

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

Re: *Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership*, Notice of Proposed Rulemaking, IB Docket No. 16-155

Twenty years ago, the FCC established a process to refer certain applications involving foreign ownership to relevant Executive Branch agencies for review. In doing so, the Commission sought those agencies' input on any national security, law enforcement, foreign policy, or trade policy concerns that might relate to applicants with foreign ownership.

This referral process, which now affects many more applicants, may in some cases take a significant amount of time as the relevant agencies, known as "Team Telecom," conduct their necessary reviews. It is my understanding that some companies may actually forgo investment by foreign parties or fail to enter the U.S. market because they perceive the review process as uncertain and prolonged.

Like most, I believe there is always room for improvement in any undertaking, and as part of the Chairman's Process Reform initiative, Commission staff has been working diligently with the Executive Branch agencies for over two years to strike the proper balance. This *NPRM*, the product of their commendable work, outlines significant proposals aimed at injecting increased efficiency and transparency into this necessary and required review process.

Notably, the *NPRM* proposes to have Commission staff conduct the initial review of applicants' responses to the threshold questions for completeness before forwarding to Team Telecom for substantive review. This idea, aimed at streamlining what is too often a months-long back-and-forth information gathering process that applicants engage in directly with Team Telecom, is a sure step in the right direction.

No doubt, there may be other viable alternatives to this proposal – such as applicants certifying the completeness of their applications to the Commission – so I asked that we seek comment on such alternatives as well as on the parameters of FCC staff review.

The threshold questions will elicit confidential, proprietary and personally identifiable information from applicants, which is why we asked to seek comment on whether the Commission should presume certain information confidential as well as on the types of information to which that presumption should apply. I also requested that we seek comment on the obligations of the various Executive Branch agencies when it comes to protecting confidential information, and what impact, if any, those obligations would have on this proposal.

The sensitive nature of the responses to the threshold questions also require that we ensure they are transmitted through a secure portal. This is why we sought to invite comment on what steps the Commission should take to ensure that the responses received are secure and securely transmitted.

The *NPRM* also proposes to impose timeframes for review of applications referred to Team Telecom. Specifically, submission of completed applications to Team Telecom would commence a 90-day shot clock for action on the application, with a one-time option for a 90-day extension. This proposal, which addresses the number one issue raised by commenters, would provide applicants a clear timeline for the processing of their applications and build transparency into the process.

I look forward to reviewing the record that develops in this proceeding and am mindful that our goal here is to streamline Executive Branch review of applications, not expand it or unduly increase

associated burdens. Developing the right regulatory balance to increase certainty, efficiency and transparency in the Team Telecom review process requires the input and cooperation of all involved – agencies and industry alike.

Thank you to Diane Cornell, the International Bureau, and the Executive Branch agencies for the many hours of work that has enabled us to reach this point.