

ALERT

Wiley Rein Summary of FCC Foreign Ownership Streamlining Comments

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We've prepared a summary of the Federal Communications Commission's (FCC) Foreign Ownership Streamlining comments. Highlights of the document are below.

The vast majority of commenters supported the FCC's proposal to streamline the policies and procedures for foreign ownership of common carrier and aeronautical radio station licensees. In particular, commenters agreed that the FCC should:

- issue foreign ownership rulings to a licensee's U.S. parent,
- eliminate the need for duplicative review of previously approved investors,
- permit new, foreign entities to be inserted into a licensee's vertical ownership chain without prior approval where ultimate ownership is unchanged, and
- discontinue service-specific and geographic-specific rulings.

The sole opponents to certain of the FCC's proposals were Executive Agencies who expressed concern with any rule that would diminish their oversight of foreign ownership, particularly where new services may be implicated. More specifically, the Department of Justice (DOJ) and Department of Homeland Security (DHS) opposed rules that would eliminate specific approval of individual, named foreign investors and contested rules that would set a finite review period. The Department of Defense wrote a letter supporting DOJ/DHS's position.

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A few commenters recommended that the Commission adopt more expansive changes to the foreign ownership review process. Verizon urged the Commission to eliminate the declaratory ruling requirement completely with respect to indirect foreign ownership from WTO Member countries, while the European American Business Council (EABC) recommended that these investments be subject only to a notification requirement. AT&T, Verizon, Vodafone, and the EABC asked the Commission to clarify that all types of indirect foreign investment are governed by Section 310(b)(4), and not Section 310(b)(3). Vodafone also proposed a notice framework for reviewing foreign investment in wireless licensees that does not require the Commission's pre-approval. Intelsat urged the FCC to discontinue its practice of seeking foreign ownership information from non-common carrier space station applicants. The Minority Media and Telecommunications Council urged the Commission to relax restrictive foreign ownership rules applicable to broadcast licenses to be consistent with this proceeding. Finally, T-Mobile and SIA raised concerns about the transition process, advising that licensees subject to existing Section 310(b)(4) rulings be able to take advantage of the new rules adopted in this proceeding via a simplified and clarified process.