

Agenda Date: January 31, 2019
Item Number: A3

Docket: UT-180839
Company Name: Viasat Carrier Services, Inc.

Staff: Sean Bennett, Regulatory Analyst
Tim Zawislak, Senior Regulatory Analyst
Jing Roth, Assistant Director - Telecommunications

Recommendation

Enter an order granting Viasat Carrier Services, Inc.'s amended petition for designation as an Eligible Telecommunications Carrier.

Background

The Federal Communications Commission (FCC) CAF-II "reverse auction" was held during mid-summer of 2018 and the winning bidders were officially announced in August.¹ In order to be eligible to receive the applicable CAF-II funding during the ten year term of this program, each winning bidder must receive Eligible Telecommunications Carrier (ETC) designation by February 25, 2019.²

In Washington, Viasat Carrier Services, Inc. (Viasat)³ is required to make voice and broadband services available to approximately 11,000 customer locations for receiving \$703,000 federal support each year for the next ten years.⁴ These locations span 33 Washington counties and are within 2,542 census blocks that have been previously identified as unserved or underserved.

Viasat filed its petition on September 27, 2018. On November 15, 2018, commission staff (staff) met with the company to review its plans for deployment and to explain the designation and certification processes in Washington.⁵ Next, staff issued informal data requests and Viasat responded timely. Based on discussions with staff, the company amended its petition on January 4, 2019, to meet the requirements of WAC 480-123-030.

¹ FCC News Release on Connect America Fund Auction Results, [DOC-353840A1.pdf](#), August 28, 2018.

² FCC Public Notice on winning bidder requirements, [DA 18-887](#), August 28, 2018.

³ Viasat Carrier Services, Inc. is wholly owned and controlled by parent company Viasat, Inc. Viasat, Inc. was selected as a winning bidder in Washington and assigned all winning bids to Viasat Carrier Services, Inc. as allowed by the FCC. See FCC Public Notice DA 18-887, paragraphs 7-14, August 28, 2018.

⁴ Both voice and broadband services must be priced reasonably and comparably to urban services (below the benchmarks of \$51.61 and \$77.65 per month, respectively). Additionally, the broadband baseline service level is 25 Mbps downstream with 3 Mbps upstream (with a minimum usage allowance of at least 215 GB per month for 2019 pursuant to FCC Public Notice, [DA 18-1280](#), released on December 20, 2018).

⁵ Viasat was registered as a telecommunications company in Docket UT-180832 on November 1, 2018.

Discussion

Viasat seeks a service area to include all 2,542 *census blocks* where it will operate as the winning bidder.⁶ As an ETC, the company must provide discounted services to qualifying low-income customers.⁷

The company also plans to meet and exceed the benchmarks established for deployment within the first five years of the ten-year term of the CAF-II program. That is, the company will offer commercially, at least one voice and one broadband service meeting the relevant service requirements to the required number of locations in the following timeframe:

- 40 percent of the required number of locations by the end of third year of support
- An additional 20 percent in each subsequent year of support
- 100 percent by the end of the sixth year of support
- The exact deployment schedule will be determined by the carrier.

Viasat will rely on the experience of Viasat, Inc. and will outsource technical, billing, installation, and customer service to the parent company. Viasat, Inc. has more than 30 years of communication experience and utilizes ka-band satellites, ground infrastructure and user terminals to provide broadband solutions to consumers and governments around the globe. Viasat, Inc.'s satellite network supports both broadband and VOIP in all 50 states.⁸ As a result of the CAF-II Auction funding, the company will be able to reserve capacity and reconfigure infrastructure in order to offer broadband services in some of the highest cost areas of the state. Viasat has also applied for ETC designation in 19 other states, as well as Washington.

Broadband and voice services awarded pursuant to competitive bidding, must be high quality and also meet performance standards for both speed and latency under FCC Rule 47 CFR 54.309(a).

RCW 80.36.610 states, "The commission is authorized to take actions, conduct proceedings, and enter orders as permitted or contemplated for a state commission under the federal telecommunications act of 1996[.]" The Washington Utilities and Transportation Commission (commission) has the authority to grant ETC Designations pursuant to [47 U.S.C. § 214\(e\)\(2\)](#), [47 C.F.R. § 54.201\(b\)](#), and Washington Administrative Code ([WAC](#)) [480-123-040](#).

⁶ See the Attachment to this memo for a map of the proposed service area.

⁷ USAC administers the Lifeline program on behalf of the FCC, the uniform application is available on USAC's website at <https://www.lifelinesupport.org/ls/apply-for-lifeline/default.aspx>.

⁸ Services offered by utilizing WildBlue-1 network, which was deployed in 2005, Viasat-1 network (140 GB capacity) which was deployed in 2011 and Viasat-2 network (260 GB capacity), which was deployed in 2018. Viasat-3 network is under construction and will be ready for launch around 2020.

Conclusion and Recommendation

Commission staff has reviewed the amended petition and supplemental materials (including the company's response to data requests and long form application), and supports Viasat's request. The amended petition meets the commission's rule in WAC 480-123-030 and is consistent with the FCC's CAF-II "reverse auction" requirements.

Based on its review and analysis, staff concludes that Viasat has met the necessary requirements for designation as an ETC.⁹ Therefore staff recommends that the commission enter an order granting Viasat's ETC designation.

Attachment

⁹ As an ETC, Viasat may also be considered as a Carrier of Last Resort (or COLR) depending upon the results of the commission's ongoing rulemaking in Docket UT-180831.