

FOREIGN ADVERSARY COMMUNICATIONS TRANSPARENCY
 ACT

MAY 7, 2024.—Committed to the Committee of the Whole House on the State of the
 Union and ordered to be printed

Mrs. RODGERS of Washington, from the Committee on Energy and
 Commerce, submitted the following

R E P O R T

[To accompany H.R. 820]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 820) to direct the Federal Communications Commission to publish a list of entities that hold authorizations, licenses, or other grants of authority issued by the Commission and that have certain foreign ownership, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Foreign Adversary Communications Transparency Act”.

SEC. 2. LIST OF ENTITIES HOLDING FCC AUTHORIZATIONS, LICENSES, OR OTHER GRANTS OF AUTHORITY AND HAVING CERTAIN FOREIGN OWNERSHIP.

(a) **IN GENERAL.**—Not later than 120 days after the date of the enactment of this Act, the Commission shall publish on the internet website of the Commission a list of each entity—

(1) that holds a license issued by the Commission pursuant to—
(A) section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j));

or

(B) the Act of May 27, 1921 (47 U.S.C. 34 et seq.; commonly known as the “Cable Landing Licensing Act”) and Executive Order 10530 (3 U.S.C. 301 note; relating to the performance of certain functions vested in or subject to the approval of the President); and

(2) with respect to which—

(A) a covered entity holds an equity or voting interest that is required to be reported to the Commission under the ownership rules of the Commission; or

(B) an appropriate national security agency has determined that a covered entity exerts control, regardless of whether such covered entity holds an equity or voting interest as described in subparagraph (A).

(b) **RULEMAKING.**—

(1) **IN GENERAL.**—Not later than 18 months after the date of the enactment of this Act, the Commission shall issue rules to obtain information to identify each entity—

(A) that holds any authorization, license, or other grant of authority issued by the Commission (other than a license described in subsection (a)(1)); and

(B) with respect to which a covered entity holds an equity or voting interest that is required to be reported to the Commission under the ownership rules of the Commission.

(2) **PLACEMENT ON LIST.**—Not later than 1 year after the Commission issues the rules required by paragraph (1), the Commission shall place each entity described in such paragraph on the list published under subsection (a).

(c) **PAPERWORK REDUCTION ACT EXEMPTION.**—A collection of information conducted or sponsored by the Commission to implement this section does not constitute a collection of information for the purposes of subchapter I of chapter 35 of title 44, United States Code (commonly referred to as the “Paperwork Reduction Act”).

(d) **ANNUAL UPDATES.**—The Commission shall, not less frequently than annually, update the list published under subsection (a), including with respect to any entity required to be placed on such list by subsection (b)(2).

(e) **DEFINITIONS.**—In this section:

(1) **APPROPRIATE NATIONAL SECURITY AGENCY.**—The term “appropriate national security agency” has the meaning given such term in section 9 of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1608).

(2) **COMMISSION.**—The term “Commission” means the Federal Communications Commission.

(3) **COVERED COUNTRY.**—The term “covered country” means a country specified in section 4872(d)(2) of title 10, United States Code.

(4) **COVERED ENTITY.**—The term “covered entity” means—

(A) the government of a covered country;

(B) an entity organized under the laws of a covered country; and

(C) a subsidiary or affiliate of an entity described in subparagraph (B), regardless of whether the subsidiary or affiliate is organized under the laws of a covered country.

PURPOSE AND SUMMARY

H.R. 820, the “Foreign Adversary Communications Transparency Act,” requires the Federal Communications Commission (FCC or the Commission) to publish a list on its website of entities holding FCC authorizations, licenses, or grants of authority and that have ties to foreign adversaries.

BACKGROUND AND NEED FOR LEGISLATION

Foreign adversaries of the United States pose a significant threat to American communications networks. These adversary governments, and the untrusted vendors affiliated with them, could use their presence in U.S. communications networks to “provide [an] intelligence advantage” and to “harm American national security and the privacy of Americans.”¹

Congress has taken steps to address this threat. In 2020, Congress enacted the Secure and Trusted Communications Networks Act to remove communications equipment and services from untrusted vendors, such as Huawei and ZTE, from U.S. communications networks.² The following year, Congress passed the Secure Equipment Act to prohibit the FCC from authorizing communications equipment from untrusted vendors.³

Removing untrusted communications equipment and services from U.S. communications networks is an important first step, but adversaries and their affiliates also can be present in these networks in other ways. Their direct and indirect holding of licenses, authorizations, and other authorities granted by the FCC, such as spectrum licenses and cable landing licenses, allow these entities legally to access and use American communications networks.⁴

Given the threat, transparency on whether an entity with ties to a foreign adversary holds licenses, authorizations, or other authorities granted by the FCC would assist the public, particularly the communications industry, in assessing potential security risks associated with partnerships or transactions involving those entities. Moreover, this transparency will allow other government stakeholders to identify national security threats posed by these entities, which can be used to strengthen communications networks in the United States.

COMMITTEE ACTION

On January 11, 2024, the Subcommittee on Communications and Technology held a hearing on cybersecurity matters. The title of the hearing was “Safeguarding Americans” Communications: Strengthening Cybersecurity in a Digital Era.” The Subcommittee received testimony from:

- Jim Richberg, Head of Cyber Policy, Fortinet;
- Tobin Richardson, President and CEO, Connectivity Standards Alliance;
- Clete Johnson, Senior Fellow, Center for Strategic and International Studies; and
- Alan Butler, Executive Director and President, Electronic Privacy Information Center.

On February 15, 2024, the Subcommittee on Communications and Technology held a hearing on multiple bills, including H.R. 820. The title of the hearing was “Securing Communications Net-

¹*Securing Communications Networks From Foreign Adversaries*, Hearing before the Sub. on Comm’n. and Tech., H. Comm. on Energy and Commerce, 118th Cong. (2024) (Written Testimony of James Andrew Lewis at 4).

²Secure and Trusted Communications Networks Act of 2019, P.L. 116–124 (2020), *codified at* 47 U.S.C. 1601, et seq.

³Secure Equipment Act of 2021, P.L. 117–55 (2021).

⁴*See, e.g.*, Federal Communications Commission, *Order on Revocation and Termination, China Telecom (Americas) Corporation* (Nov. 2021) (GN Docket No. 20–109).

works from Foreign Adversaries.” The Subcommittee received testimony from:

- James Lewis, Senior Vice President, Center for Strategic and International Studies;
- Craig Singleton, China Program Senior Director and Senior Fellow, Foundation of Defense of Democracies; and
- Lindsay Gorman, Senior Fellow for Emerging Technologies, German Marshall Fund’s Alliance for Securing Democracy.

On March 12, 2024, the Subcommittee on Communications and Technology met in open markup session and forwarded H.R. 820, with amendment, to the full Committee by vote of 22 yeas and 0 nays.

On March 20, 2024, the full Committee on Energy and Commerce met in open markup session and ordered H.R. 820, as amended, favorably reported to the House by a record vote of 44 yeas and 0 nays.

COMMITTEE VOTES

Clause 3(b) of rule XIII requires the Committee to list the record votes on the motion to report legislation and amendments thereto. The following reflects the record votes taken during the Committee consideration:

**COMMITTEE ON ENERGY AND COMMERCE
118TH CONGRESS
ROLL CALL VOTE # 2**

BILL: H.R. 820, Foreign Adversary Communications Transparency Act

AMENDMENT: A motion by Chair Rodgers to order H.R. 820 favorably reported to the House, without amendment (Final Passage)

DISPOSITION: AGREED TO, by a roll call vote of 44 yeas to 0 nays.

REPRESENTATIVE	YEAS	NAYS	PRESENT	REPRESENTATIVE	YEAS	NAYS	PRESENT
Rep. Rodgers	X			Rep. Pallone	X		
Rep. Burgess	X			Rep. Eshoo	X		
Rep. Latta	X			Rep. DeGette	X		
Rep. Guthrie	X			Rep. Schakowsky	X		
Rep. Griffith	X			Rep. Matsui	X		
Rep. Bilirakis	X			Rep. Castor	X		
Rep. Bucshon	X			Rep. Sarbanes	X		
Rep. Hudson				Rep. Tonko	X		
Rep. Walberg				Rep. Clarke	X		
Rep. Carter				Rep. Cárdenas	X		
Rep. Duncan	X			Rep. Ruiz	X		
Rep. Palmer	X			Rep. Peters	X		
Rep. Dunn	X			Rep. Dingell	X		
Rep. Curtis				Rep. Veasey	X		
Rep. Lesko	X			Rep. Kuster	X		
Rep. Pence	X			Rep. Kelly			
Rep. Crenshaw	X			Rep. Barragán	X		
Rep. Joyce	X			Rep. Blunt Rochester			
Rep. Armstrong				Rep. Soto	X		
Rep. Weber	X			Rep. Craig	X		
Rep. Allen	X			Rep. Schrier	X		
Rep. Balderson	X			Rep. Trahan	X		
Rep. Fulcher	X			Rep. Fletcher	X		
Rep. Pfluger	X						
Rep. Harshbarger	X						
Rep. Miller-Meeks	X						
Rep. Cammack	X						
Rep. Obernolte	X						

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OVERSIGHT FINDINGS AND RECOMMENDATIONS

Pursuant to clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII, the Committee held hearings and made findings that are reflected in this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII, the Committee finds that H.R. 820 would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII, at the time this report was filed, the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974 was not available.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII, the general performance goal or objective of this legislation is to reauthorize the National Telecommunications and Information Administration.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII, no provision of H.R. 820 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

RELATED COMMITTEE AND SUBCOMMITTEE HEARINGS

Pursuant to clause 3(c)(6) of rule XIII, the following related hearings were used to develop or consider H.R. 820:

- On January 11, 2024, the Subcommittee on Communications and Technology held a hearing on cybersecurity matters. The title of the hearing was “Safeguarding Americans” Communications: Strengthening Cybersecurity in a Digital Era.” The Subcommittee received testimony from:
 - Jim Richberg, Head of Cyber Policy, Fortinet;
 - Tobin Richardson, President and CEO, Connectivity Standards Alliance;
 - Clete Johnson, Senior Fellow, Center for Strategic and International Studies; and
 - Alan Butler, Executive Director and President, Electronic Privacy Information Center.
- On February 15, 2024, the Subcommittee on Communications and Technology held a hearing on multiple bills, including H.R. 820. The title of the hearing was “Securing Commu-

nications Networks from Foreign Adversaries.” The Subcommittee received testimony from:

- James Lewis, Senior Vice President, Center for Strategic and International Studies;
- Craig Singleton, China Program Senior Director and Senior Fellow, Foundation of Defense of Democracies; and
- Lindsay Gorman, Senior Fellow for Emerging Technologies, German Marshall Fund’s Alliance for Securing Democracy.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(1) of rule XIII, at the time this report was filed, the estimate was not available.

EARMARK, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

Pursuant to clause 9(e), 9(f), and 9(g) of rule XXI, the Committee finds that H.R. 820 contains no earmarks, limited tax benefits, or limited tariff benefits.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section provides that the Act may be cited as the “Foreign Adversary Communications Transparency Act.”

Section 2. List of entities holding FCC authorizations, licenses, or other grants of authority and having certain foreign ownership

Subsection (a) would direct the FCC to publish, within 120 days of enactment, a list of entities that hold a license issued by the Commission pursuant to:

- Section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)); or
- The Act of May 27, 1921 (47 U.S.C. 34 et seq., commonly known as the “Cable Landing Licensing Act”) and Executive Order 10530 (3 U.S.C. 301 note, relating to the performance of certain functions vested in or subject to the approval of the President);

and where:

- A covered entity holds an equity or voting interest in the entity that must be reported to the Commission under its ownership rules; or
- An appropriate national security agency has determined that a covered entity exerts control over the covered entity, regardless of whether such covered entity holds an equity or vot-

ing interest that must be reported to the FCC under its ownership rules.

A covered entity is defined as the government of a covered country, which is defined as China, North Korea, Iran, and Russia; an entity organized under the laws of a covered country; and a subsidiary or affiliate of an entity organized under the laws of a covered country, regardless of where the subsidiary or affiliate is organized.

Subsection (b) would direct the FCC to, within 18 months of enactment, issue rules to identify entities holding any authorization, license, or other grant of authority issued by the Commission (other than those described in subsection (a)) and where a covered entity holds an equity or voting interest in such entities that is required to be reported to the Commission under its ownership rules. It is the Committee's intent that these rules should not be duplicative of other reporting obligations and that the Commission should seek to minimize the burden imposed on entities subject to these rules.

Not later than one year after these rules are issued, the Commission would be required to add the relevant entities to the list required under subsection (a).

Subsection (c) would exempt any collection of information carried out or sponsored by the Commission for the purpose of implementing this section from the Paperwork Reduction Act.

Subsection (d) would require the Commission to update the list published under subsection (a) no less than annually, including for the entities added by the process set forth subsection (b).

Subsection (e) would define terms used in this section, including covered country and covered entity.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation does not amend any existing Federal statute.

