

**STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

Re: *Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, IB Docket No. 11-133

I support today's Notice asking questions about the Commission's processes regarding foreign ownership matters under section 310(b) (4) of the Telecommunications Act. Foreign ownership is an important issue that can go to matters of national security and national competitiveness, and this is truer than ever in this age of technology revolution. So we need to be sure, in whatever we do going forward on this item, that we understand the extent of foreign ownership in our telecommunications industries, what impact it has had, what direction it is tending, and what have been its benefits and costs to American consumers, American businesses and America's well-being. We need to be sure the right questions get asked here and that we avoid any outcome that might not be in the interests of our trade policy and other national interests.

So while I do not oppose exploring reasonable ways to relax unnecessary filing requirements, I don't want us to assume going in that they are patently or unnecessarily onerous. Some of the proposals here may make good sense: for example, issuing foreign ownership decisions in the name of the U.S. parent of the licensee, the entity to whom section 310(b)(4)'s foreign ownership requirements applies, rather than the licensee. But there are several others where we must be cautious and thoughtful: the current distinction between WTO and non-WTO countries is a good example. Any proposal to do away with this distinction in the name of making life easier on applicants strikes me as not without some risk. The number of WTO countries has shot up from 69 in 1998 to 153 today. The relatively few remaining non-WTO countries include Iran and Libya. I will keep an open mind as we analyze the record, but it is not at all clear to me that we should be giving these countries the presumption of open markets that we have accorded WTO countries.

As to the cost to parties to comply with our filing requirements, I'll be looking for specific, credible evidence. Anecdotal evidence suggests to me that the regulatory burdens associated with our foreign ownership reviews have hardly discouraged foreign investment in the United States telecom market, but it is critical that we have the hard information before us in order to make good and accurate determinations. Reducing corporate costs in a worthy goal, but it must never come at the expense of ignoring our clear Congressional mandate. I also want to emphasize the importance of Commission coordination with our federal partners in this area. We must continue to work closely with our fellow expert agencies such as the Department of Justice and the United States Trade Representative to properly evaluate the effects of proposed foreign ownership of licensees. We bring an expertise to that dialogue that no one else possesses. Additionally we must always be cognizant of our special FCC charge to regulate the *public* airways in the *public* interest.

Congress put serious and I think generally clear obligations on the FCC to probe deeply all aspects of foreign ownership, and we need to be vigilant that nothing we do in any of these proceedings ham-strings us from conducting the depth and breadth of analysis necessary to ensure that the intent of Congress in section 310 is met.

My thanks to Mindel De La Torre and our fine International Bureau team for bringing this item to us. I look forward to a fulsome record and to working with my Bureau and Commission colleagues to craft workable and effective processes in this important area.