

United States Senate

WASHINGTON, DC 20510

September 16, 2019

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 200554

Dear Chairman Pai:

We write regarding the Federal Communications Commission's (FCC) legacy authorizations to Chinese state-owned telecommunications companies operating in the United States.

Earlier this year, the FCC voted unanimously to deny China Mobile USA's application for authorization under Section 214 of the Communication Act of 1934, which requires companies to obtain approval before offering telecommunications services in the United States. In its memorandum opinion and order, the FCC determined that granting the application would not serve the public interest based on the risks to our nation's national security and law enforcement interests.

In support of its decision, the FCC, consistent with longstanding practice, relied on the expertise and recommendation of a federal interagency working group known as "Team Telecom," which is composed of national security, law enforcement, and foreign and trade policy experts throughout the executive branch. These experts concluded that China Mobile was vulnerable to exploitation, influence, and control by the Chinese government and that granting an authorization would pose national security and law enforcement risks that could not be addressed by a mitigation agreement. They also raised concerns regarding China's 2017 national intelligence law that requires Chinese companies to support, provide assistance, and cooperate in China's national intelligence work, wherever in the world they operate.

Given these serious concerns, questions have been raised regarding whether and to what extent these same concerns apply to legacy authorizations granted by the FCC to other Chinese state-owned telecommunications companies currently operating in the United States, including China Telecom and China Unicom. Although China Mobile's application appears to have posed special concerns due to its size and resources, the evolving national security environment and increased knowledge of the Chinese government's role in economic and other forms of espionage suggest that effectiveness of prior mitigation measures require re-examination.

China Mobile, China Telecom and China Unicom are often referred to as the "big three" of the Chinese telecommunications industry. While these companies are equally beholden to the Chinese government, two of them continue to operate in the U.S. despite the security risks identified in China Mobile's application. These state-owned companies continue to have access

to our telephone lines, fiber optic cables, cellular networks and satellites in ways that could give it the ability to target the content of communications of Americans or their businesses and the U.S. government, including through the “hijacking” of telecommunications traffic by redirecting it through China.

Put simply, we may be currently exposing ourselves to substantial economic, national security and law enforcement risks because of past decisions by the FCC that have not been revisited despite China’s continued cyber-attacks against our country. Accordingly, we request that the FCC open a proceeding to review whether its legacy Section 214 authorizations of Chinese-state owned telecommunications companies continue to serve the public interest and, if necessary, should be revoked. As part of this proceeding, we also request that the FCC continue to seek the expertise and recommendations of the relevant executive branch agencies regarding how evolving national security, law enforcement, and foreign or trade policy concerns impact their assessment of these legacy authorizations.

Thank you for your attention to this important matter.

Sincerely,



Charles E. Schumer
United States Senator



Tom Cotton
United States Senator

- cc: The Honorable Michael O’Rielly, FCC Commissioner
The Honorable Brendan Carr, FCC Commissioner
The Honorable Jessica Rosenworcel, FCC Commissioner
The Honorable Geoffrey Starks, FCC Commissioner
The Honorable William Barr, Attorney General
The Honorable Kevin McAleenan, Acting Secretary of Homeland Security
The Honorable Mark Esper, Secretary of Defense
The Honorable Mike Pompeo, Secretary of State
The Honorable Wilbur Ross, Secretary of Commerce
The Honorable Robert Lighthizer, United States Trade Representative
Kelvin Droegemeier, Director, White House Office of Science and Technology Policy