

STATEMENT OF CHAIRMAN TOM WHEELER

Re: Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership, IB Docket No. 16-155.

One of my first acts as Chairman was to launch a comprehensive review of the agency's operations, with a goal of streamlining processes and modernizing outdated rules. This review generated more than 154 recommendations to improve the way we do business, which have sparked reforms that have dramatically reduced backlogs and accelerated processes across the agency. One of the 154 areas identified for reform was the Commission's coordination with Executive Branch agencies when reviewing applications that involved foreign ownership. Thanks to effective collaboration with other agencies, the Commission is acting today to streamline this process, too.

When making a determination as to whether or not an application meets the public interest standard, applicants that are foreign-owned can raise unique issues. In such cases, the Commission has long sought input from the expert Executive Branch agencies on whether the proposed foreign investment raises national security, law enforcement, foreign policy, or trade policy concerns.

This process is necessary, but it's also flawed. We have received complaints from applicants that it's too hard to find information about the status of applications and that the review process takes too long. I agree.

Completing review of an application referred for Executive Branch review takes, on average, 250 days. Now consider that 250 days ago Kevin McCarthy was expected to become the next speaker of the House; Ben Carson was surging toward the top of the primary polls; and an Alabama Crimson Tide loss had people saying the Nick Saban dynasty was over.

We need to do better than 250 days. That's why, for the last two years, the Commission has been working with the Executive Branch and industry on ways to improve the process. We have identified obvious flaws that could be improved. For example, the national security and law enforcement agencies currently ask applicants a broad set of initial questions *after* the application is filed to help identify any national security and law enforcement concerns. Our review indicates that the analysis could move much faster if the relevant information is provided at the start of the process.

Last month, NTIA submitted a letter to the Commission outlining ideas from the Executive Branch agencies on how to improve coordination. We then issued a Public Notice seeking comment on the letter, and today we launch a rulemaking to implement many of NTIA's recommendations, and some additional ones of our own.

In particular, today's NPRM proposes to make certain questions publicly available on our website and require that applicants, with reportable foreign ownership, file answers to questions on ownership, network operations, and related matters *at the time of filing the application* to increase transparency and speed up the process. We propose having applicants certify to certain mitigation provisions *at the time of filing the application*, which also will expedite review. For instance, if such a certification process had been in place last year, this would have eliminated the need for over 50% of the mitigation agreements negotiated that year.

Going beyond NTIA's recommendations and consistent with responses to our Public Notice, this item proposes to establish a 90-day time frame for Executive Branch review with an additional one-time 90-day extension for circumstances where the Executive Branch requires additional time, provided the

Executive Branch demonstrates that issues of complexity warrant an extension and provides a status update every 30 days. Adopting reasonable time frames for completion of Executive Branch referrals will add certainty to the process.

Should the proposals be adopted, the process will be more predictable and transparent, which will work better for the Commission, for the Executive Branch, for the applicants, and, most important, ensure that new infrastructure and services offerings are made available faster to consumers.

Thank you to the International Bureau for their work on this item. I appreciate especially the interest Commissioner O’Rielly has taken in streamlining this process, and I look forward to working with him, the other Commissioners and with the relevant agencies to advance the goal of a faster, more transparent process.