

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF STARLINK	)	
SERVICES, LLC FOR DESIGNATION AS AN	)	CASE NO.
ELIGIBLE TELECOMMUNICATIONS CARRIER	)	2021-00002
FOR PURPOSES OF RECEIVING RURAL	)	
DIGITAL OPPORTUNITIES FUND SUPPORT	)	

ORDER

On January 4, 2021, Starlink Services, LLC (Starlink Services), a Competitive Local Exchange Carrier, filed an application under 47 U.S.C. § 214(e)(2) seeking designation as an Eligible Telecommunications Carrier (ETC). Starlink Services is seeking to receive federal high-cost and low-income Universal Service Fund (USF) support for Voice over Internet Protocol (VoIP) and satellite broadband services.<sup>1</sup> Starlink Services is seeking to be designated as an ETC in order to receive support from the Rural Digital Opportunity Fund (RDOF) Phase I. Starlink Services won the Federal Communications Commission's (FCC) RDOF Phase I auction (Auction 904).

The application states that (1) all the requirements for designation as an ETC to serve the designated areas in the state of Kentucky are met by Starlink Services;<sup>2</sup> (2) designation is requested in the designated census blocks in Kentucky by Starlink Services;<sup>3</sup> (3) Starlink Services is seeking to be designated as an ETC in order to provide

---

<sup>1</sup> Application at 1–2 and Exhibit 1. Starlink Services requests ETC designation for High-cost and Low-Income support in the census blocks listed in Exhibit 1 to the Application. Starlink did not request to receive support from the Kentucky Universal Support Fund for Lifeline.

<sup>2</sup> *Id.* at 8.

<sup>3</sup> *Id.* at 8–9.

high-speed broadband internet access and interconnected VoIP as well as Lifeline service to qualifying customers in Kentucky, in accordance with 47 U.S.C. § 214(e)(2);<sup>4</sup> and (4) the public interest will be served by designating Starlink Services as an ETC for the designated areas served in Kentucky.<sup>5</sup>

Starlink Services is a wholly owned direct subsidiary of Space Exploration Technologies Corporation (SpaceX). SpaceX creates and manufactures spacecraft, rockets and satellites as well as offering broadband service over a large satellite system.<sup>6</sup> SpaceX was authorized by the FCC to begin operating Starlink Services in 2018.<sup>7</sup> Starlink Services is a collection of over 4,400 Non-Geostationary Orbit (NGSO) satellites that have a low orbit around the Earth.<sup>8</sup> SpaceX created a ground network that communicates with the Starlink Services satellites and is able to serve thousands of customers across the United States.<sup>9</sup> SpaceX plans to continue deploying ground equipment in support of its broadband operations and to launch additional satellites in order to ensure uninterrupted coverage throughout its service territory.<sup>10</sup> SpaceX was awarded federal subsidies in the FCC's RDOF Phase I Auction 904 for locations in Kentucky. SpaceX assigned its winning bids to Starlink Services, which has the financial and technical capabilities, with the financial support of its parent company, SpaceX, to pay for and construct its network

---

<sup>4</sup> *Id.* at 10–11.

<sup>5</sup> *Id.* at 14.

<sup>6</sup> *Id.* at 2–3.

<sup>7</sup> *Id.* at 3.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 4.

<sup>10</sup> *Id.* at 6.

throughout the proposed ETC service area for the provision of voice and broadband services.<sup>11</sup>

The Commission requires that the Kentucky Universal Service support and the Kentucky Telecommunications Relay Service and Telecommunications Access Program support be collected for each voice customer. Starlink Services will be required to pay all applicable federal, state and local regulatory fees imposed on customers, including 911/E911 fees. Starlink Services will provide toll-limitation services to low-income consumers as provided in 47 C.F.R. §§ 54.400–54.423.<sup>12</sup>

### DISCUSSION

Pursuant to 47 U.S.C. § 254(e), “only an eligible telecommunications carrier designated under 47 U.S.C. § 214(e) shall be eligible to receive specific federal universal service support.” Pursuant to 47 U.S.C. § 214(e)(1)(A) and (B), a common carrier designated as an ETC must offer the services supported by the federal universal service support mechanisms, using either its own facilities or a combination of its own facilities and resale of another carrier's services throughout its designated service area, and it must advertise the availability and charges for those services. Pursuant to 47 U.S.C. § 214(e)(2), state commissions bear the primary responsibility for performing ETC designations. Under the same section, the Commission may, with respect to an area served by a rural telephone company, and shall, in all other cases, designate more than one common carrier as an ETC for a designated service area, consistent with the public interest, convenience, and necessity as long as the requesting carrier meets the

---

<sup>11</sup> *Id.* at 5.

<sup>12</sup> *Id.* at 11–12.

requirements of 47 U.S.C. § 214(e)(1). Also, before designating an additional ETC for an area served by a rural telephone company, the Commission must determine that the designation is in the public interest.

#### REQUIREMENTS FOR ETC DESIGNATION BY THE FCC

In 1997, the FCC issued a Public Notice setting forth the procedures a carrier must use when requesting designation as an ETC from the FCC.<sup>13</sup> The Commission likewise collects similar information pursuant to that notice. A carrier seeking ETC designation must (1) establish that it will provide the supported services in accordance with 47 U.S.C. § 254 throughout its designated service area “either using its own facilities or a combination of its own facilities and resale of another carrier's services”;<sup>14</sup> (2) establish that it will advertise its universal service offerings and the charges thereof, using media of general distribution;<sup>15</sup> (3) certify that it will comply with the service requirements applicable to the support that it receives;<sup>16</sup> and (4) establish that it will be able to remain functional during emergency situations.<sup>17</sup>

---

<sup>13</sup> *Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communication Act*, Public Notice, 12 FCC Rcd. 22947 (1997) (Section 214(e)(6) Public Notice).

<sup>14</sup> 47 U.S.C. § 214(e)(1)(A); 47 C.F.R. § 54.201(d)(1).

<sup>15</sup> 47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2).

<sup>16</sup> 47 C.F.R. § 54.202(a)(1)(i). The third and fourth requirements listed were adopted by regulation to apply to the FCC's review of a provider's ETC status, but the Commission generally looks at the same requirements as the FCC in seeking to determine whether a provider meets the requirements for an ETC designation.

<sup>17</sup> 47 C.F.R. § 54.202(a)(2); Notably, the FCC generally requires those seeking an ETC designation to file a five-year plan that describes the specific proposed improvements and upgrades that will be made to offer the supported service and to demonstrate their ability to satisfy applicable customer protection and service quality standards. However, the FCC waived those requirements for recipients of CAF II Auction funds in favor of reporting requirements it believes will permit it to monitor the use of CAF II Auction funds as they are used. See *In the Matter of Connect America Fund*, Report and Order and Further Notice of Proposed Rule Making, WC Docket Nos. 10-90, 31 FCC Rcd. 5949, 6010-3, paragraphs. 172-8 (2016).

In addition, the FCC's rules require that in order to be designated as an ETC, a petitioner must (1) certify that it will comply with the service requirements applicable to the support that it receives; (2) demonstrate its ability to remain functional in emergency situations; and (3) demonstrate that it will satisfy applicable consumer-protection and service-quality standards.<sup>18</sup>

Prior to designating an ETC pursuant to 47 U.S.C. § 214(e)(2), the Commission must also determine whether such designation is in the public interest.<sup>19</sup> In determining the public interest, the Commission historically has considered the benefits of increased consumer choice and the unique advantages and disadvantages of the petitioner's service offering.

As described below, Starlink Services has provided the Commission with the information required for designation as an ETC in the service area at issue. We find that the public interest supports such designation, subject to Starlink Services' compliance with the representations and commitments made by Starlink Services in its application and the FCC's rules.

#### OFFERING THE SERVICES DESIGNATED FOR SUPPORT

Petitioners for ETC designation must certify that they offer all services designated for support by the Commission pursuant to 47 U.S.C § 254(c).<sup>20</sup> Starlink Services has demonstrated through the required certifications and related filings that it now offers or

---

<sup>18</sup> 47 C.F.R. § 54.202(a).

<sup>19</sup> 47 U.S.C. § 214(e)(2); 47 C.F.R. § 54.202(b).

<sup>20</sup> See 47 U.S.C. § 214(e)(1)(A); § 214(e)(2); Public Notice, 12 FCC Rcd. at 22948, paragraph 2.

will offer the designated services, upon designation as an ETC. Starlink Services certifies that it now provides, or will provide throughout its designated service area, the services and functionalities enumerated in 47 C.F.R. § 54.101 (a) throughout the designated service area.<sup>21</sup> Petitioners for ETC designation must demonstrate that they will satisfy applicable consumer-protection and service-quality standards.<sup>22</sup> Starlink Services has committed to providing applicable consumer protection and service-quality standards,<sup>23</sup> and it will be subject to reporting requirements to the FCC to ensure that it complies with the service requirements.<sup>24</sup> Thus, the Commission finds that Starlink Services' commitments provide sufficient consumer protection and service quality to consumers.

Starlink Services has the ability to build its network in the census blocks identified in Exhibit 1 of the application.<sup>25</sup> Starlink Services has the ability to provide voice and broadband services throughout the ETC designated census blocks and to pay for any startup costs with the financial support of its parent company, SpaceX.<sup>26</sup> Based on the foregoing, the Commission finds that Starlink Services is financially and technically capable of providing RDOF Phase I supported services.

---

<sup>21</sup> Specifically, Starlink Services certifies that it will provide voice telephony and broadband services supported by federal universal service support mechanisms, as set forth in 47 C.F.R. § 54.101 which includes: (1) voice-grade access to the public switched telephone network; (2) local usage; (3) access to emergency services; and (4) toll limitation services to qualifying low-income users. See Application at 11-13.

<sup>22</sup> 47 C.F.R. § 54.202(a)(3).

<sup>23</sup> Application at 12–13.

<sup>24</sup> *Id.*

<sup>25</sup> *Id.* at 6–8.

<sup>26</sup> *Id.* at 6.

OFFERING THE SUPPORTED SERVICES USING  
A CARRIER'S OWN FACILITIES

Generally, petitioners for ETC designation must certify that they will offer the supported services using either their own facilities or a combination of their own facilities and the resale of another carrier's services.<sup>27</sup> Starlink Services, in its provision of voice and broadband services, will offer services that Starlink Services will provision over its own network. Thus, Starlink Services has shown it is able to offer all of the services and functionalities supported by the universal-service program, as detailed in 47 C.F.R. § 54.101 (a), throughout its service area.

ADVERTISING SUPPORTED SERVICES

Petitioners for ETC designation must advertise the availability of the supported services and the charges thereof using media of general distribution and provide a description of how they will do so.<sup>28</sup> Starlink Services has committed to advertising the availability of the supported services using media of general distribution.<sup>29</sup> In addition, Starlink Services has committed to advertising and promoting the availability of Lifeline services in a manner reasonably designed to reach those likely to qualify for Lifeline.<sup>30</sup> To increase accountability within the program and to target support where it is needed most, the FCC has adopted rules requiring ETCs to explain in their marketing materials

---

<sup>27</sup> 47 U.S.C. § 214(e)(6) Public Notice, 12 FCC Rcd. at 22949; See also 47 U.S.C. § 214(e)(1)(A); *Petition of TracFone Wireline, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 20 FCC Rcd. 15095 (2005).

<sup>28</sup> 47 U.S.C. § 214(e)(1)(B); § 214(e)(6); Public Notice, 12 FCC Rcd. at 22949, paragraph 4.

<sup>29</sup> Application at 12.

<sup>30</sup> *Id.*

that Lifeline service is a government benefit, the individual must be eligible to receive the benefit, and the consumer may receive no more than one benefit at a time from the program.<sup>31</sup> Starlink Services has demonstrated its commitment to comply with these FCC rules regarding the marketing of supported service.

#### ABILITY TO REMAIN FUNCTIONAL IN EMERGENCY SITUATIONS

Petitioners for ETC designation must demonstrate their ability to remain functional in emergency situations.<sup>32</sup> Starlink Services will provide service to its customers through its satellite network. This service includes rerouting traffic and managing traffic spikes in emergency situations while also having access to back-up power despite the lack of an external power source. The Commission finds that Starlink Services has demonstrated its ability to remain functional in emergency situations.<sup>33</sup>

#### PUBLIC INTEREST ANALYSIS

Prior to designating an ETC, the Commission must determine whether such designation is in the public interest.<sup>34</sup> We find that Starlink Services will offer gigabit broadband services as well as supported telephony service that will provide a variety of benefits to customers in these high-cost areas, including increased consumer choice and high-quality service offerings. Moreover, new entrants in the telephony and broadband market should incentivize existing ETCs to offer better service and terms to their subscribers. Starlink Services will provide competitive voice and broadband services

---

<sup>31</sup> Lifeline Reform Order at paragraphs 274–77; 47 C.F.R. § 54.405.

<sup>32</sup> 47 C.F.R. § 54.202(a)(2).

<sup>33</sup> Application at 13.

<sup>34</sup> See 47 U.S.C. § 214(e)(6) and 47 C.F.R. § 54.202(b).



throughout its service area in Kentucky. Starlink Services will be a facilities-based wireline service provider and will offer all of the services and functionalities detailed in 47 C.F.R. § 54.101(a), ensuring that Starlink Services can provide services to customers throughout the service area.<sup>35</sup>

The Commission recognizes that the designation of Starlink Services as an ETC also creates competitive pressure for other wireline and wireless providers that are designated as ETCs within the proposed service areas. In order to remain competitive in markets, all providers will have greater incentive to improve coverage and customer service, increase service offerings, and lower prices. Consistent with federal law, the designation benefits consumers by allowing Starlink Services to offer the services designated for support at rates that are “just, reasonable, and affordable.”<sup>36</sup> Starlink Services plans to offer affordable voice telecommunications and high-speed broadband services to consumers as well as qualified low-income consumers.<sup>37</sup>

#### REGULATORY OVERSIGHT

Under 47 U.S.C. § 254(e), petitioners are required to use the specific universal service support they receive “only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.”<sup>38</sup> Moreover, the Commission or the FCC may institute an inquiry on its own motion to examine the petitioner's records

---

<sup>35</sup> Application at 14–15.

<sup>36</sup> 47 U.S.C. § 254(b)(1).

<sup>37</sup> Application at 9–10.

<sup>38</sup> 47 U.S.C. § 254(e). We note that because petitioners are not eligible to receive federal universal service high-cost support, they are not required to file reports and certifications pursuant to 47 C.F.R. § 54.313.

and documentation to ensure that the universal-service support it receives is being used for the purpose intended.<sup>39</sup> The petitioner is required to provide such records and documentation to the Commission, the FCC, or Universal Service Administration Company (USAC) upon request. If the petitioner fails to fulfill the requirements of the 1996 Telecommunications Act,<sup>40</sup> the FCC's rules, or the terms of this Order after it begins receiving universal-service support, the Commission may exercise its authority to revoke such petitioner's ETC designation.<sup>41</sup> The FCC also may assess forfeitures for violations of FCC rules and orders.<sup>42</sup>

### ANNUAL CERTIFICATION AND VERIFICATION

Each year Starlink Services will require all Lifeline subscribers to recertify their head of household status, certify that only one Lifeline discount is received at their household, and document their continued program eligibility for Lifeline in accordance with the annual Lifeline Certification and Verification for USAC that is due annually.<sup>43</sup>

IT IS THEREFORE ORDERED that:

1. The designation of Starlink Services as an ETC is granted.
2. Starlink Services is designated as an ETC for the purpose of receiving Federal High-Cost and Low-Income support from the Federal USF in the census blocks as stated in the application.

---

<sup>39</sup> 47 U.S.C. §§ 220, 403.

<sup>40</sup> 47 U.S.C. Section 151 *et seq.*

<sup>41</sup> See *Federal-State Joint Board on Universal Service; Western Wireline Corp. Petition for Preemption of an Order of the South Dakota Public Utilities Commission*, CC Docket No. 96-45, Declaratory Ruling, 15 FCC Rcd. 15168, 15174, 15 (2000); see also 47 U.S.C. § 254(e).

<sup>42</sup> See 47 U.S.C. § 503(b).

<sup>43</sup> Case No. 2012-00146, *Lifeline Reform* (Ky. PSC May 1, 2012).

3. Starlink Services shall advertise the availability of and charges for these services using media of general distribution.

4. Starlink Services shall comply with the FCC's annual certification process for Lifeline customers.

5. Starlink Services is a utility under the definitions contained in KRS 278.010(3), and shall include revenue generated from the sale of intrastate voice service, including Lifeline revenues, in its reports filed pursuant to KRS 278.140.

6. A copy of this Order shall be served upon the FCC and the USAC.

7. This case is closed and will be removed from the Commission's docket.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

By the Commission



ATTEST:



Linda C. Adwell  
Executive Director

\*M. Evan Buckley  
Dinsmore & Shohl, LLP  
City Center, 100 W. Main Street  
Suite 900  
Lexington, KENTUCKY 40507

\*Honorable John E Selent  
Attorney at Law  
Dinsmore & Shohl, LLP  
101 South Fifth Street  
Suite 2500  
Louisville, KENTUCKY 40202

\*Jennifer Richter  
Akin Gump Straus Hauer & Feld LLP  
2001 K St. NW  
Washington, DISTRICT OF COLUMBIA 20006

\*R. Edward Price  
Space Exploration Technologies Corp.  
1155 F Street, N.W  
Suite 475  
Washington, DISTRICT OF COLUMBIA 20004

\*Edward T Depp  
Dinsmore & Shohl, LLP  
101 South Fifth Street  
Suite 2500  
Louisville, KENTUCKY 40202