

**Statement for the Record  
FCC Commissioner Michael O’Rielly**

**Before the  
Subcommittee on Digital Commerce and Consumer Protection  
Committee on Energy and Commerce  
U.S. House of Representatives**

**Hearing on  
“Perspectives of Reform of the CFIUS Review Process”  
April 26, 2018**

Dear Chairman Latta and Ranking Member Schakowsky:

I applaud the Subcommittee for convening this important hearing to examine the Committee on Foreign Investment in the United States (CFIUS) and ways to update the review process. As the Subcommittee examines H.R. 4311, the Foreign Investment Risk Review and Modernization Act, I respectfully ask Members to also consider potential reforms to the Executive Branch review process, informally known as “Team Telecom.”

Just as CFIUS requires review of foreign investments proposed in the United States through the lens of national security, Team Telecom (which typically consists of the Departments of Commerce, Justice, State, Homeland Security, Defense, the Federal Bureau of Investigations, and the United States Trade Representative) plays an important role in ensuring that U.S. national security interests are protected as part of the Federal Communications Commission’s (FCC or Commission) licensing process. Specifically, the FCC consults with and considers the views of Team Telecom when reviewing applicable license applications involving foreign ownership. Unfortunately, unlike CFIUS, the Team Telecom process is unnecessarily opaque and uncertain.

Specifically, applications referred to Team Telecom enter a procedural black hole that has been known to take years to complete. Entities stuck in this regulatory abyss all too often have no ability to determine which agency has concerns or how to locate a point of contact to help facilitate a resolution. Basically, there is little to no information available to applicants – or even the Commission for that matter – on the status of the application or a timeline for a response. When entities actually hear from Team Telecom, they have often been subjected to multiple requests for information, some of which are beyond the scope of the foreign ownership being reviewed. Ultimately, this process delays applications substantially and dissuades U.S. companies from considering new opportunities.

It should be clear that efforts to provide greater structure and process reforms to Team Telecom will not increase potential risks to national security or undermine the ability of Team Telecom to provide its views. Indeed, a more effective structure and process will help generate enhanced attention and facilitate improved responses from the requisite agencies.

With this in mind, I hope the Subcommittee will consider Team Telecom reform as part of its larger discussion of ways to improve CFIUS and its review of the legislation before it. More importantly, I stand ready to work with the Committee on this important issue and thank Members for considering such a proposal.