



FEDERAL COMMUNICATIONS COMMISSION

47 CFR Parts 1 and 63

[IB Docket No. 23-119, MD Docket No. 23-134; FCC 23-28; DA 23-745; FR ID 171508]

Review of International Authorizations to Assess Evolving National Security, Law Enforcement, Foreign Policy, and Trade Policy Risks; Amendment of the Schedule of Application Fees

AGENCY: Federal Communications Commission.

ACTION: Final action; mandatory information collection.

SUMMARY: In this document, the Federal Communications Commission (Commission) adopts an Order announcing a requirement that all international section 214 authorization holders respond to a one-time collection to update the Commission's records regarding the foreign ownership of international section 214 authorization holders. The Commission, through its Telecommunications and Analysis Division, Office of International Affairs, further adopts a Supplemental Order exempting qualifying international section 214 authorization holders from having to provide certain items of information as part of the information collection. The Commission also announces that the Office of Management and Budget (OMB) has approved the information collection associated with the Commission's Order, FCC 23-28. Consistent with the Order, this document provides notice of the filing deadline of the information collection.

DATES: *Filing deadline:* **[INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].**

FOR FURTHER INFORMATION CONTACT: Gabrielle Kim, Office of International Affairs, Telecommunications and Analysis Division, at (202) 418-0730 or via email at Gabrielle.Kim@fcc.gov. For additional information concerning the Paperwork Reduction Act information collection requirements contained in this document, send an email to PRA@fcc.gov

or contact Cathy Williams, Office of Managing Director, at (202) 418-2918 or

Cathy.Williams@fcc.gov.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Order, FCC 23-28, adopted on April 20, 2023, and released on April 25, 2023, and the Supplemental Order, DA 23-745, adopted and released on August 22, 2023. The full text of these documents is available on the Commission's website at <https://docs.fcc.gov/public/attachments/FCC-23-28A1.pdf> and <https://docs.fcc.gov/public/attachments/DA-23-745A1.pdf>. This document also announces that, on June 6, 2023, OMB approved, for a period until December 31, 2023, the information collection requirements associated with the Commission's Order, FCC 23-28. The OMB Control Number is 3060-1308. On August 31, 2023, OMB approved the Commission's request for a non-substantive change to the currently approved collection. On November 1, 2023, OMB approved the Commission's request for an emergency extension of this information collection, for a period until June 30, 2024. On December 4, 2023, OMB approved the Commission's request for a non-substantive change to the currently approved collection. The Commission publishes this document as an announcement of the effective date of the information collection required by the Order. The Commission also publishes this document as an announcement of the filing deadline for the information collection requirements in the Order. If you have any comments on the burden estimates, or how the Commission can improve the collections and reduce any burdens caused thereby, please contact Cathy Williams, Federal Communications Commission, 45 L Street NE, Washington, DC 20554. Please include the OMB Control Number, 3060-1308, in your correspondence. The Commission will also accept your comments via email at PRA@fcc.gov. To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an e-mail to FCC504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (TTY).

Synopsis:

As required by the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), the FCC is notifying the public that it received final OMB approval on June 6, 2023, for the information collection requirements associated with the Commission's Order, FCC 23-28. Under 5 CFR part 1320, an agency may not conduct or sponsor a collection of information unless it displays a current, valid OMB Control Number.

No person shall be subject to any penalty for failing to comply with a collection of information subject to the Paperwork Reduction Act that does not display a current, valid OMB Control Number.

The foregoing notice is required by the Paperwork Reduction Act of 1995, Pub. L. 104-13, October 1, 1995, and 44 U.S.C. 3507.

The total annual reporting burdens and costs for the respondents are as follows:

OMB Control Number: 3060-1308.

OMB Approval Date: June 6, 2023.

OMB Expiration Date: June 30, 2024.

Title: Reporting On Foreign Ownership of International Section 214 Authorization Holders.

Form Number: N/A.

Respondents: Business or other for-profit.

Number of Respondents and Responses: 1,500 respondents; 1,500 responses.

Estimated Time per Response: 6 hours.

Frequency of Response: One time reporting requirement.

Obligation to Respond: Required to obtain or retain benefits. Statutory authority for this information collection is contained in sections 4(i), 214, 218, 219, and 403 of the Communications Act of 1934, as amended, 47 U.S.C. 4(i), 214, 218, 219, and 403.

Total Annual Burden: 4,500 hours.

Total Annual Cost: \$1,350,000.

Needs and Uses: The Commission established a new one-time information collection in the *Review of International Section 214 Authorizations to Assess Evolving National Security, Law Enforcement, Foreign Policy, and Trade Policy Risks*, IB Docket No. 23–119; *Amendment of the Schedule of Application Fees Set Forth in Sections 1.1102 through 1.1109 of the Commission’s Rules*, MD Docket No. 23–134, Order and Notice of Proposed Rulemaking, FCC 23–28. Each international section 214 authorization holder is required to identify its 10% or greater direct or indirect foreign interest holders (reportable foreign ownership) as of thirty (30) days prior to the filing deadline. Additionally, the filer will be required to certify as to the accuracy of the information provided. Subsequently, in *Review of International Section 214 Authorizations to Assess Evolving National Security, Law Enforcement, Foreign Policy, and Trade Policy Risks*, IB Docket No. 23–119; *Amendment of the Schedule of Application Fees Set Forth in Sections 1.1102 through 1.1109 of the Commission’s Rules*, MD Docket No. 23–134, Order, DA 23-745, the Telecommunications and Analysis Division, Office of International Affairs, as directed by the Commission, exempted qualifying authorization holders from answering questions in the information collection regarding the identities, specific equity and voting interests, and description of controlling interests of their reportable foreign interest holders, instead requiring them to identify, on an aggregated basis, all of the citizenship(s) or place(s) of organization of their reportable foreign interest holders. The Order and the Supplemental Order are summarized below.

I. ORDER: REPORTING ON FOREIGN OWNERSHIP OF INTERNATIONAL SECTION 214 AUTHORIZATION HOLDERS

1. The Commission adopts an Order requiring all international section 214 authorization holders to respond to a one-time collection to update the Commission’s records regarding the foreign ownership of international section 214 authorization holders.¹ The

¹ The Commission takes this action pursuant to sections 4(i), 214, 218, 219, and 403 of the Act, 47 U.S.C. 4(i), 214, 218, 219, 403.

Commission has incomplete and outdated information about international section 214 authorization holders. For example, the Commission's records in the International Communications Filing System (ICFS) reflect there are approximately 7,000 international section 214 authorization holders, though the Commission estimates the more accurate number is closer to approximately 1,500 active authorization holders. Additionally, the Commission does not have visibility on authorized carriers' current foreign ownership. Thus, the collection of this information is a necessary first step for the Commission to make an informed decision concerning the proposed rules and procedures set forth in the Notice of Proposed Rulemaking (NPRM). Among other things, the information derived from this one-time collection will allow the Commission to determine the number of active authorization holders and whether they have reportable foreign ownership. In addition, the information will enable the Commission to identify those authorization holders that are no longer in business or are in business but discontinued service under their international section 214 authority. Overall, the information will assist the Commission in developing a timely and effective process for prioritizing the review of international section 214 authorizations that are most likely to raise national security, law enforcement, foreign policy, and/or trade policy concerns, as proposed in the NPRM.

2. Under the Commission's current rules, international section 214 authorization holders are not required to periodically report their ownership, including the extent of any foreign ownership interests, the identity of their foreign interest holders, and the countries associated with such foreign ownership. Following the grant of an international section 214 authorization, an authorized U.S.- international carrier can provide service globally to any route for which it is classified as non-dominant pursuant to the terms of its international section 214 authorization.² After the grant, the Commission ordinarily does not receive updated information

² Under the Commission's rules, a carrier is classified as non-dominant on a U.S.-international route if it is not affiliated with a foreign carrier with market power on the foreign end of the route or it provides an international switched service on that route solely through the resale of an unaffiliated U.S. facilities-based carrier's international
(continued....)

unless an authorization holder files an application for a modification, assignment, or transfer of control of the authorization.³ Additionally, international section 214 authorization holders only need to notify the Commission of a planned discontinuance of service when the authorization holder seeks to discontinue service for which it has customers. If an international section 214 authorization holder does not have any customers when it discontinues offering service, it may file with the Commission a notification to surrender its authorization, but is not required to do so. In those circumstances, the authorization holder may retain the authorization indefinitely. Following the grant of international section 214 authority, an authorization holder may retain the authorization even if it was never used or the authorization holder is not currently offering service or simply is no longer in business.

3. *One-Time Information Collection.* In furtherance of the Commission’s goals in this proceeding and to inform the Commission’s consideration of the regulatory approaches on which the Commission seeks comment in the NPRM, the Commission adopts the information collection requirements herein, which are based on the requirements set forth in § 63.18(h) of the Commission’s rules.⁴ Section 63.18(h) requires international section 214 applicants to provide the name, address, citizenship and principal businesses of any person or entity that directly or

switched services. 47 CFR 63.10(a); *id.* 63.10(a)(1) (“A U.S. carrier that has no affiliation with, and that itself is not, a foreign carrier in a particular country to which it provides service (i.e., a destination country) shall presumptively be considered non-dominant for the provision of international communications services on that route.”); *id.* 63.10(a)(2) (“Except as provided in paragraph (a)(4) of this section, a U.S. carrier that is, or that has or acquires an affiliation with a foreign carrier that is a monopoly provider of communications services in a relevant market in a destination country shall presumptively be classified as dominant for the provision of international communications services on that route”); *id.* 63.10(a)(4) (“A carrier that is authorized under this part to provide to a particular destination an international switched service, and that provides such service solely through the resale of an unaffiliated U.S. facilities-based carrier’s international switched services (either directly or indirectly through the resale of another U.S. resale carrier’s international switched services), shall presumptively be classified as non-dominant for the provision of the authorized service”).

³ The Commission refers to “application” in this context to include an application to modify an international section 214 authorization; an application for substantial assignment or transfer of control of an international section 214 authorization; and a notification of *pro forma* assignment or transfer of control of an international section 214 authorization. See 47 CFR 63.18, 63.24(e)(1), 63.24(f)(2).

⁴ *Id.* 63.18(h). In the *Executive Branch Process Reform Order*, the Commission amended § 63.18(h) to require that applicants must identify the voting interests, in addition to the equity interests, of individuals or entities with 10% or greater direct or indirect ownership in the applicant. *Executive Branch Process Reform Order*, 35 FCC Rcd at 10965, para. 95; *id.* at 10985, Appx. B, para. 11; *Order Erratum*, 35 FCC Rcd at 13173, para. 11. The amended rule is not yet effective.

indirectly owns at least 10% of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest 1%).⁵ Specifically, the Commission directs each authorization holder to identify its 10% or greater direct or indirect foreign interest holders that hold such equity and/or voting interests (reportable foreign ownership)⁶ as of thirty (30) days prior to the filing deadline. Additionally, the Commission requires each authorization holder to certify as to the accuracy of the information provided. Such certification requires each authorization holder to conduct appropriate due diligence, thereby increasing the reliability of its information. In the NPRM, the Commission proposes to cancel the authorizations of carriers that fail to respond to this Order and impose forfeitures or other measures where a carrier fails to respond in a timely or complete manner.

4. The Commission anticipates that its information collection will not be unduly burdensome as international section 214 authorization holders, including small entities, would have information about their ownership available for purposes of compliance with the Commission's rules, e.g., to ascertain whether their ownership requires approval for, or notification of, a substantive or non-substantive assignment or transfer. Most businesses likely maintain records of their 10% or greater direct or indirect equity and/or voting interest holders in the ordinary course of business. An authorization holder that is a privately held entity likely knows its investors. An authorization holder that is a publicly held company is also required to

⁵ 47 CFR 63.18(h); see *2016 Executive Branch Process Reform NPRM*, 31 FCC Rcd at 7475, para. 49 (“These rules originated when equity and voting ownership were usually the same. Today, applicants often have multiple classes of ownership and equity interests that differ from the voting interests. It is important for the Commission to know for potential control purposes who has voting interests in the applicant. The Commission has recognized this in other rules, where it requires an applicant to provide both equity and voting interests in an applicant.”); *Executive Branch Process Reform Order*, 35 FCC Rcd at 10985, Appx. B, para. 11; *Order Erratum*, 35 FCC Rcd at 13173, para. 11 (amending § 63.18(h) to read, “[t]he name, address, citizenship, and principal businesses of any individual or entity that directly or indirectly owns ten percent or more of the equity interests and/or voting interests, or a controlling interest, of the applicant, and the percentage of equity and/or voting interest owned by each of those entities (to the nearest one percent) . . .”).

⁶ 47 CFR 63.18(h); *Executive Branch Process Reform Order*, 35 FCC Rcd at 10985, Appx. B, para. 11; *Order Erratum*, 35 FCC Rcd at 13173, para. 11.

identify its interest holders in requisite filings with the U.S. Securities and Exchange Commission (SEC).

5. Pursuant to this Order, the Commission requires an international section 214 authorization holder to submit information based on the categories below.

(1) Reportable Foreign Ownership – Foreign Adversary – China (including Hong

Kong), Cuba, Iran, North Korea, Russia, Maduro Regime. Where there are interest holders that are entities and individuals that are a government organization or citizen of a “foreign adversary” country, an authorization holder must identify its 10% or greater direct or indirect foreign interest holders, including any 10% or greater direct or indirect foreign interest holders outside the foregoing “foreign adversary” countries. A “foreign adversary” country is defined in the Department of Commerce’s rule, 15 CFR 7.4.⁷ The authorization holder must:

- identify each interest holder and the foreign country or countries, including countries that are not foreign adversary countries;
- disclose whether any interest holder has dual or more citizenships and identify all countries where citizenship is held;⁸ and
- certify to the truth and accuracy of all information.

(2) Reportable Foreign Ownership – No Foreign Adversary. Where there are no

interest holders that are entities or individuals that are a government organization or citizen of any foreign country that is a “foreign adversary” country defined in the

⁷ 15 CFR 7.4 (stating “[t]he Secretary has determined that the following foreign governments or foreign non-government persons have engaged in a long-term pattern or serious instances of conduct significantly adverse to the national security of the United States or security and safety of United States persons and, therefore, constitute foreign adversaries solely for the purposes of the Executive Order, this rule, and any subsequent rule” promulgated pursuant to the Executive Order); *see* 15 CFR 7.2 (“Foreign adversary means any foreign government or foreign non-government person determined by the Secretary to have engaged in a long-term pattern or serious instances of conduct significantly adverse to the national security of the United States or security and safety of United States persons.”); *see* Executive Order 13873 of May 15, 2019, Securing the Information and Communications Technology and Services Supply Chain, 84 Fed. Reg. 22689 (May 15, 2019).

⁸ This requirement applies to United States citizens who hold dual citizenship or multiple citizenships and foreign persons who are citizens of two or more countries.

Department of Commerce's rule, 15 CFR 7.4, an authorization holder must identify its 10% or greater direct or indirect foreign interest holders. The authorization holder must:

- identify each interest holder and the foreign country or countries;
- disclose whether any interest holder has dual or more citizenships and identify all the countries where citizenship is held;⁹ and
- certify to the truth and accuracy of all information.

(3) **No Reportable Foreign Ownership.** An authorization holder that has no reportable foreign ownership must certify to the truth and accuracy of this information.

6. *Information Collection Process and Deadline.* The Commission directs the Office of International Affairs to conduct this information collection, including the creation of the forms, submit the information collection for Office of Management and Budget (OMB) review¹⁰ and, following OMB review, publish notice of the effective date of the information collection requirement and the filing deadline in the *Federal Register*. In so doing, the Office of International Affairs should take into account information recently provided to the Commission on the record that has not materially changed.¹¹ The filing deadline shall be no fewer than thirty (30) days following the effective date of this Order. The Office of International Affairs also will issue a Public Notice announcing the deadline and will provide instructions for filing this information with the Commission.

⁹ This requirement applies to United States citizens who hold dual citizenship or multiple citizenships and foreign persons who are citizens of two or more countries.

¹⁰ To the extent required, the Office of International Affairs would also modify the applicable System of Records Notice under the Privacy Act. See Federal Communications Commission, Privacy Act of 1974; System of Records, IB-1, International Bureau Filing System, 86 Fed. Reg. 43237 (Aug. 6, 2021).

¹¹ See, e.g., Letter from Angie Kronenberg, President, INCOMPAS, to Marlene H. Dortch, Secretary, FCC, IB Docket No. 23-119, at 1-2 (filed Apr. 14, 2023).

7. *FCC Registration Number (FRN)*. All authorization holders must have an FCC Registration Number (FRN) in order to file their response in ICFS.¹² An FRN is the 10-digit number assigned to all entities (individual and corporate) that transact business with the Commission, and it must be provided any time an authorization holder submits a filing or application in ICFS. The Commission notes that many international section 214 authorizations were granted to entities prior to the Commission requiring an FRN in 2001.¹³ Such entities will need to obtain an FRN prior to filing their response to the information collection.

8. *Surrender of Authorizations*. Authorization holders that surrender their international section 214 authorizations before the filing deadline do not need to respond to the one-time information collection. Accordingly, the Commission strongly encourages international section 214 authorization holders that no longer need or use their authorizations to do so before the filing deadline. International section 214 authorization holders may file a surrender letter in ICFS.

II. SUPPLEMENTAL ORDER: EXEMPTION FROM INFORMATION COLLECTION

9. Pursuant to the Commission's directive to take into account recently-provided information that has not changed, the Office of International Affairs adopts an exemption (Exemption) for Authorization Holders whose applications were granted within three years prior to the deadline of the One-Time Information Collection. The Exemption will reduce the burden for qualifying Authorization Holders while still allowing the Commission to collect necessary information from the One-Time Information Collection. Under this Exemption, qualifying

¹² 47 CFR 1.8002(a) ("The FRN must be obtained by anyone doing business with the Commission, see 31 U.S.C. 7701(c)(2) . . ."). An authorization holder may obtain an FRN through the Commission's CORES webpage. FCC, *Commission Registration System (CORES)*, <https://apps.fcc.gov/cores/userLogin.do> (last visited Apr. 18, 2023).

¹³ Federal Communications Commission, *Adoption of a Mandatory FCC Registration Number*, 66 Fed. Reg. 47890 (Sept. 14, 2001) (amending the Commission's rules to require persons and entities doing business with the Commission to obtain a unique identifying number, called the FCC Registration Number (FRN), through the Commission Registration System (CORES), and to provide the number when doing business with the Commission, effective December 3, 2001).

Authorization Holders are exempt from answering questions in the One-Time Information Collection regarding the identities, specific equity and voting interests, and description of controlling interests, of their Reportable Foreign Interest Holders. Instead, Authorization Holders that qualify for the Exemption will be required to identify, on an aggregated basis, all of the citizenship(s) or place(s) of organization of their Reportable Foreign Interest Holders. Specifically, to qualify for the Exemption:

- (1) The Authorization Holder must have filed an application for an initial International Section 214 Authorization, modification, or *substantial* (not a *pro forma* filing) assignment or transfer of control of the authorization that was reviewed by the Executive Branch agencies and was granted by the Commission on or after [date 3 years before date of filing deadline, 2020]; and
- (2) There are no Reportable Foreign Interest Holders of the Authorization Holder other than those disclosed in the application (including any amendment), and there are no changes to the Reportable Foreign Interest Holders disclosed in the application (including any amendment) as of [date 30 days prior to filing deadline, 2023].¹⁴

10. To qualify for the Exemption, Authorization Holders will also need to supply the File Number of the application that fulfills all of these requirements.

III. PROCEDURAL ISSUES

11. *Regulatory Flexibility Act.* The Regulatory Flexibility Act of 1980, as amended (RFA), requires that an agency prepare a regulatory flexibility analysis for notice and comment rulemakings, unless the agency certifies that “the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities.” Because the Order does not adopt a

¹⁴ To qualify for the Exemption, there must be no changes to the Reportable Foreign Interest Holders disclosed in the application (including any amendment), including but not limited to: no change in the reported citizenship(s), including dual or multiple citizenships, and/or place(s) of organization of any Reportable Foreign Interest Holder; no removal of any Reportable Foreign Interest Holder from an Authorization Holder’s chain of ownership; and no change in a Reportable Foreign Interest Holder’s ownership interests to less than 10% equity and/or voting interests or less than a controlling interest. *See Evolving Risks Order and NPRM* at *10-11, paras. 18-20 & nn.72-74, 78-80.

rule and therefore does not require notice and comment, no Final Regulatory Flexibility Analysis is required.

12. *Final Paperwork Reduction Act Analysis.* This document contains new information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. On June 6, 2023, OMB approved, for a period until December 31, 2023, the information collection requirements in this document. On November 1, 2023, OMB approved an emergency extension of this information collection, for a period until June 30, 2024. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4), the Commission considers how it might further reduce the information collection burden for small business concerns with fewer than 25 employees. In the Order, the Commission has assessed the effects of requiring international section 214 authorization holders to identify reportable foreign ownership and to certify as to the accuracy of the information provided and find that they would have information about their ownership available in the ordinary course of business, for instance, for purposes of compliance with the Commission's rules. Further, although the Commission does not have an estimated number of authorization holders that will need to obtain an FRN number or to file a surrender letter, the burdens are also low. For instance, obtaining an FRN for this purpose entails only a minimal burden. Therefore, the Commission anticipates that the new collection will not be unduly burdensome.

13. *People with Disabilities.* To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (TTY).

IV. ORDERING CLAUSES

14. Accordingly, IT IS ORDERED that, pursuant to sections 4(i), 214, 218, 219, and 403 of the Communications Act of 1934, as amended, 47 U.S.C. 4(i), 214, 218, 219, and 403, this Order IS HEREBY ADOPTED.

15. IT IS FURTHER ORDERED that this Order SHALL BE EFFECTIVE after the Office of Management and Budget completes review of any information collection requirements that the Office of International Affairs determines are required under the Paperwork Reduction Act.

16. IT IS FURTHER ORDERED that the Office of International Affairs shall conduct the information collection required by the Order, including the creation of any information collection forms or other instrument, and shall publish notice of the effective date of the information collection required by the Order and the filing deadline in the *Federal Register*. The filing deadline shall be no fewer than 30 days following the effective date of the Order. The Office of International Affairs shall announce the effective date and the filing deadline for the requirements in this Order by subsequent Public Notice.

17. IT IS FURTHER ORDERED, pursuant to sections 4(i), 214, 218, 219, and 403 of the Communications Act of 1934, as amended, 47 U.S.C. 4(i), 214, 218, 219, and 403, and §§ 0.19, 0.204, and 0.351 of the Commission's rules, 47 CFR 0.19, 0.204, 0.351, that the Exemption from responding to certain portions of the One-Time Information Collection, as described herein, is ADOPTED.

FEDERAL COMMUNICATIONS COMMISSION

Marlene Dortch,

Secretary,

Office of the Secretary.

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