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For Immediate Release

FCC REAFFIRMS DECISION TO REJECT STARLINK APPLICATION FOR NEARLY \$900 MILLION IN SUBSIDIES

Applicant Failed to Meet Burden for Rural Digital Opportunity Fund

WASHINGTON, December 12, 2023—The Federal Communications Commission today reaffirmed the Wireline Bureau's <u>prior decision</u> to reject the long-form application of Starlink to receive public support through the Rural Digital Opportunity Fund program, based on the applicant's failure to meet the program requirements. The program, which uses scarce universal service funding collected from consumers, sought to expand access to broadband networks in rural areas.

"The FCC is tasked with ensuring consumers everywhere have access to high-speed broadband that is reliable and affordable. The agency also has a responsibility to be a good steward of limited public funds meant to expand access to rural broadband, not fund applicants that fail to meet basic program requirements," **said Chairwoman Jessica Rosenworcel.** "The FCC followed a careful legal, technical and policy review to determine that this applicant had failed to meet its burden to be entitled to nearly \$900 million in universal service funds for almost a decade."

In the Rural Digital Opportunity Fund program, the Commission followed a two-step process which requires applicants to submit a high-level, short-form application for funding which, among other things, does not require the applicant to determine specific areas of service. If applicants receive a winning bid, the process is followed by an in-depth, long-form application used to verify that applicants meet the program requirements based on the specific coverage locations. The agency qualified Starlink at the short form stage, but at the long form stage, the Commission determined that Starlink failed to demonstrate that it could deliver the promised service. Funding these vast proposed networks would not be the best use of limited Universal Service Fund dollars to bring broadband to unserved areas across the United States, the Commission concluded. In the initial auction results announced December 7, 2020, Space Exploration Technologies Corp. (Starlink) was the winning bidder of \$885,509,638.40.

The RDOF program authorized more than \$6 billion in funding to bring primarily fiber gigabit broadband service to over 3,458,000 locations in 49 states and the Northern Mariana Islands. With support from this program, hundreds of carriers deployed these future-proof networks to connect unserved areas.

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