



# PUBLIC NOTICE

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DA 18-1147  
November 8, 2018

## FINAL NOTICE OF INTENT TO DECLARE THE INTERNATIONAL SECTION 214 AUTHORIZATION OF SPACE NET LLC TERMINATED

File No. ITC-214-20061204-00538

By this Public Notice, the International Bureau (Bureau) affords Space Net LLC (Space Net) final notice and opportunity to respond to the March 6, 2018 letter submitted by the Department of Homeland Security (DHS)<sup>1</sup> with the concurrence of the Department of Justice (DOJ), including the Federal Bureau of Investigation (FBI) (collectively, the “Executive Branch Agencies”). The Executive Branch Agencies request that the FCC terminate, declare null and void and no longer in effect Space Net’s international Section 214 authorization and the corresponding Letter of Assurance (LOA), a condition of its authorization.<sup>2</sup> The Executive Branch Agencies make this request because Space Net is no longer in business.<sup>3</sup>

In the *DHS Letter*, the Executive Branch Agencies indicate that they issued their non-objection to the Commission granting the authorization provided that Space Net abide by the commitments and undertakings contained in the LOA entered into with the Agencies.<sup>4</sup> On August 13, 2018, the Bureau’s Telecommunications and Analysis Division sent a letter to Space Net at the last known addresses on record via certified, return receipt mail asking Space Net to respond to the Executive Branch Agencies’ allegations and possible violations of the Commission’s rules by Wednesday, September 12, 2018.<sup>5</sup> The *Space Net Letter* stated that failure to respond will be deemed as an admission of the facts alleged by the Executive Branch Agencies and the Commission and will result in the issuance of an order to terminate

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<sup>1</sup> Letter from Phil Ludvigson, Director, Foreign Investment Risk Management, Office of Policy, U.S. Department of Homeland Security, to Marlene H. Dortch, Secretary, FCC (filed Mar. 6, 2018) (*DHS Letter*).

<sup>2</sup> *Id.* at 1; FCC, *International Bureau, International Authorizations Granted*, Report No. TEL-01176, Public Notice, 22 FCC Rcd 15098 (IB 2007); Letter from Faouzi Abboud, Space Net LLC, to Sigal Mandelker, Deputy Assistant Attorney General, Criminal Division, U.S. Department of Justice; Stewart A. Baker, Assistant Secretary of Policy, U.S. Department of Homeland Security; and Elaine N. Lammert, Deputy General Counsel, Federal Bureau of Investigation (July 25, 2007) (LOA).

<sup>3</sup> *DHS Letter* at 1.

<sup>4</sup> *Id.*

<sup>5</sup> Letter from Denise Coca, Chief, Telecommunications and Analysis Division, International Bureau, FCC to Mr. Faouzi Abboud, Space Net, LLC (Aug. 13, 2018) (*Space Net Letter*). A copy of this letter and the DHS Letter may be viewed on the FCC website through the International Bureau Filing System (IBFS) by searching for File No. ITC-214-20061204-00538 and accessing the “Other Filings Related to this Application” from the Document Viewing area.

(continued...)

Space Net's international Section 214 authorization.<sup>6</sup> The letters sent to Space Net were all undeliverable.<sup>7</sup>

Additionally, Space Net may be in violation of several other Commission statutory and rule provisions. The *Space Net Letter* state that Space Net did not inform the Commission of any changes in its business status, as required by Section 63.21(a) of the Commission's rules.<sup>8</sup> Further, as a part of its authorization, Space Net was required to file an annual international telecommunications traffic and revenue report, as required by Section 43.62 of the Commission's rules, which was in effect until April 2018.<sup>9</sup> Specifically, Section 43.62(b) of the Commission's rules required that "[n]ot later than July 31 of each year, each person or entity that holds an authorization pursuant to section 214 to provide international telecommunications service shall report whether it provided international services during the preceding calendar year."<sup>10</sup> Space Net, however, did not submit traffic and revenue reports for the 2014 and 2015 reporting periods.<sup>11</sup>

Space Net's failure to respond to this Public Notice will be deemed an admission of the facts alleged by the Executive Branch Agencies and of the violation of the statutory and rule provisions set out above. The Bureau hereby provides final notice to Space Net that it intends to take action and issue an Order declaring Space Net's international Section 214 authorization terminated for failure to comply with conditions of its authorization. We further advise Space Net that its non-compliance with the applicable statutory and rule provisions would warrant termination wholly apart from demonstrating Space Net's inability to satisfy the conditions of its authorization. **Space Net must respond to this Public Notice no later than 15 days of the date of this Public Notice and address the issues alleged in the *DHS Letter*.**

The Bureau is serving a copy of the Public Notice on Space Net by certified mail, return receipt requested at the last address of records appearing in Commission records. Space Net should send its response to Denise Coca, Chief, Telecommunications and Analysis Division, International Bureau at [Denise.Coca@fcc.gov](mailto:Denise.Coca@fcc.gov) and to Cara Grayer, Telecommunications and Analysis Division, International Bureau at [Cara.Grayer@fcc.gov](mailto:Cara.Grayer@fcc.gov) and file it in File No. **ITC-214-20061204-00538** via IBFS at <http://licensing.fcc.gov/myibfs/pleading.do>.

The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.<sup>12</sup> Persons making *ex parte* presentations must file a

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<sup>6</sup> *Id.* at 2.

<sup>7</sup> On August 13, 2018, the *Space Net Letter* was sent to: (1) Mr. Faouzi Abboud via certified, return receipt requested to the address on its international Section 214 application (777 Silver Spur Road, Rolling Hills Estate, California 90274) and it was returned as undeliverable; (2) Space Net's contact on its application, Matthew Schulman, Regulatory Consultant, Regnum Group, Inc. (7999 N.W. 53 Street, Doral, Florida 33166), which was also returned as undeliverable; (3) Space Net's Form 499 addresses (650 S. Grand Avenue, Suite 600A, Los Angeles, California 90017 and 626 N. Flores Street, Suite 204, Los Angeles, CA 90048) and both were returned as undeliverable. Finally, we emailed the *Space Net Letter* to the last known emails and those emails were undeliverable ([Fabboud@spacenetllc.com](mailto:Fabboud@spacenetllc.com), [fa@spacenetllc.com](mailto:fa@spacenetllc.com), and [reg@regnumgroup.com](mailto:reg@regnumgroup.com)).

<sup>8</sup> *Space Net Letter* at 1 (stating that after receiving an international Section 214 authorization, a carrier "is responsible for the continuing accuracy of the certifications made in its application" and must promptly correct information no longer accurate, "and in any event, within thirty (30) days"); 47 CFR § 63.21(a).

<sup>9</sup> *Id.* at 1-2, n.6 (citing 47 CFR § 43.62(b) and providing subsequent history).

<sup>10</sup> 47 CFR § 43.62(b) (2015).

<sup>11</sup> *Space Net Letter* at 2, n.8.

<sup>12</sup> 47 CFR § 1.1200 *et seq.*

copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation. Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b).<sup>13</sup> In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

For further information, please contact Cara Grayer, Telecommunications and Analysis Division, International Bureau, (202) 418-2960.

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<sup>13</sup> 47 CFR § 1.1206(b).