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Team Telecom's Enforcement Moment: FCC Announces First-Ever Enforcement Action Against Satellite Service Provider

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On January 8, the Federal Communications Commission (FCC) announced a landmark enforcement action against satellite and earth-station Service Provider Marlink, Inc., marking the first time the agency has publicly enforced violations of a Team Telecom national security mitigation agreement.

Marlink's National Security Commitments

According to an FCC Public Notice, Marlink entered into a 2022 Letter of Agreement (LOA) with the Department of Justice (DOJ), acting on behalf of the interagency "Team Telecom" national security review committee, as a condition of its international Section 214 and earth station authorizations. LOAs serve as mitigation instruments to allow the executive branch to address the potential for national security risks introduced by foreign entities either (a) obtaining an FCC license to operate in certain sectors of the U.S. communications networks, or (b) acquiring control of any entity that holds certain types of FCC licenses. In Marlink's case, its LOA required "strict controls" on foreign-employee access to U.S. communications infrastructure and customer information.

The FCC found that Marlink violated the conditions of its LOA by allowing 186 foreign employees to access U.S. systems and data without DOJ's prior approval, triggering a referral from DOJ and subsequent FCC Enforcement Bureau (the Bureau) investigation.

What the Consent Decree Means in This Enforcement Action

To resolve the investigation, the Bureau adopted (and Marlink accepted) an Order and Consent Decree that terminates the enforcement proceeding in exchange for significant compliance commitments and a monetary payment to the U.S. Treasury Department. Under the Consent Decree, which operates as a negotiated settlement, Marlink agreed to pay a $175,000 "voluntary contribution," implement revised access controls for foreign personnel, and adopt a robust compliance plan designed to prevent any recurrence of LOA violations. The Bureau expressly tied the settlement to Marlink's "basic qualifications" to hold FCC authorizations, underscoring that failures to comply with Team Telecom mitigation conditions can call into question a licensee's ongoing fitness to operate under the Communications Act (47 U.S.C. § 151, *et seq.*). The FCC has rescinded international telecommunications licenses from other foreign-owned operators in the past, primarily due to national security concerns.

As is typical, in entering into the Consent Decree, the FCC does not make a formal determination that Marlink willfully or repeatedly violated the act or the FCC's rules. Marlink neither admits nor denies the Bureau's findings, but waives certain rights (including to contest the Bureau's jurisdiction and to seek further administrative or judicial review) and Marlink accepts detailed compliance commitments. Practically speaking, this means the enforcement matter is closed, but Marlink remains under heightened scrutiny: any future noncompliance with the Consent Decree or its LOA could prompt additional investigation and/or enforcement, potentially including higher penalties or challenges to its authorizations.

What This Means for Current and Future Team Telecom Applicants

The Marlink Consent Decree highlights several important compliance themes for telecommunications licensees subject to Team Telecom oversight:

- Team Telecom mitigation agreements are not mere paperwork; they are binding license conditions enforceable by the FCC, with DOJ with its other Team Telecom member agencies (including the Department of Homeland Security and Department of Defense) playing an active monitoring role.
- Foreign-employee access to U.S. communications infrastructure and customer information remains a central national security concern. The Consent Decree emphasizes "unauthorized foreign-employee access" as the core violation, and the remedial measures focus on granular access controls, procedures to obtain DOJ approval before granting such access, internal audits, and reporting obligations.
- This action underscores the expectation that companies have mature compliance programs — policies, training, monitoring, and escalation — to operationalize their LOA commitments and detect potential violations early.

Existing licensees should expect closer coordination between DOJ (as Team Telecom chair) and the FCC's licensing bureaus, with referrals of potential noncompliance leading to formal investigations. Licensees subject to LOAs should proactively reassess their controls around foreign personnel, data localization, logging and monitoring of access, vendor management, and incident response, as well as any other LOA conditions imposed.

For companies considering transactions or applications that are likely to trigger Team Telecom review — such as foreign investment in U.S. telecommunications assets, international Section 214 authorizations, satellite and earth-station licenses, or submarine cable projects — Marlink's negotiated settlement is likely to be a roadmap for future executive branch expectations. Applicants should anticipate that LOAs will include detailed, enforceable commitments regarding foreign access, data security, and cooperation with national security agencies. The lesson from this enforcement action is clear: mitigation conditions are "live" obligations that can generate real enforcement risk if not implemented and maintained over the life of the license.

Please do not hesitate to contact us if you have any questions concerning transactions or activities that may implicate Team Telecom review, or existing LOAs you may be subject to. Troutman's team of professionals has significant experience in regulatory compliance, including with respect to telecommunications, national security, international transactions, foreign investment, and related areas.

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