



September 12, 2018

**BY ELECTRONIC FILING**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: The Uniendo a Puerto Rico Fund and the Connect USVI Fund, Connect America Fund, ETC Annual Reports and Certification, WC Docket Nos. 18-143, 10-90, and 14-58**

Dear Ms. Dortch:

On September 12, 2018, Hughes Network Systems, LLC ("Hughes") met with staff from the Wireline Competition Bureau and the International Bureau to discuss concerns regarding the design of the proposed allocations of universal service funding through the Uniendo a Puerto Rico Fund and the Connect USVI Fund in the above-referenced proceeding. Hughes was represented by Jennifer A. Manner, Senior Vice President, Regulatory Affairs and Jodi Goldberg, Associate Corporate Counsel, Regulatory Affairs. Hughes met with Alexander Minard, Rebekah Douglas, and Christian Hoeffly, all of the Wireline Competition Bureau, as well as Kerry Murray of the International Bureau.

In the meeting the parties discussed the attached talking points, explaining Hughes' concerns with the proposed structure for the allocation of universal service funds to restore and expand broadband service in Puerto Rico and the U.S. Virgin Islands, which would exclude from participation currently operational, resilient broadband services. The talking points were distributed to the attendees.

Pursuant to the Commission's rules, this notice is being filed in the above-referenced dockets for inclusion in the public record. Please contact me should you have any questions.

Respectfully submitted,

*/s/ Jodi Goldberg*

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Attachment

cc: Alexander Minard  
Rebekah Douglas  
Christian Hoefly  
Kerry Murray



**The Uniendo a Puerto Rico Fund and the Connect USVI Fund**  
September 2018

- **The Commission Must Not Establish Arbitrary Barriers for Service Providers to Participate in the PR/USVI Fund**
  - By selecting the June 2017 Form 477 data submission as the determinant of which companies can participate in this USF proceeding the Commission arbitrarily excludes satellite operators from participation.
  - The cut-off date excludes satellite operators despite satellite operators already having demonstrated their ability to “expand service as quickly as possible,” through the launch of initial services and sustained operations before and during the hurricanes, thus assuaging the Commission’s stated reason for imposing the cutoff date in the first place.
  - The Commission should modify the cutoff date to require that eligible providers have a demonstrated record of providing the service being bid prior to June 13, 2018, the date this proceeding was initiated.
- **The Commission Must Be Technology Neutral and Enable the Use of Resilient Technologies to Bring Broadband Services to Puerto Rico and the U.S. Virgin Islands**
  - The Commission’s proposed 100 millisecond latency performance requirement excludes many spectrum-based operators from participating in the USF proceeding without providing any real-world justification even when most heavy-use, broadband-enabled applications are not latency sensitive.
  - Per agreed upon International Telecommunication Union recommendations, latency values seen over satellite links are acceptable for most applications, including latency up to 400 milliseconds (from mouth to ear) for voice service; windowing, proxies, and other schemes for video streaming performance; and caching, compression, and other mechanisms for accelerating browsing.<sup>1</sup>
- **The Commission Must Not Fall Back to Unproven Subjective Means to Award Universal Service Funding.**
  - Reverting to subjective procedures to award USF funds opens the door to potential reviewer bias. The need for expediency should not diminish the need for transparency and objectivity when addressing access to funding as expediency alone is not a sufficient basis to diverge from 30 years of USF precedent.

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<sup>1</sup> ITU-T Recommendation G.114: One-way transmission time (May 2003).

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- Competitive bidding structures can ensure that funds will be awarded on a technology neutral basis, with no overseer bias.
- As part of the scoring, factors such as resiliency, timing of deployment, and cost per location, can be included to ensure that Commission priorities on deployment and expansion of broadband networks are met.
- **By removing arbitrary barriers to participation and reverting to a competitive bidding structure, the Commission will be better able to ensure that USF funds are efficiently and effectively utilized to deploy resilient broadband networks in Puerto Rico and the U.S. Virgin Islands.**