

**STATEMENT OF
CHAIRMAN AJIT PAI**

Re: *China Mobile International (USA) Inc., Application for Global Facilities-Based and Global Resale International Telecommunications Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, ITC-214-20110901-00289*

Last week, I was honored to be part of the United States delegation to an international conference on 5G network security hosted by the Czech Republic. There was a broad consensus at this gathering that network security is not only a priority but a necessity. And through close collaboration among over 30 nations, the conference produced a set of 5G security principles that reflect the common understanding that the “security of 5G networks is crucial for national security, economic security and other national interests and global stability.”¹ This was a major accomplishment and concrete evidence of the progress the Administration has made on the international stage on this issue.

The work that we are doing here at home also is vital to ensuring that wireless networks are safe and secure. Along those lines, I joined several other Administration officials yesterday in a detailed briefing of members of the Senate Select Committee on Intelligence. While I can’t discuss what transpired at the meeting, I can say that at the intersection of national security and communications lies a strong bipartisan consensus in favor of proactive measures to protect our networks at the front end, not as an afterthought.

Another facet of the FCC’s domestic work involves ensuring that foreign entities seeking to provide telecommunications services in the United States do not pose a risk to our national security. And that brings us to the matter at hand.

In 2011, China Mobile USA applied to the FCC seeking to provide international telecommunications services in the United States. As we normally do, we asked the Executive Branch for its views on this application. After a lengthy review process, the Executive Branch last year recommended that we deny the application for national security and law enforcement reasons. And after carefully reviewing the record, I agree that rejecting China Mobile’s application is the right call.

Simply put, granting China Mobile’s application would not be in the public interest. China Mobile ultimately is owned and controlled by the Chinese government. That makes it vulnerable to exploitation, influence, and control by that government. And in the current security environment, which features Chinese government involvement in computer intrusions and economic espionage, there is a significant risk that the Chinese government would use China Mobile to conduct activities that would seriously jeopardize the national security, law enforcement, and economic interests of the United States. Among other things, if this application were granted, the Chinese government could use China Mobile to exploit our telephone network to increase intelligence collection against U.S. government agencies and other sensitive targets that depend on this network. That is a flatly unacceptable risk.²

I will put it plainly: When it comes to our national security, we cannot afford to make risky choices and just hope for the best. We must have a clear-eyed view of the threats that we face and be

¹ The Prague Proposals issued following the Prague 5G Security Conference are available at <https://www.vlada.cz/en/media-centrum/aktualne/prague-5g-security-conference-announced-series-of-recommendations-the-prague-proposals-173422/>.

² Aside from the risks that flow from direct ownership in this case, Chinese law requires citizens and organizations, including state-owned enterprises, to cooperate, assist, and support Chinese intelligence efforts throughout the world. As a result, China Mobile would likely comply with espionage and intelligence requests made by the Chinese government.

prepared to do what is necessary to counter those threats. That's exactly what the Commission is doing today in denying China Mobile's application.

I would like to thank the Executive Branch agencies that provided us with their feedback as well as the following FCC staff who worked on this item: Denise Coca, Kate Collins, Kimberly Cook, Veronica Garcia-Ulloa, Francis Gutierrez, David Krech, Artie Lechtman, Ron Marcelo, Adrienne McNeil, Thomas Sullivan, and Troy Tanner from the International Bureau; David Horowitz, Doug Klein, Bill Richardson from the Office of General Counsel; Heidi Kroll, Virginia Metallo, and Emily Talaga from the Office of Economics and Analytics; Jeff Goldthorp and Deb Jordan from the Public Safety and Homeland Security Bureau; and Mary Harmon and Raenell Plummer from the Office of the Managing Director.