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For Immediate Release

**FCC ENABLES ALASKA CARRIER TO RECEIVE
\$78M IN RURAL HEALTH CARE FUNDING**

*Supports Delivery of Critical Telemedicine Services to Rural Alaskans
While Promoting Fiscal Responsibility and Regulatory Certainty*

WASHINGTON, October 10, 2018—The Federal Communications Commission’s Wireline Competition Bureau has approved key rates for a major Alaska telecommunications carrier participating in the FCC’s Rural Health Care (RHC) Program. The Bureau’s approval will help rural health care providers in the state afford the connectivity they need to deliver critical telemedicine services, while promoting fiscally responsible administration of the Program.

The \$581 million RHC Program includes the Telecom Program, which is designed to ensure that rural health care providers do not have to pay more for telecommunications services than their urban counterparts. The Telecom Program thus enables participating rural health care providers to pay only the (typically lower) urban rate for such services, while paying participating carriers the difference between the urban rate and the (typically higher) rural rate. Carriers in Alaska receive over half of all funding from the Telecom Program, reflecting the importance of telecommunications services for the delivery of high-quality health care to the many remote areas of the state.

In recent years, the FCC found that two non-Alaska carriers apparently falsified documentation to inflate their rural rates—and in turn, boost their payments from the Program. The FCC proposed fines against these carriers totaling nearly \$40 million. And as a result of these investigations, the FCC’s Wireline Competition Bureau and the RHC Program administrator have taken steps to ensure that *every* carrier is following Program rules—rules that, if enforced, stretch scarce taxpayer dollars as far as possible to benefit rural patients. These steps included issuing numerous carriers across the country basic information requests, asking them to substantiate the rural rates in their funding year (FY) 2017 requests.

Among the carriers that received an information request was one of the largest carriers in Alaska, GCI Communications Corp. (GCI). As a result of this particular inquiry, the Bureau has determined that GCI has now provided sufficient information to justify \$77.8 million in RHC funding for FY 2017, a 26% reduction from the \$105 million originally sought.

Critically, this fiscally responsible determination will not require participating rural health care providers in Alaska to pay more for their telecommunications services or risk losing those services. By law, telecommunications carriers cannot cut off or deny service to existing rural health care provider customers for failure to pay a rate higher than the urban rate.

Moreover, the methodology outlined in the Bureau’s approval letter will provide additional regulatory certainty and thus support continued investment in technologies that support

telemedicine in communities across Alaska.

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