Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Protecting Our Communications Networks by Promoting Transparency Regarding Foreign Adversary Control	)	GN Docket No. 25-166
	)	

COMMENTS OF THE NATIONAL ASSOCIATION OF BROADCASTERS

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I. INTRODUCTION AND SUMMARY

The National Association of Broadcasters (NAB)[1] submits these comments regarding the Commission's proposals to require broadcasters and other entities holding FCC licenses, permits and authorizations to make certifications and disclosures relating to foreign adversary ownership or control.[2] Although NAB understands the Commission's interest in transparency regarding the relationship of foreign adversaries to its licensees, permittees and other authorization holders, there is no record evidence suggesting that such information is currently lacking or that existing Commission and Executive Branch processes are failing to identify such relationships. Given the dearth of evidence indicating that there are unknown and otherwise undiscoverable relationships between foreign adversaries and FCC-regulated entities, NAB urges the Commission to reconsider the need for additional rules in this area. To

[1] NAB is the nonprofit trade association that advocates on behalf of free local radio and television stations and broadcast networks before Congress, the Federal Communications Commission and other federal agencies, and the courts.

[2] *Protecting Our Communications Networks by Promoting Transparency Regarding Foreign Adversary Control,* Notice of Proposed Rulemaking, GN Docket No. 25-166, FCC No. 25-28 (May 27, 2025) (Notice).

the extent that the Commission determines that additional regulations are needed, our comments propose the most efficient ways that the Commission can gather this information from broadcast licensees and discuss certain statutory provisions affecting Commission proposals for a streamlined license revocation process for entities that fail to timely or accurately complete their certifications.

First, if the Commission ultimately determines to approve new rules here, NAB strongly urges the Commission to adopt one of the alternative proposals discussed in the Notice by limiting the certification obligation to those licensees that have disclosable foreign adversary control. It simply makes no sense to require thousands of broadcast licensees to submit certifications that they lack any reportable foreign adversary control, especially given the absence of evidence that foreign adversary control of radio and television licensees is or has been an actual problem. The FCC's alternative approach would reduce burdens on licensees and the Commission, without sacrificing the information the Commission seeks.

Second, NAB urges the Commission to increase the thresholds applicable to "dominant minority" interests, because the proposed thresholds are so low that they would not realistically reflect an ability to control a regulated entity. Absent such changes, we urge the Commission to adopt definitions consistent with each service's existing requirements for disclosing interest holders. This approach would streamline the process of gathering information for purposes of making certifications, which will be significantly more burdensome than the Notice estimates.

Third, NAB explains how Section 312 of the Communications Act of 1934 (Act) requires several procedural steps that are absent from the proposed streamlined license revocation process for those regulated entities failing to make timely and/or accurate certifications relating to foreign adversary control. If the Commission ultimately determines to adopt the proposed streamlined process, it must make clear that the process does not – and cannot consistent with the Act – apply to broadcast licensees.

Finally, our comments discuss how certification or disclosure obligations for foreign adversaries leasing broadcast airtime would not comport with Section 317 of the Act and urge the FCC to streamline its existing broadcast foreign sponsorship identification rules consistent with the Communications Act, the First Amendment, and the Administrative Procedure Act. Maintaining, let alone increasing, unnecessary and burdensome regulation would undermine the Commission's ongoing Delete, Delete, Delete initiative and related Executive Branch directives.

II. THE PROPOSED FOREIGN ADVERSARY CONTROL CERTIFICATIONS ARE UNECESSARY AND UNDULY BURDENSOME

The Notice proposes sweeping obligations affecting nearly every entity that holds a license, permit or other authorization to file certifications with the Commission regarding foreign adversary "control," where the definition of control differs significantly from any definition of control applied for other purposes. Specifically, the Commission proposes to require broadcasters and other Regulatees[3] to certify that they are not directly or indirectly "owned by, controlled by, or subject to the jurisdiction of a foreign adversary."[4] Under the proposed definition, this would include:

(1) Any person, wherever located, who acts as an agent, representative, or employee, or any person who acts in any other capacity at the order, request, or under the

[3] The Commission proposes to define "Regulatees" as the holders of a wide range of licenses, authorizations, permits, and approvals granted by the Commission, which are collectively the "Covered Authorizations." *See* Notice at ¶ 2 and Section II.A.2 ("Types of Licenses Required to Report"), ¶¶ 21-47 (proposing to include nearly all services within the scope of the rules including wireless, satellite, broadcast, multichannel video programming distributor (MVPD), submarine cable, and telephone/common carrier licensees or authorization holders, as well as auction applicants, equipment certification applicants and more).

[4] *See* Notice at ¶ 15, *citing* 15 C.F.R. § 791.2.

direction or control, of a foreign adversary or of a person whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in majority part by a foreign adversary;

(2) Any person, wherever located, who is a citizen or resident of a foreign adversary or a country controlled by a foreign adversary, and is not a United States citizen or permanent resident of the United States;

(3) Any corporation, partnership, association, or other organization with a principal place of business in, headquartered in, incorporated in, or otherwise organized under the laws of a foreign adversary or a country controlled by a foreign adversary; or

(4) Any corporation, partnership, association, or other organization, wherever organized or doing business, that is owned or controlled by a foreign adversary, to include circumstances in which any person identified in paragraphs (1) through (3) of this definition possesses the power, direct or indirect, whether or not exercised, through the ownership of a majority or a dominant minority of the total outstanding voting interest in an entity, board representation, proxy voting, a special share, contractual arrangements, formal or informal arrangements to act in concert, or other means, to determine, direct, or decide important matters affecting an entity.[5]

The Notice proposes to interpret the interests "owned by" foreign adversaries very broadly to include both voting and equity interests.[6] The proposed definition also would treat a "dominant" minority interest holder with only 10% of either equity or voting interests as "owning" the entity.[7]

The Commission proposes to define foreign adversaries consistent with Department of Commerce rules, which currently include the following foreign governments or foreign non-governmental persons: (1) The People's Republic of China, including the Hong Kong Special Administrative Region and the Macau Special Administrative Region (China); (2) Republic of Cuba (Cuba); (3) Islamic Republic of Iran (Iran); (4) Democratic People's Republic of Korea (North Korea); (5) Russian Federation (Russia); and (6) Venezuelan politician Nicolás Maduro

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[5] *Id.*

[6] Notice at ¶17.

[7] Notice at ¶16.

(Maduro Regime).[8] Under the proposed rules, all Regulatees would submit their certifications using a filing system established expressly for this purpose.[9] The Notice contains additional proposals for Regulatees who have reportable foreign adversary control[10] and those who fail to submit timely and accurate certifications.[11]

The imposition of such an extensive regulatory framework would suggest that the Commission is seeking to cure a newly discovered, widespread problem of surreptitious foreign adversary investment in many Regulatees. The Notice, however, does not cite even a single instance of the Commission inadvertently awarding a Covered Authorization to a Regulatee controlled by a foreign adversary. Indeed, the only evidence of foreign adversary control of any Regulatee cited in the Notice is that the Commission denied an application for international section 214 authority[12] and revoked, and in certain cases terminated for failure to satisfy certain conditions,[13] the domestic and international section 214 authority of certain

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[8] *See* Notice at ¶ 17, *citing* 15 C.F.R. §§ 791.2; 791.4.

[9] Notice at ¶ 60.

[10] *Id.*

[11] Notice at ¶ 64.

[12] Notice at ¶ 6, *citing China Mobile International (USA) Inc.; Application for Global Facilities-Based and Global Resale International Telecommunications Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended*, File No. ITC-214-20110901-00289, Memorandum Opinion and Order, 34 FCC Rcd 3361-62, 3365-66, 3376-77, 3380, paras. 1, 6, 8, 31-33, 38 (2019).

[13] Notice at ¶ 6, *citing China Telecom (Americas) Corporation*, GN Docket No. 20-109, File Nos. ITC-214-20010613-00346, ITC214-20020716-00371, ITC-T/C-20070725-00285, Order on Revocation and Termination, 36 FCC Rcd 15966, 15966-68, 15974, 15992-16030, paras. 1-3, 9, 44-99 (2021), aff'd, *China Telecom (Americas) Corp*. v. FCC, 57 F.4th 256 (D.C. Cir. 2022); *China Unicom (Americas) Operations Limited*, GN Docket No. 20-110, File Nos. ITC-214-20020728-00361, ITC-214-2002072400427, Order on Revocation, 37 FCC Rcd 1480, 1480-81, 1489-90, 1508-55, paras. 1-3, 16, 49-110 (2022) (China Unicom Americas Order on Revocation), aff'd, *China Unicom (Americas) Operations Ltd*. v. FCC, 124 F.4th 1128 (9th Cir. 2024); Pacific Networks Corp. and ComNet (USA) LLC, GN Docket No. 20-111, File Nos. ITC-21420090105-00006, ITC-214-20090424-00199, Order on Revocation and Termination,

carriers ultimately majority-owned and controlled by the Chinese government. Far from providing evidence of the need for more information about foreign adversary investment in Regulatees, these actions by the Commission and related actions by the Executive Branch in connection with these authorizations[14] show that existing processes ensure that the Commission and the Executive Branch are aware of foreign adversaries' relationships to Regulatees. Moreover, federal agencies are able to prevent foreign adversaries from obtaining or continuing to hold such authorizations when necessary to protect national security, law enforcement foreign policy, and trade policy concerns. There is no evidence in the record that the Commission is being hoodwinked into awarding licenses or authorizations to entities with unknown foreign adversary investment.

A. Given the Dearth of Evidence of Foreign Adversary Relationships with Regulatees, the Commission Should Refrain from Adopting a Sweeping New Certification and Reporting Regime

NAB urges the Commission to reconsider its proposal to adopt this far-reaching certification and reporting regime applicable to all Regulatees, regardless of whether they have – or are even likely to have – any foreign adversary relationships. Absent evidence that foreign adversary involvement in FCC-regulated entities, including radio and television

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37 FCC Rcd 4220, 4220-22, 4232-33, 4251-4314, paras. 1-3, 14, 44-113 (2022) (Pacific Networks/ComNet Order on Revocation and Termination), aff'd, *Pac. Networks Corp. v. FCC,* 77 F.4th 1160 (D.C. Cir. 2023).

[14] *See, e.g., Executive Branch Recommendation to the Federal Communications Commission to Revoke and Terminate China Telecom (Americas) International Section 214 Common Carrier Authorizations,* File Nos. ITC-214-20010613-00346, ITC-214-20020716-00371, ITC-T/C-20070725-00285, at 1-2 (filed Apr. 9, 2020) (recommendation on behalf of the Departments of Justice, Homeland Security, Defense, State and Commerce and the United States Trade Representative requested that the Commission revoke and terminate international Section 214 authorizations ultimately controlled by China on grounds that their "continued access to U.S. telecommunications infrastructure" presented "substantial and unacceptable national security and law enforcement risks").

stations, is an actual problem, mandating tens of thousands of broadcasters and other Regulatees to conduct diligence and submit certifications about foreign adversary control is merely imposing another costly layer of regulation on holders of Covered Authorizations with no corresponding public interest benefit. In particular, there is no point in tens of thousands of Regulatees reporting that they lack any foreign adversary control. The FCC's proposed regime also would be contrary to the FCC's Delete, Delete, Delete initiative.[15] Much like deleting unnecessary existing regulations, the Commission should certainly not adopt unnecessary new ones.

Although tossing just one more electronic form and filing deadline onto the heap of thousands of pages of rules Regulatees must navigate, forms they must file, and online filing systems they must manage may seem relatively minor, no additional Commission regulation should be imposed without careful justification and consideration of the costs imposed on Regulatees. A new certification filing requirement will mean yet another deadline for broadcasters, who face regulatory burdens far beyond other Regulatees. Broadcasters already must file or upload quarterly issues/programs lists,[16] annual equal employment opportunity

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[15] *See In Re: Delete, Delete, Delete*, Public Notice, GN Docket No. 25-133, DA No. 25-219 (Mar. 12, 2025) (seeking input on ways to "alleviat[e] unnecessary regulatory burdens" and thereby "facilitate and encourage American firms' investment in modernizing their networks, developing infrastructure, and offering innovative and advanced capabilities." *See also* Executive Order 14192 of January 31, 2025*, Unleashing Prosperity Through Deregulation*, 24 Fed. Reg. 9065 (Feb. 6, 2025); Executive Order 14219 of February 19, 2025*, Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative*, 36 Fed. Reg. 10583 (Feb. 25, 2025). *See also* Notice at ¶ 49 (inquiring whether the proposed certification requirement would unduly burden Regulatees and whether it duplicates existing requirements).

[16] *See* 47 C.F.R. §§ 73.3526(e)(11)-(12); 73.3527(e)(8).

reports,[17] biennial ownership reports,[18] extensive political advertising material on very short deadlines (i.e., virtually immediately),[19] and, for television licensees, annual children's television programming reports.[20] Minor reorganizations in ownership structure trigger the obligation to file a "pro forma" assignment or transfer of control application for prior FCC approval (even though certain other services can simply file notices after the fact).[21] Overlooking any of these filing obligations, which can occur due to something as simple as a change in station personnel, human error, or problems attempting to upload a file to one of the FCC's frequently malfunctioning online filing systems, can result in significant enforcement actions.[22] Broadcasters also must already engage with multiple Commission online filing systems and databases, including at least the FCC's Online Public Inspection File

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[17] *See* 47 C.F.R. § 73.2080.

[18] All licensees of commercial and non-commercial full power television, Class A television, low power television, AM radio, and FM radio stations must file biennial ownership reports with the Commission in odd-numbered years. *See* 47 C.F.R. §§ 73.3615(a), (d); 73.6026; 74.797. Broadcasters also must submit ownership reports following assignments/transfers of licenses.

[19] *See* 47 C.F.R. § 73.1943.

[20] *See* 47 C.F.R. § 73.3526(e)(11)(iii).

[21] *See, e.g.,* Comments of NAB, WT Docket No. 20-186, RM-11860 (Jul. 24, 2020) (supporting a Petition to streamline the pro forma application process for additional wireless licensees and urging FCC to apply the same streamlining to broadcast applicants); Letter to Marlene H. Dortch, Secretary, FCC from Erin L. Dozier, NAB, MB Docket No. 17-105 (Mar. 14, 2019) (modernizing the broadcast pro forma application process would benefit broadcast licensees in their proposed restructurings without eliminating checks on the accuracy of pro forma filings).

[22] *See, e.g.,* Comments of NAB, Cumulus Licensing LLC, File No.: EB-IHD-20-00031223, NAL Acct. No.: 202132080015 (Mar. 26, 2022) (observing that the Commission's primary interest in promulgating and enforcing its rules should be the advancement of the substantive policy goals underlying the rules and urging the Commission to exercise discretion where a licensee's administrative error causes no apparent public harm); Comments of NAB, GN Docket No. 25-133 (Apr. 11, 2025) at 20-22 (discussing extensive fines imposed on broadcasters due to ministerial errors in uploading material to OPIF).

(OPIF) and Licensing and Management Systems (LMS), and in many cases, the Universal Licensing System (ULS) and the International Communications Filing System (ICFS). Given the existing burdens facing broadcasters and the fact that they already are required to conduct diligence and submit ownership-related information to the Commission, imposing a foreign adversary control certification would be an unjustified burden on broadcast licensees. As discussed further below, the Commission significantly underestimates the burdens that would arise from the certification requirement.[23]

B. If the Commission Adopts a Certification Requirement, it Should Limit the Obligation to Regulatees with Reportable Foreign Adversary Control

In the alternative to its proposal to impose certification and reporting requirements on tens of thousands of Regulatees, the Commission seeks comment on whether it should limit those requirements to Regulatees with reportable foreign adversary control.[24] Under this approach, a Regulatee with no reportable foreign adversary control would not be required to make a certification to the Commission. If the Commission adopts any certification requirement at all, the Notice's alternative approach of requiring only Regulatees with foreign adversary control to make reports to the Commission would be more a more appropriate, less burdensome choice. Requiring reporting by only those entities with foreign adversary control, moreover, would work well for broadcasters because they must already disclose all attributable interest holders (whether domestic or foreign) in various applications, including assignment/transfer of control applications, and in their ownership reports.[25]

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[23] *See infra* Section III.

[24] Notice at ¶ 54.

[25] NAB acknowledges that it has proposed that the Commission eliminate the biennial ownership reporting requirement. *See* Comments of NAB, GN Docket No. 25-133 (Apr. 11, 2025) at 25-26 (pointing out the burden and repetitiveness of filing detailed ownership

If the Commission unwisely requires all Regulatees to submit a certification, ensuring compliance will be challenging. The vast majority of broadcasters will *not* have reportable foreign adversary control. Ensuring that thousands of licensees understand that they must file something saying they *do not* have foreign adversary control is more difficult (as well as overly burdensome). Even a carefully worded FCC notice stating that "foreign adversary control certifications must be filed by all licensees by [date]" could be tuned out before the Regulatee realizes that *everyone* is required to respond. If the Commission determines to establish a certification requirement for all Regulatees, NAB urges the Commission to develop an comprehensive outreach and education program designed to make all broadcasters aware of the new requirement, which should include contacting licensees at both the mailing and email addresses on file with the Commission, holding at least one webinar to explain the requirement and new filing system, highlighting the new requirements using the Commission's website and social media sites, and systematic outreach to various broadcaster membership organizations.[26] Such an approach may not be necessary for other Regulatees holding Covered Authorizations, but considering the diffuse ownership of the thousands of television and radio broadcast licenses, many of which are held by individuals or entities that

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information every two years, even if no material change in licensee ownership had occurred). But even if NAB's proposal were to be adopted by the FCC, attributable ownership information would still be reported to the FCC on ownership reports required to be filed under existing rules upon initial permitting and licensing and upon consummating assignments/transfers of licenses. *See* 47 C.F.R. § 73.3615(b)(1), (b)(2), and (c).

[26] This may include for example, state broadcaster associations, the National Association of Black Owned Broadcasters, the National Association of Farm Broadcasting, the National Religious Broadcasters, Native Public Media, College Broadcasters, Inc., and others.

own only one or two stations, a comprehensive outreach program will be important for successful information collection.[27]

III. THE COMMISSION SHOULD MODIFY ITS PROPOSED DEFNIITION OF DOMINANT MINORITY INTERESTS

As explained above, the Notice proposes to interpret the interests "owned by" foreign adversaries very broadly to include both voting and equity interests.[28] The proposed definition also would treat a dominant minority interest holder with only 10% of either equity or voting interests as "owning" the entity, the same as the threshold for disclosure of interest holders for common carriers,[29] but different from that of broadcasters, who are required to disclose 5% or greater *voting* interests.[30] The Commission seeks comment on these proposals.[31]

It is difficult to fathom how an entity with only a 10% equity interest could be considered to hold a "controlling" interest in any Regulatee. NAB urges the Commission to revisit (and raise) this threshold. To the extent, however, that the Commission maintains a definition of "dominant minority" interest that is the same as the threshold for an interest to

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[27] There are over 33,524 full power television and radio, Class A TV, low power TV, TV translator, and FM booster and translator stations. *See Broadcast Station Totals as of March 31, 2025,* DA No. 25-296 (Apr. 4, 2025), https://docs.fcc.gov/public/attachments/DA-25-296A1.pdf.

[28] Notice at ¶17. *See also* Notice at ¶¶ 18-20 (seeking comment on alternative definitions, such as the definition of "foreign entity of concern" in the Infrastructure Investment and Jobs Act (IIJA) (codified at 42 U.S.C. § 18741) or the definition of "foreign adversary" in the Protecting Americans' Data from Foreign Adversaries Act of 2024 (codified at 15 U.S.C. § 9901(c)(2)).

[29] Notice at ¶16.

[30] Notice at ¶16. The Notice correctly states that the Commission applies a 5% threshold for disclosure of broadcast interests, but incorrectly states that the threshold applies to both voting *and* equity interests. *Id.* Only voting interests are counted towards the 5% percent threshold in the broadcast attribution rules. *See* 47 C.F.R. § 73.3555, Note 2a ("partnership and direct ownership interests and any voting stock interest amounting to 5% or more of the outstanding voting stock of a corporate broadcast licensee will be cognizable . . .").

[31] Notice at ¶¶ 15-17.

be reportable, the Commission should adopt definitions that are consistent with the standards already being applied within specific services at issue. Since common carriers already must disclose 10% or greater *voting or equity* interest holders, those Regulatees already have the relevant information concerning such interest holders and would not be required to conduct additional diligence other than determining whether any of those interest holders are foreign adversaries. Broadcasters, on the other hand, must identify on their ownership reports and various applications the holders of 5% or greater *voting* interests.[32] Requiring broadcasters to apply a different standard for purposes of foreign adversary reporting would create additional burdens that are not being imposed on other services and would not reflect the Commission's own judgement concerning what interests confer on their holders the ability to influence licensee decision-making in the broadcast context.[33] Although NAB has previously urged the Commission to reexamine the 5% voting interest threshold, which is too low to confer a meaningful ability to influence licensee decision-making,[34] unless and until the threshold is modified, it would be burdensome for broadcasters to be required to apply a different standard only for foreign adversary control analysis.

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[32] 47 C.F.R. § 73.3555, Note 2a.

[33] The FCC's attribution rules seek to identify those interests in broadcast licensees that confer on their holders a degree of "influence or control such that the holders have a realistic potential to affect the programming decisions of licensees or other core operating functions." *2014 Quadrennial Regulatory Review*, Report and Order and Notice of Proposed Rulemaking, 29 FCC Rcd 4371, 4529 ¶ 343 (2014) (*2014 Quad Review Order*), quoting *Review of the Commission's Regulations Governing Attribution of Broadcast and Cable/MDS Interests*, Report and Order, 14 FCC Rcd 12559, 12560, ¶ 1 (1999) (*1999 Attribution Order*); *see also 2002 Biennial Regulatory Review*, Report and Order and Notice of Proposed Rulemaking, 18 FCC Rcd 3620, 13743 ¶ 318 (2003) (*2002 Biennial Review Order*).

[34] *See, e.g.,* Comments of NAB, MB Docket No 17-105 (July 5, 2017) at 38-44 (urging the Commission to take several steps to modernize its attribution rules, including raising the 5% voting interest threshold to at least 10%).

Obtaining information about disclosable interest holders is not an inexpensive exercise. While it may be simple in the case of a small broadcast licensee with a simple ownership structure and only a handful of attributable interest holders, other licensees with more complex ownership structures face more extensive challenges. As NAB explained in the context of a successful petition for reconsideration of an ownership reporting obligation that would have required licensees to provide data on holders of interests that were not attributable:

> Ownership reporting is a burdensome process, particularly for entities with multiple interest holders. To complete the report(s) properly, a licensee must survey all of the attributable interest holders on their ownership of other communications outlets, identify familial relationships among those with attributable interests, and confirm that any new media interests held by investors comply with relevant ownership rules. For each attributable interest holder, [the positional interest, ownership share (e.g., class and percentage of assets, voting rights or other rights to control), name, address, citizenship, etc.,] must be verified and updated.[35]

Here, the Commission estimates that its proposed foreign adversary control reporting is "unlikely to impose significant reporting costs," but its reasoning and estimates are flawed.[36] Most significantly, if the Commission adopts a standard different from what broadcasters already must report, broadcasters would be required to determine which entities have 10% or greater voting *or* equity interests, and to analyze the status of those individuals/entities, who are unlikely to be the same individuals/entities as those with 5% or

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[35] Petition for Reconsideration of NAB, MB Docket No. 07-294 (June 29, 2009) at 6-7. *See also Promoting Diversification of Ownership in the Broadcasting Services*, Memorandum Opinion and Order and Fifth Further Notice of Proposed Rulemaking, MB Docket No. 07-294, FCC No. 09-92 (Oct. 16, 2009) (eliminating reporting requirement for non-attributable interest holders and seeking comment on the proposal).

[36] Notice at ¶ 70.

greater voting interests alone. The Commission also states that "a publicly held company is required to identify its interest holders in requisite filings with the U.S. Securities and Exchange Commission" but the cited regulations concern a 5% threshold, not a 10% threshold, so again, a different subset of interest holders would need to be analyzed.[37]

The Commission further asserts that "many Regulatees are already subject to the Commission's existing foreign ownership reporting requirements," but existing requirements concern foreign *ownership*, not whether an individual entity is *subject to the jurisdiction or direction* of a foreign adversary.[38] While it is unlikely that an entity that is not foreign owned is subject to the jurisdiction of a foreign entity, Regulatees would likely undertake some additional diligence before making the certification proposed in the Notice.[39]

NAB also observes that the Commission has acknowledged and made allowances for the challenges faced by publicly traded companies in identifying interest holders in the foreign ownership context.[40] Similarly, the Notice recognizes that some publicly traded companies

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[37] Notice at ¶ 70, *citing* 15 U.S.C. § 78m(d)(1).

[38] Notice at ¶ 70, *citing* 47 C.F.R. § 73.1020.

[39] Moreover, although broadcasters must certify compliance with the alien ownership limitations in renewal applications filed every eight years, all broadcasters are not, as the Commission states, currently required to "submit information about foreign ownership" in those applications. Notice at n.129. Instead, only those broadcasters that have already received or requested declaratory rulings authorizing foreign ownership above the limits under Section 310(b) of the Act must request approval for (and monitor going forward) foreign entities holding interests of 5% (or 10%, depending on the nature of the interest held). 47 C.F.R. §§ 1.5001(i), 1.5004(a). The number of broadcasters in this position is relatively small.

[40] *See 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, Report and Order*, GN Docket No. 15-236, 31 FCC Rcd 11272, 11293-97, ¶¶ 44-52 (2016) (2016 Foreign Ownership Order). *See also* 47 C.F.R. § 1.5000(e)(2) (acknowledging that public companies are not always able to identify shareholders and adopting a "known or reasonably should be known" standard for publicly traded companies identifying investors, which requires that they review beneficial ownership reports filed with the SEC and "monitor

may not be aware of certain ownership information until an SEC filing is made, and seeks comment on whether it should adopt different standards for publicly traded companies.[41] NAB urges the Commission to adopt comparable rules for gathering foreign adversary information to those that apply in the foreign ownership context.[42]

In short, even if the Commission requires Regulatees to analyze interest holders that are already disclosable for purposes of other analyses, compliance with the proposed regulations will require more than the Commission's estimate of two hours for all but the simplest ownership structures.[43] NAB urges the Commission to adjust its estimated time and

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other widely available sources of information about institutional ownership of U.S. publicly traded equity securities").

[41] Notice at ¶ 58. To the extent that the Commission adopts a requirement that Regulatees update their certifications within 30 days of a change that results in reportable levels of foreign adversary control, the Commission should specify that for publicly traded Regulatees, this 30-day period begins on the date of an SEC filing identifying a foreign adversary, rather than the date that the interest was acquired.

[42] Even where publicly traded Regulatees can identify shareholders through SEC filings, it may not be possible for them to survey shareholders to determine whether they are subject to the jurisdiction or direction of foreign adversaries. The Commission should permit publicly traded companies to rely on a shareholder's citizenship status (for individuals) or the country in which it is organized (for entities) as identified in the shareholder's SEC filings in such instances.

[43] The Notice states that for Regulatees not currently reporting foreign ownership nor aware of their ownership interests, Commission staff estimate a one-time foreign adversary ownership reporting cost of $116 per Regulatee, based on two hours of time spent by a support staff person. Notice at ¶ 70. This is based on the false premise that the due diligence to complete a certification of this importance and the certification itself would be completed exclusively by a support staff person. The Notice in fact states that the certification is to be made by "an officer or other responsible party" on behalf of the entity holding each Covered Authorization. Notice at ¶ 40. Merely reviewing the order/rules resulting from this proceeding, modifying processes to analyze relevant interest holders, and conducting outreach to such interest holders would take more than two hours. The advice of an attorney also would likely be required for many Regulatees. For example, consider the owner of a single radio station with a simple ownership structure and very few employees. An officer or director of that licensee would likely review the order/rules, familiarize themselves with a new online filing system, and submit the required certification without further diligence. These steps alone could easily take

expenses arising from this new requirement and look for ways to make the requirement less burdensome. Defining "dominant minority interest" consistent with existing broadcast attribution standards for broadcast licensees would be a helpful step.[44]

IV. THE PROPOSED PROCEDURES FOR STREAMLINED REVOCATION OF COVERED AUTHORIZATIONS WOULD NOT COMPORT WITH SECTION 312 OF THE ACT OR COMMISSION PRECEDENT GOVERNING BROADCAST LICENSES AND CONSTRUCTION PERMITS

The Commission proposes to develop a streamlined procedure for revoking the Covered Authorizations of any Regulatee that: (i) makes a false certification of no foreign adversary control; or (ii) fails to timely, accurately, or completely respond to the certification and information collection requirements adopted in this proceeding.[45] Specifically, the Commission proposes to send a letter to any such Regulatee notifying it of the Commission's intent to revoke its license and require the Regulatee to respond within 30 days to explain or correct any deficiencies and show cause that its license/authorization should not be revoked. If the Regulatee fails to respond, the Commission proposes to revoke the Covered

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or exceed 1-2 hours and are not being done at a support staff level. A broadcaster with a complex ownership structure and more stations should be expected to seek advice of outside legal counsel on how to comply and implement a compliance plan where either an employee or outside paralegal would make relevant inquiries of interest holders. An in-house lawyer would likely oversee the work of outside counsel and the paralegal, explain the certification filing to an officer, present the filing for the officer's review and approval, and arrange the filing. While the costs and time involved would be spread across the multiple stations the broadcaster owns, it would certainly involve more than two hours of time and will include time spent by professional staff at the managerial and/or executive levels. Regardless of the size of the Regulatee, NAB estimates that the actual cost will be significantly higher than the Commission's estimated $116 per Regulatee.

[44] In the event that the Commission chooses not to apply the 5% voting interest threshold consistent with broadcast attribution rules, NAB supports the use of a 10% voting or equity threshold. Broadcasters should not be required to identify or analyze more investors than their common carrier counterparts.

[45] Notice at ¶ 64.

Authorization. The Commission seeks comment on this proposal, including asking whether 30 days is sufficient time to respond[46] and whether, alternatively, it should apply its proposed revocation approach on a case-by-case basis and only upon a finding that the Regulatee's failures are willful or present national security or other concerns.[47]

As the Notice appears to observe,[48] such an approach could not lawfully be applied to broadcast station licenses or construction permits, which are subject to a different process and standards under Section 312 of the Act. Before revoking a broadcast station license or construction permit, the Commission "shall serve upon the licensee, permittee, or person involved an order to show cause why an order of revocation or a cease and desist order should not be issued."[49] The show cause order shall "contain a statement of the matters with respect to which the Commission is inquiring and shall call upon said licensee, permittee, or person to appear before the Commission at a time and place stated in the order, but in no event less than thirty days after the receipt of such order, and give evidence upon the matter specified therein; except that where safety of life or property is involved, the Commission may provide in the order for a shorter period."[50] The Commission assigns the matters at issue to

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[46] Notice at ¶ 64.

[47] Notice at ¶ 65.

[48] Notice at ¶ 64. The Notice states that "Except as otherwise *authorized* by the Communications Act, we propose to adopt a streamlined revocation procedure for Regulatees with Covered Authorizations . . ." *Id., citing* 47 U.S.C. § 312(c) (emphasis added). Although the word "prohibited" would seem more suitable than "authorized," the Notice does seem to acknowledge that a different process applies to Covered Authorizations subject to Section 312.

[49] 47 U.S.C. § 312(c).

[50] *Id.*

an Administrative Law Judge (ALJ) for hearing.[51] At the hearing, the Commission carries both the burden of presenting evidence and the burden of proof,[52] and must demonstrate, by a preponderance of the evidence, that the conduct in question justifies license revocation.[53] The ALJ's initial decision serves as a recommendation and is forwarded to the full Commission for final adjudication. Parties may challenge the initial decision by filing exceptions for the Commission's review.[54] If after a hearing, the Commission determines that a broadcast license should be revoked, the Commission would issue an order of revocation which "shall include a statement of the findings of the Commission and the grounds and reasons therefor and specify the effective date of the order, and shall cause the same to be served on said licensee, permittee, or person."[55]

As shown above, Section 312 requires several procedural steps that are not contemplated by the revocation process proposed in the Notice. If the Commission ultimately adopts an order with streamlined revocation processes in this proceeding, it must ensure that any revocation process purporting to apply to broadcast licensees fully complies with Section 312, including the statutorily required order to show cause, hearing, specified evidentiary burdens, and (if applicable) order of revocation.

NAB also observes that under the Communications Act and Commission precedent, broadcast license revocation is a severe penalty reserved for serious repeated or egregious

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[51] *See, FCC, Hearings,* available at: https://www.fcc.gov/enforcement/areas/hearings (viewed July 11, 2025).

[52] 47 U.S.C. § 312(d).

[53] *See Silver Star Communications-Albany, Inc.*, 3 FCC Rd 6342 (1988) ("[T]he standard of proof to be applied in traditional agency adjudications is the traditional 'preponderance of the evidence' standard.").

[54] 47 C.F.R. §1.276.

[55] 47 U.S.C. § 312(c).

violations of the Act, FCC rules or other misconduct.[56] Given that license revocation can effectively result in the closure of a broadcast station, in applying Section 312, the Commission has held that the underlying facts must be "sufficiently grave to warrant such a stringent penalty."[57] The Commission has revoked broadcast licenses in cases involving willful and knowing misrepresentation or lack of candor in dealings with the FCC;[58] intentional violation of an FCC order;[59] failure to respond to inquiries from FCC staff (combined with other violations);[60] character issues that would have disqualified the licensee from obtaining the license initially, including felony convictions and certain other misconduct described in the

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[56] The grounds upon which the Commission "may" revoke a station license under Section 312 are: (1) false statements knowingly made either in its application or in any statement of fact that may be required pursuant to Section 308 (which sets forth requirements for applications and licensee qualifications for new licenses, license modifications and renewals); (2) discovery of conditions that would have justified denying an application; (3) willful or repeated failure to operate substantially as set forth in the license; (4) willful or repeated violation of, or or repeated failure to observe any provision of the Act, FCC rules, or U.S ratified treaties; (5) violation of or failure to observe any final cease and desist order issued by the Commission under Section 312; (6) violation of Section 1304 (lotteries), 1343 (fraud), or 1464 (indecency/obscenity) of Title 18 of the U.S. Code; or (7) willful or repeated violations of the political broadcasting obligations to allow legally qualified candidates for Federal elective office reasonable access to stations or to permit them to purchase reasonable amounts of time. 47 U.S.C. § 312(a).

[57] *Arm & Rage, LLC*, 2023 FCC LEXIS 2828, *31 (2023).

[58] *See Contemporary Media, Inc.*, 13 FCC Rcd 14437, 14459 (1998) (felony convictions of an individual who owned all voting stock and served as an officer and director of multiple licensees, together with the licensees' misrepresentation and lack of candor regarding the felon's role at the stations "constitute separate and independent grounds for disqualification of the Licensees").

[59] *See Peninsula Communications, Inc.*, 18 FCC Rcd 12349, 12371-12372 (2003) (licensee's misconduct related to the Termination Order warrants a severe sanction of license revocation because it resulted from a knowing and intentional decision to disobey daily a lawful order from May 2001 to August 2002.").

[60] *Radio Moultrie, Inc*., 18 FCC Rcd 22950 (2003) (licensee's "total failure to respond to Commission inquiries, coupled with its unauthorized transfer of control and multiple other rule violations warrants the strongest possible Commission sanctions.").

FCC's character policy;[61] and fraud and/or extortion.[62] Conversely, the FCC has concluded that minor rule violations, such as late filing or failure to file ownership reports or issues/programs lists, either alone or alongside other non-disqualifying misconduct, do not meet the threshold for license revocation.[63]

A single failure to timely submit a certification form does not meet the standard for broadcast construction permit or license revocation outlined in Section 312 or in any prior Commission decisions. Even a single false certification (which may be erroneous for a variety of reasons that are not knowing, willful, or egregious), absent additional misconduct, does not approach the standards in the statute or prior FCC decisions. The same standard that has applied to broadcast license revocations generally would apply equally in the context of the failure to timely submit a foreign adversary certification or submission of a false certification. The Commission's proposal to revoke Covered Authorizations simply for failing to timely file or making an inaccurate certification would not be valid grounds for broadcast license revocation under Section 312 or applicable precedent.

Even for authorizations not subject to Section 312, the Commission should adopt its alternative proposal to evaluate failures to comply with the foreign adversary certification and information collection requirements on a case-by-case basis and revoke Covered

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[61] *See, e.g., Augusta Radio Fellowship*, 6 FCC Rcd 4823 (1991) (cocaine trafficking); *Contemporary Media, Inc.*, 13 FCC Rcd 14437 (1998), *aff'd sub nom. Contemporary Media, Inc. v. FCC*, 214 F.3d 187 (D.C. Cir. 2000), *cert. denied,* 532 U.S. 920 (2001) (child molestation); *Roger Thomas Scaggs*, 19 FCC Rcd 7123 (EB 2004) (murder); *David Edward Cox*, 21 FCC Rcd 14153 (EB 2006) (burglary and firearms violations).

[62] *See, e.g.*, *KWK Radio, Inc. v. FCC*, 337 F.2d 540 (D.C. Cir. 1964).

[63] *See Arm & Rage,* 2023 FCC LEXIS 2828, *64 (finding that such violations did not support license revocation and emphasizing that "it would be unprecedented for a station license to be revoked for such relatively minor rule violations.").

Authorizations only upon a finding that the Regulatee's failures are willful or present national security or other concerns, especially given the absence of any evidence suggesting that foreign adversary control is prevalent (or even rare). NAB knows of no other single reporting obligation that can result in the loss of an authorization following a single notification letter from the Commission and a 30-day opportunity to respond to that notice. NAB anticipates that this penalty could result in disruptions in a variety of services, particularly given that the filing requirement is new and that many auxiliary authorizations have few regular filing requirements other than renewals. Such a penalty should be reserved for willful, repeated or egregious conduct, even for authorizations not subject to Section 312 of the Act.

V. THE COMMISSION SHOULD REDUCE, NOT EXPAND, OBLIGATIONS RELATING TO ITS FOREIGN SPONSORSHIP IDENTIFICATION RULES

The Commission also proposes to require "additional certification and reporting about foreign adversaries that do not own or control broadcast stations but that provide programming to the public through leasing arrangements."[64] Under existing Commission rules, the infinitesimal number of arrangements between broadcasters and foreign governmental entities must already be disclosed to the public via on-air and OPIF announcements of their foreign governmental status.[65] Thus, in the unlikely event that any foreign adversaries specifically are leasing time on television or radio broadcast stations, two forms of disclosure are already taking place. A broadcaster's statutory obligation to identify the entity that has sponsored a program, however, does not extend to making inquiries about,

[64] Notice at ¶ 30.

[65] *See* 47 C.F.R. § 73.1212(j).

doing research on, or disclosing various characteristics about that sponsor beyond the sponsor's identity.[66]

Although it is entirely unclear from the Notice what rule changes or disclosure requirements the Commission is considering for broadcasters and/or lessees of broadcast air time that may be foreign adversaries, it has no authority under the sponsorship identification rules to require broadcasters to inquire whether a lessee is a foreign adversary, or make a further disclosure beyond what is already required under the foreign sponsorship identification rules. Any interpretation of the statute to allow such inquiries or disclosures would effectively place no limit on what inquiries broadcasters must make and what information they must disclose about sponsors of broadcast material. Broadcasters could be required to ask restaurant sponsors whether they face pending investigations from local health departments or contractors sponsoring broadcast material whether they have paid fines to state or local home improvement regulators and make related disclosures. Congress never granted the Commission the authority to impose upon broadcasters an obligation to disclose not only the identity of a sponsor but also a sponsor's regulatory status.

In the event that the Commission concludes (erroneously) it has authority under the Act to require extra-statutory disclosures, NAB urges the Commission to limit any new obligations to broadcasters *already making disclosures* concerning foreign government

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[66] 47 U.S.C. § 317(a)(1) ("All matter broadcast by any radio station for which any money, service or other valuable consideration is directly or indirectly paid, or promised to or charged or accepted by, the station so broadcasting, from any person, shall, at the time the same is so broadcast, be announced as paid for or furnished, as the case may be, by such person . . ."). The D.C. Circuit vacated a portion of the FCC's original foreign sponsorship identification rules insofar as they imposed *ultra vires* requirements that broadcast licensees investigate the veracity of lessees' representations. *See Nat'l Ass'n of Broad. v. FCC*, 39 F.4th 817, 820 (D.C. Cir. 2022).

sponsored programming, such as, for example, adding the phrase "which is a U.S. foreign adversary" to the end of the existing on-air and online public file disclosures.[67] While NAB still believes that such a requirement is beyond the scope of the Commission's authority, it would be less burdensome than some other potential actions.

Under no circumstances should *any* broadcaster that is *not* leasing time to foreign governmental entities be required to make any additional or different inquiries of lessees or take any other steps in furtherance of so-called "diligence" concerning the identity of the entity who is sponsoring leased programming. The existing rules already place an extraordinary burden on the thousands of commercial radio and television licensees who only lease time on their stations to local entities such as houses of worship, small businesses and high school football teams. As NAB explained in its recent comments in the Delete, Delete, Delete proceeding,[68] the Commission should abandon its unlawful regulatory overreach and delete the specified diligence requirements in 47 C.F.R. § 73.1212(j)(3)(i)-(v) and the modifications thereto specified in the FCC's second foreign sponsorship identification order.[69] As in almost every other context, the Commission should allow experience to help define broadcasters' reasonable diligence obligations, rather than *ex ante* prescriptions that force

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[67] *See* 47 C.F.R. § 73.1212(j)(1)(i). The current rule requires the following disclosure: "The [following/preceding] programming was [sponsored, paid for, or furnished], either in whole or in part, by [name of foreign governmental entity] on behalf of [name of foreign country]." *Id.* Modifying the requirement to add "which is a U.S. Foreign Adversary" for disclosures involving foreign adversary lessees would be unlawful, but less burdensome than other potential regulations in this area.

[68] Comments of NAB, GN Docket No. 25-133 (Apr. 11, 2025) at 22-25.

[69] *Sponsorship Identification Requirements for Foreign Government-Provided Programming*, Second Report and Order, 39 FCC Rcd 6049 (2024).

broadcasters that do not air any foreign propaganda (which is nearly all of them) to take pointless and burdensome steps.

VI. CONCLUSION

Given the absence of evidence that there are unknown relationships between foreign adversaries and FCC-regulated entities, NAB urges the Commission not to adopt the rules proposed in the Notice. The Commission should continue to rely on its existing processes for approval of new Covered Authorizations and assignment or transfer of control of such authorizations, unless ownership information is not required of Regulatees as part of those processes. To the extent that the Commission determines that additional rules are needed, NAB urges the Commission to: (1) limit the certification and filing requirements to Regulatees with disclosable foreign adversary control; (2) increase the unrealistically low proposed thresholds for dominant minority interests, or at least align them to the existing disclosable interest requirements for particular services; (3) clarify that since Section 312 processes apply to broadcast licensees, they cannot be subject to the proposed streamlined revocation; and (4) streamline the foreign sponsorship identification rules, rather than expanding them.

Respectfully submitted,

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