

# Targeting “Foreign Adversary” Interests, FCC Proposes Broadly Applicable Ownership Reporting Regime

May 28, 2025

On May 27, 2025, the Federal Communications Commission (FCC or Commission) released a Notice of Proposed Rulemaking (Foreign Adversary NPRM or NPRM) that seeks to promote U.S. national security by providing “a new and comprehensive view of threats from foreign adversaries in the communications sector.” In particular, the Commission proposes to require entities holding FCC licenses or authorizations to certify whether they are “owned by, controlled by, or subject to the jurisdiction or direction of” a country that has been designated as a foreign adversary (China, Russia, Iran, North Korea, Cuba, and the Maduro Regime in Venezuela) and, if yes, to disclose all equity and/or voting interests of 5% or greater. If adopted, the new regime would apply broadly to entities holding virtually every type of Commission authorization.

The NPRM builds on “a deluge of bipartisan legislative and regulatory efforts to address the risks posed by” the six foreign adversary countries. (¶ 4). At the Commission, those efforts include, most recently, the “Bad Labs” Report and Order prohibiting foreign-adversary-connected entities from serving as test labs and telecommunications certification bodies (TCB) as well as a related Further Notice of Proposed Rulemaking (FNPRM) on additional questions and proposals, and a Public Notice inviting comment on expanding the FCC Covered List to include connected vehicle technology manufacturers that fall within the purview of the Bureau of Industry and Security’s January order. Additionally, the FCC released an NPRM last month that seeks to clarify its existing foreign ownership regime.

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Below, we summarize key proposals and notable issues that are open for comment under this Foreign Adversary NPRM. Comments on the NPRM will be due 30 days after Federal Register publication.

**Entities Subject to Reporting Requirements.** Certain FCC licensees are already subject to foreign ownership reporting requirements, which vary depending on the license type. The NPRM proposes to adopt a new, uniform certification and reporting regime that would substantially broaden the reach of FCC reporting to include the following holders of FCC licenses, authorizations, and approvals:

- Wireless licensees and lessees (FCC Rule Parts 22, 24, 26, 27, 30, 80, 87, 88, 90, 95, 96, 97, 101), excluding those licensed by rule, and spectrum auction applicants
- Commercial radio operators (Part 13)
- Entities with Section 310(b) foreign ownership rulings
- Antenna structure registrants
- Satellite network (space and earth station) licensees
- Broadcast radio and television licensees
- International high-frequency authorization holders and Section 325(c) permit holders
- Multichannel video programming distributors (MVPD)
- Submarine cable license holders
- Holders of domestic Section 214 authorizations (which are granted by blanket rule) and international Section 214 authorizations
- Voice over Internet Protocol (VoIP) providers with numbering authorizations
- Applicants for FCC equipment authorization
- Internet-based Telecommunications Relay Service (TRS) certification holders
- Entities holding other various authorizations, including frequency coordinators, holders of Data Network Identification Codes (DNIC) and International Signaling Point Codes (ISPC), and recognized operating agencies under the International Telecommunication Convention

The NPRM seeks comment on whether to also include Eligible Telecommunications Carriers (ETC) that provide services subsidized by the Universal Service Fund (§ 37), and whether the list of covered regulated entities “is appropriately comprehensive” (§ 46).

**Definitions.** The Commission proposes the following definitions and interpretations of key terms:

- The phrase “person owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary” would have the same four-part definition as in Department of Commerce regulations (15 CFR § 791.2). (§ 15)
  - Notably, this definition includes indirect control and control via ownership of a “dominant minority.” (§ 15) It also includes any entity “with a principal place of business in, headquartered in, incorporated in, or otherwise organized under the laws of a foreign adversary.” (§ 15)

- The Commission would interpret ownership to include both voting and equity interests and would interpret “[d]ominant minority” as a 10% or greater interest. (¶ 16)
- The term “foreign adversary” would likewise be coextensive with the relevant Commerce definitions, including Commerce’s codified list of the six foreign adversary countries. (¶ 17)

**Certification and Reporting Requirements.** The NPRM proposes to require all covered authorization holders to certify whether or not they are “owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary.” Those that certify affirmatively would also be required to disclose all ownership interests of 5% or greater (including citizenship and business organization information for those interest holders) and to describe the nature of the foreign adversary control. (¶ 49)

**Timing and Enforcement.** Initial certifications and reports would be due 60 days after the regulations become effective, and all future applicants for covered authorizations or changes to existing authorizations would likewise be required to complete the process. (¶ 56). Entities would have 30 days to update their certification and/or report after relevant changes. (¶ 56). All certification and reporting information would be publicly available. (¶ 50). Failure to respond fully and accurately to the certification and reporting requirements would subject entities to a “streamlined revocation procedure” under which the FCC would provide a 30-day window to respond or correct deficiencies, after which the entity’s authorizations would be revoked. (¶ 64).

**Level of Diligence.** The NPRM seeks comment on the level of effort required to make accurate certifications and whether filers should have to describe their due diligence efforts if information about certain interest holders is unavailable. (¶ 58). Acknowledging that “some publicly traded companies may not be aware of certain ownership information until a filing with the Securities and Exchange Commission is required, which may occur outside [the FCC’s] proposed 30-day window[.]” the NPRM asks whether publicly traded companies should be afforded “a different due diligence expectation or reporting timeframe.” (¶ 58).

**Notable Issues for Comment.** The Commission seeks comments on its proposed framework as a whole. At the same time, the NPRM poses several questions on how to implement the new regime that may be of particular interest for public comment, including:

- Whether to add or remove countries from Commerce’s list of six adversaries (¶ 17)
- Whether to require entities with reportable foreign adversary control to submit information regarding the nature of interactions with foreign adversary governments or officials (¶ 51)
- Whether to revoke the authorizations held by entities with reportable foreign adversary control (¶ 53)
- Whether reporting requirements should vary by license type (¶¶ 16, 53)
- Whether to define “dominant minority” as an interest of greater or less than a 10% voting or equity interest for all or certain types of license holders, noting that broadcasters are generally subject to a 5% voting interest threshold for attribution (¶¶ 16, 29)
- How the Commission should obtain information concerning foreign adversaries that do not own or control broadcast stations but provide programming to the public through brokering or leasing arrangements (¶ 30)

- Whether to altogether remove the certification requirement for entities that do not have reportable foreign adversary control, or to exempt certain entities from the requirements (§§ 54-55)
- The level of diligence required to make accurate filings, particularly for publicly traded companies (§ 58)
- How the FCC should collect the information and, relatedly, how to minimize compliance burdens and avoid duplication with existing requirements (§§ 49, 60-62)
- Potential involvement by the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (also known as "Team Telecom") in the proposed process (§§ 53, 66)
- Alternatives to the proposed revocation procedures for failure to fully and accurately respond to the certification and reporting requirements, and whether procedures should differ for Title III licensees (§§ 64-66)
- Whether making the certification and reporting information public would implicate privacy concerns (§ 67)

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Wiley's Telecom, Media & Technology, National Security, and Privacy, Cyber & Data Governance practitioners can help navigate these evolving issues. If you have questions about the NPRM or would like to file comments in the proceeding, please contact one of the authors of this alert.