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August 23, 2010

BY ELECTRONIC POSTING

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

Re: Ex Parte Submission in WC Docket No. 10-90, GN Docket No. 09-51 and WC Docket No. 05-337

Dear Ms. Dortch:

On August 20, 2010, representatives of Hughes Network Systems, LLC ("Hughes") met with representatives of the Commission's Wireline Competition Bureau ("WCB"), Wireless Telecommunications Bureau ("WTB"), International Bureau ("IB"), and Office of Strategic Planning and Analysis ("OSP") to discuss matters relating to the Commission rulemaking proceedings and inquiries referenced above. The Commission participants were Jim Schlichting (WTB), Don Stockdale (WCB), Al Lewis (WCB), Rebekah Goodheart (WCB), Rohit Dixit (OSP), Steve Rosenberg (WCB), Jane Jackson (WTB), Margaret Wiener (WTB), Eric Ralph (WCB), Katie King (WCB), Marilyn Simon (IB), Richard Lerner (IB), Roderick Porter (IB), and Patrick Halley (WCB). Hughes was represented by Dean A. Manson, Senior Vice President, General Counsel, and Secretary; Martin L. Stern of K&L Gates LLP; and Stephen D. Baruch of Lerman Senter PLLC.

The participants discussed in detail the evolution and growth of Hughes's broadband satellite technology and the characteristics of Hughes's present and forthcoming broadband satellite service offerings as they relate to the Connect America Fund and Universal Service Fund proceedings referenced above. Hughes offered comments, observations, and positions that are consistent with Hughes's July 12, 2010 Comments in WC Docket No. 10-90, *et al*, and provided the presentation materials contained in the Attachment to the Commission participants.

Please direct any questions concerning this submission to me.

Respectfully submitted,

Stephen D. Baruch
Attorney for Hughes Network Systems, LLC

Attachments
cc (by E-Mail w/Att): Jim Schlichting (WTB)
Don Stockdale (WCB)
Al Lewis (WCB/PPD)
Rebekah Goodheart (WCB)
Rohit Dixit (OSP)
Steve Rosenberg (WCB)
Jane Jackson (WTB)
Margaret Wiener (WTB)
Eric Ralph (WCB)
Katie King (WCB)
Marilyn Simon (IB)
Richard Lerner (IB)
Roderick Porter (IB)
Patrick Halley (WCB)

ATTACHMENT

Presentation to Federal Communications Commission

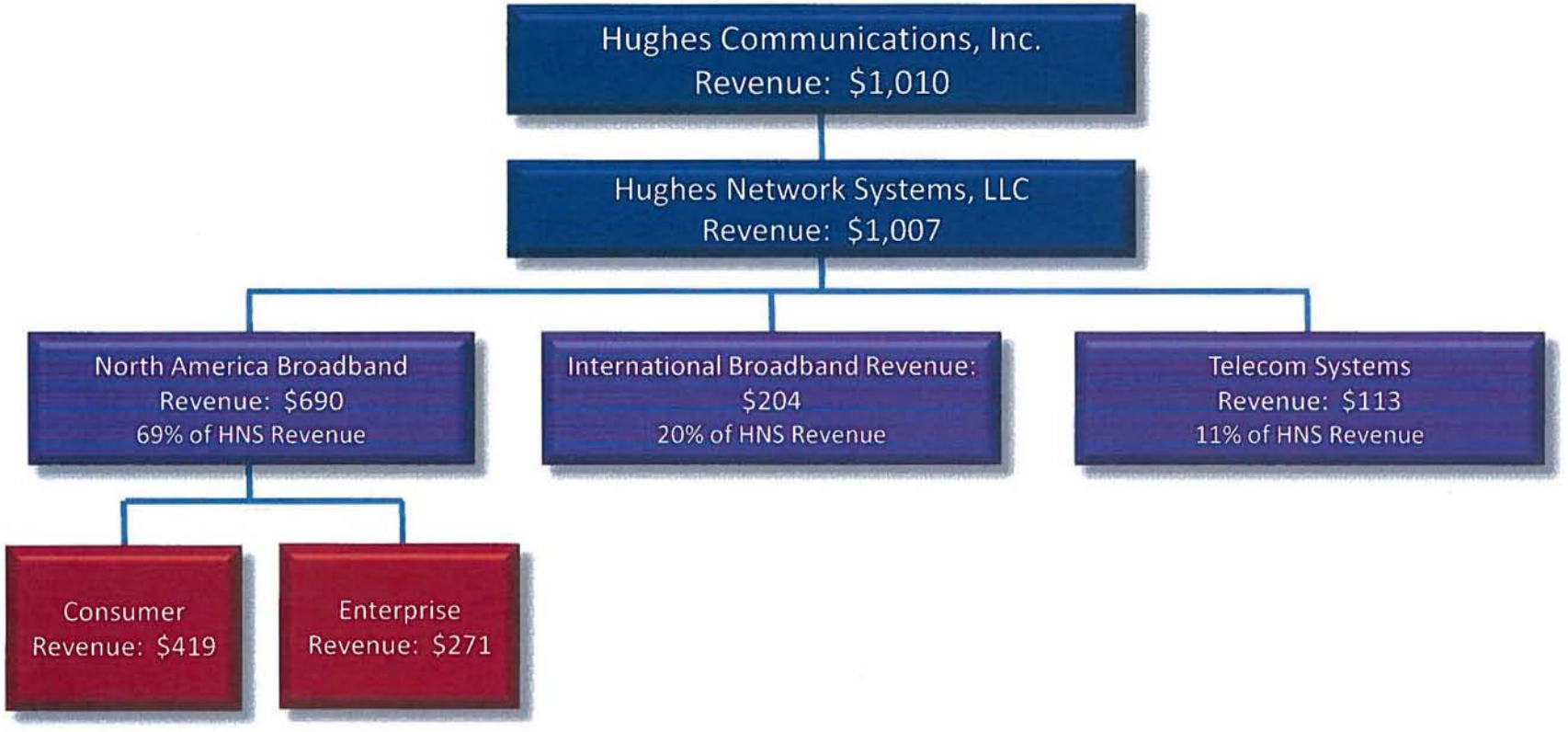
Universal Service / Connect America Fund

August 20, 2010

HUGHES®

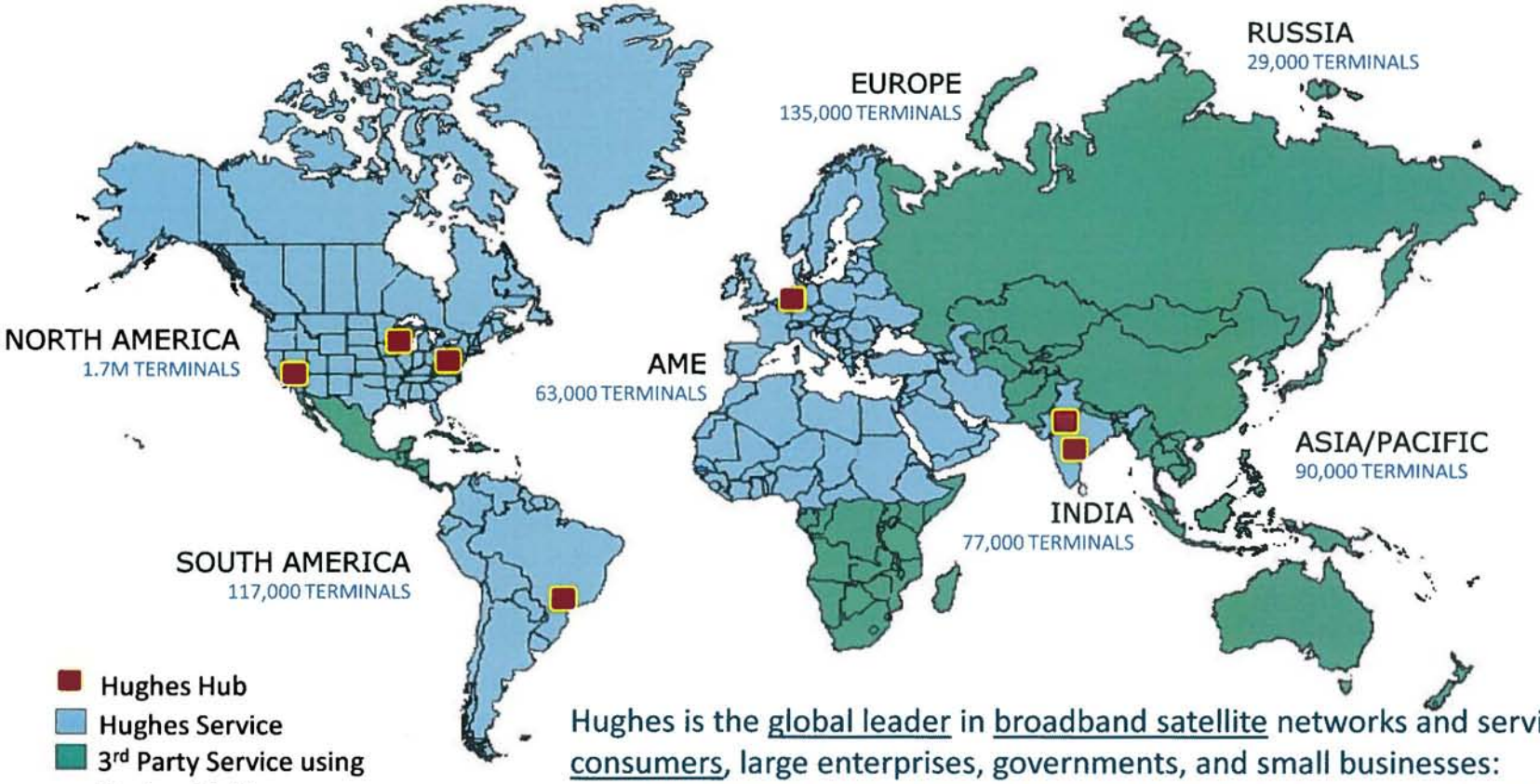
For Public Inspection

Hughes Communications



Note: All Revenues are for 12 months ended December 31, 2009; All figures in $ millions

Hughes Global Footprint



Hughes is the global leader in broadband satellite networks and services for consumers, large enterprises, governments, and small businesses:

Consumer Subscribers: >530,000 domestic consumer subscribers

Market share*: >50% market share of global VSAT market
> 55% share of N.A. Consumer Market

VSATs shipped: >2.2 million systems to customers in over
> 100 countries

* Comsys 2009

HughesNet Largest Satellite Internet Provider US Consumer Market

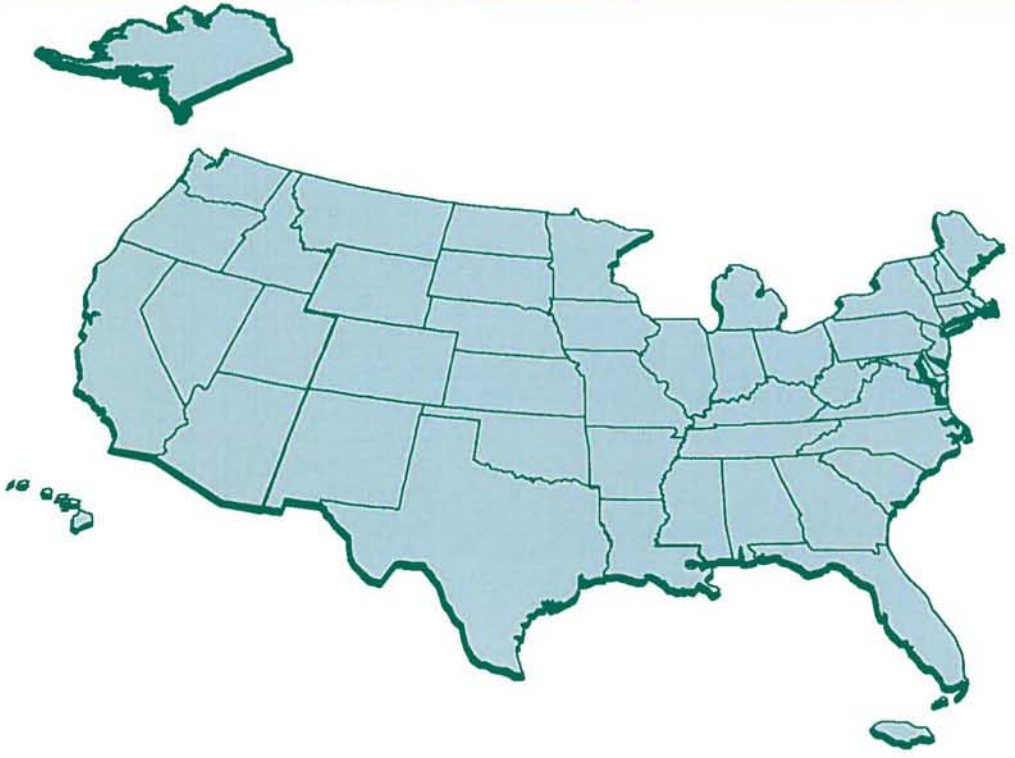
Subscribers[1] (Thousands)

Consumer Revenue ($MM)

- Targeting 10–15 million households and 3.5 million SMBs[2]
- Research expects 15–20% CAGR ('06–'11) for North American consumer broadband revenues[3]
- 530,000 HughesNet subscribers in North America as of 3/31/10

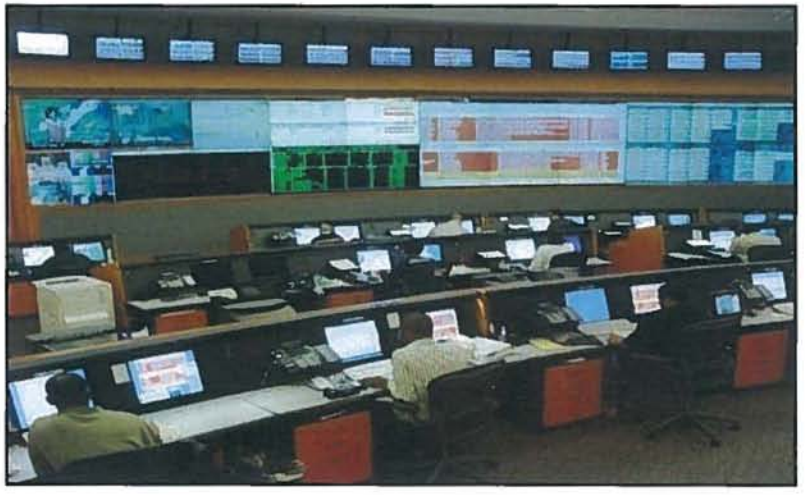
[1] Includes SMBs
[2] Management estimate
[3] Based on NSR Report, "Broadband Satellite Markets 2007," 6th Edition

Current and Future U.S. Service



- More than 530,000 consumer/SME subscribers
- 50 State coverage
- Subscribers in over 26,000 ZIP codes in USA Plus Puerto Rico
- Current Service plan range from 1Mbps to 5Mbps
- Future Service plans up to 25mbps

HughesNet Network Infrastructure



Gateway Infrastructure

- Ku Band Access Gateways
  - Supporting over 100 transponders
  - 15 Satellite Coverage
- Ka Spaceway 3 Gateways
- Jupiter Gateways to be selected

Germantown Network Management Center

- HughesNet Network Operations
  - Consumer Network Management
  - Enterprise Network Management
- Extensive Quality of Service Measurement Systems
- Spaceway 3 Operations Center
- Manned 7 X 24

HughesNet Terminal Features

Radio and .7m Antenna

Indoor Modem

Key Terminal Capabilities

- Internet LAN user interface
- Built-in features
  - Acceleration
  - User status portal
  - Router
- Peak Speeds
  - 15Mbps download
  - 2Mbps upload
- Ka and Ku Band
  - 1W and 2 W Radio
  - .7m and .98 m Antennas

2009 COMSYS VSAT Report of Hughes' Terminal performance:

- Shipped 320,000 VSATs across its product lines
- Over 26,000 each month
- Sold more than 165,000 Enterprise VSAT terminals over the past two years, twice that of its nearest competitor

Hughes Satellite Platforms for North America

Conventional Ku Transponder Leases

- Over 100 transponders on 15 different satellites
- Extensive multicast support
- Extended coverage beyond United States

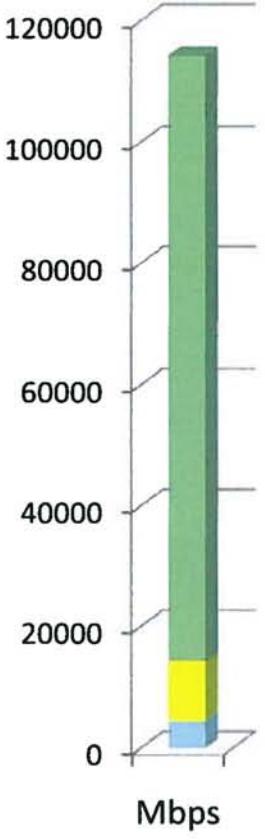
SPACEWAY® 3 Ka Band

- 10 Gbps capacity
- Largest commercial satellite in North America
- Bandwidth on Demand
- Dish-to-Dish connectivity
- 1–5 Mbps Downloads for Consumers

Jupiter Ka Band (launch Q1 2012)

- 100 Gbps Capacity
- In service 2012
- Multi spot beam
- Advanced coding rates
- Optimized for broadband access
- 5–25 Mbps downloads

HughesNet Capacity



The Home of Tomorrow Demonstration Powered by HughesNet®

Web Browsing & Downloads up to 10 Mbps

Video Conferencing – 1.5Mbps

VOIP Applications–64Kbps

Home Security & Nanny Cams – up to 1.5Mbps

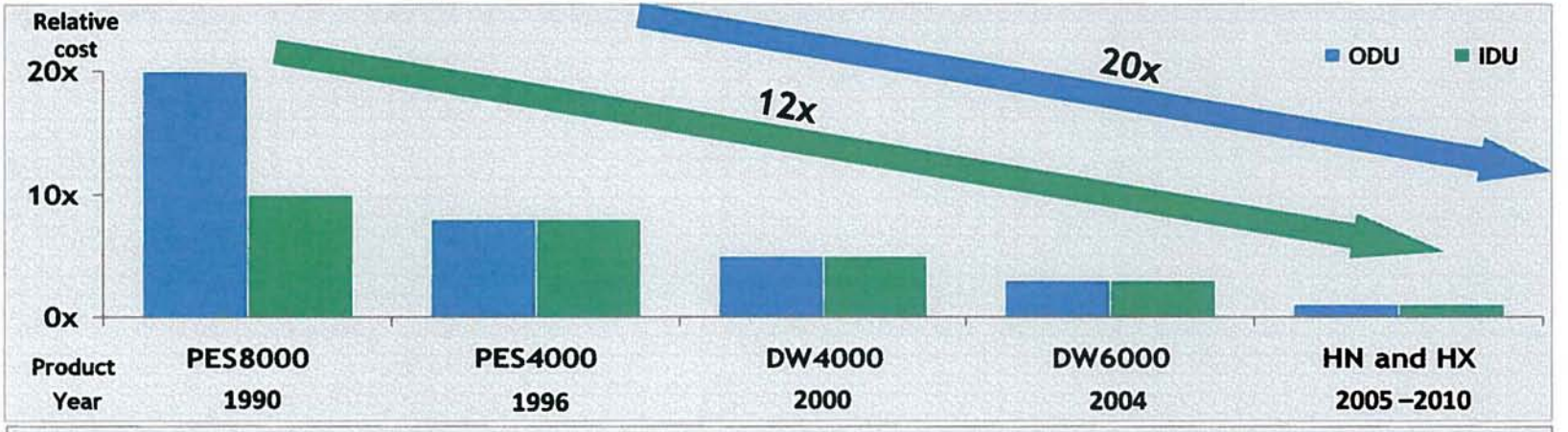
HughesNet Modem

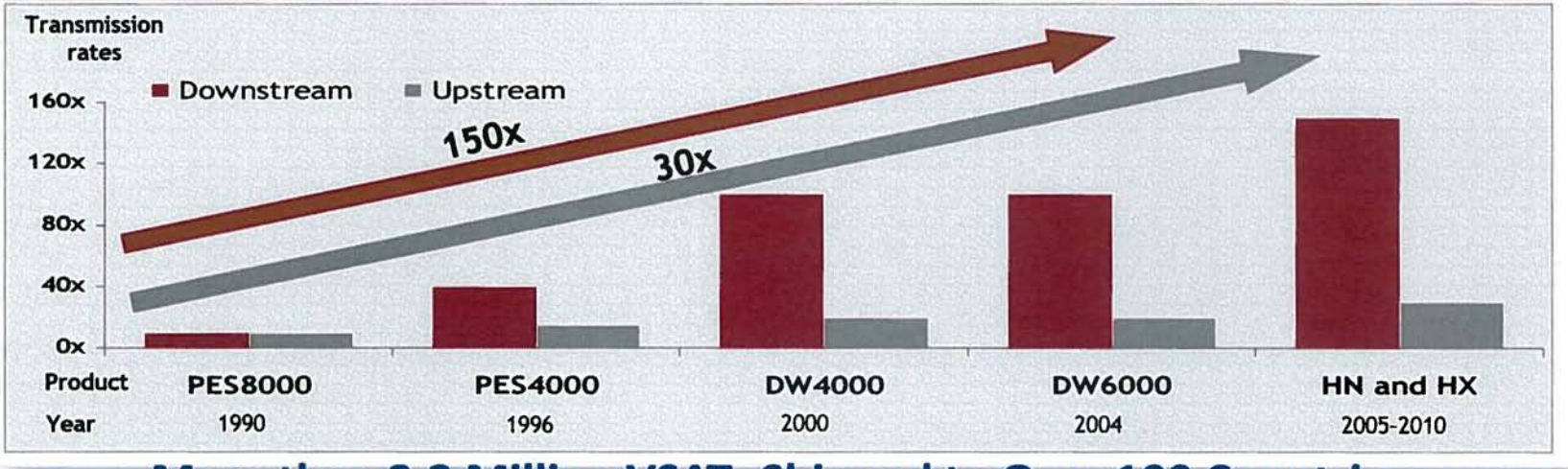
Steaming Video Services– up to 3 Mbps

All combined, these services represent up to **14 Mbps** of continuous usage via a **Single** Satellite **Modem**

Hughes Technological Leadership

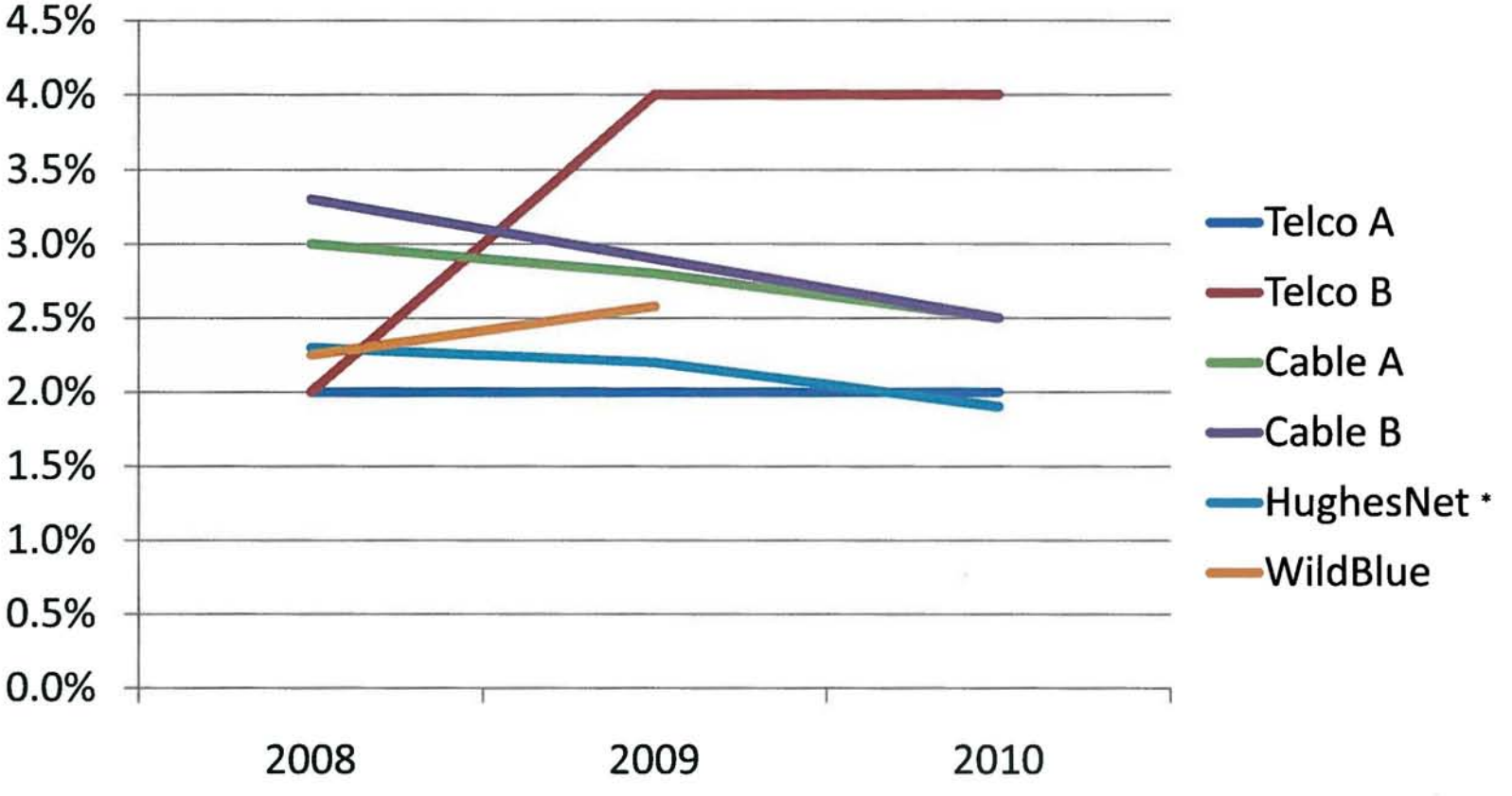
Sample of product speed/cost evolution





More than 2.2 Million VSATs Shipped to Over 100 Countries

Monthly Churn Rate Comparison



Source: Barclays Capital Equity Research benchmarking data

* Hughes 2010 monthly churn trend based on Q1 actual

Satellite Broadband

- Cost effective and efficient service provider to rural households
  - Ubiquitous: satellite is not bound by confined service areas
  - covers every segment of the communications network
- High quality service and continuous technology improvements
  - well-suited to handle video, peer-to-peer services, web browsing and email applications, which make up over 90% of today's Internet traffic
  - Low monthly churn rate compared to other technologies
- Instant infrastructure
  - 2-3 year build-out is faster than projected terrestrial deployments
- Capable of serving 3 million subscribers at National Broadband Plan (NBP) targeted speeds in next 18 months
  - speeds will meet or exceed NBP targets (4mbps down/1 mbps up)
- Sufficient capacity
  - More than 200 Gbps of capacity coming on-line in next 18 months
- Affordable incremental network expansion
  - Investment of approx. $400M to add 1.5-2 million subscribers

Satellite Broadband and USF

- Satellite broadband provides universal service to all regions of the country with no universal service support whatsoever, including with new high throughput satellites that will provide service at or above targeted speeds
- Satellite broadband has invested heavily to bring broadband to rural and remote areas, and it should not be included in the program as a contributor
- Requiring satellite broadband to participate in the fund as a contributor would be fundamentally unfair as satellite would be paying to subsidize inefficient build-out of competing terrestrial technologies
- Tying support levels to cost models that fail to account for the presence and efficiency of satellite broadband severely inflates the level of support required to provide broadband at targeted speeds to the 7 million targeted households, further exacerbating the subsidization of inefficient terrestrial build-out