

**STATEMENT OF
CHAIRMAN TOM WHEELER**

Re: *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 (GN Docket No. 15-236).*

In recent years, improving the Commission's processes to better serve our stakeholders has been a top priority. A consistent theme of our process reforms has been leveling the playing field, so different industries aren't unreasonably held to different standards. With today's item, we simplify our foreign ownership rules and procedures applicable to broadcast licensees to bring them in line with our rules for common carriers.

The Communications Act established a 25 percent benchmark for foreign investment in U.S.-organized entities that control a U.S. broadcast, common carrier, or aeronautical radio licensee. Therefore, we have traditionally required that licensees get FCC approval before foreign ownership exceeds 25 percent.

In 2013, the Commission streamlined the policies and procedures that apply to foreign ownership for common carriers to reduce costs, provide greater transparency, and facilitate investment, while continuing to protect U.S. interests. In 2015, for the first time, the FCC granted a petition to allow Pandora Radio to exceed the 25 percent foreign ownership benchmark. Our experience with the Pandora review illustrated the need for greater clarity and certainty for both broadcasters and investors during the review process.

Today's rules will update the procedures for requesting approval of foreign ownership of broadcast licensees with specific rules that incorporate the same streamlined procedures used for common carrier wireless licensees, with certain exceptions and clarifications. They will modernize our processes so they are better adapted to the current business environment, which has obviously evolved over the decades.

In addition, the item recognizes the difficulty U.S. public companies face in ascertaining their foreign ownership, and establishes a framework for a publicly traded broadcast or common carrier licensee or controlling U.S. parent to ascertain its foreign ownership levels using information that is "known or reasonably should be known" to the company in the ordinary course of business, thereby eliminating the need for shareholder surveys.

Taken together, these reforms will better harmonize the process with the one established in 2013 for other licensees, provide greater certainty for stakeholders, potentially enable greater investment in broadcaster licensees, and update the compliance methodology to better reflect the current marketplace.

Special thanks to Commissioner O'Rielly for his leadership in highlighting this issue.