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

FOR THE PERIOD APRIL 13, 2019 TO OCTOBER 11, 2019

Submitted Pursuant to Public Law No. 115-232

The Federal Communications Commission (Commission) hereby submits this Third Semi-Annual Report to Congress on United States-Based Foreign Media Outlets pursuant to the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (NDAA). The NDAA requires certain media outlets to file reports with the Commission and, in turn, for the Commission to provide a report to Congress summarizing those filings. Consistent with the statute, the previous report, covering the period October 13, 2018, to April 12, 2019, was transmitted to Congress prior to May 9, 2019. This third report, covering April 13, 2019, to October 11, 2019, is hereby transmitted to Congress within six months of the previous report, or by November 9, 2019.

Background. In 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 outlet[s]" to submit to the 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.⁴ 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; ⁵ and (b) would be an agent of a foreign principal for purposes of the Foreign Agents Registration Act of 1938 (FARA) but for section 1(d) of FARA.⁶ The Department of Justice has adopted regulations implementing FARA, including definitions of statutory terms.⁷

Section 611(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." Section 611(d) of FARA in turn

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

² Second Semi-Annual Report to Congress on United States-Based Foreign Media Outlets, Report, 34 FCC Rcd 3091 (MB 2019). The first report was transmitted to Congress within 90 days of enactment of the NDAA, or by November 11, 2018. First Semi-Annual Report to Congress on United States-Based Foreign Media Outlets, Report, 33 FCC Rcd 11160 (MB 2018).

³ NDAA §1085(b) (codified at 47 U.S.C. § 722(b)).

⁴ 47 U.S.C. § 722(a).

⁵ 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).

⁶ 22 U.S.C. §§ 611(b)(1) & (d).

⁷ See 5 CFR §§ 5.1, et seq.; id. § 5.100.

⁸ 47 U.S.C. § 722(d)(1); 22 U.S.C. § 611(b)(1). Section 611(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

states that the "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 this section, or by any agent of a foreign principal required to register" under FARA.

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." On September 6, 2019, the Commission released a Public Notice reiterating its ongoing obligations under the NDAA and directing United States-based foreign media outlets subject to the NDAA reporting requirements to submit reports to the established e-mail inbox by October 11, 2019. The Commission set this deadline to enable it to comply with the NDAA's requirement that it submit a Report to Congress "not less frequently than every 6 months." The Commission also stated that, in compliance with the NDAA, it would make publicly available on its website each submission 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. The commission or (2) the date on which the Commission transmits its report to Congress.

Submissions. In response to the September 6 Public Notice, the Commission received a submission from one of two entities that had submitted reports in the previous filing periods. Additionally, the second entity that submitted reports in the previous filing periods also filed a report after

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 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).

^{9 22} U.S.C. § 611(d).

^{10 47} U.S.C. § 722(b).

¹¹ Media Bureau Announces Third Disclosure Deadline for United States-Based Foreign Media Outlets, Public Notice, DA 19-886, 2019 WL 4240784, *1 (MB Sept. 6, 2019). 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.

¹² *Id.* at 3. As discussed above, 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.*

¹³ *Id.* at 3, citing 47 U.S.C. § 722(c).

being contacted by the Commission's staff.¹⁴ Consistent with the statute, the two submissions were posted to the Commission's website, within 30 day after submission, 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.

The submission from Anadolu Agency NA, Inc. (Anadolu Agency NA), dated October 8, 2019, states that it is a New York corporation registered to do business in Washington, D.C. Anadolu Agency NA indicates that it is solely owned and financed by its parent company, Anadolu Ajansi, a news agency based in Turkey.¹⁵

The submission from MHz News LLC (MHz News), dated October 21, 2019, 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 bona fide news or journalistic activities. 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 that is transmitted by multichannel video programming distributors in the United States. MHz News states further that, during the period April 13, 2019, to October 12, 2019, it had contractual relationships with France Medias Monde (FMM), Deutsche Welle (DW), and the English-language service of Al Jazeera Media Network (AJMN) that permitted it, in exchange for compensation, to distribute video programming produced by these entities. MHz News states that none of FMM, DW, or AJMN is a government of a foreign country or a foreign political party, nor is any of them controlled by either a foreign government or political party. Because each receives its funding through a government mechanism, however, MHz News states that it is filing its report in the "interest of transparency and out of an abundance of caution."

¹⁴ After being contacted by Commission staff, counsel for MHz News LLC indicated that the disclosure deadline had been overlooked inadvertently, and MHz News subsequently filed a report with the Commission.

¹⁵ Report from Mucahit Oktay, President, Anadolu Agency NA, Inc. (Oct. 8, 2019).

¹⁶ Report Under Section 1085 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, submitted by Frederick Thomas, CEO, MHz News LLC (Oct. 21, 2019).

¹⁷ *Id.* at 1-2.

¹⁸ *Id.* at 2, n.3.

ndaareport

From: Mücahit Oktay <moktay@aa.com.tr>
Sent: Tuesday, October 8, 2019 4:48 PM

To: ndaareport

Subject: NDAA Reporting Requirement

Dear Sir or Madam,

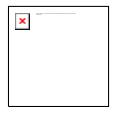
I am sending you this email correspondence as the principal and authorized representative of ANADOLU AGENCY NA, INC., a New York corporation registered to do business in the District of Columbia (hereinafter "AA").

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

Please contact me at _ 347 417 0683_ or moktay@aa.com.tr via email should you need any additional information.

Sincerely yours,

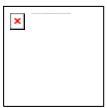
Mucahit Oktay
President
ANADOLU AGENCY NA, INC.



Mücahit Oktay

İdari Yönetici Operations Manager of Americas

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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 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) <u>Name of Outlet</u>: 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) <u>Description of Relationship</u>: MHz News distributes video programming produced outside the United States, which is transmitted by (among others) multichannel video programming distributors in the United States. During the period from April 13, 2019 through October 12, 2019, MHz News has had contractual relationships with three foreign entities: France Medias Monde ("FMM," a public limited company organized in the country of France), Deutsche Welle ("DW," a public broadcasting institution formed under German law), and the English service of Al Jazeera Media Network ("AJMN," an independent news organization). Under these contracts, MHz

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).

News has the right, in exchange for compensation, to distribute video programming produced by those counterparties.³

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 21, 2019

³ None of FMM, DW or AJMN is "a government of a foreign country" or "a foreign political party;" nor is any of them 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.