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For Immediate Release

FCC REVOKES AND TERMINATES CHINA TELECOM AMERICA'S AUTHORITY TO PROVIDE TELECOM SERVICES IN AMERICA

WASHINGTON, October 26, 2021—The Federal Communications Commission adopted an order ending China Telecom (Americas) Corporation's ability to provide domestic interstate and international telecommunications services within the United States. The Order on Revocation and Termination directs China Telecom Americas to discontinue any domestic or international services that it provides pursuant to its section 214 authority within sixty days following the release of the order. Promoting national security is an integral part of the Commission's responsibility to advance the public interest, and today's action carries out that mission to safeguard the nation's telecommunications infrastructure from potential security threats.

Based in part on the <u>recommendation</u> of the Executive Branch agencies, the Commission found that China Telecom Americas failed to rebut the serious concerns of the Executive Branch about its continued presence in the United States. In December 2020, the Commission <u>launched</u> a proceeding and established a process that allowed for China Telecom Americas, the Executive Branch agencies, and the public to present any remaining arguments or evidence in the matter.

Today, based on the totality of the extensive unclassified record alone, the Commission's public interest analysis finds that the present and future public interest, convenience, and necessity is no longer served by China Telecom Americas' retention of its section 214 authority.

- *First*, today's Order finds that China Telecom Americas, a U.S. subsidiary of a Chinese state-owned enterprise, is subject to exploitation, influence, and control by the Chinese government and is highly likely to be forced to comply with Chinese government requests without sufficient legal procedures subject to independent judicial oversight.
- Second, given the changed national security environment with respect to China since the Commission authorized China Telecom Americas to provide telecommunications services in the United States almost two decades ago, the Order finds that China Telecom Americas' ownership and control by the Chinese government raise significant national security and law enforcement risks by providing opportunities for China Telecom Americas, its parent entities, and the Chinese government to access, store, disrupt, and/or misroute U.S. communications, which in turn allow them to engage in espionage and other harmful activities against the United States.
- *Third*, China Telecom Americas' conduct and representations to the Commission and other U.S. government agencies demonstrate a lack of candor, trustworthiness, and reliability that erodes the baseline level of trust that the Commission and other U.S. government agencies require of telecommunications carriers given the critical nature of the provision of telecommunications service in the United States.

- *Fourth*, the Order finds that further mitigation would not address these significant national security and law enforcement concerns.
- *Fifth*, the Order finds that China Telecom Americas willfully violated two of the five provisions of the 2007 Letter of Assurances with the Executive Branch agencies, compliance with which is an express condition of its international section 214 authorizations.
- *Finally*, although it is not necessary to support these findings and conclusions, the Order finds that the classified evidence submitted by the Executive Branch agencies further supports the decisions to revoke the domestic authority and revoke and terminate the international authorizations issued to China Telecom Americas, and the determination that further mitigation will not address the substantial national security and law enforcement risks.

To assist U.S. customers with transitioning to other mobile service providers as a result of China Telecom Americas' discontinued services, the FCC will issue a consumer guide after the Order is released that explains this action and what other options consumers might consider for mobile services. This document will be available in English, Simplified Chinese, and Traditional Chinese and made available on the Commission's website. Additionally, the consumer guide will be sent to news outlets to further raise awareness to China Telecom Americas' customers.

Action by the Commission October 26, 2021 by Order on Revocation and Termination (FCC 21-114). Acting Chairwoman Rosenworcel, Commissioners Carr, Starks, and Simington approving. Acting Chairwoman Rosenworcel, Commissioners Carr and Starks issuing separate statements.

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