

October 30, 1998

By Hand Delivery

Ms. Magalie R. Salas, Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: First Quarter 1999 Projected Demand and Expenses for
the Rural Health Care Universal Service Support Program

Dear Ms. Salas:

In accordance with 47 C.F.R. § 54.709(a)(3), enclosed are the original and four (4) copies of First Quarter 1999 Projected Demand and Expenses for the Rural Health Care Universal Service Support Program. Please direct any inquiries concerning this filing to the undersigned.

Acknowledgment and date of receipt of this letter is requested. A duplicate copy has been provided for that purpose.

Very truly yours,

Lee E. Bailey
President

Enclosures

cc: Sanford Greenberg
Jay Sanders
Isiah Lineberry
Kevin Hess
Mark Weiss

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

**First Quarter 1999 Projected Demand and Expenses for
the Rural Health Care Universal Service Support Program**

In accordance with Section 54.709(a)(3) of the Commission's rules, the Rural Health Care Corporation ("RHCC") hereby submits this filing outlining RHCC's projections of demand and expenses for the rural health care universal service support program for the first quarter of 1999. See 47 C.F.R. § 54.709(a)(3).

RHCC expenses and interest income for the first quarter of 1999 are estimated to be as set forth in Exhibit A hereto.

RHCC has limited data to use in predicting the demand for universal service support funds during the first quarter of next year. To date, RHCC has received over 2,500 initial application for support. However, due to current program requirements, as set forth by the FCC, few of these applicants will receive support. In addition, RHCC has requested that its current 1998 calendar year be extended by six months to June 30, 1999, and allow rural health care providers to receive retroactive support during the additional 6-month period.

If RHCC's year is not extended, RHCC estimates no more than \$2 million will be necessary to fund the completed applications for the first quarter of 1999. If the 1998 funding year is extended by 6 months, no more than \$4 million will be needed.

RHCC requests that no additional contributions be collected during the first quarter of 1999 for this program.

Pursuant to the Commission's rules, the next budget filing on behalf of RHCC will be on or before January 30, 1999. See 47 C.F.R. § 69.620(b). That filing will project demand and expenses for the rural health care universal service support program for the second quarter of 1999.

Respectfully submitted,

RURAL HEALTH CARE CORPORATION

By:

Lee E. Bailey, President
Rural Health Care Corporation
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Washington, D.C. 20037
(202) 861-2665

October 30, 1998

Rural Health Care Corporation
First Quarter 1999 Budget Estimate
(Amounts in thousands)

Compensation & Benefits		\$150
Personnel Expenses	34	
Travel	10	
Banking Fees	2	
Board Expenses		4
Insurance		20
External Audit		20
Taxes		5
Bulk Mailings		3
Space Costs		21
Legal Fees		15
Outreach Efforts		200
Outsourcing (Web Site, Application Processing, Applicant Assistance)		<u>\$620</u>
Total		<u><u>\$1104</u></u>
		<u>First Quarter</u>
General Administrative and Processing	\$1104	
Expenses from USAC	252	
Interest Income RHCC		<u>(1024)</u>
Total		<u><u>332</u></u>
Program Collection	0	
Administrative Expenses		(332)
Funds Available for Program		(332)

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served this 30st day of October 1998, by hand delivery, to the persons listed below.

By: _____

Lee E. Bailey

The following parties were served:

Magalie R. Salas Secretary Federal Communications Commission 1919 M Street, N.W., Room 222 Washington, D.C. 20554 (Original and four copies)	Maryanne McCormick Common Carrier Bureau Federal Communications Commission 2100 M Street, N.W. - 8th floor Washington, D.C. 20554
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