



November 2, 2017

**BY ELECTRONIC FILING**

Ms. Marlene Dortch, Secretary  
Federal Communications Commission  
455 12<sup>th</sup> Street SW  
Washington DC 20554

**Re: *Modernizing the FCC Form 477 Data Program, WC Docket 11-10***

Dear Ms. Dortch:

On November 1, 2017, Hughes Network Systems, LLC (“Hughes”) met with members of the Wireline Competition Bureau (“WCB”), the Wireless Telecommunications Bureau (“WTB”), and the International Bureau (“IB”) to discuss the Hughes filing 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. Representatives of the WCB included Kirk Burgee, Steve Rosenberg, and Ken Lynch; representatives of the IB included Jose Albuquerque, Kerry Murray, Denise Coca, Gabrielle Kim, Chip Fleming, and Jim Schlichting; and Paroma Sanyal represented the WTB.

In the meeting, Hughes discussed the attached talking points, including reiterating its position that the Commission should adopt uniform reporting blocks for all broadband reporting documents to reduce the burden on reporting entities; that the Commission should maintain its data aggregation practices when disseminating subscriber data to the public; and that the Form 477 collections should be reduced in frequency to an annual filing.

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

Respectfully,

*/s/ Jodi Goldberg*

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## Attachments

cc: Kirk Burgee  
Steve Rosenberg  
Jose Albuquerque  
Chip Fleming  
Kerry Murray  
Jim Schlichting  
Gabrielle Kim  
Denise Coca  
Ken Lynch  
Paroma Sanyal

## **ENSURING A BALANCED AND MODERNIZED APPROACH TO FORM 477 DATA COLLECTIONS FOR SATELLITE BROADBAND PROVIDERS**

### ***Modernizing the FCC Form 477 Data Program, WC Docket 11-10***

**November 2017**

- Hughes Network Systems, LLC (“Hughes”) is the largest provider of satellite broadband services in the United States and globally, serving over one million subscribers in North America, including those in rural, remote, and tribal areas.
- In March 2017, Hughes began providing its HughesNet Gen5 service, offering Federal Communications Commission (“Commission”)-defined broadband speeds of 25/3 mbps for residential users, and higher for enterprise users, throughout the continental United States, Puerto Rico, and Southeastern Alaska. In its first four months of service, HughesNet Gen5 has surpassed 200,000 subscribers, and continues to increase subscribership daily.<sup>1</sup>
- Hughes has pending a Commission application for authority to construct, launch, and operate its next-generation satellite, HNS 95W (Jupiter 3), to provide state-of-the-art satellite broadband services to consumers across the United States.<sup>2</sup> Construction has begun, and launch is planned for early 2021.<sup>3</sup>
- Hughes supports the Commission’s efforts to update the Form 477 data program to reflect the balance between generating an inclusive data set required to inform policy decisions and the needs of service providers operating in a competitive marketplace. Adoption of satellite industry-specific reporting requirements, as well as maintaining aggregation of subscriber data, and reducing the frequency of collections, will assist in achieving this balance.

### ***Adoption of Larger Census Regions for Satellite-Specific Reporting Would Capture the Ubiquitous Nature of Satellite Broadband Coverage While Obtaining More Detailed Disclosures than Current Abbreviated Filing Methods.***

- Geostationary orbit satellites provide wide-area coverage of multiple census blocks, allowing some operators to provide ubiquitous, uniform service across the contiguous states. This led the Commission to adopt abbreviated filing mechanisms for satellite operators who provide service in this manner.

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<sup>1</sup> EchoStar Corporation Q2 Earnings Call, (August 9, 2017).

<sup>2</sup> Hughes Network Systems, LLC Application for Satellite Space Station Authorizations, IBFS File No. SAT-LOA-20170621-00092.

<sup>3</sup> Press release: “Hughes Selects Space Systems Loral to Build Next-Generation Ultra High Density Satellite” (August 9, 2017), available at: <http://ir.echostar.com/news-releases/news-release-details/hughes-selects-space-systems-loral-build-next-generation-ultra>

- In order to meet the Commission’s goal of obtaining greater granularity of data, the Commission should adopt the Census Regions (Northeast, Midwest, South, and West) that it already employs in the Measuring Broadband America Report as the reporting blocks. These reporting blocks are appropriately sized for data reporting that reflects the ubiquitous nature of satellite service coverage, while also providing more granular information on a regional basis.

***The Benefits of Releasing Disaggregated Subscriber Data are Outweighed by the Competitive Risks to Companies in Limited-Participant Markets.***

- The disaggregation of subscriber data does not provide consumers with any meaningful insight into the quality, availability, or affordability of the services being offered in a sample block. Disaggregation of data requires consumers to presuppose that another consumer, when given a choice, will always choose the highest speed, greatest capacity, and lowest latency package available. However, empirical data into consumer purchasing patterns does not support this premise.<sup>4</sup>
- More importantly, disaggregation of subscriber data runs the risk of causing substantial harm to companies in limited-competitor markets, such as telecommunications. Release of disaggregated subscriber data serves only to allow service operators to undercut their competitors in particular markets.
- Disaggregating and releasing older subscriber data is also detrimental to service providers with no offsetting benefit to consumers. New and upgraded services are dependent on the deployment of infrastructure, leaving prices and packages relatively fixed in an area for periods of time until such deployments are rolled out. As such, the same market vulnerabilities relating to disaggregation of subscriber data will continue to apply at least for as long as it takes to deploy the new infrastructure, at which time the disaggregated subscriber data being described in the FNPRM will be antiquated and of no empirical value to the consumer decision-maker.

***Form 477 Reporting Obligations Should be Fulfilled on an Annual Basis.***

- An important Commission objective of Form 477 reporting is to obtain as detailed and timely a disclosure as possible without causing undue administrative burdens on reporting service providers. Reducing the reporting requirement from twice to once a year decreases the burden on reporting entities and permits them to collect more detailed and accurate information.

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<sup>4</sup> See e.g. Yu-Hsin Liu, Jeffrey Prince, and Scott Wallsten, “Distinguishing Bandwidth and Latency in Households’ Willingness-to-Pay for Broadband Internet Speed,” Technology Policy Institute (Aug. 2017), available at <https://techpolicyinstitute.org/wp-content/uploads/2017/08/Distinguishing-Bandwidth-and-Latency-in-Households-Willingness-to-Pay-for.pdf>; See also Andre Boik, “The Economics of Universal Service: An Analysis of Entry Subsidies for High Speed Broadband,” Information and Economics Policy (Revised: January 17, 2017), available at: <http://www.sciencedirect.com/science/article/pii/S0167624517300689?via%3Dihub>.

***Modernization of the Form 477 Program is in the Public Interest as it Will Ensure Accurate Reporting in the A Timely and Efficient Manner While Reducing Administrative Burdens on Reporting Service Providers***

- The Commission can balance the increased granularity of Form 477 data collections with the need to protect service providers from undue burdens by adopting Census Region reporting blocks, maintaining data aggregation, and reducing the frequency of collections to once per year.