



May 7, 2013

**Via ECFS**

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

Re: Written Ex Parte Presentation – Additional Information  
Development of the Remote Areas Fund – WC Docket No. 10-90

Dear Ms. Dortch:

EchoStar Technologies, L.L.C. (“EchoStar”); DISH Network L.L.C. (“DISH”); and Hughes Network Systems, LLC (“Hughes”) (collectively, “the Companies”) provide additional information in response to questions from Commission staff regarding the development of the Remote Areas Fund (“RAF”).<sup>1</sup>

*Amount of the RAF Subsidy.* Hughes received \$551 per subscriber from the Rural Utilities Service (“RUS”) in the Broadband Initiatives Program (“BIP”). Hughes has discussed this subsidy amount publicly in its web page describing its participation in the BIP program.<sup>2</sup>

In addition, Hughes’s pricing structure makes clear that any subsidy below \$500 would be less than Hughes’s cost for equipment and installation alone – setting aside any allowance for discounting the service to ensure reasonably comparable pricing.<sup>3</sup> Hughes charges an undiscounted price of \$399.99 for equipment and installation.<sup>4</sup> However, this price does not reflect Hughes’s entire cost, because Hughes recovers a portion of the equipment and installation cost in service fees over the 24-month life of the contract. As a result, Hughes’s equipment and installation costs are better reflected in its fees for customers that terminate their service prior to the conclusion of the contract term. In the event of early terminations, Hughes charges early termination fees totaling \$500 (including a \$400 Service Termination Fee and the \$99 Upfront Fee, which is not returned if service is terminated early).<sup>5</sup> If the

---

<sup>1</sup> This follows up on the Companies’ May 1 meeting with Commission staff. Letter from L. Charles Keller, counsel to the Companies, to Marlene Dortch, FCC, WC Docket No. 10-90 (filed May 2, 2013). See also Comments of DISH Network, L.L.C.; EchoStar Technologies, L.L.C.; and Hughes Networks Systems, LLC, WC Docket No. 10-90 (filed Feb. 19, 2013) (“RAF Initial Comments”); Reply Comments of DISH Network, L.L.C.; EchoStar Technologies, L.L.C.; and Hughes Networks Systems, LLC, WC Docket No. 10-90 (filed March 18, 2013) (“RAF Reply Comments”); Letter from Jeffrey H. Blum, DISH, and Dean A. Manson, EchoStar and Hughes, WC Docket No. 10-90 (filed April 25, 2013) (“First RAF Ex Parte”).

<sup>2</sup> See <http://www.hughes.com/NEWSEVENTS/CHANNELNEWSLETTER/WINTER2010/Pages/BroadbandNOW.aspx>. Separately, Hughes also is filing a copy of the terms exhibit to its contract with RUS which clearly specifies the per-location amount. This will be filed with a request for confidential treatment. See Letter from L. Charles Keller, counsel to the Companies, to Marlene Dortch, FCC, WC Docket No. 10-90 (filed May 6, 2013) (“RAF Confidential Ex Parte”).

<sup>3</sup> See <http://www.hughesnet.com/?page=Plans-Pricing#gen4>.

<sup>4</sup> *Id.* Hughes currently is offering a \$100 discount promotion, as indicated on the website, bringing the promotional price to \$299.99.

<sup>5</sup> See “Does HughesNet have an Early Termination Fee,” <http://www.hughesnet.com/index.cfm?page=FAQ#faqs>.

customer fails to return the equipment, Hughes charges an Unreturned Equipment Fee of \$300.<sup>6</sup> Separately, Hughes is also submitting confidential information regarding its installation cost.<sup>7</sup>

*Findings to Facilitate Eligible Telecommunications Carrier (“ETC”) Proceedings.* The Companies have urged the Commission to make specific findings that satellite broadband providers’ services are sufficient to meet the qualifications for ETC status in order to facilitate satellite providers’ ability to navigate state ETC proceedings in a timely fashion.<sup>8</sup> The Companies wish to refine the scope of the requested findings as follows:

- A specific finding that satellite broadband service is sufficient for the provision of voice over Internet protocol (“VoIP”) service, and a specific finding that a satellite broadband service that is sufficient for the provision of VoIP service meets the requirement of providing “voice grade access to the public switched network.”<sup>9</sup>
- A specific finding that the availability of VoIP service over satellite broadband, including VoIP service provided by the satellite broadband provider, is sufficient to satisfy the requirement to provide “minutes of use for local service ... at no additional charge to end users,”<sup>10</sup> or expeditious blanket forbearance from this requirement.
- A specific finding that there is nothing inherent in satellite broadband technology that impairs satellite broadband providers’ ability to meet requirements for access to emergency services such as E911.<sup>11</sup>

*Availability of Satellite Capacity.* Hughes’s next-generation satellite provides broadband service using spot beams that cover the vast majority of the U.S. population, but which are focused on areas east of the Mississippi River and west of the Rocky Mountains. Hughes also provides satellite broadband service using its prior generation satellites which provide full CONUS coverage. With the implementation of the new satellite, Hughes has been migrating customers from the full-CONUS satellite to the new satellite. This has increased Hughes’s capacity to serve customers between the Rocky Mountains and the Mississippi River on the full-CONUS satellite. As a result of this migration, Hughes has the capacity to provide satellite broadband service to the customers that will be eligible under the RAF, without regard to their location.

*RAF-Eligible Areas.* The Companies previously have argued that RAF support should be available in areas that are currently unserved and areas where the cost of terrestrial broadband service is high.<sup>12</sup> In addition, the Companies recommend that the Commission provide for the availability of RAF support in areas where price cap carriers decline to make a statewide commitment to receive support, pending the availability of broadband and voice service from the auction winner. Of necessity, there may be some delay in auction winners’ ability to provide service in such areas. Making RAF support

---

<sup>6</sup> *Id.*

<sup>7</sup> RAF Confidential Ex Parte.

<sup>8</sup> *See* First RAF Ex Parte.

<sup>9</sup> 47 C.F.R. § 54.101(a).

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *See* RAF Initial Comments.

available in such areas will avoid making consumers wait to receive service, and thus will serve the public interest and the goals of the Connect America Fund.

Finally, the Companies reiterate their support for quick action on implementation of the RAF.<sup>13</sup> Customers in remote and unserved areas should not have to wait any longer to obtain the benefits of broadband.

Sincerely,

By: \_\_\_\_\_ /s/  
Jeffrey H. Blum  
Senior Vice President and  
Deputy General Counsel  
Hadass Kogan  
Associate Corporate Counsel  
DISH Network L.L.C.  
1110 Vermont Avenue, NW, Suite 750  
Washington, DC 20005

By: \_\_\_\_\_ /s/  
Dean A. Manson  
Executive Vice President, General Counsel,  
and Secretary  
EchoStar Technologies L.L.C.  
Hughes Network Systems, LLC  
11717 Exploration Lane  
Germantown, MD 20876

cc (email): Michael Steffen  
Steven S. Wildman  
Kate Dumouchel  
Carol Matthey

---

<sup>13</sup> Because the Commission has so significantly circumscribed satellite broadband providers' participation in the universal service program, the Companies reiterate their concerns about subjecting satellite providers to USF contribution obligations. *See* Comments of DISH Network, L.L.C.; EchoStar Technologies, L.L.C.; and Hughes Networks Systems, LLC, WC Docket No. 06-122 (filed July 9, 2012).