Calendar No. 110

119TH CONGRESS, 1st Session | SENATE | REPORT 119–36

FOREIGN ADVERSARY COMMUNICATIONS TRANSPARENCY ACT

REPORT

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ON

S. 259

JULY 9, 2025.—Ordered to be printed

U.S. GOVERNMENT PUBLISHING OFFICE
59–010 WASHINGTON : 2025

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED NINETEENTH CONGRESS

FIRST SESSION

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FOREIGN ADVERSARY COMMUNICATIONS TRANSPARENCY ACT

JULY 9, 2025.—Ordered to be printed

Mr. CRUZ, from the Committee on Commerce, Science, and Transportation, submitted the following

R E P O R T

[To accompany S. 259]

[Including cost estimate of the Congressional Budget Office]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 259) 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 without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

The purpose of S. 259, Foreign Adversary Communications Transparency Act, is to require the Federal Communications Commission (FCC) to publish a list of entities that hold authorizations, licenses, and other grants of authority issued by the FCC that have certain foreign ownership.

BACKGROUND AND NEEDS

Congress and the Federal Government have taken significant steps to reduce the presence of malign Chinese actors in American communications networks. Perhaps most visibly, Congress passed the Secure and Trusted Communications Networks Act of 2019, which established the FCC's Covered List and required the FCC to publish a list of companies that provide equipment and services that could compromise U.S. national security.[1] Additionally, the Secure Equipment Act of 2021 prohibited the FCC from reviewing or approving any new equipment authorizations from companies on the FCC's Covered List.[2] Separately, in 2021 and 2022, the FCC revoked the section 214 operating authorities of China Telecom Americas, China Unicom Americas, Pacific Networks, and ComNet USA.[3]

Under current law, entities holding licenses or authorizations granted by the FCC must receive prior approval before transferring or assigning any ownership stake.[4] And unless approved by the FCC, broadcast, common carrier, and aeronautical station, license holders are subject to a 25 percent foreign ownership stake cap.[5] Despite existing prohibitions on authorizations of equipment subject to the Covered List and restrictions on transfer of FCC licenses or permits, entities with ties to adversarial foreign governments can still hold FCC licenses or authorizations.[6]

SUMMARY OF PROVISIONS

S. 259 would require the FCC to do the following:

- Identify and publish on its website a list of entities with ties to covered countries that hold licenses or authorizations granted by the FCC.
- Issue rules requiring the collection of information on such licensees' ownership structure.
- Annually update the public list of entities.

LEGISLATIVE HISTORY

S. 259 was introduced on January 27, 2025, by Senator Fischer (for herself and Senators Rosen, Cornyn, and Luján) and was referred to the Committee on Commerce, Science, and Transportation of the Senate. On April 30, 2025, the Committee met in open Executive Session and, by voice vote, ordered S. 259 reported favorably without amendment.

H.R. 906, a House companion bill to S. 259, was introduced on January 31, 2025, by Representative Wittman (for himself and Representatives Kean, Khanna, and Castor) and was referred to the Committee on Energy and Commerce of the House of Representatives. Representative Stefanik is an additional cosponsor. On April 8, 2025, that Committee met in open Executive Session and, by voice vote, ordered H.R. 906 reported favorably. H.R. 906 was considered under suspension of the rules on April 28, 2025, and passed by voice vote in the House.

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[1] Secure and Trusted Communications Networks Act of 2019, Public Law 116–124, 134 Stat. 158 (2020).

[2] Secure Equipment Act of 2021, Public Law 117–55, 135 Stat. 423 (2021).

[3] China Telecom (Americas) Corporation, Order on Revocation and Termination, *FCC Record*, vol. 36 (2021), no. 19, p. 15966; China Unicom (Americas) Operations Limited, Order on Revocation, *FCC Record*, vol. 37 (2022), no. 2, p. 1480; Pacific Networks Corp. and ComNet (USA) LLC, Order on Revocation and Termination, *FCC Record*, vol. 37 (2022), no. 5, p. 4220.

[4] 47 U.S.C. 310(d).

[5] 47 U.S.C. 310(b)(4). See also Federal Communications Commission, "FCC Licensees and Authorization Holders Must Timely Disclose Changes in Foreign Ownership and Control," Public Notice, *FCC Record*, vol. 38 (2023), no. 4, p. 3429.

[6] Federal Communications Commission, "Protecting Against National Security Threats to the Communications Supply Chain Through the Equipment Authorization Program," Report and Order and Further Notice of Proposed Rulemaking, *FCC Record*, vol. 37 (2022), no. 15, p. 13493; U.S. Representative Rob Wittman, "Wittman Introduces Bipartisan Legislation to Strengthen U.S. Telecommunications Against Foreign Adversaries," press release, January 31, 2025 (*https://wittman.house.gov/news/documentsingle.aspx?DocumentID=6257*).

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S. 2114, the Foreign Adversary Communications Transparency Act, was introduced on June 22, 2023, by Senator Rubio and was referred to the Committee on Commerce, Science, and Transportation of the Senate.

H.R. 820, a House companion bill to S. 2114, was introduced on February 2, 2023, by Representative Stefanik (for herself and Representatives Gallagher and Khanna) and was referred to the Committee on Energy and Commerce of the House of Representatives. Representative Davis was an additional cosponsor. On March 20, 2024, that Committee met in an open Executive Session and, by a vote of 44–0, ordered H.R. 820 reported favorably, as amended. On September 9, 2024, H.R. 820 passed the House by unanimous consent, as amended.

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H.R. 9236, the Foreign Adversary Communications Transparency Act, was introduced on October 25, 2022, by Representative Stefanik (for herself and Representative Gallagher) and was referred to the Committee on Energy and Commerce of the House of Representatives.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

S. 259, Foreign Adversary Communications Transparency Act

As ordered reported by the Senate Committee on Commerce, Science, and Transportation on April 30, 2025

By Fiscal Year, Millions of Dollars	2025	2025-2030	2025-2035
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	*	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2036?	No	Statutory pay-as-you-go procedures apply?	No
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2036?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

* = between zero and $500,000.

S. 259 would require the Federal Communications Commission (FCC) to publish annually a list of entities with ties to China, Iran, North Korea, or Russia that hold licenses or authorizations granted by the commission.

Based on information from the FCC, CBO expects that the agency would need five employees, at an annual average cost of $225,000 per employee, for the first two years, to review existing grants of authority, and two employees after 2027 to review new applications and changes in ownership. On that basis, CBO estimates that it would cost the FCC $4 million over the 2025–2030 period to issue rules and identify whether any of those four nations hold equity or a voting interest in organizations that have an authorization, license, or other grant of authority issued by the commission. Because the FCC is authorized to collect fees each year sufficient to offset the appropriated costs of its regulatory activities, CBO estimates that the net cost to the FCC would be negligible, assuming appropriation actions consistent with that authority.

If the FCC increases annual fee collections to offset the costs of implementing provisions in the bill, S. 259 would increase the cost of an existing private-sector mandate on entities required to pay those fees. CBO estimates that the incremental cost of the mandate would be small and would fall below the threshold established in the Unfunded Mandates Reform Act (UMRA) for private-sector mandates ($206 million in 2025, adjusted annually for inflation).

The bill contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Margot Berman (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

Number of Persons Covered

S. 259 would direct the FCC to issue rules facilitating the collection of information on certain current licensees' ownership structures to create a list of entities that hold authorizations, licenses, and other grants of authority issued by the FCC that have certain foreign ownership. The collection would require licensees to provide information on their ownership structure to identify if a covered entity holds an equity or voting interest, and therefore, would be added to the list.

Economic Impact

S. 259 is not expected to have an adverse impact on the Nation's economy. The legislation would publish a list of entities that hold authorizations, licenses, and other grants of authority issued by the FCC that have certain foreign ownership.

Privacy

S. 259 would not impact the personal privacy of individuals.

Paperwork

The Committee does not anticipate a major increase in paperwork burdens for private individuals or businesses resulting from the passage of this legislation. Licensees would be required to report on their ownership structure, and those with certain ownership would be publicly disclosed.

CONGRESSIONALLY DIRECTED SPENDING

In compliance with paragraph 4(b) of rule XLIV of the Standing Rules of the Senate, the Committee provides that no provisions contained in the bill, as reported, meet the definition of congressionally directed spending items under the rule.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title.

This section would provide that the bill 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.

This section would define the terms "appropriate national security agency", "Commission", "covered country", and "covered entity".

This section would require the FCC to publish on its website a list of entities that hold a license or authorization and in which a covered entity either (i) holds a specified voting or equity interest or (ii) has been determined by a national security agency to be subject to the control of a covered entity, no later than 120 days after enactment.

This section would also direct the FCC to issue rules facilitating the collection of information on the ownership structure of licensees on the FCC's published list no later than 18 months after enactment. No later than 1 year after the FCC issues these rules, the FCC would be required to add to the published list any such entity in which a covered entity holds a specified voting or equity interest. The collection of information to create this list would be exempt from the Paperwork Reduction Act. The FCC would be required to update the published list annually.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that the bill as reported would make no change to existing law.

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