



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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OFFICE OF CABLE TELEVISION  
AND TELECOMMUNICATIONS

IN THE MATTER OF VERIFIED PETITION OF ) ORDER  
STARLINK SERVICES, LLC FOR DESIGNATION AS )  
AN ELIGIBLE TELECOMMUNICATIONS CARRIER )  
FOR THE PURPOSES OF RECEIVING RURAL )  
DIGITAL OPPORTUNITIES FUND SUPPORT ) DOCKET NO. TO21010003

**Parties of Record:**

**James H. Laskey Esq.**, Starlink Services, LLC  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On January 4, 2021, Starlink Services, LLC (“Starlink Services” or “the Company”),<sup>1</sup> filed a verified Petition with the New Jersey Board of Public Utilities (“Board”) requesting designation as an Eligible Telecommunications Carrier (“ETC”) for the purposes of receiving Rural Digital Opportunities Fund (“RDOF”)<sup>2</sup> support to provide satellite broadband and Voice-over-IP (“VoIP”) to designated service areas in New Jersey (“Service Area”).<sup>3</sup>

The RDOF program was established on January 30, 2020 to foster development and rapid deployment of broadband networks to underserved areas across the United States. The program committed up to \$20.4 billion over a ten-year period to support the availability of high-speed broadband networks in rural and underserved areas. Support was awarded through a reverse auction that weighted faster services with lower latency.

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<sup>1</sup> Starlink Services is a wholly-owned subsidiary of Space Exploration Technologies Corp. (“SpaceX”), formed in Delaware. SpaceX is incorporated in Delaware, with its principal office located in California. Starlink Services represents 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. Starlink Services will rely on the significant managerial and technical expertise of SpaceX in delivering service to consumers.

<sup>2</sup> See Rural Digital Opportunity Fund Phase I Auction (Auction 904) Closes; Winning Bidders Announced, AU Docket No. 20-34, WC Docket Nos. 19-126, 10-90, DA 20-1422 (Dec. 7, 2020) (“RDOF Winning Bidder PN”), excerpts annexed to Petition as Exhibit 2.

<sup>3</sup> Starlink Service will provide services in the census blocks identified in Exhibit 1 of the petition.

On November 25, 2020 the auction concluded and SpaceX was awarded \$885 million in 35 states, including \$10,739,474 over 10 years to provide service to 2,423 Census Blocks in New Jersey comprising all or parts of 298 municipalities. On December 22, 2020, pursuant to the procedures developed by the Federal Communications Commission (“FCC”), SpaceX assigned its winning bids to its wholly-owned subsidiary Starlink Services.

In 2018 the FCC authorized SpaceX to deploy and operate 4,400 Non-Geostationary Orbit (“NGSO”) satellites in low Earth orbit (“LEO”). The placement enables the Company to provide fast, low latency broadband service to consumers. The Company currently has 1145 satellites and a robust ground network and is providing beta service in nine states.<sup>4</sup>

The Company will offer its broadband service at throughput speeds exceeding 100/20 Mbps and voicegrade service. Customer Premises Equipment (“CPE”) will be required and includes the Starlink Services antenna, wifi router, power supply, cables and a mounting tripod at an upfront cost of \$499. The service is currently being provided in other parts of the United States at \$99 per month. The Company does not currently provide commercial service in New Jersey and has not developed a complete description of plans, including rates, terms and conditions, but will comply with all federal and state requirements as well as provide all relevant data and information to the FCC and Board if approved.

In accepting the RDOF funding the Company is required to meet the following milestones for commercial voice and broadband service: 40% of the awarded locations in the service area by the end of the third full calendar year following funding authorization, and 20% each year thereafter, resulting in 100% deployment to funded locations throughout the service area by the end of the sixth calendar year.

In addition to providing voice and broadband service, as an ETC the Company is required to offer Lifeline service consistent with the FCC’s current and future requirements. Lifeline service is a federally funded program that is part of the Universal Service Fund (“USF”) and currently provides a \$9.25/month subsidy directly to the ETC that serves the qualified low-income consumer. 47 C.F.R. § 54.403(a).

To be eligible to participate in the Lifeline program, consumers must either have an income that is at or below 135% of the Federal Poverty Guidelines or participate in certain federal assistance programs, such as the Supplemental Nutrition Assistance Program, Medicaid, Federal Public Housing Assistance, Supplemental Security Income, the Veterans and Survivors Pension Benefit, or certain Tribal Programs. 47 C.F.R. § 54.409. Qualifying applicants receive:

- 1) 1,000 voice minutes,
- 2) Unlimited text messages, and
- 3) 3 GB of data per month at no cost.

See 47 C.F.R. § 54.408.

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<sup>4</sup> Washington, Montana, Minnesota, Oregon, Michigan, Idaho, Wisconsin, Maine, and North Dakota.

The Board has jurisdiction to designate ETCs in accordance with Section 214(e)(2) of the federal Communications Act of 1934 ("Act"). Section 214(e)(2) of the Act requires ETCs to meet the following criteria for designation as an ETC:

- 1) Common carrier status;
- 2) Offer all the supported services in its Lifeline service offering;
- 3) Offer Lifeline service throughout its designated ETC service area;
- 4) Advertise the availability of Lifeline service; and
- 5) Meet all requirements for designation as an ETC for purposes of providing Lifeline services.

According to the Company's petition, it satisfies the existing criteria established under federal law,<sup>5</sup> the FCC rules and orders, and applicable New Jersey requirements. In support of this representation Starlink Services states that it:

1. Is a common carrier for purposes of 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d).<sup>6</sup>
2. Will provide all supported services using its own facilities required by Section 54.201(d)(1) of the FCC's rules (47 C.F.R. § 54.201(d)(1)).
3. Will offer broadband internet access service with the capability to transmit data to, and receive data by wire or radio from, all or substantially all internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up service as required by 47 C.F.R. § 54.101(a)(2)
4. Will provide Lifeline to qualifying low-income consumers and publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for the service, as required by 47 C.F.R. § 54.405
5. Will advertise the availability of supported services and rates using media of general distribution as required by 47 C.F.R. § 54.201(d)(1).
6. Will certify and comply with the service requirements applicable to the support that it receives pursuant to 47 C.F.R. § 54.202(a)(1)(i).
7. Will have sufficient back-up power to remain functional without an external power source in emergency situations pursuant to 47 C.F.R. § 54.202(a)(2)
8. Certifies that it is not subject to a denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, as implemented in the FCC's rules, pursuant to 47 C.F.R. § 1.2002.

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<sup>5</sup> 47 C.F.R. § 54.201(d). In its USF/ICC Transformation Order, the FCC modified the required supported services in 47 C.F.R. § 54.101 and the additional requirements for designation as an ETC in 47 C.F.R. § 54.202. In the Matter of Connect America Fund, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, released November 18, 2011 ("USF/ICC Transformation Order").

<sup>6</sup> 47 C.F.R. § 54.202(a)(1); 47 C.F.R. § 54.201(d)

The petition reflects the services to be provided by Starlink Services as required by 47 C.F.R. § 54.101(a) are as follows:

1. Voice Grade Access to the Public Switched Telephone Network (“PTSN”) by providing interconnected VoIP.
2. Local Usage, at no additional charge by offering rate plans that provide its customers with minutes of use for local service at no additional charge.
3. Access to Emergency Services by providing 911 and E911 for all of its customers, to the extent the local governments in its Service Area have implemented 911 and E911.

Toll Limitation is no longer deemed a supported service by the FCC.<sup>7</sup> Thus, Starlink Services will not seek reimbursement for toll limitation services.

In support of its petition, the Company avers that designation as an ETC will serve the public interest by ensuring that the Company is eligible to receive federal USF support, including the RDOF support won through the auction, and expanding broadband coverage in and throughout the Service Area in New Jersey, which will specifically target underserved areas in New Jersey. The funds received will enable the Company to accelerate production of satellites and CPE. This additional production will result in an acceleration of capacity deployment and more terminals at lower cost for those living in underserved areas.

According to the Company, Starlink Services satisfies all state and federal requirements for ETC designation in the Service Area. Furthermore, designating Starlink Services as an ETC for purposes of receiving RDOF support is in the public interest because it will enable Starlink Services to receive support that will facilitate rapid deployment of broadband and VoIP service to the Service Area in New Jersey at speeds and latency comparable to terrestrial systems in urban locations.

By letter dated March 18, 2021, the New Jersey Division of Rate Counsel (“Rate Counsel”) submitted comments to the Board and recommended that the Board’s Order require Starlink Services, prior to the commencement of service to New Jersey subscribers, to file specifics on the terms and conditions of service for Lifeline service offerings, such as:

- 1) The numbers of free monthly voice minutes, unlimited text and picture messages;
- 2) The amount of GB of data per month, and the net cost of the service after application of Lifeline support;
- 3) If customers will be able to purchase additional minutes or data as needed and the rate;
- 4) If Lifeline customers will receive at no additional charge any equipment (i.e. free handset or SIM card); If not, provide the charge for the equipment needed;

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<sup>7</sup> In the Matter of Lifeline and Link Up Reform and Modernization, et. al., WC Docket No. 11-42, Report and Order, FCC 12-11, para. 229 (Feb. 6, 2012).

- 5) If Lifeline customers will receive at no additional charge access to voice mail; caller I.D.; call forwarding; 3-way calling, and other call waiting features; nationwide long distance calls; calls to the Company's customer service and 911 emergency calls as part of standard service (at no additional charge); and
- 6) If Lifeline standalone Broadband will be offered and if customers will receive 25/3Mbps or higher, without a cap, if customers may purchase higher speed and at what price and the ability to optionally add voice services.

Rate Counsel does not oppose Board approval of Starlink Services as an ETC in the State of New Jersey.

## **DISCUSSION**

The availability of reliable broadband access has increasingly become a necessary service for all Americans. However, areas of New Jersey either lack modern access to high-speed internet or receive unreliable out-of-date service that utilizes older technologies that are not capable of supporting services or platforms that most Americans rely upon for work, school and, increasingly, entertainment via streaming services like Netflix, Hulu, Amazon Prime Video and others.

During the Covid-19 pandemic, broadband access has been critical to the remote work environment, commerce and in-home learning. Zoom, Teams, WebEx, Google Classroom and a host of other applications have replaced in-person meetings and classrooms. These services require considerable bandwidth to provide both voice and video streaming. Broadband coverage sufficient to stream a radio station or download a music or video file has quickly been eclipsed and is insufficient for new services created by developers. Older technologies once considered broadband, such as Digital Subscriber Line ("DSL"), are limited in their ability to support the aforementioned new services and are subject to congestion and slower throughput speeds the further a customer's location is from the provider's facilities.

The health of the economy and continued economic development are dependent on advanced telecommunication facilities, which was recognized as far back as 1990 when the Board commissioned a study aimed at identifying the relationship between telecommunications and New Jersey's future. The study concluded that key investment in infrastructure would thrust New Jersey into the forefront of the Information Age. The study found that there was a direct causal relation between an advanced telecommunication network and economic development and was a precursor to the New Jersey Telecommunications Act of 1992 ("the NJ Act"). Since 1992, the internet has transformed how we live and work.

The offering of services proposed in the Company's petition helps bridge the divide and fills a void that has been created by technological advances that, if unaddressed, impacts New Jersey's economic future. Providing options to customers as an alternative to fixed wireline and wireless internet services is critical to New Jersey's growth and addresses disparities that exist between more populated regions of the State and rural and underserved areas.

With the RDOF funds, Starlink Services expressed that it will be able to accelerate deployment of its satellite network, which will benefit the underserved areas in the State and provide a valuable option going forward as a competitive alternative. In addition, the Company has pledged to subscribe to all the requirements of the Lifeline program.

Starlink Services has demonstrated that it meets or exceeds all of the current FCC requirements to be an approved Eligible Telecommunications Carrier. Starlink Services has pledged to comply with any existing or proposed federal requirements and its provision of services will greatly enhance the ability of underserved areas to receive access to broadband service. The Board also concurs with Rate Counsel's comments regarding the information detailed above. The Board, therefore, requires that the Company adhere to the following as conditions of approval:

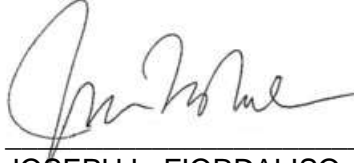
- 1) To work with the National Verifier in order to prevent waste, fraud and, abuse of the program;
- 2) To comply with all FCC rules and reporting requirements and submit to the Board total federal funds received and the number of customers served in New Jersey consistent with the FCC reporting requirements. This information must be submitted with a certification made by an officer of the Company attesting to its accuracy;
- 3) To provide any other data or information deemed necessary by Board Staff to evaluate compliance with all federal and state requirements;
- 4) Starlink Services' ETC designation may, at any time, be suspended or revoked by order of the Board;
- 5) The Company must provide a link to the Company's service offerings as they are developed, prior to beginning service, which shall include all rates, terms and conditions;
- 6) Prior to initiating service, Starlink Services must submit a letter to Staff and Rate Counsel specifically addressing Rate Counsel's six (6) areas of concern and, if applicable, include all relevant data and information in the description of all proposed rates, terms and conditions; and
- 7) The Company must provide quarterly deployment progress reports to Board Staff beginning with the fourth quarter of 2021.

The Board **HEREBY DIRECTS** the Company to develop and approve any related Lifeline service offering descriptions, including at a minimum all rates, terms, conditions and discounts available to Lifeline customers, prior to commencement of service to New Jersey subscribers. Therefore, the Company's petition is **HEREBY APPROVED** as conditioned herein. The Board **DIRECTS** that the Director of the Office of Cable Television and Telecommunications send the appropriate notice of this Order designating Starlink Services' as an ETC to the FCC and the Universal Service Administration Company.

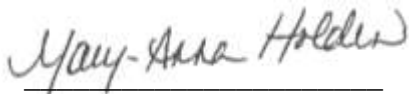
This Order shall be effective on May 7, 2021.

DATED: April 27, 2021

BOARD OF PUBLIC UTILITIES  
BY:



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PRESIDENT



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COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER



UPENDRA J. CHIVUKULA  
COMMISSIONER



ROBERT M. GORDON  
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH  
SECRETARY

**IN THE MATTER OF PETITION OF STARLINK SERVICES LLC FOR DESIGNATION AS AN  
ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE STATE OF NEW JERSEY.  
BPU DOCKET NO. TO21010003**

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