

**STATEMENT OF
CHAIRWOMAN JESSICA ROSENWORCEL**

Re: *Pacific Networks Corp. and ComNet (USA) LLC*, GN Docket No. 20-111; ITC-214-20090105-00006; ITC-214-20090424-00199.

Communications networks depend on trust. It's fundamental. That's why during the past year the Federal Communications Commission has made it a priority to increase trust with a series of initiatives to support network security.

We kicked off the nation's first inquiry into Open RAN systems, to foster a market for more diverse and secure communications equipment. We launched a first-of-its-kind program to remove insecure equipment from domestic networks. We proposed rules to update our equipment authorization practices to better align them with national security policies and ensure that the agency does not approve insecure equipment for importation or sale in the United States. With the record in this proceeding now complete, I am pleased to announce that we will be moving forward with new rules soon. We also rechartered the Communications, Security, Reliability, and Interoperability Council with a 5G focus, and for the first time it is being co-chaired by the Cybersecurity and Infrastructure Security Agency. And just last month we launched an inquiry into Border Gateway Protocol security, to explore internet routing vulnerabilities and strengthen the cybersecurity of communications services.

At the same time, we took a close look at the foreign ownership of telecommunications companies providing service in the United States. Our efforts were informed by the recommendations and work of national security authorities. In several cases, they determined that certain state-owned enterprises could be subject to exploitation, influence, and control by foreign governments. As a result, in the last year we revoked the authorizations of China Telecom Americas and China Unicom Americas to provide communications services in the United States. Today, we continue that work and do the same for two additional companies identified by our national security colleagues—Pacific Networks Corp. and its wholly-owned subsidiary, ComNet. As before, we take this action after providing the companies with appropriate due process, including multiple opportunities to explain why we should not revoke their domestic and international authorities.

With these actions, we have a better understanding of security risks in our networks. Moreover, we have made it a priority to make these learnings public. At this time last year, we published the first-ever list of communications equipment and services that pose an unacceptable risk to national security. This is known as the Covered List. I'm pleased to report that we are again working closely with our national security partners to update this list and confirm the status of other companies that have been the subject of recent national security attention. We'll have that update later this month.

Because cyber threats are constantly evolving, so is our work. That's why earlier this year I shared with my colleagues a proposal to modernize our rules regarding data breach reporting. These rules were first adopted in 2007; it's time for an update. I look forward to the agency adopting this rulemaking without further delay because data breaches are increasing and in response we need to increase our efforts to restore network trust.

Thank you to the staff who worked on today's decision, including Stacey Ashton, Denise Coca, Kate Collins, Cole Dorsey, Francis Gutierrez, Jocelyn Jeziorny, Gabrielle Kim, David Krech, Arthur Lechtman, Wayne Leighton, Adrienne McNeil, Tom Sullivan, Troy Tanner, and Patrick Webre from the International Bureau; Eduard Bartholme and Alejandro Roark from the Consumer and Governmental Affairs Bureau; Jeffrey Gee and Pam Kane from the Enforcement Bureau; Bob Cannon, Catherine Mataves, Giulia McHenry, Virginia Metallo, Donald Stockdale, Patrick Sun, and Emily Talaga from the

Office of Economics and Analytics; Padma Krishnaswamy from the Office of Engineering and Technology; Ken Carlberg, Jeffery Goldthorp, Deb Jordan, Lauren Kravetz, Nicole McGinnis, Zenji Nakazawa, Erika Olsen, and Austin Randazzo from the Public Safety and Homeland Security Bureau; Pam Arluk, Michele Berlove, Trent Harkrader, Melissa Droller Kirkel, Jodie May, Rodney McDonald, Kris Monteith, and Terri Natoli from the Wireline Competition Bureau; Monica DeLong, Garnet Hanly, Susannah Larson, Jessica Quinley, and Joel Taubenblatt from the Wireless Telecommunications Bureau; and Matthew Dunne, Michele Ellison, Doug Klein, Jacob Lewis, Scott Noveck, Bill Richardson, Joel Rabinovitz, and Royce Sherlock from the Office of General Counsel.