

**STATEMENT OF  
COMMISSIONER BRENDAN CARR**

Re: *China Telecom (Americas) Corporation*, GN Docket No. 20-109; ITC-214-20010613-00346; ITC-214-20020716-00371; ITC-T/C-20070725-00285.

In 2019, when we blocked China Mobile USA from entering the U.S. market based on national security concerns, I said it was time for a top to bottom review of every telecom carrier with ties to the communist regime in China. Many of these firms were authorized to operate in the U.S. decades ago and the security threats have evolved substantially in the intervening years. With that type of review in mind, the FCC opened investigations into several carriers, including China Telecom Americas, to assess any threats they pose to America's national security. While we continue our reviews of the other carriers, I am pleased that today we are bringing this one to a close. We are voting to revoke China Telecom America's domestic and international Section 214 authority.

Our decision today is informed by the views submitted by the Executive Branch agencies with responsibility for national security reviews. They advised that there are substantial and unacceptable national security and law enforcement risks associated with China Telecom Americas' continued access to U.S. telecommunications infrastructure. They also stated that China Telecom Americas' operations provide opportunities for Chinese state-sponsored actors to engage in espionage and to steal trade secrets and other confidential business information. Indeed, the FCC's own review found that China Telecom Americas poses significant national security concerns due to its control and ownership by the Chinese government, including its susceptibility to complying with communist China's intelligence and cybersecurity laws that are contrary to the interests of the United States. Our review also found that China Telecom Americas' conduct towards the Commission and other agencies lacked candor and trustworthiness.

While today's vote is an important step forward, the FCC must remain vigilant to the threats posed by the Communist Party of China and those who would do its bidding. And on this score I have urged action on several fronts. First, we should quickly adopt final orders in our other section 214 investigations. Second, we should close the loophole in our equipment authorization process to ensure that equipment from Huawei and other entities that pose a national security risk will no longer be eligible for FCC approval. Just last week, the House passed legislation sponsored by Republican Whip Scalise and Congresswoman Eshoo that would require us to take this action. But there is no need for us to wait for that bill to become law. We can and should move quickly to close the Huawei loophole. Third, we need to ensure that we have a clear and efficient process in place for adding new entities to the FCC's Covered List.

Last week, I highlighted this issue as part of remarks where I called for the FCC to begin the process of adding DJI, a Shenzhen-based drone company, to the FCC's Covered List. As I laid out in a release, the evidence against DJI has been mounting for years, and various components of the U.S. government have taken a range of independent actions—including grounding fleets of DJI drones based on security concerns. Indeed, the Department of Defense affirmed just this past summer that DJI systems “pose potential threats to national security” and confirmed that they are still barred from general use by DoD. Yet a consistent and comprehensive approach to addressing DJI's potential threats is not in place. So the FCC should take the necessary steps to consider adding DJI to our Covered List. After all, we do not need a Huawei on wings.

Turning back to today's decision, this presents another opportunity to look at updating the agency's Covered List. The determinations reached by the Executive Branch agencies regarding China Telecom Americas appear sufficient to trigger the process of adding it to the FCC's Covered List under

our existing rules. So I would encourage the Commission to take that action, since it could impose additional restrictions on China Telecom Americas that go beyond the scope of our 214 authorizations.

Finally, I would like to thank staff from the International Bureau for their work on this item, as well as staff from across the various national security agencies who participated in this process. The item has my support.