

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of	)	
	)	
Application for Assignment of Authorizations	)	
	)	
From:	)	
EchoStar Corporation	)	
and its wholly owned subsidiaries	)	
	)	
To:	)	GN Docket NO. 25-302
Spectrum Business Trust 2025-1	)	
and Space Exploration Technologies Corp.	)	
	)	
To: Marlene H. Dortch, Secretary		

PETITION TO DENY

Frequency Forward,¹ by counsel, hereby files this Petition to Deny the above captioned assignment applications. As discussed herein, there is a growing body of evidence that the single majority shareholder of Space Exploration Technologies Corp. (“SpaceX”), Elon Musk, is controlled by, or subject to the direction of a foreign adversary,² i.e. the Chinese government. For this reason, the FCC should not grant this application, nor any SpaceX application until Musk business dealings and relationships with Chinese Communist Party (“CCP”) are thoroughly investigated in the crucible of an evidentiary hearing.

¹ Frequency Forward is a public interest organization and consumer advocacy watchdog dedicated to promoting greater transparency and accountability at the FCC.

² The U.S. Department of Commerce identifies certain foreign governments as "foreign adversaries" due to activities deemed contrary to U.S. national security or foreign policy interests. 15 CFR § 791.4.

Background

Elon Musk is a man with his fingers in many pies. He is the founder and Chief Executive Officer (“CEO”) of SpaceX. Musk is SpaceX’s largest shareholder, controlling a 42% stake and almost 79% of its voting power.³ Starlink is a wholly owned subsidiary of SpaceX. Musk is also Tesla’s CEO and its largest shareholder with 500 million shares, representing 15.73% of all outstanding shares.⁴ Furthermore, Musk is co-founder and CEO of Neuralink, xAI, and The Boring Company. He is also chairman of X Corp. As discussed herein, Musk and the companies he controls have extensive, ongoing business arrangements with China. These business dealings give China the power to influence and control the operations of his companies, including Starlink.

In 2019, Musk made a significant financial investment in China, when he entered into agreements with the Chinese government to build a Tesla manufacturing facility in Shanghai. Tesla’s Shanghai Gigafactory manufactures almost 1 million cars per year. While Tesla owns the factory, it does not own the land it is built on. The Shanghai factory was constructed with the support of loans from Chinese state-owned banks, granted at favorable interest rates. The Chinese government also provided Tesla with a reduced corporate tax rate of 15% – 10 percentage points lower than the standard rate.⁵ Since its opening in 2019, the Shanghai Gigafactory has surpassed Tesla’s Fremont, California, facility in both size and productivity, now accounting for more than half of the company’s global deliveries and most of its profits.

³ <https://www.wsj.com/business/elon-musk-spacex-loan-269a2168>

⁴ <https://www.investopedia.com/articles/insights/052616/top-4-tesla-shareholders-tsla.asp#citation-41>

⁵ <https://theconversation.com/how-elon-musks-deep-ties-to-and-admiration-for-china-could-complicate-trumps-beijing-policy-249988>

Further, nearly 40% of Tesla's battery supply chain relies on Chinese companies, and these partnerships continue to expand.⁶ For example, on Feb. 11, 2025, the company opened its second factory in Shanghai — a \$200 million plant that is set to produce 10,000 megapack batteries annually. Given that Musk's wealth is largely tied to Tesla stock, his financial standing is increasingly dependent on the cooperation of the Chinese government.

SpaceX has maintained close ties to the Chinese government and Chinese investors. Recent testimony before a court in Delaware revealed that Chinese investors are permitted to purchase shares in privately held SpaceX. The investments are being placed through special-purpose vehicles which conceal the identities of the Chinese investors and the number of shares they purchase.⁷ Furthermore, Chinese nationals have purchased shares in Musk-controlled private technology companies, xAI and Neuralink.⁸

Argument

The FCC has on a unanimous, bipartisan basis and on the recommendation of Executive Branch national security agencies, denied or revoked authorizations to provide telecommunications services in the U.S. to companies controlled by, or subject to the direction of foreign adversaries. In revoking these authorizations, the FCC's actions are consistent with the guidance of President Trump's America First Investment Policy Memorandum--streamlining investment into the United States, coupled with restrictions on foreign adversaries that seek to

⁶ <https://theconversation.com/how-elon-musks-deep-ties-to-and-admiration-for-china-could-complicate-trumps-beijing-policy-249988>

⁷ <https://www.propublica.org/article/elon-musk-spacex-allows-china-investment-cayman-islands-secrecy>

⁸ <https://economictimes.indiatimes.com/tech/technology/chinese-investors-privately-take-stakes-in-elon-musks-companies-report/articleshow/118820307.cms?from=mdr>

exploit U.S. vulnerabilities and threaten American national security.⁹ Recent years have seen a deluge of bipartisan legislative and regulatory efforts to address the risks posed by a consistent group of entities the Executive Branch has designated as foreign adversaries: China, Russia, Iran, North Korea, Cuba, and the Maduro Regime. Taken together, these measures reflect an ongoing, bipartisan effort to mitigate foreign adversaries' involvement in U.S. economic and technological supply chains across multiple fronts multiple Congresses and multiple Presidential Administrations.¹⁰ As the Commission clearly stated in the *Foreign Adversary Ownership*

NPRM:

The Commission has itself undertaken numerous actions to protect U.S. communications networks and the supply chain from entities with ties to foreign adversaries. Two of the key responsibilities of the Commission, as outlined in Section 1 of the Communications Act of 1934, as amended (the Communications Act) establishing the Commission, are "national defense" and "promoting the safety of life and property through the use of wire and radio communication." The Communications Act prohibits the granting of broadcast, common carrier, and aeronautical en route or aeronautical fixed radio station licenses to foreign entities or entities owned or controlled by foreign governments. The Communications Act also prohibits the granting of a wireless license to a foreign government or its representative. The Commission recognizes that foreign adversaries pose a present and persistent threat from within our networks to the extent that they act through surrogate companies that they own, control, or influence that hold licenses, authorizations, and other permissions granted by the Commission. As part of the Commission's continuing efforts to promote national security and law enforcement, the Commission denied an application for international section 214 authority and revoked, and in certain

⁹ See e.g., FCC Acts to Accelerate Submarine Cable Buildout & Security; Action Boost America's Leadership in AI and Next-Gen Technologies, 2025 FCC LEXIS 1620, *1; See also, *In the Matter of Promoting the Integrity and Security of Telecommunications Certification Bodies, Measurement Facilities, and the Equipment Authorization Program* 40 FCC Rcd 3616, 3617 (2025).

¹⁰ *In re FCC Seeks Out Foreign Adversary Ownership in Communications Industry*, Notice of Proposed Rulemaking, 40 FCC Rcd 3730, 3732-3733 (2025). (*Foreign Adversary Ownership NPRM*).

cases terminated for failure to satisfy certain conditions, the domestic and international section 214 authority of certain carriers ultimately majority-owned and controlled by the Chinese government. In these denial and revocation or termination actions, the Commission found that these entities are subject to exploitation, influence, and control by the Chinese government, and that mitigation would not address the national security and law enforcement concerns. There is no doubt that entities under the ownership or otherwise subject to the control or direction of these and other foreign adversary governments pose a national security threat to U.S. communications networks.¹¹

The available evidence clearly supports the initial conclusion that Musk is subject to the control or influence of the CCP.¹² Clearly, the CCP has the means and the motive to exert commercial and financial pressure on Tesla and thus by extension on Musk. He has built two factories in China on land leased from the CCP. The CCP has provided extensive financial incentives, including low-interest loans and tax breaks, which gives the CCP significant leverage over Musk and his companies. Tesla's balance sheet shows that Tesla has borrowed 2.7 billion dollars from Chinese banks.¹³

In addition to loans and tax breaks which give the CCP significant leverage, the CCP has other means to influence and control Musk. The CCP can exert significant influence, if not outright control over Tesla's Shanghai plant.¹⁴ This includes, but is not limited to, regulatory control, data management, supplier relationships, and internal company operations, giving the

¹¹ Id. pp. 3734-3735. Footnotes omitted.

¹² See, Section 47 USC § 310(b)(1); of the Act prohibits any alien or **representative of any alien** from holding a broadcast, common carrier, or aeronautical radio station license. This prohibition is absolute, and the Commission has no discretion to waive it. (emphasis added); see e.g. definition of "*Owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary*," contained in 47 CFR § 1.70001(g) of the FCC's rules

¹³ Tesla, SEC 10-Q for the quarter ending June 30, 2025, Note 7.

¹⁴ See 47 CFR § 1.70001(g)(3). As discussed, Tesla's Shanghai plant is its largest and therefore its principal place for manufacturing automobiles.

government substantial leverage, direct control and oversight. Like many other companies in China, Tesla has established Communist Party branches within its operations, including at the Shanghai Gigafactory. These branches hold weekly meetings where employees are expected to participate in activities reinforcing party loyalty, and their presence can be used to influence or monitor business decisions. The government could seize Tesla's factory or other assets at any time. Nor would Musk have recourse to the legal system as that too is ultimately controlled by the CCP. Under Chinese law, all electric vehicle manufacturers are required to share real-time location and other vehicle data with the government. Investigations have found that many of Tesla's Chinese suppliers are linked to the government or the People's Liberation Army, including some under U.S. sanctions.¹⁵ There is also the troubling fact that Chinese nationals have purchased shares of SpaceX using special purpose vehicles designed to keep their identities secret. Who are these individuals? What links do they have to the CCP? What percentage of equity do they own in SpaceX and other Musk companies? What access do they have to SpaceX's key communications systems? In short, what rights do these citizens of a foreign adversary country have to control the day-to-day operations of SpaceX? These questions need to be addressed and answered before the FCC can allocate additional frequencies or grant additional licenses to SpaceX. The FCC also must investigate if SpaceX's current spectrum holdings pose a threat to the security of this country's telecommunications infrastructure.

U.S. lawmakers have expressed concern about Musk's close relationship with China. For example, Congresswoman Rosa L. DeLauro wrote:

I write to express significant concerns with the influence and potential conflicts of interest that unelected multibillionaire Elon Musk has wielded to sow last-minute chaos throughout the

¹⁵ <https://www.washingtontimes.com/news/2025/jan/9/tesla-shanghai-factory-supplied-military-linked-fi/>

government funding process. It is particularly disturbing that Musk may have sought to upend this critical negotiated agreement to remove a bipartisan provision regulating U.S. investments in China in order to protect his wallet and the Chinese Communist Party at the expense of American workers, innovators, and businesses.¹⁶

The warnings concerning the CCP's undue influence on Musk have come from both Republican and Democrat members of Congress. For example, Senator Tom Cotton, Republican chair of the Senate intelligence committee, condemns Musk for "chasing Chinese dollars" and having "shamefully supplicated China's Communist rulers", in order to advance his own interests as chief executive of companies including Tesla and SpaceX.¹⁷

Under Section 310(d) of the Communications Act, the Commission may only approve a transfer of control of a license if it determines that the transfer would serve the "public interest, convenience and necessity."¹⁸ As a threshold matter, the Commission must determine whether the applicants to the proposed transaction meet the requisite qualifications to hold and transfer licenses under Section 310(d) of the Act and the Commission's rules.¹⁹ If a substantial and material question of fact is presented or if the Commission for any reason is unable to find that grant of the application would be consistent with the public interest, convenience, and necessity,"

¹⁶ <https://delauero.house.gov/sites/evo-subsites/delauro.house.gov/files/evo-media-document/2024.12.20%20Letter%20from%20RM%20DeLauro%20to%20Congressional%20Leadership.pdf>

¹⁷ <https://www.theguardian.com/us-news/2025/feb/11/elon-musk-donald-trump-tom-cotton-china-book>

¹⁸ 47 U.S.C. § 310(d).

¹⁹ See 47 U.S.C. § 310(d); 47 C.F.R. § 1.948; see also *Verizon Wireless-RCC Order*, 23 FCC Rcd at 12477-78; *AT&T-Dobson Order*, 22 FCC Rcd at 20302; *Sprint-Nextel Order*, 20 FCC Rcd at 13979; *ALLTEL-Western Wireless Order*, 20 FCC Rcd at 13063; *Cingular-AT&T Wireless Order*, 19 FCC Rcd at 21546.

it must formally designate the application for a hearing in accordance with Section 309(e) of the Act.

There is significant evidence that Musk, through his business dealing and sale of shares in his privately held companies, is vulnerable to exploitation, influence, and control by the Chinese government. Furthermore, in selling shares to Chinese nationals it appears that he or his advisors have attempted to conceal from public scrutiny the nature of the transactions including the identity and nationality of the individuals investing in his companies.

Conclusion

Based on the substantial evidence demonstrating the ability of the CCP to exploit, influence or control the FCC licensed operations of SpaceX, Frequency Forward seeks an evidentiary hearing on the applications and the qualifications of SpaceX to remain an FCC licensee. Frequency Forward further requests that the Commission hold in abeyance this application and any other SpaceX applications for additional frequencies, licenses or authorizations until a final decision is made on the substantial and material questions raised herein.

Respectfully Submitted,

/s/ Arthur V. Belendiuk

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