



December 28, 2018

Via ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Subject: *Ex Parte Filing and Request for Confidential Treatment
Petitions for Reconsideration of CAF-II Metrics Order (WC Docket No. 10-90)
CONFIDENTIAL – REDACTED*

Dear Ms. Dortch:

To further elaborate on a point made in Hughes Network Systems, LLC's ("Hughes") reply to the oppositions to its Petition for Clarification or, in the alternative, Reconsideration in the above-captioned proceeding, Hughes herein provides additional information regarding its consumer voice over Internet protocol ("VoIP") product.

Request for Confidential Treatment

The subscriber count provided below for Hughes's VoIP product is confidential commercial information not routinely available for public inspection,¹ and Hughes hereby requests that this information not be publicly disclosed. The following showing is hereby made per Section 0.459(b) of the Commission's Rules.² The number of VoIP subscribers that Hughes serves is commercially and financially sensitive because it reflects Hughes's competitive position in the market. The voice market generally, and the interconnected VoIP market in particular, is highly competitive,³ and disclosure of this information would result in competitive harm because it would provide competitors with insight into Hughes's position in the market and could enable competitors to compete more effectively against Hughes. The Commission has recognized that company-specific subscriber numbers are competitively sensitive and should be kept confidential.⁴ Hughes does not make its number of voice subscribers publicly available, and individuals within the company with access to this information are required to protect it from unauthorized disclosure.⁵ This information

¹ See 47 C.F.R. § 0.457(d).

² See 47 C.F.R. § 0.459(b).

³ For example, Commission data show that, as of June 2017, a total of 1,078 companies reported serving interconnected VoIP subscribers. *Voice Telephone Services: Status as of June 30, 2017* at 10, Table 2 (WCB IATD 2018).

⁴ See, e.g., *Modernizing the FCC Form 477 Data Program*, Further Notice of Proposed Rulemaking, 32 FCC Rcd 6329, 6347-48 ¶¶ 53-55 (2017).

⁵ For example, while the Securities and Exchange Commission filings of Hughes's parent companies, EchoStar Corporation and Hughes Satellite Systems, disclose nationwide broadband subscribers, they do

is not available to the public and has not been made available to third parties except for legal counsel and entities such as billing contractors who are subject to nondisclosure obligations. Hughes requests that this material be protected for as long as it remains competitively relevant, which Hughes expects would be a period of not less than two years.

Interconnected VoIP Subscriber Information

Hughes began providing retail interconnected VoIP service in April 2013 and serves [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] subscribers.

This number of VoIP subscribers reflects customers who have chosen to use Hughes's voice service. Unlike some broadband providers, Hughes does not offer bundled packages that encourage customers to take VoIP service whether or not they intend to use it. Hughes's retail VoIP service is available only as a separately priced add-on to its broadband service, at an additional monthly cost of \$24.95 - \$29.95 (depending on promotions).⁶ Thus, Hughes's voice subscription figure reflects the number of customers who have made a conscious choice to purchase and use Hughes' satellite-based VoIP product.

Please direct any questions regarding this filing to the undersigned.

Sincerely,

/s/
Jennifer A. Manner
Senior Vice President, Regulatory Affairs
Hughes Network Systems, LLC
(301) 428 5893

cc: Rodger Woock
Suzanne Yelen
Cathy Zima
Alec MacDonell
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Stephen Wang

not disclose VoIP subscriptions. See generally EchoStar, SEC Filings, <http://ir.echostar.com/financial-information/sec-filings-hughes>.

⁶ See "HughesNet Voice," <https://www.hughesnet.com/get-started/hughesnet-voice>.