

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

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

A little over five years ago, I wrote about the need to improve the opaque Executive Branch review process for certain Commission applications involving foreign ownership, commonly known as “Team Telecom.” Ever since, I have been urging for reforms to provide transparency and certainty for affected applicants and licensees trapped in this regulatory black hole, not knowing what concerns executive agencies have, how long the review will last, and who they can talk to about getting their application out of the morass. Working with former Chairman Wheeler, my efforts culminated in a proceeding to improve the Team Telecom process, which, after many, many conversations with the affected agencies, was approaching the finish line when, without explanation, someone slammed the brakes just hours after the 2016 election.

Under current procedures, the Commission welcomes the advice of relevant federal agencies, and, while we could act alone, in certain situations it’s wise to allow the experts to have a say. America’s national security and law enforcement agencies are in a much better position to analyze the multitude of threats facing the U.S., and they have a legitimate role to play in this process. Thus, preserving the current framework and goals, while fixing any existing problems, is in everyone’s interest.

We must give all due credit to the Trump Administration for crafting and approving an Executive Order to do just that. Ultimately, the Executive Order revamps Team Telecom with a fairly sound structure and operating process. By setting timeframes for application review, increasing accountability by placing one Department in a lead position, expressly excluding review of transactions that do not directly affect the control of a company, and insisting that a simple contact number be provided, among other fixes, the Executive Order improves the process enormously.

That is not to suggest that the Executive Order is perfect. Certainly, there are things I would have done differently, such as including a more definitive and objective standard for starting the review clock, shortening the review periods even more, and limiting the ability of the new Committee to review previous decisions. In this vein, the Commission is taking steps to rectify some of these concerns, for example, by ensuring that those entities whose foreign ownership is being re-reviewed will be afforded due process and the opportunity to respond. Additionally, I am pleased that my requested edit to finalize the list of standard questions within 90 days was accepted. By answering these questions and submitting them to the Committee prior to filing their FCC application, applicants will expedite the start of the review period. Other rules we are adopting, such as providing 30 days for the Committee to send tailored questions to the applicant, will also help speed the process along.

Despite some nitpicking and the tweaks around the edges, let’s be clear: the basic structure provided by this item will go a long way in assuring applicants that they will get an answer within a reasonable timeframe. This is a clear victory for both national security and government efficiency.