

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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October 7, 2024

The Honorable Jessica Rosenworcel
Chairwoman
Federal Communications Commission
45 L Street NE
Washington, D.C. 20554

Dear Chairwoman Rosenworcel:

The Committee on Oversight and Accountability (Committee) is investigating the Federal Communications Commission's (FCC or Commission) decision to reaffirm its revocation of an award authorizing Space Exploration Technologies Corporation's (SpaceX) Starlink to receive broadband deployment subsidies through the Rural Digital Opportunity Fund (RDOF). The Committee seeks information from the FCC to ensure that the Commission followed established processes and is not improperly using the regulatory process for political purposes. The devastating impact of Hurricane Helene—and the millions of Americans stranded without cell service or power—illustrates the importance of expanding broadband access to rural areas¹ and using innovative technologies to do so.

The FCC describes RDOF as its “next step in bridging the digital divide to efficiently fund the deployment of broadband networks in rural America.”² To bridge the divide, the FCC used a two-phase reverse auction mechanism to distribute \$20.4 billion over ten years to expand broadband access in unserved rural areas.³

In 2020, the FCC awarded SpaceX's Starlink \$885.5 million through RDOF.⁴ Starlink “is the world's first and largest satellite constellation using a low Earth orbit to deliver broadband internet capable of supporting streaming, online gaming, video calls and more.”⁵ On August 10, 2022, the FCC rejected Starlink's long-form application to receive funding through RDOF on the basis that the FCC “cannot afford to subsidize ventures that are not delivering the promised

¹ See Miranda Nazzaro, *Musk sending Starlink terminals to storm-ravaged North Carolina*, The Hill (Oct. 2, 2024).

² Fed. Comm'n Comm'n, *Implementing the Rural Digital Opportunity Fund (RDOF) Auction* (last visited Oct. 7, 2024).

³ *Id.*

⁴ Michael Sheetz, *SpaceX's Starlink wins nearly \$900 million in FCC subsidies to bring internet to rural areas*, CNBC (Dec. 7, 2020); Press Release, Fed. Comm'n Comm'n, *Successful Rural Digital Opportunity Fund Auction to Expand Broadband to Over 10 Million Rural Americans: Phase I Auction Allocates \$9.2 Billion to Close the Digital Divide in 49 States and the Commonwealth of the Northern Mariana Islands* (Dec. 7, 2020).

⁵ Starlink, *Satellite Technology* (last visited Oct. 7, 2024).

speeds or are not likely to meet program requirements.”⁶ The FCC’s Wireline Competition Bureau (the Bureau) determined that based on the totality of Starlink’s long-form application, the expansive service area in its winning bid, and reportedly inadequate responses to the Bureau’s follow-up questions, it had failed to comply with the Commission’s requirements.⁷

In December 2023, the Commission reaffirmed its decision to deny the award to Starlink. More specifically, the FCC again “determined that Starlink failed to demonstrate that it could deliver the promised service.”⁸ Notably, however, FCC Commissioners Brendan Carr and Nathan Simington have spoken against the Commission’s decision. Commissioner Carr dissented, writing the FCC crafted “an entirely new standard of review that no entity could ever pass and then appli[ed] that novel standard to only one entity: Starlink.”⁹ Commissioner Carr contended that rather than following FCC law, which requires that a winning bidder demonstrate it is “reasonably capable” of “fulfilling its end of the bargain,” the Commission denied Starlink’s award on the basis that it is not currently providing high-speed Internet service to the required locations—despite that milestone requirement not needing to be met until the end of 2025.¹⁰ Commissioner Simington similarly dissented, asserting that the “fundamental issue is that the majority is impermissibly holding SpaceX to its 2025 RDOF targets three years early, in 2022.”¹¹

Recently, Commissioner Carr testified to the Committee:

In 2020, the FCC secured a commitment from Starlink to provide high-speed Internet service to over 640,000 homes and business across 32 states for \$885 million, which amounted to about \$1,300 per location in support. But then the government abruptly and unlawfully revoked that award back in 2022. The Biden-Harris Administration is now going to spend orders of magnitude more in federal taxpayer dollars to connect locations through its own broadband initiatives, including BEAD.¹²

⁶ Press Release, Fed. Comm’n Comm’n, FCC Rejects Applications of LTD Broadband and Starlink for Rural Digital Opportunity Fund Subsidies: Applicants Failed to Meet Program Requirements and Convince FCC to Fund Risky Proposals (Aug. 10, 2022) (“Aug. 10 Press Release”).

⁷ Fed. Comm’n Comm’n, Public Notice, Rural Digital Opportunity Fund Support for 90 Winning Bids Ready to be Authorized; Bid Defaults Announced (Aug. 10, 2022).

⁸ Press Release, Fed. Comm’n Comm’n, FCC Reaffirms Decision to Reject Starlink Application for Nearly \$900 Million in Subsidies: Applicant Failed to Meet Burden for Rural Digital Opportunity Fund (Dec. 12, 2023).

⁹ Starlink Services, LLC, Rural Digital Opportunity Fund (Auction 904), WC No.19-126, OEA No. 20-34, GN No. 21-231 (Dissenting Statement of Commissioner Carr) (“Carr Dissent”).

¹⁰ *Id.*

¹¹ Starlink Services, LLC, Rural Digital Opportunity Fund (Auction 904), WC No.19-126, OEA No. 20-34, GN No. 21-231 (Dissenting Statement of Commissioner Simington).

¹² *A Legacy of Incompetence: Consequences of the Biden-Harris Administration’s Policy Failures Before the H. Comm. on Oversight & Accountability* (118th Cong.) (statement of Brendan Carr, Comm’r, Fed. Comm’n Comm’n); Nat’l Telecomm. & Deployment Program, BroadbandUSA, Broadband Equity Access and Deployment Program Overview (last visited Oct. 7, 2024) (BEAD is the Broadband Equity, Access and Deployment Program. BEAD “provides \$42.45 billion to expand high-speed internet access by funding planning, infrastructure development and adoption programs in all 50 states, Washington D.C., Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.”).

Starlink has proven to be an asset as communities seek to recover and rebuild after the devastation caused by Hurricane Helene. Nearly a week after Hurricane Helene made landfall, millions of Americans continue to lack power and cellular service.¹³ To expedite recovery, 40 Starlink satellite systems are available in North Carolina to facilitate responder communications, and an additional 140 satellites are en route to help restore communications infrastructure.¹⁴ Further, the Federal Emergency Management Agency (FEMA) has said, “one Starlink will be deployed per county Emergency Operations Center to assist with communications.”¹⁵ The use of Starlink to repair and enhance connectivity in the devastating aftermath of Hurricane Helene suggests that Starlink can support rural communities recovering from natural disasters—and therefore in daily usage, too.

Commissioner Carr has argued that the FCC is now among a “growing list of administrative agencies that are taking action against Elon Musk’s businesses.”¹⁶ The FCC must ground its decision-making in law and not politics.¹⁷ Administrative decisions that reflect partisanship hurt the very communities that programs like RDOF are intended to help. Therefore, the Committee requests information from the FCC regarding its determination that Starlink was unlikely to meet RDOF requirements.

To assist the Committee’s oversight in this matter, we request the following documents and communications, as soon as possible but no later than October 21, 2024.

1. All documents and information provided by Starlink to the FCC in support of its long-form application;
2. All documents and communications regarding the FCC’s initial decision to award Starlink broadband deployment subsidies through the Rural Digital Opportunity Fund;
3. All documents and communications regarding the FCC’s decision to deny Starlink broadband deployment subsidies through the Rural Digital Opportunity Fund;

¹³ See Nazzero, *supra* note 1.

¹⁴ Press Release, The White House, FACT SHEET: UPDATE: Biden-Harris Administration’s Continued Response to Hurricane Helene (Sept. 30, 2024).

¹⁵ *Id.*

¹⁶ Carr Dissent, *supra* note 9.

¹⁷ See Eric Revell, ‘Partisan politics’ is why FCC revoked Starlink’s rural internet award says Brendan Carr, Fox Business (Sept. 18, 2024) (Commissioner Carr recently said, “[y]ou have an agency that in 2023 says that Starlink is not reasonably capable of providing high-speed internet. And then in 2024, they’re saying it’s so capable of providing high-speed internet that we’re going to toss the word monopoly out there. There’s just no way to sort of, I don’t think, square what’s going on here with a fair application of the law or the facts, it just looks like partisan politics in my view.”); see also Rebecca Heilweil, FCC chairwoman on Starlink: ‘Our economy doesn’t benefit from monopolies’, FEDSCOOP (Sept. 12, 2024) (Commissioner Carr’s statement came shortly after you used the word “monopoly” when commenting on how Starlink is “one player that’s almost two-thirds of the satellites that are in space right now and has a very high portion of internet traffic.”).

Chairwoman Rosenworcel

October 7, 2024

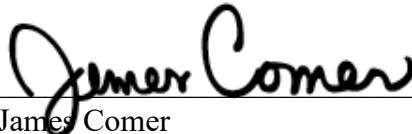
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4. All documents and communications regarding the FCC's decision to reaffirm its choice to not award Starlink broadband deployment subsidies through the Rural Digital Opportunity Fund; and
5. All documents and communications between FCC personnel regarding Elon Musk, the acquisition of X (formerly known as Twitter), and Space Exploration Technologies Corporation (or SpaceX), and Starlink, between December 2020 and the present.

In addition, to assist the Committee in investigating this matter, we request a briefing from the FCC with Committee staff. Please make arrangements to schedule a briefing with Committee staff on this matter as soon as possible, but no later than October 14, 2024. Please contact Committee staff at (202) 225-5074 to schedule the staff briefing.

The Committee on Oversight and Accountability is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. Thank you in advance for your cooperation with this inquiry.

Sincerely,

A handwritten signature in black ink that reads "James Comer". The signature is written in a cursive style and is positioned above a horizontal line.

James Comer

Chairman

Committee on Oversight and Accountability

cc: The Honorable Jamie Raskin, Ranking Member
Committee on Oversight and Accountability