

To read the FCC's R&O on foreign adversary control reporting rules, please [click here](#).

To read the FCC's R&O on Section 310(b) foreign ownership review rules, please [click here](#).

Report from Washington

The FCC Adopted Two New Orders That Update Foreign Investment Oversight Rules

February 18, 2026

On January 29, 2026, the Federal Communications Commission ("Commission") adopted two orders that address foreign investment in regulated entities. The first Report and Order ("R&O") seeks to increase transparency around foreign adversary control by establishing new reporting requirements that apply widely to regulated entities, with greater reporting burdens for entities with licenses and authorizations that have greater national security risk of foreign adversary control. That order is summarized in Section A below, and is pertinent to all regulatees—including portfolio companies in all market sectors owned by U.S. and allied country investors that hold private business radio licenses with as low as 10% passive, indirect foreign adversary ownership.

The second R&O on foreign ownership, summarized in Section B, codifies current Commission review practices for Section 310(b) petitions, bringing clarity to broadcasters and common carriers that seek to exceed statutory benchmarks for foreign ownership. Section 310(b) petitions are required when entities have aggregate non-U.S. voting or equity interests above 25%, directly or indirectly.

(A) Foreign Adversary Control Reporting Rules - Introduction and Summary

The Commission's new, broadly applicable foreign adversary control reporting rules establish tiered attestation and disclosure requirements based on the type of license, permit, or authorization that is held or sought by the regulated entity. Regulatees include cable companies, entities with equipment authorization, private business radio licensees, and satellite companies, among others. The initial filing deadline is 60 days (120 days for small entities) after the Commission announces the launch of the Foreign Adversary Control System ("FACS") reporting portal that will allow the public to access a list of regulatees that are owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary. Regulatees have an ongoing obligation to report material changes as they arise after the initial filing deadline, based on delineated triggering events (*e.g.*, if an entity seeks new Commission approval, if the Commission modifies the reporting requirements associated with an approval, if there is a change in ownership that creates disclosable foreign adversary

interests). Failure to submit timely, complete, and accurate information can result in revocation of Commission approval in serious cases and citations or monetary penalties for lesser offenses, pursuant to streamlined enforcement proceedings.

The rules are aimed at shoring the Commission's ability to assess national security threats to America's networks—a top priority of the Commission under Chairman Brendan Carr—and enhancing public transparency. They embody the directives set out in the pending Foreign Adversary Communications Transparency (“FACT”) Act. While the rules do not impose new restrictions on entities with foreign adversary control or limit entities' ability to obtain or maintain Commission approvals, the R&O described the reporting requirements as “only the first step” in neutralizing foreign adversary threats to national security: if deemed appropriate, the Commission will give regulatees subject to foreign adversary control closer scrutiny and potentially revoke approvals.

Under the new reporting framework, Commission approvals—including licenses, leases, authorizations, grants, and permits—and applications for approvals are categorized as “Schedule A,” “Schedule B,” or “Schedule C,” depending on the national security risk of foreign adversary control balanced against the scope of the reporting burden, among other factors. The entities in each category are listed in Section (II) below. Schedule A entities are required to submit an attestation either affirming or denying foreign adversary control; Schedule B entities are only required to submit an attestation affirming foreign adversary control, if present; and Schedule C entities are not required to file an attestation in either event. All regulatees that certify as to foreign control must disclose additional information, including all direct and indirect equity and voting interests of 5% or greater, as well as controlling interests held in the regulatee, the identity of foreign adversary countries, and the nature of the foreign adversary control.

(I) Determining Whether Foreign Adversary Control Exists

“Foreign adversaries” have been identified by the Department of Commerce as the People's Republic of China (including Hong Kong and Macau), Cuba, Iran, North Korea, Russia, and deposed Venezuelan politician Nicolas Maduro. The Commission uses preexisting definitions of what makes an entity under foreign adversary control, asking whether it is “owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary.” The foreign adversary control definition incorporates an ownership threshold of 10% or greater total outstanding direct or indirect voting interest and/or equity interest held by foreign adversaries, entities under the control of foreign adversaries, or citizens of foreign adversaries. To the extent that a regulatee believes that a dominant minority interest does

not allow the interest holder to “determine, direct, or decide important matters affecting an entity,” it must submit clear and convincing evidence to rebut the presumption.

The definition of foreign adversary control goes beyond foreign ownership, but is not so expansive as to include a regulatee solely because it has an employee that is a citizen of a foreign adversary country. The definition does apply to circumstances where a regulatee is an employee of a foreign adversary country, or a regulatee is owned or controlled by a foreign adversary or an employee of a foreign adversary. The definition does not include more subtle forms of control such as “influence,” but the Commission will consider the totality of the circumstances when evaluating whether to take action to mitigate national security risks. If the regulatee is unsure as to whether it is subject to foreign control, it should submit an affirmative attestation, provide explanatory materials with the attestation, and request staff clarification.

(II) Regulated Entities Subject to Tiered Reporting Requirements

Schedule A entities typically provide services that are essential to the communications ecosystem. For all regulatees that hold an approval listed as Schedule A or that have a pending application for a Schedule A approval, the Commission requires an attestation that it is or is not under foreign adversary control. Schedule A approvals are:

- Geographic-area wireless licenses capable of 4G or 5G mobile broadband service and frequency coordinator certifications
- Section 310(b) foreign ownership declaratory rulings
- Space and earth station authorizations
- Broadcast and Cable Television Relay Service (“CARS”) licenses for entities with six or more full-time employees
- International Broadcast Station (“IBS”) licenses for entities with six or more full-time employees
- Section 325(c) authorizations for entities with six or more full-time employees
- Submarine cable landing licenses
- Domestic Section 214 authorizations
- Eligible Telecommunications Carrier (“ETC”) designations
- International Section 214 authorizations
- Interconnected Voice over Internet Protocol (“VoIP”) direct access to numbering resources authorizations

- Equipment authorization certifications, except for entities that obtained authorization pursuant to a Supplier's Declaration of Conformity ("SDoC")
- Data Network Identifier Codes ("DNICs")
- International Signaling Point Codes ("ISPCs")
- Recognized operating agencies under the International Telecommunication Convention designations
- Internet-based Telecommunications Relay Service ("TRS") certifications

Schedule B entities provide services with fewer systemic national security risks associated with foreign adversary control. For all regulatees subject to foreign adversary control that have an approval listed in Schedule B or that have a pending application for a Schedule B approval, the Commission requires it to attest affirmatively to foreign adversary control. Schedule B approvals are:

- Site-based wireless licenses and geographic-area wireless licenses not covered by Schedule A or Schedule C (*i.e.*, business radio licenses) and FCC-appointed managers of third-party registration databases
- Mandatorily-filed antenna structure registrations
- Broadcast and CARS licenses for entities with fewer than six full-time employees
- IBS licenses for entities with fewer than six full-time employees
- Section 325(c) authorizations for entities with fewer than six employees

Schedule C entities present minimal national security risks to communications networks, and as such are exempt from comparatively burdensome attestation requirements. Schedule C approvals are:

- Amateur radio service licenses, voluntarily-filed antenna structure registrations, ship and aircraft licenses, General Mobile Radio Service ("GMRS") licenses, and authorizations for individuals to operate stations by rule in the ship, aircraft, and personal radio services
- Commission auction applications
- Authorizations obtained through the SDoC process

Federally recognized Tribal Nations and businesses controlled by federally recognized Tribal Nations are also exempt from these attestation requirements, as are state and local government entities.

(III) Conclusion

The new foreign adversary control rules expand the existing monitoring and reporting obligations for a wide variety of regulated entities, including business radio license holders. Foreign adversary control is presumed with as low as 10% passive, non-voting equity interest, triggering additional detailed disclosure requirements. This low threshold and requirement to keep attestations and disclosures current can make compliance particularly challenging for entities with complicated ownership structures and foreign ownership exposure. Companies should prioritize compliance because after the initial deadline and on an ongoing basis, regulatees risk coming under investigation and being subject to streamlined enforcement proceedings that could culminate in license revocation.

(B) Section 310(b) Foreign Ownership Review Rules - Introduction

New Commission rules formalize and streamline the review process for Section 310(b) petitions to exceed foreign ownership benchmarks for broadcast, common carrier, aeronautical mobile, and aeronautical fixed radio station licenses. The rules outline the protocols that the Commission had developed over time to review complicated ownership structures, in order to provide predictability and promote efficiency and shorter processing times for petitioners seeking ownership changes involving foreign entities. The rules set out the information required in initial and remedial filings; add definitions for parent companies, trusts, and trustees; specify how ownership calculation rules apply to nonprofit broadcasters; and formally make the remedial process available to private companies. These rules will take effect 30 days after publication in the Federal Register or later, if Office of Management and Budget approval is pending.

(I) Summary

The Commission must determine whether foreign ownership is in the public interest when foreign entities seek to hold more than 25% of equity or voting interests in a regulated entity, which requires a Section 310(b) petition for declaratory ruling. The following rules represent a codification of existing Commission policies and practices:

- A “controlling U.S. parent” is the first controlling entity organized in the U.S. that sits above the licensee in the vertical chain of control and does not itself hold a Section 310(b) license.
- Finding a deemed voting interest—that is, interest held by limited partners that is calculated under Commission rules to be greater than actual voting interest--of 50% or more is not a finding of control. Therefore, a foreign entity that has 50% or greater deemed voting interest in the controlling U.S. parent, but no *de jure* or *de facto* control of the controlling U.S. parent, may request advance approval to increase its

interest up to any non-controlling amount under 50%. If the Commission determines that there is an actual controlling interest, then the petitioner may request advance approval of up to a controlling 100% interest.

- When petitioners identify trusts that hold disclosable interest in the controlling U.S. parent, they must also include the names of individual trustees.
- Privately held entities can use the remedial process for inadvertent noncompliance with foreign ownership benchmarks that was previously only available to public companies.
- Remedial petitions must contain all of the information required in an initial petition.
- Amendments to petitions with a substantial (non-ministerial) change must be filed as a complete restatement of the initial petition with a cover letter describing the change.
- There are no U.S. residency requirements for foreign investors, and lack of U.S. residence is not a factor in the public interest analysis.
- The Media Bureau will issue processing guidelines for broadcast applications filed while a remedial petition is pending.
- Noncommercial educational (“NCE”) stations and low-power FM (“LPFM”) stations should calculate foreign ownership by applying *pro rata* voting interests to members of a governing board, unless governance documents allocate voting power differently.
- NCE and LPFM stations can file an application for participation in a filing window at the same time as they file a Section 310(b) petition, but no earlier.

(II) Conclusion

These rules were largely welcomed by industry for bringing consistency and clarity to the foreign investment review process. Moving forward, entities can expect to rely less on supplemental filings, inquiries to Commission staff, and Commission guidance when calculating foreign ownership and preparing Section 310(b) petitions. Notably the Commission declined to adopt reforms suggested by the National Association of Broadcasters to exempt petitions by trusted investors from referral to the Committee for the Assessment of Foreign Participation in the U.S. Telecommunications Services Sector (“Team Telecom”) through procedures akin to the Committee on Foreign Investment in the United States (“CFIUS”) “known investor” program. The Commission also declined to adhere to a specified timeframe to process petitions. The rules nonetheless advance the Commission’s deregulatory goals by reducing regulatory burdens through reducing uncertainty in the review process.

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