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Citing Coronavirus Pandemic, OneWeb Files for Chapter 11 Protection

Citing the impact of the coronavirus pandemic, OneWeb Global Ltd. has filed for Chapter 11 bankruptcy protection and plans to pursue a sale of the company.

“OneWeb has been building a truly global communications network to provide high-speed low latency broadband everywhere. Our current situation is a consequence of the economic impact of the COVID-19 crisis. We remain convinced of the social and economic value of our mission to connect everyone everywhere,” OneWeb Chief Executive Officer Adrian Steckel said in a news release issued late Friday. “Today is a difficult day for us at OneWeb. So many people have dedicated so much energy, effort, and passion to this company and our mission. Our hope is that this process will allow us to carve a path forward that leads to the completion of our mission, building on the years of effort and the billions of invested capital. It is with a very heavy heart that we have been forced to reduce our workforce and enter the Chapter 11 process while the Company’s remaining employees are focused on responsibly managing our nascent constellation and working with the Court and investors.”

OneWeb said that since the beginning of 2020, it “had been engaged in advanced negotiations regarding investment that would fully fund the Company through its deployment and commercial launch. While the Company was close to obtaining financing, the process did not progress because of the financial impact and market turbulence related to the spread of COVID-19.”

OneWeb noted that it “launched 74 satellites as part of its constellation, secured valuable global spectrum, begun development on a range of user terminals for a variety of customer markets, has half of its 44 ground stations completed or in development, and performed successful demonstrations of its system with broadband speeds in excess of 400 Mbps and latency of 32 ms. In addition, OneWeb’s commercial team has seen significant early global demand for OneWeb’s high-speed, low-latency connectivity services from governments and leaders in the automotive, maritime, enterprise, and aviation industries.”

OneWeb emphasized that “[t]his demand for connectivity delivered from low Earth orbiting satellite constellations underscores the tremendous need for high-quality connectivity, especially for rural and under-connected communities worldwide. The OneWeb ecosystem has transformed the satellite industry introducing innovative new technologies and operational advances. These developments have fundamentally changed the economics of satellite communications, opening up new markets such as cellular backhaul and connectivity on the move.”

OneWeb noted that it “filed a number of customary motions with the U.S. Bankruptcy Court seeking authorization to support its ongoing operations during the Chapter 11 process, including approval for

the consensual use of its existing cash collateral to continue to fund the business. In addition, OneWeb is actively negotiating debtor-in-possession financing, which, if acquired and approved by the Bankruptcy Court, will ensure OneWeb is able to fund additional financial commitments as it conducts a sale process under Section 363 of the U.S. Bankruptcy Code. Together, these actions will allow OneWeb to meet post-petition obligations to its remaining employees and certain vendors in the ordinary course.”

Among those laid off by the company is Eric Graham, who joined OneWeb last year to work on regulatory affairs-North America (TR Daily, Sept. 17, 2019), he announced on social media.- Paul Kirby, paul.kirby@wolterskluwer.com

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