555 Eleventh Street, N.W., Suite 1000
Washington, D.C. 20004-1304
Tel: +1.202.637.2200 Fax: +1.202.637.2201
www.lw.com

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VIA ELECTRONIC FILING

August 23, 2010

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of *Ex Parte* Presentation

ViaSat, Inc. and WildBlue Communications, Inc.
GN Docket No. 09-51; WC Docket No. 10-90; WC Docket No. 05-337

Dear Ms. Dortch:

On August 20, 2010, Mark Dankberg, Tom Moore, and Lisa Scalpone of ViaSat, Inc. and WildBlue Communications, Inc. ("ViaSat"), and the undersigned, outside counsel to ViaSat, met with the Commission staff identified below. The presentation attached hereto and ViaSat's positions of record formed the basis for the discussion.

Please contact the undersigned should you have any questions.

Respectfully submitted,

/s/ John P. Janka
John P. Janka

Counsel for ViaSat, Inc.

Enc.

cc: Randy Clarke
Sharon Gillett
Jennifer Gilsenan
Rebekah Goodheart
Patrick Halley
Katie King
Al Lewis
Ruth Milkman
Rod Porter
Steve Rosenberg
Jim Schlichting
Marilyn Simon

ViaSat

Universal Services Reform
Connect America Fund

CONNECTING
AMERICA:
THE NATIONAL
BROADBAND PLAN

Key Points

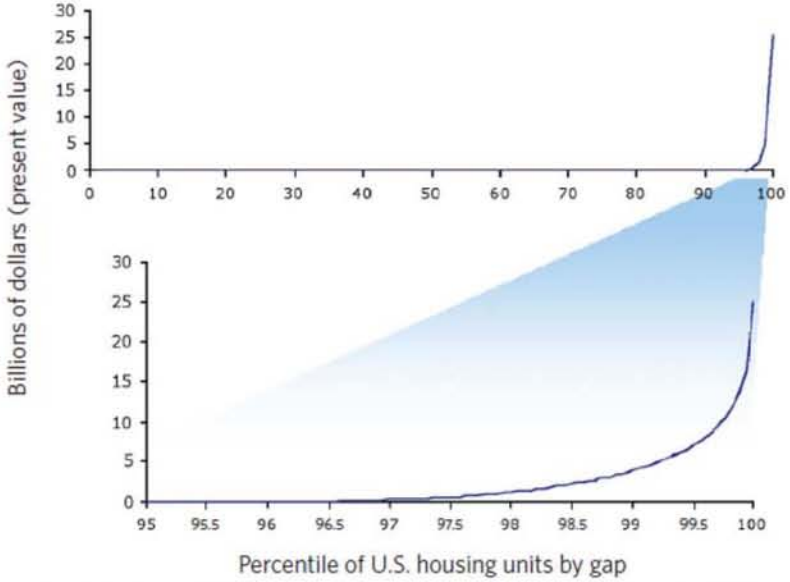
- Satellite is a key part of broadband universal service
- We plan on timely, sufficient & competitively priced satellite capacity
- Competition is critical for effective universal service
- ViaSat desires to compete to be a universal service provider
- We can provide telephone service if required
- The specific rules will have a big impact on:
  - The quality of services available to consumers
  - The level of competition
  - The cost effectiveness of the program

Satellite Technology Role

- **Compelling impact on total universal service costs**
- **Question of degree**

Exhibit 8-C:
The Most Expensive Unserved Housing Units Represent a Disproportionate Share of the Total Gap[16]

Broadband Availability Gap, by percent of U.S. housing units served



Federal Communications Commission – National Broadband Plan, March, 2010, page 138

Satellite Service

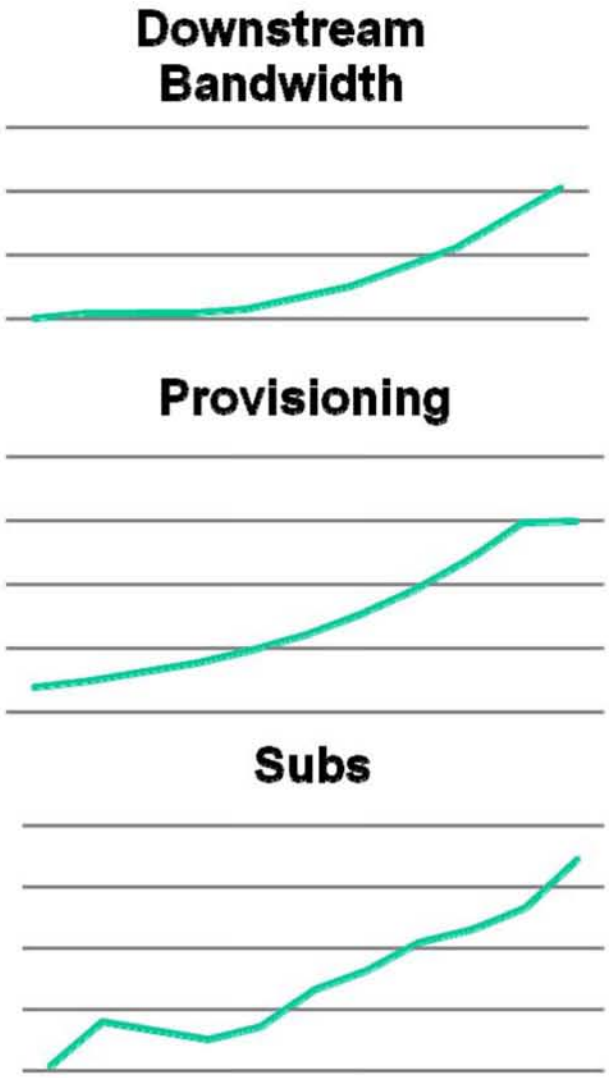
ViaSat

- **NBP recognizes satellite can serve *any* household.**
- **NBP asks, "Is there enough capacity"?**
- **Role of satellite depends on the specific disbursement mechanism.**

> First, the gap was calculated based on the economics of terrestrial technologies only, although a variety of technologies and architectures were considered. While satellite is capable of delivering speeds that meet the National Broadband Availability Target,[12] satellite capacity can meet only a small portion of broadband demand in unserved areas for the foreseeable future.[13] Satellite has the advantage of being both ubiquitous and having a geographically independent cost structure, making it particularly well suited to serve high-cost, low-density areas. However, while satellite can serve *any* given household, satellite capacity does not appear sufficient to serve *every* unserved household. In addition, the exact role of satellite-based broadband and its impact on the total cost of universalizing access to broadband depends on the specific disbursement mechanism used to close the broadband availability gap.

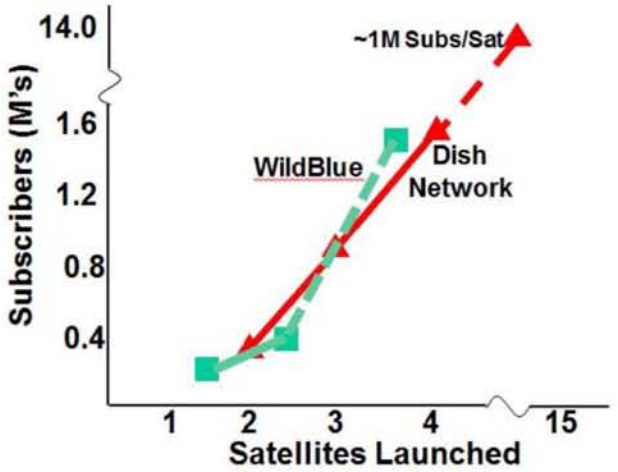
Federal Communications Commission – National Broadband Plan, March, 2010, page 137

Sufficient Capacity



- Planning
- Unit capacity
- Lead time
- Flexibility
- 4 Mbps example

Scaling Comparable To Satellite TV



Satellite Leverage

ViaSat

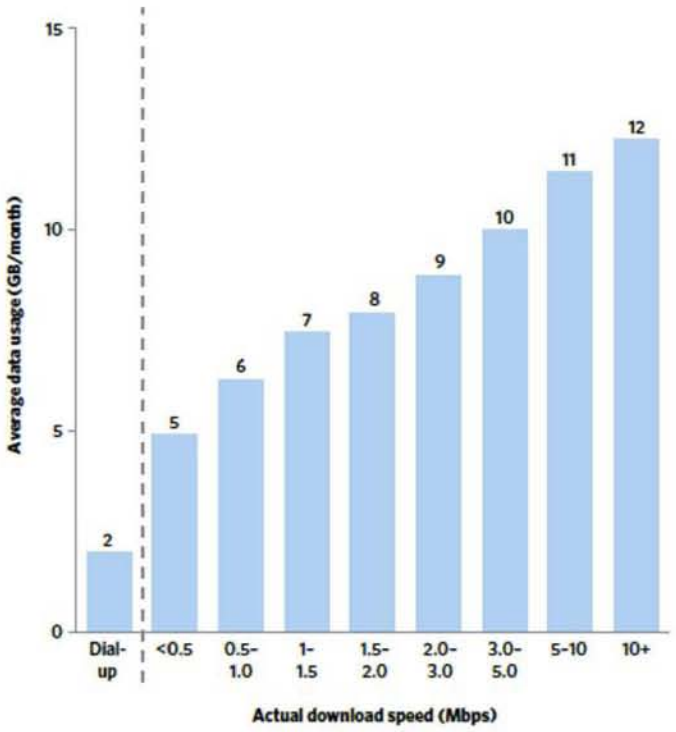
- Satellite not limited by per user link speed.
- So, each additional satellite DOUBLES offered speed for every subscriber!
  - Or same effect for fewer subs on same number of satellites
- 10+ Mbps readily achievable

OBI TECHNICAL PAPER NO. 4

BROADBAND PERFORMANCE

OBI TECHNICAL PAPER NO. 4

Exhibit 6:
Average Data Usage (GB per month), by Actual Download Speed of Connection (Mbps) (1H 2009)



Include Telephony

- Multiple options
- Satellite & terrestrial
- Allow partnerships
- ViaSat willing & able to provide high-quality voice
- Hybrid satellite-terrestrial common for enterprise
- High-volume broadband is the driver

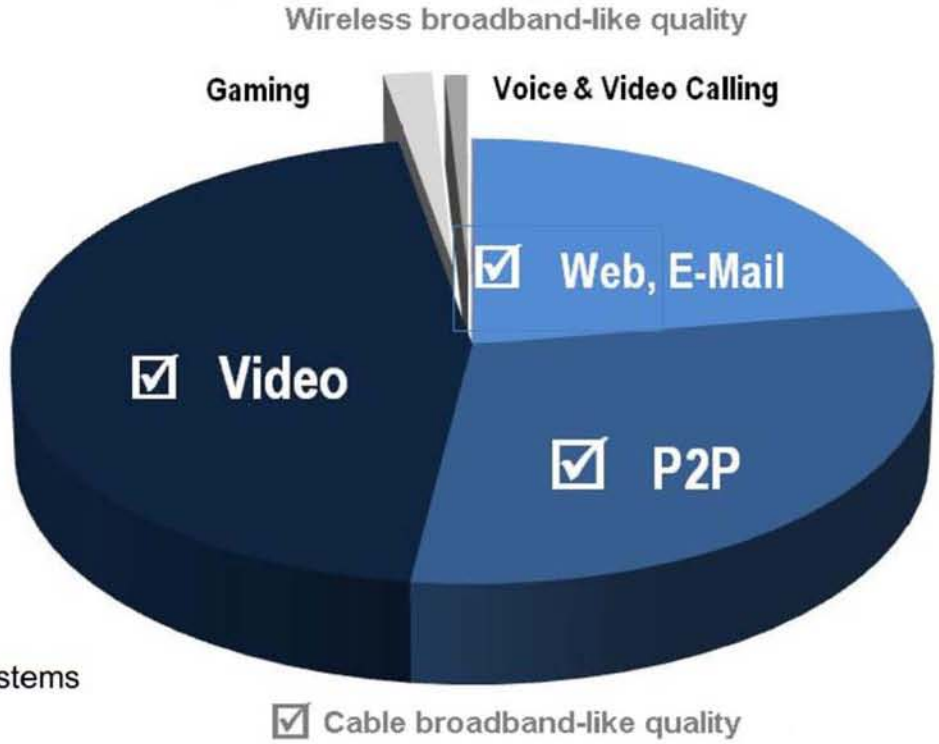
> *CAF should only provide funding in geographic areas where there is no private sector business case to provide broadband and high-quality voice-grade service.*[69] CAF support levels should be based on what is necessary to induce a private firm to serve an area. Support should be based on the net gap (*i.e.*, forward looking costs less revenues).[70] Those costs

Federal Communications Commission – National Broadband Plan, March, 2010, page 145

Speed vs. Latency Trade-Offs

ViaSat

Broadband Usage by Application



Source: Cisco Systems

- Many popular applications benefits from faster speed
- Very few "break" due to latency
- Overwhelming volume of data is speed sensitive vs. latency
- Potential for hybrid service offerings

Speed can trump latency

- "Imperfect" vs. "Impossible"
- 2-way HD video conference
- 3D HD video streaming
- Multiple video streams per home
- Local town hall HD video conference / meetings
- Competition is critical to higher speed for universal service
- Satellite can help raise the bar

Competition

ViaSat

- **Technology & company agnostic**
- **Satellite providers can meet requirements (especially with hybrids)**
- **Market efficient pricing**
- **One per geographic area (or augment with subscriber choice)**

RECOMMENDATION 8.2: The FCC should create the Connect America Fund (CAF).

- *The eligibility criteria for obtaining support from CAF should be company- and technology-agnostic so long as the service provided meets the specifications set by the FCC.* Support should be available to both incumbent and competitive telephone companies (whether classified today as "rural" or "non-rural"), fixed and mobile wireless providers, satellite providers and other broadband providers, consistent with statutory requirements.[78] Any broadband provider that can meet or exceed the specifications set by the FCC should be eligible to receive support.

- *The FCC should identify ways to drive funding to efficient levels, including market-based mechanisms where appropriate, to determine the firms that will receive CAF support and the amount of support they will receive.*[79] If enough carriers compete for support in a given area and the mechanism is properly designed, the market should help identify the provider that will serve the area at the lowest cost.

- *There should be at most one subsidized provider of broadband per geographic area.*[77] Areas with extremely low population density are typically unprofitable for even a single operator to serve and often face a significant broadband availability gap. Subsidizing duplicate, competing networks in such areas where there is no sustainable business case would impose significant burdens on the USF and, ultimately, on the consumers who contribute to the USF.

Federal Communications Commission – National Broadband Plan, March, 2010, page 145

Competition

ViaSat

- Lower costs at comparable speeds
- Higher speeds than otherwise possible
- Higher speeds at comparable cost
- Unique services
  - On demand super high speeds (50 – 100 Mbps)

4.1 NETWORKS

Competition in Residential Broadband Markets

Competition is crucial for promoting consumer welfare and spurring innovation and investment in broadband access networks. Competition provides consumers the benefits of choice, better service and lower prices. This section begins by analyzing the available data to assess the current state of competition among wireline broadband services and mobile wireless broadband services, and the competitive dynamics across different broadband technologies. It does not analyze the market power of specific companies or reach definitive conclusions about the current state of competition for residential broadband services. The section then discusses how new technologies and network upgrades present both opportunities and challenges to competition in the near future. It concludes with several recommendations to promote competition and to improve the data the government collects to assess the state of competition in broadband markets in the future.

Federal Communications Commission – National Broadband Plan, March, 2010, page 36

Market Mechanisms

- Can include reverse auctions
- Allow satellite providers to resell or partner with terrestrial where appropriate
- Proposed legislation precludes direct satellite participation
- Consider different, smaller, or even individual partitions of geographic regions than current USF
- Eliminate support where effective competition exists

Key Points

- Satellite is critical for broadband universal service
- We plan on timely, sufficient & competitively priced satellite capacity
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