

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of) Docket No. 18-2610-01
)
Petition of Viasat Carrier Services, Inc.)
for Designation as an Eligible Telecommunications)
Carrier to Receive Connect America Fund Phase II)
Auction (Auction 903) Support for Voice and)
Broadband Services)

VIASAT CARRIER SERVICES, INC.'S SUBMISSION OF DIRECT TESTIMONY

Viasat Carrier Services, Inc., through undersigned counsel, hereby files its Direct Testimony with the Public Service Commission of Utah ("Commission") in the above-referenced docket.

Respectfully submitted this **9th day of October, 2018.**

/s/ Michael P. Donahue
Michael P. Donahue
Alex Schneider
Marashlian & Donahue, PLLC
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Counsel to Viasat Carrier Services, Inc.

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DIRECT TESTIMONY OF ROBERT BLAIR

1 **Q1: WHAT IS YOUR NAME AND OCCUPATION?**

2 **A:** My name is Robert Blair. I am the President of Viasat Carrier Services, Inc. ("Viasat" or the
3 "Company").

4 **Q2: PLEASE PROVIDE A BRIEF DESCRIPTION OF VIASAT CARRIER SERVICES, INC.**

5 **A:** Viasat is a Delaware corporation headquartered at 6155 El Camino Real, Carlsbad, California
6 92009. Viasat has registered with the Utah Secretary of State and is qualified to do business in Utah as
7 a foreign corporation. Attached hereto as **Exhibit A** is a copy of Viasat's Certificate of Authority as a
8 foreign corporation in Utah. Viasat is a wholly-owned subsidiary of Viasat, Inc. ("VSI"), a Delaware
9 corporation also headquartered at 6155 El Camino Real, Carlsbad, California 92009.

10 **Q3: PLEASE PROVIDE A BRIEF DESCRIPTION OF VIASAT, INC. ("VSI").**

11 **A:** Viasat's parent company, VSI, is a leading provider of communications solutions across a wide
12 variety of technologies (both terrestrial and satellite), and has played a significant role in expanding
13 the availability of broadband services across the country. Among other things, VSI has revolutionized
14 the satellite industry by reducing the "cost per bit" of delivering broadband service. As a result, VSI
15 now provides high-quality broadband service to end users, and affords millions of Americans—
16 including in rural and "high-cost" areas—an effective competitive alternative to wired and wireless
17 terrestrial services, which rely on infrastructure that is often less cost-effective.

18 **Q4: WHAT IS THE RELATIONSHIP BETWEEN VIASAT AND VSI?**

1 **A:** Viasat is a wholly-owned subsidiary of VSI. Viasat will outsource technical, billing, installation,
2 and customer service matters to VSI as doing so is more efficient and cost-effective than creating
3 duplicative functions. Viasat will also rely on the significant managerial and technical expertise of VSI.

4 **Q5: WHAT TYPES OF SERVICES DOES VSI PROVIDE?**

5 **A:** VSI is an innovator in broadband technologies and services. VSI's end-to-end platform of high-
6 capacity Ka-band satellites, ground infrastructure and user terminals enables VSI to provide cost-
7 effective, high-speed, high-quality broadband solutions to enterprises, consumers and government users
8 around the globe. In addition, VSI develops and provides advanced wireless communications systems,
9 secure networking systems and cybersecurity and information assurance products and services. VSI's
10 satellite networks support broadband Internet access, video streaming, and voice over IP ("VoIP"),
11 among other applications.

12 VSI's satellite networks utilize geostationary-satellite orbit ("GSO") satellite technologies. Last-
13 mile connectivity is provided to end users through GSO user terminals that communicate directly with
14 VSI's satellites. VSI's satellites also connect to satellite access nodes ("SANs") that are located on the
15 ground and interconnect with the Internet, public switched telephone network ("PSTN"), and other
16 terrestrial networks using leased fiber.

17 **Q6: WHERE DOES VSI PROVIDE CONSUMER SERVICES?**

18 **A:** VSI provides broadband and VoIP services to customers in all fifty states and the District of
19 Columbia. In addition, VSI connects millions of personal electronic devices per month on commercial
20 and business aircraft.

21 **Q7: HOW MANY RESIDENTIAL CUSTOMERS DOES VSI SERVE TODAY?**

22 **A:** Almost 600,000 residential customers.

23 **Q8: IS VSI'S TECHNOLOGY RELIABLE?**

24 **A:** Yes. VSI has a proven track record of technical and commercial success operating as a
25 provider of satellite broadband services and associated equipment. VSI's technical qualifications have

1 been reviewed by the FCC on numerous occasions, and the favorable results of such reviews are
2 reflected in the multiple FCC licenses and authorizations granted to the company. VSI also holds a
3 number of patents with respect to satellite technology, which cover, among other things, user
4 terminals and networking and demonstrate the company's commitment to the development of
5 innovative network solutions. Viasat is proud to have at its disposal VSI's extensive staff of
6 experienced engineers with expertise in the fields of communications technology, hardware design,
7 software development, data analytics, and networking. This expertise made it possible for Viasat to
8 confidently participate in the CAF II auction with the certainty that the company will be able to fulfill
9 its obligations.

10 **Q9: WHAT IS THE CAF II AUCTION?**

11 **A:** On January 31, 2018, the FCC issued an Order on Reconsideration concerning its Connect
12 America Fund initiative, which enabled the Federal Communications Commission ("FCC") to move
13 forward with the CAF II Auction, in which service providers competed to receive up to \$1.98 billion
14 to offer voice and broadband service in unserved high-cost areas.¹ Under this program the FCC will
15 disburse up to \$198 million annually for providers— including competitive providers such as
16 competitive local exchange carriers, cable operators, fixed wireless ISPs, satellite broadband, or
17 alternative providers such as electric utilities and governmental entities— to deploy broadband
18 networks in high-cost, unserved price cap areas.

19 **Q10: DID VIASAT PARTICIPATE IN THE CAF II AUCTION?**

20 **A:** Yes. Viasat was actually a winning bidder in the auction.

21 **Q11: PLEASE DESCRIBE WHAT VIASAT WON IN THE AUCTION?**

22 **A:** The FCC designated VSI as a winning bidder in various Census Block Groups, including 65
23 Census Block Groups covering Utah. VSI assigned its winning bid to Viasat. Viasat's receipt of CAF
24 II Auction funding is conditioned upon Viasat obtaining designation as an Eligible Telecommunications

¹ *Connect America Fund, et al.*, Order on Reconsideration, 33 FCC Rcd 1380 (2018).

1 Carrier ("ETC") in the eligible Census Blocks by February 25, 2019.

2 **Q12: WHY IS VIASAT CARRIER SERVICES, INC. APPEARING BEFORE THE PUBLIC**
3 **SERVICE COMMISSION?**

4 **A:** Viasat is appearing before the Commission to petition for designation as an ETC pursuant to
5 section 214(e)(2) of the Communications Act of 1934, as amended (the "Act"),² and Sections 54.201
6 and 54.202³ of the rules and regulations of the FCC.

7 **Q13: WHERE DOES VIASAT SEEK ETC STATUS?**

8 **A:** In the 65 Census Block Groups in Utah identified in Exhibit A of Viasat's application to the
9 Commission.

10 **Q14: HAVE YOU REVIEWED THE RULES GOVERNING ELIGIBILITY FOR DESIGNATION**
11 **AS AN ETC?**

12 **A:** Yes.

13 **Q15: IS VIASAT QUALIFIED TO BE DESIGNATED AS AN ETC?**

14 **A:** Yes.

15 **Q16: DOES VIASAT MEET THE REQUIREMENT TO PROVIDE SERVICE ON A COMMON**
16 **CARRIER BASIS?**

17 **A:** Yes. Viasat will provide its voice service on a common carrier basis. As such, Viasat is a
18 common carrier.

19 **Q17: WHAT FACILITIES WILL VIASAT USE TO PROVIDE SERVICES?**

20 **A:** VSI is a facilities-based satellite provider with its own fleet of satellites, earth stations,
21 gateways, switching facilities, and other associated facilities and, therefore, Viasat will offer the
22 supported services using its own facilities or a combination of its own facilities and resale of another
23 carrier's services.

² 47 U.S.C. § 214(e)(2).

³ 47 C.F.R §§ 54.201 and 54.202.

1 **Q18: WILL VIASAT PROVIDE VOICE GRADE ACCESS TO THE PUBLIC SWITCHED**
2 **TELEPHONE NETWORK ("PSTN")?**

3 **A:** Yes. Viasat provides an interconnected VoIP service that includes minutes of use for local
4 service provided at no charge to end users (*i.e.*, plans are generally unlimited usage within the U.S.)
5 and access to emergency services via 911 or E-911, wherever available from local government or
6 public safety organizations.

7 **Q19: WILL VIASAT PROVIDE TOLL LIMITATION SERVICES?**

8 **A:** Yes, Viasat will provide toll limitation services to qualifying low-income consumers.

9 **Q20: WILL VIASAT PROVIDE BROADBAND INTERNET ACCESS SERVICES?**

10 **A:** Yes.

11 **Q21: PLEASE DESCRIBE THE BROADBAND INTERNET ACCESS SERVICES.**

12 **A:** Viasat's broadband Internet access service provides the capability to transmit data to and
13 receive data by wire or radio from all or substantially all Internet endpoints, including any capabilities
14 that are incidental to and enable the operation of the communications service.

15 **Q22: HAS VIASAT REVIEWED THE APPLICABLE RULES FOR ETCS, INCLUDING 47 C.F.R.**
16 **§ 54.101(C) AND (D), AND 54.202?**

17 **A:** Yes.

18 **Q23: CAN YOU CERTIFY, ON BEHALF OF VIASAT, THAT IT WILL COMPLY WITH**
19 **APPLICABLE REQUIREMENTS FROM THESE RULES?**

20 **A:** Yes. I can certify, on behalf of Viasat, that Viasat will comply with the rules to the extent
21 that they are applicable to the support that it receives, including the requirements of the CAF II
22 Auction.

23 **Q24: WILL VIASAT OFFER VOICE TELEPHONY AS A STANDALONE SERVICE?**

24 **A:** Yes. Viasat will offer voice telephony as a standalone service and, in fact, will offer the service
25 at rates that are reasonably comparable to urban rates.

1 **Q25: IS VIASAT AWARE OF THE ADVERTISING RULE FOR ETCS?**

2 **A:** Yes.

3 **Q26: PLEASE DESCRIBE ADVERTISING THAT VIASAT WILL COMMENCE FOR ITS**
4 **SERVICES.**

5 **A:** Viasat will advertise the availability of its universal service offerings and charges for such
6 offerings using media of general distribution, namely through a combination of digital and traditional
7 media, such as the Internet, outbound Email, advertising via radio, newspapers, magazines or other
8 print advertisements, outdoor advertising, or direct marketing, and will also publicize the availability
9 of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service.

10 **Q27: WHERE WILL VIASAT PROVIDE SUPPORTED SERVICES IF DESIGNATED AS AN**
11 **ETC?**

12 **A:** Viasat will provide the supported services throughout the designated CAF II Auction awarded
13 service areas.

14 **Q28: WILL VIASAT COMPLY WITH CONSUMER PROTECTION AND SERVICE QUALITY**
15 **RULES OF THE FCC AND UTAH PUBLIC SERVICE COMMISSION?**

16 **A:** Yes.

17 **Q29: HOW WILL VIASAT USE FEDERAL FUNDS ALLOCATED TO IT?**

18 **A:** Viasat certifies that, in accordance with 47 U.S.C. § 254(e), it will use federal universal service
19 support only for the provision, maintenance, and upgrading of facilities and services for which the
20 support is intended. More specifically, Viasat intends to use CAF support to offset the per-location
21 costs associated with the provision of supported service in each state, including Utah. For example,
22 Viasat would use funding to offset costs of acquisition of network capacity, provision and installation
23 of CPE, service delivery functions, and sales and marketing costs.

24 **Q30: PLEASE DESCRIBE VIASAT'S PREPAREDNESS TO REMAIN FUNCTIONAL IN THE**
25 **CASE OF AN EMERGENCY, SUCH AS A POWER OUTAGE OR NATURAL DISASTER?**

1 **A:** VSI has been providing high speed internet service to customers on 24 hours x 365 days a
2 year mode for more than thirteen years. As part of providing this commercial service, it is necessary
3 to have in place contingency plans for credible emergency situations for each of the major network
4 facilities that are geographically distributed across the United States. These plans contain activation,
5 required staffing, escalation, and communication procedures to deal with such
6 emergencies. Additionally, all the ground-based facilities are equipped with independent power
7 generators and sufficient fuel to operate for several days so as to mitigate power outages. The
8 design of these facilities contains multiple levels of redundancy and autonomy that also mitigate the
9 need for dedicated human interaction. Viasat plans to apply this successful model to its CAF II Action
10 services and customers.

11 **Q31: HOW WILL VIASAT'S PRESENCE IN UTAH SERVE THE PUBLIC INTEREST?**

12 **A:** Viasat's expansion through the CAF II auction program is a game changer for access to
13 quality, high speed communications services in rural areas. In the FCC's recent *Order on*
14 *Reconsideration* concerning the Connect America Fund program, the FCC described holding the CAF
15 II Auction as a step to "the goal of closing the digital divide for all Americans, including those in rural
16 areas of our country."⁴ As a winning bidder in the CAF II Auction, Viasat is eligible to receive
17 approximately \$3.1 million in federal funding over the next ten years to bring high-quality, innovative
18 voice and broadband services to consumers in underserved portions of Utah. By selecting Viasat as
19 a recipient of CAF II Auction funds, the FCC has recognized that the voice and broadband services
20 Viasat proposes to deploy with the funds would advance the goal of the CAF II Auction, and thereby
21 advance the goals of universal service.

22 Granting Viasat's Petition will serve the public interest through the deployment of broadband
23 and voice services to unserved and underserved high-cost areas in Utah, support investment in
24 facilities and equipment, and expand the number of competitive providers serving rural areas in Utah.

⁴ *Connect America Fund, et al.*, Order on Reconsideration, 33 FCC Rcd 1380, para. 1.

1 Designating Viasat as an ETC will permit the company to receive CAF II Auction funds designated for
2 Utah, directly advancing the goals of the FCC's Connect America Fund and the Auction. Viasat's
3 resulting deployments will bring expanded voice and broadband connectivity to rural areas in Utah,
4 helping to close the digital divide for residents of Utah, and expanding economic opportunity for
5 communities that will benefit from increased connectivity. Designating Viasat as an ETC will also help
6 promote economic and job growth in Utah through the employment of Viasat's network of independent
7 installers and dealers. Because granting Viasat's Petition will allow it to use the CAF II funds as
8 intended to expand voice and broadband service in Utah, designating Viasat as an ETC is in the public
9 interest.

10 **Q32: DOES VIASAT AGREE TO COMPLY WITH ALL COMMISSION ORDERS, RULES, AND**
11 **REGULATIONS REGARDING ETC?**

12 **A:** Yes. Viasat will comply with all applicable orders, rules, and regulations of the Commission.

13 **Q33: HAS VIASAT REACHED OUT TO TRIBAL ORGANIZATIONS TO PROVIDE DETAILS ON**
14 **ITS PLANS TO PROVIDE SERVICES ON NATIVE AMERICAN RESERVATIONS?**

15 **A:** Yes. Viasat is committed to this expansion of services in Utah, and this includes tribal areas in
16 Utah. We are reaching out to Native American tribes to provide notice of our application and we
17 stand ready and willing to participate in their process for reviewing our plans to expand services in
18 tribal areas.

19 **Q34: DO YOU HAVE ANYTHING ELSE TO ADD?**

20 **A:** On behalf of Viasat, I want to thank the Commission for its review of Viasat's petition,
21 reiterate that Viasat meets all legal requirements for designation as an ETC, and request expedited
22 treatment of the petition in order to meet the FCC's February 25, 2019 deadline.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served this 9th day of October, 2018, upon the following:

By Electronic-Mail:

Patricia Schmid (pschmid@agutah.gov)
Justin Jetter (jjetter@agutah.gov)
Steven Snarr (stevensnarr@agutah.gov)
Robert Moore (rmoore@agutah.gov)
Assistant Utah Attorneys General

Erika Tedder (etedder@utah.gov)
Division of Public Utilities

By Overnight Delivery:

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84111

/s/ Alex Schneider

VERIFICATION

STATE OF CALIFORNIA)

COUNTY OF SAN DIEGO)

I, Robert Blair, President of Viasat Carrier Services, Inc., after being duly sworn, hereby declare under penalty of perjury that the foregoing testimony is true and correct to the best of my knowledge and belief.

Executed this 9 day of October, 2018.

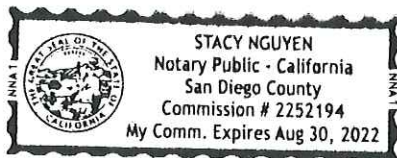
[Handwritten Signature]

Robert Blair
President
Viasat Carrier Services, Inc.
349 Inverness Drive South
Englewood, CO 80112

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Diego)

Subscribed and sworn to (or affirmed) before me on this 9 day of October, 2018, by Robert Blair proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



[Handwritten Signature]
Signature of Notary Public
My Commission Expires 30 Aug 2022

EXHIBIT A



Francine Gianì
Executive Director
Department of Commerce

Gary Herbert
Governor
State of Utah

Jason Sterzer
Director
Division of Corporations
& Commercial Code

STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF CORPORATIONS & COMMERCIAL CODE
CERTIFICATE OF REGISTRATION

CORPORATION SERVICE COMPANY
VIASAT CARRIER SERVICES, INC.
15 WEST SOUTH TEMPLE STE 1701
SALT LAKE CITY UT 84101

Access Code
Code: 6016509



State of Utah
Department of Commerce
Division of Corporations & Commercial Code

CERTIFICATE OF REGISTRATION

Corporation - Foreign - Profit

This certifies that **VIASAT CARRIER SERVICES, INC.** has been filed and approved on **September 26, 2018** and has been issued the registration number **11001602-0143** in the office of the Division and hereby issues this Certification thereof.


JASON STERZER
Division Director

*The Access Code is used for Online Applications used by this Division only.

EXPEDITE

Date: 09/26/2018

Receipt Number: 7507565

Amount Paid: \$377.00

RECEIVED

SEP 26 2018



State of Utah Department of Commerce Division of Corporations & Commercial Code Application for Authority to Conduct Affairs for a Foreign Corporation

This form must be type written or computer generated.

A certification of Good Standing/Existence from the State of Incorporation dated no earlier than ninety (90) days prior to filing with this office is attached to this application. Utah Div. of Corp. & Comm. Code

Non-Refundable Processing Fee: [X] Profit \$70.00 [] Nonprofit \$30.00

1. Exact Corporate Name: Viasat Carrier Services, Inc.

2. A corporation of the state of: Delaware 3. Date Incorporated: 09/10/2018

4. The corporation's period of duration is: Perpetual (usually perpetual)

5. The address of the corporation's principal office is: 6155 El Camino Real Street Address Line 1 Street Address Line 2 City Carlsbad State CA Zip 92009

6. Who/What is the name of the Registered Agent (Individual or Business Entity or Commercial Registered Agent)? Corporation Service Company

The address must be listed if you have a non-commercial registered agent. What is a commercial registered agent?

Address of the Registered Agent:

City: Utah Street Address Required, PO Boxes can be listed after the Street Address State UT Zip:

7. If the name is not available in Utah the corporation shall use as it's name: {Please refer to (U.C.A. 16-10a-1506)}

8. The corporation commenced or intends to commence business in Utah on: Upon Filing

9. The names and addresses of the corporation's officers and directors are:

Table with 6 columns: Position, Name, Address, City, State, Zip. Rows include President (Robert Blair), Vice-President (Shawn Duffy), Secretary (Robert Blair), Treasurer (Shawn Duffy), Director (Robert Blair), Director (Shawn Duffy), Director, and Other.

10. The business purposes to be pursued in Utah are: Sell, install and deliver satellite Internet access services

Under penalties of perjury, I declare that this application for Certificate of Authority has been examined by me and is, to the best of my knowledge and belief, true, correct and complete.

Authorized Signer Signature: [Signature] Title: President/Secretary

Optional Inclusion of Ownership Information: This information is not required.

Is this a female owned business? [] Yes [] No

Is this a minority owned business? [] Yes [] No If yes, please specify: Select/Type the race of the owner here

Under GRAMA {63-2-201}, all registration information maintained by the Division is classified as public record. For confidentiality purposes, you may use the business entity physical address rather than the residential or private address of any individual affiliated with the entity.

Mailing/Faxing Information: www.corporations.utah.gov/contactus.html Division's Website: www.corporations.utah.gov

State of Utah Department of Commerce Division of Corporations and Commercial Code I hereby certified that the foregoing has been filed and approved on this 26 day of Sept 20 18 In this office of this Division and hereby issued This Certificate thereof.

Examiner [Signature] Date 9/27/18



Jason Sterzer Division Director

01/14

11001602-0143

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COPY

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "VIASAT CARRIER SERVICES, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-SIXTH DAY OF SEPTEMBER, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "VIASAT CARRIER SERVICES, INC." WAS INCORPORATED ON THE TENTH DAY OF SEPTEMBER, A.D. 2018.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL FRANCHISE TAXES HAVE BEEN ASSESSED TO DATE.



7050883 8300

SR# 20186843561

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Authentication: 203494747

Date: 09-26-18

SEP 26 '18 PM 2:25