

C. Executive Summary

Executive Summary of Project for BIP and BTOP:

8. Infrastructure Projects Executive Summary

Hughes Network Systems, LLC (Hughes) is pleased to submit this application (Application) to the National Telecommunications and Information Administration (NTIA) for the Hughes NTIA BTOP #2 project. Hughes is the global leader in providing broadband satellite networks and services to the consumer, business and government enterprise markets. The Application, if funded, provides next generation high performance satellite broadband internet access to consumers, businesses, schools, libraries and other critical community and government facilities within the proposed unserved and underserved service area covered by Hughes next generation high capacity 100Gbps satellite system. Funds requested in this application cover the eligible costs associated with the satellite and ground station gateway equipment allocable to the "unserved" and "underserved" areas within the proposed service footprint. If funded, eligible subscribers will have access to broadband internet services with download speeds faster than today’s services. Hughes funding request is for $100,728,000.00.

We have developed this offer to support the objectives of NTIA, to comply with the NOFA, and to be responsive to the statutory purposes and legislative intent of the Recovery Act. National recovery efforts are intended to advance important national objectives in a way which stimulates the U.S. economy and has an immediate positive impact on the lives of U.S. citizens. Hughes’ NTIA BTOP #2 project meets each of these goals. We look forward to supporting you in this important effort.

Opportunities the Proposed System Seeks to Address: If funded, the project will provide high performance broadband satellite internet access services to virtually all households, businesses, schools, libraries, critical community and government facilities within the service footprint.

General Description of the Proposed Funded Service Area: The proposed service area is extensive and covers unserved and underserved census blocks.

Proposed Services and Applications for the Proposed Funded Service Areas include satellite broadband internet access for eligible unserved and underserved census blocks with the satellite coverage area with internet access service plans having download speeds ranging from 5 Mbps to 20 Mbps.

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Approach to addressing the non-discrimination and interconnection obligations: Hughes will comply with these obligations and our approach is discussed in E.22.

Broadband System Description: Hughes Next Generation Broadband Satellite System will consist of a high capacity 100 Gbps multi-spot beam satellite, earth station gateway facilities, network operation and control facilities, remote satellite terminals for end users, back office operational support and billing systems, and customer care.

Applicant Qualifications: Hughes Network Systems LLC, a wholly owned subsidiary of Hughes Communications Inc (NASDAQ: HUGH), is the world’s leading provider of broadband satellite network services and systems to the enterprise market. We are also the largest satellite internet access provider to North American consumers and small and medium sized businesses, such as small office and home office users. In addition, we provide managed services to large enterprises that combine the use of satellite and terrestrial alternatives, thus offering solutions that are tailored and cost optimized to the specific customer requirements. Since HNS’ deployment of the first very small aperture terminal ("VSAT") network in 1983, we have been a leader in commercial digital satellite communications and have achieved extensive depth and experience in the development, manufacturing and operation of satellite-based data, voice, and video networks. In April 2008, we launched service over our SPACEWAY 3 satellite system to support the market growth in our North American enterprise and consumer businesses. We have existing fully operational networks used by close to 500,000 subscribers and close to 250,000 enterprise sites. Customer support, sales, marketing, network management, installation, billing and customer care systems are all in place and operating effectively. In June of 2009 we announced our contract with Space Systems Loral for our next generation high capacity 100 Gbps satellite and the subject of this application our Next Generation Satellite System.

Key Benefits of the Proposal: Our proposal offers a number of unique benefits to NTIA and to the users in the service areas:

- Performance – Broadband internet access with service plan download speeds ranging from 5Mbps to 20Mbps

- Affordability – Hughes Network Systems LLC offers an affordable solution for consumers, small businesses, and large enterprises.

- Adoption – drive adoption through multiple sales and distribution channels supported by a comprehensive marketing and advertising plan

- Service Area – an extensive service area covering the "unserved" and "underserved" areas.

- Economic Growth and Job Creation – accessible and affordable high performance broadband will stimulate economic growth and job creation in the service area. In addition to this economic impact, Hughes estimates that [redacted] will be created/saved as a result of this project.

- Sustainability – Hughes current satellite broadband business demonstrates the sustainability of the approach. Satellite systems are efficient and offer services over an extensive coverage area while only incurring incremental costs for actual subscribers. The proposed satellite has a service life [redacted]. This is Hughes 4th generation broadband satellite system and Hughes continues to advance the state of the art in satellite broadband technology and services.

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• Support to Critical Community Facilities – any facility within the service area with a clear view to the southern sky may subscribe to the high performance broadband internet access service offerings.

• Cost Effectiveness – the proposal provides an exceptionally cost effective solution for NTIA. As a satellite service, "passes" virtually all households, businesses, community anchor institutions, public safety institutions and critical community organizations in the proposed service area while only incurring costs for actual subscribers.

• Proven track record – Hughes is a global leader in satellite communications technology, products and services and the leading provider of satellite broadband internet access to consumers, business and government enterprises in the US. This system represents Hughes' 4th generation broadband satellite system. Hughes has the experience, resources and financial strength to successfully execute this proposal.

Jobs Estimate. Hughes estimates that this project will create/save [redacted] and [redacted]. In preparing the direct jobs estimate, Hughes uses actual labor estimates from both Hughes and our satellite subcontractor for satellite development costs. For estimating the subcontracted labor associated with build-out of the gateways and satellite launch, we used cost estimates to which we applied the job creation estimate methodology of the Council of Economic Advisors. For determining indirect job impact, we applied statistical data from the California Space Authority.