

as set forth below.

I. BACKGROUND

2. In the *2017 Declaratory Ruling*, the Media Bureau, acting on delegated authority, found that the public interest would not be served by refusing to grant Univision's previous petition for declaratory ruling seeking permission for foreign ownership above section 310(b)(4)'s statutory cap of 25%, as well as up to 49% voting interests and up to 49% of the company's equity.⁵ The *2017 Declaratory Ruling* also specifically approved permitting Grupo Televisa, S.A.B. (Televisa), a Mexican corporation and certain of its affiliates, as well as Emilio Fernando Azcarraga Jean, an owner of Televisa, to own up to 49% of Univision's equity and 40% of its voting interests.⁶ At the time of the *2017 Declaratory Ruling*, Televisa, through a series of wholly owned subsidiaries, held 14.4% of the voting interests and 10% of the equity of Univision.⁷ Aggregate foreign investment in Univision at the time was 15.6% equity and 19.9% voting.⁸ According to Univision, those percentages are materially unchanged.⁹

3. As part of a proposed intra-corporate restructuring (Proposed Restructuring) unrelated to external investment, a wholly-owned Univision subsidiary, Notivision, S.A. de C.V. (Notivision), which is domiciled in Mexico, would acquire a direct, 21% interest in Univision's wholly-owned indirect U.S. subsidiary, Univision Radio, Inc. (Univision Radio).¹⁰ As a result, Univision Radio would be owned 79% by Univision Local Media, Inc., an indirect, wholly-owned Univision subsidiary domiciled in Delaware, with the remaining 21% held by Notivision. Under section 310(b)(4), Notivision's 21% interest in Univision Radio would be deemed foreign because of Notivision's status as a foreign domiciled entity, reducing the total amount available for foreign investment under the terms of the *2017 Declaratory Ruling* from 49% to 28%. The Proposed Restructuring does not introduce any new third-party foreign investment into Univision and the ultimate ownership of Univision and Notivision remains the same.¹¹

4. Univision has requested that the Commission modify the *2017 Declaratory Ruling* to permit aggregate foreign ownership of up to 70% of its equity and voting interests in order to permit the same level of third-party investment as previously approved in the *2017 Declaratory Ruling*.¹² The

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Procedures Under Section 310(b)(4) of the Communications Act, Foreign Investment in Broadcast Licensees, MB Docket No. 13-50, Declaratory Ruling, 28 FCC Rcd 16244 (2013) (*2013 Broadcast Clarification Order*).

⁵ *2017 Declaratory Ruling*, 32 FCC Rcd at 13, para. 20; *see also* 47 U.S.C. § 310(b)(4).

⁶ *2017 Declaratory Ruling*, 32 FCC Rcd at 13, para. 21.

⁷ *Id.* at 7-8, para. 5.

⁸ *Id.* at 8, para. 8.

⁹ Petition at 4, Exhibit B.

¹⁰ *Id.* at 1, 3.

¹¹ *Id.* at 3-4.

¹² *Id.* at 4. Univision is not seeking specific approval in connection with this Petition for any new foreign investor to hold a greater than 5% voting or equity interest in it. Petition at 6. Under section 1.5001(i)(1) of the Commission's Rules petitioners for a declaratory ruling are required to identify and seek specific approval for any foreign individual, entity, or group that holds or would hold, directly and/or indirectly, more than 5% of equity and/or voting interests, or a controlling interest, in the petitioner's controlling U.S. parent, subject to certain exemptions including an exemption that increases the specific approval threshold to 10% for certain institutional investors. 47 CFR § 1.5001(i)(3). In broadcast foreign ownership declaratory rulings decided prior to the effective date of the Commission's decision in the *2016 Foreign Participation Order*, such as the *2017 Declaratory Ruling*, parties followed the same process for identifying individuals and entities seeking specific approval. *See, e.g., 2017 Declaratory Ruling*, 23 FCC Rcd at 12, para. 21; *Pandora Radio, LLC*, MB Docket No. 14-109, Declaratory Ruling, 30 FCC Rcd 5094, 5101, para. 19 (2015).

Petition is unopposed.¹³

II. DISCUSSION

5. We grant the Petition for the reasons stated below. Section 310(b) of the Act restricts investment by non-U.S. citizens in broadcast, common carrier, aeronautical en route, and aeronautical fixed radio licensees.¹⁴ Section 310(b)(4) of the Act states:

No broadcast or common carrier or aeronautical en route or aeronautical fixed radio station license shall be granted to or held by . . . any corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country, if the Commission finds that the public interest will be served by the refusal or revocation of such license.¹⁵

6. Three years prior to the adoption of the *2016 Foreign Ownership Order*, the Commission clarified the policies and procedures for evaluating potential foreign investment in broadcast licensees under section 310(b)(4) of the Act to remove apparent uncertainty and issued its *2013 Broadcast Clarification Order*.¹⁶ In that decision, the Commission declined to adopt a standardized review process and instead said that it would continue to conduct a fact-specific, individualized case-by-case review of each application or petition for declaratory ruling involving broadcast stations.¹⁷ The Commission reiterated its position that, in the context of section 310(b)(4) review for broadcast licensees, the 25% benchmark “is only a trigger for the exercise of our discretion, which we then exercise based upon a more searching analysis of the circumstances of each case.”¹⁸ The Commission also recognized that “changes have occurred in the media landscape and marketplace since the foreign ownership restriction was enacted and that limited access to capital is a concern in the broadcast industry, especially for small business entities and new entrants, including minorities and women.”¹⁹

7. The declaratory rulings issued under the case-by-case review process of the *2013 Broadcast Clarification Order* contains detailed terms and conditions that licensees must abide by to stay in compliance with their rulings, including specified levels of foreign ownership. In its declaratory ruling under the *2013 Broadcast Clarification Order*, Univision was only granted approval for its aggregate foreign ownership to rise to 49% on both the voting and equity side and it was required to return to the Commission if it wished to exceed that amount.²⁰

¹³ The Department of Justice declined to express an interest in this case.

¹⁴ 47 U.S.C. § 310(b).

¹⁵ 47 U.S.C. § 310(b)(4).

¹⁶ *2013 Broadcast Clarification Order*, 28 FCC Rcd 16244 (2013).

¹⁷ The Commission stated that it would not entertain petitions to exceed the foreign ownership limits of Section 310(b)(3) for foreign investment in broadcast licensees. *2013 Broadcast Clarification Order*, 28 FCC Rcd at 5752, para. 15, n.49. Unlike section 310(b)(4), section 310(b)(3) does not afford the Commission discretion to approve foreign investment in broadcast licensees in excess of the limitations contained therein.

¹⁸ *2013 Broadcast Clarification Order*, 28 FCC Rcd at 16249-50, para. 11.

¹⁹ *Id.* at 16249, para. 10.

²⁰ See, e.g. *2017 Declaratory Ruling*, 32 FCC Rcd at 13, para. 20; *Hemisphere Media Group, Inc.*, MB Docket 32 FCC Rcd 718, 725, para. 21, Declaratory Ruling (MB 2017). In contrast, in declaratory rulings granted under the *2016 Foreign Ownership Order*, parties normally are granted permission for aggregate foreign ownership to increase up to and including 100% on both the equity and voting side. See, e.g., *Terrier Media, Inc.*, MB Docket No. 19-196, DA 19-1205, Declaratory Ruling, para. 19 (MB 2019). Specific ownership limits must be specified for

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8. The *2016 Foreign Ownership Order* permitted parties that were subject to an existing declaratory ruling as of the effective date of the new rules to continue to comply with any general and specific terms and conditions of their rulings.²¹ In the alternative, a party could request a new ruling under the revised rules, but was not required to do so.²² Rather than seek a new ruling, Univision has requested a modification of its previous ruling.

9. Inserting Notivision only into the ownership chain of Univision Radio has an impact on both the radio and television subsidiaries under the terms of the *2017 Declaratory Ruling* because it affects the total amount of foreign investment available to Univision and its subsidiaries. Although Commission approval of Notivision's proposed acquisition is not required under the *2017 Declaratory Ruling*, if Notivision utilizes 21% of the approved foreign investment available under the terms of the ruling, then only 28% remains available to third party investors, including to Televisa, which received specific approval to hold 49% of Univision's equity and 40% of its voting interests.

10. We find that this modification, which significantly does not seek specific approval of any new parties or seek to increase the investment level of any previously approved parties and will only facilitate aggregate third-party foreign investment at substantially the same level that was previously approved, is consistent with the *2017 Declaratory Ruling*. In the context of considering whether to grant this Petition, we are mindful that the *2017 Declaratory Ruling* was adopted in the gap between adoption of the *2016 Foreign Ownership Ruling* and its effective date. The *2017 Declaratory Ruling* states that, although it was subject to the terms of the *2013 Clarification Order*, "we are cognizant of the Commission's recent decision in the *2016 Foreign Ownership Order*, which is scheduled to become effective soon after the adoption of this declaratory ruling. Although the rules adopted in that order are not yet in effect, we note that our action here is not inconsistent with the policies or rules the Commission adopted."²³ The total level of aggregate foreign ownership that we approve here is not only materially consistent with the intent of the *2017 Declaratory Ruling*, but also less than what is normally granted to broadcast licensees pursuant to the *2016 Foreign Ownership Order*.

III. DECLARATORY RULING

11. Under these circumstances, pursuant to section 310(b)(4) of the Act and sections 1.5001 through 1.5004 of the Commission's rules, we find that the public interest would not be served by prohibiting foreign ownership of Univision in excess of the 25% benchmark in section 310(b)(4) of the Act because this increased level of foreign investment in Univision will facilitate investment from new sources of capital in Univision that would not otherwise be available. Specifically, this ruling, which supersedes all previous rulings, permits aggregate foreign equity and voting interest in Univision to exceed 25% and to increase up to and including 70%. Univision has not sought specific approval for any new individuals or entities or any other changes in its previous declaratory ruling as part of its Petition and we make no other modifications here. No other parties have requested any changes or modifications as part of this proceeding.

IV. ORDERING CLAUSES

12. Accordingly, **IT IS ORDERED** that, pursuant to section 310(b)(4) of the Communications Act of 1934, as amended, 47 U.S.C. § 310(b)(4), and sections 1.5001 through 1.5004 of the Commission's rules, 47 CFR §§ 1.5001-04, and pursuant to authority delegated to the Media Bureau

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any parties seeking specific approval and parties must seek further approval from the Commission before those limits can be exceeded. 47 CFR § 1.5001(i), 1.5004(e), (f).

²¹ *2016 Foreign Ownership Order*, 31 FCC Rcd at 11317-11318, para 104.

²² *Id.*

²³ *2017 Declaratory Ruling*, 32 FCC Rcd at 12, para. 17.

in section 0.283 of the Commission's rules, 47 CFR § 0.283, the Petition for Declaratory Ruling filed by Univision Holdings, Inc., **IS GRANTED** to the extent specified in this Declaratory Ruling and subject to the conditions specified herein.

13. **IT IS FURTHER ORDERED** that this Declaratory Ruling **SHALL BE EFFECTIVE** upon release.

FEDERAL COMMUNICATIONS COMMISSION

Barbara A. Kreisman
Chief, Video Division