

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

In the Matter of)	File No. EB-10-IH-0557
)	
TURNER BROADCASTING SYSTEM, INC.)	Account No. 201032080036
)	
Parent Company of CNN America, Inc. and)	FRN 0006873228
Courtroom Television Network LLC, Holders)	
of Various Licenses in the Wireless and)	
International Services)	
)	

ORDER

Adopted: February 8, 2011

Released: February 8, 2011

By the Chief, Enforcement Bureau:

1. In this Order, we adopt the attached Consent Decree entered into between the Enforcement Bureau of the Federal Communications Commission (“Bureau”) and Turner Broadcasting System, Inc. (“Turner”). The Consent Decree terminates an investigation and cancels a proposed forfeiture by the Bureau against Turner for possible violation of section 310 of the Communications Act of 1934, as amended,¹ sections 25.119 and 1.948 of the Commission’s rules,² in connection with an internal reorganization.

2. The Bureau and Turner have negotiated the terms of a Consent Decree that resolves this matter. A copy of the Consent Decree is attached hereto and incorporated by reference.

3. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree, terminating the investigation and cancelling the proposed forfeiture.

4. In the absence of material new evidence relating to this matter, we conclude that our investigation raises no substantial or material questions of fact as to whether Turner possesses the basic qualifications, including those related to character, to hold or obtain any Commission license or authorization.

5. Accordingly, **IT IS ORDERED** that, pursuant to section 4(i) of the Act,³ and sections 0.111 and 0.311 of the Commission’s rules,⁴ the Consent Decree attached to this Order **IS ADOPTED**.

¹ 47 U.S.C. § 310.

² 47 C.F.R. §§ 25.119, 1.948.

³ 47 U.S.C. §§ 154(i)

⁴ 47 C.F.R. §§ 0.111, 0.311.

6. **IT IS FURTHER ORDERED** that the above-captioned investigation **IS TERMINATED** and the proposed forfeiture **IS CANCELLED**.

7. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by Certified Mail – Return Receipt Requested to Louise Sams, Executive Vice President, General Counsel and Secretary, Turner Broadcasting System, Inc., One CNN Center, Atlanta, GA 30303.

FEDERAL COMMUNICATIONS COMMISSION

P. Michele Ellison
Chief, Enforcement Bureau

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

In the Matter of)) TURNER BROADCASTING SYSTEM, INC.)) Parent Company of CNN America, Inc. and) Courtroom Television Network LLC, Holders of) Various Licenses in the Wireless and International) Radio Services)))))))))	File No. EB-10-IH-0557 Account No. 201032080036 FRN 0006873228
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CONSENT DECREE

I. INTRODUCTION

1. The Enforcement Bureau of the Federal Communications Commission (“Commission” or “FCC”) and Turner Broadcasting System, Inc. hereby enter into this Consent Decree for the purpose of terminating the Bureau’s investigation of Turner’s compliance with section 310(d) of the Communications Act of 1934, as amended,¹ and sections 25.119 and 1.948 of the Commission’s Rules,² relating to a corporate reorganization.

II. DEFINITIONS

2. For the purposes of this Consent Decree, the following definitions shall apply:
- a) “Act” means the Communications Act of 1934, as amended, 47 U.S.C. § 151 *et seq.*
 - b) “Adopting Order” or “Order” means an order of the Bureau adopting the terms of this Consent Decree without change, addition, deletion, or modification.
 - c) “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
 - d) “Commission” and “FCC” mean the Federal Communications Commission and all of its bureaus and offices.
 - e) “Compliance Plan” means the program described in this consent decree at paragraph 10.
 - f) “Effective Date” means the date on which the Bureau releases the Adopting Order.

¹ 47 U.S.C. § 310(d).

² 47 C.F.R. §§ 25.119 and 1.948.

- g) "Investigation" means the Bureau's investigation of Turner Broadcasting System, Inc.'s compliance with section 310(d) of the Act and sections 25.119 and 1.948 of the Commission's Rules, relating to a corporate reorganization on December 31, 2006.
- h) "NAL" means *Turner Broadcasting System, Inc.*, Notice of Apparent Liability for Forfeiture, DA 10-1648 (EB, rel. Sept. 10, 2010).
- i) "Parties" means Turner Broadcasting System, Inc. and the Enforcement Bureau of the Federal Communications Commission, and each a Party.
- j) "Rules" means the Commission's regulations found in Title 47 of the Code of Federal Regulations.
- k) "Turner" means Turner Broadcasting System, Inc. and its predecessors-in-interest and successors-in-interest.

III. BACKGROUND

3. Section 310(d) of the Act provides that no station license shall be assigned without prior Commission consent. Sections 25.119 and 1.948 of the Commission's Rules similarly require prior Commission consent to a transfer of control or assignment of license.

4. Turner is an Atlanta-based corporation that provides programming for the cable industry. It holds a number of licenses for wireless and international services. Among Turner's wholly-owned subsidiaries in late 2006 was Cable News Network, LP, LLLP ("CNN-LP"), holder of 49 licenses in various wireless and international radio services. On December 31, 2006, Turner underwent an internal reorganization whereby its controlling 10 percent general partnership interest in CNN-LP was contributed to Turner's wholly owned subsidiary, CNN Investment Company, Inc., which at the time held the remaining 90 percent limited partnership interest. Immediately thereafter, CNN-LP was merged into CNN Investment Company, Inc., the latter of which was the surviving entity. CNN Investment Company, Inc. simultaneously changed its name to Cable News Network, Inc. ("CNN-Inc."). All of these events occurred on the same day and effectuated a *pro forma* transfer of control of CNN-LP, immediately followed by a *pro forma* assignment of the 49 subject licenses, to CNN-Inc. Turner did not file applications for Commission consent to these related transactions until September 2009, nearly three years later.

5. After the applications were granted, the matter was referred to the Bureau which promptly commenced the Investigation. As a result of the Investigation, the Bureau released the NAL proposing a forfeiture in the amount of \$16,000 for Turner's apparent failure to comply with section 310(d) of the Communications Act of 1934, as amended, and sections 25.119 and 1.948 of the Rules. The Parties thereafter entered into settlement discussions.

IV. TERMS OF AGREEMENT

6. **Adopting Order.** The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau by incorporation of such provisions by reference in the Adopting Order without change, addition, modification, or deletion.

7. **Jurisdiction.** Turner agrees that the Bureau has jurisdiction over it and the matters contained in this Consent Decree and has the authority to enter into and adopt this Consent Decree.

8. **Effective Date; Violations.** The Parties agree that this Consent Decree shall become effective on the Effective Date. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other order of the Bureau. Any violation of the Adopting Order or of the terms of this Consent Decree shall constitute a separate violation of a Bureau order, entitling the Bureau to exercise any rights and remedies attendant to the enforcement of a Bureau order.

9. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate its Investigation and to cancel the proposed forfeiture on the Effective Date. In consideration for the termination of the Investigation and cancellation of the proposed forfeiture, Turner agrees to the terms, conditions, and procedures contained herein. The Bureau further agrees that, in the absence of new material evidence, the Bureau will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, to institute, on its own motion, any new proceeding, formal or informal, or take any action on its own motion against Turner concerning the matters that were the subject of the Investigation. The Bureau also agrees that in the absence of new material evidence, it will not use the facts developed in this Investigation through the Effective Date, or the existence of this Consent Decree, to institute on its own motion any proceeding, formal or informal, or take any action on its own motion or refer to the Commission, any action against Turner with respect to Turner's basic qualifications, including its character qualifications to be a Commission licensee or hold Commission authorizations.

10. **Compliance Plan.** Turner agrees that it shall implement within sixty (60) calendar days a comprehensive Compliance Plan for purposes of ensuring its compliance with sections 310(d) of the Act, and sections 25.119 and 1.948 of the Rules. The Compliance Plan shall include, at a minimum, the following components:

- a) **FCC Compliance Officer.** Within sixty (60) calendar days of the Effective Date, Turner shall designate an FCC Compliance Officer who will administer the Compliance Plan, supervise Turner's compliance with the Act and the Commission's Rules, and serve as the point of contact on behalf of Turner for all FCC-related compliance matters.
- b) **Compliance Manual.** Within sixty (60) calendar days of the Effective Date, the FCC Compliance Officer shall develop and distribute a Compliance Manual to employees and others who perform duties at Turner that trigger or may trigger compliance-related responsibilities. The Compliance Manual shall include (i) an overview of the Commission's requirements, including the need for prior approval for license assignments and transfers of control, and the requirements set forth in the Rules at issue in the Investigation; (ii) a description of the regulatory requirements applicable to the accurate reporting of information in FCC applications; and (iii) instructions regarding due diligence for FCC applications. Turner shall update the Compliance Manual from time to time to reflect changes to relevant sections of the Act, Rules, and Commission orders, and as otherwise needed.
- c) **Compliance Training Program.** Within ninety (90) calendar days of the Effective Date, Turner shall begin administering a Compliance Training Program for employees and others who perform duties at Turner that trigger or may trigger compliance-related responsibilities. This Compliance Training Program shall be completed for all current employees within one hundred and twenty (120) days of the Effective Date. This Compliance Training Program shall also be presented to new

employees who are engaged in such activities, within the first sixty (60) calendar days of employment. This Compliance Training Program shall track the Compliance Manual, focusing on proper implementation of the Compliance Manual.

- d) **Compliance Reports.** Turner shall submit a Compliance Report to the Commission 90 days after the Effective Date and annually thereafter on the anniversary of the Effective Date until the Termination Date. Each Compliance Report will include a certification by the Compliance Officer, as an agent of and on behalf of Turner, stating that he/she has personal knowledge that: (i) Turner has established operating procedures intended to ensure compliance with the terms and conditions of this Consent Decree and with sections 310(d) of the Act and sections 25.119 and 1.948 of the Commission's Rules, together with an accompanying statement explaining the basis for the certification; (ii) Turner has been utilizing those procedures since the previous Compliance Report was submitted; and (iii) Turner is not aware of any instances of non-compliance with the Consent Decree or those specified sections of the Act and Rules. The certification must comply with section 1.16 of the Commission's Rules and be subscribed to as true under penalty of perjury in substantially the form set forth therein. If the FCC Compliance Officer cannot provide the requisite certification, he/she shall provide the Commission with a detailed explanation of: (i) any instances of non-compliance with this Consent Decree and the Act or Rules, and (ii) the steps that Turner has taken or will take to remedy each instance of non-compliance and ensure future compliance, and the schedule on which proposed remedial actions will be taken. All Compliance Reports shall be directed to the Chief, Investigations & Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Room 4-C320, Washington, D.C. 20554.
- e) **Termination.** The requirements relating to the Compliance Plan shall expire thirty-six months after the Effective Date.

11. **Voluntary Contribution.** Turner agrees that it shall make a voluntary contribution to the United States Treasury in the total amount of \$16,000. The payment shall be made within 10 days after the Effective Date of the Adopting Order. The payment shall be made by check or similar instrument, payable to the Order of the Federal Communications Commission. The payment must include the Account Number and FRN Number referenced in the caption to the Adopting Order. Payment by check or money Order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payments by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the NAL/Account number in block number 23A (call sign/other ID), and enter the letters "FORF" in block number 24A (payment type code). Turner shall also send electronic notification on the date said payment is made to Gary Schonman at Gary.Schonman@fcc.gov and to Pam Slipakoff at Pam.Slipakoff@fcc.gov.

12. **Waivers.** Turner waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order, provided the Consent Decree is adopted without change, addition, modification, or deletion. Turner shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Adopting Order, neither Turner nor the

Commission shall contest the validity of the Consent Decree or the Adopting Order, and Turner shall waive any statutory right to a trial *de novo*. Turner hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, 5 U.S.C. § 504 and 47 C.F.R. § 1.1501 *et seq.*, relating to the matters addressed in this Consent Decree.

13. **Invalidity.** In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

14. **Subsequent Rule or Order.** The Parties agree that if any provision of the Consent Decree conflicts with any subsequent rule or order adopted by the Commission (except an order specifically intended to revise the terms of this Consent Decree to which Turner does not expressly consent), that provision will be superseded by such Commission rule or Order.

15. **Successors and Assigns.** Turner agrees that the terms and conditions of this Consent Decree shall be binding on its successors, assigns, and transferees.

16. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties. The Parties further agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding any compliance or noncompliance with the requirements of the Act or the Commission's Rules and Orders.

17. **Modifications.** This Consent Decree cannot be modified without the written consent of both Parties.

18. **Paragraph Headings.** The headings of the Paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

19. **Authorized Representative.** Each party represents and warrants to the other that it has full power and authority to enter into this Consent Decree.

20. **Counterparts.** This Consent Decree may be signed in counterparts (including by facsimile), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

By: _____
P. Michele Ellison
Chief, Enforcement Bureau
Federal Communications Commission

By: _____
Louise Sams
Executive Vice President,
General Counsel and Secretary
Turner Broadcasting System, Inc.

Date: _____

Date: _____