



PUBLIC NOTICE

Federal Communications Commission
45 L Street NE
Washington, DC 20554

News Media Information 202-418-0500
Internet: www.fcc.gov
TTY: 888-835-5322

DA 23-4

Released: January 4, 2023

MEDIA BUREAU ANNOUNCES FILING OF PETITION FOR DECLARATORY RULING BY SEARCHLIGHT II HMT, L.P.

MB Docket No. 23-2

Comment Date: February 3, 2023

Reply Date: February 21, 2023

Searchlight II HMT, L.P. (Searchlight II HMT or Petitioner) has filed a petition for declaratory ruling¹ (Petition) requesting the Federal Communications Commission (Commission) to find that it would be in the public interest to permit foreign ownership of Searchlight II HMT's controlling U.S. parent, Hemisphere Media Group, Inc. (HMTV), to exceed the 25% benchmarks in section 310(b)(4) of the Communications Act of 1934, as amended.² HMTV has an existing declaratory ruling in which the Commission previously authorized foreign ownership up to 100 percent of HMTV's equity and voting interests in the aggregate.³

The Commission's approval is being sought in connection with two applications pending at the Commission to (1) transfer control of broadcast television licenses held by Televiscentro of Puerto Rico, LLC (Televiscentro), an indirect, wholly owned subsidiary of HMTV, from Gato Investments LP (Gato) to Searchlight II HMT⁴ (HMTV Transaction); and (2) transfer control of WLII/WSUR Licensee Partnership,

¹ 47 U.S.C. § 310(b)(4) ("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."). *See also* 47 CFR § 1.5000 *et seq.*

² Petition at 2. The Petition was filed on September 23, 2022, amended on October 13, 2022 (Amended & Restated Petition), and further amended on November 10, 2022 (Second Amended & Restated Petition).

³ *See Hemisphere Media Group, Inc. Petition for Declaratory Ruling, Declaratory Ruling and Memorandum Opinion and Order*, 34 FCC Rcd 10504 (2019) (*Hemisphere Declaratory Ruling*). The Amended & Restated Petition made clear that Searchlight II HMT was seeking a new ruling under section 310(b)(4) of the Act and section 1.5000 *et seq.* of the Commission's rules, but to the extent necessary, requested the Commission to reissue its approval for foreign entities and/or individuals, in the aggregate, to hold up to 100 percent of HMTV's equity and voting interests. *See* 47 CFR § 1.5000 *et seq.* The *Hemisphere Declaratory Ruling* provided specific approval for certain foreign investors, but the interests held by those investors were acquired by Gato Investments LP (Gato) in connection with a take-private transaction that was consummated on September 13, 2022. Upon the closing of that transaction, 100 percent of the outstanding common stock of HMTV became indirectly owned by Gato, and HMTV became no longer publicly traded. *See* LMS File No. 0000191021. *See also* Amended & Restated Petition at 2-3 and nn. 4 and 6.

⁴ Second Amended & Restated Petition at 1.

G.P. (WLII/WSUR), a subsidiary of Univision of Puerto Rico, Inc., and an indirect, wholly owned subsidiary of TelevisaUnivision, Inc., from Univision Puerto Rico Station Operating Company to Intermedia Español, Inc. (TU Transaction).⁵

The Petition lays out the proposed post-closing ownership of HMTV, Televiscentro, and WLII/WSUR in light of the HMTV and TU Transactions.⁶ Upon the closing of the wind-up of Gato, Searchlight II HMT will hold 100 percent of the membership interests in HWK Parent, LLC, and will indirectly hold 100 percent of the equity and voting interests in HMTV.⁷ At the same time as the closing of the HMTV Transaction, Searchlight Capital II EXU AIV, L.P., Searchlight Capital II PV, L.P., and SC II HMT, L.P., which each hold warrants in Searchlight II HMT, will exercise their respective warrants and will be issued new limited partnership interests in Searchlight II HMT.⁸ As a result, each of these investment fund vehicles will hold indirect equity interests in HMTV.⁹ Conversion of the warrants to equity interests will cause attribution of foreign ownership interests indirectly in HMTV through certain Searchlight investment fund entities organized in the Cayman Islands and that are ultimately controlled by foreign individuals, as well as through the foreign limited partners in each of the investment fund entities.¹⁰ In addition, the proposed TU Transaction will ultimately result in the transfer of control of the WLII/WSUR broadcast radio stations to HMTV.¹¹ HMTV is the parent of Intermedia Español, Inc. (Intermedia Español), and HMTV and Intermedia Español will be directly ultimately controlled by Searchlight II HMT.¹²

Pursuant to section 1.5001(h) of the Commission's rules, the Petitioner requests approval of up to an aggregate 100% indirect foreign ownership of the controlling U.S. parent, HMTV.¹³ In the Petition, Searchlight II HMT requests specific approval¹⁴ for certain foreign individuals and entities that will hold, indirectly, more than five percent of the equity and/or voting interests of HMTV and advance approval¹⁵ for each individual and entity to increase their interests in HMTV to certain percentages at some future time.¹⁶ Specifically, the Petition makes the following requests for advance approval: Erol Uzumeri (Canada) to hold up to 49.9% equity and be deemed to hold 100% voting; Oliver Haarmann (Germany) to hold up to 49.9% equity and be deemed to hold 100% voting; Searchlight Capital II PV, L.P. (Cayman Islands) to hold up to 100% equity and be deemed to hold 100% voting; SC II HMT Holdings, Ltd. (Cayman Islands) to hold up to 100% equity and be deemed to hold 100% voting; Searchlight Capital II UNR AIV, L.P. (Cayman Islands) to hold up to 100% equity and be deemed to hold 100% voting; and Searchlight Capital Partners II GP, L.P. (Cayman Islands) to hold up to 100% equity and be deemed to hold 100% voting.¹⁷ Searchlight II HMT contends that granting this Petition is in the public interest

⁵ *Id.*

⁶ *Id.* at 6-8, Exhibit A.

⁷ *Id.* at 6.

⁸ *Id.* at 6-7.

⁹ *Id.* at 7.

¹⁰ *Id.*

¹¹ *Id.* at 8.

¹² *Id.*

¹³ 47 CFR § 1.5001(h).

¹⁴ 47 CFR § 1.5001(i).

¹⁵ 47 CFR § 1.5001(k).

¹⁶ Second Amended & Restated Petition at 16.

¹⁷ *Id.*

because it will, *inter alia*, further the Commission's goals of encouraging greater access to foreign investment in broadcast stations and increasing regulatory transparency.¹⁸

According to the Petition, Searchlight Capital Partners, L.P. ("Searchlight") provides management and other advisory services to Searchlight-affiliated investment funds in return for a fee.¹⁹ Nonetheless, the Petition asserts that Searchlight has no economic ownership interest in the investment funds and has no decision-making authority with respect to their operations.²⁰ The Petition asserts that all management and decision-making authority with respect to the funds rests with the general partners of the funds.²¹ Petitioner states that Searchlight is controlled by its general partner, Searchlight Capital Partners, LLC (Delaware), which is controlled by its three members, Messrs. Eric Zinterhofer (United States), Eric Uzumeri (Canada), and Oliver Haarmann (Germany).²² These same three individuals are also the only limited partners of Searchlight.²³ All other funds that Searchlight manages are also controlled by Messrs. Zinterhofer, Uzumeri, and Haarmann.²⁴ Petitioner states that aside from Mr. Zinterhofer, neither Searchlight, nor any of its employees have any active or direct role at HMTV or its subsidiaries.²⁵

The Petition has been found, on initial review, to be acceptable for filing. The Commission may require Searchlight II HMT, L.P. to submit additional documents or statements of fact that in the Commission's judgment may be necessary. The Commission also reserves the right to return the Petition if, on further examination, it is determined to be defective and not in conformance with its rules and policies. In addition, pursuant to Commission practice, the Petition will be referred to relevant Executive Branch agencies for their views on any national security, law enforcement, foreign policy, or trade policy concerns related to the foreign ownership of Searchlight II HMT, L.P.²⁶

EX PARTE STATUS OF THIS PROCEEDING

In order to assure the staff's ability to discuss and obtain information needed to resolve the issues presented, by this Public Notice and pursuant to Section 1.1200(a) of the Rules,²⁷ we establish a docket for this proceeding and announce that the *ex parte* procedures applicable to permit-but-disclose proceedings will govern our consideration of this Petition.²⁸

Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a

¹⁸ See *id.* at 16-18; see also *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, 11273, para. 2 (2016).

¹⁹ Second Amended & Restated Petition at n.10.

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ See *Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership*, IB Docket 16-155, Report and Order, 35 FCC Rcd 10927 (2020). See also *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities*, IB Docket Nos. 97-142 and 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23919-20, paras. 61-63 (1997) (*Foreign Participation Order*), *recon. denied*, 15 FCC Rcd 18158 (2000).

²⁷ 47 CFR § 1.1200(a).

²⁸ See 47 CFR § 1.1206.

different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation.²⁹ If the presentation consisted in whole or in part of data or arguments already reflected in the presenter's written comments, memoranda, or other filings in the proceeding, then the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum.³⁰ Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with section 1.1206(b) of the Rules.³¹ Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.³² We strongly urge parties to use the Electronic Comment Filing System (ECFS) to file *ex parte* submissions. All *ex parte* filings must be clearly labeled as such and must reference MB Docket No. 23-2.

GENERAL INFORMATION

The Petition referred to in this Public Notice has been accepted for filing upon initial review. The Commission reserves the right to return any filing if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules or policies. Interested persons must file comments no later than February 3, 2023. Replies must be filed no later than February 21, 2023.

To allow the Commission to consider fully all substantive issues regarding the Petition in as timely and efficient a manner as possible, commenters should raise all issues in their initial filings. A party or interested person seeking to raise a new issue after the comment period has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the comment period 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.

All filings concerning matters referenced in this Public Notice should refer to MB Docket No. 23-2, as well as the specific file numbers of the individual applications or other matters to which the filings pertain.

Filing Requirements. Submissions may be filed electronically using ECFS or by filing paper copies.³³

- Electronic Filers: Documents may be filed electronically using the Internet by accessing ECFS: <http://apps.fcc.gov/ecfs/>.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing.
- Filings can be sent 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.
 - 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.

²⁹ 47 CFR § 1.1206(b)(1).

³⁰ *Id.*

³¹ 47 CFR § 1.1206(b).

³² See 47 CFR § 1.1200 *et seq.*

³³ See *Electronic Filing of Documents in Rulemaking Proceedings*, Report and Order, 13 FCC Rcd 11322 (1998).

- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street NE, Washington, DC 20554
- Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19.³⁴
- During the time the Commission's building is closed to the general public and until further notice, if more than one docket or rulemaking number appears in the caption of a proceeding, paper filers need not submit two additional copies for each additional docket or rulemaking number; an original and one copy are sufficient.

In addition, one copy of each submission must be sent to the following:

- David Brown, Video Division, Media Bureau, e-mail David.Brown@fcc.gov
- Emily Harrison, Video Division, Media Bureau, e-mail Emily.Harrison@fcc.gov

Any submission that is e-mailed to David Brown or Emily Harrison should include in the subject line of the e-mail: (1) MB Docket No. 23-2; (2) the name of the submitting party; (3) a brief description or title identifying the type of document being submitted (*e.g.*, MB Docket No. 23-2, Searchlight II HMT, L.P. Petition for Declaratory Ruling, *Ex Parte* Notice).

Availability of Documents. Documents in this proceeding are available electronically through ECFS. ECFS may be accessed on the Commission's Internet website at <http://www.fcc.gov>.

People with Disabilities. To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (TTY).

For further information, contact David Brown at (202) 418-1645 or Emily Harrison at (202) 418-1665. For press inquiries, contact Janice Wise at (202) 418-8165.

This action is taken by the Chief, Media Bureau, pursuant to authority delegated by sections 0.61 and 0.283 of the Commission's rules.³⁵

- FCC -

³⁴ See *FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy*, Public Notice, 35 FCC Rcd 2788 (2020).

³⁵ 47 CFR §§ 0.61 and 0.283.