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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF STARLINK)	
SERVICES, LLC'S APPLICATION FOR)	CASE NO. SSL-T-21-01
DESIGNATION AS AN ELIGIBLE)	
TELECOMMUNICATIONS CARRIER)	COMMENTS OF THE
FOR PURPOSES OF RECEIVING RURAL)	COMMISSION STAFF
DIGITAL OPPORTUNITIES FUND)	
SUPPORT)	

STAFF OF the Idaho Public Utilities Commission, by and through its Attorney of record, Matt Hunter, Deputy Attorney General, submits the following comments.

BACKGROUND

On January 4, 2021, Starlink Services, LLC (“Starlink” or the “Company”) applied¹ for an order designating it as an Eligible Telecommunications Carrier (“ETC”) in specific Idaho census blocks. The Company needs ETC designation so that it can receive funding it was provisionally awarded² under the Federal Communications Commission (FCC) Rural Digital Opportunity Fund (“RDOF”) Auction. Application at 1.

¹ Starlink filed an amendment to its Application with the Commission on January 13, 2021.

² Space Exploration Technologies Corp. (“SpaceX”), the parent company of Starlink Services, Inc., (“Starlink”) was awarded the Rural Digital Opportunity Fund (“RDOF”) Auction funding and, it claims, properly assigned its winning bid to Starlink. See Application at 1.

Starlink describes the RDOF and its parent company's involvement in the RDOF auction:

On January 30, 2020, the FCC established RDOF to ensure continued and rapid deployment of broadband networks to underserved Americans. RDOF will commit up to \$20.4 billion over ten years to support the availability of high-speed broadband networks in rural America. RDOF Phase 1 targeted areas wholly unserved by 25/3 Mbps broadband. Support was awarded through a reverse auction that favored faster services with lower latency. Auction participants submitted bids based on a combination of performance and latency requirements. The Phase 1 action concluded on November 25, 2020 and awarded a total of \$9.23 billion in support over ten years. SpaceX was awarded \$885 million of this support to provide broadband and standalone voice services in 35 states, including \$54,543,468 in Idaho. On December 22, pursuant to the processes established by the FCC, SpaceX assigned its winning bids to Starlink Services.

Application at 4-5.

THE APPLICATION

Starlink is a wholly-owned subsidiary of SpaceX. Starlink states in its Application that "SpaceX designs, manufactures, and launches the world's most advanced rockets, spacecraft, and satellites, and now offers broadband service over the world's largest satellite constellation." Application at 2. SpaceX plans to deliver "a space-based broadband internet system capable of providing truly low-latency, high-throughput service in even the most remote areas of the country." *Id.* The Company notes that "[t]his service is ideal for bringing broadband and VoIP to underserved rural areas in the United States." *Id.* The service for which the Company requests designation is set forth in the Company's Application. *Id.* at 9.

The Company states it qualifies for ETC designation under the Federal Telecommunications Act (47 U.S.C. § 214(e)(1)), the Federal Communications Commission's eligibility rules (47 C.F.R. § 54.101(a)), and the requirements set forth by this Commission, outlined in the Appendix to Commission Order No. 29841. *Id.* at 8-16.

The Company asserts it satisfies the requirements for designation as an ETC in that it: has common carrier status; commits and is able to provide services supported by federal universal support mechanisms; will advertise the availability of supported services; will, through its ETC designation, advance the public interest, convenience and necessity; will provide a copy of the

Application to affected Tribal authorities and will comply with the FCC, Commission, and (as applicable) Tribal requirements for seeking ETC designation in census blocks that overlap Tribal lands; commits and is able to provide supported services as required by the Commission for ETC status; is capable of managing traffic and maintaining functionality without an external power source; complies with applicable consumer protection and service quality standards; and will comply with annual reporting requirements established by this Commission. *Id.*

STAFF ANALYSIS

Staff has reviewed Starlink's Application and has conducted an analysis of the Company's fulfillment of the federal Telecommunications Act of 1996, the FCC's regulations, the RDOF requirements, and Commission Order No. 29841. In addition, Staff has analyzed the public interest considerations of awarding the Company ETC designation. Specific state and federal requirements for ETC designation are discussed in more detail below.

Public Interest Analysis

Staff typically applies a two-prong test when analyzing whether a company's ETC application is in the public interest. First, Staff verifies that the Company will contribute to the appropriate Idaho funds. Second, Staff analyzes whether the Company's Application raises "cream skimming" concerns.

In its Application, Starlink confirms that upon designation as an ETC in Idaho, the Company will participate in the appropriate Idaho programs, comply with the Commission's annual reporting requirements, and otherwise comply with the Order No. 29841. Application at 8-16. The Company requests ETC designation for entire census blocks in areas that are wholly unserved by 25/3 Mbps broadband; therefore, no cream skimming analysis is required. *See Id.* at 12, Exhibit A. Thus, Staff believes Starlink's Application satisfies the public interest considerations.

Network Improvement Plan

The Commission requires all ETCs receiving high-cost support to provide a two-year network improvement and progress report. *See Order No. 29841* at 18. However, the FCC waived the requirement for a winning bidder to file a five-year plan as part of the FCC ETC

designation process. *WCB Reminds Connect Am. Fund Phase II Auction Applicants of the Process for Obtaining A Fed. Designation As an Eligible Telecommunications Carrier*, 33 F.C.C. Rcd. 6696 (2018). The FCC removed this requirement because it “adopted more specific measures to track deployment, including annual reporting of service to geocoded locations and certification of compliance with benchmark milestones.” *Id.*

The Company requests a waiver of the Commission’s two-year plan requirement, noting that the Commission’s two-year plan requirement was based on the FCC’s (now waived) five-year plan requirement. Application at 13 n.16; *see* Order No. 29841 at 8. Staff believes a waiver to the Commission’s two-year plan requirement is appropriate because of the FCC’s heightened oversight of RDOF Auction winners.

Ability to Remain Functional in Emergencies

The Company states that it has the ability to remain functional in emergency situations in accordance with Commission Order No. 29841 and 47 C.F.R. § 54.202(a)(2). Application at 13-14. Starlink asserts that it:

. . . will have sufficient back-up power to remain functional without an external power source in emergency situations, will be able to reroute traffic around damaged facilities, and will be able to manage traffic spikes resulting from emergency situations. At the user level, Starlink Services will offer a 24-hour battery back-up option for user equipment that will provide the ability to make phone calls in the event of a power outage. At the system level, Starlink Services is building redundancy into the network.

Application at 13-14. Staff agrees Starlink satisfies this requirement.

Other ETC Designation Requirements

Additional requirements for ETC designation are detailed in Appendix 1 of Order No. 29841 and are discussed in more detail below.


1. Common Carrier Status. Starlink is a common carrier as defined in U.S.C. Title 47. *Id.* at 9.
2. Provide Universal Services. Starlink will provide all required services and functionalities as set forth in Section 54.101(a) of the FCC’s Rules (47 C.F.R. § 54.101(a)). *Id.* at 9-12.
3. Advertising. Starlink will advertise the availability and rates for its services described in the Application through media of general distribution as required by 47 U.S.C. § 214(e)(1)(B). *Id.* at 13.

4. A Commitment to Consumer Protection and Service. Starlink commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards. *Id.* at 15.
5. Description of the Local Usage Plan. Starlink states it “will offer voice rate plans in the Service Area that include local calling at no additional charge and will comply with any and all minimum local usage requirements adopted by the FCC or states with jurisdiction over Starlink Services' standalone voice service.” *Id.* at 11.

STAFF RECOMMENDATION

Based on its review of the Company’s Application, Staff believes that the Application demonstrates the Company’s commitment to fulfill the obligations of an ETC in Idaho. The Company will provide all universal services supported by the federal USF throughout its service territory; it has addressed all of the public interest questions that accompany an ETC application; and it will provide a local usage plan. Thus, Staff believes Starlink’s Application for designation as an ETC is in the public interest and should be approved.

Respectfully submitted this 11th day of March 2021.



Matt Hunter
Deputy Attorney General

Technical Staff: Daniel Klein

Umisc/Comments/sslt21.1mhd comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 11TH DAY OF MARCH 2021, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. SSL-T-21-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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CERTIFICATE OF SERVICE