

**STATEMENT OF  
COMMISSIONER AJIT PAI**

Re: *Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, IB Docket No. 11-133.

I am voting to approve today's item because I agree that indirect, non-controlling foreign interests in common carrier licensees should be analyzed pursuant to the policies and procedures the Commission applies under section 310(b)(4) of the Act. I cast my vote with the understanding that today's order does not resolve the issue of whether section 310(b)(3) of the Act applies to indirect, non-controlling foreign interests in a licensee. Specifically, in footnote 26, today's order makes clear that the Commission is only assuming this to be the case for purposes of resolving this proceeding and that it is not addressing the argument that section 310(b)(4) of the Act, rather than section 310(b)(3), applies to such foreign interests.

Interpreting section 310(b)(3) of the Act to apply to indirect, non-controlling foreign interests leads to an exceedingly strange result. The Commission has the discretion to allow a foreign entity to have an indirect, *controlling* interest in a licensee (e.g., a foreign corporation could own 100% of a U.S. entity that itself owned 100% of a licensee). But the Commission does not have the discretion to allow (absent forbearance, which is only available for a limited class of licensees) that same foreign entity to have an indirect, *non-controlling* interest in a licensee (e.g., a foreign corporation could not own 100% of a U.S. entity that owned 25% of a licensee). We should be hesitant to interpret any statutory scheme to produce such an absurd outcome, and it is far from clear to me that the text of section 310 compels that result.