FCC NEWS from the Federal Communications Commission

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For Immediate Release

FCC PROPOSES TO STREAMLINE FOREIGN OWNERSHIP PROCEDURES FOR BROADCAST LICENSEES

WASHINGTON, October 22, 2015 – The Federal Communications Commission today proposed to extend the same streamlined procedures and rules used to review foreign ownership in common carriers licensees to broadcast licensees, with certain tailored modifications.

The Communications Act sets out a 25 percent statutory benchmark for foreign ownership in the controlling U.S. parents of common carrier, broadcast, and aeronautical licensees. A licensee seeking foreign ownership above 25 percent undergoes an individual, case-by-case public interest review. As part of that review, the Commission coordinates with the relevant Executive Branch agencies on matters related to national security, law enforcement, foreign policy, and trade policy.

In 2013, the Commission streamlined the policies and procedures that apply to foreign ownership of common carrier licensees to reduce costs and provide greater transparency. At that time, the Commission did not extend the policies to broadcast licensees.

Today's proposals modernize the filing and review procedures for the current business environment, adopting a standardized process for broadcast licensees' requests to exceed the 25 percent statutory foreign ownership benchmark. The proposals do not modify or change the statutory foreign ownership limits or the public interest standard of review. The proposals would, among other things:

- Affirm and codify in the rules our current policy of allowing a broadcast licensee to request Commission approval for its controlling U.S. parent to have up to and including 100 percent foreign ownership, subject to the Commission's public interest review;

- Allow the licensee to request that a proposed controlling foreign investor, once approved by the Commission, be permitted to increase its ownership to 100 percent in the future without filing a new petition;

- Extend to broadcast licensees our current practice of allowing the licensee to request that any non-controlling named foreign investor, once approved by the Commission, be permitted to increase its interest in the U.S. parent up to and including a non-controlling interest of 49.99 percent in the future without filing a new petition;

- Lessen regulatory burdens on broadcast licensees by not requiring the licensee to request approval of a non-controlling foreign investor with an interest of 5 percent or less (or 10 percent in certain circumstances); and

- Allow broadcast licensees to continue to use the broadcast attribution rules to disclose their principal U.S. and foreign owners and to rely on broadcast insulation rules.

The proposed process changes could facilitate investment from new sources of capital at a time of growing need for investment in this important sector of our nation's economy. The proposals will also provide the broadcast sector with greater transparency and predictability, and reduce regulatory burdens and costs.

The Notice of Proposed Rulemaking adopted today also seeks comment on whether and how to revise the methodology a licensee should use to assess its compliance with section 310(b)(4). It makes several proposals to clarify and update existing policies and procedures for broadcast, common carrier and aeronautical radio licensees. Finally, the Notice of Proposed Rulemaking seeks comment on any additional reforms that could further streamline the review of foreign ownership.

Action by the Commission October 22, 2015 by Notice of Proposed Rulemaking (FCC 15-137). Chairman Wheeler, Commissioners Clyburn, Rosenworcel, Pai and O'Rielly approving. Chairman Wheeler, Commissioners Clyburn, Rosenworcel, Pai and O'Rielly issuing statements.

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