PETITION TO DENY

The Media Research Center (MRC) hereby petitions the Federal Communications Commission (FCC) to deny the above-captioned assignment application and all related assignment applications (the “Soros Assignment Applications”). The MRC is America’s premiere media watchdog. MRC is a research and education organization operating under Section 501(c)(3) of the Internal Revenue Code.

MRC files this petition to deny because, just months ago, the Soros Fund Management, a firm founded by activist and billionaire George Soros, took steps to become the largest shareholder in Audacy, which owns the second largest number of broadcast radio stations in the country. There is no question that George Soros and his affiliated businesses are looking to control these radio stations to advance their particular brand of activism. Indeed, this transaction has already drawn significant public scrutiny. This is no surprise. After all, Audacy owns and operates 225 local radio stations in 46 markets across the country that air a variety of news, talk, and other programming. The broadcasts from these Audacy-owned stations reach millions of listeners. George Soros and his affiliated businesses launched this significant move into local radio as Audacy is completing a Chapter 11 bankruptcy reorganization.

Audacy filed a series of assignment applications with the Commission seeking FCC approval of its change in ownership as outlined in the bankruptcy proceedings pursuant to

1 This Petition to Deny applies to all Audacy assignment applications related to this transaction, including the ones listed on FCC, Public Notice, Report No. PN-1-240321-01 (Mar. 21, 2024), https://docs.fcc.gov/public/attachments/DOC-401375A1.pdf.
Section 310 of the Communications Act. On March 21, 2024, the FCC’s Media Bureau put the relevant applications out for public comment. This petition to deny is thus timely filed on or before April 22, 2024. The applications identify the involvement that both George Soros and Alexander Soros will play with respect to the transaction.

MRC files this petition to deny because the Communications Act of 1934 provides that the FCC cannot approve assignment applications like these unless the Commission first determines that granting them would serve the public interest. In making this statutorily-required assessment, the Commission must determine at the outset whether the proposed transaction would comply with the specific provisions of the Communications Act, other applicable statutes, and the FCC’s own rules. If the transaction would not violate a statute or rule, the Commission then considers whether it could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes. In the circumstances of a radio station purchase of this size and magnitude, the FCC has an obligation to complete a full and thorough review.

The FCC has an obligation to deny these assignment applications for at least the following reason. In their assignment applications and supporting materials, the Soros groups are asking the FCC to approve this change in ownership without the FCC running its normal, statutorily required process. Specifically, Section 310(b)(4) of the Communications Act provides that no radio station license can be held by any corporation that exceeds 25 percent foreign ownership. Years ago, the FCC set up a process whereby entities can file a petition for declaratory ruling with the agency—at the time the assignment applications are filed—to have the government review and potentially permit ownership interests in excess of this limit. Once filed, those petitions are also subject to Executive Branch review by the Committee for the
Assessment of Foreign Participation in the U.S. Telecommunications Services Sector, known as Team Telecom, to identify and if necessary mitigate any national-security or law-enforcement risks.

In the case of these assignment applications, the Soros group expressly states in their FCC filing that they have determined that the aggregate level of foreign ownership in the company when it emerges from bankruptcy will exceed the 25 percent limit specified in Section 310(b)(4) of the Communications Act due to the various entities that it expects to hold voting or equity interests. But instead of going through the usual petition for declaratory ruling process, which would enable the FCC to review and assess those foreign ownership interests as part of its transaction review, the Soros group asks the FCC to waive that process and put it off until sometime down the road—indicating that those foreign stakeholders will be given “special warrants” in the meantime. The Soros group says that putting off the required foreign ownership review will enable the FCC to expedite its approval of the Soros applications and thus allow them to more quickly realize their ownership interests in and take over the hundreds of local radio stations across the country. That might be true. But the Soros group’s interest in expediency does not give the FCC a basis for ignoring the legally required process.

Here are a few specific reasons why the Soros group has failed to make the case that the FCC should create a special Soros shortcut. The vague and undefined “special warrant” process that the Soros groups propose to use—in what appears to be an effort to wall off the foreign ownership interests for the time being—does not allow the FCC to grant the requested waiver. The “special warrant” process offers no credible assurances to the FCC that the foreign “special warrant” holders will not maintain the capability to exercise the type of control or influence over the radio stations that would be permissible under Section 310 of the Communications Act. Nor
have the Soros groups carried their burden of demonstrating that the various radio stations will not feel pressure to abide by the wishes of those foreign “special warrant” holders until after the FCC completes its review of any petition for declaratory ruling that the Soros groups may choose to file down the road.

Finally, while the Soros groups point to the FCC’s past statements about the public interest benefits of enabling companies to emerge from bankruptcy proceedings in a timely manner, the Soros groups have not offered any basis for the FCC to determine that this general policy statement applies in this particular case. The Soros filings fail to demonstrate that in this case any interest in the reasonably efficient emergence from bankruptcy cannot be accommodated while also assessing the foreign ownership interests at the same time. Instead, it appears that the Soros groups are simply trying to create an entirely new process or rule under which stations that go through bankruptcy necessarily get special treatment when it comes to the Section 310 process.

The Communications Act does not contain a special Soros shortcut. And the FCC should not countenance this request for one. The FCC has an obligation to deny these assignment applications since the Soros groups have not specified the foreign ownership interest holders nor enabled the FCC and the federal government to review those interests as required by Section 310 of the Communications Act.

Respectfully submitted,

L. Brent Bozell III  
President & Founder  
Media Research Center  
2340 Dulles Corner Blvd  
Suite 1000  
Herndon, VA 20171