

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C.

In re Petition of:	)	KBDR(FM), Mirando City, TX
	)	Facility ID No. 906
Leading Media Group Corp.,)	
and	)	KBDR-FM1, Laredo, TX
Grupo Multimedios Estrellas	)	Facility ID No. 907
de Oro S.A. de C.V.)	
	)	KNEX(FM), Laredo, TX
	)	Facility ID No. 42148
)	
	)	KLNT(AM), Laredo, TX
	)	Facility ID No. 42149
)	
Petition for Declaratory Ruling Under	)	KURV(AM), Edinburg, TX
Section 310(b)(4) of the Communications	)	Facility ID No. 70463
Act of 1934, as Amended)	
)	
	)	MB Docket 19-_____
)	

To: The Secretary
Attn: Chief, Media Bureau

PETITION FOR DECLARATORY RULING

Leading Media Group Corp. (“LMG” or “Petitioner”), by its attorneys, and pursuant to Section 1.5000(a)(1) of the Rules of the Federal Communications Commission (the “Commission”) and the policies set forth in *Commission Policies and Procedures under Section 310(b)(4) of the Communications Act, Foreign Investment in Broadcast Licensees*, Declaratory Ruling, 28 FCC Rcd 16244 (2013) (“*2013 Broadcast Clarification Ruling*”) and *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 (2016)

(“2016 Foreign Ownership Order”), hereby petitions the Commission for a Declaratory Ruling permitting Petitioner to exceed the 25 percent foreign ownership benchmark established in Section 310(b)(4) of the Communications Act of 1934, as amended (the “Act”).¹ Petitioner also seeks to have its ultimate parent entity, Grupo Multimedios Estrellas de Oro S.A. de C.V.², a corporation organized under the laws of the United Mexican States (“Multimedios”) receive Commission consent to hold a 100 percent indirect ownership of LMG, the parent and sole owner of Petitioner. In support thereof, Petitioner and Multimedios state as follows.

Petitioner is a United States corporations organized under the laws of the State of Delaware with its principal mailing address at 5633 Richmond Avenue, Houston, Texas 77057. Multimedios is a privately-held Mexican company engaged in Mexico-based media enterprises across multiple platforms. With more than 85 years, the company is based in Monterrey, State of Nuevo Leon, with its principal mailing address at Avenida Eugenio Garza Sada 2145, Colonia Roma, Código Postal 64700. Through various subsidiaries, it owns radio and television stations, newspapers, publishes newspapers and magazines, offers billboard advertising, real estate, restaurants, sports, entertainment centers, and public telecommunications networks businesses. It serves customers in Mexico, Central America and Spain.

Multimedios is the sole shareholder of Petitioner. Multimedios is, in turn, has the following cognizable shareholders: 82.73 % held by Francisco Antonio Gonzalez Sanchez and 16.77% held by Nora Patricia Albuerne de Gonzalez..³

¹ 47 U.S.C. § 310(b)(4).

² The former name of Multimedios is Organizacion Estrellas de Oro, S.A.

³ All other shareholders have a less than 1% interest in Multimedios.

Multimedios has both national and international experience as television, radio and printed news provider, in its role as the third-largest producer of original Spanish-language programming in Mexico. Multimedios has recently expanded to seven additional Mexican states beyond its historical presence in the northern city of Monterrey and is a content provider within several Spanish-speaking cities in the U.S. throughout collaborations with local radio stations, television broadcast stations, and cable television systems.⁴ Furthermore, in 2018, as part of its expansion plan, Multimedios acquired radio stations in Costa Rica, thereby expanding its existing operations and content in Central and South America.

Multimedios is a third-generation-family-owned company, owned by the Gonzalez family. It has been crucial to the evolution and growth of Mexican media. Multimedios is known for its active role in the promotion of culture, sports and participation in charity activities throughout the nation. Members of the Gonzalez family have been individually recognized as well as leaders and valuable members of Mexican society for their role in the achievements of the Mexican media industry.

Pursuant to the transaction proposed in the assignment application filed simultaneously herewith, LMG proposes to acquire the Stations from their current licensees, MBM Radio Laredo LLC, a Texas limited liability company, and MBM Texas Valley LLC, a Texas limited liability company.

Section 310(b)(4) of the Communications Act provides, in part:

⁴ Pursuant to carriage agreements, Multimedios television programming may be viewed on such domestic cable television systems as DIRECTV, Comcast, Spectrum, and Verizon FIOS. Its programming is also available on local broadcast television stations in the Rio Grande Valley and El Paso television markets.

No broadcast... license shall be granted to or held by... any corporation directly or indirectly controlled by another 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.⁵

In the *2013 Broadcast Clarification Ruling*, the Commission clarified that the 25 percent benchmark “is only a trigger for the exercise of [its] discretion, which [it] then exercise[s] based upon a more searching analysis of the circumstances of each case.”⁶ In order to analyze properly the circumstances of each case, the Commission “must receive from the applicant detailed information sufficient for the agency to make the public interest finding the statute requires.”⁷ In the *2016 Foreign Ownership Order*, the Commission brought greater regulatory transparency and certainty to its foreign ownership policy by extending the streamlined rules and procedures applicable to foreign ownership review of common carrier and certain aeronautical licensees under Section 310(b)(4) to the broadcast context, with certain limited exceptions.⁸ In particular, the *2016 Foreign Ownership Order* expressly provides for processing petitions seeking approval for 100

⁵ 47 U.S.C. § 310(b)(4).

⁶ *2013 Broadcast Clarification Order*, 28 FCC Rcd at 16249-50, ¶ 11.

⁷ *Frontier Media, LLC*, 32 FCC Rcd 1427, 1429, ¶ 4 (MB 2017). *See Pandora Radio LLC Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Declaratory Ruling, 30 FCC Rcd 5094 (2015) (per *2013 Broadcast Clarification Order*, granting petition for declaratory ruling filed by Pandora Radio LLC to exceed 25 percent foreign ownership benchmark in Section 310(b)(4) in connection with consent to assignment of radio station license). *See also Univision Holdings, Inc.*, 32 FCC Rcd 6 (MB 2017) (granting petition for declaratory ruling to exceed 25 percent foreign ownership benchmark); *Hemisphere Media Group, Inc.*, 32 FCC Rcd 718 (MB 2017) (granting petition for declaratory ruling to exceed 25 percent foreign ownership benchmark).

⁸ 31 FCC Rcd 11272.

percent foreign ownership of a broadcast licensee's parent, as Petitioner is requesting here.⁹

In adopting both the *2013 Broadcast Clarification Order* and the *2016 Foreign Ownership Order*, the Commission sought to encourage new sources of investment for the broadcast industry, including foreign investment. In discussing the changes adopted in the *2016 Foreign Ownership Order*, the Commission stated as follows:

[T]hese changes will facilitate investment from new sources of capital at a time of growing need for investment in this important sector of our nation's economy, while continuing to satisfy the requirements of Section 310 and the policies reflected in [the *2016 Foreign Ownership Order*]. We also find that adopting a standardized filing and review process for broadcast licensees' requests to exceed the 25 percent foreign ownership benchmark in Section 310(b)(4), as we have done for common carrier licensees, will provide the broadcast sector with greater transparency and more predictability, and reduce regulatory burdens and costs. As is the case with common carrier licensees, this standardized filing and review process will provide clearer path for foreign investment in broadcast licensees that is more consistent with the U.S. domestic investment process, while continuing to trade policy, and other public policy goals.¹⁰

Multimedios's ownership will permit LMG to serve the public interest in South Texas by bringing to the Stations its extensive broadcast experience and expertise and an influx of resources for technological upgrades and improved programming to Stations located in resource-scarce and minority-populated Texas communities. LMG expects that it will be able, through investment from Multimedios, to improve the broadcast

⁹ *Id.* at 11282. Subsequent to the issuance of the *2016 Foreign Ownership Order*, the Commission has consented to cases of proposed 100 percent foreign ownership and control. *See Zoo Communications, LLC*, DA 19-108, released February 22, 2019; *Grupo Multimedia LLC and Deportes y Musica Comunicaciones LLC*, 33 FCC Rcd 4465 (MB 2018).

¹⁰ 31 FCC Rcd at 11273, ¶ 2.

service of the Stations that is limited by the financial conditions affecting the current licensee. In that regard, Petition anticipates being able to improve program quality, adopted new technologies, improve the talent employed by the Stations, and promote economic and media cooperation in the local radio markets where the Stations operate. In sum, granting this Petition will allow beneficial foreign investment in U.S. broadcast radio markets while promoting greater investment opportunities and cultural exchange across the U.S.-Mexico border.

In both the *2013 Broadcast Clarification Order* and the *2016 Foreign Ownership Order* the Commission emphasized the need to protect national security and law enforcement interests as well as foreign policy, trade policy and other policy goals.¹¹ There is no question about that.

Petitioner has taken note that the Commission has previously approved Mexican nationals obtaining 100 percent interest in domestic radio stations. *Grupo Multimedia LLC and Deportes y Musica Comunicaciones LLC, supra*. Further, Mexico and the United States have long shared a common border and the residents along that border, where the Stations operate, have a history of economic and familial relations, including the sharing of both the English and Spanish languages.

Given that the United States and the United Mexican States have amicable diplomatic, economic and trade relations, which can only be furthered by the consent to the instant Petition, the grant of the instant Petition should not raise any national security or law enforcement issues or concerns.

WHEREFORE, Leading Media Group Laredo Corp. and Grupo Multimedios

¹¹ See *2013 Broadcast Clarification Order*, 28 FCC Rcd at 16251; *2016 Foreign Ownership Order*, 31 FCC Rcd at 11273.

Estrellas de Oro S.A. de C.V. respectfully request that the Commission grant the instant Petition and issue a Declaratory Ruling permitting Multimédios to acquire 100 percent indirect ownership of the above-referenced Stations, through its ownership and control of Leading Media Group Corp.

Respectfully submitted,

LEADING MEDIA GROUP CORP

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EXHIBIT

ORGANIZATION CHART

