

**STATEMENT OF
COMMISSIONER BRENDAN CARR**

Re: *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs*, WC Docket No. 18-89

Americans benefit from world-leading communications networks thanks to our country's exceptional commitment to the free market. To be sure, the government has a role in promoting network deployment by reducing regulatory barriers and auctioning spectrum. But it was the private sector that put over \$1.6 trillion in capital at risk and built the next generation networks that are now the envy of the world.

Our reliance on the free market has many benefits for consumers. We don't impose utility-style regulations on the Internet, which sacrifice competition for government control. We don't impose mandatory unbundling obligations, which skew investment decisions and deter network deployment. And we certainly don't have a nationalized communications network.

But unleashing the private sector to build and operate networks means that private companies are also charged with defending critical infrastructure. And the private sector is deploying substantial resources to secure their networks from attack—whether those attacks stem from an individual effort, a company, or a state actor. I visited Cable Labs outside Boulder, Colorado, two months ago and saw some of the good work industry is doing to help secure our communications infrastructure.

The federal government also has a role to play. Indeed, the federal government has been engaged in a decades-long effort to enhance the security of communications networks and their supply chains. In 2013, for example, the White House directed federal agencies to work together to increase the security of communications infrastructure. In 2017, Congress passed legislation prohibiting federal agencies from using any products provided by certain companies. And just yesterday, the Commerce Department banned the export of components to a foreign manufacturer that was found to have repeatedly evaded sanctions aimed at strengthening our national security.

Over the years, the FCC has taken targeted actions, as well. We have prohibited companies that have been barred from bidding on federal contracts for national security reasons from participating in our spectrum auctions. We consider national security and foreign policy concerns in evaluating a company's application to operate communications infrastructure in the U.S. And we have established CSRIC as an advisory council charged with providing recommendations to ensure the security of our communications networks, among other actions.

As threats continue to evolve, we must continue our work on this front—that means supporting the private sector's efforts, coordinating with our fellow agencies, and exercising our own authority, however limited, to advance the security of communications networks.

We do that through this Notice by proposing to cut off Universal Service Fund subsidies for the purchase of equipment or services from companies that pose a national security threat to communications networks or their supply chains. That's a very reasonable proposal. Americans should not be paying for equipment that undermines our national security.

But I am also glad that my colleagues have agreed to broaden the scope of this proceeding in two important respects.

First, we now seek additional information that will allow us to more fully assess the scope and nature of any threats and thus the costs and benefits of our decisions.

Second, the Notice now explores a broader set of options for remedying any threats that we identify. For instance, we now ask about more than just USF-funded equipment. And the Notice now tees up additional remedies from testing regimes (which have been employed by some of our closest

allies) to actions related to the removal or prospective deployment of equipment. I want to thank the Chairman and my colleagues for agreeing to put all of these options on the table.

Strengthening our national security will continue to be a top priority for the FCC. Doing so requires timely, accurate information concerning the threats we face and a holistic discussion of potential responses. I believe this Notice, as revised, will continue this important discussion, so I am glad to support it today.

Thank you to the staffs of the Wireline Competition Bureau and the Public Safety and Homeland Security Bureau for their diligent work on this item. It has my support.