

FIRST SEMI-ANNUAL REPORT OF THE
FEDERAL COMMUNICATIONS
COMMISSION TO CONGRESS ON UNITED
STATES-BASED FOREIGN MEDIA
OUTLETS

FOR THE PERIOD AUGUST 13, 2018 TO
NOVEMBER 9, 2018

Submitted Pursuant to
Public Law No. 115-232

The Federal Communications Commission (FCC) hereby submits this First Semi-Annual Report to Congress on United States-Based Foreign Media Outlets consistent with the recently enacted John S. McCain National Defense Authorization Act for Fiscal Year 2019 (NDAA).¹ The NDAA requires certain media outlets to file periodic reports with the FCC. The FCC, in turn, must then provide a report to Congress summarizing those filings. Consistent with the statute, this first such report is hereby transmitted to Congress within 90 days of enactment of the NDAA, or by November 11, 2018.²

Background. On August 13, 2018, Congress passed the NDAA, which added a new section 722 to the Communications Act of 1934 (Communications Act) that requires all “United States-based foreign media outlets” to submit to the Federal Communications Commission (Commission) a report containing: 1) the name of such outlet; and 2) a description of the relationship of such outlet to the foreign principal of such outlet, including a description of the legal structure of such relationship and any funding that such outlet receives from such principal.³ The NDAA provides that the term “United States-based foreign media outlet” means an entity that (A) produces or distributes video programming (as defined in section 602 of the Communications Act) that is transmitted, or intended for transmission, by a multichannel video programming distributor (as defined in such section) to consumers in the United States;⁴ and (B) would be an agent of a foreign principal for purposes of the Foreign Agents Registration Act of 1918 (FARA) but for section 1(d) of FARA.⁵ The Department of Justice has adopted regulations implementing FARA, including definitions of statutory terms.⁶

Section 1(b)(1) of FARA provides that “a government of a foreign country and a foreign political party” are included in the definition of a “foreign principal.”⁷ Section 1(d) of FARA in turn states that the

¹ John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232, §1085(a) (2018) (NDAA).

² NDAA §1085(b) (codified at 47 U.S.C. § 722(b)).

³ 47 U.S.C. § 722(a).

⁴ 47 U.S.C. § 722(d)(2). The Communications Act defines the term “video programming” as “programming provided by, or generally considered comparable to programming provided by, a television broadcast station.” 47 U.S.C. § 522(20). The term “multichannel video programming distributor” means “a person such as, but not limited to, a cable operator, a multichannel multipoint distribution service, a direct broadcast satellite service, or a television receive-only satellite program distributor, who makes available for purchase, by subscribers or customers, multiple channels of video programming.” 47 U.S.C. § 522(13).

⁵ 22 U.S.C. § 611(b)(1) and § 611(d).

⁶ See 5 CFR §§ 5.1, *et seq.*; *id.* § 5.100.

⁷ 47 U.S.C. § 722(d)(1); 22 U.S.C. § 611(b)(1). Section 1(c) of FARA provides that, except “as provided in subsection (d) of this section, the term ‘agent of a foreign principal’ means (1) any person who acts as an agent, representative, employee, or servant, or any person who acts in any other capacity at the order, request, or under the direction or control, of a foreign principal or of a person any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign principal, and who directly or through any other person--(i) engages within the United States in political activities for or in the interests of such foreign principal; (ii) acts within the United States as a public relations counsel, publicity agent, information-service employee or political consultant for or in the interests of such foreign principal; (iii) within the United States solicits, collects, disburses, or dispenses contributions, loans, money, or other things of value for or in the interest of such foreign principal; or (iv) within the United States represents the interests of such foreign principal before any agency

“term ‘agent of a foreign principal’ does not include any news or press service or association organized under the laws of the United States or of any State or other place subject to the jurisdiction of the United States, or any newspaper, magazine, periodical, or other publication for which there is on file with the United States Postal Service information in compliance with section 3611 of Title 39, published in the United States, solely by virtue of any bona fide news or journalistic activities, including the solicitation or acceptance of advertisements, subscriptions, or other compensation therefor, so long as it is at least 80 per centum beneficially owned by, and its officers and directors, if any, are citizens of the United States, and such news or press service or association, newspaper, magazine, periodical, or other publication, is not owned, directed, supervised, controlled, subsidized, or financed, and none of its policies are determined by any foreign principal defined in subsection (b) of section 611, or by any agent of a foreign principal required to register under this subchapter.”⁸

The NDAA also requires that “[n]ot later than 90 days after the date of the enactment of this section, and not less frequently than every 6 months thereafter, the Commission shall transmit to Congress a report that summarizes the contents of the reports submitted by United States-based foreign media outlets under subsection (a) during the preceding 6-month period.”⁹ To implement the requirements of the NDAA, on September 4, 2018, the Commission released a Public Notice summarizing its new obligations under the NDAA and directing U.S. based foreign media outlets subject to the new NDAA reporting requirements to submit reports to an established e-mail inbox by October 12, 2018.¹⁰ The Commission set this deadline to enable it to comply with the NDAA’s requirement that it submit this first Report to Congress within 90 days from the date of enactment, which is November 11, 2018.¹¹ The Commission also stated that, in compliance with the NDAA, it would make publicly available on its website each report submitted by a United States-based foreign media outlet no later than the earlier of (1) 30 days after the outlet submits its report to the Commission or (2) the date on which the Commission transmits its report to Congress.¹²

Submissions. In response to this Public Notice, the Commission received submissions from two entities. Consistent with the statute, the two submissions were posted to the Commission’s website, within 30 day after submission, on November 2, 2018, and are available here: <https://www.fcc.gov/united-states-based-foreign-media-outlets>. In addition, copies of these two submissions are appended to this Report.

or official of the Government of the United States; and (2) any person who agrees, consents, assumes or purports to act as, or who is or holds himself out to be, whether or not pursuant to contractual relationship, an agent of a foreign principal as defined in clause (1) of this subsection. 22 U.S.C. § 611(c).

⁸ 22 U.S.C. § 611(d).

⁹ 47 U.S.C. § 722(b).

¹⁰ *FCC Announces Disclosure Requirements for United States-Based Foreign Media Outlets*, Public Notice at 1, DA 18-911 (rel. Sept. 4, 2018) (NDAA Public Notice). The Public Notice reminded respondents that the contents of their reports were subject to general requirements of accuracy of representations made to the Commission contained in the United States Code, 18 U.S.C. § 1001.

¹¹ *Id.* at 3. As discussed further below, following this initial submission, the statute requires entities to file reports with the Commission on an ongoing basis, not less frequently than every six months. It similarly requires the Commission to report to Congress the results of those submissions not less frequently than every six months thereafter. *Id.*

¹² *Id.* at 3, citing 47 U.S.C. § 722(c).

The first submission, dated October 5, 2018, is from Anadolu Agency NA, a New York corporation registered to do business in the District of Columbia. Anadolu Agency NA indicates that it is solely owned and financed by its parent company, Anadolu Ajansi, a news agency based in Turkey.¹³

The second submission, dated October 12, 2018, is from MHZ News LLC and states that MHZ News is a limited liability company organized under the laws of the State of Delaware for the purpose of operating as a news service engaged in news or journalistic activities.¹⁴ According to its report, MHZ News is a wholly owned subsidiary of MHZ Networks, LLC, which is 100 percent owned by U.S. citizens. The report states that MHZ News distributes video programming through MVPDs, among others, and that some of the programming is produced outside the United States by two foreign entities, France Medias Monde (FMM) and Deutsche Welle (DW). MHZ News also states that neither FMM nor DW is a government of a foreign country or a foreign political party and neither is controlled by a foreign government or political party. Because each receives its funding through a government mechanism, however, MHZ News is filing its report in the “interest of transparency and out of an abundance of caution.”¹⁵

¹³ Report from Mucahit Oktay, Operations Manager of Americas, Anadolu Agency NA, Inc. (Oct. 5, 2018).

¹⁴ Report Under Section 1085 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, submitted by Frederick Thomas, CEO, MHZ News (Oct. 12, 2018).

¹⁵ *Id.* fn 1.

From: [Mücahit Oktay](#)
To: [ndaareport](#)
Subject: NDAA Reporting Requirement
Date: Friday, October 5, 2018 6:57:29 PM

Dear Sir or Madam,

I am sending you this email correspondence as the principal and authorized representative of ANADOLU AGENCY NA, INC. , a New York corporation registered to do business in the District of Columbia (hereinafter "AA").

Kindly note that AA is solely owned and financed by its parent company, ANADOLU AJANSI, a Turkey based news agency.

Please contact me at 3474170683 or moktay@aa.com.tr via email should you need any additional information.

Sincerely yours,

Mucahit Oktay
President
ANADOLU AGENCY NA, INC.

Anadolu Ajansı



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ANADOLU AJANSI

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In re)
)
MHz NEWS LLC)
)
Report under Section 1085 of the John S.)
McCain National Defense Authorization Act)
for Fiscal Year 2019)

To: The Commission

REPORT

The following report is submitted pursuant to Section 1085 of the recently enacted John S. McCain National Defense Authorization Act for Fiscal Year 2019¹ and the Federal Communications Commission's September 4, 2018 *Public Notice* implementing that section.²

- 1) *Name of Outlet*: MHz News LLC ("MHz News") is a limited liability company organized under the laws of the State of Delaware for the purpose of operating as a news service engaged in *bona fide* news or journalistic activities. MHz News is a wholly-owned subsidiary of MHz Networks LLC, which is 100 percent owned by U.S. citizens.
- 2) *Description of Relationship*: MHz News distributes video programming produced outside the United States, which is transmitted by (among others) multichannel video programming distributors in the United States. MHz News currently has contractual relationships with two foreign entities (France Medias Monde ("FMM," a public limited company organized in the country of France) and Deutsche Welle ("DW," a public broadcasting institution formed under German law)), under which MHz News has the right, in exchange for compensation, to distribute video programming produced by those counterparties.³

¹ John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232, § 1085 (2018) ("NDAA").

² *FCC Announces Disclosure Requirements for United States-Based Foreign Media Outlets*, Public Notice, DA 18-911 (rel. Sep. 4, 2018).

³ Neither of FMM and DW is "a government of a foreign country" or "a foreign political party;" nor is either one controlled by either a government or party. Each receives its funding through a government mechanism, however, so MHz News is filing this report in the interest of transparency and out of an abundance of caution.

Please direct any communications regarding this report to the undersigned.

Respectfully submitted,

MHZ NEWS LLC

By: MHZ Networks LLC, its manager

By: 

Frederick Thomas
Chief Executive Officer
2750 Prosperity Avenue
Suite 430
Fairfax, VA 22031
(703) 770-7169

October 12, 2018