

Elon Musk's Starlink in line for deal with FAA, raising potential ethical concerns

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Elon Musk's Starlink satellite internet service could take over a Federal Aviation Administration contract to upgrade the nation's air traffic control systems, The Associated Press reported.

Starlink's internet equipment has already been installed in at least two different FAA facilities, according to the wire service, which cited government employees and other people familiar with the matter. Starlink is also preparing to take over a \$2 billion contract currently held by telecom provider Verizon, the AP said.

Starlink, which is owned by Musk's SpaceX, provides satellite internet access for residential and business customers. It bills itself as the most "advanced internet system," providing access to users in remote locations. The FAA currently relies on Verizon to power its air traffic control system, which monitors more than 45,000 flights and 2.9 million airline passengers per day.

Musk this week criticized the FAA's air traffic control network, writing on X that the "Verizon system is not working and so is putting air travelers at serious risk."

Verizon did not immediately respond to CBS MoneyWatch's request for comment on Musk's claim or the status of its contract with the FAA.

On Monday, the FAA said on X that it "has been considering the use of Starlink since the prior administration to increase reliability at remote sites, including in Alaska." The agency also said it is testing one Starlink terminal at the FAA's facility in Atlantic City, New Jersey, and at two terminals at "non-safety critical sites" in Alaska.

Bloomberg News reported on Monday that Musk last week approved 4,000 Starlink terminals to be shipped to the FAA for testing, citing a person familiar with the matter.

The FAA told CBS News that "no decisions have been made" about a long-term contract to upgrade its air traffic control systems.

Representatives for Musk didn't respond to a request for comment.

Potential conflict

Lawmakers and experts on government contracts have expressed concern about potential conflicts of interest for Musk, who is spearheading the Trump administration's effort to slash federal funding even as companies like SpaceX do business with the government.

Jessica Tillipman, associate dean for government procurement law studies at The George Washington University Law School, noted that federal regulations prohibit government contractors from having conflicts of interest, and warn even against the mere appearance of such conflicts.

Scott Amey, general counsel for the Project on Government Oversight, a nonpartisan watchdog focused on reducing government corruption, told CBS MoneyWatch that Musk's close relationship with President Trump could amount to a conflict of interest.

"You do worry if there is pressure from the top, even from the president himself, to favor his system over the existing system," Amey said. "People could be afraid to lose their jobs and will do whatever they can to please Elon Musk."

Such contracting decisions should be made "by career civil servants doing what is in the best interest of taxpayers," he added.

Some Democratic lawmakers said the FAA moving to adopt Starlink's technology raises potential ethical concerns.

"How much richer will Elon get with an FAA contract to another one of his companies? My ELON MUSK Act would stop this blatant corruption," Rep. Mark Pocan, a Democrat from Wisconsin, wrote on X on Tuesday, referring to proposed legislation that would direct federal agencies to end any contracts held by a special government employee, similar to bans that apply to members of Congress and other federal employees.