

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

In re Applications of	)	
	)	
Mortenson Broadcasting Co. of Texas, Inc.	)	File Nos. 129304 et al.
(Assignor)	)	
And	)	
iHM Licenses, LLC (Assignee)	)	
	)	
For Consent to Assignment of Licenses of Stations	)	Facility ID Nos. 87147, 202298, 63780, and
KKGM(AM), Fort Worth, TX, K221GV, Fort	)	202305
Worth, TX, KHVN(AM), Fort Worth, TX, and	)	
K237HD, Fort Worth, TX	)	
	)	
Multicultural Radio Broadcasting Licensee, LLC	)	File No. 129419
(Assignor)	)	
and	)	
iHM Licenses, LLC (Assignee)	)	
	)	
For Consent to Assignment of License of Station	)	Facility ID No. 95
KXYZ(AM), Houston, TX	)	
	)	
Sun and Snow Station Trust LLC (Assignor)	)	File No. 130061
and	)	
iHM Licenses, LLC (Assignee)	)	
	)	
For Consent to Assignment of License of Station	)	Facility ID No. 73625
KSNR(FM), Fisher, MN	)	

**MEMORANDUM OPINION AND ORDER**

**Adopted: March 26, 2021**

**Released: March 26, 2021**

By the Chief, Audio Division, Media Bureau:

1. The Media Bureau (Bureau) has under consideration the above-captioned assignment applications (Applications). Two of the Applications are uncontested and seek Commission consent to assign the licenses for stations KXYZ(AM), Houston, Texas, and KSNR(FM), Fisher, Minnesota, from the Multicultural Radio Broadcasting Licensee, LLC (Multicultural Radio), and the Sun and Snow Station Trust LLC (SST), respectively, to iHM Licenses, LLC, an indirect wholly owned subsidiary of iHeart Media, Inc. (collectively, iHeart).<sup>1</sup> The remaining Applications are for consent to assign the licenses of two AM stations and their cross-service translator stations from the Mortenson Broadcasting Company of

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<sup>1</sup> The KXYZ(AM) Application was filed on December 4, 2020, and accepted for filing on December 8, 2020. *See Applications*, Public Notice, Report No. PN-1-201208-01 (Dec. 9, 2020). The KSNR(FM) Application was filed on December 23, 2020, and accepted for filing on December 29, 2020. *See Applications*, Public Notice, Report No. PN-1-201229-01 (Dec. 29, 2020).

Texas (Mortenson) to iHeart.<sup>2</sup> Five listeners of KKGM and KHVN filed petitions to deny, which we treat as informal objections, to the Applications filed by Mortenson and iHeart.<sup>3</sup> In addition, iHeart recently filed a remedial petition for declaratory ruling (PDR) to seek specific approval for certain named foreign investors to hold more than 5% of the equity and/or voting interests in iHeart and advance approval for those foreign investors to increase their equity and/or voting interests in iHeart up to any non-controlling amount not to exceed 9.99%.<sup>4</sup> For the reasons discussed below, we deny the informal objections to the Mortenson-iHeart Applications and, based upon our review of the specific facts and circumstances of this case, find that grant of the above-captioned Applications, with the conditions set forth below, is in the public interest. We plan to release a public notice seeking comment on the remedial PDR.

## I. BACKGROUND

2. *Foreign Ownership.* Pursuant to the procedures adopted in the *2016 Foreign Ownership Order*, on November 5, 2020, the Bureau released the *2020 Declaratory Ruling* permitting the aggregate direct and/or indirect foreign equity and voting interests in iHeart to exceed the 25% statutory benchmark and to increase up to and including 100%.<sup>5</sup> The ruling also granted specific approval for certain named foreign investors to hold more than 5% of the equity and voting interest in iHeart.<sup>6</sup> The ruling was subject to conditions that require iHeart to comply with the commitments and undertakings set forth in the June 29, 2020, Letter of Agreement (LOA) between iHeart and the U.S. Department of Justice, as well as the standard terms and conditions set forth in section 1.5004 of the Commission's rules.<sup>7</sup> Among other things, such terms and conditions require that iHeart notify the Commission within 30 days of knowing or having reason to know that the company is no longer in compliance with the *2020 Declaratory Ruling*, the terms of the LOA, section 310(b) of the Act, or the Commission's foreign ownership rules.<sup>8</sup>

3. On February 16, 2021, iHeart notified the Audio Division (Division) that the company learned of an investment that rendered iHeart non-compliant with the terms of the *2020 Declaratory Ruling*.<sup>9</sup> Specifically, on February 5, 2021, Global Media & Entertainment Investments Ltd (GMEI), a

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<sup>2</sup> The two AM stations are KKGM(AM), Fort Worth, Texas, and KHVN(AM), Fort Worth, Texas, and their cross-service translator stations are K221GV, Fort Worth, Texas, and K237HD, Fort Worth, Texas, respectively. These Applications were filed on December 2, 2020, and accepted for filing on December 4, 2020. See *Applications*, Public Notice, Report No. PN-1-201204-01 (Dec. 4, 2020).

<sup>3</sup> The listeners object to these Applications based on their concerns about potential changes to the stations' programming format if the Applications are granted and if the proposed sale is consummated. Petition to Deny of Pamela Young, Pleading No. 130169 (filed Dec. 28, 2020) (Young Petition); Petition to Deny of Xavier E Sanders, Pleading No. 130179 (filed Dec. 28, 2020) (Sanders Petition); Petition to Deny of Shenita L. Cleveland, Pleading No. 130211 (filed Dec. 29, 2020) (Cleveland Petition); Petition to Deny of Brian Berry, Pleading No. 130247 (filed Dec. 30, 2020) (Berry Petition); Petition to Deny of Yolanda G Butler, Pleading No. 130305 (filed Jan. 1, 2021) (Butler Petition). As discussed below, these pleadings are not accompanied by supporting affidavits and were not served on the applicants as required for petitions to deny. Accordingly, we consider these pleadings as informal objections pursuant to section 73.3587 of the Commission's rules. 47 CFR § 73.3587.

<sup>4</sup> Petition for Declaratory Ruling of iHeart (filed Mar. 8, 2021) (Remedial PDR). A public notice seeking comment on the remedial PDR is forthcoming.

<sup>5</sup> *iHeart Media, Inc., Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as Amended*, MB Docket No. 20-51, Declaratory Ruling, 35 FCC Rcd 12770, 12776, para. 17 (MB 2020) (*2020 Declaratory Ruling*).

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

<sup>7</sup> *Id.* at 12777-78, paras. 18-19.

<sup>8</sup> *Id.* at 12777-78, para. 19 (citing 47 CFR § 1.5004(f)).

<sup>9</sup> Letter from Eve Klindera Reed, Counsel to iHeart, to Albert Shuldiner, Chief, Audio Division, FCC Media Bureau (Feb. 16, 2021) (February Letter).

Bahamian entity owned and controlled by citizens of the United Kingdom, filed a Schedule 13D with the U.S. Securities and Exchange Commission (SEC) to report its ownership of approximately 6.6% of the equity and 8.7% of the voting interests in iHeart through GMEI's ownership of 9,631,329 shares of iHeart's Class A Common Stock.<sup>10</sup> Pursuant to section 1.5004(f)(3) of the Commission's rules,<sup>11</sup> iHeart informed the Division that iHeart intended to file a remedial PDR within 30 days of the date the company learned of the non-complaint foreign interests.<sup>12</sup>

4. On March 8, 2021, iHeart timely filed a remedial PDR seeking specific approval for the non-compliant foreign equity and voting interests acquired by GMEI and its beneficial owners and equity interest holders.<sup>13</sup> Pursuant to section 1.5004(f)(3) of the Commission's rules,<sup>14</sup> iHeart certified that GMEI's acquisition of interests exceeding the 5% threshold requiring specific approval under the Commission's rules was an independent investment decision that occurred on the NASDAQ Stock Exchange and was wholly outside of iHeart's control, was not reasonably foreseeable to iHeart, and was not known by iHeart prior to GMEI's filing of the required Schedule 13D with the SEC.<sup>15</sup>

5. *Objections to Mortenson-iHeart Applications.* The five objectors to the KKG, KHV, and two translator Applications express appreciation for the programming currently offered by the stations, and based on their concerns that the programming may change if the stations are sold as proposed in the Applications, the listeners request that the Commission deny the Applications.<sup>16</sup> In response, iHeart asserts that the pleadings are procedurally defective as petitions to deny, and at most must be considered as informal objections, because the pleadings are not accompanied by supporting affidavits and were not served on the applicants as required by statute and the Commission's rules.<sup>17</sup>

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<sup>10</sup> February Letter at 1; Remedial PDR at 3-4 & Exh. C, iHeart Ownership and Control Structure. GMEI was previously named Honeycomb Investments Limited. Remedial PDR at 1; *see* February Letter at 1-2.

<sup>11</sup> 47 CFR § 1.5004(f)(3)(i) ("The licensee shall notify the relevant Bureau by letter no later than 10 days after learning of the investment(s) that rendered the licensee non-compliant with its foreign ownership ruling or the Commission's rules relating to foreign ownership and specify in the letter that it will file a petition for declaratory ruling under § 1.5000(a)(1) or, alternatively, take remedial action to come into compliance within 30 days of the date it learned of the non-compliant foreign interest(s).").

<sup>12</sup> February Letter at 2.

<sup>13</sup> *See supra* note 4.

<sup>14</sup> 47 CFR § 1.5004(f)(3)(ii) ("The licensee shall demonstrate in its petition for declaratory ruling (or in a letter notifying the relevant Bureau that the non-compliance has been timely remedied) that the licensee's non-compliance with the terms of the licensee's existing foreign ownership ruling or the foreign ownership rules was due solely to circumstances beyond the licensee's control that were not reasonably foreseeable to or known by the licensee with the exercise of the required due diligence.").

<sup>15</sup> Remedial PDR at 4; February Letter at 1-2.

<sup>16</sup> *See* Sanders Petition at 1 (asserting that "proceeding with this buyout would be inconsistent with the public's interest" due to the vital current programming on Mortenson's KHV); Young Petition at 1 (asking the FCC to deny the Mortenson-iHeart Applications due to Young's concerns about potential changes to the programming aired on the stations); Berry Petition at 1 (stating that Mortenson provides "unique programming" on KHV that "is indispensable for demographics within the Dallas-Fort Worth Metroplex" and asserting on that basis that the proposed sale of KHV "is inconsistent with the public interest"); Cleveland Petition at 1 (asserting that Mortenson's KHV programming "will be replaced with a generic 24 hour news wire service" if the proposed assignment is consummated and asking that the FCC deny the Mortenson-iHeart Applications because Mortenson's KHV programming "is a pillar in the Dallas and Ft. Worth communities"); Butler Petition at 1 (asserting that the FCC should deny the Mortenson-iHeart Applications because "[w]e need [KHV's existing programming] in our community");

<sup>17</sup> Consolidated Opposition of iHeart to Petitions to Deny, Pleading Nos. 131134-39, at 2 (filed Jan. 13, 2021) (Opposition).

iHeart further contends that the pleadings should be denied as informal objections because the Commission “has held repeatedly that it does not consider programming and format changes in reviewing applications for the assignment and transfer of broadcast licenses.”<sup>18</sup> As such, iHeart argues that the objections fail to establish a substantial or material question of fact that grant of the Applications would be *prima facie* inconsistent with the public interest, convenience, and necessity.<sup>19</sup> iHeart declares that it intends to operate the stations in the public interest as required by the Communications Act of 1934, as amended (the Act), and the Commission’s rules and policies.<sup>20</sup>

## II. DISCUSSION

6. We find that the public interest will be served by grant of the Applications with conditions that, as discussed below, are designed to insulate, to the extent possible, the non-compliant foreign interests pending action on iHeart’s remedial PDR seeking specific approval of those interests. We also find that the record raises no substantial and material question of fact as to whether iHeart is qualified to be a licensee of broadcast stations and whether grant of the Applications is in the public interest.

7. *Objections to Mortenson-iHeart Applications.* We find that the objections, which were filed as “petitions to deny,” do not meet the requirements set forth for petitions to deny in the Act and the Commission’s rules. As iHeart points out, the pleadings are not accompanied by supporting affidavits and apparently were not properly served on the applicants in accordance with the requirements for petitions to deny in section 309(d)(1) of the Act and section 1.47 of the Commission’s rules.<sup>21</sup> While we find that the pleadings are procedurally defective as petitions to deny, we nevertheless consider the pleadings as informal objections to the Mortenson-iHeart Applications pursuant to section 73.3587 of the rules.<sup>22</sup>

8. We find that the five objectors have not raised a substantial and material question of fact that grant of the Applications would be inconsistent with section 310(d) of the Act.<sup>23</sup> As discussed above, the objectors express their concerns about potential changes to the stations’ programming in connection with the sale of the stations and object to the Mortenson-iHeart Applications on this basis. It is well-settled policy that the Commission does not regulate programming formats, nor does it take potential format changes into consideration in reviewing license assignment applications.<sup>24</sup> The Commission’s role in overseeing program content is very limited.<sup>25</sup> The First Amendment to the U.S. Constitution and section 326 of the Act prohibit the Commission from censoring program material and from interfering with broadcasters’ freedom of expression.<sup>26</sup> In addition, the Commission issued a *Policy Statement* in 1976 that concluded the review of program formats was not required by the Act, would not benefit the

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<sup>18</sup> *Id.* at 2-3 (citing, *inter alia*, *Peter Davidson*, Letter Order, 22 FCC Rcd 18605, 18606-07 (MB 2007)).

<sup>19</sup> *Id.* at 3.

<sup>20</sup> *Id.*

<sup>21</sup> 47 U.S.C. § 309(d)(1) (requiring that “[t]he petitioner shall serve a copy of such petition on the applicant” and that “allegations of fact shall, except for those of which official notice may be taken, be supported by affidavit of a person or persons with personal knowledge thereof”); 47 CFR § 1.47 (specifying how documents are to be served where service is required by the Act or the rules and requiring proof of service).

<sup>22</sup> 47 CFR § 73.3587; see *Geraldine R. Miller*, 24 FCC Rcd 11814, 11815 (MB 2009) (petition to deny treated as an informal objection due to lack of supporting affidavit and lack of proper service on the parties to the application).

<sup>23</sup> 47 U.S.C. § 310(d).

<sup>24</sup> See *Richard Eiswerth and Dan Baughman*, 22 FCC Rcd 6807 (MB 2007).

<sup>25</sup> See, e.g., *Fox Television Stations, Inc.*, Memorandum Opinion and Order, 20 FCC Rcd 4800, 4801, para. 3 (2005).

<sup>26</sup> *Id.* (citing U.S. CONST., amend. I, and 47 U.S.C. § 326).

public and would deter innovation.<sup>27</sup> The Supreme Court of the United States has upheld this policy and the Commission's determination that "a change in programming is not a material factor that should be considered by the Commission in ruling on an application for license agreement or transfer."<sup>28</sup> Accordingly, we reject the objectors' programming-related concerns.

9. *Foreign Ownership.* We also find that grant of the Applications is consistent with section 310(b)(4) of the Act.<sup>29</sup> Section 310(b)(4) of the Act states that "[n]o broadcast . . . 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."<sup>30</sup> This section of the Act also grants the Commission discretion to allow higher levels of foreign investment in a licensee's controlling U.S.-organized parent unless the Commission finds that the public interest would be served by refusing to permit such foreign investment.<sup>31</sup> As discussed above, the *2020 Declaratory Ruling* found that it is in the public interest to permit the aggregate direct and/or indirect foreign equity and voting interests in iHeart to exceed the 25% statutory benchmark and to increase up to and including 100%, subject to terms and conditions of the ruling.<sup>32</sup> The ruling also granted specific approval for two groups of foreign entities (not including GMEI and its beneficial owners and equity interest holders) to hold more than 5% of the equity and voting interests in iHeart on the terms and conditions set forth in the ruling.<sup>33</sup> While the GMEI investment renders iHeart non-compliant with the *2020 Declaratory Ruling*,<sup>34</sup> section 1.5004(f)(3) of the rules permits iHeart to file, and the Commission to grant, a remedial PDR without the Commission taking enforcement action for the non-compliance, subject to the requirements specified in section 1.5004(f)(3)(i) and (ii) and except as otherwise provided in section 1.5004(f)(3)(iii).<sup>35</sup>

10. The Bureau's practice has been to delay action on pending assignment applications while the proposed assignee is out of compliance with the Commission's foreign ownership rules. However, as

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<sup>27</sup> See *Changes in the Entertainment Formats of Broadcast Stations*, Memorandum Opinion and Order, 60 FCC 2d 858, 865-66 (1976), *recon. denied*, Memorandum Opinion and Order, 66 FCC 2d 78 (1977), *rev'd sub nom.*, *WNCN Listeners Guild v. FCC*, 610 F.2d 838 (D.C. Cir. 1979), *rev'd*, 450 U.S. 582 (1981). Note that Section 326 of the Act expressly prohibits the Commission from interfering with the right of free speech of broadcasters. 47 U.S.C. § 326.

<sup>28</sup> See *Peter Davidson*, 22 FCC Rcd at 18606-07 (MB 2007) (citing *FCC v. WNCN Listener's Guild*, 450 U.S. 582, 585 (1981)).

<sup>29</sup> 47 U.S.C. § 310(b)(4) ("No broadcast . . . 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.").

<sup>30</sup> 47 U.S.C. § 310(b)(4).

<sup>31</sup> *Id.*

<sup>32</sup> See *supra* para. 2.

<sup>33</sup> See *supra* para. 2.

<sup>34</sup> See *2020 Declaratory Ruling*, 35 FCC Rcd at 12777, para. 19 ("[T]he ruling is subject to the requirement that iHeart obtain Commission approval for any new or additional foreign individual, entity, or group of such individuals or entities to hold, directly and/or indirectly, more than 5% (or more than 10% for certain institutional investors) of the equity and/or voting interests, or a controlling interest, in the company." (citing 47 CFR §§ 1.5001(i), 1.5004(a)(1))).

<sup>35</sup> 47 CFR § 1.5004(f)(3).

discussed above, section 1.5004(f)(3) provides for the filing and grant of remedial PDRs. Section 1.5004(f)(3) does not address how such remedial PDRs should be handled in the context of pending assignment applications,<sup>36</sup> and we find that neither the Act nor the rules prevents us from granting the Applications if we are able to make the requisite public interest findings.<sup>37</sup> Because iHeart has previously been found qualified to be the licensee of over 850 full-service radio stations,<sup>38</sup> did not solicit the non-compliant foreign investment and was not even aware of it until GMEI's SEC filing,<sup>39</sup> and complied with the Commission's rules for notifying the Commission upon learning about the unsolicited investment,<sup>40</sup> we conclude that the public interest will be served by grant of the Applications with the following conditions, which are designed to insulate, to the extent possible, the new foreign interests while the remedial PDR seeking specific approval of such interests is pending:

- iHeart must suspend all voting rights associated with any stock held in iHeart, directly and/or indirectly, by Global Media & Entertainment Investments Ltd., The Global Media & Entertainment Investments Trust (The GMEI Trust), James Hill (as trustee of The GMEI Trust), Simon Groom (as trustee of The GMEI Trust), and Michael Tabor (as beneficiary of The GMEI Trust), or any of their affiliates or third parties to whom they may assign or transfer any of their rights or interests (collectively, the GMEI Investors), until and unless the Commission releases a declaratory ruling granting specific approval for each of the GMEI Investors to hold, directly and/or indirectly, more than 5% of the equity and/or voting interests in iHeart.
- No GMEI Investor shall have the right to do any of the following, and iHeart shall not allow any GMEI Investor to do any of the following, until and unless the Commission releases a declaratory ruling granting specific approval for each of the GMEI Investors to hold, directly and/or indirectly, more than 5% of the equity and/or voting interests in iHeart:
  - Designate, appoint, nominate, or serve as a member of the board of directors of iHeart;
  - Attend any meeting of the board of directors of iHeart;
  - Receive any non-public materials from iHeart, including any non-public materials distributed to the board of directors of iHeart;
  - Have any role in or communicate with iHeart concerning the day-to-day management or operations of iHeart's radio stations; or
  - Have any role in or veto right with respect to a decision to buy or sell a radio station.
- No employee, agent, or affiliate of the GMEI Investors shall be an officer, director, employee, or consultant of iHeart (including subsidiaries and affiliates of iHeart) until and unless the Commission releases a declaratory ruling granting specific approval for each of the GMEI Investors to hold, directly and/or indirectly, more than 5% of the equity and/or voting interests in iHeart. iHeart shall not permit any employee, agent, or affiliate of the GMEI Investors to be an officer, director, employee, or consultant of iHeart (including subsidiaries and affiliates of iHeart) until and unless the Commission releases a declaratory ruling granting specific approval for each

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<sup>36</sup> *Id.*

<sup>37</sup> See 47 U.S.C. § 310(b)(4); 47 CFR § 1.5000 *et seq.* We note that, among other things, the *2020 Declaratory Ruling* authorizes up to and including 100% aggregate direct and/or indirect foreign investment (equity and voting interests) in iHeart, subject to the terms and conditions specified in the ruling. See *2020 Declaratory Ruling*, 35 FCC Rcd at 12776-78, paras. 16-19.

<sup>38</sup> See Remedial PDR at 2 & Exh. A, Subsidiaries and Licenses.

<sup>39</sup> Remedial PDR at 4.

<sup>40</sup> See *supra* paras. 2-4.

of the GMEI Investors to hold, directly and/or indirectly, more than 5% of the equity and/or voting interests in iHeart.

- iHeart must ensure that any and all dividends and/or distributions payable to the GMEI Investors are placed in escrow and that no such dividend or distribution is made to the GMEI Investors until and unless the Commission releases a declaratory ruling granting specific approval for each of the GMEI Investors to hold, directly and/or indirectly, more than 5% of the equity and/or voting interests in iHeart.
- Within seven days of the date of grant of the assignment application, iHeart shall submit a declaration to the Chief, Audio Division, Media Bureau, confirming that iHeart is in compliance with each of the preceding conditions and that iHeart will exercise its rights under its organizational documents to remain in compliance with each of the preceding conditions until and unless the Commission releases a declaratory ruling granting specific approval for each of the GMEI Investors to hold, directly and/or indirectly, more than 5% of the equity and/or voting interests in iHeart.
- Pursuant to Section 1.5004(f)(3)(iii) of the Commission's rules, if the petition<sup>41</sup> is not granted in full, iHeart must come into compliance no later than 30 days following the Commission's decision, unless the Commission determines under such rule that immediate remedial action is required.<sup>42</sup>

11. We emphasize that the conditions set forth above, which relate only to the specific facts of this case, do not convert the non-compliant foreign interests held by GMEI, its beneficial owners, and equity interest holders, into something other than "capital stock [] owned of record" and that the GMEI interests remain subject to section 310(b)(4) of the Act.<sup>43</sup> While the conditions are designed to limit the ability of the non-compliant foreign investors to control or influence iHeart, we note that the foreign ownership restrictions in section 310(b)(4) extend beyond interests that confer control or influence.<sup>44</sup>

12. Our decision to grant the Applications with conditions is based on our findings under sections 310(b)(4) and 310(d) of the Act that the public interest will be served by grant of the Applications (subject to the conditions enumerated herein), despite the non-compliant foreign investment, based on the specific facts of this case. We note that iHeart is the publicly traded controlling U.S. parent of broadcast licensees and that the company's existing declaratory ruling authorizes up to and including 100% aggregate direct and/or indirect foreign investment (equity and voting interests) in iHeart and specifically approves two groups of foreign entities (not including GMEI and its beneficial owners and equity interest holders) to hold more than 5% of the iHeart's equity and/or voting interests.<sup>45</sup> We also note that GMEI is a Bahamian entity owned and controlled by citizens of the United Kingdom and that according to iHeart, GMEI's acquisition of iHeart's class A common stock on the NASDAQ Stock Exchange was an independent investment decision by GMEI and was wholly outside of iHeart's control

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<sup>41</sup> See Remedial PDR *supra* note 4.

<sup>42</sup> 47 CFR § 1.5004(f)(3)(iii).

<sup>43</sup> 47 U.S.C. § 310(b)(4).

<sup>44</sup> *Request for Declaratory Ruling Concerning the Citizenship Requirements of Sections 310(b)(3) and (4) of the Communications Act of 1934, as amended*, Memorandum Opinion and Order, 1 FCC Rcd 12, 13, para. 7 (1986) ("The adoption of the equity benchmarks in Section 310(b) reflects congressional concern over substantial alien ownership . . . even where the alien's ownership interest is noninfluential in nature.").

<sup>45</sup> *2020 Declaratory Ruling*, 35 FCC Rcd at 12776, para. 17. The ruling is subject to conditions that require iHeart to comply with the commitments and undertakings set forth in the LOA and the standard terms and conditions set forth in section 1.5004 of the Commission's rules. *Id.* at 12777-78, paras. 18-19.

and not reasonably foreseeable or known to iHeart before or at the time the investment occurred.<sup>46</sup> In addition, we note that the Applications had been pending for well over 30 days before the filing of the SEC Form 13D reporting GMEI's non-compliant foreign investment.<sup>47</sup> And, as discussed above, pending action on the remedial PDR, we require that iHeart comply with the conditions specified herein, which are designed to limit the ability of GMEI, including its beneficial owners and equity interest holders, to control or influence iHeart.

### III. ORDERING CLAUSES

13. Accordingly, IT IS ORDERED that the petitions to deny filed by Pamela Young (Pleading File No. 130169), Xavier E Sanders (Pleading File No. 130179), Shenita L. Cleveland (Pleading File No. 130211), Brian Berry (Pleading File No. 130247), and Yolanda G Butler (Pleading File No. 130305) ARE DISMISSED and alternatively ARE DENIED as discussed herein.

14. IT IS FURTHER ORDERED that, pursuant to sections 4(i), 4(j), 309, 310(b)(4) and 310(d) of the Act, 47 U.S.C. §§ 154(i), 154(j), 309, 310(b)(4), (d), and sections 0.61(a) and 0.283 of the Commission's rules, 47 CFR §§ 0.61(a) and 0.283, the amended applications to assign the licenses for stations KKGM(AM), Fort Worth, TX (File No. 129304), K221GV, Fort Worth, TX (File No. 129305), KHVN(AM), Fort Worth, TX (File No. 129306), and K237HD, Fort Worth, TX (File No. 129307) from Mortenson Broadcasting Co. of Texas, Inc. to iHM Licenses, LLC, ARE GRANTED, SUBJECT TO THE CONDITIONS SPECIFIED BELOW in paragraph 17.

15. IT IS FURTHER ORDERED that, pursuant to sections 4(i), 4(j), 309, 310(b)(4) and 310(d) of the Act, 47 U.S.C. §§ 154(i), 154(j), 309, 310(b)(4), (d), and sections 0.61(a) and 0.283 of the Commission's rules, 47 CFR §§ 0.61(a) and 0.283, the amended applications to assign the license for station KXZY(AM), Houston, TX (File No. 129419) from Multicultural Radio Broadcasting Licensee, LLC, to iHM Licenses, LLC, IS GRANTED, SUBJECT TO THE CONDITIONS SPECIFIED BELOW in paragraph 17.

16. IT IS FURTHER ORDERED that, pursuant to sections 4(i), 4(j), 309, 310(b)(4) and 310(d) of the Act, 47 U.S.C. §§ 154(i), 154(j), 309, 310(b)(4), (d), and sections 0.61(a) and 0.283 of the Commission's rules, 47 CFR §§ 0.61(a) and 0.283, the amended applications to assign the license for station KSNR(FM), Fisher, MN (File No. 130061) from the Sun and Snow Station Trust LLC to iHM Licenses, LLC, IS GRANTED, SUBJECT TO THE CONDITIONS SPECIFIED BELOW in paragraph 17.

17. IT IS FURTHER ORDERED that, pursuant to sections 4(i), 4(j), 309, 310(b)(4) and 310(d) of the Act, 47 U.S.C. §§ 154(i), 154(j), 309, 310(b)(4), (d), and sections 0.61(a) and 0.283 of the Commission's rules, 47 CFR §§ 0.61(a) and 0.283, the grants of the applications as set forth in paragraphs 14 through 16 ARE SUBJECT TO THE FOLLOWING CONDITIONS:

- iHeart must suspend all voting rights associated with any stock held in iHeart, directly and/or indirectly, by Global Media & Entertainment Investments Ltd., The Global Media & Entertainment Investments Trust (The GMEI Trust), James Hill (as trustee of The GMEI Trust), Simon Groom (as trustee of The GMEI Trust), and Michael Tabor (as beneficiary of The GMEI Trust), or any of their affiliates or third parties to whom they may assign or transfer any of their rights or interests (collectively, the GMEI Investors), until and unless the Commission releases a

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<sup>46</sup> Remedial PDR at 3-6.

<sup>47</sup> See *id.* at 2 & Exh. A, Subsidiaries and Licenses; *supra* notes 1-2. We note that the all but one of the subject stations are located in Texas and that the Commission's rules require that these stations file their license renewals no later than April 1, 2021. See 47 CFR §§ 73.1020, 73.3539. Because the Bureau's practice has been to delay action on assignment applications that are still pending on the renewal filing deadline for the subject station(s), our decision to grant the Applications with conditions is also based on the unique timing issues relating to our processing of the Applications.

declaratory ruling granting specific approval for each of the GMEI Investors to hold, directly and/or indirectly, more than 5% of the equity and/or voting interests in iHeart.

- No GMEI Investor shall have the right to do any of the following, and iHeart shall not allow any GMEI Investor to do any of the following, until and unless the Commission releases a declaratory ruling granting specific approval for each of the GMEI Investors to hold, directly and/or indirectly, more than 5% of the equity and/or voting interests in iHeart:
  - Designate, appoint, nominate, or serve as a member of the board of directors of iHeart;
  - Attend any meeting of the board of directors of iHeart;
  - Receive any non-public materials from iHeart, including any non-public materials distributed to the board of directors of iHeart;
  - Have any role in or communicate with iHeart concerning the day-to-day management or operations of iHeart's radio stations; or
  - Have any role in or veto right with respect to a decision to buy or sell a radio station.
- No employee, agent, or affiliate of the GMEI Investors shall be an officer, director, employee, or consultant of iHeart (including subsidiaries and affiliates of iHeart) until and unless the Commission releases a declaratory ruling granting specific approval for each of the GMEI Investors to hold, directly and/or indirectly, more than 5% of the equity and/or voting interests in iHeart. iHeart shall not permit any employee, agent, or affiliate of the GMEI Investors to be an officer, director, employee, or consultant of iHeart (including subsidiaries and affiliates of iHeart) until and unless the Commission releases a declaratory ruling granting specific approval for each of the GMEI Investors to hold, directly and/or indirectly, more than 5% of the equity and/or voting interests in iHeart.
- iHeart must ensure that any and all dividends and/or distributions payable to the GMEI Investors are placed in escrow and that no such dividend or distribution is made to the GMEI Investors until and unless the Commission releases a declaratory ruling granting specific approval for each of the GMEI Investors to hold, directly and/or indirectly, more than 5% of the equity and/or voting interests in iHeart.
- Within seven days of the date of grant of the assignment application, iHeart shall submit a declaration to the Chief, Audio Division, Media Bureau, confirming that iHeart is in compliance with each of the preceding conditions and that iHeart will exercise its rights under its organizational documents to remain in compliance with each of the preceding conditions until and unless the Commission releases a declaratory ruling granting specific approval for each of the GMEI Investors to hold, directly and/or indirectly, more than 5% of the equity and/or voting interests in iHeart.
- Pursuant to section 1.5004(f)(3)(iii) of the Commission's rules, if the petition is denied, iHeart must come into compliance no later than 30 days following the Commission's decision, unless the Commission determines under such rule that immediate remedial action is required.

FEDERAL COMMUNICATIONS COMMISSION

Albert Shuldiner  
Chief, Audio Division  
Media Bureau