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September 18, 2014

**VIA ELECTRONIC FILING**

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW  
Room TW-A325  
Washington, D.C. 20554

Re: MB Docket No. 14-109  
*Pandora Radio LLC Seeks Foreign Ownership Ruling Pursuant to Section  
310(b)(4) of the Communications Act of 1934, as Amended*  
Notice of *Ex Parte* Presentations

Dear Ms. Dortch:

This letter is submitted pursuant to Section 1.1206(b) of the Commission's rules on behalf of Pandora Radio LLC ("Pandora") to notify you that Chris Harrison, Vice President, Business Affairs, Pandora Media, Inc., along with David Oxenford, Wilkinson Barker Knauer, LLP (representing Connoisseur Media Licenses, LLC ("Connoisseur"), licensee of KXMZ(FM), Box Elder, SD), Marc Martin, K&L Gates, and the undersigned met, separately, on September 16, 2014, with Maria Kirby, Legal Advisor to Chairman Wheeler, Adonis Hoffman, Chief of Staff and Senior Legal Advisor to Commissioner Clyburn, Erin McGrath, Legal Advisor to Commissioner O'Rielly, and Matthew Berry, Chief of Staff to Commissioner Pai, and on September 17, 2014, with Clint Odom, Policy Director for Commissioner Rosenworcel. On September 16, 2014, Messrs. Harrison, Oxenford, Martin and the undersigned also met with Jim Bird, Senior Counsel, Neil Dellar, Attorney Advisor, and William Richardson, Attorney Advisor, all of the Office of General Counsel ("OGC").

During each of the meetings, Pandora summarized the history of the above-referenced proceeding and related matters contained in the record of this proceeding, including the pending FCC Form 314 application seeking the FCC's consent to Pandora's acquisition of KXMZ(FM) (File No. BALH-20130620BJ) from Connoisseur, the Petition to Deny the application filed by ASCAP, letters from the Media Bureau staff requesting additional information and Pandora's submission of additional showings, including two outside studies of the nationality of Pandora's shareholders conducted by



NASDAQ OMX and K&L Gates. Pandora also summarized the contents of its June 27, 2014, Petition for Declaratory Ruling.

In particular, Pandora explained that as a widely held stock, traded on the NYSE, Pandora is unable to establish the identity, let alone the nationality of the majority of its shareholders who have chosen “objecting beneficial owner” (or “OBO”) status under shareholder privacy rules adopted by the U.S. Securities and Exchange Commission (“SEC”). Under the SEC’s rules, public companies are prohibited from engaging in direct communications with their shareholders who have elected OBO status. Nevertheless, Pandora commissioned the two studies mentioned above, and based on those studies, as well as other information available to Pandora regarding the nationality of its shareholders, Pandora believes that its foreign ownership is likely in the 15-17% range, which is well under the 25% threshold contained in Section 310(b)(4) of the Communications Act of 1934, as amended, 47 U.S.C. § 310(b). In all of the meetings but the one with Matthew Berry, Mr. Martin summarized the K&L Gates’ shareholder study, including its methodologies and findings that were provided in detail in Exhibit A to Pandora’s Petition for Declaratory Ruling.

Pandora also reiterated that (1) Pandora is a U.S. company founded by a U.S. citizen, (2) Pandora’s Board of Directors is made up entirely of U.S. citizens, (3) all but two of Pandora’s officers are U.S. citizens, and (4) out of all of Pandora’s shareholders, there is only one shareholder that holds more than five percent of Pandora’s stock, and it is a U.S. entity. Pandora asserted that, given the circumstances where there is no evidence of any foreign influence whatsoever over the company, the Commission cannot make a finding that the public interest would be served by the denial of the pending application. There were also brief discussions of ASCAP’s Petition to Deny and the dispute between Pandora and ASCAP related to royalty fees, which is currently being litigated in federal court. Specifically, Pandora noted that ASCAP based its public interest-based objection to Pandora’s application on alleged harms to the music industry royalty model if Pandora completes its acquisition, which is a business issue irrelevant to the nationality of Pandora’s shareholders. Further, Pandora observed that an unrealistically strict and adverse decision in this proceeding could have a chilling effect on new investments in the broadcast industry, which would harm the public interest benefits the Commission has recognized in terms of access to capital, ownership diversity, competition, consumer choice and innovation.

In the meeting with the OGC, Pandora engaged in similar discussions and answered several questions regarding how it examined the citizenship of its shareholders. Pandora also noted that, as the National Association of Broadcasters acknowledged in its comments in this proceeding, the challenges Pandora faced are not unique to Pandora but rather affect publicly traded companies generally, particularly in light of the fact (as noted in the record) that most public company shareholders elect OBO status.



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Marlene H. Dortch, Secretary  
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A copy of this letter is being filed electronically in the above-referenced dockets and electronic copies are being submitted to Commission staff listed below. Should there be any questions concerning this matter, please contact the undersigned.

Respectfully submitted,

Brad C. Deutsch  
Melodie A. Virtue

cc: Maria Kirby (via email to [Maria.Kirby@fcc.gov](mailto:Maria.Kirby@fcc.gov))  
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