

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Review of Foreign Ownership Policies for)	GN Docket No. 15-236
Broadcast, Common Carrier and Aeronautical)	
Radio Licensees under Section 310(b)(4) of the)	
Communications Act of 1934, as Amended)	

REPLY COMMENTS OF COMCAST CORPORATION

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January 20, 2016

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REPLY COMMENTS OF COMCAST CORPORATION

Comcast Corporation (“Comcast”) hereby submits these reply comments in response to the comments filed in the above-captioned proceeding.¹ All six of the parties filing substantive comments support the Commission’s proposal to adopt more flexible standards for U.S. public companies certifying compliance with Section 310(b)(4).² The comments establish a solid factual and legal foundation for the Commission’s proposal that licensees owned by U.S. public companies may “rely solely on ownership information that is known or reasonably should be known to the public company to determine whether the licensee is in compliance with the foreign ownership benchmark in section 310(b)(4).”³

In the *Notice*, the Commission also sought comment on whether the public interest would be served by permitting U.S. public companies to have foreign equity and/or voting interests that

¹ *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*, Notice of Proposed Rulemaking, 30 FCC Rcd. 11830 (2015) (“*Notice*”).

² See Comcast Comments at 3-4; Comments of the National Association of Broadcasters at 25-27 (“NAB Comments”); Comments of 21st Century Fox, Inc. at 8-10 (“Fox Comments”); Comments of Nexstar Broadcasting Group, Inc. at 5-6 (“Nexstar Comments”); Comments of T-Mobile USA, Inc. at 1-4 (“T-Mobile Comments”); and Comments of The Multicultural Media, Telecom and Internet Council at 1-4 (“MMTC Comments”).

³ *Notice* ¶ 32.

are not required to be reported under Exchange Act Rule 13d-1 (i.e., interests that are five percent voting or less⁴) without Commission review or approval, even in circumstances where the company has aggregate foreign ownership in excess of 25 percent.⁵ NAB and Fox responded by proposing that the Commission should allow broadcast licensees owned by U.S. public companies to have any amount of non-attributable foreign ownership, provided that the total foreign ownership of the company is less than 50 percent.⁶

Comcast concurs with NAB and Fox's proposal and agrees that Section 310(b)(4) authorizes the Commission to adopt such a rule. Section 310(b)(4) does not cap the foreign ownership of a public company owning a broadcast or common carrier licensee at 25 percent,⁷ and nothing in the statute prevents the Commission from issuing a blanket finding that foreign ownership in excess of 25 percent is in the public interest under a specific set of circumstances such as those described in the NAB/Fox proposal.

Adoption of this rule would present no risk of harm to the public interest. As Comcast explained in its comments, an investor or group of investors formed under Section 13(d) of the Exchange Act with foreign ownership below SEC reporting thresholds established under

⁴ See 17 C.F.R. §§ 240.13d-1(a) and (i) (requiring investors to file a Schedule 13D statement of ownership if they own more than five percent voting shares of a public company).

⁵ Notice ¶ 36.

⁶ See NAB Comments at 9-12; Fox Comments at 9-10. Comcast understands the NAB and Fox proposal as continuing to allow *attributable* foreign ownership of up to 25 percent, provided that the total foreign ownership of the company is less than 50 percent. T-Mobile also requests that the Commission permit public companies to refrain from identifying or considering holders of interests of five percent or less when determining compliance with the statute, but does not suggest any limit on the parent company's total foreign ownership. See T-Mobile Comments at 3-13. Comcast does not object to this approach, should the Commission choose to adopt it.

⁷ See NAB Comments at 10-11; see also Fox Comments at 9-10, (citing *Commission Policies and Procedures Under Section 310(b)(4) of the Communications Act, Foreign Investment in Broadcast Licenses*, Declaratory Ruling, 28 FCC Rcd. 16244, 16249-50 (2013)).

Exchange Act Rule 13d-1 inherently lacks influence over the public company.⁸ And, as noted by NAB, such ownership generally is also below the level that the Commission has determined to be potentially “influential” for the purpose of applying its broadcast ownership regulations.⁹ Finally, as pointed out by the commenters, the dramatic transformation of the media landscape since 1934 significantly attenuates *any* risk from foreign ownership of broadcast licenses.¹⁰

Moreover, this rule would help achieve the Commission’s goal of reducing the burdens companies experience when analyzing their foreign ownership, because once a broadcaster determines that it has attributable foreign ownership of less than 25 percent (relying on a review of publicly available SEC filings), and that it is more than 50 percent domestically owned and controlled, “the broadcaster will not need to continue to expend resources in an attempt to determine the identity and citizenship of any additional interest holders.”¹¹

However, it is equally important that public companies are afforded sufficient flexibility in determining that their total foreign ownership is below 50 percent. Specifically, as Comcast explained in its initial comments, the rules adopted by the Commission in this proceeding should allow companies to rely on the shareholder and officer/director information that is either already available to the company or that may be ascertained by the company through reasonable inquiry. Notably, the rules should permit a public company to rely on an examination of routinely

⁸ See Comcast Comments at 12-13.

⁹ See NAB Comments at 11 and 47 C.F.R. § 73.3555 Note 2(a) (setting attributable interest level for broadcast ownership regulations at 5 percent voting shares); see also T-Mobile Comments at 6-9 (surveying various Commission and SEC ownership attribution and reporting requirements that exclude interests below five percent).

¹⁰ See Comcast Comments at 16-17; NAB Comments at 9-10; Fox Comments at 2-3; Nexstar Comments at 3-4.

¹¹ NAB Comments at 12.

available SEC filings—using street address as a proxy for citizenship, where necessary—and to use its foreign ownership of *known* investors identified through this analysis as a reasonable estimate of its *total* foreign ownership. The rules should not mandate any specific methodology to analyze the information used to estimate a company’s foreign ownership. Rather, companies should have the discretion to use these sources and information reasonably to inform their analysis and foreign ownership certifications under Section 310(b)(4). This approach will best achieve the Commission’s goal of adopting revised rules that clarify companies’ foreign ownership certification obligations and ensure a more efficient, effective and practical process going forward.

Respectfully submitted,

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