

Description of Transaction and Waiver Request

This application seeks consent, *nunc pro tunc*, to transfers of control of the FCC licenses held by **General Motors Research Corporation** (the “Licensee”), an indirect wholly-owned subsidiary of General Motors Company (“GM”), from GM’s board that was previously controlled by the United States Treasury (“UST”) (due to its majority shareholder interests) to GM’s current board of directors (that is elected by a diverse shareholder base). As explained below, a transfer of control has occurred because the UST no longer has the power to designate more than half of the members of GM’s initial board of directors.

In 2009, the Licensee’s then ultimate parent company, General Motors Corporation, Debtor-In-Possession (“GM-DIP”) sought and received bankruptcy protection.¹ GM-DIP sold its productive assets, including its FCC licenses, to GM, whose board of directors was controlled by the UST.² GM-DIP exited bankruptcy protection in July 2009. After the consummation of the corporate restructuring, the following four entities indirectly controlled the FCC licenses held by the Licensee: UST, holding 60.8% of GM’s outstanding shares; UAW Retiree Medical Benefits Trust (“VEBA”), holding 17.5% of GM’s outstanding shares; 7176384 Canada, Inc., a wholly-owned subsidiary of the Canadian Development Investment Corporation (“CDIC”), holding 11.7% of GM’s outstanding shares; and Motors Liquidation Company (“Old GM”), holding 10% of GM’s outstanding shares. GM’s board of directors had 13 members, and the UST had the power to designate 10 of the 13. Thus, for FCC ownership analysis purposes, the UST controlled GM in July 2009³ because it held more than 50% of GM’s outstanding shares and had the power to designate more than half of the members of GM’s board of directors.⁴

As a result of a series of public offerings of GM’s stock, GM’s outstanding stock is now widely held, and other than the VEBA no one person or entity controls five percent or more of GM’s outstanding stock. UST’s interest in GM’s outstanding stock fell below 50% on November 17, 2010 when the UST sold shares in GM’s initial public offering. However, the UST remained GM’s largest stockholder until it sold the last of its shares in 2013. On November 18, 2010, the UST no longer had the ability to designate nominees for election to GM’s board of directors. In April 2015, CDIC sold its last remaining shares in GM. Similarly, Old GM holds less than 5% of GM’s outstanding stock, and VEBA has reduced its holdings to 8.7% of GM’s outstanding stock. Today, GM’s largest stockholders are primarily institutional investors and mutual funds.

¹ See, e.g., ULS File No. 0003874264.

² See, e.g., ULS File No. 0003932986. As a result of this transaction, the Licensee is (and remains) a direct, wholly-owned subsidiary of General Motors Holdings LLC, which is a direct, wholly-owned subsidiary of GM.

³ GM was created from the productive assets of Old GM purchased in a §363 (11 U.S.C. §363) sale.

⁴ See 47 C.F.R. § 5.79(a) (stating that the FCC decides if a transfer of control is in the public interest).

Control of GM now rests with its diverse shareholder base and current board of directors, who were elected after the UST divested all of its shares. The members of GM's current board of directors that were elected at GM's June 2015 Annual Meeting are: Mary T. Barra; Joseph J. Ashton; Stephen J. Girsky; Linda R. Gooden; Joseph Jimenez; Kathryn V. Marinello; James J. Mulva; Admr. Michel G. Mullen, USN (ret.); Patricia F. Russo; Thomas M. Schoewe; Theodore M. Solso; and Carol M. Stephenson.

GM, pursuant to Section 1.3 of the Commission's rules, hereby requests a waiver of the requirement in Section 5.79(a) to obtain prior approval for transfers of control. To obtain a waiver of Section 5.79(a), an entity must demonstrate that there is good cause shown for the waiver.⁵ As demonstrated below, both prongs of the waiver standard are satisfied in this instance.

GM at all times intended to comply with the Commission's rules. The delay in filing for Commission approval of the transfers of control described above was the result of administrative oversight. GM's operations are primarily focused on non-communications-related activities. While the Commission licenses at issue are important to GM's operations, administrative oversight of this type is not uncommon for companies with such licenses. Moreover, as a publicly-traded company, the makeup of GM's shareholders is constantly changing and GM may not know in advance if such changes could trigger the need for prior Commission approval. Finally, the unique facts of this case (*i.e.*, that UST, and not a private party or parties, held control of GM for FCC purposes in July 2009 after GM was created and UST later sold all of its interest in GM into the market) are not likely to be repeated in the future. GM asserts that no party has been harmed by its late-filed transfer of control application because it is a publicly-traded company, its equity is widely-held, and the UST's divestiture was widely reported and well known. Furthermore, the Licensee today and in the future will continue to operate its testing facilities that are supported by the experimental licenses in the same manner it did prior to the transfers of control.

GM recognizes the importance of full compliance with the Commission's licensing requirements and other regulations – including Section 5.79(a) – and is committed to meeting all of its FCC obligations in the future. GM's counsel are also taking steps to ensure that relevant GM personnel are made aware of the Commission's license transfer of control rules, so that a similar administrative oversight can be avoided in the future.

Commission consent to the Transactions, and a waiver of the prior approval requirement contained in Section 5.79(a), is in the public interest because it allows the Licensee to continue its operations that support critical wireless communications associated with the crash testing of vehicles and telematics systems. The Transactions also facilitated GM's return to non-UST controlled ownership. Given that GM's operations include substantial non-communications-

⁵ 47 C.F.R. § 1.3 (stating that the Commission's rules may be waived if good cause is shown).

related activities and services, it would be inequitable, unduly burdensome and contrary to the public interest for the Commission to deny the requests made in this application.