Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
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

COMMENTS OF 21ST CENTURY FOX, INC.

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21st Century Fox, Inc. ("Fox") hereby respectfully submits these comments in support of the Commission's Notice of Proposed Rulemaking aimed at streamlining the foreign ownership approval process for broadcast licensees.[1] As the Commission recognizes in the *Notice*, the time has come to treat broadcast licensees and their owners on par with all other regulated entities when it comes to foreign investment. In a world of global stock trading, borderless economies, and striking new ways for consumers to receive and exchange information, there is no ongoing justification for maintaining an approach to foreign ownership that uniquely shackles broadcasters. The Commission therefore should adopt the proposals set forth in the *Notice* to provide the broadcast industry with "greater transparency, more predictability, and [reduced] regulatory burdens and costs."[2] These changes not only would serve the public interest by promoting additional investment in the broadcast sector, but also would meaningfully assist publicly-traded companies whose shares increasingly are bought and sold as part of a global stock market.

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[1] *In 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*, NPRM, GN Docket No. 15-236, FCC 15-137 (rel. Oct. 22, 2015) (the "*Notice*").

[2] *Id.* at ¶ 1.

INTRODUCTION AND SUMMARY

The world has changed dramatically since Congress first contemplated restricting the foreign ownership of U.S.-spectrum licensees nearly 80 years ago. Today's broadcast stations compete with more media – accessed via more technologies – than anyone could have anticipated in the 1930s. Corporations, public markets and the global economy also have evolved in ways that few could have foreseen. Yet the default presumption that TV and radio station licensees cannot be more than 25 percent owned by non-U.S. shareholders remains in place, essentially unchanged, since the adoption of Section 310(b)(4) of the Communications Act.[3] So too does the Commission's traditional approach to evaluating compliance with the Communications Act by focusing on a pure "shares held" methodology for determining foreign voting power.

Given the profound changes that mark not only the broadcast business but global investing and corporate governance as well, Fox agrees with the Commission that the time has come for a reassessment. The Commission already has implemented the proposals contemplated by the *Notice* for other types of licenses, including wired and wireless telecommunications and broadband networks. Whatever validity may once have attached to the notion that foreign ownership of broadcast stations posed a special threat has long since dissipated. The Commission itself recognized 20 years ago – at the dawn of the Internet age and before the explosion of information outlets that now characterize modern communications – that the "burgeoning number of information and entertainment sources has lessened the concern that misinformation and propaganda broadcast by alien-controlled licensees could overwhelm other

[3] 47 U.S.C. § 310(b)(4).

media voices."[4] The intervening decades have only reinforced this perspective and, if anything, have revealed that non-broadcast communications networks have taken on a much more prominent role in the dissemination of (sometimes sensitive) information. Yet broadcasters alone among FCC licensees remain constrained by an exceptionally strict approach to foreign investment.

Put simply, given the dramatic changes in ways that Americans receive and exchange information, there is no valid reason to withhold from broadcasters the types of relief afforded to every other licensee regulated by the Commission today. Providing this relief can, as the Commission recognizes, be accomplished in a manner fully consistent with appropriate national security concerns – just as has been the case for many years with respect to foreign investment in sensitive data and information networks.

I. THE COMMISSION SHOULD EXTEND TO BROADCASTERS THE STREAMLINED FOREIGN OWNERSHIP PROCEDURES ADOPTED FOR ALL OTHER LICENSEES IN 2013

In the *Notice*, the Commission proposes to apply to broadcasters the same foreign ownership rules and procedures applicable to common carriers and other non-broadcast licensees. Fox wholeheartedly supports this overarching proposal. Fox agrees that parent companies of broadcast licensees should be granted a path to request:

(1) approval of up to 100 percent aggregate foreign ownership (voting and/or equity) by unnamed and future foreign investors in the controlling U.S. parent of a broadcast licensee;

(2) approval for any named foreign investor that proposes to acquire a less than 100 percent controlling interest to increase the interest to 100 percent at some time in the future; and

(3) approval for any non-controlling named foreign investor to increase its voting and/or equity interest up to and including a non-controlling interest of 49.99 percent at some time in the future.

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[4] *See Mkt. Entry & Regulation of Foreign-Affiliated Entities*, R&O 11 FCC Rcd 3873, 3947 (1995).

Fox also agrees that a broadcaster submitting one of the above-enumerated requests should be obligated to obtain specific approval of foreign investors (*i.e.*, individuals, entities, or a "group" of foreign individuals or entities) only in the event that they would hold, directly or indirectly, more than five percent (or in certain circumstances, more than ten percent) of the U.S. parent's equity and/or voting interests.[5]

Moreover, Fox supports the Commission's intention to continue to apply to broadcast licensees the specific ownership attribution criteria that have long applied to the broadcast service. As the *Notice* reflects, broadcasters have developed deep familiarity with the existing attribution rules. Allowing those criteria to remain in use for assessing foreign ownership, as they are in assessing compliance with the multiple- and cross-ownership rules, would foster certainty and efficiency. Likewise, the Commission should continue to rely on the investor insulation criteria set forth in the broadcast rules, rather than apply to broadcasters the criteria used in the common carrier context. The broadcast insulation approach, codified at Note 2(f) to Section 73.3555 of the Commission's rules, permits certain insulated limited partners and LLC members to avoid attribution in circumstances where the partner or LLC member is not materially involved in the management or operation of the broadcaster's media business. Many broadcast licensees and their investors have configured their ownership and control structures in reliance on the broadcast insulation criteria. There is no public interest benefit that would emanate from a different approach when it comes to foreign investment, and the cost and complexity of re-structuring existing ownership arrangements – assuming re-structuring is even possible – are likely to be high.

[5] *See Notice* at ¶¶ 15-16. As the *Notice* indicates, adoption of this approach still would require broadcasters to obtain advance approval for foreign investors to hold or obtain a controlling interest in the U.S. parent of a licensee. *See id.*

Adopting these streamlining proposals would mark a significant step toward equality for broadcasting at a time when the industry could benefit from additional investment. More investment in broadcast services would only help promote more competition – both among broadcasters and between broadcast outlets and other types of media – all of which ultimately would serve consumers.

II. PUBLICLY-TRADED COMPANIES, WHICH TODAY FACE A HEAVY BURDEN IN DETERMINING THEIR AGGREGATE FOREIGN OWNERSHIP, WOULD BENEFIT ENORMOUSLY FROM THE NOTICE'S RELAXED APPROACH

A. Widely-Held Companies Confront Unique Challenges Given the Global Nature of Modern Stock Trading

Publicly-held companies, especially those whose shares are widely-traded in a globalized economy, face unique challenges in determining and tracking their aggregate levels of foreign ownership at any given time. In contrast to a private or closely-held enterprise, large public companies have little to no knowledge of the identity of the vast majority of their shareholders.

Companies such as Fox, which has nearly two billion shares of stock issued and outstanding, use a variety of techniques to track foreign ownership to the best of their ability. In some instances, public reporting obligations imposed by the Securities and Exchange Commission ("SEC") provide necessary information; this typically occurs when an investor accumulates a 5 percent or greater share of a public company. And public companies obviously know the identity of certain registered shareholders, employees and other "insiders" that own shares. Beyond these limited categories, however, public companies have no ability to identify each and every shareholder, let alone to definitively determine citizenship for this vast group of unidentifiable holders. In fact, most shares of publicly-traded companies are now held in street name (e.g., by a broker) and SEC rules generally prohibit representative holders from disclosing information about a specific beneficial owner without that owner's permission. To the degree that many (if not most) shareholders prefer to remain anonymous, public companies have little say in the matter.

Many public companies, including Fox, have chosen to rely upon a stock tracking mechanism established by the Depository Trust Corporation (the "DTC"), called SEG-100. The DTC is a clearinghouse through which virtually all stock trades of large public companies in the United States are settled. When banks, brokers and nominees buy and sell shares on behalf of their customers – the beneficial owners – the transactions are recorded through the DTC, which automates, centralizes, standardizes, and streamlines trading in public markets. DTC's SEG-100 program obligates banks, brokers and other nominees who hold shares in a representative capacity to segregate their holdings between domestic and foreign beneficial owners. DTC then provides public companies with periodic reports regarding the division of holdings, which the companies can in turn combine with data from the SEC and information about known holders to piece together the best available snapshot of their level of foreign ownership. Fox appreciates that the Commission acknowledges, in the *Notice*, that the SEG-100 program can be one effective tool for helping public companies track foreign ownership.

That said, however, Fox notes that participation in the SEG-100 program is helpful only to the extent that it provides *information* about the level of foreign ownership. It does not, in and of itself, prevent any stock transaction, or series of transactions, that may result in a public company's level of foreign-held shares moving under or over the 25 percent benchmark. Indeed, companies with widely-traded shares can experience trading volume of tens of millions of shares on a busy day – easily enough to account for a few percent of its total shares outstanding. As American companies continue to present attractive and safe investment opportunities for stockholders across the globe, these trading swings can result in a widely-held company inadvertently crossing the 25 percent foreign ownership benchmark through no fault of its own.

As noted below, the Commission should not expect widely-held companies to react to each and every ebb and flow of its foreign ownership, but rather should establish reasonable intervals at which companies must respond to market fluctuations. Regardless of the frequency, however, the reality is that stock trades occur at an incredibly fast pace. Fox itself has had experience with the impact that this type of global trading can have on a public company attempting to maintain compliance with Section 310(b)(4) and the Commission's rules. On April 18, 2012, Fox announced that in order to ensure compliance with the statute, it had suspended the voting rights of 50 percent of its Class B voting stock held by non-U.S. shareholders.[6] The company determined at that time that approximately 36 percent of its Class B voting stock was held by non-U.S. shareholders. This in part was a result of Fox's legacy as a corporation domiciled in Australia, but even following Fox's reincorporation as a United States corporation in 2004, the company continued to be (and continues to this day to be) an attractive investment option for non.-U.S. investors.

Fox implemented the voting rights suspension in accordance with Article IV, Section 5 of its Restated Certificate of Incorporation (the "Charter"), which authorizes the company's Board of Directors to prevent, cure or mitigate the effect of stock ownership above Section 310(b)(4)'s 25 percent foreign ownership benchmark.[7] The Charter permits the Board to take other steps, if

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[6] *See News Corporation*, Securities & Exchange Commission Form 8-K (filed Apr. 18, 2012). News Corporation was renamed 21st Century Fox, Inc. on June 28, 2013. References to Fox in these comments shall mean references to News Corporation with respect to events occurring prior to June 28, 2013, when News Corporation and Fox became a separate companies.

[7] Fox has two classes of stock. Class A Common Stock provides an equity interest in the company but limits voting rights to specific, major events outlined in Fox's Certificate of Incorporation. Class B Common Stock provides both an equity interest and a shareholder vote. Fox determined in 2012, and has continued to determine since then, that the aggregate level of foreign ownership of its combined voting and non-voting stock remains below the 25 percent benchmark.

necessary, to address foreign ownership issues, including: refusing to permit ownership or transfer of common stock by a non-U.S. shareholder; voiding a transfer of stock to a non-U.S. shareholder; suspending rights of stock ownership if held by a non-U.S. shareholder; and redeeming stock held by a non-U.S. shareholder. Numerous public companies have reserved similar rights in their own charters, bylaws and governance documents.

But the Commission cannot reasonably expect public companies with broadcast subsidiaries to deploy these blunt tools literally every time a trade results in foreign ownership crossing the 25 percent benchmark. For one thing, subsequent fluctuations in ownership could just as quickly reduce foreign ownership below the benchmark. For another, using these tools frequently would lead to a chaotic and highly disruptive impact on stock trading and, quite likely, the global economy. Moreover, it goes without saying that these measures are not shareholder-friendly, and companies would prefer not to have to utilize them. They are also not without controversy. On May 30, 2012, a non-U.S. shareholder filed a securities lawsuit against Fox, alleging that the voting rights suspension was unlawful.[8] Fox believed, and continues to believe, that it has the right to take the actions set forth in the Charter under Delaware law. But the lawsuit is one of many indicia of the challenges public companies face in maintaining compliance with the foreign ownership rules on a day-to-day basis.

Fox thus strongly supports the proposals set forth in the *Notice* that are designed to reduce the strain on public companies. Fox also appreciates the Commission taking note of "the unique burdens our processes may exert on widely-held publicly traded companies, which do not necessarily have adequate means to ascertain and certify the citizenship of their shareholders."[9]

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[8] *See Första AP Fonden v. News Corp., et al.*, Civil Action No. 7580-CS (Delaware Court of Chancery) (filed May 30, 2012). The lawsuit was settled prior to trial.

[9] *See Notice* at ¶ 29.

Accordingly, Fox urges the Commission to adopt the public company-focused proposals set forth in the *Notice*, and to permit companies to use any combination of these features to ensure compliance with Section 310(b)(4):

- accept shareholder street addresses as a proxy for citizenship absent circumstances under which the company has actual knowledge that a domestic street addresses has been used by a non-U.S. holder;

- formally endorse the use of SEG-100 as a permissible mechanism for ascertaining foreign ownership levels for shares held through the DTC; and

- eliminate the presumption that unidentified shareholders be counted as foreign and permit companies to extrapolate foreign ownership percentages based on the ratio of known non-U.S. shareholders.[10]

Furthermore, the Commission should adopt the proposal described in Paragraph 36 of the *Notice* to permit small amounts of foreign interests in public companies – even if it may lead to the company having in excess of 25 percent foreign equity or voting power – in cases where the holder's interest would not trigger reporting obligations under SEC rules.[11] In particular, the Commission should presume that it would serve the public interest to permit foreign shareholders to hold an interest in a broadcast parent whenever the foreign investor holds a non-attributable interest and the aggregate foreign ownership of all foreign investment in the broadcaster is below 50 percent.

As the Commission long has recognized, the plain text of Section 310(b)(4) does not cap foreign ownership at 25 percent. Rather, the statute provides the Commission with discretion to permit foreign ownership in excess of this benchmark "*unless* [the Commission] finds such

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[10] For example, if 10 percent of the identified/known shares are owned by foreign owners, the Commission should permit companies to presume that 10 percent of the unidentified shares are held by foreign owners. The universe of identified/known shares could be compiled based on a combination of SEG-100 data and information from SEC filings, registered holders, and "insiders."

[11] *See Notice* at ¶ 36.

ownership would be inconsistent with the public interest."[12] The Commission, therefore, has ample legal authority to adopt this modest proposal. Beyond aiding public companies, this approach would benefit public equities markets and individual shareholders by making clear that compliance with foreign ownership need not be ascertained on a trade-by-trade basis.[13] The Commission should be satisfied as long as companies are able to measure their levels of foreign ownership at reasonable intervals, such as once every two years.[14]

B. The Commission Also Should Adopt a Votes-Counted Approach to Measuring Foreign Voting Power for Companies with Dual Class Stock Structures

Beyond the well-thought-out proposals contained in the *Notice*, Fox urges the Commission to adopt one additional change to ease the burden on publicly-traded companies that maintain dual-class stock structures.[15] In circumstances where a public company has not requested or been granted permission for named holders to exceed the 25 percent benchmark, or in the event that non-attributable foreign shareholders hold voting stock in excess of whatever presumptive new limit the Commission may establish, Fox suggests that that the Commission

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[12] *See Commission Policies and Procedures Under Section 310(b)(4) of the Communications Act, Foreign Investment in Broadcast Licensee*s, Declaratory Ruling, 28 FCC Rcd 16244, 16249-50 (2013).

[13] This approach would help U.S. shareholders as well as their foreign counterparts. When companies are compelled to devote resources toward an amorphous obligation to measure foreign ownership, shareholder value necessarily is affected. That impacts all shareholders, not just those located outside of the United States. And that is to say nothing of the potential penalties that a company, and thus its entire shareholder base, could face in the event of an FCC enforcement action.

[14] The Commission has long recognized that perfectly measuring ownership is infeasible, and thus permits widely-held corporations to make reasonable efforts to ascertain their levels of foreign ownership. *See, e.g.*, *In re Westinghouse Radio Stations, Inc.*, 19 F.C.C. 1359, ¶ 4 (1955) (given "millions of shares outstanding, an absolute showing on shareholder citizenship and non-citizenship at any given time would be impracticable, if not impossible"). *See also* FCC Form 314, Instructions, Section III.G. (noting that "[c]orporate applicants and licensees whose stock is publicly traded have employed a variety of practices, including sample surveys using a recognized statistical methodology . . . to ensure the accuracy and completeness of their citizenship disclosures and their continuing compliance with Section 310"). But the Commission has been reluctant to specify the frequency with which these efforts need to be undertaken, leaving some companies in a position of attempting to constantly determine their ownership base.

[15] *See Notice* at ¶ 43 ("we invite comment on any additional reforms that could further streamline our review of foreign ownership …").

permit broadcast licensees to determine compliance with the foreign *voting* test in Section 310(b)(4) by counting shares of stock *actually voted* – rather than voting shares *merely held* – by non-U.S. shareholders.

Fox believes that there is a sound public policy basis for adopting this approach, especially in an era of globalization and international share trading. In a widely-held public enterprise, shareholders exercise their ability to influence or control a company through casting votes at shareholder meetings. Tying the Commission's voting analysis under Section 310(b)(4) to votes actually cast would align the residual policy goals of the statute – oversight of non-U.S. shareholders' role in corporate governance – with the marketplace reality that voting is the locus of influence and control. This approach also would ensure that every shareholder, wherever located, is given the maximum rights possible to participate in the governance of a publicly-traded corporation, without any adverse public interest implications.

This type of evolutionary change would enable broadcasters to evaluate their foreign voting power based not on the constantly-varying number of shares that may be held by non-U.S. shareholders from time-to-time, but instead on the number of votes that these non-U.S. shareholders actually cast in any corporate governance setting. As a practical matter, this approach would be far simpler than the methodologies, described above, that must be employed today. Specifically, Fox suggest that broadcasters be permitted to (x) determine the number of shares held by non-U.S. shareholders that are present for a shareholder vote and that would be entitled to vote but for Section 310(b)(4); and (y) count as eligible votes cast all voted shares held by non-U.S. shareholders, up to a total of 25 percent of the total shares voted (or whatever higher level the Commission may establish pursuant to the Paragraph 36 proposal). If voted shares held by non-U.S. shareholders represent a higher percentage of total shares than the applicable benchmark, the shares voted by non-U.S. shareholders could be reduced *pro rata* until the voted shares held by non-U.S. shareholders represent only an amount equal to the benchmark.

Again, reference to the plain text of Section 310(b)(4) is instructive. The statute expressly says that the foreign ownership benchmark is exceeded when more than 25 percent of a broadcast owner's capital stock "is . . . voted" by non-U.S. shareholders. The statute of course also governs stock "owned" by non-U.S. holders. Many modern companies, however, including Fox, have separate classes of voting and non-voting stock. The Commission's historic approach to Section 310(b)(4) – applying the foreign ownership benchmark to all shares "held" by non-U.S. persons – would make no difference for corporations with a single class of stock, since a share would "count" as owned in any analysis even if the share were never voted.[16] But for corporations with dual classes of stock, there can be and often are situations in which the number of outstanding voting shares held by non-U.S. shareholders exceeds 25 percent of the voting class even while the aggregate foreign ownership of the company (accounting for both voting and non-voting shares) remains below 25 percent. In these circumstances, an over-inclusive "shares held" approach to voting stock is unnecessarily restrictive.

Absent this change, companies with dual-class stock structures must take steps – which as described above are contrary to the public interest – to keep the aggregate voting rights "held" by non-U.S. shareholders below the 25 percent benchmark, even though in any actual vote far fewer than 25 percent of the votes cast may come from non-U.S. voters. These steps, which can range from a voting rights suspension to a forced redemption of shares to a rejection of stock transfers, may have to be taken even in circumstances when it is clear that the overall level of

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[16] *See BC License Subsidiary L.P.*, 10 FCC Rcd 10968 (1995) ("compliance with Section 310 is determined by means of a two-prong analysis, one pertaining to voting interests and the second to ownership interests").

foreign ownership would remain below 25 percent without any action at all. Indeed, that is precisely the scenario that Fox confronted when it determined that more than 25 percent of its Class B voting shares were held by non-U.S. shareholders – even as the corporation's total foreign ownership remained below 25 percent.[17] As a result, Fox continues to enforce a voting rights suspension to this day, pursuant to which non-U.S. holders currently are subject to a 10 percent voting rights suspension.[18]

There is no public interest rationale for the unduly narrow approach that the Commission historically has followed. Indeed, the votes-cast approach would continue to result in the voting power of non-U.S. shareholders remaining at or below 25 percent (or any new benchmark that may be established pursuant to the Paragraph 36 proposal) in any given corporate vote. Non-U.S. shareholders merely would have the opportunity to exercise their full voting rights in circumstances in which the total number of votes cast by non-U.S. holders remains below the applicable benchmark. And in cases where too high a proportion of the votes actually cast are held by non-U.S. holders, these holders' voting rights would be reduced only by the precise amount that is necessary to strictly adhere to the benchmark, minimizing the impact on shareholders of any mitigation measures that a corporation might take. Equally significant, this approach would ground the Commission's analysis in logic by focusing on whether a non-U.S. shareholder actually exercises the right to vote and, with it, attempts to exert some influence over the corporation's decision-making. In contrast, the current "shares held" approach, if it compels corporations to adopt measures such as a voting rights suspension, risks arbitrarily

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[17] *See News Corporation*, Securities & Exchange Commission Form 8-K (filed Apr. 18, 2012).

[18] It should be noted that the streamlining relief contemplated by the *Notice* would not eradicate the challenge faced by public companies, since in many cases public companies simply will not have sufficient information about foreign investors to be able to formally request permission to exceed the 25 percent benchmark. Likewise, even if the *Notice*'s Paragraph 36 proposal were adopted, there still would be circumstances in which companies are compelled to impose mitigation measures for no good reason.

disenfranchising all foreign shareholders and creates a substantial disincentive for non-U.S. shareholders to vote at all.[19]

Just as it does for the proposals outlined in the *Notice*, the Commission has discretion to adopt this policy approach. The Commission previously has observed that the history of Section 310(b) reveals Congress' intent to "safeguard domestic station licensees from undue foreign influence and control."[20] The restriction ensures "'the American character' of licensees" and reflects "the point at which foreign ownership and voting may conflict with the national interest."[21] Congress changed the statutory text from its original reference – which addressed a share that "may be voted by aliens" – to the current iteration covering when a share "is . . . voted" by a non-U.S. shareholder.[22] The legislative history reveals that Congress enacted this change to reflect the Act's purpose, which was "to guard against alien control and not the mere possibility of alien control."[23] Read in this light, it appears that Congress intended for Section 310(b)(4), at least insofar as the statute addresses voting stock, to apply to shares that actually are voted.

In addition, assessing foreign voting power based on a votes-cast analysis is strongly in the public interest. The Commission historically has acknowledged that its procedures affecting the corporate affairs of licensees should "fully accommodate, wherever feasible, other state and

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19 As a practical matter, this proposal could be implemented by having applicants certify compliance with the foreign ownership rules based, as applicable, upon (a) the tracking and ascertainment mechanisms described in Sections I and II.A. of these comments; or (b) a commitment to conducting any shareholder vote consistent with the votes-cast proposal outlined here.

20 *In re Fox Television Stations, Inc.*, 11 FCC Rcd 5714, 5722 (1995) (*citing* S. Rep. No. 73d Cong., 2d Sess. at 7 (1934)).

21 *Id*. (*citing Request for Declaratory Ruling Concerning the Citizenship Requirements of Sections 310(b)(3) and (4) of the Communications Act of 1934, as Amended*, 103 F.C.C.2d 511, 517 (1985)).

22 *In re Fox Television Stations, Inc.*, 10 FCC Rcd 8452, 8470 (1995) (*citing* S. Rep. No. 781, 73d Cong., 2d Sess. 7).

23 *Id.*

federal laws and policies concerning the governance of corporations." [24] While the Commission's "primary mission" is to implement the Communications Act, "it is both necessary and appropriate for us to harmonize our actions with other federal policies and objectives."[25] Given that a corporate shareholder's ability to vote on corporate affairs constitutes an important right,[26] a modern approach that analyzes voting power based on the shareholders that actually cast votes would balance the Commission's responsibilities under communications law with broader national policies surrounding good corporate governance.

Finally, a count-the-votes methodology would help to foster the types of foreign investment in U.S. enterprises that the Commission itself said is a key reason underlying the *Notice*. There is a well-documented history of foreign investment in other regulated entities serving as an "important source of financing for U.S. telecommunications companies, fostering technical innovation, economic growth, and job creation."[27] And in the *Notice*, the Commission emphasized that relaxing the broadcast foreign ownership rules would "facilitate investment from new sources of capital at a time of growing need for capital investment in this important sector of our nation's economy."[28] Adopting this rule change would, like the other proposals in the *Notice*, clearly advance the Commission's public interest policy goals.

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[24] *In re Tender Offers and Proxy Contests*, 59 Rad. Reg. 2d (P&F), at *2 (1986).

[25] *Id.*

[26] *See, e.g., Equity Group Holdings v. DMG, Inc.*, 576 F. Supp. 1197, 1206 (S.D. Fla. 1983) (holding that "shareholders in a public corporation should be given an opportunity to voice their opinion in a vote on matters of fundamental importance to them").

[27] *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*, Second R&O, 28 FCC Rcd 5741, 5744 (2013).

[28] *See Notice* at ¶ 3.

III. CONCLUSION

Fox appreciates that the Commission has come to the realization that foreign investment in the parent of a broadcast licensee poses no unique or troubling public interest concerns. Given the history of foreign investment in non-broadcast licensees, with no concomitant harms, the time has come to afford broadcasters the same opportunities available to all other regulated entities. Fox supports the proposals teed up in the *Notice* and urges the Commission to expeditiously adopt new rules to both encourage additional investment in the broadcast industry and provide much-needed regulatory relief to large, widely-held companies. These changes, especially if coupled with Fox's modest votes-cast proposal, would align the Commission's rules and policies with the realities of the modern marketplace while yielding substantial benefits for consumers and competition.

Respectfully Submitted,

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