For Immediate Release

FCC SCRUTINIZES FOUR CHINESE GOVERNMENT-CONTROLLED ENTITIES PROVIDING TELECOMMUNICATIONS SERVICES IN THE U.S.

Agency Issues Show Cause Orders to China Telecom Americas, China Unicom Americas, Pacific Networks, and ComNet Demanding Explanation of Why the FCC Should Not Initiate Proceedings to Revoke their Authorizations

WASHINGTON, April 24, 2020—The Federal Communications Commission today issued Orders to Show Cause against four companies that are ultimately subject to the ownership and control of the Chinese government: China Telecom Americas, China Unicom Americas, Pacific Networks, and ComNet. The Orders direct the companies to explain why the Commission should not start the process of revoking their domestic and international section authorizations enabling them to operate in the United States. Today’s action builds on the FCC’s 2019 rejection on national security and law enforcement grounds of China Mobile USA’s application to provide international telecommunications services between the United States and foreign destinations.

“Foreign entities providing telecommunications services—or seeking to provide services—in the United States must not pose a risk to our national security,” said Chairman Pai. “The Show Cause Orders reflect our deep concern—one shared by the U.S. Departments of Commerce, Defense, Homeland Security, Justice, and State and the U.S. Trade Representative—about these companies’ vulnerability to the exploitation, influence, and control of the Chinese Communist Party, given that they are subsidiaries of Chinese state-owned entities. We simply cannot take a risk and hope for the best when it comes to the security of our networks.”

The Orders to Show Cause give the companies the opportunity to demonstrate that they are not subject to the influence and control of the Chinese government, that they continue to be qualified to hold domestic and international section 214 authorizations and International Signaling Point Codes, and that public convenience and necessity is served by their retention of the authorizations and assignments. Moreover, the Order to Show Cause for China Telecom Americas directs that company to provide a detailed response to allegations raised in the Executive Branch Recommendation to Revoke their international section 214 authorization. The entities have 30 days to respond.

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).