

# FCC to Vote on International Section 214 Overhaul: What Investors Need to Know

October 26, 2026

The US Federal Communications Commission (FCC) will vote on October 29, 2026, on a draft Report and Order and Further Notice of Proposed Rulemaking that would rewrite certain rules, as well as propose additional revisions, for international section 214 authorizations – the FCC authority required to provide common carrier telecommunications service between the US and foreign points. The draft, circulated October 8, is not final and may change.<sup>1</sup>

## Implications for investors

Any fund, co-investor, limited partner, or other entity or person that is attributed a direct or indirect equity or voting interest of 5% or more would be identified in a public FCC filing unless the interest flows through a US public company without actual knowledge of such interest; existing holders would supply the same information in the one-time collection; and a “new 5% interest holder that is known by the authorization holder in the ordinary course of business” is a material change requiring notice to the FCC within 30 days. Confidentiality terms in partnership agreements and side letters should be reviewed accordingly; one commenter noted such agreements would need “to be modified in order for disclosure to be allowed.”

## Practical considerations

1. **Diligence:** Confirm the target holds an authorization, responded in 2023 – 2024, is providing service under each authorization, and whether it uses Covered List equipment, foreign adversary-linked providers or cross-border facilities.
2. **Cap table:** Map every direct and indirect equity or voting interest of 5% or more and identify any that flow through a US public company; while equity is calculated on a pass-through basis, the FCC has complicated rules on calculating voting interests, particularly with respect to limited partners and members of limited liability companies.
3. **Investor confidentiality:** Review fund documents and side letters for restrictions on disclosing investor identities.
4. **Foreign adversary exposure:** Identify any foreign adversary-linked holder with a 10% or greater interest, financing or partnership with a foreign adversary-controlled entity, or senior official working from a foreign adversary country.
5. **Deal documents:** Allocate responsibility for the one-time collection, the certifications, the one-year commencement condition and 30-day notices between signing and closing.
6. **Advocacy:** Comments on the Further Notice are due 30 days after Federal Register publication. The FCC specifically requests “data and quantitative analysis” on availability, bottlenecks and price effects.

## Status

Currently, the item is a circulated draft in IB Docket No. 23-119 and MD Docket No. 23-134 and “does not constitute any official action by the Commission.” If adopted, most rules would take effect 60 days after Federal Register publication, but the amendments to several rules and the one-time collection would await OMB Paperwork Reduction Act review, with the Office of International Affairs (OIA) to announce those dates. This alert describes what the FCC “would” do if it adopts the draft. Further Notice items are proposals only.

### The 5% ownership threshold

Current Section 63.18(h)(1) requires disclosure of holders of “ten percent or more of the equity interests and/or voting interests, or a controlling interest” in new, modification, assignment, transfer-of-control and pro forma

filings. The draft would lower that threshold to “five percent or more” and continue to require the name, address, citizenship, principal business and percentage interests for each such interest holder. Indirect interests will continue to be calculated under the attribution rules in Section 63.18(h)(1)(i)–(ii), which calculate equity on a pass-through basis but calculate voting interests using complicated attribution calculations that are not straight pass-through, particularly with respect to limited partners and members of limited liability companies. The 10% foreign ownership trigger for routine Team Telecom referral is retained, but 5% information may inform the FCC’s discretion to refer any application.

**The exception.** An applicant need not identify 5%-to-less-than-10% interests “held directly or indirectly in the applicant through a U.S. publicly traded company, or if the applicant itself is a U.S. publicly traded company, unless the U.S. publicly traded company has actual knowledge of such interest holders.” A public company “has or should have actual knowledge, in the exercise of due diligence,” of holders shown in its share register, insider holdings, Schedules 13D and 13G and Form 13F data, beneficial ownership tables in periodic reports, and information actually known “by whatever source.” The applicant and the public company must review Schedules 13D/13G and monitor institutional ownership sources. Despite support from commenters, the FCC is not adopting exceptions for passive or insulated investors, privately held companies, or non-US publicly traded companies.

**One-time information collection.** All existing international Section 214 authorization holders would submit information regarding 5% ownership and control. The deadline would be no fewer than 30 days after the collection’s effective date, and noncompliance risks forfeitures and revocation. Holders that surrender all authorizations before the deadline need not respond.

## Other application and one-time information collection requirements

Applications and a one-time information collection for existing authorization holders must provide new information and certifications, the most relevant of which to investors is (see companion [alert for international Section 214 authorization holders](#) for additional details):

**Character certification.** Certification of whether the applicant (likely extending to affiliates) has been adjudicated for material Communications Act violations, national security-related violations or false statements, or materially breached an authorization condition.

Certain other new disclosures in applications may result in referral to Team Telecom.

## Material changes will need to be reported

Authorization holders will need to report material changes to previously provided information within 30 days of the change. While OIA will decide what is material, the FCC has indicated that new 5% interest holders are material and will need to be reported.

## Other continuing obligations and related matters

In addition to submitting filings regarding material changes, authorization holders will be subject to other continuing obligations regarding cybersecurity, Covered List equipment and services, and utilization of the authorization. (See companion [alert for international Section 214 authorization holders](#) for additional details.) OIA will publish a list of holders that did not respond to the 2023 Evolving Risks Order and who may be subject to revocation.

## Further Notice proposes to disqualify certain applicants

Following a comment period and further order, the FCC proposes to presumptively disqualify:

- Applicants (including affiliates and subsidiaries) that are “owned by, controlled by, or subject to the jurisdiction or direction of

a foreign adversary,” on the Covered List, or previously denied or revoked on national security grounds.

- Applicants with existing or planned foreign adversary financing, strategic partnerships or mergers.
- Applicants whose senior officials are foreign adversary-linked or work from a foreign adversary country.

Each is rebuttable only by “clear and convincing evidence.”

The Further Notice has other proposals that are addressed in our companion [alert for international Section 214 authorization holders](#). Comments are due 30 days after Federal Register publication and replies after 60 days.

#### Notes

1. Review of International Section 214 Authorizations to Assess Evolving National Security, Law Enforcement, Foreign Policy, and Trade Policy Risks; Amendment of the Schedule of Application Fees Set Forth in Sections 1.1102 through 1.1109 of the Commission’s Rules, IB Docket No. 23-119, MD Docket No. 23-134, Report and Order and Further Notice of Proposed Rulemaking, FCC-CIRC 2610-05 (circulated Oct. 8, 2026) (Draft Order). The document “has been circulated for tentative consideration by the Commission at its October 29, 2026, open meeting,” remains “subject to change” and “does not constitute any official action by the Commission.” *Id.* at 1 n.\*.

If you would like to discuss how these rules may affect a current or prospective investment, or participate in the Further Notice’s comment process, please contact one of the Cooley lawyers listed below.

This alert is based solely on the circulated draft of FCC-CIRC 2610-05, released October 8, 2026, which remains subject to change before the FCC’s October 29, 2026, vote.

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