

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

In the Matter of)
Theia Holdings A, Inc.) ICFS File Nos. SAT-LOA-20161115-00121
Request for Retroactive Waiver of Surety Bond) and SAT-AMD-20170301-00029
Requirement for a Non-Geostationary Satellite) Call Sign: S2986
Orbit System License)

ORDER

Adopted: July 25, 2025

Released: July 25, 2025

By the Acting Chief, Satellite Programs and Policy Division, Space Bureau:

I. INTRODUCTION

1. By this Order, we deny the request of Theia Holdings A, Inc. (Theia) for retroactive waiver of the surety bond requirement associated with its license to construct, launch, and operate a non-geostationary-satellite orbit (NGSO) satellite system. After review of the record, we conclude that Theia’s contractual dispute with its surety bond provider does not present a good cause for waiver of its license requirement to maintain its surety bond. Accordingly, by the conditions of Theia’s license, its satellite authorization became null and void on May 16, 2024, the day that Theia’s potential bond liability under the Commission’s rules exceeded the value of its bond. The full \$4,340,000 value of the bond is due and payable to the U.S. Treasury upon written notice from the Commission’s Office of Managing Director.

II. BACKGROUND

2. On May 9, 2019, the Commission granted Theia’s application for authority to construct, launch, and operate an NGSO satellite system of 112 active satellites and 8 on-orbit spare satellites to be operated in low-Earth orbit. Consistent with the Commission’s rules, Theia’s license was conditioned upon Theia posting, and thereafter maintaining in the Commission’s files, a surety bond with a specified penal amount sufficient to cover its potential liability in the event of default under the Commission’s escalating bond liability formula. Theia would be relieved of its bond obligation upon a Commission

1 Letter from Michael Fuqua, Receiver, Theia Group, Inc., to Marlene H. Dortch, Secretary, FCC, ICFS File Nos. SAT-LOA-20161115-00121 and SAT-AMD-20170301-00029 (filed June 10, 2024) (Waiver Request).

2 See 47 CFR § 1.3.

3 Theia Holdings A, Inc., Request for Authority to Launch and Operate a Non-Geostationary Satellite Orbit System in the Fixed-Satellite Service, Mobile-Satellite Service, and Earth-Exploration Satellite Service, Memorandum Opinion, Order and Authorization, 34 FCC Rcd 3526, 3548, paras. 59a, c (Authorization); 47 CFR § 25.165(a)(1).

4 See International Bureau Updates Procedures for Filing and Maintaining Surety Bonds Pursuant to Revised Milestone and Escalating Bond Requirements, Public Notice, 31 FCC Rcd 11054 (IB 2016).

5 See Authorization, 34 FCC Rcd at 3526, paras. 1-2.

6 Authorization, 34 FCC Rcd at 3548, para. 59a; 47 CFR § 25.165(a)(1), (c). An NGSO satellite licensee is considered to be in default with respect to a bond filed in connection with its satellite license if it surrenders the license before meeting the applicable 50% deployment milestone requirement or if it fails to satisfy any such

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finding that it had satisfied its first satellite deployment milestone to launch and operate 50% of its authorized constellation within six years of its license grant.⁷ Failure to maintain a surety bond with a sufficient penal sum would render the authorization “null and void automatically, without further Commission action.”⁸

3. On May 20, 2019, Theia posted an initial surety bond in the Commission’s International Communications Filing System, and on May 5, 2021, April 29, 2022, and May 8, 2023, submitted bond riders increasing the maximum penal sum owed upon an event of default in accordance with the Commission’s rules.⁹ Theia’s final bond rider provides for a maximum bond penalty of \$4,340,000.¹⁰ Under the Commission’s escalating bond liability rule, Theia’s liability in the event of default exceeded its bond on file as of May 16, 2024, and would have continued to increase to a maximum value of \$5,000,000 as of its first milestone date of May 9, 2025.¹¹

4. On November 8, 2021, Theia entered receivership.¹² On October 26, 2023, the court presiding over the receivership approved the sale of Theia’s assets to a new buyer.¹³ On March 25, 2024, Theia and Athena-5 Systems Corp. (Athena), a wholly owned subsidiary of Emtech Global International, LLC, submitted an application for Commission consent to the assignment of Theia’s satellite license to Athena.¹⁴ The application was granted on May 9, 2024.¹⁵

5. On January 4, 2024, Theia’s receiver communicated to the provider of its surety bond that a cancellation of the bond in accordance with its terms would not require relief from the stay imposed in Theia’s receivership order.¹⁶ On January 29, 2024, according to Theia’s receiver, its bond provider

milestone by the milestone date. *See* 47 CFR § 25.165(a)(1), (c). A licensee that, for reason of its failure to maintain an adequate bond under the Commission’s rules, has its license become null and void is incapable of meeting its milestone obligations and therefore immediately defaults on its bond in the same manner as if the license had been surrendered.

⁷ *Authorization*, 34 FCC Rcd at 3548, para. 59b; 47 CFR §§ 25.164(b)(1), 25.165(d). Theia was required to launch and simultaneously operate 50% of its authorized satellites in its authorized frequency bands by no later than May 9, 2025, to satisfy its first milestone and qualify for release of the bond. *See Authorization*, 34 FCC Rcd at 3526, para. 1, 3548, para. 59b.

⁸ *Authorization*, 34 FCC Rcd at 3548, para. 59c.

⁹ *See* ICFS File Nos. SAT-LOA-20161115-00121 and SAT-AMD-20170301-00029.

¹⁰ Letter from Michael Fuqua, Receiver, Theia, to Marlene H. Dortch, Secretary, FCC, ICFS File Nos. SAT-LOA-20161115-00121 and SAT-AMD-20170301-00029 (filed May 8, 2023).

¹¹ *See* 47 CFR § 25.165(a)(1) (providing that an NGSO licensee must have on file a surety bond requiring payment in the event of default in an amount, at a minimum, determined according to the following formula, with the resulting dollar amount rounded to the nearest \$10,000: $A = \$1,000,000 + \$4,000,000 * D/2192$, where A is the amount to be paid and D is the lesser of 2192 or the number of days that elapsed from the date of license grant until the date when the license was surrendered). May 16, 2024 is 1834 days after Theia’s license grant date of May 9, 2019. Theia’s bond liability on this date was $\$1,000,000 + \$4,000,000 * 1834/2192 = \$4,346,715.33$, and when rounded to the nearest \$10,000, was \$4,350,000. One day earlier, on May 15, 2024, Theia’s bond liability was $\$1,000,000 + \$4,000,000 * 1833/2192 = \$4,344,890.51$, and when rounded to the nearest \$10,000, was \$4,340,000, the value of Theia’s bond.

¹² Waiver Request at 2; ICFS File No. SAT-T/C-20211119-00164.

¹³ Waiver Request at 2.

¹⁴ ICFS File No. SAT-ASG-20240325-00064.

¹⁵ *Id.*

¹⁶ Waiver Request at 3.

“purported to non-renew the bond, effective May 9, 2024.”¹⁷ Theia’s receiver states that he was unaware of the purported non-renewal at the time, as notice was delivered to an address not used by Theia or the receiver “for a number of years.”¹⁸ In April 2024, Theia’s receiver engaged the surety provider to execute a new bond rider extending the term of the bond and increasing the maximum penal sum, which the surety provider refused to do.¹⁹ On May 16, 2024, Theia’s potential liability under the Commission’s escalating bond liability formula exceeded the value of its bond on file, triggering the automatic cancellation provision in its license.²⁰

6. On June 10, 2024, Theia filed the Waiver Request. Theia seeks retroactive waiver of its obligation to maintain a bond in an adequate amount under the Commission’s rules, and relief from the automatic termination of its license caused by failure to maintain an adequate bond, because it argues that waiver is necessary in order to permit Theia’s receiver to consummate the sale of Theia’s assets to Athena.²¹ After the parties consummate the sale, Theia argues that Athena should have 30 days to post a satisfactory bond “just as it would have to if it were a new licensee.”²² Theia argues that grant of a waiver would avoid undue harm to the receivership estate and Theia’s creditors and serve the underlying purpose of the surety bond requirement by “enabling the assignment of the license to a well-funded buyer that will put the licensed spectrum into use.”²³

III. DISCUSSION

7. After review of the record, we conclude that Theia has failed to demonstrate good cause for waiver of its bond requirement. Rather, Theia’s license became null and void on May 16, 2024, without further Commission action. Accordingly, the full \$4,340,000 value of Theia’s bond must be paid to the U.S. Treasury upon written notice from the Commission’s Office of Managing Director.

8. *Purpose of Bond Requirement.* In 2003, the Commission adopted a bond requirement for satellite licensees.²⁴ The Commission reasoned that requiring satellite licensees to make a financial commitment to construct and launch their satellites would help deter speculative applications and help ensure scarce resources are used efficiently.²⁵ In 2015, the Commission adopted a revised bond methodology with an escalating bond requirement.²⁶ In doing so, the Commission sought to rely on the financial incentive of the escalating bond liability to encourage satellite operators to construct and launch spacecraft expeditiously or surrender their authorization early if business plans changed.²⁷

9. To further provide flexibility to satellite licensees in meeting their bond requirements, and to potentially reduce their bond maintenance costs, the Commission has offered licensees the option of submitting an initial bond with a value less than the maximum \$5 million potential liability at the end

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Authorization*, 34 FCC Rcd at 3548, paras. 59a, c; 47 CFR § 25.165(a)(1).

²¹ Waiver Request at 1.

²² *Id.* at 1-2.

²³ *Id.*

²⁴ *Amendment of the Commission’s Space Station Licensing Rules and Policies*, First Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 12674, 10824, para. 166 (2003).

²⁵ *Id.*

²⁶ *Comprehensive Review of Licensing and Operating Rules for Satellite Services*, Second Report and Order, 30 FCC Rcd 14713, 14734, paras. 50-51 (2015).

²⁷ Under the escalating bond requirement, liability increases from \$1 million to \$5 million for NGSO systems.

of the 6-year NGSO milestone period, and instead submitting periodic bond riders to increase the penal sum of the bond. The Commission has clarified that any bond riders must be submitted “without any gap in coverage,” such that “[i]n all cases, the bond, including any rider or succession bond, must provide continuing coverage and satisfy the increased potential liability pursuant to the formulas in Section 25.165 until the Bureau releases the bond.”²⁸ The Commission has also clarified that “[b]y its terms, the bond must remain effective until the Bureau releases the bond.”²⁹ Accordingly, satellite licensees that take advantage of the flexibility to file bond riders nonetheless remain responsible for continuous compliance with the bond requirements, including maintaining a bond in a sufficient amount until the bond is released by the Commission. It is the satellite licensee, and not the Commission, that assumes any risk associated with the licensee’s business decision to procure and submit periodic bond riders in place of a single bond that covers its maximum potential liability.

10. *Waiver Analysis.* A waiver of the Commission’s rules is appropriate if both (1) special circumstances warrant a deviation from the general rule, and (2) such deviation better serves the public interest.³⁰ Generally, the Commission may waive any rule if there is good cause to do so.³¹ In making this determination, the Commission may take into account considerations such as hardship, equity, or more effective implementation of overall policy on an individual basis.³²

11. That standard is not met in this case. First, aside from a private contractual dispute with its surety bond provider, apparently exacerbated by Theia’s listing of a formal mailing address not in use by the company or its receiver for a number of years,³³ Theia offers no reason for its failure to maintain an adequate bond, including by securing a bond with an alternative surety company. By making a business decision to lower its bond maintenance costs and seek periodic increases in its bond value through riders, instead of filing a single bond in the maximum value, Theia, and its receiver, assumed the associated risks. Second, the sale of Theia’s assets to a new buyer, Athena, which the Commission consented to one week prior to Theia’s default on its bond obligation and which the parties were free to consummate but have not yet done so, is also no justification for bond waiver.³⁴ The bond guarantees the licensee’s compliance with its first deployment milestone. Neither Theia nor Athena have provided any information as to how Athena could have met Theia’s first milestone of launching and operating 50% of its authorized satellites by May 9, 2025.³⁵ Failure to launch and operate any satellites by this date also renders the

²⁸ *International Bureau Clarifies Procedures for Maintaining Satellite Space Station Surety Bonds pursuant to Escalating Bond Requirements*, Public Notice, 32 FCC Rcd 743 (IB 2017).

²⁹ *Id.*, 32 FCC Rcd at 744. In addition, the bond by its terms should define the events of default sufficiently broad to include a situation in which the license or grant becomes null and void due to failure to maintain a surety bond in an adequate amount. *Id.*

³⁰ *NetworkIP, LLC v. FCC*, 548 F.3d 116, 125-128 (D.C. Cir. 2008) (citing *Northeast Cellular Telephone Co.*, 897 F.2d 1164, 1166 (1990)).

³¹ 47 CFR § 1.3.

³² See *Northeast Cellular*, 897 F.2d at 1166 (“[A] waiver is appropriate only if special circumstances warrant a deviation from the general rule and such deviation will serve the public interest. The agency must explain why deviation better serves the public interest and articulate the nature of the special circumstances to prevent discriminatory application and to put future parties on notice as to its operation”); *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969) (“The agency’s discretion to proceed in difficult areas through general rules is intimately linked to the existence of a safety valve procedure for consideration of an application for exemption based on special circumstances.”).

³³ Waiver Request at 3.

³⁴ Thus, the Commission has not prevented the sale of Theia’s assets or the termination of its receivership.

³⁵ Indeed, on May 8, 2025, Theia filed a modification application to extend these dates. See Theia Modification Application, ICFS File No. SAT-MOD-20250508-00118 (filed May 8, 2025). As discussed above, we do not reach

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license null and void.³⁶ Finally, since being issued its license in 2019, Theia has not provided any indication that it has progressed with construction of its authorized satellite system. The purpose of the bond requirement is to deter speculative satellite licenses and promote the timely deployment of authorized systems. Under these conditions, we cannot conclude that waiver of the bond requirement would not undermine the purpose of the rule. If Athena is interested in pursuing a satellite constellation, it is free to file a new application for Commission authority to do so.

IV. CONCLUSION AND ORDERING CLAUSES

12. For the foregoing reasons, IT IS ORDERED, pursuant to sections 0.51, 0.261, and 1.3 of the Commission's rules, 47 CFR §§ 0.51, 0.261, 1.3, that Theia's request for a retroactive waiver of its surety bond requirement IS DENIED.

13. IT IS REAFFIRMED that Theia's license, ICFS File No. SAT-LOA-20161115-00121, as amended by SAT-AMD-20170301-00029, became NULL AND VOID on May 16, 2024, pursuant to 47 CFR § 25.165(a)(1).

14. IT IS FURTHER ORDERED that Theia's modification application, ICFS File No. SAT-MOD-20250508-00118, seeking extension of its milestones is DISMISSED AS MOOT.

15. IT IS FURTHER ORDERED that the full amount of Theia's surety bond payment of \$4,340,000 will be due and payable to the U.S. Treasury upon written notice from the Office of the Managing Director.

FEDERAL COMMUNICATIONS COMMISSION

Jonathan R. Markman
Acting Chief, Satellite Programs and Policy Division
Space Bureau

the merits of this application because of our finding that the license was null and void when the bond lapsed in May 2024.

³⁶ See *Authorization*, 34 FCC Rcd at 3548, para. 59c.