

Akin Gump

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March 12, 2021

VIA ECFS AND E-MAIL

Albert Shuldiner, Esq.
Chief, Audio Division
Media Bureau
Federal Communications Commission
45 L Street, N.E.
Washington, D.C. 20554

Re: Petition for Declaratory Ruling Filed on March 8, 2021 by iHeart Media, Inc.

Dear Mr. Shuldiner:

We are writing on behalf of Global Media & Entertainment Investments Ltd (“GMEI”)¹ regarding the remedial Petition for Declaratory Ruling (“Petition”) filed by iHeart Media, Inc. (“iHeart”) with the Federal Communications Commission (“FCC” or “Commission”) on March 8, 2021. The Petition seeks FCC approval for GMEI’s present ownership of 8.7% of the equity and voting interests in iHeart, and requests advance approval for GMEI to increase its equity and voting interests in iHeart up to any non-controlling amount not to exceed 9.99%.

By way of background, on Friday, February 5, 2021, the undersigned counsel for GMEI contacted iHeart’s FCC counsel via telephone to notify iHeart that GMEI had filed Schedule 13D with the United States Securities and Exchange Commission to report its acquisition of a greater than 5% ownership interest in iHeart. During this call, GMEI’s FCC counsel told iHeart’s FCC counsel that GMEI intends to cooperate and work with iHeart to secure the approvals requested in GMEI’s formal notification to iHeart and included in the draft petition for declaratory ruling provided therewith.² GMEI’s FCC counsel explained that GMEI’s stock acquisition and request

¹ GMEI is organized under the laws of the Bahamas. GMEI’s sole shareholder is The Global Media & Entertainment Investments Trust, organized under the laws of the Bahamas (former named The Honeycomb Trust) (the “The GMEI Trust”). Simon Groom and James Hill, both citizens of the United Kingdom, are the trustees of The GMEI Trust, and Michael Tabor, a citizen of the United Kingdom, is the sole beneficiary of the GMEI Trust. GMEI was formerly named Honeycomb Investments Limited.

² In the February 5th call, GMEI’s FCC counsel told iHeart’s counsel that GMEI would be sending iHeart a formal notification letter on Monday, February 8, along with a draft petition for declaratory ruling that iHeart could use in preparing and filing its remedial petition and advance approval request. A copy of the February 8 formal letter notification is attached hereto.

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for routine advance approval were not hostile. This same message was communicated by Ashley Tabor-King OBE, a representative of Michael Tabor,³ in a conference call with iHeart's senior management (i.e., Robert Pittman, Chief Executive Officer and President and Richard Bressler, President, Chief Operating Officer and Chief Financial Officer) on February 18, 2021.

Following the call between GMEI and iHeart's FCC counsels, GMEI gave formal notification to iHeart on February 8, which requested that iHeart seek approval for GMEI's current ownership interest in iHeart, as well as advance approval for GMEI to acquire non-controlling voting and equity interests in iHeart not to exceed 49.99%, as is permitted under FCC rules. Neither GMEI nor its FCC counsel received any objection or further communication about this request, other than an acknowledgement of receipt. On March 4, GMEI's FCC counsel called iHeart's FCC counsel to seek confirmation that iHeart would be honoring GMEI's request, and to allow iHeart an opportunity to discuss any questions or concerns that it had. iHeart's FCC counsel simply responded that she was not at liberty to discuss the advance approval request.

Thus, GMEI was frustrated to learn that iHeart's advance approval request in the Petition only requested approval for non-controlling voting and equity ownership interests of no greater than 9.99%. GMEI also was surprised that the Petition did not reference GMEI's request to seek advance approval for a non-controlling interest not to exceed 49.99%, nor did the Petition attempt to explain the basis for iHeart's unilateral decision to limit the advance approval to 9.99% despite GMEI's request.

GMEI recognizes that iHeart adopted a one-year stockholder rights plan ("Rights Plan") on May 6, 2020, whereby shareholders cannot acquire a beneficial ownership interest in 10% or more of iHeart's Class A Stock without approval from iHeart's Board of Directors.⁴ However, the Rights Plan is not relevant to the Commission's consideration of the matter. As an initial matter, the Rights Plan was only adopted as a temporary response to the COVID-19 pandemic

³ Ashley Tabor-King OBE is the Founder & Executive president of Global Media & Entertainment Ltd. ("Global"), and the son of Michael Tabor. Since 2007, Michael Tabor has been the ultimate beneficial owner of Global, an entity organized under the laws of the United Kingdom. Global is the United Kingdom's largest commercial radio company and home to some of the United Kingdom's biggest and best-loved radio stations, including Capital, Heart and LBC (the country's oldest commercial radio station and largest commercial news radio brand). Global accounts for over 40% of commercial radio listening in the UK, and is the second largest news broadcaster in the United Kingdom by weekly audience, second only to the BBC.

⁴ See <https://www.sec.gov/Archives/edgar/data/1400891/000119312520136990/d928009dex991.htm>.

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“in order to protect the best interests of all iHeartMedia stockholders during the current period of high equity-market volatility and price disruption.”⁵ The Rights Plan does not provide a basis for limiting the advance approval request to 9.99% because the Rights Plan contemplates that the Board can approve acquisitions in excess of 9.99%. Furthermore, favorable action on GMEI’s advance approval request simply facilitates its ability to acquire additional shares once permitted under iHeart’s corporate governance documents.

In light of this, GMEI herein requests advance approval from the FCC to authorize it to purchase a non-controlling interest in iHeart up to and including 49.99% of its voting and equity interests. This request is fully compliant with the FCC’s rules, as well as the Commission’s stated policy goals of providing for the free transferability of the publicly traded stock of a company like iHeart and promoting increasing cross-border investment in media companies.⁶ GMEI respectfully asks that the FCC seek public comment on this request, which is entirely consistent with Section 1.5001(k)(2) of the FCC’s rules.⁷ Indeed, iHeart’s Petition demonstrates that permitting minority foreign ownership of iHeart through GMEI does not raise public interest concerns⁸ – this conclusion is the same whether GMEI holds a non-controlling interest not to exceed 9.99% or a non-controlling interest not to exceed 49.99% in iHeart.⁹ Based on the

⁵ *Id.*

⁶ In authorizing advance approval for non-controlling ownership not to exceed 49.99% for public and private companies, the FCC concluded that such an approach creates an efficient process that benefits filers without harms to the public interest and serves the public interest. *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, 31 FCC Rcd 11272, ¶ 15.

⁷ *See* 47 C.F.R. § 1.5001(k)(2) (expressly permitting requests for advance approval for a foreign individual or entity to increase its interests, at some future time, up to any non-controlling amount not to exceed 49.99 percent).

⁸ *See* Petition at 10 (explaining that grant of the Petition “would not allow any foreign investor to control iHeart”, involves Bahamian-organized entities and U.K. citizens, both of which are “countries [that] engage in robust reciprocal trade with the United States” and one of which (namely, the United Kingdom) is “a large investor in the United States, [and] among the United States’ closest and strongest allies”, “does not appear to create any national security or law enforcement concerns” and “align with the U.S. government’s desire to promote increased cross-border investment and would further the economically beneficial relationship between the United States and The Bahamas, the United Kingdom, and other foreign countries.”)

⁹ While GMEI is not aware of any dispute or disagreement with iHeart regarding GMEI’s right to acquire non-controlling voting and equity interests in iHeart not to exceed 49.99% through public market purchases (subject to compliance with any applicable SEC rules and Delaware corporate law), any private dispute that may surface does not impact the FCC’s disposition of GMEI’s request for advance approval. FCC precedent and policy is clear that the Commission will not allow its processes to be used to leverage or advantage one party over another in a private dispute. Indeed, the Commission has consistently emphasized that redress of private disputes should be

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foregoing, it is clear that GMEI's request for advance approval to hold a non-controlling interest in iHeart up to and including 49.99% should be considered and acted upon by the FCC promptly and without delay.¹⁰ In contrast, capping GMEI's permitted ownership of iHeart at 9.99% would require a new remedial declaratory ruling each time GMEI purchases additional shares on the open market. Such a result would create large and repeating administrative inefficiencies and waste scarce government resources, and thus would be contrary to the public interest. For these reasons, GMEI's request should be considered immediately and without delay.

Please do not hesitate to contact me should you have any questions regarding this matter.

Sincerely,



Tom W. Davidson
*Counsel to Global Media & Entertainment
Investments Ltd*

Enclosures

of state or federal law outside its principal area of jurisdiction. *See, e.g., Applications of Verestar, Inc. (Debtor-in-possession) for Consent to Assignment of Licenses to SES Americom, Inc., 19 FCC Rcd 22750, ¶ 16 (2004) ("Our action granting the applications is without prejudice to the court's decision in the contract dispute. . . . We will not . . . delay processing of these applications while GWTP pursues its contractual claims in court."); Applications of Northwest Broadcasting, Inc., Memorandum Opinion and Order, 12 FCC Rcd 3289, 3292 ¶ 10 (1997) (stating that "arguments [in this case] revolve around questions of state law and private contracts, matters which the Commission historically and consistently has left to local courts of appropriate jurisdiction.", and explaining that "the Commission's approval of an assignment application merely authorizes the parties to proceed with the transaction and is not intended to prejudice any relief to which the parties may ultimately be entitled or to foreclose the Commission from taking any appropriate action in light of any such court decision.") (citing John F. Runner, 36 R.R.2d 773 (1976); Transcontinental Television Corp., 21 R.R. 945 (1961) ("The Commission has neither the authority nor the machinery to adjudicate alleged claims arising out of private contractual agreements between the parties."))). To this end, the FCC routinely grants applications that comply with FCC rules, and otherwise serve the public interest, convenience, and necessity, even where the application relates to a matter that is the subject of a private dispute.*

¹⁰ Alternatively, GMEI submits the attached Petition for Declaratory Ruling, along with any appropriate waiver requests, seeking FCC approval for GMEI to obtain a non-controlling interest not to exceed 49.99% in iHeart.

Attachment: February 8 Letter

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February 8, 2021

VIA E-MAIL

Eve Klindera Reed
Wiley Rein, LLP
1776 K Street, N.W.
Washington, D.C. 20006

Dear Eve:

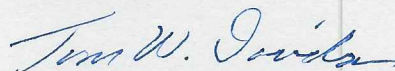
Re: iHeart Media, Inc.

As we discussed, on February 5, 2021, Honeycomb Investments Limited, a company organized under the laws of The Bahamas ("Honeycomb"), filed a Schedule 13D with the United States Securities and Exchange Commission reporting its ownership of approximately 8.8% of the Class A Common Stock ("Class A Stock") of iHeart Media, Inc. ("iHeart"). Honeycomb acquired the aforementioned Class A Stock interests in secondary market stock purchases on the NASDAQ Stock Exchange.

As you know, since iHeart is a publicly traded company, it is authorized under the rules of the Federal Communications Commission ("Commission") to file a remedial petition for declaratory ruling to seek the requisite Commission approval for Honeycomb's acquisition of 8.8% of iHeart's Class A stock without being subject to any enforcement action. While we recognize that it is iHeart's obligation to file the petition for declaratory ruling within 30 days, Honeycomb intends to cooperate and assist iHeart by providing it with all information required for the petition for declaratory ruling to minimize delay and expense associated with such a filing. Accordingly, to facilitate iHeart's timely compliance with the Commission's foreign ownership reporting rules for public companies, please find attached hereto a draft Petition for Declaratory Ruling requesting that the Commission approve Honeycomb's 8.8% interest in iHeart and seeking advance approval to permit Honeycomb (and its attributable foreign owners) to acquire any non-controlling interest in iHeart, up to a 49.99% voting and equity interest.

We look forward to working with you to obtain the necessary approvals required for Honeycomb's ownership interest in iHeart. Please do not hesitate to contact me with any questions regarding this matter.

Sincerely,



Tom W. Davidson

Attachment: Petition for Declaratory Ruling

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Global Media & Entertainment)	MB Docket No. ____
Investments Ltd, a shareholder of iHeart Media,)	
Inc.)	
)	
Petition for Declaratory Ruling Under Section)	
310(b)(4) of the Communications Act of 1934)	
as Amended)	
)	

PETITION FOR DECLARATORY RULING

Tom W. Davidson
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Washington, DC 20006
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Attorneys for Global Media & Entertainment
Investments Ltd

March 12, 2021

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Global Media & Entertainment Investments Ltd, a shareholder of iHeart Media, Inc.)	MB Docket No. ____
)	
Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934 as Amended)	
)	
)	

PETITION FOR DECLARATORY RULING

Pursuant to Section 1.5004(f)(3) of the rules of the Federal Communications Commission (“FCC” or “Commission”), Global Media & Entertainment Investments Ltd (“GMEI”),¹ by its attorneys, respectfully submits the instant petition for declaratory ruling (“Petition”) to request that the Commission provide advance approval for GMEI (and the GMEI Attributable Interestholders (as defined below)) to increase its equity and voting interests in iHeart up to any non-controlling amount not to exceed 49.99%.² As described more fully herein, favorable action on the Petition, in conjunction with favorable action on the March 8, 2021 Petition for Declaratory Ruling filed by iHeart,³ will promote the free transferability of iHeart’s stock, incentivize foreign investment in broadcasting and advance U.S. trade policy by encouraging

¹ Prior to March 3, 2021, GMEI was named Honeycomb Investments Limited. For ease, this Petition refers to Honeycomb as GMEI, even with respect to events that occurred before this name change.

² See 47 C.F.R. § 1.5001(k)(2). As explained herein, GMEI is a shareholder of iHeart, the parent corporation of several broadcast licensees. To the extent required, GMEI requests a waiver of Sections 1.5000(a)(1), 1.5000(k)(2), 1.5004(f)(3) and any other applicable rules to enable it to submit this petition directly.

³ On March 8, 2021, iHeart submitted a Petition for Declaratory Ruling seeking (1) specific approval for the more than 5% equity and voting interests in iHeart presently held by GMEI and (2) advance approval for GMEI and the GMEI Reporting Persons (as defined in the *iHeart March 8 Petition*) to increase their equity and voting interests in iHeart up to any non-controlling amount not to exceed 9.99%. See Petition for Declaratory Ruling of iHeart Media, Inc., MB Docket ____ (filed Mar. 8, 2021) (“*iHeart March 8 Petition*”).

reciprocal investment opportunities for U.S. companies in foreign markets, while avoiding any risks to national security, law enforcement, or foreign or trade policy.

I. THE CIRCUMSTANCES PROMPTING THE FILING OF THE PETITION

Among other lines of business, iHeart, through wholly-owned subsidiaries, owns 857 full-power broadcast radio stations operated pursuant to licenses issued by the FCC. iHeart's Class A Common Stock ("Class A Stock") is voting stock that is publicly traded on the NASDAQ Stock Exchange. In order to obtain flexibility to take on additional foreign investment to maximize its access to capital and to promote the free transferability of its Class A Stock, iHeart filed a Petition for Declaratory Ruling on July 29, 2019 requesting a declaratory ruling permitting, *inter alia*, up to 100% aggregate foreign investment (voting and equity) in iHeart.⁴ On November 5, 2020, the Media Bureau released a Declaratory Ruling permitting iHeart up to 100% aggregate foreign investment (voting and equity), subject to the requirement that iHeart obtain Commission approval for any new foreign entity or individual to acquire, directly or indirectly, more than 5% of the company's equity or voting interests.⁵

The Securities Exchange Act of 1934, as amended ("Exchange Act"), requires beneficial owners of more than 5% of iHeart's Class A Stock to report their holdings on Schedules 13D or 13G within the time periods established by the rules of the United States Securities and Exchange Commission ("SEC"). On February 5, 2021, GMEI, a company organized under the laws of The Bahamas, filed a Schedule 13D with the SEC reporting its ownership of approximately 8.8% of

⁴ Petition for Declaratory Ruling of iHeartMedia, Inc., dated July 25, 2019 (Petition), and Supplement, dated January 28, 2020 (Supplement).

⁵ In the Matter of iHeartMedia, Inc., Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as Amended, Declaratory Ruling, MB Docket 20-51, DA 20-1318 ("*iHeart Declaratory Ruling*").

the voting and equity rights of iHeart through its ownership of 9,631,329 shares of Class A Stock.⁶ On this same date, GMEI's FCC counsel notified iHeart's FCC counsel by telephone that GMEI had acquired a greater than 5% Class A Stock interest in iHeart, and indicated that GMEI would provide a formal notification of this occurrence on Monday, February 8, 2021 ("Letter Notice"). GMEI's FCC counsel also told iHeart's FCC counsel that GMEI intended to cooperate and work with iHeart to secure the approvals requested in the Letter Notice.

The Letter Notice, a copy of which is attached hereto, requested that iHeart seek (1) specific approval for GMEI's current Class A Stock interest in iHeart pursuant to Sections 1.5001(i) and 1.5004(f)(3) of the Commission's rules and (2) advance approval under Section 1.5001(k)(2) of the Commission's rules for GMEI to acquire up to and including 49.99% of iHeart's Class A Stock.

iHeart notified the FCC's Media Bureau through its Audio Division ("Division") of GMEI's ownership above 5% of iHeart's voting and equity interests by letter dated February 16, 2021, and indicated that it would timely file a remedial petition for declaratory ruling.⁷ The Division responded on February 19, 2021, stating that the FCC had not determined that GMEI's ownership of iHeart Class A Stock is contrary to the public interest.⁸ iHeart subsequently filed the *iHeart March 8 Petition*, in which it seeks (1) specific approval for the more than 5% equity and voting interests in iHeart presently held by GMEI and the GMEI Reporting Persons (as defined in

⁶ See Schedule 13D of Honeycomb Investments Limited (filed Feb. 5, 2021).

https://www.sec.gov/Archives/edgar/data/1400891/000092189521000233/sc13d12641002_02052021.htm

("Schedule 13D"). An amended Schedule 13D was filed on March 8, 2021 to notify the SEC that Honeycomb had changed its name to GMEI, and to report that GMEI's ownership interest in iHeart is 8.7%, rather than 8.8% as was initially reported on February 5. See Schedule 13D, Amendment No. 1, of Global Media & Entertainment Investments Ltd (filed Mar. 8, 2021), https://www.sec.gov/Archives/edgar/data/1400891/000092189521000654/sc13da112641002_03052021.htm.

⁷ *iHeart March 8 Petition* at 4.

⁸ *Id.* at 4-5.

the *iHeart March 8 Petition*) and (2) advance approval for GMEI and the GMEI Reporting Persons (as defined in the *iHeart March 8 Petition*) to increase their equity and voting interest in iHeart up to any non-controlling amount not to exceed only 9.99%, contrary to GMEI's request in the Letter Notice.

GMEI supports the *iHeart March 8 Petition* to the extent it requests specific approval for GMEI's current 8.7% ownership interest in iHeart and advance approval for GMEI to acquire additional Class A Stock. However, GMEI is submitting the instant Petition to request advance approval for GMEI to acquire a non-controlling ownership interest in iHeart to the full extent permitted under the FCC's rules. Importantly, grant of the instant request does not mean that GMEI will, in fact, seek to acquire additional Class A Stock at the present time, nor does it mandate that GMEI take such action. Moreover, so long as iHeart's current short-term stockholder rights plan ("Rights Plan") remains in place, GMEI risks being diluted should it acquire beneficial ownership of 10% or more of iHeart's Class A Common stock without approval of the iHeart Board.⁹ Nevertheless, favorable action on GMEI's advance approval request at this time is in the public interest facilitates its ability to acquire additional shares once permitted under iHeart's corporate governance documents. Indeed, grant of GMEI's request "improve[s] access to capital from foreign investors and promote[s] regulatory flexibility" by eliminating the need for iHeart to

⁹ On March 6, 2020, iHeart's Board of Directors ("Board") adopted the Rights Plan, pursuant to which shareholders cannot acquire a beneficial ownership interest in 10% or more iHeart's Class A Stock without approval from iHeart's Board of Directors. See <https://www.sec.gov/Archives/edgar/data/1400891/000119312520136990/d928009dex991.htm>. The Rights Plan was only adopted as a temporary response to the COVID-19 pandemic "in order to "protect the best interests of all iHeartMedia stockholders during the current period of high equity-market volatility and price disruption." *Id.* The Rights Plan does not provide a basis for limiting the advance approval request to 9.99% because the Rights Plan contemplates that the Board can approve acquisitions in excess of 9.99%.

file multiple, subsequent petitions for declaratory ruling in the event that GMEI – an entity that the Commission will have already reviewed – seeks to acquire Class A Stock beyond the 9.99% for which approval is sought in the *iHeart March 8 Petition*. By contrast, capping GMEI’s permitted ownership of iHeart at 9.99% would require a new remedial declaratory ruling each time GMEI purchases additional shares on the open market. Such a result would create administrative inefficiencies and waste scarce government resources, and thus would be contrary to the public interest.

II. GMEI’S EXISTING AND POSSIBLE FUTURE OWNERSHIP IN iHEART IS CONSISTENT WITH COMMISSION PRECEDENT AND THE PUBLIC INTEREST

In adopting rules to relax the FCC’s rules governing foreign ownership of parent companies of broadcast licensees, the FCC rightly recognized “the need to provide broadcasters, as well as those seeking to acquire ownership interests in broadcasters, greater clarity and certainty” in an effort to “help improve access to capital from foreign investors and promote regulatory flexibility.”¹⁰ Permitting greater foreign investment in broadcast parent companies “has the potential to spur new and increased opportunities for capitalization for broadcasters” which “may in turn yield greater innovation.”¹¹ Further, the FCC has determined that affording additional flexibility to structure foreign investments in Commission licensees “will promote U.S. trade policy.”¹² As demonstrated below, the declaratory ruling sought herein would further each of these

¹⁰ 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*, 31 FCC Rcd 11272, ¶ 12 (2016) (“2016 Foreign Ownership Order”).

¹¹ *Commission Policies and Procedures Under Section 310(b)(4) of the Communications Act, Foreign Investment in Broadcast Licensees, Declaratory Ruling*, 28 FCC Rcd 16244, ¶ 12 (2013).

¹² See, e.g., *Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act, as Amended, First Report and Order*, 27 FCC Rcd 9832, ¶¶ 2, 21 (2012).

relevant policy objectives without compromising the FCC’s important interests in national security, law enforcement, or foreign and trade policy.

A. Proposed Foreign Ownership

GMEI, a company that is organized under the laws of The Bahamas, has acquired approximately 8.7% of iHeart’s Class A Stock in secondary market stock purchases on the NASDAQ Stock Exchange. The sole shareholder of GMEI is the The Global Media & Entertainment Investments Trust (“Trust”), which is organized under the laws of The Bahamas. Michael Tabor, a citizen of the United Kingdom, is the beneficiary of the Trust. The trustees of the Trust are James Hill and Simon Groom, both citizens of the United Kingdom (the Trust, Mr. Tabor, Mr. Hill and Mr. Groom, collectively, the “GMEI Attributable Interestholders”).¹³

The information required by Sections 1.5001(i)-(j) of the Commission’s rules with respect to GMEI and the GMEI Attributable Interestholders for which specific approval is sought is included in Exhibit A.

B. Public Interest Analysis

1. Grant of the Petition Will Serve the Commission’s Interest in Encouraging Foreign Investment in Broadcasting

For more than two decades, the FCC has recognized that enhancing the degree to which foreign investment can flow into the United States communications industries can yield important

¹³ Since 2007, Mr. Tabor has been the ultimate beneficial owner of Global Media & Entertainment Ltd (“Global Media & Entertainment”), an entity organized under the laws of the United Kingdom. Global Media & Entertainment is the United Kingdom’s largest commercial radio company and home to some of the United Kingdom’s biggest and best-loved radio stations, including Capital, Heart and LBC (the country’s oldest commercial radio station and largest commercial news radio brand). Global Media & Entertainment is the second largest news broadcaster in the United Kingdom by weekly audience, second only to the BBC. Global Media & Entertainment accounts for over 40% of commercial radio listening in the UK.

public interest benefits.¹⁴ Indeed, the Commission has repeatedly recognized that “foreign investment has been and will continue to be an important source of financing for” communications companies in the U.S., and that creating additional opportunities for such investment can “foster[] technological innovation, economic growth, and job creation.”¹⁵ In adopting specific rules to streamline the process by which broadcasters may seek to exceed the foreign ownership limits, the Commission expressed a desire to “facilitate investment from new sources of capital at a time of growing need for investment in this important sector of our nation’s economy.”¹⁶ Furthering this important policy goal, the FCC has in recent years granted a number of petitions for declaratory ruling granting specific approval for foreign investors to hold more than 5% of the parent of a broadcast licensee.¹⁷

The important public interest benefits associated with enabling greater foreign investment in communications companies take on added significance in the context of a company, such as iHeart, that has recently restructured its debt load pursuant to the Chapter 11 bankruptcy process. Permitting iHeart to take on additional foreign investment following grant of a declaratory ruling will afford it flexibility to access additional sources of capital in the future, and will increase the

¹⁴ See, e.g., Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Market Entry and Regulation of Foreign Affiliated Entities, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, ¶ 4 (1997).

¹⁵ Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended, Report and Order, 28 FCC Rcd 5741, ¶ 3 (2013).

¹⁶ 2016 Foreign Ownership Order at ¶ 2.

¹⁷ See, e.g., *Zoo Communications, LLC*, Declaratory Ruling and Memorandum Opinion and Order, MB Docket No. 17-359, DA 19-108 (rel. Feb. 22, 2019) (permitting 100% foreign ownership in the licensee’s parent company through foreign entity owned by four shareholders (40%, 40%, 10% and 10%) who are citizens of Italy); *Corvex Master Fund, LP*, 32 FCC Rcd 1352 (2017) (approving existing 9.9% foreign ownership in licensee’s parent and permitting foreign entity to acquire a future non-controlling interest up to 14.99%); *Hemisphere Media Group, Inc., Declaratory Ruling*, 32 FCC Rcd 718 (2017) (permitting up to 49.99% foreign ownership in the licensee’s parent company); *Univision Holdings, Inc.*, Declaratory Ruling, 32 FCC Rcd 6 (2017) (same); *Pandora Radio LLC, Declaratory Ruling*, 30 FCC Rcd 5094 (2015) (same).

liquidity of its stock. These results, in turn, will produce the same kinds of benefits that the Commission has recognized will flow from facilitating foreign investment more generally.

Providing advance approval for future acquisitions up to a non-controlling interest of no greater than 49.99% is consistent with the *2016 Foreign Ownership Order* because the possible future non-controlling increase in GMEI's interest in iHeart not only facilitates GMEI's investment in a recently restructured broadcaster, but also does not increase the likelihood of foreign control of iHeart. As demonstrated below, advance approval to acquire additional iHeart stock does not present any significant foreign ownership or national security concerns, but simply validates an existing minority ownership interest and permits GMEI (and the GMEI Attributable Interestholders) – all of which are organized in or are citizens of countries with strong, decades long, economic and diplomatic ties to the United States – to increase its voting and equity interest in iHeart, without changing GMEI's status as a non-controlling, minority investor.

2. Grant of the Petition Will Further U.S. Trade Policy Without Raising any National Security, Law Enforcement, or other Risks

The FCC is not the only agency to recognize the benefits that flow from increased foreign investment in the United States. To the contrary, encouraging such investment is a cornerstone of U.S. foreign trade policy. Indeed, the United States Commerce Department has recognized that “[f]oreign direct investment in the United States is a key contributor to U.S. economic growth, directly and indirectly supporting nearly 13 million American jobs.”¹⁸ Among other things, it is widely acknowledged that such investment “drives innovation” in new products and services, including within the technology sector.¹⁹ For this reason, the Department of Commerce and other

¹⁸ Steven Meyers, SelectUSA's \$30 Billion Impact on the U.S. Economy, U.S. Department of Commerce Blog (June 7, 2018), <https://www.commerce.gov/news/blog/2018/06/selectusas-30-billion-impact-us-economy>.

¹⁹ *Id.*

federal agencies devote significant resources to encouraging foreign investment in U.S. businesses,²⁰ including broadcast and music-related companies in particular.²¹ As a result of these efforts, the U.S. is “the largest recipient of foreign direct investment in the world.”²²

Most recently, in July 2020, the Department of Commerce reported that, at the end of 2019, the U.S. experienced \$4.46 trillion in cumulative foreign direct investment, up from \$4.13 trillion the prior year.²³ Foreign direct investment inflows in 2019 were \$282 billion, the fourth highest level over the past ten years.²⁴ In addition, in 2017, majority-owned U.S. affiliates of foreign companies accounted for 6.9% of total U.S. business-sector gross domestic product (“GDP”) (up from 6.4% the previous year) and contributed \$1.0 trillion to the GDP (a 8.3% increase over the prior year).²⁵ Such U.S. affiliates also employed 7.4 million workers, a 2.8% increase over 2016.²⁶

²⁰ SelectUSA, a government-wide program led by the Department of Commerce, seeks to “facilitate job-creating business investment into the United States and raise awareness of the critical role that economic development plays in the U.S. economy.” About SelectUSA, SelectUSA, U.S. Department of Commerce, <https://www.selectusa.gov/about-selectusa> (last visited Sept. 4, 2020). More than twenty-five federal agencies and bureaus work together through the program to “increase coordination and provide guidance and information to respond to specific and broad-reaching issues that affect business investment decisions,” in order to facilitate foreign investment and job creation. About SelectUSA, <https://www.selectusasummit.us/About/SelectUSA> (last visited Sept. 4, 2020).

²¹ See, e.g., Media and Entertainment Spotlight, SelectUSA, U.S. Department of Commerce, <https://www.selectusa.gov/media-entertainment-industry-united-states> (last visited Sept. 4, 2020); Foreign Direct Investment (FDI): High-Tech, SelectUSA, U.S. Department of Commerce, <https://www.selectusa.gov/high-tech-fact-sheet> (last visited Sept. 4, 2020) (stating that foreign direct investment positions in U.S. high-tech companies has been increasing year over year and totaled \$2 trillion in 2018).

²² SelectUSA, U.S. Department of Commerce, <https://www.selectusa.gov/FDI-global-market> (last visited Sept. 4, 2020).

²³ Direct Investment by Country and Industry, 2019 (rel. Jul. 23, 2020), U.S. Bureau of Economic Analysis, https://www.bea.gov/sites/default/files/2020-07/dici0720_0.pdf (last visited Sept. 4, 2020).

²⁴ Foreign Direct Investment in the United States 2020, Global Business Alliance, at 3, <https://globalbusiness.org/dmfile/FDIUS-2020-Report.pdf> (“GBA Foreign Direct Investment”) (last visited Sept. 4, 2020).

²⁵ Activities of U.S. Affiliates of Foreign Multinational Enterprises, 2017 (rel. Nov. 15, 2019), U.S. Bureau of Economic Analysis, https://www.bea.gov/index.php/system/files/2019-11/imne1119_0.pdf (last visited Sept. 4, 2020).

²⁶ *Id.*

Among the key drivers of inbound foreign investment has been the United States' status as "one of the most open markets and investment climates in the world."²⁷

Grant of the requested declaratory ruling will provide the benefits of foreign investment to iHeart without raising any countervailing national security, law enforcement, or other risks. No individual foreign party would control iHeart. The only entities and individuals requiring specific approval here are a company and a trust organized under the laws of The Bahamas, and three citizens of the United Kingdom. As demonstrated further below, these countries engage in robust reciprocal trade with, the United States, and the United Kingdom, a large investor in the United States, is among the United States' closest and strongest allies.²⁸

a. United Kingdom

The United States and the United Kingdom have long been, and continue to be, very close allies, and the countries share major policy objectives.²⁹ In 2018, United States direct investment in the United Kingdom was \$757.8 billion, and the United Kingdom was the largest source of foreign direct investment in the United States.³⁰ Although the United Kingdom's cumulative investment in the United States has dropped slightly in the past year, it still is a significant investor, with \$446 billion in cumulative investments through 2019.³¹ In addition, the United Kingdom

²⁷ GBA Foreign Direct Investment at 2.

²⁸ U.S. Relations with the Bahamas, U.S. Department of State <https://www.state.gov/u-s-relations-with-the-bahamas/> (last visited Sept. 4, 2020) ("U.S.-Bahamas Relationship"); Swiss-U.S. Relations Switzerland-United States of America, Embassy of Switzerland, <https://www.eda.admin.ch/countries/usa/en/home/switzerland-and/bilateral-relations.html> (last visited Sept. 4, 2020) ("Swiss-U.S. Relations"); Policy & History, U.S. Embassy & Consulates in the United Kingdom, <https://uk.usembassy.gov/our-relationship/policy-history/> (last visited Sept. 4, 2020) ("U.S.-UK Relationship").

²⁹ U.S.-UK Relationship.

³⁰ See Foreign Direct Investment (FDI): United Kingdom (last updated Dec. 2019), SelectUSA, U.S. Department of Commerce, <https://www.selectusa.gov/servlet/servlet.FileDownload?file=015t0000000LKOM> (last visited Sept. 4, 2020).

³¹ GBA Foreign Direct Investment Report at 3, 8.

continues to be one of the United States largest export markets and, in 2018, the United States was the United Kingdom's top import partner.³²

b. The Bahamas

The United States and The Bahamas have had a diplomatic relationship since 1973, when The Bahamas became independent from the United Kingdom.³³ The countries have maintained close ties, and today the United States is The Bahamas' largest trading partner.³⁴ In 2018, United States direct investment in The Bahamas was \$18.5 million, and The Bahamas was the source of \$885 million in foreign direct investment in the United States.³⁵ According the U.S. Department of State, in 2019, U.S. exports to The Bahamas valued \$3.06 billion, with a \$2.6 billion trade surplus in the favor of the United States.³⁶

* * *

Finally, although as demonstrated above the proposed foreign ownership does not create any national security or law enforcement concerns, existing processes are sufficient to fully address such concerns. Grant of this Petition would therefore align with the U.S. government's desire to promote increased cross-border investment and would further the economically beneficial

³² U.S.-UK Relationship; United Kingdom Trade Summary 2018, World Bank, World Integrated Trade Solution, <https://wits.worldbank.org/CountryProfile/en/Country/GBR/Year/2018/Summary> (last visited Sept. 4, 2020).

³³ U.S.-Bahamas Relationship.

³⁴ Bahamas Trade Info: Export Performance 2018, <https://www.bahamastradeinfo.gov.bs/cms/wp-content/uploads/2020/05/Annual-export-report-Bahamas-2018.pdf?download=annual-export-performance-bahamas-2018>. While the Bahamas is not presently a member of the World Trade Organization, it has observer status and its accession process is pending but active. See Bahamas Trade Info: World Trade Organization, <https://www.bahamastradeinfo.gov.bs/trade-agreement/ta1/#:~:text=The%20Bahamas%20applied%20to%20become%20a%20member%20of,western%20hemisphere%20that%20is%20not%20yet%20a%20member> (last visited Sept. 4, 2020).

³⁵ See 2020 Climate Statements: The Bahamas, U.S. Department of State, <https://www.state.gov/reports/2020-investment-climate-statements/bahamas/> (last visited Sept. 4, 2020).

³⁶ *Id.*

relationship that the United States has worked hard to form with the United Kingdom, The Bahamas and other foreign countries across the world.³⁷

III. CONCLUSION

As demonstrated above, there is nothing about the ownership composition of GMEI that raises significant foreign ownership or national security issues, or increases the likelihood of foreign control of iHeart. Moreover and importantly, grant of the instant Petition will enable investment in the publicly traded parent corporation of a radio broadcaster that has recently emerged from bankruptcy. Grant of the instant Petition also will enable the efficient operation of the secondary markets for trading stocks of a publicly traded company, without increasing the likelihood of foreign control. Accordingly, there is no basis to conclude that “the public interest will be served by the refusal” to grant the Petition.³⁸ For these reasons, the Commission should provide advance approval pursuant to Section 1.5001(k)(2) to provide regulatory flexibility for GMEI to acquire a non-controlling interest not to exceed 49.99% of the equity and voting rights in iHeart through purchases of Class A Stock.

Respectfully submitted,

By: /s/ Tom W. Davidson

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March 12, 2021

Attorneys for Global Media & Entertainment
Investments Ltd

³⁷ See, e.g., *Frontier Media*, Memorandum Opinion and Order and Declaratory Ruling, 32 FCC Rcd 1427, ¶ 7 (2017) (granting petition for declaratory ruling in part on the ground that such action would “potentially encourage reciprocal investment opportunities for U.S. companies in foreign markets”); *Zoo Communications, LLC* at ¶ 4 (same).

³⁸ 47 U.S.C. § 310(b)(4).

Exhibit A

Specific Approval Parties and Their Attributable Interest Holders

(47 C.F.R. § 1.5001(i)-(j))

Global Media & Entertainment Investments Ltd

Name	Global Media & Entertainment Investments Ltd
Address	c/o Rhone Services, Building #2, Western Business Center Mount Pleasant Village, Western Road, P.O. Box SP-63131, Nassau, Bahamas
Citizenship (individual) or place of organization (entity)	The Bahamas
Type of business organization (entity)	Private limited company
Principal business	Investing in Securities
% of votes (rounded to the nearest %) proposed to be held	Up to 49.99%
% of equity (rounded to the nearest %) proposed to be held	Up to 49.99%

Information regarding individuals or entities directly holding an attributable interest in Global Media & Entertainment Investments Ltd

The Global Media & Entertainment Investments Trust

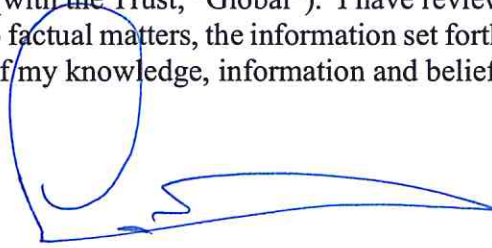
Name	The Global Media & Entertainment Investments Trust
Address	c/o Groom Hill 24 Boulevard Princess Charlotte MC 98000 Monaco
Citizenship (individual) or place of organization (entity)	The Bahamas
Type of business organization (entity)	Trust
Principal business	Serving as sole stockholder of Global Media & Entertainment Investments Ltd.
% of votes (rounded to the nearest %) proposed to be held	Up to 49.99%
% of equity (rounded to the nearest %) proposed to be held	Up to 49.99%

Information regarding individuals or entities directly holding an attributable interest in The Global Media & Entertainment Investments Trust.

Name	Business Address	Citizenship (individual) or place of organization (entity)	Principal Business	Positional Interest	Ownership
Michael Tabor	c/o Groom Hill 24 Boulevard Princesse Charlotte MC 98000 Monaco	United Kingdom	European radio company owner	Beneficiary of Trust	100% equity
James Hill	c/o Groom Hill 24 Boulevard Princesse Charlotte MC 98000 Monaco	United Kingdom	Attorney	Trustee	100% voting
Simon Groom	c/o Groom Hill 24 Boulevard Princesse Charlotte MC 98000 Monaco	United Kingdom	Attorney	Trustee	100% voting

DECLARATION OF SIMON GROOM

I, Simon Groom, hereby declare, under penalty of perjury, that I am a Trustee of The Global Media & Entertainment Investments Trust ("Trust"), the sole stockholder of Global Media & Entertainment Investments Ltd (with the Trust, "Global"). I have reviewed the foregoing Petition for Declaratory Ruling and, as to factual matters, the information set forth therein regarding Global is true and accurate to the best of my knowledge, information and belief.

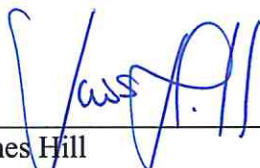


Simon Groom
Trustee
The Global Media & Entertainment Investments Trust

March 12, 2021

DECLARATION OF JAMES HILL

I, James Hill, hereby declare, under penalty of perjury, that I am a Trustee of The Global Media & Entertainment Investments Trust ("Trust"), the sole stockholder of Global Media & Entertainment Investments Ltd (with the Trust, "Global"). I have reviewed the foregoing Petition for Declaratory Ruling and, as to factual matters, the information set forth therein regarding Global is true and accurate to the best of my knowledge, information and belief.



James Hill
Trustee

The Global Media & Entertainment Investments Trust

March 12, 2021