

Federal Communications Commission 445 12<sup>th</sup> St., S.W. Washington, D.C. 20554 News Media Information 202 / 418-0500 Internet: http://www.fcc.gov TTY: 1-888-835-5322

> DA 17-1224 December 20, 2017

# GRUPO MULTIMEDIA, LLC AND DEPORTES Y MUSICA COMUNICACIONES LLC SEEK FOREIGN OWNERSHIP RULING PURSUANT TO SECTION 310(b)(4) OF THE COMMUNICATIONS ACT OF 1934, AS AMENDED

#### PLEADING CYCLE ESTABLISHED

MB Docket No. 17-360

Comments Due: January 19, 2018 Replies Due: February 5, 2018

## I. INTRODUCTION

Grupo Multimedia LLC (Grupo Multimedia) and Deportes y Musica Comunicaciones LLC (Deportes) (collectively, the Petitioners) have filed a petition for declaratory ruling (Petition) with the Commission requesting that the Commission find, pursuant to Section 310(b)(4) of the Communications Act of 1934, as amended,<sup>1</sup> the Commission's recent *Foreign Ownership Order*,<sup>2</sup> and Section 1.5000(a)(1) of the FCC's rules,<sup>3</sup> that it would serve the public interest to permit SMG-MX, LLC (SMG), a Delaware limited liability company owned by two Mexican members, to increase its foreign ownership in the radio stations at issue from 25 percent to 100 percent.

The Petition is filed in connection with an application, filed on November 20, 2017, seeking Commission consent to the transfer of control of Grupo Multimedia and Deportes,<sup>4</sup> the licensee of two FM

<sup>3</sup> 47 CFR § 1.5000(a)(1).

<sup>&</sup>lt;sup>1</sup> 47 U.S.C. § 310(b)(4); see also Commission Policies and Procedures Under Section 310(b)(4) of the Communications *Act, Foreign Investment in Broadcast Licensees*, Declaratory Ruling, 28 FCC Rcd 16244 (2013).

<sup>&</sup>lt;sup>2</sup> Review of Foreign Ownership Policies for Broadcast, Common Carrier, and Aeronautical Radio Licensees Under Section 310(b)(4) of the Communications Act of 1934, as Amended, Report and Order, 31 FCC Rcd 11272 (2016) (Foreign Ownership Order).

<sup>&</sup>lt;sup>4</sup> Co-Petitioner Grupo Multimedia is the 100 percent parent of Deportes. Co-Petitioner Deportes is the licensee of the radio stations at issue.

radio stations,<sup>5</sup> from its current majority member, Roberto Medina, to SMG.<sup>6</sup> SMG is a Delaware limited liability company owned by two members, who are citizens of Mexico: Juan Carlos Rodriguez (70 percent voting and equity interest) and Francisco Gonzalez (30 percent voting and equity interest). The Petitioners assert that grant of the Petition would facilitate foreign investment and, therefore, "permit Deportes to compete more effectively and better serve the public interest."<sup>7</sup>

In support of the Petition, the Petitioners explain that both Deportes stations "have been in danger of failing" and principal member, Roberto Medina "has found it increasingly difficult to devote the time or funds required to bring the Stations to viability."<sup>8</sup> Accordingly, in an effort to avoid "depriv[ing] Hispanic listeners of what was always planned to be a valuable additional Spanish language program service in the Stations' respective communities," Mr. Medina "desires to transfer" his majority interest in Grupo Multimedia to SMG.<sup>9</sup> The Petitioners note that the Managing Member of SMG, Juan Carlos Rodríguez, "is a recognized expert in Hispanic oriented sports programming" and, therefore, "is well placed to turn the Stations around and make them both productive and viable competitors in their respective markets."<sup>10</sup> The Petitioners maintain that Mexican ownership poses no national security, law enforcement, foreign policy, trade policy, or other issue or threat to the United States.<sup>11</sup> Finally, the Petitioners contend that grant of the Petition would further the Commission's goals of encouraging foreign investment and ownership diversity in U.S. broadcast stations while also promoting media investment opportunities for U.S. investors in Mexico.<sup>12</sup>

### II. EX PARTE STATUS OF THIS PROCEEDING

Pursuant to Section 1.1200(a) of the Commission's rules,<sup>13</sup> the Commission may adopt modified or more stringent *ex parte* procedures in particular proceedings if the public interest so requires. We announce that this proceeding will be governed by permit-but-disclose *ex parte* procedures that are applicable to non-restricted proceedings under Section 1.1206 of the Commission's rules.<sup>14</sup>

Parties making oral *ex parte* presentations are directed to the Commission's *ex parte* rules. Parties are reminded that memoranda summarizing the presentation must contain the presentation's substance and not merely list the subjects discussed.<sup>15</sup> More than a one- or two-sentence description of the views and

<sup>8</sup> *Id.* at 2-3.

<sup>9</sup> Id.

<sup>11</sup> Petition at 4.

<sup>12</sup> *Id.* at 6.

<sup>&</sup>lt;sup>5</sup> Deportes is the licensee of stations KQMX(FM), Lost Hills, California, and KRPH(FM), Morristown, Arizona. *See* File Nos. BTCH-20171120AAK-AAL.

<sup>&</sup>lt;sup>6</sup> Currently, Roberto Medina, a U.S. citizen, holds a 75 percent ownership interest, and SMG holds a 25 percent ownership interest in the licensee.

<sup>&</sup>lt;sup>7</sup> Petition at 6.

<sup>&</sup>lt;sup>10</sup> Petition at 3. Mr. Rodriguez, a resident of Miami, has been President of Univision Deportes since 2012. According to the Petitioners, Mr. Rodriguez was recognized as one of the top sports executives in the Americas by the Sports Business Journal in 2015. He has also been recognized twice by CableFax as "Most Influential Minorities in Cable" and was named on the Sports Business Journal's "50 Most Influential" list for 2013.

<sup>&</sup>lt;sup>13</sup> 47 CFR § 1.1200(a).

<sup>14 47</sup> CFR § 1.1206.

<sup>&</sup>lt;sup>15</sup> See 47 CFR § 1.1206(b)(1).

arguments presented is generally required.<sup>16</sup> Other rules pertaining to oral and written presentations are set forth in Section 1.1206(b) as well.<sup>17</sup>

# III. GENERAL INFORMATION

The Petition has been found, upon initial review, to be acceptable for filing. The Commission may require Grupo Multimedia and Deportes to submit additional documents or statements of fact that in its judgment may be necessary, or to amend the underlying application so as to make it "more definite and certain."<sup>18</sup> The Commission also reserves the right to return the Petition if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules or policies.

Interested parties must file comments no later than January 19, 2018. Persons and entities that file comments become parties to the proceeding. They may participate fully in the proceeding, including seeking access to any confidential information that may be filed under a protective order, seeking reconsideration of decisions, and filing appeals of a final decision to the courts. Replies to such pleadings must be filed no later than February 5, 2018. All filings concerning matters referenced in this Public Notice should refer to MB Docket No. 17-360.

To allow the Commission to consider fully all substantive issues regarding the applications in as timely and efficient a manner as possible, commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.<sup>19</sup> A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

Under the Commission's current procedures for the submission of filings and other documents,<sup>20</sup> submissions in this matter may be filed electronically though the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies.

- If filed by ECFS,<sup>21</sup> comments shall be sent as an electronic file via the Internet to http://apps.fcc.gov/ecfs. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket number.
- If filed by paper, the original and one copy of each filing must be filed by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission. All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours at this location are 8:00 a.m. to 7:00 p.m. Eastern Time (ET). All hand deliveries must be held together with rubber bands or fasteners. Any envelopes

<sup>&</sup>lt;sup>16</sup> See id.

<sup>&</sup>lt;sup>17</sup> 47 CFR § 1.1206(b).

<sup>&</sup>lt;sup>18</sup> 47 CFR § 73.3514(b); see also BBC License Subsidiary, L.P., Order, 10 FCC Rcd 2458, 2461 (MMB 1994).

<sup>&</sup>lt;sup>19</sup> See 47 CFR § 1.45(c).

<sup>&</sup>lt;sup>20</sup> See FCC Announces Change in Filing Location for Paper Documents, Public Notice, 24 FCC Rcd 14312 (2009).

<sup>&</sup>lt;sup>21</sup> See Electronic Filing of Documents in Rulemaking Proceedings, GC Docket No. 97-113, Report and Order, 13 FCC Rcd 11322 (1998).

must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701. U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, S.W., Washington, D.C. 20554.

One copy of each pleading must be delivered electronically, by e-mail or facsimile, or if delivered as paper copy, by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (according to the procedures set forth above for paper filings), to: (1) Peter Doyle, Audio Division, Media Bureau, at peter.doyle@fcc.gov or (202) 418-1410 (facsimile); (2) Lisa Scanlan, Audio Division, Media Bureau, at lisa.scanlan@fcc.gov (202) 418-1410 (facsimile); (3) Rolanda F. Smith, Audio Division, Media Bureau, at rolanda-faye.smith@fcc.gov or 202 418-1410 (facsimile); and (4) Amy Van de Kerckhove, Audio Division, Media Bureau, at amy.vandekerckhove@fcc.gov or (202) 418-1410 (facsimile). Any submission that is e-mailed to Peter Doyle, Lisa Scanlan, Rolanda F. Smith, and Amy Van de Kerckhove should include in the subject line of the e-mail: (1) MB Docket No. 17-360; (2) the name of the submitting party; and (3) a brief description or title identifying the type of document being submitted (*e.g.*, MB Docket No. 17-360, [name of submitting party], Comments).

Copies of the Petition and any subsequently-filed documents in this matter are available for public inspection and copying during normal reference room hours at the following Commission office: FCC Reference Information Center, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. In addition, the Petition is available electronically through the Media Bureau's Consolidated Database System (CDBS), which may be accessed on the Commission's Internet website.<sup>22</sup>

To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530 (voice) or (202) 418-0432 (TTY). Contact the FCC to request reasonable accommodations for filing comments (accessible format documents, sign language interpreters, CART, etc.) by email: FCC504@fcc.gov; phone: (202) 418-0530 or TTY: (202) 418-0432.

For further information, contact Rolanda F. Smith, Audio Division, Media Bureau, at (202) 418-2054, Lisa Scanlan, Audio Division, Media Bureau, at (202) 418-2700, or Amy Van de Kerckhove, Audio Division, Media Bureau, at (202) 418-2726. Press inquiries should be directed to Janice Wise, Media Bureau, (202) 418-8165 or (888) 835-5322.

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<sup>&</sup>lt;sup>22</sup> Petitioners filed the Petition as an exhibit to the transfer of control application. *See* lead application File No. BTCH-20171120AAK.