March 16, 2018

Ex Parte

Ms. Marlene H. Dortch Secretary

Federal Communications Commission

445 12th Street, SW Washington, DC 20554

Re: Connect America Fund – Alaska Plan, WC Docket No. 16-271

Connect America Fund, WC Docket No. 10-90

Universal Service Reform, WT Docket No. 10-208

Dear Ms. Dortch:

On March15, 2018, Tom Brady, Chuck Schumann, and Alexander Schumann all associated with Pacific Dataport and Bruce Kraselsky, Space Partnership met with Rachael Bender of the Chairman’s office.

In the meeting, we reviewed the document below outlining the cost of meeting Alaska Plan broadband requirements.

Respectfully submitted,

Tom Brady

Rural Alaska Broadband

Is $1.5 Billion Enough?

*"Too often, regulatory barriers make it harder and more expensive to build out broadband than it needs to be -- to the detriment of American consumers." Ajit Pai*

1. The Alaska Plan Broadband Requirement

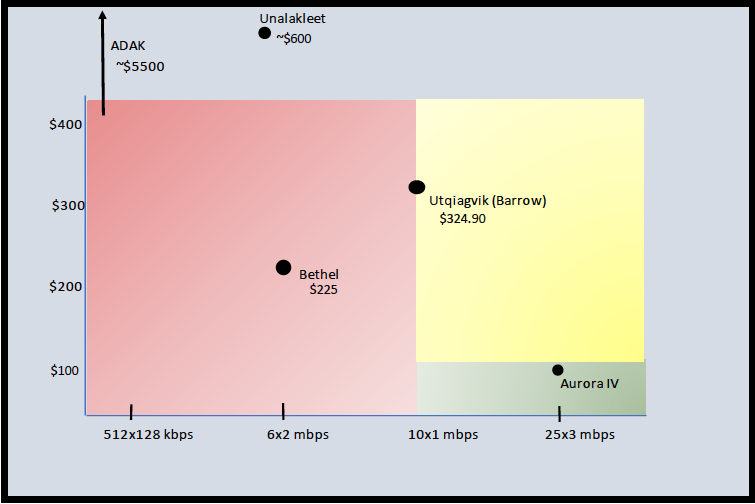
Speed—10x1 Mbps

Capacity—150GB

Price--$99.90/month

Latency--<100ms

1. Where is the market today?



1. Why is it so expensive?

Old satellite technology

<100ms means terrestrial--$100,000,000 for every 1000 miles

Terra--$350M for 3100 miles and 6 Gbps

Quintillion--$250M for ~2000 miles

Low latency costs >$225 more per subscriber/month than target price

For 60,000 rural subscribers--$162,000,000/year

1. Is there an alternative?

Ka HTS capacity forecast price is ~$250/Mbps

Aurora IV regional Ka HTS can approach this price point

Current terrestrial price point is >$1100/Mbps

1. What’s the problem?

Low Latency is imposed as a “regulatory” requirement in Alaska Plan

Ka HTS is not considered an acceptable middle mile solution

1. From this list of 4 attributes of internet service, if you were asked to pick the 3 most important, which ones would you pick?

Speed

Capacity

Price

Latency

1. The Commission should clarify that the primary objective of the Alaska Plan is to meet the speed, capacity, and price performance baseline. Low latency should only be a requirement when it can be provided without compromising any of the other three.