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REDACTED - FOR PUBLIC INSPECTION

July 10, 2007

FILED/ACCEPTED

JUL 10 2007

Federal Communications Commission
Office of the Secretary

Via Hand Delivery

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Consolidated Application of News Corporation and The DIRECTV Group, Inc., Transferors, and Liberty Media Corporation, Transferee, for Authority to Transfer Control, MB Docket No. 07-18

Dear Ms. Dortch:

Liberty Media Corporation ("Liberty Media") is producing the enclosed Box Nos. 1-2 of documents in response to the Information and Document Request for Liberty, dated June 15, 2007 ("Request"). In accordance with Definition and Instruction W, Liberty Media has attempted to identify each Request No. to which each document is responsive.

Thus, Liberty Media has numbered the responsive documents as follows:

- Request No. I.A.--Document Nos. LMC.I.A.0000001-LMC.I.A.0000438;
- Request No. I.D.--Document Nos. LMC.I.D.0000001-LMC.I.D.0000435;
- Request No. I.E.--Document Nos. LMC.I.E.0000001-LMC.I.E.0000011;
- Request No. II.H.--Document Nos. LMC.II.H.0000001-LMC.II.H.0000106;
- Request No. IV.A.--Document Nos. LMC.IV.A.0000001-LMC.IV.A.0000050;
- Request No. IV.B.--Document Nos. LMC.IV.B.0000001-IV.B.0000050

15 copies sent
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Liberty Media has not produced multiple identical copies of responsive documents.

Pursuant to the Protective Orders adopted in this proceeding on May 21, 2007 and July 10, 2007, Liberty Media has designated certain responsive documents as "Confidential" or "Highly Confidential" and is submitting, with this letter, two redacted copies of the responsive documents for public inspection. The Request generally seeks information and

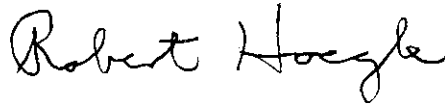
Ms. Marlene H. Dortch
July 10, 2007
Page 2

documents which are confidential and proprietary. Liberty Media has reviewed the documents carefully in determining whether they should be classified as publicly available, confidential, or highly confidential.

Liberty Media will make the Stamped Confidential Documents and Stamped Highly Confidential Documents available for inspection in accordance with the Protective Orders at the offices of Nelson, Mullins, Riley & Scarborough LLP at the above address. Please contact Thomas Bardo, Esquire ((202) 712-2817) to make arrangements for such inspection.

If you have any questions regarding the enclosures, please contact me.

Respectfully submitted,



Robert L. Hoegle
Counsel for Liberty Media Corporation

RLH:kjk

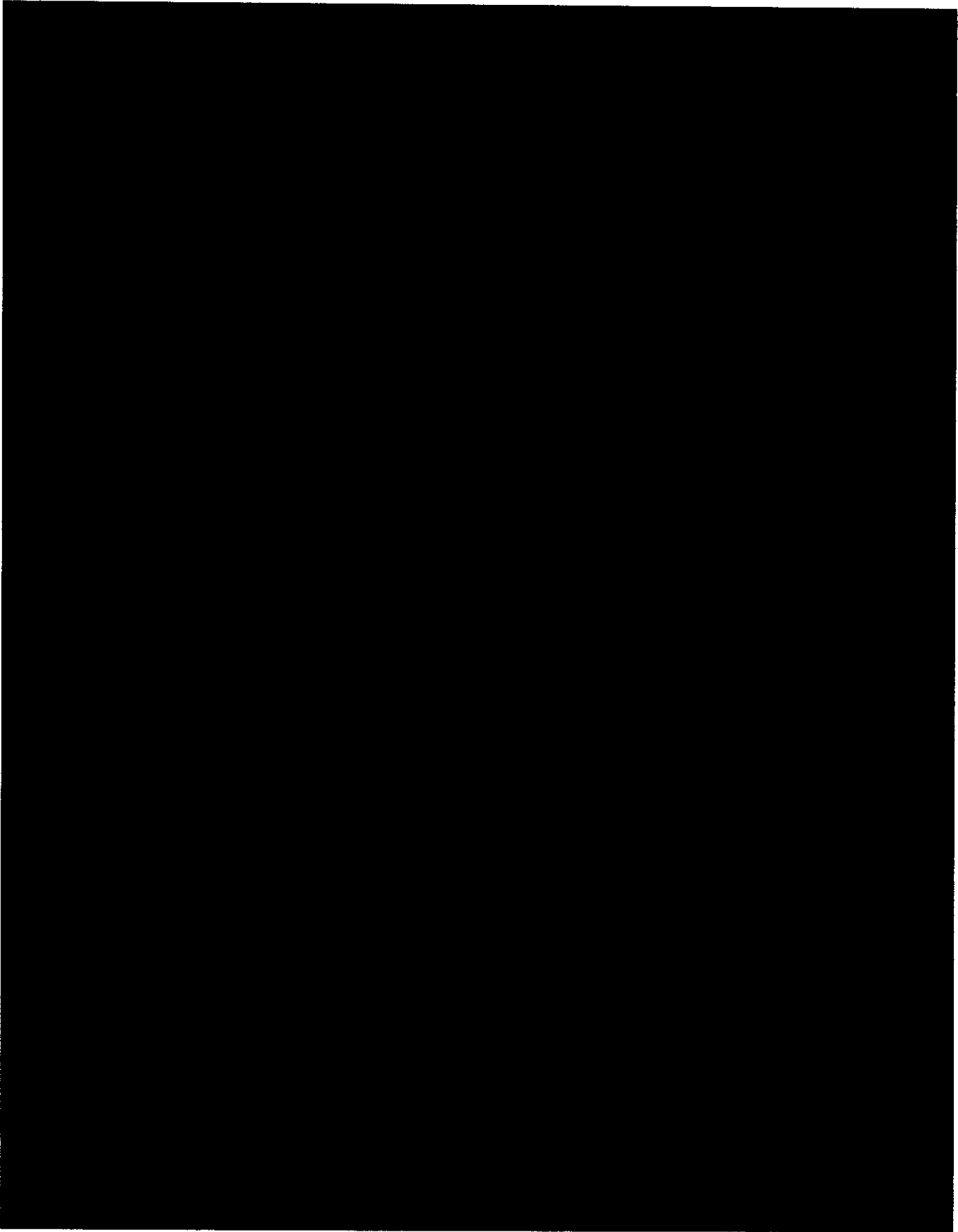
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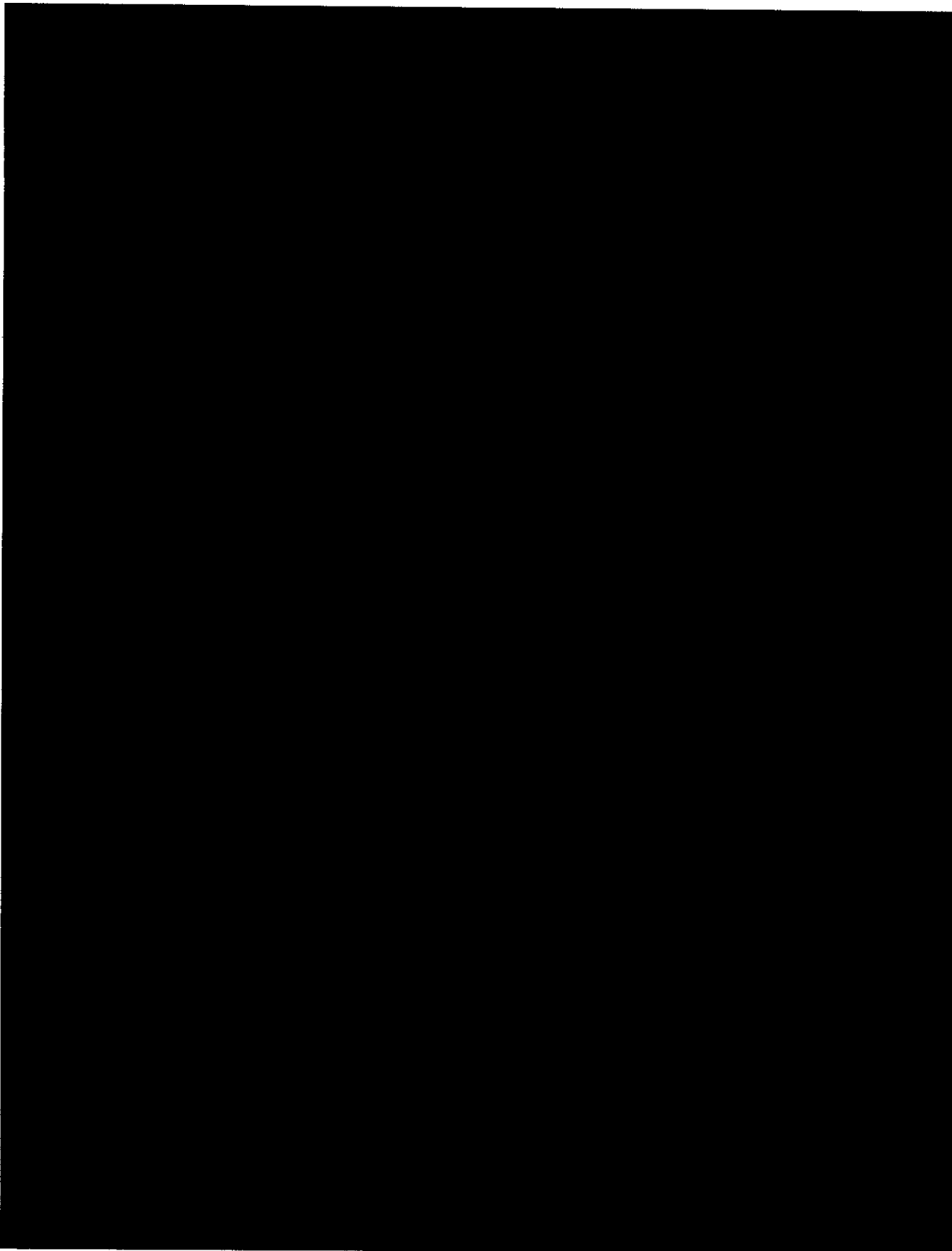
cc: Sarah Whitesell, Media Bureau (w/o encl.) (By E-mail)
Tracy Waldon, Media Bureau (w/o encl.) (By E-mail)
Royce Sherlock, Media Bureau (w/o encl.) (By E-mail)
Patrick Webre, Media Bureau (w/o encl.) (By E-mail)
William Beckwith, Media Bureau (w/o encl.) (By E-mail)
Jim Bird, Office of General Counsel (w/o encl.) (By E-mail)
JoAnn Lucanik, International Bureau (w/o encl.) (By E-mail)
Jeffrey Tobias, Wireless Telecommunications Bureau (w/o encl.) (By E-mail)

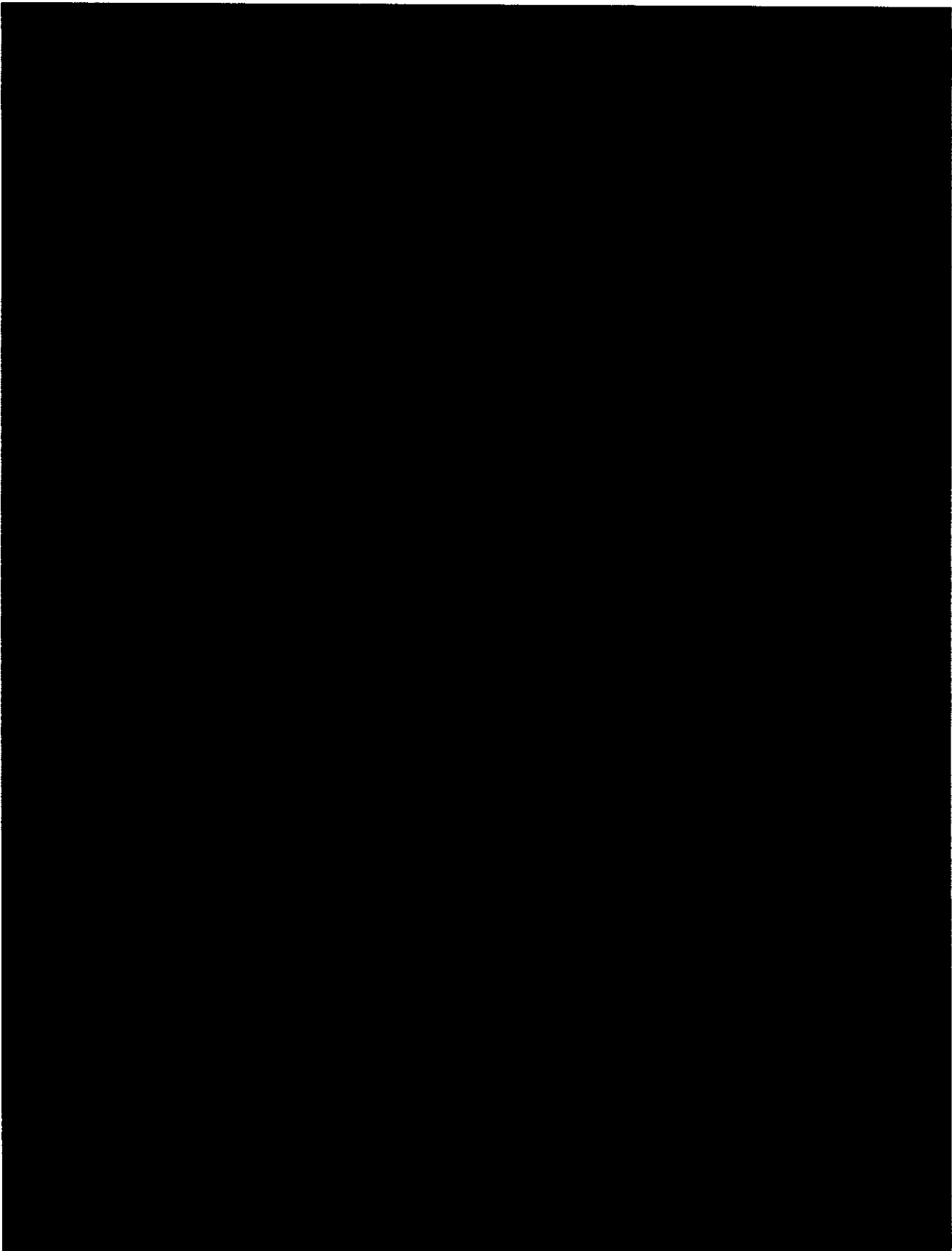
*** Slip Sheet ***

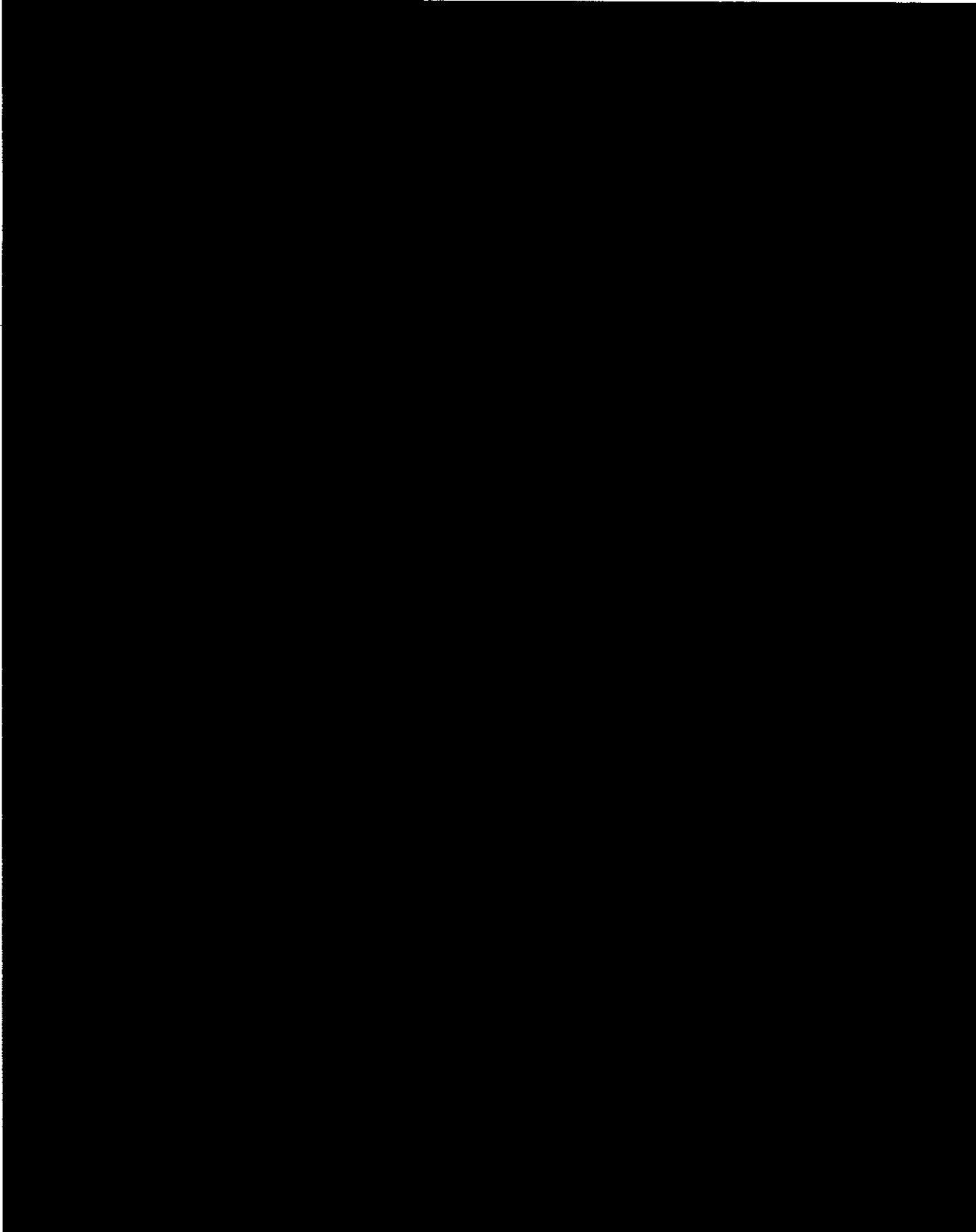
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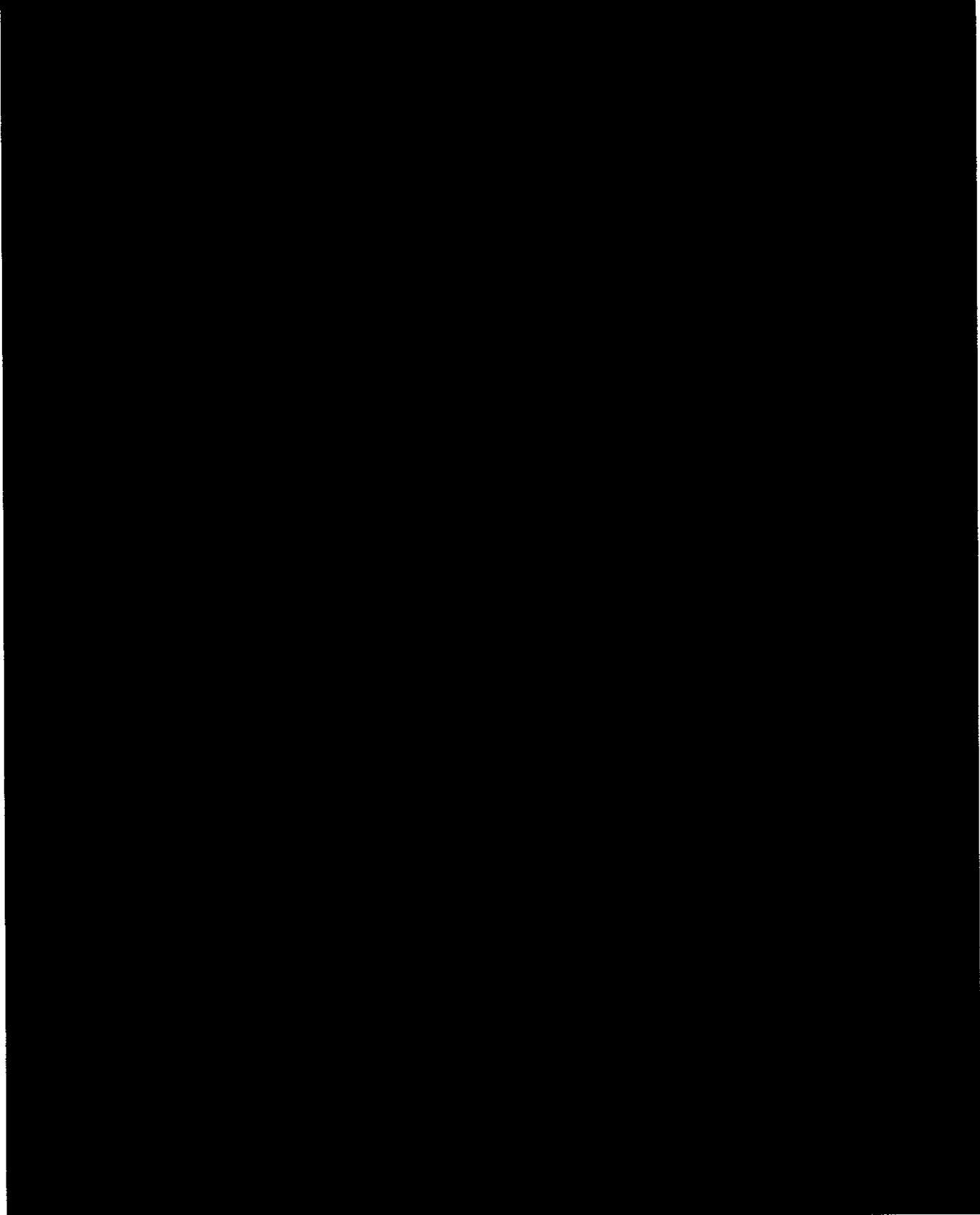
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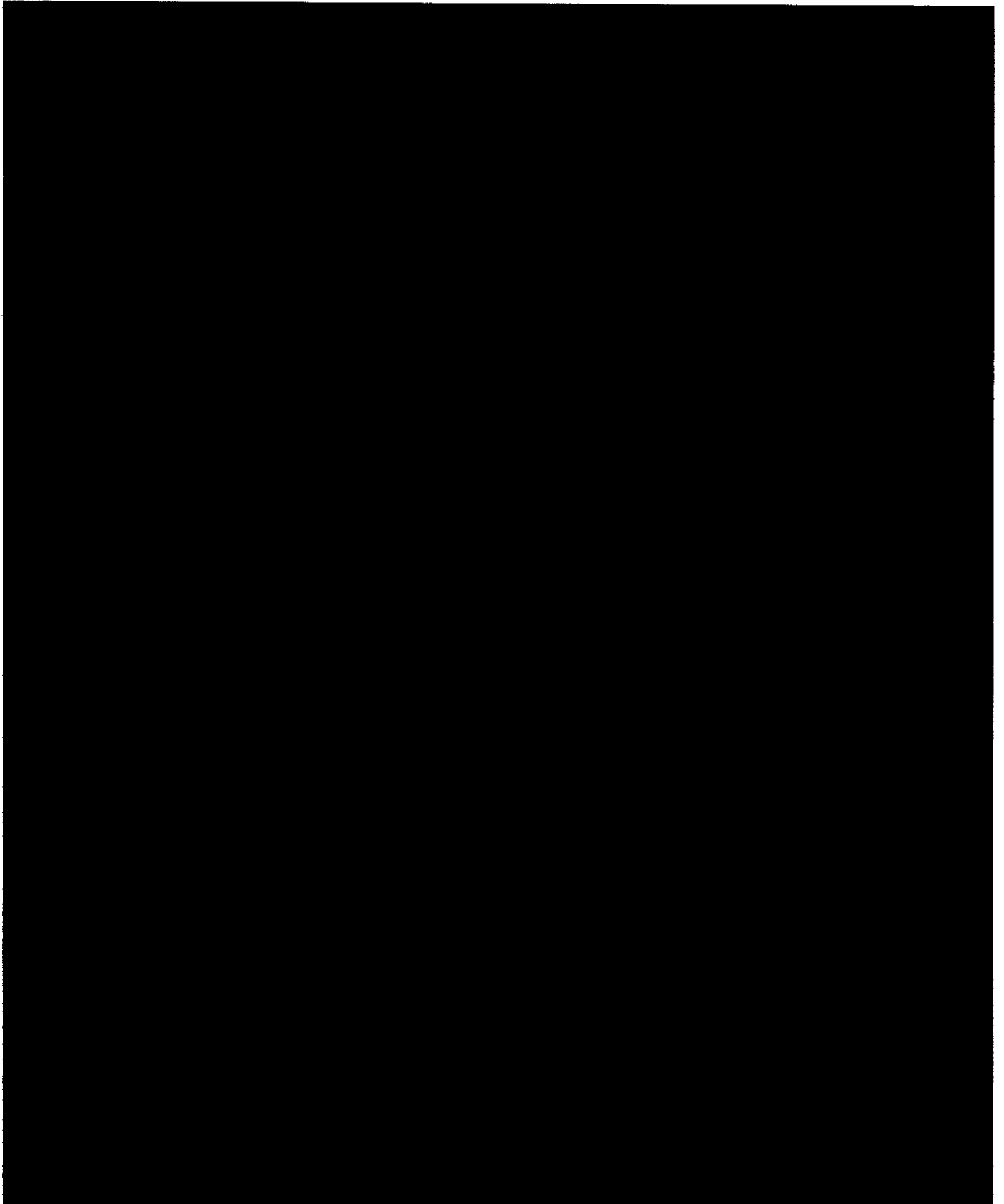


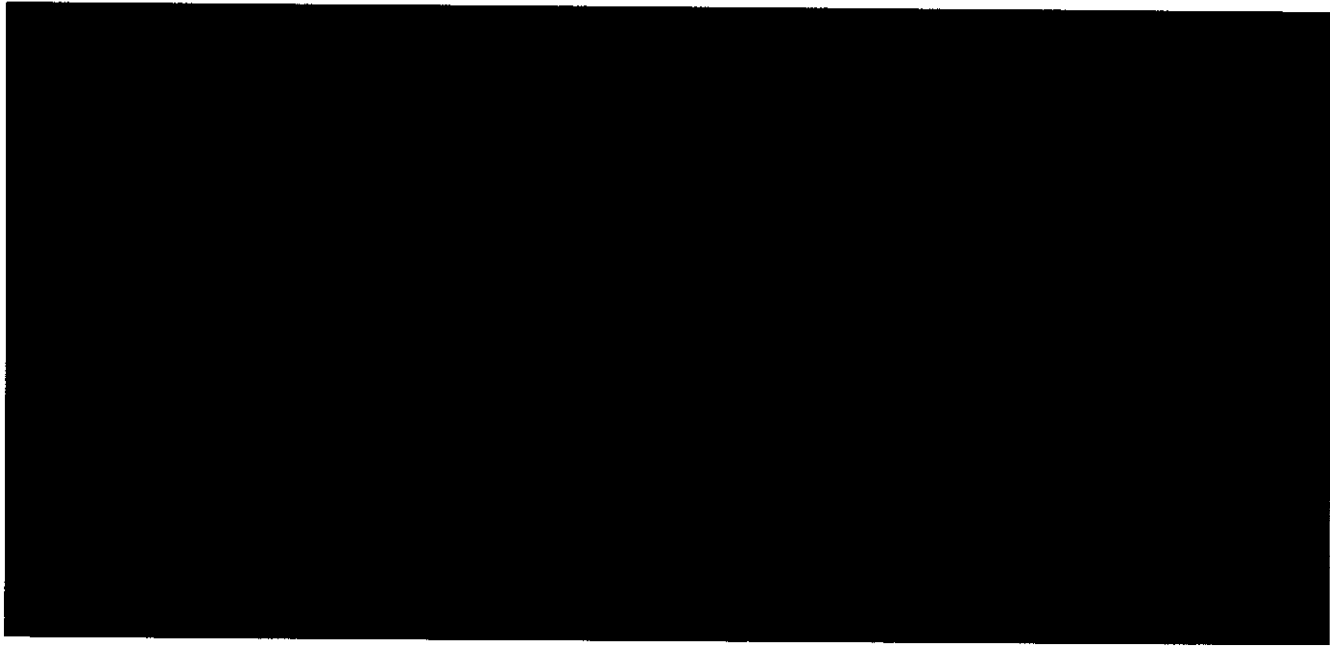






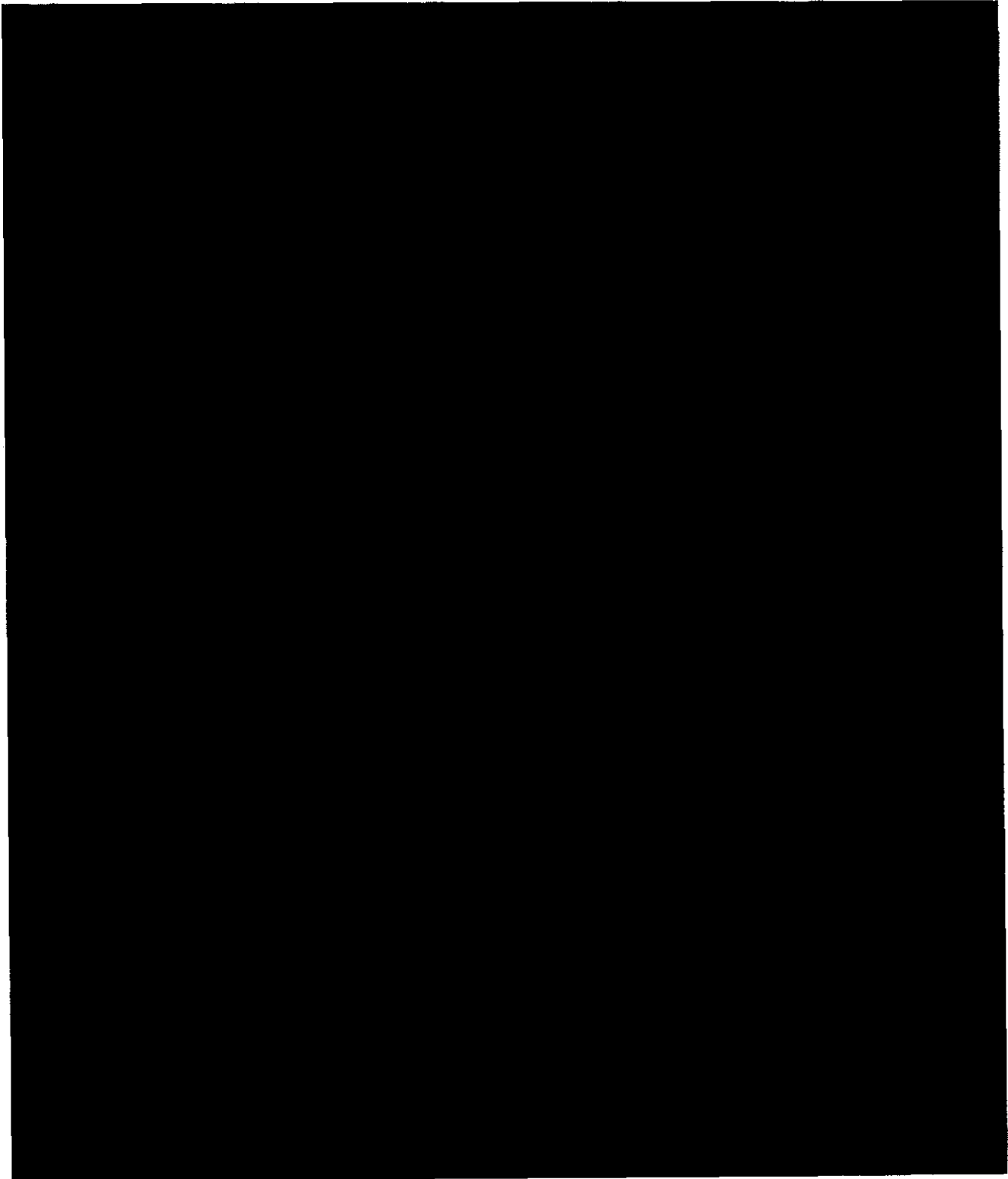


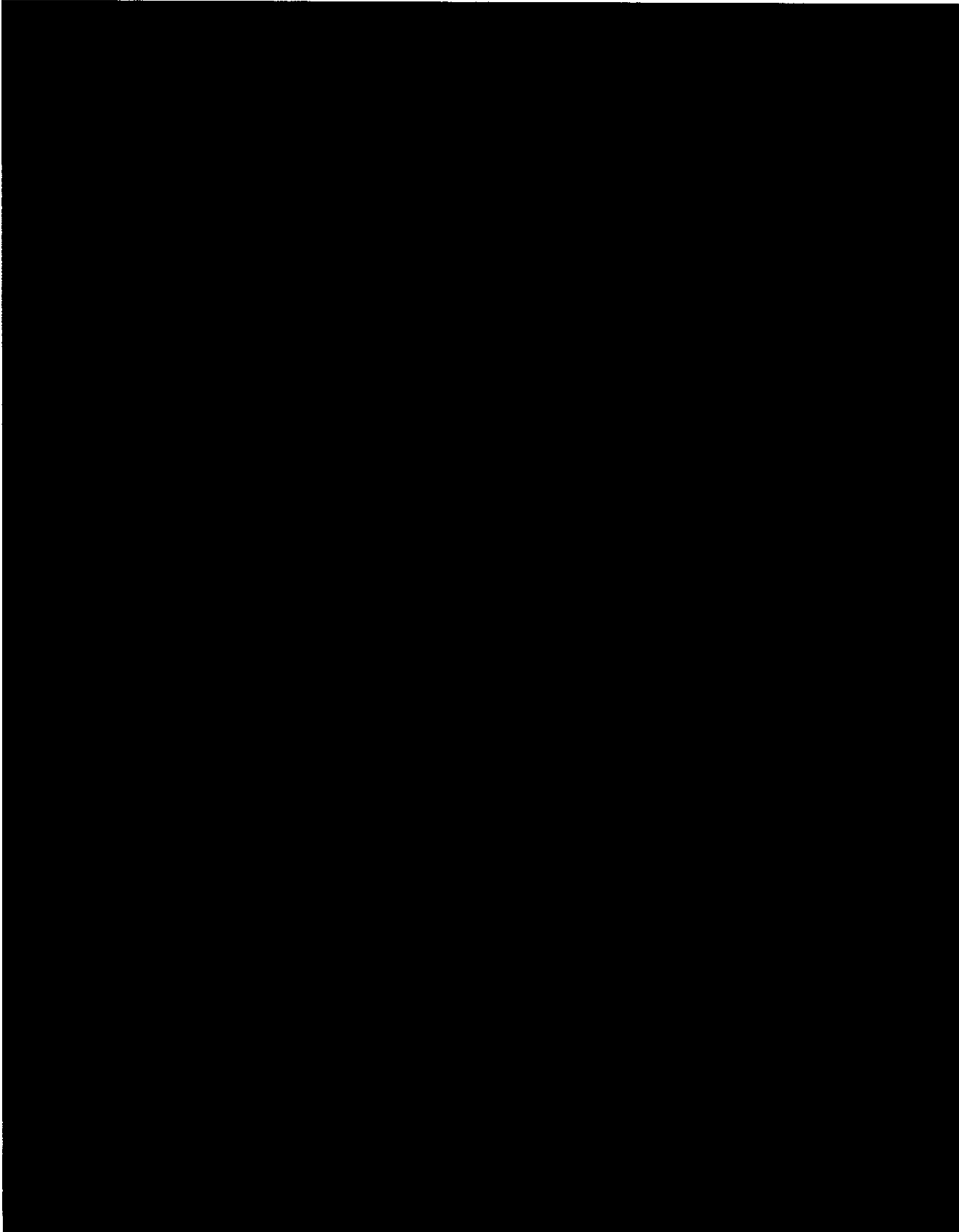


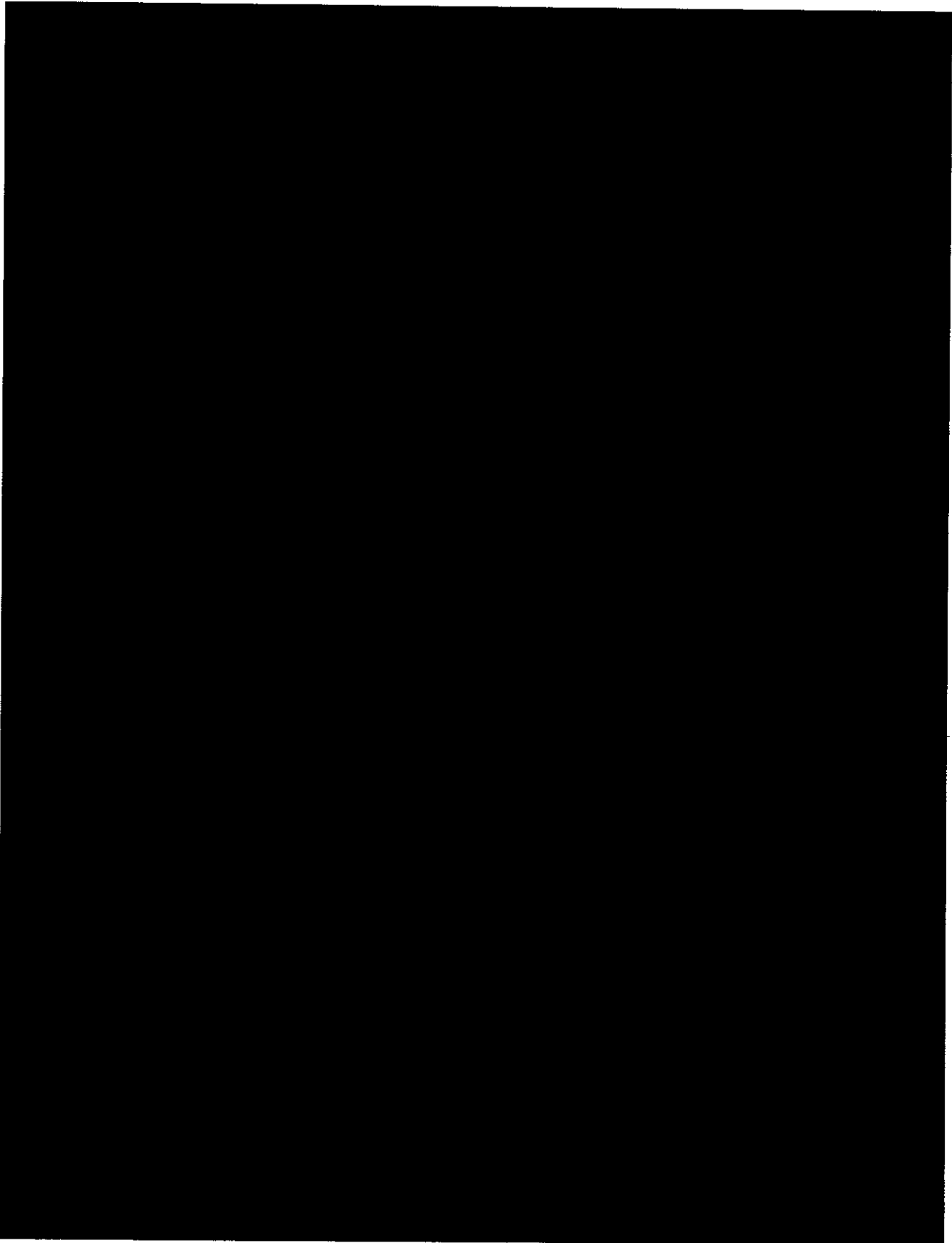


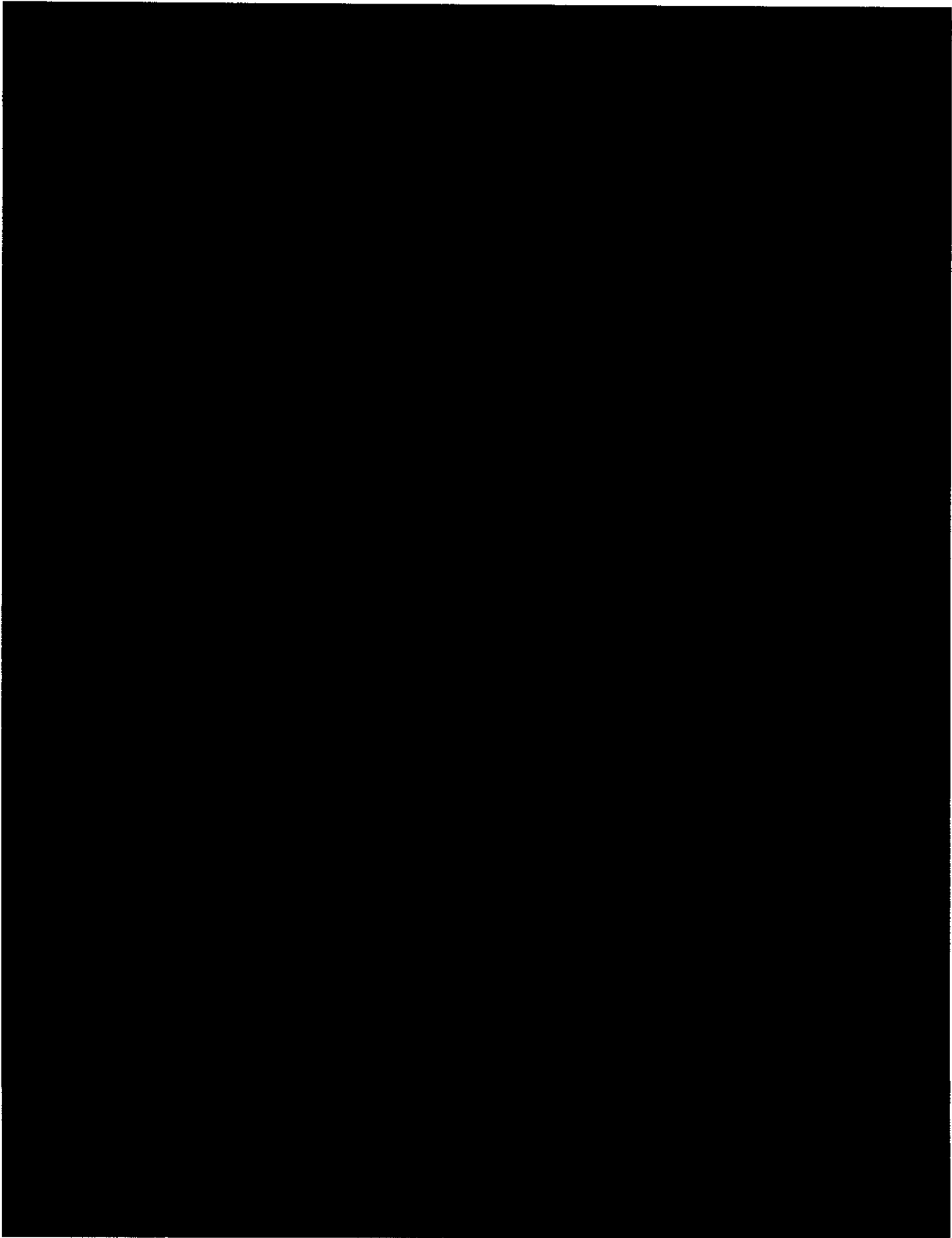
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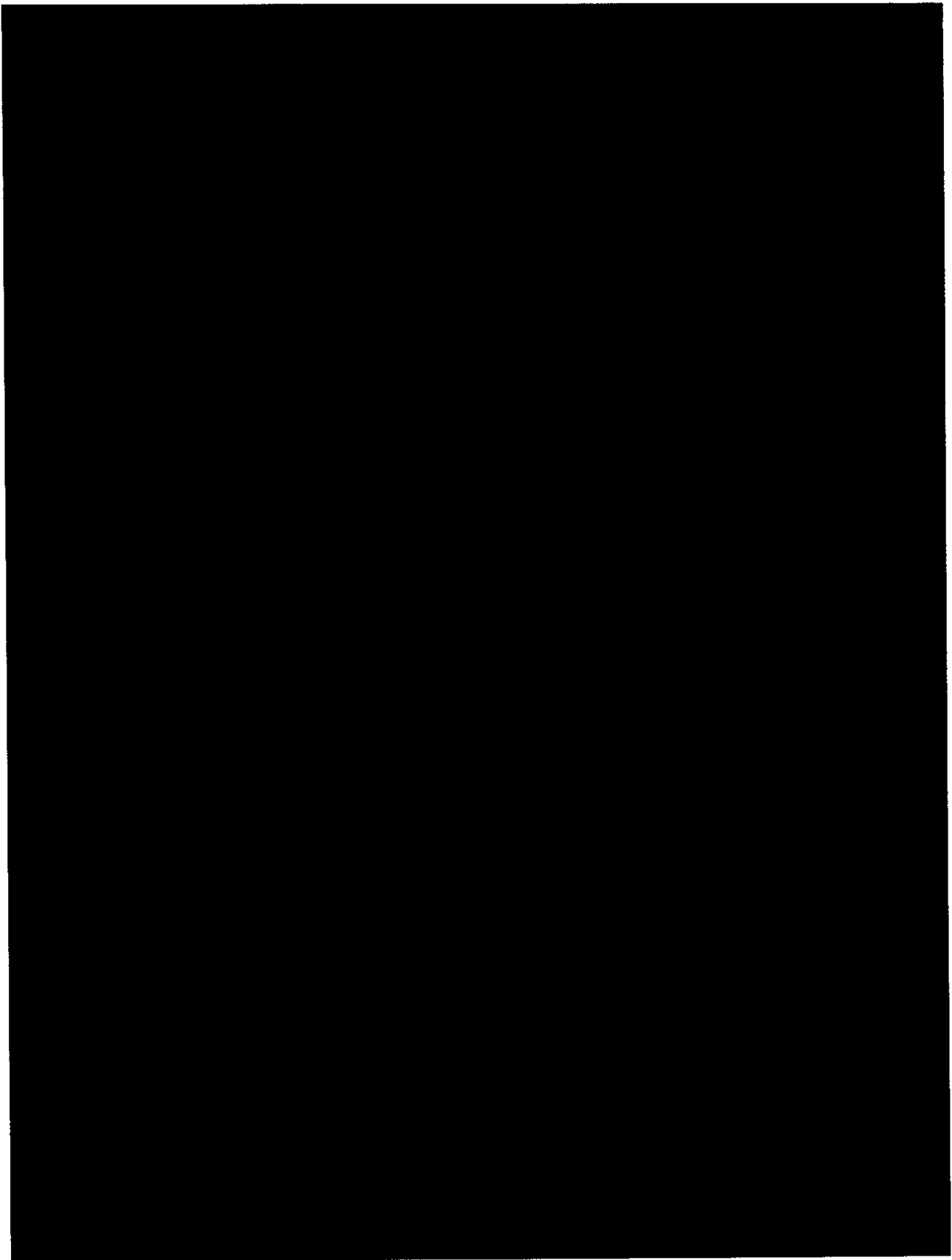
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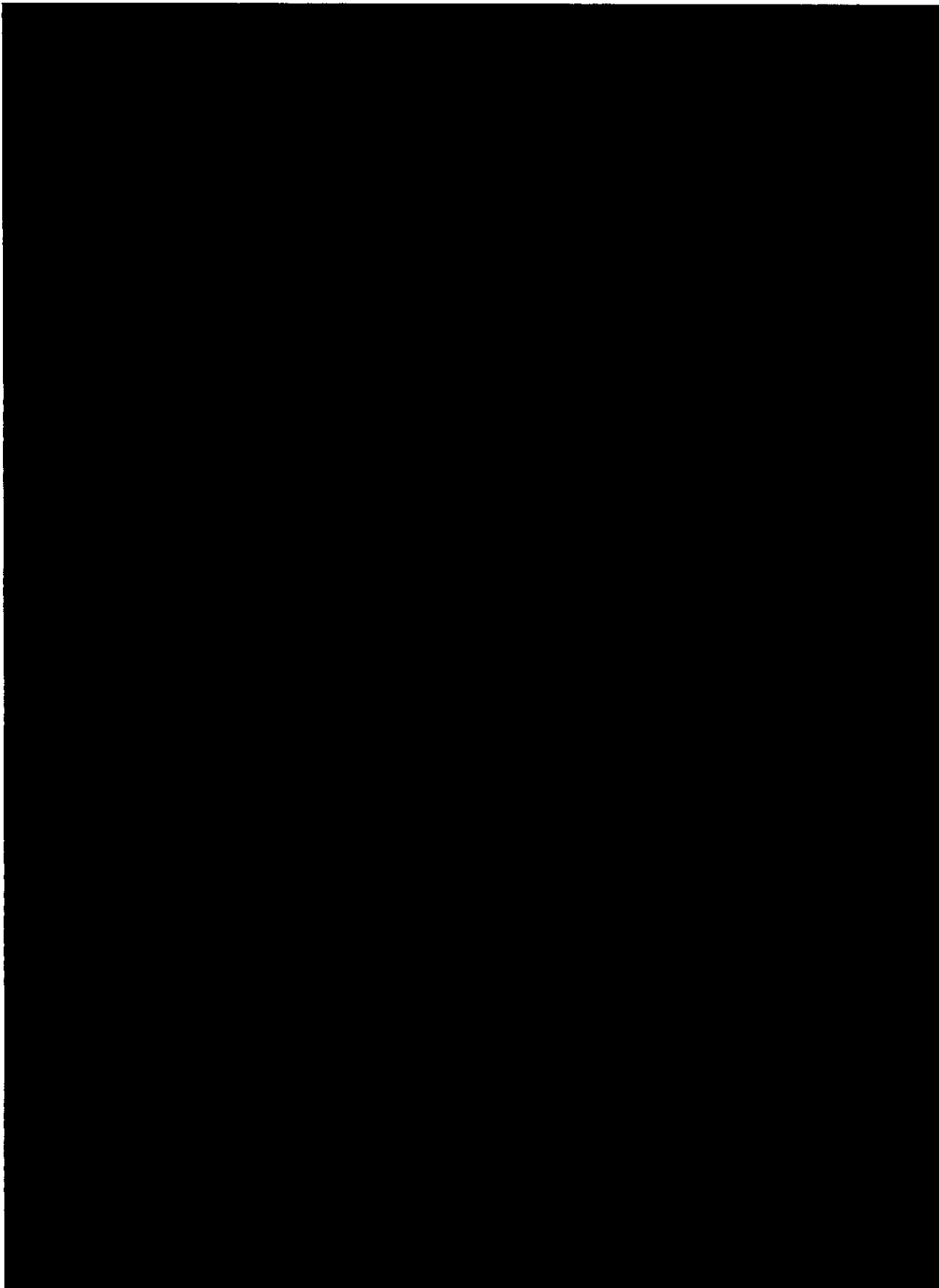


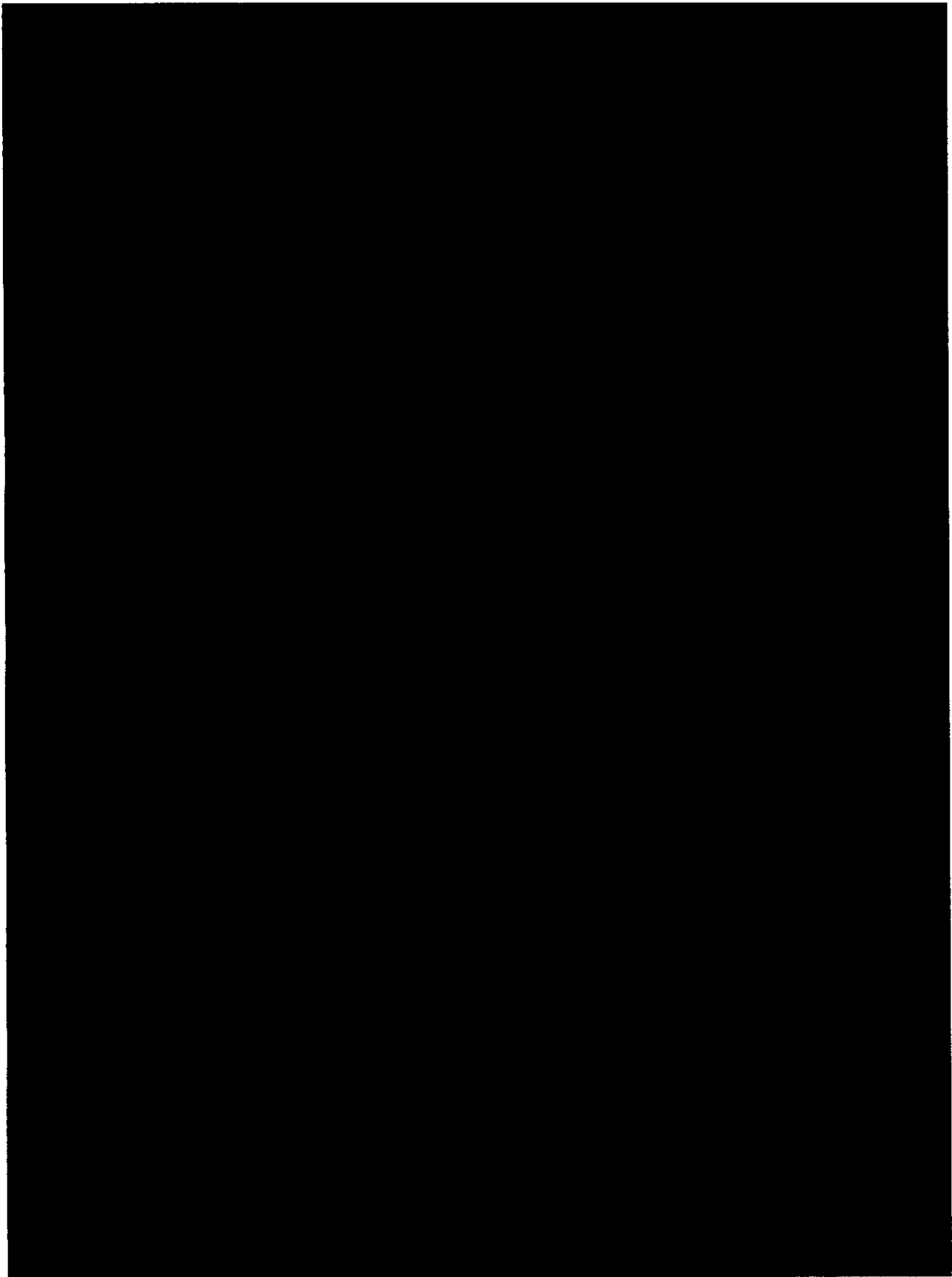


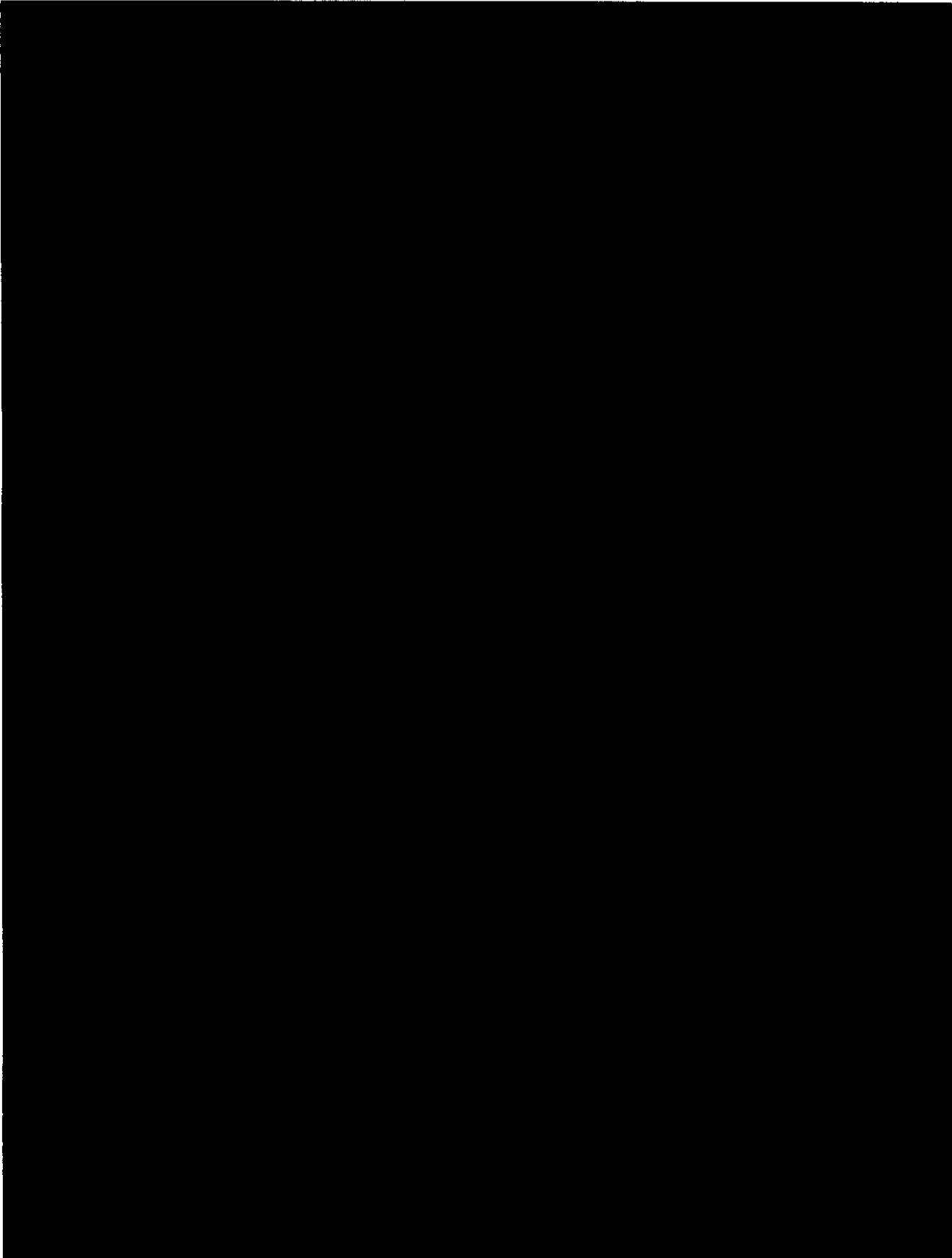


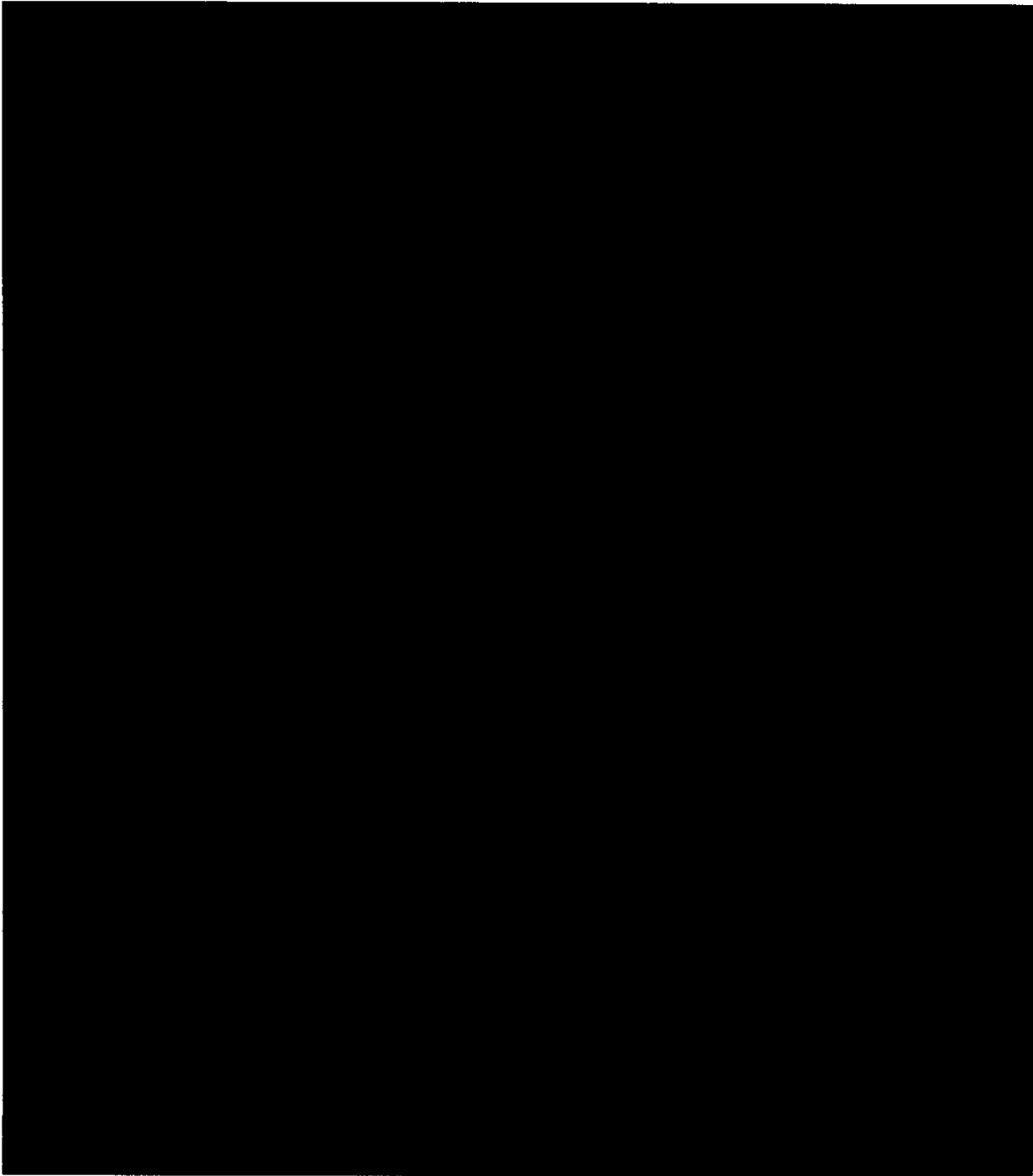










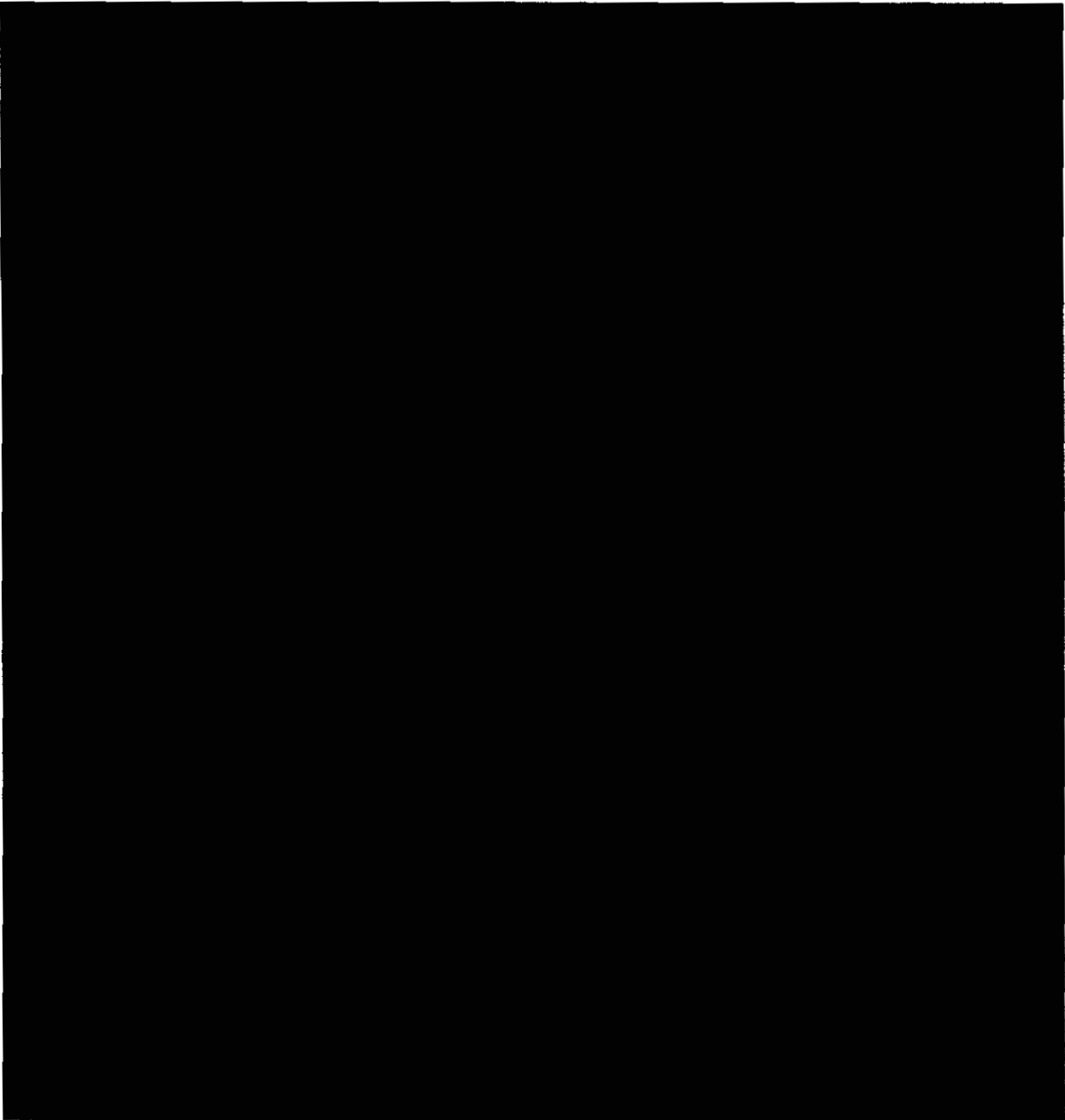


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TO: 17208755447

P: 2/2

Project Exploration: Business Purpose (Draft) discussion - 3/26/2007 2:56:21 PM



Volume 20, Issue 51

Tax & Accounting

Discovery Communications Will "Redeem" Cox's Stock

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Discovery Communications, Inc. (DCI) is principally owned by three unrelated shareholders: Cox Communications Holdings, Inc. (CCHI), Advance/Newhouse Communications (ANC), and Discovery Holding Co. (DISCA). CCHI and ANC each own approximately 25% of DCI's stock, and DISCA owns 50% of DCI's stock. DISCA, which conducts an active trade or business in addition to its ownership of DCI stock, was separated in a tax-free spinoff from Liberty Media (L) more than a year ago.

DCI has announced a plan to redeem, through a transaction popularly known as a "cash-rich splitoff," its shares owned by CCHI. (See "Discovery Communications Signs Letter of Intent to Redeem 25% Interest Held by Cox Communications," press release dated March 29, 2007, included in Form 8-K filed on March 29, 2007.) In the transaction, DCI will create a Newco to which it will convey (i) The Travel Channel, (ii) Antenna Audio, and (iii) \$1.275 billion in cash, in exchange for all of Newco's stock. DCI will then distribute Newco's stock to CCHI in exchange for all of the latter's DCI stock. The exchange should qualify as a tax-free exchange because the requirements of Sec. 355 appear to be met. Presumably, Newco will be conducting, immediately after the distribution, a trade or business that has been actively conducted throughout the five-year period ending on the date of the distribution. If so, the active business requirement will be met because Newco, although it acquired such trade or business within the five-year period ending on the date of the distribution, will have acquired the business in a "permissible" manner—via a wholly tax-free transaction. Undoubtedly, the separation is being carried out for a valid corporate business purpose such that the "business purpose" requirement is met. The distribution is a non-pro rata distribution, and, if it was taxable, it would be treated, under Sec. 302(a), as an "exchange" and not as a distribution of property to which Sec. 301 applies. Accordingly, the "device" test need not be confronted here, and the transaction, even if it exhibits one or more "device factors," will not be viewed as used principally as a device for the distribution of earnings and profits. The distribution, moreover, should not be a "disqualified distribution" within the meaning of Sec. 355(d)(2), a characterization that would render the distribution taxable at the DCI level, because, presumably, CCHI does not hold "disqualified stock" in DCI—stock that CCHI acquired, by purchase, within the five-year period ending on the date of the distribution.

Analyst Certification

I, Robert Willens, CPA, hereby certify (1) that the views expressed in this research report accurately reflect my personal views about any or all of the subject securities or issuers referred to in this report and (2) no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report.

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