

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	File No.: EB-10-SE-132
)	
Stratos Offshore Services Company, an)	Acct. No.: 201232100031
indirect, wholly-owned subsidiary of)	
Inmarsat plc)	FRN: 0002147353

ORDER

Adopted: July 13, 2012

Released: July 13, 2012

By the Chief, Enforcement Bureau:

1. In this Order, we adopt the attached Consent Decree entered into between the Enforcement Bureau (Bureau) of the Federal Communications Commission (Commission) and Stratos Offshore Services Company, an indirect, wholly-owned subsidiary of Inmarsat plc (SOSCO). The Consent Decree resolves and terminates the Bureau’s investigation into SOSCO’s compliance with Section 301 of the Communications Act of 1934, as amended (Act),¹ and Section 1.903(a) of the Commission’s rules (Rules),² pertaining to the apparent operation of certain Wireless Communications Service fixed base transmitters from locations outside of their authorized service areas.

2. The Bureau and SOSCO have negotiated a Consent Decree that resolves this matter. A copy of the Consent Decree is attached hereto and incorporated herein by reference.

3. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree and terminating the investigation.

4. In the absence of material new evidence relating to this matter, we conclude that our investigation raises no substantial or material questions of fact as to whether SOSCO possesses the basic qualifications, including those related to character, to hold or obtain any Commission license or authorization.

5. Accordingly, **IT IS ORDERED** that, pursuant to Section 4(i) of the Act,³ and Sections 0.111 and 0.311 of the Rules,⁴ the Consent Decree attached to this Order **IS ADOPTED**.

¹ 47 U.S.C. § 301.

² 47 C.F.R. § 1.903(a).

³ 47 U.S.C. § 154(i).

⁴ 47 C.F.R. §§ 0.111, 0.311.

6. **IT IS FURTHER ORDERED** that the above-captioned investigation **IS TERMINATED**.

7. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by first class mail and certified mail, return receipt requested, to Bruce Henoeh, Vice President and General Counsel, Stratos Offshore Services Company, 6550 Rock Spring Drive, Suite 650, Bethesda, MD 20817, as well as to Christine M. Crowe, Esq., counsel for Stratos Offshore Services Company, Wilkinson Barker Knauer, LLP, 2300 N Street, N.W., Suite 700, Washington, D.C. 20037-1128.

FEDERAL COMMUNICATIONS COMMISSION

P. Michele Ellison
Chief, Enforcement Bureau

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CONSENT DECREE

The Enforcement Bureau of the Federal Communications Commission and Stratos Offshore Services Company, by their respective authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Enforcement Bureau’s investigation into possible violations of Section 301 of the Communications Act of 1934, as amended,¹ and Section 1.903(a) of the Commission’s rules,² with respect to the apparent unauthorized operation of certain Wireless Communications Service fixed base transmitters from locations outside of their authorized service area in the Gulf of Mexico.

I. DEFINITIONS

1. For the purposes of this Consent Decree, the following definitions shall apply:
 - (a) “Act” means the Communications Act of 1934, as amended, 47 U.S.C. §§ 151 *et seq.*
 - (b) “Adopting Order” means an order of the Bureau adopting the terms of this Consent Decree without change, addition, deletion, or modification.
 - (c) “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
 - (d) “Commission” and “FCC” mean the Federal Communications Commission and all of its bureaus and offices.
 - (e) “Communications Laws” means collectively, the Act, the Rules, and the published and promulgated orders and decisions of the Commission to which Stratos is subject by virtue of its business activities, including but not limited to, the Licensing Rules.

¹ 47 U.S.C. § 301.

² 47 C.F.R. § 1.903(a).

- (f) “Compliance Plan” means the compliance obligations, program, and procedures described in this Consent Decree at paragraph 9.
- (g) “Covered Employees” means all employees and agents of SOSCO who perform duties, or supervise, oversee, or manage the performance of duties that relate to SOSCO’s responsibilities under the Licensing Rules.
- (h) “Effective Date” means the date on which the Bureau releases the Adopting Order.
- (i) “Investigation” means the investigation commenced by the Bureau into SOSCO’s apparent violations of the Licensing Rules, pursuant to a referral from the Wireless Telecommunications Bureau in August of 2010 regarding the apparent unauthorized operation of stations KNLB212, KNLB319, KNLB320, and KNLB321.
- (j) “Licensing Rules” means Section 301 of the Act and Section 1.903(a) of the Rules, and other Communications Laws that prohibit the use or operation of a wireless radio station without a valid Commission authorization or in a manner inconsistent with such authorization.
- (k) “Operating Procedures” means the standard, internal operating procedures and compliance policies established by SOSCO to implement the Compliance Plan.
- (l) “Parties” means SOSCO and the Bureau, each of which is a “Party.”
- (m) “SOSCO” means Stratos Offshore Services Company, an indirect, wholly-owned subsidiary of Inmarsat plc, its predecessors-in-interest and successors-in-interest.
- (n) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.

II. BACKGROUND

2. Section 301 of the Act³ and Section 1.903(a) of the Rules⁴ prohibit the use or operation of any apparatus for the transmission of energy or communications or signals by wireless radio stations except under and in accordance with an authorization granted by the Commission.

³ 47 U.S.C. § 301.

⁴ 47 C.F.R. § 1.903(a).

3. SOSCO holds licenses for the operation of 2.3 GHz Wireless Communications Service systems with the following call signs: (1) KNLB212, (2) KNLB319, (3) KNLB320, and (4) KNLB321.⁵ These licenses permit SOSCO to deploy facilities within the Gulf of Mexico service area, which “extends from 12 nautical miles off the U.S. Gulf coast outward into the Gulf.”⁶ In the fall of 2009, SOSCO discovered that certain of its fixed base transmitters were operating within 12 nautical miles of the U.S. Gulf Coast without valid Commission authorization. SOSCO thereafter contacted each of the licensees in those coastal areas to seek their consent to SOSCO requesting Special Temporary Authority (STA) from the Commission to continue to operate those transmitters on a temporary basis. Shortly after securing the consents of those coastal area licensees, on February 22, 2010, SOSCO voluntarily disclosed the unauthorized operation, filing a request for STA with the Wireless Telecommunications Bureau (WTB) seeking to operate the unauthorized fixed base transmitters for a period of 180 days.⁷ After granting the STA on July 9, 2010, WTB referred this matter to the Bureau on August 11, 2010 for investigation and possible enforcement action. The Bureau and SOSCO entered into tolling agreements to toll the statute of limitations.⁸

III. TERMS OF AGREEMENT

4. **Adopting Order.** The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau by incorporation of such provisions by reference in the Adopting Order.

5. **Jurisdiction.** SOSCO agrees that the Bureau has jurisdiction over it and the matters contained in this Consent Decree and that the Bureau has the authority to enter into and adopt this Consent Decree.

6. **Effective Date; Violations.** The Parties agree that this Consent Decree shall become effective on the Effective Date as defined herein. As of the Effective Date, the Adopting Order and this Consent Decree shall have the same force and effect as any other order of the Commission. Any violation of the Adopting Order or of the terms of this Consent Decree shall constitute a separate violation of a Commission order, entitling the Commission to exercise any rights and remedies attendant to the enforcement of a Commission order.

7. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate the Investigation. In consideration for the termination of the Investigation, SOSCO agrees to the terms, conditions, and procedures contained herein. The Bureau further agrees that in the absence of new material evidence, the Bureau will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent

⁵ See File No. 0000057349.

⁶ 47 C.F.R. § 27.6(a)(2).

⁷ See File No. 0004135160 (filed Feb. 22, 2010, amended June 1, 2010 and June 21, 2010, granted July 9, 2010); Special Temporary Authorizations, call signs WQMD892, WQMD893, WQMD894, WQMD895, and WQMD896.

⁸ See, e.g., Tolling Agreement Extension, File No. EB-10-SE-132, executed by and between John D. Poutasse, Chief, Spectrum Enforcement Division, FCC Enforcement Bureau, and Bruce Henoeh, General Counsel, Stratos Offshore Services Company (Mar. 30, 2012).

Decree, to institute on its own motion any new proceeding, formal or informal, or take any action on its own motion against SOSCO concerning the matters that were the subject of the Investigation. The Bureau also agrees that in the absence of new material evidence it will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, to institute on its own motion any proceeding, formal or informal, or take any action on its own motion against SOSCO with respect to SOSCO's basic qualifications, including its character qualifications, to be a Commission licensee or to hold Commission licenses or authorizations.

8. **Compliance Officer.** Within thirty (30) calendar days after the Effective Date, SOSCO shall designate a senior corporate manager with the requisite corporate and organizational authority to serve as Compliance Officer and to discharge the duties set forth below. The Compliance Officer shall be responsible for developing, implementing, and administering the Compliance Plan and ensuring that SOSCO complies with the terms and conditions of the Compliance Plan and this Consent Decree. In addition to the general knowledge of the Communications Laws necessary to discharge his/her duties under this Consent Decree, the Compliance Officer shall have specific knowledge of the Licensing Rules prior to assuming his/her duties.

9. **Compliance Plan.** For purposes of settling the matters set forth herein, SOSCO agrees that it shall within sixty (60) calendar days after the Effective Date, develop and implement a Compliance Plan designed to ensure future compliance with the Communications Laws and with the terms and conditions of this Consent Decree. With respect to the Licensing Rules, SOSCO shall implement the following procedures:

- (a) **Operating Procedures on Licensing Rules.** Within sixty (60) calendar days after the Effective Date, SOSCO shall establish Operating Procedures that all Covered Employees must follow to help ensure SOSCO's compliance with the Licensing Rules. SOSCO's Operating Procedures shall include internal procedures and policies specifically designed to ensure that SOSCO obtains any required Commission authorizations prior to commencing operations on any frequencies and that SOSCO's operations on such frequencies are consistent with such Commission authorizations.
- (b) **Compliance Manual.** Within sixty (60) calendar days after the Effective Date, the Compliance Officer shall develop and distribute a Compliance Manual to all Covered Employees. The Compliance Manual shall explain the Licensing Rules and set forth the Operating Procedures that Covered Employees shall follow to help ensure SOSCO's compliance with the Licensing Rules. SOSCO shall periodically review and revise the Compliance Manual as necessary to ensure that the information set forth therein remains current and complete. SOSCO shall distribute any revisions to the Compliance Manual promptly to all Covered Employees.
- (c) **Compliance Training Program.** SOSCO shall establish and implement a Compliance Training Program on compliance with the Licensing Rules and the Operating Procedures. As part of the Compliance Training Program, Covered Employees shall be advised of SOSCO's obligation to report any noncompliance with the Licensing Rules under paragraph 10

of this Consent Decree and shall be instructed on how to disclose noncompliance to the Compliance Officer. All Covered Employees shall be trained pursuant to the Compliance Training Program within sixty (60) calendar days after the Effective Date, except that any person who becomes a Covered Employee at any time after the Effective Date shall be trained within thirty (30) calendar days after the date such person becomes a Covered Employee. SOSCO shall repeat the compliance training on an annual basis and shall periodically review and revise the Compliance Training Program as necessary to ensure that it remains current and complete and to enhance its effectiveness.

10. **Reporting Noncompliance.** SOSCO shall report any noncompliance with the Licensing Rules and with the terms and conditions of this Consent Decree within fifteen (15) calendar days after the discovery of such noncompliance. Such reports shall include a detailed explanation of (i) each instance of noncompliance; (ii) the steps that SOSCO has taken or will take to remedy such noncompliance; (iii) the schedule on which such remedial actions will be taken; and (iv) the steps that SOSCO has taken or will take to prevent the recurrence of any such noncompliance. All such reports of noncompliance shall be submitted to the Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Room 3-C366, Washington, D.C. 20554, with a copy submitted electronically to Jennifer Burton at Jennifer.Burton@fcc.gov and JoAnn Lucanik at JoAnn.Lucanik@fcc.gov.

11. **Compliance Reports.** SOSCO shall file Compliance Reports with the Commission ninety (90) calendar days after the Effective Date, twelve (12) months after the Effective Date, and twenty-four (24) months after the Effective Date.

- (a) Each compliance report shall include a detailed description of SOSCO's efforts during the relevant period to comply with the terms and conditions of this Consent Decree and the Licensing Rules. In addition, each Compliance Report shall include a certification by the Compliance Officer, as an agent of and on behalf of SOSCO, stating that the Compliance Officer has personal knowledge that SOSCO (i) has established and implemented the Compliance Plan; (ii) has utilized the Operating Procedures since the implementation of the Compliance Plan; and (iii) is not aware of any instances of noncompliance with the terms and conditions of this Consent Decree, including the reporting obligations set forth in paragraph 10 hereof.
- (b) The Compliance Officer's certification shall be accompanied by a statement explaining the basis for such certification and must comply with Section 1.16 of the Rules⁹ and be subscribed to as true under penalty of perjury in substantially the form set forth therein.
- (c) If the Compliance Officer cannot provide the requisite certification, the Compliance Officer, as an agent of and on behalf of SOSCO, shall provide the Commission with a detailed explanation of the reason(s) why and describe fully (i) each instance of noncompliance; (ii) the steps that SOSCO has taken or will take to remedy such noncompliance, including

⁹ 47 C.F.R. § 1.16.

the schedule on which proposed remedial actions will be taken; and (iii) the steps that SOSCO has taken or will take to prevent the recurrence of any such noncompliance, including the schedule on which such preventive action will be taken.

- (d) All Compliance Reports shall be submitted to the Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Room 3-C366, Washington, D.C. 20554, with a copy submitted electronically to Jennifer Burton at Jennifer.Burton@fcc.gov and to JoAnn Lucanik at JoAnn.Lucanik@fcc.gov.

12. **Termination Date.** Unless stated otherwise, the obligations set forth in paragraphs 8 through 11 of this Consent Decree shall expire twenty-four (24) months after the Effective Date.

13. **Section 208 Complaints; Subsequent Investigations.** Nothing in this Consent Decree shall prevent the Commission or its delegated authority from adjudicating complaints filed pursuant to Section 208 of the Act against SOSCO or its affiliates for alleged violations of the Act, or for any other type of alleged misconduct, regardless of when such misconduct took place. The Commission's adjudication of any such complaints will be based solely on the record developed in that proceeding. Except as expressly provided in this Consent Decree, this Consent Decree shall not prevent the Commission from investigating new evidence of noncompliance by SOSCO with the Communications Laws.

14. **Voluntary Contribution.** SOSCO agrees that it will make a voluntary contribution to the United States Treasury in the amount of Seventy-Five Thousand Dollars (\$75,000) within thirty (30) calendar days after the Effective Date. SOSCO shall also send electronic notification of payment to Jennifer Burton at Jennifer.Burton@fcc.gov, JoAnn Lucanik at JoAnn.Lucanik@fcc.gov and Samantha Peoples at Sam.Peoples@fcc.gov on the date said payment is made. The payment must be made by check or similar instrument, wire transfer, or credit card, and must include the NAL/Account number and FRN referenced above. Regardless of the form of payment, a completed FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the Account Number in block number 23A (call sign/other ID) and enter the letters "FORF" in block number 24A (payment type code). Below are additional instructions you should follow based on the form of payment you select:

- Payment by check or money order must be made payable to the order of the Federal Communications Commission. Such payments (along with the completed Form 159) must be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.
- Payment by wire transfer must be made to ABA Number 021030004, receiving bank TREAS/NYC, and Account Number 27000001. To complete the wire transfer and ensure appropriate crediting of the wired funds, a completed Form 159 must be faxed to U.S. Bank at (314) 418-4232 on the same business day the wire transfer is initiated.
- Payment by credit card must be made by providing the required credit card information on FCC Form 159 and signing and dating the Form 159 to authorize the

credit card payment. The completed Form 159 must then be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.

If you have questions regarding payment procedures, please contact the Financial Operations Group Help Desk by phone, 1-877-480-3201, or by e mail, ARINQUIRIES@fcc.gov.

15. **Waivers.** SOSCO waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order, provided the Bureau issues an Adopting Order as defined herein. SOSCO shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Adopting Order, neither SOSCO nor the Commission shall contest the validity of the Consent Decree or of the Adopting Order, and SOSCO shall waive any statutory right to a trial *de novo*. SOSCO hereby agrees to waive any claims it may have under the Equal Access to Justice Act,¹⁰ relating to the matters addressed in this Consent Decree.

16. **Invalidity.** In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

17. **Subsequent Rule or Order.** The Parties agree that if any provision of the Consent Decree conflicts with any subsequent Rule or order adopted by the Commission (except an order specifically intended to revise the terms of this Consent Decree to which SOSCO does not expressly consent), that provision will be superseded by such Rule or Commission order.

18. **Successors and Assigns.** SOSCO agrees that the provisions of this Consent Decree shall be binding on its successors, assigns, and transferees.

19. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties with respect to the Investigation. The Parties further agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding any compliance or noncompliance with the Communications Laws.

20. **Modifications.** This Consent Decree cannot be modified without the advance written consent of both Parties.

21. **Paragraph Headings.** The headings of the paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

22. **Authorized Representative.** The individual signing this Consent Decree on behalf of SOSCO represents and warrants that he is authorized by SOSCO to execute this Consent Decree and to bind SOSCO to the obligations set forth herein. The FCC signatory

¹⁰ Equal Access to Justice Act, Pub L. No. 96-481, 94 Stat. 2325 (1980) (codified at 5 U.S.C. § 504); *see also* 47 C.F.R. §§ 1.1501-1.1530.

represents that she is signing this Consent Decree in her official capacity and that she is authorized to execute this Consent Decree.

23. **Counterparts.** This Consent Decree may be signed in any number of counterparts (including by facsimile), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

P. Michele Ellison
Chief
Enforcement Bureau

Date

Bruce Henoch
Vice President and General Counsel
Stratos Offshore Services Company

Date