

ALERT

Now Effective – The FCC’s Streamlined Broadcast Foreign Ownership Rules and New Rules Governing Foreign Ownership Compliance

April 20, 2017

With the publication of an announcement in the Federal Register on April 20, 2017, the Federal Communication Commission’s (FCC) new foreign ownership rules, originally adopted on September 30, 2016, are now finally effective. As we have explained, the FCC’s September 2016 order made two significant changes to the agency’s foreign ownership rules. First, the new rules contain “streamlined” procedures that broadcasters must follow when filing a petition for declaratory ruling seeking FCC approval to exceed the foreign ownership limits set forth in Section 310(b)(4) of the Communications Act. Second, the FCC reformed the methodology for publicly traded broadcasters and common carriers to assess compliance with the statutory foreign ownership limits set forth in Sections 310(b)(3) and 310(b)(4) of the Act, and made clear that private companies are expected to have full knowledge of the extent of their foreign ownership.

The effectiveness of these new rules clears the way for additional foreign investment in broadcast companies, by extending to broadcasters procedures for declaratory rulings that are similar to those which have long applied to common carriers. The new rules also set forth a uniform methodology for publicly traded companies subject to the foreign ownership restrictions to assess their compliance with those restrictions. Although this new methodology provides increased transparency regarding the steps that the FCC expects public companies to take, it also heightens the need for such companies to exercise due diligence by monitoring foreign investments consistent with the new requirements.

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Media
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If you have any questions about the FCC’s new foreign ownership rules, please contact us.