. No authorization can be granted unless all information requested is provided. Failure to provide all requested information will delay the processing of the application or result in the application being returned without action. Information requested by this form will be available for public inspection. Your response is required to obtain the requested authorization.

The public reporting for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PER, Paperwork Reduction Act Project (3060-0804), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to [pra@fcc.gov](mailto:pra@fcc.gov). PLEASE DO NOT SEND YOUR RESPONSE TO THIS ADDRESS.

Remember - You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0804.

THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, PUBLIC LAW 93-579, DECEMBER 31, 1974, 5 U.S.C. 552a(e)(3) AND THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.

This form should be submitted to:

Rural Health Care Division  
30 Lanidex Plaza West, P.O.Box 685  
Parsippany NJ 07054-0685

# ATTACHMENT 3

GCI Communication Corp.  
 USAC SPIN 143001199  
 FCCRN 0001-5688-80



2550 Denali Street, Suite 1000  
 Anchorage, Alaska 99503  
 907-868-5600

### GCI Medical Services Agreement HC-302

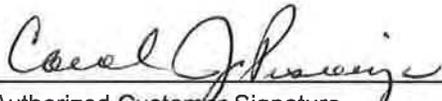
GCI Communication Corp., an Alaska corporation ("GCI") will provide and Norton Sound Health Corporation ("Customer", collectively with GCI, "Parties", and each individually, a "Party") will take the Service(s) described below. This Services Agreement and the following GCI Medical Services Terms and Conditions are referred to collectively as the "Agreement." This Agreement sets forth the specific pricing for the service(s) GCI will provide to the Customer (collectively, "Pricing").

Service	Qty	Unit Price		Extended Price	
		Install	Monthly	Install	Monthly
<b><u>Nome to Anchorage</u></b>					
6.0 Mbps MPLS Satellite Service	1	0.00	27,112.00	0.00	27,112.00
1.0 Mbps ConnectMD Internet Access	12.5	0.00	225.00	0.00	2,812.50
<b><u>MPLS Service Village to Nome</u></b>					
<i>Brevig Mission, Elim, Golovin, Koyuk, Shaktoolik, Shishmaref, St. Michael, Stebbins, Teller, Wales, White Mountain to Nome</i>					
1.5 Mbps MPLS Satellite Service	11	0.00	7,422.50	0.00	81,647.50
<b><u>MPLS Service Village to Nome</u></b>					
<i>Gambell, Savoonga, Unalakleet to Nome</i>					
1.5 Mbps MPLS Satellite Service	3	0.00	7,594.32	0.00	22,782.96
<b><u>Anchorage</u></b>					
ConnectMD Urban Service - Anchorage - 6.0 Mbps	1	0.00	361.09	0.00	361.09
<b><u>FlexRoute from Village to Anchorage</u></b>					
<i>Brevig Mission, Elim, Golovin, Koyuk, Shaktoolik, Shishmaref, St. Michael, Stebbins, Teller, Wales, White Mountain</i>					
1.5 Mbps MPLS Satellite Service	11	0.00	7,422.50	0.00	81,647.50
<b><u>FlexRoute from Village to Anchorage</u></b>					
<i>Gambell, Savoonga, Unalakleet</i>					
1.5 Mbps MPLS Satellite Service	3	0.00	7,594.32	0.00	22,782.96
<b>Totals</b>				<b>\$0.00</b>	<b>\$239,146.51</b>

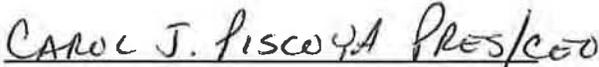
Customer Authorized Agent/Representative acknowledges the attached terms and conditions for the services listed above and agrees to pay for all itemized charges on a five (5) year term, subject to the early termination provisions in Section 2. This Agreement is contingent upon yearly funding commitments by the Rural Health Care Division (RHCD) of Universal Service Administrative Company (USAC); provided, however, if funding is terminated at any time during or after the first annual period due to noneligibility or noncompliance that is due to the fault of the customer, then customer shall remain liable for all charges. Billing will commence immediately following Customer Acceptance Date.

**Norton Sound Health Corporation**

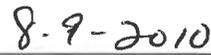
**GCI Communication Corp.**

  
\_\_\_\_\_  
Authorized Customer Signature

  
\_\_\_\_\_  
Authorized GCI Signature

  
\_\_\_\_\_  
Printed Name and Title

Lewis Schnaper, VP Business Initiatives  
\_\_\_\_\_  
Printed Name and Title

  
\_\_\_\_\_  
Contract Date

August 6, 2010  
\_\_\_\_\_  
Date Signed

## GCI Medical Services Terms and Conditions

### 1. Charges.

- 1.1 Customer agrees to pay all applicable charges for transport and services ("Services") ordered on the Service Agreement. Charges shall be invoiced monthly in arrears and shall be payable within thirty (30) days from the billing date and will be considered delinquent after the thirty-first (31) day. Delinquent bills shall be assessed a .0875% service charge per month. Bills not paid within thirty (30) days of the delinquent date (sixty [60] days from the billing date) shall be cause, in GCI's sole discretion, for termination of Services. GCI may discontinue Services without liability for Customer's non-payment of any sum delinquent more than thirty (30) days. In addition, termination of Services under these circumstances does not relieve Customer of the obligation to pay for said past due amounts, plus the service charges, or other obligations that may exist under any applicable agreements. Applicable State and Federal taxes will be passed through as the responsibility of Customer. Rates and charges may be changed by GCI per the terms outlined herein, and Customer agrees to pay any additional charges that may result. If the Service is tariffed, the tariff will supersede any conflicting provisions of the Agreement. At GCI's request, Customer shall post a bond or provide a security deposit to assure payment.
- 1.2 Installation charges as defined in the Service Agreement cover all normal installation expenses incurred to install and terminate the circuit on the GCI provided demarcation equipment at Customer's premises. It does not include the following items, which shall be separately invoiced:
  - 1.2.1 Any additional non-tariff local loop installation fees including any additional time or materials that may be required to extend the circuit from the Local Exchange Carrier termination point to the physical location where the demarcation equipment will be installed.
  - 1.2.2 Any additional costs for equipment that may be required by Customer that goes above and beyond the standard GCI provided demarcation equipment.
  - 1.2.3 Any travel and accommodation costs for technicians to/from the Service termination point in locations where applicable.
- 1.3 Customer will be billed a prorated share of all applicable charges for connections installed, terminated, or re-configured during the course of a monthly billing cycle.
- 1.4 The Service charges begin (a) when GCI's Service has been fully installed and tested, (b) Customer has given GCI its acknowledgement of service installation and testing, and (c) the Service is available for Customer use, regardless of the status of Customer-owned equipment.
- 1.5 Customer will receive discounts by committing individual connections to extended service terms (where available). Term discounts are applied on the effective charges after applying all utilization and connection cost-based discounts and surcharges. Term discounts shall not apply to any non-GCI facility charges.
- 1.6 Re-Configuration & Upgrades/Downgrades. Any changes that require material modifications to the existing service or circuit, such as re-location or upgrades/downgrades in circuit capacity, may incur additional charges. All changes to the service must be requested either via email at: [medicalservices@gci.com](mailto:medicalservices@gci.com) or by calling

GCI Medical Services at (907) 868-7044 in Anchorage. All service requests received via email will be verified by returning the request to the email addresses provided on Customer Information Sheet and must be confirmed by Customer by a reply to the forwarded request. All changes to the service must also be followed up with a formal written request within thirty (30) days of such notice.

1.6.1 During the term of this agreement Customer may grow bandwidth to meet expanding needs. Growth options available are:

1.6.1.1 Growth Option 1, FlexRoute

Service	Qty	Unit Price		Extended Price	
		Install	Monthly	Install	Monthly
<b><i>Clinic to Anchorage or Clinic to Sub Regional</i></b>					
2.0 Mbps MPLS Satellite Service <b><i>Brevig Mission, Elim, Golovin, Koyuk, Shaktoolik, Shishmaref, St. Michael, Stebbins, Teller, Wales, White Mountain</i></b>	1	0.00	9,326.00	0.00	9,326.00
Per T1 Local Loop <b><i>Gambell, Savoonga, Unalakleet</i></b>	1	0.00	294.50	0.00	294.50
Per T1 Local Loop	1	0.00	466.32	0.00	466.32

1.6.1.2 Growth Option 2, MPLS Satellite Service – Village Clinics

Service	Qty	Unit Price		Extended Price	
		Install	Monthly	Install	Monthly
<b><i>Village Clinic to Nome</i></b>					
2.0 Mbps MPLS Satellite Service	1	0.00	9,326.00	0.00	9,326.00
3.0 Mbps MPLS Satellite Service	1	0.00	13,980.00	0.00	13,980.00
4.0 Mbps MPLS Satellite Service	1	0.00	18,652.00	0.00	18,652.00
5.0 Mbps MPLS Satellite Service <b><i>Brevig Mission, Elim, Golovin, Koyuk, Shaktoolik, Shishmaref, St. Michael, Stebbins, Teller, Wales, White Mountain</i></b>	1	0.00	22,150.00	0.00	22,150.00
Per T1 Local Loop <b><i>Gambell, Savoonga, Unalakleet</i></b>	1	0.00	294.50	0.00	294.50
Per T1 Local Loop	1	0.00	466.32	0.00	466.32
<b><i>Nome</i></b>					
Per T1 Local Access	1	0.00	133.00	0.00	133.00

1.6.1.3 Growth Option 3, MPLS Satellite Service – Nome

Service	Qty	Unit Price		Extended Price	
		Install	Monthly	Install	Monthly
<b><i>Nome</i></b>					
7.0 Mbps MPLS Satellite Service	1	0.00	31,010.00	0.00	31,010.00
8.0 Mbps MPLS Satellite Service	1	0.00	35,440.00	0.00	35,440.00
9.0 Mbps MPLS Satellite Service	1	0.00	39,870.00	0.00	39,870.00
10.0 Mbps MPLS Satellite Service	1	0.00	42,085.00	0.00	42,085.00
15.0 Mbps MPLS Satellite Service	1	0.00	59,970.00	0.00	59,970.00
20.0 Mbps MPLS Satellite Service	1	0.00	75,960.00	0.00	75,960.00
Per T1 Local Loop	1	0.00	133.00	0.00	133.00

1.6.1.4 Growth Option 4, MPLS Terrestrial Service – Village Clinics

Service	Qty	Unit Price		Extended Price	
		Install	Monthly	Install	Monthly
<b><i>Village Clinic to Nome</i></b>					
1.5 Mbps MPLS Terrestrial Service	1	0.00	12,930.00	0.00	12,930.00
2.0 Mbps MPLS Terrestrial Service	1	0.00	17,240.00	0.00	17,240.00
3.0 Mbps MPLS Terrestrial Service	1	0.00	25,860.00	0.00	25,860.00
4.0 Mbps MPLS Terrestrial Service	1	0.00	34,480.00	0.00	34,480.00
5.0 Mbps MPLS Terrestrial Service	1	0.00	43,100.00	0.00	43,100.00
<b><i>Brevig Mission, Elim, Golovin, Koyuk, Shaktoolik, Shishmaref, St. Michael, Stebbins, Teller, Wales, White Mountain</i></b>					
Per T1 Local Loop	1	0.00	294.50	0.00	294.50
<b><i>Gambell, Savoonga, Unalakleet</i></b>					
Per T1 Local Loop	1	0.00	466.32	0.00	466.32
<b><i>Nome</i></b>					
Per T1 Local Access	1	0.00	133.00	0.00	133.00

1.6.1.5 Growth Option 5, MPLS Terrestrial Service – Nome

Service	Qty	Unit Price		Extended Price	
		Install	Monthly	Install	Monthly
<b><u>Nome</u></b>					
5.0 Mbps MPLS Terrestrial Service	1	0.00	43,100.00	0.00	43,100.00
6.0 Mbps MPLS Terrestrial Service	1	0.00	51,720.00	0.00	51,720.00
7.0 Mbps MPLS Terrestrial Service	1	0.00	60,340.00	0.00	60,340.00
8.0 Mbps MPLS Terrestrial Service	1	0.00	68,960.00	0.00	68,960.00
9.0 Mbps MPLS Terrestrial Service	1	0.00	77,580.00	0.00	77,580.00
10.0 Mbps MPLS Terrestrial Service	1	0.00	86,200.00	0.00	86,200.00
15.0 Mbps MPLS Terrestrial Service	1	0.00	129,300.00	0.00	129,300.00
20.0 Mbps MPLS Terrestrial Service	1	0.00	172,400.00	0.00	172,400.00
Per T1 Local Loop	1	0.00	133.00	0.00	133.00

1.6.2 During Term of this agreement Customer may grow ConnectMD Internet bandwidth to meet expanding needs. Pricing for additional bandwidth shall be \$225.00 per megabit of growth.

1.6.3 Increases in bandwidth beyond the initial bandwidth purchase are subject to USAC approval and funding.

2. Term and Termination.

2.1 The term ("Term") of this Agreement is five (5) years beginning on Customer signature date (Contract Date). However, Customer has the right to terminate this Agreement at any of the annual anniversary dates of the Contract Date by giving notice to GCI not later than sixty (60) days prior to the chosen termination date.

2.2 In addition to the terms under Section 5, GCI may suspend or terminate Service if Customer materially breaches this Agreement, including failure to pay for any past due amounts for invoiced Services as set forth in Section 1 above, and does not cure such breach within fifteen (15) days of notice; provided, that GCI may terminate immediately without notice (i) in order to prevent damage to or degradation of its Internet network integrity which may be caused by Customer or anyone using Customer's access, (ii) to comply with any law, regulation, court order, or other governmental request order which requires immediate action, or (iii) to protect GCI from legal liability. GCI will endeavor to give Customer notice regarding the reason(s) for termination as soon as reasonably practicable after such termination.

2.3 Early Termination. If Customer's connection is disconnected prior to the end of the Term (defined in Section 2.1 above), Customer will pay an early termination charge equal to fifty percent (50%) of the remaining Term at the rates in effect at the termination of this Agreement. Early termination charges shall apply in all cases, except the following:

- 2.3.1 If Customer terminates its connection under this Agreement due to a breach of the Agreement by GCI;
- 2.3.2 If GCI must disconnect Service to Customer due to any reason not resulting from a breach of the Agreement by Customer; or
- 2.3.3 If Customer terminates this agreement because the RHCD funding that supports these services is reduced or terminated for any reason other than Customer's non-compliance with the RHCD's required customer filings, or a change in urban rates based on the Regulatory Commission of Alaska's annual urban rate tables or urban rates based on published tariffs, unless GCI accepts the lower payment schedule and delivers the services specified in this agreement.
- 2.3.4 If Customer requests termination of an individual clinic connection due to population losses which force closure of that clinic and provides GCI written notice received at least ninety (90) days in advance of the termination date.
- 2.3.5 If Customers suffers the loss of a particular clinic due to fire or natural disaster and provides GCI written notice as soon as possible after the date of the loss.
- 2.3.6 If Customer exercises any of the termination options defined in Section 2.1.

3. Rights and Obligations of Customer.

- 3.1 Customer shall at its own expense be responsible for all site preparation activities necessary for installation of the Service. Customer shall give GCI and its suppliers reasonable access to its premises at all reasonable times. Customer shall not use the Service or permit any use of the Service which is illegal, unlawful, or harassing, which infringes upon another's intellectual property rights, or which otherwise constitutes network abuse, and Customer shall be responsible for any such misuse of the Service. Customer shall indemnify GCI and its affiliates against any liabilities incurred by them as a result of such misuse. Customer shall be responsible for communicating with its own users of the Service, and for handling all complaints and trouble reports made by such users. Customer must comply with reasonable security procedures and standards with respect to its own routers that interface with the Service. GCI may communicate security issues to Customer from time to time when abuse or misuse is observed or reported by others.
- 3.2 Customer shall be solely responsible for the correct, timely, and accurate filing of all forms required to receive funding for eligible services and ensure timely payments to GCI for Services. Customer may choose to receive pre-discounted billing for those services eligible under the Rural Health Care support mechanism of USAC. Pre-discounting will be based on Customer's application for funding. If Customer chooses pre-discounted billing of eligible services, Customer shall:
  - 3.2.1 Notify GCI in writing of Customer's desire to receive pre-discounted billing,
  - 3.2.2 Complete the required USAC request for funding (FCC Form 466, Funding Request & Certification Form, and Form 466-A, Internet Service Funding Request & Certification Form) for all eligible services not later than July 31 of each funding year or, if services begin after July 31, within thirty (30) days of the contract date for those eligible services.
  - 3.2.3 Provide GCI Managed Broadband Services with copies of all individual forms (FCC Forms 466 and Forms 466-A) used for its USAC application for funding.

- 3.2.4 Customers who choose pre-discounted billing but fail to provide GCI with copies of their application for funding will receive full retail billing until such time as GCI receives from Customer proof of application for eligible funding in the form of copies of all FCC Forms 466 and Forms 466-A submitted to Rural Health Care.
- 3.2.5 Complete FCC Forms 467, Connection Certification Form, within thirty (30) days of receipt of Funding Commitment Letters for each FCC Form 466 or FCC Form 466-A.
4. Equipment and Software. GCI is not responsible for the installation, maintenance, compatibility or performance of any equipment of software not provided by GCI. Customer shall indemnify GCI and its affiliates against any infringement claims arising out of the use of such third party equipment or software with the Service. If such third party equipment or software impairs the Service, Customer remains liable for payment. If such third party equipment is likely to cause hazard or service obstruction, Customer shall eliminate such likelihood at GCI's request. GCI will troubleshoot difficulties caused by such third party equipment or software at Customer's request, at GCI's then-standard rates. Title to all service equipment provided by GCI under this Agreement shall remain with GCI. If Customer provides any router to interface with the Service, it must cooperate with GCI in configuring and managing such router(s) in order to implement and operate the Service. Title to all service equipment provided by GCI as part of this Agreement resides at all times with GCI.
5. GCI Obligations; Disclaimer of Warranties
- 5.1 GCI shall provide, operate and maintain the Service, contingent upon (i) GCI's ability to obtain and maintain all necessary regulatory and other licenses or permissions, and (ii) GCI's network capacity and connection availability. Customer understands that, except for certain services specifically identified as GCI Services, GCI does not operate or control the Internet.
- 5.2 CUSTOMER ASSUMES TOTAL RESPONSIBILITY FOR ITS USE AND ITS USERS' USE OF THE TRANSPORT SERVICES OR THE INTERNET. GCI MAKES NO EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS OR ENDORSEMENTS REGARDING ANY MERCHANIDISE, INFORMATION, PRODUCTS OR SERVICES PROVIDED THROUGH THE INTERNET.
- 5.3 The Services provided solely over GCI-owned facilities shall conform to industry standards for engineering and maintenance, and for service interruptions of telecommunications facilities. GCI will employ commercially reasonable efforts in working with third party-owned facilities operators to conform to industry standards for engineering and maintenance, and for service interruptions of telecommunications facilities.
- 5.4 UNDER NO CIRCUMSTANCES SHALL GCI BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS THAT RESULT FROM CUSTOMER'S OR ITS USERS' USE OF OR INABILITY TO ACCESS ANY PART OF THE TRANSPORT SERVICES OR INTERNET OR ITS OR ITS USERS' RELIANCE ON OR USE OF INFORMATION, SERVICE INTERRUPTIONS, LOSS, THEFT, OR DELETION OF FILES, ERRORS, DEFECTS, DELAYS IN OPERATION, OR TRANSMISSION, OR ANY FAILURE OF PERFORMANCE.
- 5.5 GCI may monitor the Service and disclose information gained from such monitoring in order to satisfy any law, regulation or other governmental request, to operate the Service and administer GCI's network, or to protect itself or its subscribers. GCI reserves the right to refuse to post or to remove any information or materials, in whole or part, that in its

sole discretion are unacceptable, undesirable, or in violation of this Agreement. In no event shall GCI be deemed liable for any failure or delay due to any cause beyond GCI's control.

- 5.6 GCI will assist Customer in their application for eligible funding regardless of whether Customer chooses to receive full retail billing or pre-discounted billing. Any assistance received from GCI is advisory only.
6. Maintenance Outages. GCI will conduct scheduled maintenance of its transport services, Internet platform, and distribution services, and will provide Customer a minimum of seventy-two (72) hours' notice prior to this maintenance. These maintenance periods may cause Customer to experience brief interruptions in its Service. GCI's standard maintenance window is between 1:00 a.m. and 5:00 a.m. (Alaska Time). Periodic maintenance may be conducted within the maintenance window on any day of the week without notification to Customer. For emergency repairs, GCI will use its best commercially reasonable efforts to conduct such repairs with a minimum of disruption to Customer.
7. Service Installation. Delivery time for the Service shall be the time that it takes the local exchange carrier(s) to deliver the required local loops plus ten (10) working days, except in locations served directly by VSAT (Very Small Aperture Terminal) where the standard delivery time will be forty-five to ninety (45-90) days from Service order signing providing that facility use agreements are signed and facilities are installed. If services and facilities are not installed, delivery times will be based on a mutually-agreed upon (Customer and GCI) published deployment schedule. GCI shall make every reasonable effort to provide the Services in this time period. However, in accordance with Section 5, GCI has no liability to Customer for failure to meet the planned service installation date. Service will not be considered fully installed until GCI has received Customer's acknowledgement of service installation and testing, which shall not be unreasonably withheld or delayed. Failure of Customer to respond to GCI's request for acknowledgement of installation and testing within five (5) working days shall be considered Customer's acknowledgement of installation and testing of Services.
8. Interruptions in Service
  - 8.1 While GCI does provide pro-active monitoring of Services, it shall be Customer's obligation to notify GCI of any interruption in service. Although all notifications will be investigated, GCI shall not be obligated to take any corrective action upon notice received from any source other than Customer, or its authorized agents or employees.
  - 8.2 GCI will notify Customer of any unscheduled interruptions in service that it detects that extend beyond fifteen (15) minutes in any single occurrence. GCI will provide this notification to one of the technical contacts listed on the Customer Information Sheet.
  - 8.3 All service related contacts must be provided through the following options: email to [medicalservices@gci.com](mailto:medicalservices@gci.com) or by calling GCI Medical Services at (907) 868-7044 in Anchorage. All service requests received via email will be verified by returning the request to the email addresses provided on the Customer Information Sheet and must be confirmed by Customer by a reply to the forwarded request.
  - 8.4 Interruptions in service of thirty (30) minutes or less will be considered a minor service outage. Three (3) minor service outages in any one (1) day will be considered a major service outage. Interruptions in service of more than thirty (30) minutes will be considered a major service outage.
  - 8.5 If GCI causes a major service outage, GCI will provide a credit to the Customer prorated for the month in which the outage occurs. The maximum credit allowed shall be one (1)

credit per day. To obtain this credit, Customer must request it in writing. GCI will apply the credit to Customer's invoice in the month following the request.

8.6. A Service Outage does not include: (a) GCI's planned maintenance as discussed further in Section 6. above; (b) outages caused by Customer's equipment or software; (c) local exchange carrier network failures; (d) outages on other Internet Service Providers' networks or other networks not owned or controlled by GCI; or (e) other causes beyond GCI's commercially reasonable control.

9. Right to Modify Agreement. The terms and conditions of this Agreement shall not be varied, amended, waived, or modified by any course of dealing between the Parties, or any failure or delay to enforce any rights hereunder, other than by a writing signed by authorized representatives of both Parties.

10. Miscellaneous

10.1 Neither Party may use the other's name, trademark, trade names, or other proprietary identifying symbols without the prior written approval of the other Party. All notices required or permitted hereunder must be in writing, delivered personally or by U.S. mail, facsimile or electronic mail (followed by hard copy, in the case of fax or email) to the respective signatory and notice addresses set forth on the Cover Sheet, or such other person and/or address as a Party may notify the other from time to time in writing, and shall be deemed effective upon receipt.

10.2 Dispute Resolution. Any dispute, controversy or claim concerning this Agreement and a Service Agreement shall be resolved in the following manner:

10.2.1 Negotiation. In the event of a controversy or claim arising out of or relating to this Agreement or a Service Agreement, the Parties shall first seek to resolve such dispute through negotiation. The Parties shall each appoint a representative, who shall promptly confer, either in person or by telephone, in an effort to resolve the dispute. If, following thirty (30) days of negotiation the representatives are unable to resolve the dispute, either Party may then refer such dispute to mediation in accordance with paragraph 10.2.2 below.

10.2.2 Mediation. If the Parties have not been successful in resolving a dispute through negotiation, the Parties agree to resolve the dispute through mediation by submitting the dispute to a sole mediator selected by the Parties or, at any time at the option of a Party, to mediation by the American Arbitration Association. The mediation shall be conducted in Anchorage, Alaska. Each Party shall bear its own expenses and an equal share of the expenses of the mediator and the fees of the American Arbitration Association. Nothing in this clause shall be construed to preclude any Party from seeking injunctive relief in order to protect its rights pending mediation.

10.2.3 Final Resolution. Any controversy or claim arising out of or relating to this Agreement or a Service Agreement that has not been resolved through negotiation or mediation shall be resolved in a court of law in accordance with Section 10.3.

10.2.4 Continued Performance. Except where clearly prevented by a dispute arising under this Section, the Parties shall continue performing their respective duties, obligation and responsibilities under this Agreement or Service Agreement, while the dispute is being resolved in accordance with this Section unless and until

such obligations are lawfully terminated or expire in accordance with the provisions hereof.

- 10.3 This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Parties hereto. Neither this Agreement, nor any of Customer's rights or obligations herein shall be transferable or assignable by Customer without GCI's prior written consent and any attempted transfer or assignment hereof not in accordance herewith shall be null and void. If any portion of this Agreement is held to be unenforceable, the unenforceable portion shall be construed in accordance with applicable law as nearly as possible to reflect the original intentions of the Parties and the remainder of the provisions shall remain in full force and effect. Either Party's failure to insist upon or enforce strict performance of any provision of the Agreement shall not be construed as a waiver of any provision or right. Neither the course of conduct between Parties nor trade practice shall act to modify any provision of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska, without regard to its conflicts of law provisions. The Parties hereby submit to the personal jurisdiction of, and agree that any legal proceeding with respect to or arising under this Agreement will be brought in the state or federal courts sitting in Anchorage, Alaska. The Parties acknowledge that the aforesaid courts shall have exclusive jurisdiction over this Agreement, and specifically waive any claims which they may have that involve jurisdiction or venue, including but not limited to *forum non conveniens*. Any cause of action Customer may have with respect to the Service must be commenced within one (1) year after the claim or cause of action arises, or within one (1) year after such claim or cause of action should reasonably have been discovered, or such claim or cause of action is barred. These Terms and Conditions, along with Service Agreement, constitute the entire agreement between Customer and GCI with respect to the Service and can be modified only in writing by the Parties hereto.

Address for notices:

Norton Sound Health Corporation  
Attention: Carol Piscoya  
PO Box 966  
Nome, AK 99762

Address for notices:

GCI Managed Broadband Services  
Attention: Ron Hale  
2550 Denali Street, Suite 1000  
Anchorage, AK 99503

With a copy to:

GCI  
Attention: Corporate Counsel  
2550 Denali Street, Suite 1000  
Anchorage, AK 99503

# ATTACHMENT 4

**Health Care Providers Universal Service  
Funding Request and Certification Form**

The Deadline to submit this Form is the June 30th End of the Funding Year.

Estimated time per response: 3 hours

**Read instructions thoroughly before completing this form. Failure to comply may cause delayed or denied funding.**

**Block 1: HCP Information**

1 HCP Name Norton Sound Health Coporation	2 HCP Number 10672
3 Form 465 Application # 43129535	4 Consortium Name (If any) Norton Sound Health Corporation West Campus

**Block 2: Bill Payer Information**

5 Billed Entity Name Norton Sound Health Corporation	6 Billed Entity FCC RN 0014835128	
7 Contact Name Richard B Wideman		
8 Address Line 1 304 6th Ave. and Division St.		
9 Address Line 2		
10 City Nome	11 State AK	12 Zip 99762
13 Contact Phone # (907) 443-3272	14 Fax #	15 E-Mail rwideman@nshcorp.org

**Block 3: Funding Year Information**

16 Funding Year - Check only one box  
 Year 2010 (7/1/2010-6/30/2011)     
 Year 2011 (7/1/2011-6/30/2012)     
 Year 2012 (7/1/2012-6/30/2013)

**Block 4: Service Information**

17 Type of Service & Circuit Bandwidth (Enclose documentation.) MPLS 6 Mbps

18 Total Billed Miles 0      19 Maximum Allowable Distance (From Form 465) 548

20 Percentage of HCP's service used for the provision of health care. 100 (If less than 100%, please explain.)  
 If the HCP indicated it is a part-time eligible entity (on Form 465), describe method of allocating prorated support.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Connection Information	Carrier A	Carrier B	Carrier C	Carrier D
21 Service Provider Name	GCI Communication Corp			
22 Service Provider Identification Number (SPIN)	143001199			
23 Service Provider Contact Person Name	Steve Walker			
24 Service Provider Contact Person's Phone #	(907) 868-6416			
25 Service Provider Contact Person Email	swalker@gci.com			
26 Circuit Start Location	304 6th Ave. and Division St.			
27 Circuit Termination Location	6831 Arctic Blvd Anchorage, AK 99518			
28 Billing Account Number	RH000220008			
29 Tariff, Contract or other document reference number	HC-302			
30 Date Contract Signed or Date HCP Selected Carrier	09-Aug-2010			
31 Contract Expiration Date (mm/dd/yyyy or NA if MTM)	08-Aug-2015			
32 Service Installation Date	16-Dec-2010			
33 Actual Rural Rate per Month (Enclose Documentation)	27112.00			

34 If you are a consortium member OR have multiple carriers, please attach a Circuit Diagram to show how the sites interconnect and which carrier(s) provides each circuit segment.      Circuit Diagram included:     Yes     No

35 Are you a mobile rural health care provider?     Yes     No    If yes, see instructions and attach a list of all sites to be served.

**IF YOU ARE REQUESTING SUPPORT FOR MILEAGE-BASED CHARGES, COMPLETE BLOCK 5 ONLY AND SKIP BLOCK 6. (PLEASE SEE INSTRUCTIONS). IF YOU ARE REQUESTING SUPPORT BASED ON URBAN/RURAL RATE COMPARISON, SKIP BLOCK 5 AND COMPLETE ONLY BLOCK 6. YOUR APPLICATION CANNOT BE PROCESSED IF BOTH BLOCKS ARE COMPLETED.**

**Block 5: Mileage-based Charge Discount Request**

Complete this block if you are seeking support for mileage (distance-based) charges only. Do not enter any other charges in this block. You may need to ask your service provider representative to provide this information

36 Billed Circuit Miles				
37 Monthly Mileage Charges (Exclude Channel Termination chgs, etc.)				
38 Cost per Mile per Month				

If Line 33 equals Line 37, please ensure that ONLY mileage-related charges are included in Line 37. (See instructions.)

**Block 6: Comprehensive Rate Comparison Request**

Complete Block 6 if you have not completed Block 5 and are requesting support for all elements of your telecommunications service necessary for the provision of health care. The information in this block will establish the difference between the urban and rural rates for your requested service. Please call RHCD at 1-800-229-5476 if you need assistance.

39 One-time Urban Rate Charge (in selected large city)	0			
40 One-time Rural Rate Charge (in city where HCP is located)	0			
41 Monthly Urban Rate (in selected large city). From RHCD web site: <input type="checkbox"/> or Other rate documentation attached: <input checked="" type="checkbox"/>	252.00			

If your circuit includes charges for mileage over the Maximum Allowable Dist., (Line 19), please complete Lines 42 to 44. Otherwise, skip to Block 7.

42 Billed Circuit Miles				
43 Monthly Mileage Based Charges				
44 Cost per Mile per Month				

**Block 7: Bid Documentation**

45 Did you receive any bids in response to the Form 465 Request for Services posted on the RHCD website?  Yes  No  
If you checked yes, copies of the bids MUST be mailed to RHCD.

**Block 8: Certification**

46  I certify that the above named entity has considered all bids received and selected the most cost-effective method of providing the requested service or services. The "most cost-effective service" is defined in the Universal Service Order as the service available at the lowest cost after consideration of the features, quality of transmission, reliability, and other factors that the health care provider deems necessary for the service to adequately transmit the health care services required by the health care provider.

47  Pursuant to 47 C.F.R. Secs. 54.601 and 54.603, I certify that the HCP or consortium that I am representing satisfies all of the requirements herein and will abide by all of the relevant requirements, including all applicable FCC rules, with respect to universal service benefits provided under 47 U.S.C. Sec. 254. I understand that any letter from RHCD that erroneously states that funds will be made available for the benefit of the applicant may be subject to rescission.

48  I hereby certify that the billed entity will maintain complete billing records for the service for five years.

49  I certify that I am authorized to submit this request on behalf of the above-named Billed Entity and HCP, and that I have examined this form and attachments and that to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

50 Signature Electronically signed	51 Date 19-Apr-2013
52 Printed name of authorized person Richard B Wideman	53 Title or position of authorized person Director of Informatic
54 Employer of authorized person Norton Sound Health Corporation	55 Employer's FCC RN 0014835128

**Please remember:**

- You must submit one Form 466 for each service (i.e., circuit) for which you request reduced rates. For example:
  - If you are requesting reduced rates for two T1 lines, you must submit two Forms 466.
  - If you are requesting reduced rates for two ISDN lines & one Frame Relay line, you must submit three Forms 466.
- If the service described on this form is subject to the 28-day competitive bidding requirement, do not select a carrier or complete the Form 466 before or during the 28-day posting period.
- You must provide evidence of the urban rate if you have completed Block 6 and have not used the urban rates from the website.
- This form, attachments, and supporting documents should be combined in one envelope and sent to the RHCD.
- If the service described on this form changes (e.g., rate change) during the funding year, you must notify RHCD immediately and submit a revised Form 466.
- If you have any questions, call RHCD at 1-800-229-5476.

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

**FCC NOTICE FOR INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT**

Part 3 of the Commission's Rules authorize the FCC to request the information on this form. The data reported will be used to ensure that health care providers have selected the most cost-effective method of providing the requested services as set forth in 47 C.F.R. § 54.603(b)(4). The information will be used by the Universal Service Administrative Company and/or the staff of the Federal Communications Commission, to evaluate this form, to provide information for enforcement and rulemaking proceedings and to maintain a current inventory of applicants, health care providers, billed entities, and service providers. No authorization can be granted unless all information requested is provided. Failure to provide all requested information will delay the processing of the application or result in the application being returned without action. Information requested by this form will be available for public inspection. Your response is required to obtain the requested authorization.

The public reporting for this collection of information is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PERM, Paperwork Reduction Act Project (3060-0804), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to [pra@fcc.gov](mailto:pra@fcc.gov). PLEASE DO NOT SEND YOUR RESPONSE TO THIS ADDRESS.

Remember - You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0804.

THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, PUBLIC LAW 93-579, DECEMBER 31, 1974, 5 U.S.C. 552a(e)(3) AND THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.

This form should be submitted to:  
Rural Health Care Division  
30 Lanidex Plaza West, P.O.Box 685  
Parsippany NJ 07054-0685

# ATTACHMENT 5

**Health Care Providers Universal Service  
Funding Request and Certification Form**

The Deadline to submit this Form is the June 30th End of the Funding Year.

Estimated time per response: 3 hours

**Read instructions thoroughly before completing this form. Failure to comply may cause delayed or denied funding.**

**Block 1: HCP Information**

1 HCP Name Norton Sound Health Corporation	2 HCP Number 10672
3 Form 465 Application # 43129535	4 Consortium Name (If any) Norton Sound Health Corporation West Campus

**Block 2: Bill Payer Information**

5 Billed Entity Name Norton Sound Health Corporation	6 Billed Entity FCC RN 0014835128	
7 Contact Name Richard B Wideman		
8 Address Line 1 304 6th Ave. and Division St.		
9 Address Line 2		
10 City Nome	11 State AK	12 Zip 99762
13 Contact Phone # (907) 443-3272	14 Fax #	15 E-Mail rwideman@nshcorp.org

**Block 3: Funding Year Information**

16 Funding Year - Check only one box  
 Year 2010 (7/1/2010-6/30/2011)     
 Year 2011 (7/1/2011-6/30/2012)     
 Year 2012 (7/1/2012-6/30/2013)

**Block 4: Service Information**

17 Type of Service & Circuit Bandwidth (Enclose documentation.) MPLS 15 Mbps	
18 Total Billed Miles 0	19 Maximum Allowable Distance (From Form 465) 548
20 Percentage of HCP's service used for the provision of health care. <u>100</u> (If less than 100%, please explain.) If the HCP indicated it is a part-time eligible entity (on Form 465), describe method of allocating prorated support. _____ _____ _____	

Connection Information	Carrier A	Carrier B	Carrier C	Carrier D
21 Service Provider Name	GCI Communication Corp			
22 Service Provider Identification Number (SPIN)	143001199			
23 Service Provider Contact Person Name	Steve Walker			
24 Service Provider Contact Person's Phone #	(907) 868-6416			
25 Service Provider Contact Person Email	swalker@gci.com			
26 Circuit Start Location	308 W. 5th Ave Nome, AK 99762			
27 Circuit Termination Location	8831 Arctic Blvd Anchorage, AK 99518			
28 Billing Account Number	RH000220008			
29 Tariff, Contract or other document reference number	HC-302			
30 Date Contract Signed or Date HCP Selected Carrier	09-Aug-2010			
31 Contract Expiration Date (mm/dd/yyyy or NA if MTM)	08-Aug-2015 - N/A			
32 Service Installation Date	07-Jan-2013			
33 Actual Rural Rate per Month (Enclose Documentation)	61309.00			
34 If you are a consortium member OR have multiple carriers, please attach a Circuit Diagram to show how the sites interconnect and which carrier(s) provides each circuit segment.      Circuit Diagram included: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
35 Are you a mobile rural health care provider? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No    If yes, see instructions and attach a list of all sites to be served.				

**IF YOU ARE REQUESTING SUPPORT FOR MILEAGE-BASED CHARGES, COMPLETE BLOCK 5 ONLY AND SKIP BLOCK 6. (PLEASE SEE INSTRUCTIONS). IF YOU ARE REQUESTING SUPPORT BASED ON URBAN/RURAL RATE COMPARISON, SKIP BLOCK 5 AND COMPLETE ONLY BLOCK 6. YOUR APPLICATION CANNOT BE PROCESSED IF BOTH BLOCKS ARE COMPLETED.**

**Block 5: Mileage-based Charge Discount Request**

Complete this block if you are seeking support for mileage (distance-based) charges only. Do not enter any other charges in this block. You may need to ask your service provider representative to provide this information

36 Billed Circuit Miles				
37 Monthly Mileage Charges (Exclude Channel Termination chgs, etc.)				
38 Cost per Mile per Month				

If Line 33 equals Line 37, please ensure that ONLY mileage-related charges are included in Line 37. (See instructions.)

**Block 6: Comprehensive Rate Comparison Request**

Complete Block 6 if you have not completed Block 5 and are requesting support for all elements of your telecommunications service necessary for the provision of health care. The information in this block will establish the difference between the urban and rural rates for your requested service. Please call RHCD at 1-800-229-5476 if you need assistance.

39 One-time Urban Rate Charge (in selected large city)	0.00			
40 One-time Rural Rate Charge (in city where HCP is located)	0			
41 Monthly Urban Rate (in selected large city). From RHCD web site: <input type="checkbox"/> or Other rate documentation attached: <input checked="" type="checkbox"/>	394.00			

If your circuit includes charges for mileage over the Maximum Allowable Dist., (Line 19), please complete Lines 42 to 44. Otherwise, skip to Block 7.

42 Billed Circuit Miles				
43 Monthly Mileage Based Charges				
44 Cost per Mile per Month				

**Block 7: Bid Documentation**

45 Did you receive any bids in response to the Form 465 Request for Services posted on the RHCD website?  Yes  No  
If you checked yes, copies of the bids MUST be mailed to RHCD.

**Block 8: Certification**

46  I certify that the above named entity has considered all bids received and selected the most cost-effective method of providing the requested service or services. The "most cost-effective service" is defined in the Universal Service Order as the service available at the lowest cost after consideration of the features, quality of transmission, reliability, and other factors that the health care provider deems necessary for the service to adequately transmit the health care services required by the health care provider.

47  Pursuant to 47 C.F.R. Secs. 54.601 and 54.603, I certify that the HCP or consortium that I am representing satisfies all of the requirements herein and will abide by all of the relevant requirements, including all applicable FCC rules, with respect to universal service benefits provided under 47 U.S.C. Sec. 254. I understand that any letter from RHCD that erroneously states that funds will be made available for the benefit of the applicant may be subject to rescission.

48  I hereby certify that the billed entity will maintain complete billing records for the service for five years.

49  I certify that I am authorized to submit this request on behalf of the above-named Billed Entity and HCP, and that I have examined this form and attachments and that to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

50 Signature Electronically signed	51 Date 19-Apr-2013
52 Printed name of authorized person Richard B Wideman	53 Title or position of authorized person TeleHealth Coordinator
54 Employer of authorized person Norton Sound Health Corporation	55 Employer's FCC RN 0014835128

**Please remember:**

- You must submit one Form 466 for **each service** (i.e., circuit) for which you request reduced rates. For example:
  - If you are requesting reduced rates for **two T1 lines**, you must submit **two** Forms 466.
  - If you are requesting reduced rates for **two ISDN lines & one Frame Relay line**, you must submit **three** Forms 466.
- **If the service described on this form is subject to the 28-day competitive bidding requirement, do not select a carrier or complete the Form 466 before or during the 28-day posting period.**
- **You must provide evidence of the urban rate if you have completed Block 6 and have not used the urban rates from the website.**
- This form, attachments, and supporting documents should be combined in one envelope and sent to the RHCD.
- If the service described on this form changes (e.g., rate change) during the funding year, **you must notify RHCD immediately and submit a revised Form 466.**
- If you have any questions, call RHCD at 1-800-229-5476.

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

**FCC NOTICE FOR INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT**

Part 3 of the Commission's Rules authorize the FCC to request the information on this form. The data reported will be used to ensure that health care providers have selected the most cost-effective method of providing the requested services as set forth in 47 C.F.R. § 54.603(b)(4). The information will be used by the Universal Service Administrative Company and/or the staff of the Federal Communications Commission, to evaluate this form, to provide information for enforcement and rulemaking proceedings and to maintain a current inventory of applicants, health care providers, billed entities, and service providers. No authorization can be granted unless all information requested is provided. Failure to provide all requested information will delay the processing of the application or result in the application being returned without action. Information requested by this form will be available for public inspection. Your response is required to obtain the requested authorization.

The public reporting for this collection of information is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PERM, Paperwork Reduction Act Project (3060-0804), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to [pra@fcc.gov](mailto:pra@fcc.gov). **PLEASE DO NOT SEND YOUR RESPONSE TO THIS ADDRESS.**

Remember - You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0804.

THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, PUBLIC LAW 93-579, DECEMBER 31, 1974, 5 U.S.C. 552a(e)(3) AND THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.

This form should be submitted to:

Rural Health Care Division  
30 Lanidex Plaza West, P.O.Box 685  
Parsippany NJ 07054-0685

# ATTACHMENT 6

**From:** [rhcadmin@usac.org](mailto:rhcadmin@usac.org)  
**To:** [Steve Walker](#)  
**Subject:** Funding Commitment Letter (FCL) for HCP 10672, FRN 12216421  
**Date:** Tuesday, August 06, 2013 12:53:43 PM

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Date: 06-Aug-2013

Funding Year: 2012  
Health Care Provider (HCP) Name: Norton Sound Health Coporation  
HCP Number: 10672  
HCP Contact Name: Richard B Wideman  
HCP Contact Email: [rwideman@nshcorp.org](mailto:rwideman@nshcorp.org)  
HCP Contact Phone: (907) 443-3272  
FCC Form 465 Application Number: 43129535  
Funding Request Number: 12216421

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: 304 Sixth and Division St, Nome, AK, 99762**  
**Service Type: MPLS**  
**Bandwidth: 6 Mbps**  
**Service Provider Name: GCI Communication Corp**  
**Service Provider Identification Number (SPIN): 143001199**  
**Billing Account Number: RH000220008**

Funding Start Date	Funding End Date	Months of Support	Non-Recurring Support Amount	Monthly Recurring Support Amount	Total Support Amount
01-Jul-2012	30-Jun-2013	12.00000	\$0.00	\$26,860.00	\$322,320.00

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: Evergreen**

**Evergreen:** For the life of the contract (without any optional or automatic extensions), you do not need to re-compete the service(s) identified above, or post a *Description of Services Requested and Certification Form (FCC Form 465)*. The HCP must apply for support of the contracted service by filing the FCC Form 466 and/or the FCC Form 466-A (and the FCC Form 467) to receive funding each year.<sup>1</sup>

HCPs whose contracts have Evergreen status must post an FCC Form 465 and re-compete the service provider selection before the contract ends. An optional contract

renewal is considered a new contract and can be selected only after the HCP has gone through the competitive bidding process by posting a Form 465.

**Your responsibility:**

It is the HCP's responsibility to review the information in this FCL. Contact RHC at [rhc-admin@usac.org](mailto: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.<sup>2</sup> 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](http://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](http://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](mailto:rhc-admin@usac.org)).

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<sup>1</sup> 47 C.F.R. 54.623(d).

<sup>2</sup> 47 C.F.R. 54.619(c).

# ATTACHMENT 7

**From:** [rhcadmin@usac.org](mailto:rhcadmin@usac.org)  
**To:** [Steve Walker](#)  
**Subject:** Funding Commitment Letter (FCL) for HCP 10672, FRN 12216401  
**Date:** Tuesday, February 04, 2014 5:14:06 PM

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Date: 04-Feb-2014

Funding Year: 2012  
Health Care Provider (HCP) Name: Norton Sound Health Corporation  
HCP Number: 10672  
HCP Contact Name: Richard B Wideman  
HCP Contact Email: [rwideman@nshcorp.org](mailto:rwideman@nshcorp.org)  
HCP Contact Phone: (907) 443-3272  
FCC Form 465 Application Number: 43129535  
Funding Request Number: 12216401

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: 306 W. 5th Ave., PO Box 966, Nome, AK, 99762**  
**Service Type: MPLS**  
**Bandwidth: 15 Mbps**  
**Service Provider Name: GCI Communication Corp**  
**Service Provider Identification Number (SPIN): 143001199**  
**Billing Account Number: RH000220008**

Funding Start Date	Funding End Date	Months of Support	Non-Recurring Support Amount	Monthly Recurring Support Amount	Total Support Amount
07-Jan-2013	30-Jun-2013	5.80645	\$0.00	\$60,906.00	\$353,647.64

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](mailto: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.<sup>1</sup> 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](http://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](http://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](mailto:rhc-admin@usac.org)).

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<sup>1</sup> 47 C.F.R. 54.619(c).

# ATTACHMENT 8



# USAC Rural Health Care

Competitive Bidding Requirements

April 20, 2011

## Steps to Successful Competitive Bidding

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1. Fill out the Form 465 clearly, accurately, and in a timely manner
2. Develop selection criteria to review bids
3. Wait 29 days before submitting a Form 466/466A, indicating bid selection (note the Allowable Contract Selection Date – or ACSD)
4. Submit contract to USAC for Evergreen review (optional) with Form 466/466A

# 1. Form 465

## When completing the Form 465 (Description of Services Requested & Certification Form):

- Be careful of what is listed on Line 29!

29 Please describe the eligible health care provider's telecommunications and/or Internet service needs, so that service providers may bid to provide the services. The description should describe whether video or store and forward consultations will be used, whether large image files or X-rays will be transmitted, the quality of connection needed, or other relevant considerations.

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## 1. Form 465

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- We recommend you do **NOT** request a specific telecom service and/or bandwidth
  - **TOO SPECIFIC:** We need a T1 line
- Instead you should describe the needs of the HCP:
  - **PREFERRED:** We need to be able to transmit data and medical images
- Being too specific locks you into receiving that service type only

# 1. Form 465

## When completing the Form 465 (Description of Services Requested & Certification Form):

- Choose “Both Telecommunications & Internet Services” in Block 5 unless you’re positive you’ll use only one

### Block 5: Request for Services

30 Is the HCP requesting reduced rates for:

Both Telecommunications & Internet Services       Telecommunications Service ONLY       Internet Service ONLY

## 2. Selection Criteria

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- HCPs should develop a plan to evaluate bids prior to reviewing submitted proposals to determine how they will select the most cost-effective service provider
  - Cost-effective defined by the FCC as “the method of least cost after consideration of the features, quality of transmission, reliability, and other factors relevant to choosing a method of providing the required services.”

## 2. Selection Criteria

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- USAC encourages the use of an (optional) scoring tool/scoring matrix
  - HCPs should choose the selection criteria most important to them. Some examples include but are not limited to:
    - Technical support
    - Previous experience with service provider
    - Cost for service
    - Rapid response
    - Service provider to provide a single point of contact

## 3. 28 days

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- Once the applicant is deemed eligible, the complete Form 465 is posted on RHC website:
  - ➔ Required 28-day posting period begins
- During this time, service providers may contact HCPs and submit proposals
- HCPs must not enter into a contract or service agreement until the Allowable Contract Selection Date (ACSD), or the 29<sup>th</sup> day after the 465 is posted

- The ACSD is listed under “Posted Services” on the RHC website, under “Rural Health Care Tools” (<http://usac.org/rhc/service-providers/step02/>)

**Rural Health Care**
**Health Care Providers**
**Service Providers**

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#### About Rural Health Care:

- [Overview of the Program](#)
- [Overview of the Process](#)
- [Monthly Conference Calls](#)
- [Individual Outreach](#)
- [Understanding Audits](#)
- [Training Events](#)
- [Filing Appeals](#)
- [FCC Links](#)
- [Rural Health Care Pilot Program](#)

#### Rural Health Care Search Tools

- [Health Care Provider \(HCP\) Login](#)
- [Search Posted Services](#)
- [Packet Status Report](#)
- [Automated Search of Commitments](#)
- [Urban Rate](#)
- [List of Eligible Rural Areas](#)

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#### Rural Health Care Tools:

- [Applicant Login](#)
- [Latest News](#)
- [Required Forms](#)
- [Tips and Best Practices](#)
- [Frequently Asked Questions](#)
- [Glossary of Terms](#)
- [Rural Health Care Search Tools](#)

Last modified on 9/20/2010

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## 3. 28 days

- The ACSD is listed under “Posted Services” on the RHC website, under “Rural Health Care Tools” (<http://usac.org/rhc/service-providers/step02/>)

Count	HCP Number	HCP Name	City	County	State	Posting Date	Allowable Contract Date
1	<a href="#">11537</a>	Davenport Clinic	Davenport	VA-Buchanan	VA	4/5/2011	5/3/2011
2	<a href="#">11540</a>	Eastern Shore Rural Health System, Inc. - Nassawadox	Nassawadox	VA-Northampton	VA	4/7/2011	5/5/2011
3	<a href="#">11543</a>	Haysi Clinic	Haysi	VA-Dickenson	VA	4/5/2011	5/3/2011
4	<a href="#">12798</a>	William A. Davis Clinic	St. Paul	VA-Russell	VA	4/5/2011	5/3/2011

## 3. 28 days

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- Submit Form 465 as early as possible after window opens
  - Allow time to review bids
  - Allow time before start of fund year to ensure full year of funding

## 4. Evergreen Contracts

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### What is an Evergreen Contract?

- An “evergreen” contract is a valid contract that has been reviewed and endorsed by USAC
- HCPs with evergreen contracts are not required to post a Form 465 or re-bid for those services for the life of the contract

## 4. Evergreen Contracts

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### What Makes a Contract “Evergreen?”

- Contains two authorized signatures (HCP and SP)
- Contract is dated (after the Allowable Contract Selection Date – i.e. after the 28 days)
- Contract specifies the service type(s), terms, and cost of service(s)
- Identifies (all) HCP location(s) within the contract
- Contract is submitted and reviewed by USAC
  - USAC will notify applicants whether the contract is endorsed as evergreen, month-to-month, or neither

## 4. Evergreen Contracts

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### **Important Considerations for HCPs:**

- Your contract must be reviewed and deemed to be evergreen by USAC; otherwise, you **MUST** post a Form 465 each year
- If you receive notification that you have an evergreen contract, you should list the contract end date on Line 29 so that service providers know when to contact you to bid on upcoming service needs, whether it is during the current funding year or future fund years
- If services or contract terms change in any way, HCPs must post a new Form 465 and go through the competitive bidding process again

## 4. Evergreen Contracts

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### **Important Considerations for Service Providers:**

- Contracts cannot be deemed evergreen without review and approval by USAC
  - If you are the current service provider and the contract has not been endorsed as evergreen, the HCP must re-bid the following fund year – even if you have a signed contract
  - HCPs must entertain bids from service providers if their contract has not been deemed evergreen by USAC
  - Service providers may seek to confirm that the HCP has an evergreen contract endorsed by USAC

## Reminders...

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- Submit the Form 465 early (window opens between March and April) to ensure a full year of funding
- Avoid submitting incomplete/inaccurate forms and documentation
- Make sure you're aware of the ACSD – contact RHC if you're uncertain *before* entering into a service agreement
- Do not assume a contract is evergreen without formal RHC confirmation
  - First time applicants with an existing contract should call the RHC Customer Support Center (1.800.229.5476)

## Reminders...

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### Keep documentation and contact information for audit

#### **purposes:**

- If audited, an HCP must be able to produce decision-making records for up to five years after the end of the funding year
- A service provider must provide documentation for five years after the end of service
- The inability to locate documentation and demonstrate fair and open competitive bidding could result in the requirement to return funds

## Reminders. . .

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### **Keep documentation and contact information for audit**

#### **purposes:**

- Important documentation related to competitive bidding includes anything that would help an auditor retrace your steps in how you made your decision
  - Scoring tools/matrix
  - E-mails
  - Copy of RFP
  - Phone log



## Contact Information

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### Customer Support Center

(800) 229-5476

[Rhc-Admin@usac.org](mailto:Rhc-Admin@usac.org)