

**STATEMENT OF
ACTING CHAIRWOMAN JESSICA ROSENWORCEL**

Re: *China Unicom (Americas) Operations Limited*, GN Docket No. 20-110, ITC-214-20020728-00361, ITC-214-20020724-00427;
Pacific Networks Corp. and ComNet (USA) LLC, GN Docket No. 20-111, ITC-214-20090105-00006, ITC-214-20090424-00199.

In the United States, we have long recognized that the free flow of information across borders and between countries is vital to our economic growth and vibrancy. That is why the Federal Communications Commission has a history of working to open American markets to foreign telecommunications companies, when doing so is in the public interest. More often than not, these connections make us stronger because they help us share our democratic values with the rest of the world.

But not all connections are in the United States' national security interest. We know some countries may seek to exploit our openness to advance their own national interests. And when we cannot mitigate that risk, we need to take action to protect the networks that are important to our national security and economic prosperity.

That is what we do today. We institute proceedings to revoke the domestic authority and international authorizations issued to three companies: China Unicom Americas, Pacific Networks, and ComNet. The evidence compiled in our proceedings confirms that these companies are indirectly owned and controlled by the Chinese government. As a result, there is strong reason to believe that they will have to comply with requests from the Chinese government and advance its goals and policies. Moreover, Executive Branch agencies have concluded that mitigation measures would not be able to address the significant national security and law enforcement concerns raised here.

The actions we take today are consistent with our 2019 decision to deny China Mobile USA's application for FCC authorization. They are consistent with our 2020 decision to start a proceeding to revoke China Telecom Americas' prior authorization to provide service within the United States.

They are also just the start of what needs to be a more comprehensive effort to periodically review authorization holders with foreign ownership providing service in the United States. After all, last year a bipartisan report from the Senate Permanent Subcommittee on Investigations detailed how the federal government has provided almost no oversight of Chinese state-owned telecommunications companies for nearly twenty years.

It's time to fix this. Here's how we will do so.

First, I have directed the agency's International Bureau to look back at this agency's past grants of international Section 214 applications and recommend options for addressing evolving national security risks.

Second, because we rely on our peers in the Executive Branch to assess national security and law enforcement concerns, I have offered the FCC's help in establishing a process to periodically review international Section 214 authorizations that raise national security risks.

Third, because the concerns we address today also apply to applications for submarine cable landing licenses, I have directed the International Bureau to continue to refer these applications to the Executive Branch agencies for review. On that front, I am pleased that applicants to build a Trans-Pacific cable linking Hong Kong to California agreed last week to reconfigure that system to meet ongoing national security concerns.

This is progress, as are the decisions adopted here today. They positively reflect both our values and our need for security. A big thank you to the agency staff who worked on this effort, including Stacey Ashton, Denise Coca, Kathleen Collins, Francis Gutierrez, Jocelyn Jeziorny, David Krech, Gabrielle Kim, Arthur Lechtman, Wayne Leighton, Ron Marcelo, Adrienne McNeill, Thomas Sullivan, and Troy Tanner from the International Bureau; Doug Klein, Jacob Lewis, Scott Noveck, Joel Rabinovitz, and Bill Richardson from the Office of General Counsel; Pamela Arluk, Jodie May, and Terri Natoli from the Wireline Competition Bureau; Pamela Kane and Christopher Killion from the Enforcement Bureau; Kenneth Carlberg, Jeffery Goldthorp, Debra Jordan, and Lauren Kravetz from the Public Safety and Homeland Security Bureau; Eric Burger, Robert Cannon, Marilyn Simon, Virginia Metallo, and Emily Talaga from the Office of Economics and Analytics; as well as Padma Krishnaswamy from the Office of Engineering and Technology.