

**BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION**

In the Matter of)	Docket No. UT-180832
)	
Petition of Viasat Carrier Services, Inc. for Registration and Competitive Classification)	DECLARATION OF PAUL M. FROELICH

Paul M. Froelich, under penalty of perjury under the laws of the State of Washington, declares as follows:

1. I am over 18 years of age, a citizen of the United States, a resident of the state of California, and competent to be a witness.
2. I am employed by Viasat, Inc. ("VSI"), the parent company of Viasat Carrier Services, Inc. ("Viasat"), the Registrant in this matter as VP – Corporate Development.
3. Commission Staff has requested additional information about Viasat's financial qualifications for registration as a Telecommunications Company.
4. VSI is a publicly-traded company with more than \$1.5 billion in revenue for the year ending March 31, 2018. VSI's most recent SEC Form 10-K is available here <http://investors.viasat.com/static-files/e75b82fb-e7df-4273-8212-984c1fd332fb>.
5. VSI intends to provide start-up funding to Viasat until such time as the CAF II support and Viasat's own revenue enable it to operate on a stand-alone basis. VSI can provide support to Viasat as necessary. Viasat was awarded \$ 7,031,864.00 in CAF II Auction funding for its operations in Washington over the next 10 years. Viasat will also receive revenue from the provision of service to customers. Viasat anticipates that these sources of funds will enable it to operate independently of VSI within the first year of operation.
6. As Viasat was only recently formed and has not yet commenced operations, VSI has not provided initial funding to the company. Therefore, Viasat does not currently have stand-alone financial statements. If requested by Staff, Viasat can supplement this Declaration with stand-alone financial statements once it receives funding from VSI.
7. In addition, under the requirements adopted by the Federal Communications Commission ("FCC"), VSI must provide to the Universal Service Administrative Company ("USAC") an irrevocable stand-by letter of credit for the amount of funds awarded to Viasat. In the event Viasat fails to meet any of the performance requirements imposed by the FCC for receipt of CAF II funding, USAC, the Universal Service Fund Administrator, will be authorized to draw on the letter of credit. VSI will be required to maintain this letter of credit until it can demonstrate it has made broadband and voice services available to meet the FCC's requirements to offer service to 100% of the required number of locations in the state.
8. Finally, in the event Viasat defaults on its bid or is disqualified for any reason, the FCC may impose a base forfeiture of up to \$3,000 per census block group (or \$1,185,000 for

the 395 census block groups in Washington), capped at 5% of Viasat's total amount of support.

9. For these reasons, VSI has the ability to provide initial and ongoing funding to Viasat to ensure that it can and will operate independently, as well as financial incentives, in the form of significant penalties, to ensure Viasat complies with applicable requirements and remains operational.

DATED this 22nd day of October 2018, at Carlsbad, California.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.



Paul Froelich
VP – Corporate Development