

ALERT

FCC Opens Foreign Ownership Proceedings for Comment, Advancing National Security Focus

June 25, 2025

The public comment period is now open for two Federal Communications Commission (FCC or Commission) proceedings proposing new rules related to foreign ownership of FCC authorization holders. Both proceedings are part of the Commission's increased focus on mitigating national security threats to communications networks and services. Indeed, FCC Chairman Brendan Carr established the new FCC Council on National Security to promote and elevate the FCC's growing national security agenda. The public comment cycles in these proceedings provide critical opportunities to inform and collaborate with the Commission to shape policy in this area.

This alert covers the comment cycles for the two foreign ownership proceedings and also highlights other important national security-related developments at the Commission.

Comment Cycles in Foreign Ownership Proceedings

Foreign Adversary NPRM. First, the Commission seeks comment on a Notice of Proposed Rulemaking (NPRM) proposing to create a new, broadly applicable foreign ownership regime (Foreign Adversary NPRM). The item was adopted at the May 2025 Open Meeting and published in the Federal Register on June 20, 2025. As we previously explained, the Foreign Adversary NPRM would create a new certification and reporting regime for holders of FCC licenses, authorizations, and approvals. The proposed rules are intended to fill "gaps" in the FCC's current foreign ownership reporting requirements, since only certain FCC licenses and authorizations are presently

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subject to foreign ownership reporting. The certification requirements would be broadly applicable, but the obligation to disclose ownership interests would be narrower, applying only to entities who affirmatively certify that they are subject to foreign adversary ownership or control (i.e., currently China, Cuba, Iran, North Korea, Russia, and the Maduro regime in Venezuela). Comments on the Foreign Adversary NPRM are due July 21, 2025, and reply comments are due August 19, 2025.

Section 310(b) NPRM. Second, the Commission seeks comment on revising rules applicable to common carriers and broadcast licensees under Section 310(b) of the Communications Act in another NPRM (Section 310(b) NPRM). The Section 310(b) NPRM was adopted at the April 2025 Open Meeting and was published in the Federal Register on June 23, 2025. As we previously explained, the Commission seeks comment on proposed changes to the rules covering foreign ownership of common carriers and broadcast licensees. The rules are intended to clarify certain definitions and processes to minimize the need for supplemental filings and promote more efficient processing of Section 310(b) petitions. The Section 310(b) NPRM also generally seeks comment on other rule changes that could further streamline processing. Comments on the Section 310(b) NPRM are due July 23, 2025, and reply comments are due August 22, 2025.

ICYMI: Recent Developments Under the FCC's Broader National Security Agenda

The two foreign ownership proceedings are part of a broader effort by the Commission to take steps to strengthen communications networks from national security threats. Other recent actions include:

"Bad Labs" and Equipment Authorization. The FCC's May 2025 Report and Order adopted new rules prohibiting entities with certain connections to foreign adversaries from participating in the FCC's equipment authorization program as telecommunications certification bodies (TCBs), test labs, or laboratory accreditation bodies. As we previously explained, the Further Notice of Proposed Rulemaking (FNPRM) adopted contemporaneously with the Order seeks comment on expanding that prohibition to entities that are "subject to the jurisdiction of a foreign adversary country." This expansion would prohibit, for example, any lab located in China from participating in the FCC's equipment authorization program. The Order and FNPRM have not yet been published in the Federal Register.

It is also worth noting that the FCC has not yet adopted rules pursuant to a 2022 FNPRM that sought comment on further changes to the equipment authorization regime. As discussed in our 2022 alert on this item, the corresponding Order prohibited FCC authorization of any equipment identified on the FCC's Covered List, while the FNPRM sought comment on expanding that prohibition to include radiofrequency products containing component parts developed by Covered List entities as well as possible revocation of existing equipment authorizations held by such entities. Given the FCC's recent flurry of actions in the national security space, it is possible that there could be further agency action in this proceeding soon.

Connected Vehicles. Earlier this month, the Commission released a Public Notice seeking comment on whether and how to add to the Covered List certain connected vehicle hardware and/or software provided by Chinese- or Russian-controlled entities. The Public Notice follows a Final Rule by the U.S. Department of Commerce's Bureau of Industry and Security (BIS) that will restrict certain transactions involving such hardware

and software. As we noted in a recent blog post, the FCC's proposal is novel in that it would mark the first time a product segment (rather than products or services offered by named entities) would appear on the Covered List, and raises questions about both the boundaries of the FCC's obligations to maintain the list and the application of current FCC regulations that rely on it. Pursuant to an extension, comments on the Public Notice are due June 27, 2025.

Drones. While not at the FCC quite yet, ongoing federal activity related to national security and commercial uncrewed aircraft systems (UAS or drones) has implications for future Commission actions. Most recently, the Trump Administration released two Executive Orders focused on bolstering the U.S. drone industry and securing U.S. airspace. This Executive action, which includes directives designed to improve the trade balance for U.S.-made drones and secure the UAS supply chain, comes on the heels of an Advance Notice of Proposed Rulemaking by BIS seeking to impose restrictions on transactions involving UAS and components made by Chinese- or Russian-controlled entities. Assuming that BIS adopts a binding rule restricting such transactions, the FCC will be faced with many of the same issues raised by its Public Notice on a connected vehicle update to the Covered List, as BIS is looking to model its drone rule after the connected vehicles rule (and is relying on the same Executive Order in taking the action). In addition, the clock is currently ticking on a National Defense Authorization Act provision requiring national security agencies to analyze the risks posed by Chinese UAS manufacturers DJI and Autel. That assessment could require the FCC to add DJI and Autel equipment to its Covered List – and if no assessment is completed, the statute requires the FCC to add them to the list anyway.

Wiley's Telecom, Media & Technology, National Security, Privacy, Cyber & Data Governance, and Uncrewed Aircraft Systems (UAS) practitioners can help navigate these evolving issues. If you have questions about any of the above FCC proceedings or would like to file comments in the Foreign Adversary or Section 310(b) proceedings, please contact one of the authors of this alert.