

# United States Senate

September 11, 2018

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The Honorable Ajit Pai  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Dear Chairman Pai,

It has come to my attention that the Federal Communication Commission is currently reviewing an application (File Number: 325-NEW-20180614-00001), received June 20, involving H&H Group USA LLC and XEWW, a Mexican broadcasting station. The application requests a permit for to deliver programs to foreign broadcast stations pursuant to 47 U.S.C 325(c). Approving the application would permit H&H Group USA LLC to use XEWW to broadcast: "a full range of Mandarin Chinese language programming on station XEWW-AM including music, entertainment, weather report, local (LA) traffic report and local Chinese community news."

The Commission has previously explained that Section 325(c) is "intended primarily to address two problems: objectionable programming and harmful interference by foreign stations." I am concerned that approving this application would enhance the ability of the Chinese Communist Party (CPC) to broadcast objectionable political propaganda into America and to interfere in domestic American politics. I respectfully request that the Commission deny the H&H Group's pending application.

The application states that the applicants are entirely domestic American persons and entities: "Applicant...will be 100% owned by H&H Group USA LLC, a New York limited liability company. Vivan Huo, a U.S. citizen owns 97% of the membership interests in H&H Group USA LLC." There are many troubling facts that are not included in the application, which deserve further review.

According to its corporate website, "H&H Capital assists PRC companies with finding strategic investors from around the globe" and "work[s] with Chinese companies interested in buying U.S. companies or the Chinese rights to U.S. brands." It was founded by Ms. Huo, who is described on the website as "native of Beijing" who "has conducted in-depth research and analysis of major financial, legal, and business news including... key legal issues facing Chinese state-owned enterprises, among other topics."

H&H Capital's corporate website also states that Ms. Huo "spent half a decade as the New York correspondent for one of China's largest publications." *Radio Free Asia* recently reported that Ms. Huo worked in New York as a correspondent for *Global Times*, which is owned by the *People's Daily*, an official newspaper of the CCP, registered under the Foreign Agents Registration Act.

The actual beneficiary owner of this deal is reportedly Phoenix Satellite TV. Though “Phoenix Satellite TV” does not appear anywhere in the H&H Group’s application, the address listed for programing content – 3810 Durbin St., Irwindale, CA 91706 – is a building owned by Phoenix Satellite TV USA. According to the *Washington Free Beacon*, the H&H Group recently hired Jackie Pang, who has been a Phoenix television reporter for decades. According to the *Epoch Times* “a recruiting advertisement placed by Phoenix TV’s U.S. branch on WeChat, the popular social media platform, seeks ‘program producers, narrators, hosts, and ad sales managers’ for ‘AM 690, Phoenix U Radio.’”

Phoenix Satellite Television US is a subsidiary of Beijing Phoenix TV, based in Hong Kong. The People’s Republic of China (PRC) exerts control over Chinese media and the control extends to Phoenix: in 2009 testimony to the U.S. Economic and Security Review Commission on China, Anne Marie-Brady, a Global Fellow at the Wilson Center, said, “Phoenix is nominally privately-owned; however its current main investor is the State-owned enterprise China Mobile.” In 2016, for example, Phoenix broadcast the forced confessions of five Hong Kong booksellers for violating PRC censorship law.

CCP state-run China Radio International (CRI) president Wang Gengnian has described China’s use of local media in foreign countries as “borrowing a boat to go out to sea.” Wang emphasized the need for China to target foreign media to “compete to lead international public opinion” and “set the agenda” on the global stage. As part of the “borrowed boat” strategy CRI has previously partnered with foreign radio stations such as Turkish FM station Yöñ Radyo which was utilized to present the CCP narrative in the aftermath of the 2009 Ürümqi riots. According to Wang, positive feedback from Turkish listeners demonstrated the benefits of “effective international broadcasting targeted at a specific group.”

The Chinese Communist Party is waging an information warfare campaign to undermine American democracy. The decision before the Commission risks allowing the CPC to broadcast government-approved propaganda into Southern California, one of the most densely populated regions in America of Mandarin speakers, to boost that warfare campaign. The Commission should reject the application, given the unresolved and undisclosed details surrounding the application.

Sincerely,



Ted Cruz  
United States Senator

cc: GLR Southern California LLC  
H&H Group USA LLC  
Chinese Sound of Oriental and West Heritage



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

November 26, 2018

The Honorable Ted Cruz  
United States Senate  
404 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Cruz:

Thank you for your letter regarding the pending application involving H&H Group USA LLC and XEWW, a Mexican broadcasting station. I appreciate your interest in this matter.

As you may know, Chinese Sound of Oriental and West Heritage, licensee of low power FM station KQEV-LP, filed a Petition to Deny the application in question. The Petition is currently under review by Commission staff, and under Commission rules relating to such matters I am unable to discuss details of the application or the Petition to Deny.

Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, which appears to read "Ajit V. Pai". The signature is fluid and cursive, with the first name "Ajit" being particularly prominent.

Ajit V. Pai