

**STATEMENT OF
COMMISSIONER BRENDAN CARR**

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

In 2019, the FCC took the then unprecedented step of blocking a wireless carrier that was owned and controlled by the Communist regime in China from connecting to our networks based on serious national security concerns. That action was entirely justified by the record and by China's evolving efforts to use entities it controls to surveil persons within our borders, steal intellectual property, and engage in other nefarious acts. Indeed, after our decision to deny China Mobile's application, I said it was time for the FCC to engage in a top-to-bottom review of every entity that would do the bidding of Communist China. As a result, we launched proceedings that focused on several entities, including China Telecom Americas, China Unicom Americas, and the two providers at issue today, Pacific Networks and ComNet.

Like those before them, we decide today to revoke the domestic and international section 214 authority of Pacific Networks and ComNet.

Our action is informed by the views submitted by the Executive Branch agencies with responsibility for national security reviews. They advised that Pacific Networks and ComNet are ultimately owned and controlled by a Chinese state-owned entity. This raises significant national security and law enforcement risks due to their susceptibility to complying with China's surveillance laws. Indeed, our own review found that the companies' continued access to U.S. telecommunications infrastructure creates opportunities for the Chinese government or other state-backed actors to engage in espionage by monitoring U.S. traffic. Our review also found that the companies' conduct towards the Commission and Congress lacked trustworthiness and reliability.

Today's action is an important one, and I am pleased that we are bringing this proceeding to a close. But there is more that the FCC and the Executive Branch must do to address the threats that Communist China continues to pose. Here are just some of those actions.

First, the FCC must ensure that our Covered List stays up to date. And we can do this in several ways. For one, we should look at adding all of the entities that have had their section 214 authorizations revoked. That would mean adding China Telecom Americas, China Unicom Americas, as well as Pacific Networks and ComNet. After all, the Executive Branch agencies' national security determinations in these proceedings appear to satisfy the statutory criteria for adding them to the Covered List, as I have noted before. For another, we should work with the Executive Branch to get their official views on other entities and whether they should be added to the Covered List—that would include Shenzhen-based drone maker DJI.

Second, we should move quickly to implement the Secure Equipment Act. The FCC sought comment last year on closing a loophole that allows entities that pose an unacceptable national security threat to continue to get their gear approved by the FCC for use in the U.S. The Secure Equipment Act gives us additional authorities to close this loophole, and we should reach a final determination in that proceeding quickly.

Third, as I and my FCC colleagues have noted, it might be possible that carriers that have their section 214 authorizations revoked based on national security concerns might be making an end run around that determination. In particular, they may be offering the same or similar services in a manner that does not require a section 214 authorization—whether that is by offering services on a private

carriage basis or providing data center or other services that do not require that type of authorization. This is not a development we can afford to ignore.

So here is one idea. I think the FCC should start a proceeding that examines whether we should prohibit regulated carriers from directly interconnecting with entities that pose a national security threat—regardless of whether those entities are providing services that require a section 214 authorization.

Fourth, as part of our top-to-bottom review, we should publish a list of every entity with an FCC license or authorization that is owned or controlled by Communist China. I would imagine that this is a fairly lengthy list. This action would help ensure that a range of stakeholders can provide any relevant information or perspectives about national security threats that these entities may pose.

In closing, I want to thank Chairwoman Rosenworcel for bringing this item up for a vote and for working diligently to secure our communications infrastructure. I also want to express my thanks to the International Bureau staff for preparing today's item for a vote. It has my support.