

**STATEMENT OF
COMMISSIONER GEOFFREY STARKS**

Re: In the Matter of Truphone, Inc., Notice of Apparent Liability for Forfeiture, FCC 22-30, EB-IHD-20-00031626 (Apr. 21, 2022).

Network security is national security. Even before Russia’s invasion of Ukraine, the United States and other democracies around the world were reassessing their policies towards entities affiliated or otherwise subject to the jurisdiction of adversary states. The FCC has done so in several recent proceedings, including our effort to “rip and replace” Huawei and ZTE equipment from U.S. networks, as well as our revocation of the section 214 authorizations for certain Chinese telecom carriers. Today’s enforcement action provides yet another example of how the Commission’s actions must work to ensure that our networks are as secure as possible.

This case involves a small Montana wireless carrier that has been indirectly owned by a group of Russian oligarchs since at least 2011. While it does not appear that these individuals are currently subject to any U.S. sanctions, they have been targeted with sanctions overseas. The licenses at issue have undergone a bewildering number of changes in ownership over the years but at all times have ultimately been controlled by these oligarchs and their representatives.

With the importance of the Internet and the shifting national security environment facing our nation, protecting our communications networks has never been more critical. Given that even the smallest carrier has access to U.S. communications far beyond its own service area, I’m glad that we have strengthened our rules regarding FCC and Team Telecom coordination on transactions involving foreign ownership. To that end, many of the transactions in this case that were not subject to FCC review and referral to Team Telecom would now receive such treatment.

As this case demonstrates, foreign transactions involving domestic communications networks may present significant national security issues. Given the record in this case and the individuals involved, I encourage the International Bureau to consult with the relevant national security agencies regarding the current ownership of these licenses. While today’s proposed forfeiture is a welcome first step, I would support a close review of our foreign ownership and unauthorized transfer of control rules to ensure that we are adequately addressing any national security issues.

My thanks to the Enforcement Bureau and the other Bureaus and Offices that worked on this item.