

## Janice Shields

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**From:** James Winston <jwinston@rwdhc.com>  
**Sent:** Wednesday, August 8, 2018 5:11 PM  
**To:** Brandon Moss; Janice Shields  
**Subject:** Petition to Deny filed by Chinese Sound of Oriental and West Heritage  
**Attachments:** Petition to Deny filed by Chinese Sound of Oriental and West Heritage.pdf

Mr. Moss and Ms. Shields:

Attached is a copy of the Petition to Deny filed today by Chinese Sound of Oriental and West Heritage. Please contact me if you require any additional information.

Jim Winston

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**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In re )  
 )  
GLR Southern California, LLC )  
 )  
Application for Transfer of Control from ) File No. 325-NEW-20180614-00001  
GLR Services, Inc. to )  
H&H Group USA, LLC )  
For Delivery of Programming to )  
Mexican Station XEWW-AM, )  
Rosarita, Baja California Norte, Mexico )

To: Secretary  
Attn.: Chief, Audio Division, Media Bureau

**PETITION TO DENY**

Chinese Sound of Oriental and West Heritage<sup>1</sup> (“CSO”), licensee of low power FM radio station KQEV-LP, Walnut, California, by its attorneys, and pursuant to Sections 1.45, 1.939 and 73.3584 of the Commission’s Rules, hereby submits its Petition to Deny the Application for Permit to Deliver Programs to Foreign Broadcast Stations (“Application”) filed by GLR Southern California, LLC (“Licensee”), Licensee’s parent company, GLR Services, Inc. (“Transferor”) and H&H Group USA, LLC (“H&H” or “Transferee” and collectively with Licensee and Transferor, “Applicants”). CSO opposes grant of the Application because a grant would: (1) cause economic harm to KQEV-LP, a LPFM radio station that has been licensed for

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<sup>1</sup> CSO will be in direct competition with H&H if the permit is granted, and, as shall be demonstrated herein, CSO will suffer economic injury if the Application is granted. Accordingly, CSO has standing to file the instant Petition to Deny. *Entercom License, LLC*, 31 FCC Rcd 12196, 12205 (2016). Pursuant to Section 1.939 of the Commission’s Rules, the Declaration of Xiaowei Xia, President of CSO is attached.

less than three years, and (2) might allow the Chinese Government to provide its own propaganda programming to air on the station. In support of its position, CSO submits the following:

### **I. The Application**

The Application was placed on Public Notice on July 9, 2018.<sup>2</sup> The Applicants propose a transaction in which H&H will deliver via internet protocol programming to station XEWW-AM, Rosarita, Baja California Norte, Mexico (the “Station”).<sup>3</sup> In their Application transmittal letter, the Applicants explained that Licensee currently holds a Section 325(c) permit to deliver programming to the Station, and that upon the sale of 100% of Transferor’s equity in Licensee to H&H, H&H will acquire the operational assets currently associated with the Station.<sup>4</sup> In the letter, the Applicants explained that, upon consummation of the transfer, the programming language, U.S. studio location and transmission modality for delivering the programming will change.<sup>5</sup>

A review of the Application shows that the ownership of H&H is reported to be 97% owned by Vivian Huo, a U.S. citizen, and 3% owned by Julian Sant, a U.S. citizen.<sup>6</sup> The Application shows that H&H will assume ownership of the Licensee’s programming agreement, which will permit H&H to provide the programming for which the Application has been filed.<sup>7</sup> The Application shows that the programming will be provided on a regular basis, 24 hours/day, 7 days a week.<sup>8</sup> The programming to be provided is described as “a full range of Mandarin

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<sup>2</sup> Report No. 325-00213, July 9, 2018.

<sup>3</sup> Letter of Paige Fronabarger to FCC, transmitting the Application, June 13, 2018, at 1.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> Exhibit A.

<sup>7</sup> Exhibit B.

<sup>8</sup> Exhibit C.

Chinese language programming on station XEWW-AM including music, entertainment, weather report, local (LA) traffic report and local Chinese community news.”

**II. A Grant of the Permit Will Cause Economic Harm to KQEV-LP and Will Harm the Fledgling LPFM Radio Service**

The Application requests a permit to delivery programs to foreign broadcast stations pursuant to 47 USC § 325(c). In reviewing such applications, the Commission has explained that Section 325(c) was “intended primarily to address two problems: objectionable programming and harmful interference by foreign stations.”<sup>9</sup> The Commission added that:

As with domestic broadcast applications in determining whether to grant or deny a Section 325 permit we must consider the public interest, convenience, and necessity, of such a grant as provided in Section 309 of the Communications Act.<sup>10</sup>

Station XEWW-AM broadcasts on 690 kHz with an authorized power of 77kW (day) and 50kW (night).<sup>11</sup> This makes this station more powerful than any AM station licensed by this Commission. The Application states that H&H will change the programming from Spanish language to Chinese language programming. CSO programs its LPFM station to the Chinese community in and around Walnut, California. H&H programming on XEWW-AM will have the ability to reach most of Southern, California. It will have the ability to reach CSO’s entire listening audience with a more powerful signal than CSO’s station. This could result in a significant loss of audience and donations for KQEV-LP.

CSO’s Chinese language programming is directed at the Chinese American community in and around Walnut, which is a suburb of Los Angeles. CSO produces and airs programming designed to uplift and improve the Chinese community. For example, CSO produces an

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<sup>9</sup> *Broadcast Company of the Americas, LLC, DA 06-473, 37 CR 1144*, at par. 8 (IB 2006).

<sup>10</sup> *Id.* at par. 9.

<sup>11</sup> July 9, 2018 Public Notice.

educational program “Stories by Qingfeng” aiming at local Chinese Americans with children attending local schools. This program, rooted in traditional Chinese culture, introduces American educational values and complementing and contrasting Chinese values.

Many of the Chinese speaking persons in the Los Angeles area are recent immigrants, arriving after the U.S. and China opened diplomatic relations in 1979. Because many of these persons speak only Chinese, they can be heavily influenced by Chinese language media. It is the goal of CSO to provide programming that helps and encourages these persons to become productive, pro-U.S. citizens. However, as shall be explained below, the Chinese Government is actively and subtly using media and educational institutions to indoctrinate Chinese speaking Americans in pro-Chinese Communist Party propaganda.

A grant of this Application will undercut CSO’s ability to retain its audience and will undercut the Commission’s goal of developing LPFM service in the Los Angeles area. A failure of one or more LPFM stations in Los Angeles could send shockwaves throughout the LPFM community and cause stations in other cities to abandon efforts to go on the air or for stations to leave the air if they are struggling for survival. And, as shall be demonstrated below, if these LPFM stations are replaced by stations spewing Chinese Communist Party propaganda, the American public will be the loser.

### **III. The Commission Must Investigate Whether H&H is receiving Support and/or Programming from the Government of the People’s Republic of China**

On its surface the H&H purchase appears to be a routine station purchase and programming change. However, there are a number of factors that raise the possibility that H&H may be receiving support and/or programming from the Chinese government. In recent years, the U.S. Government has been concerned about efforts by the Chinese Government, and particularly the Chinese Communist Party (“CCP”), to secretly influence American opinion in

favor of the CCP and its policies. Recently the U.S. Central Intelligence Agency issued a classified report detailing China's far-reaching foreign influence operations in the U.S.<sup>12</sup> The report stated that China imparts financial incentives as leverage to permeate American institutions.<sup>13</sup> The report goes on to explain that the CCP stipulates funding terms to U.S. universities and policy institutes in exchange for academic censorship. The report states that the CCP has been successful in using this tactic to reward pro-China viewpoints and to coerce academic publications and conferences to self-censor.<sup>14</sup>

The CIA report states that, as of 2016, China's Propaganda Department was spending \$6.8 billion per year to "build an international media apparatus that boosts China's influence."<sup>15</sup>

The report says:

The CCP bankrolls several English-media outlets in the U.S. that try to influence perceptions of China and world events....The CCP also pays some American media firms to publish propaganda without obvious CCP attribution...and harasses or denies visas to journalists who publish stories critical of the regime.<sup>16</sup>

In addition to the CIA report, U.S. media and think tanks have also reported on the efforts of the Chinese Government to sway U.S. public opinion by surreptitiously providing financing and programming to companies that air broadcast programming that supports the propaganda goals of the Chinese Government.<sup>17</sup> Reuters published an extensive investigative report about

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<sup>12</sup> "CIA Warns of Extensive Chinese Operation to Infiltrate American Institutions," March 7, 2018, <https://freebeacon.com/national-security/cia-warns-extensive-chinese-operation-infiltrate-american-institutions/>

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> See, "China's Outward propaganda Strategy Undermines Independence of Overseas Chinese Media Outlets," Center for International Media Assistance, April 11, 2018, <https://www.cima.ned.org/blog/chinas-outward-propaganda-strategy-undermines-independence-overseas-chinese-media-outlets/>; "Chinese Communists Infiltrating U.S. Universities," Freedom Project Media, January 16, 2018, <http://freedomproject.com/the-newman-report/483-chinese->

WCRW, a radio station broadcasting in the Washington area, in which “a Beijing-based subsidiary of the Chinese state-owned radio broadcaster owns 60 percent of an American company that leases almost all of the station’s airtime.”<sup>18</sup> The Reuters report goes on to show specific instances where WCRW did not engage in objective news reporting, but, instead, spouted the Chinese Government propaganda line as if it were actually reporting news.<sup>19</sup> As a result of that report, both the Commission and the U.S. Department of Justice announced that they would investigate the station.<sup>20</sup>

This threat is not limited to the Chinese Government. The ongoing attacks on American democracy by the Russian Government, including the attacks on the 2016 Presidential election are well documented and being investigated by Special Counsel Robert Mueller.<sup>21</sup> And the use of U.S. media to spread pro-Russia propaganda is of great concern to members of Congress. Congresswoman Anna Eshoo of California, Congressman Mike Doyle of Pennsylvania and Congressman Frank Pallone of New Jersey, all senior members of the House Committee on Energy and Commerce, questioned the ability of Russian-financed stations to broadcast on the radio near the Nation’s Capital. The three members of Congress requested that Chairman Ajit

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communists-infiltrating-u-s-universities; “Chinese Government Influence on the U.S. Media Landscape,” written Testimony by Sarah Cook, Senior Research Analyst for East Asia, Freedom House, before the U.S.-China Economic and Security Review Commission Hearing on China’s Information Controls, Global Media Influence, and Cyber Warfare Strategy May 4, 2017

<sup>18</sup> “Beijing’s Covert Radio Network Airs China-friendly News Across Washington, and the World,” Reuters, November 2, 2015, <https://www.reuters.com/investigates/special-report/china-radio/> (“Reuters article”)

<sup>19</sup> *Id.*

<sup>20</sup> “FCC, Justice Department Investigate Covert Chinese Radio Network,” <https://www.reuters.com/investigates/special-report/china-radio/>

<sup>21</sup> On May 17, 2017, Robert S. Mueller III was appointed by acting Attorney General Rod J. Rosenstein to serve as Special Counsel to investigate Russian interference in the 2016 election, <https://www.justice.gov/sco>

Pai investigate Sputnik Radio, a Russian funded news and information radio network modeled after cable television channel RT, another Russian funded channel that the Congress members wanted investigated.<sup>22</sup>

This problem has also arisen previously in Southern California. A petition to deny the assignment of radio stations KDAY(AM) and KDAY(FM) showed that the purported assignee appeared to be controlled by Phoenix Satellite Television, Inc.<sup>23</sup> The petition showed that several members of the board of directors of Phoenix Satellite Television had very close ties to the Chinese Government.<sup>24</sup> Eventually, the applicant in that case withdrew the application, so the Commission never ruled on the application.<sup>25</sup>

In discussing the efforts by the Chinese Government to exert “soft power” to influence U.S. public opinion, the Reuters article noted that the Chinese Government is getting more sophisticated in how it attempts to get its message out in the U.S.<sup>26</sup> Employing U.S. citizens of Chinese origin or background is identified as one of its methods. Ms. Huo, the 97% owner of H&H is a U.S. citizen, but was born in Beijing.<sup>27</sup> The station acquisition here is the first by H&H. A review of the H&H website shows that the company is based in New York City and is primarily engaged in international finance.<sup>28</sup> Why has H&H, an international finance company, based in New York City, made its first media purchase a Mexican radio station that H&H will

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<sup>22</sup> “House Democrats Seek to Crash ‘Sputnik’,” Radio and Television Business Report, September 18, 2017, <https://www.rbr.com/house-democrats-seek-to-crash-sputnik/>

<sup>23</sup> File No. BALH-20130408ACL, Petition to Deny filed by Brett Hamilton, May 13, 2013 (“Hamilton Petition”).

<sup>24</sup> Hamilton Petition at 3-4.

<sup>25</sup> Letter from David D. Burns, counsel to the Commission, September 25, 2013.

<sup>26</sup> Reuters article, *supra*.

<sup>27</sup> H&H website, [http://www.hhcapitalpartners.com/en\\_jianjie.asp](http://www.hhcapitalpartners.com/en_jianjie.asp)

<sup>28</sup> *Id.*



program with Chinese language programming aimed at Southern, California? Given the clear evidence that the Chinese Government is using more sophisticated means of delivering its message, an inquiry into the possible relationship between H&H and that government is required.

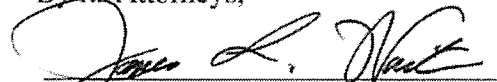
#### **IV. Conclusion**

CSO's delivery of quality Chinese language programming to the Chinese American community in and around Walnut, California will experience a very negative economic impact if the Application is granted. Moreover, if the programming of XEWW-AM is tainted by, or worse controlled by, the Chinese Communist Party, the Chinese American community of Southern, California could be indoctrinated with CCP propaganda, and the American political and economic community could be damaged. An investigation of this issue is necessary.

Respectfully submitted,

#### **CHINESE SOUND OF ORIENTAL AND WEST HERITAGE**

By its Attorneys,



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August 8, 2018

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**104.7 FM**

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Xiaowei Xia, President  
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### **Declaration of Xiaowei Xia**

I, Xiaowei Xia, declare as follows.

1. I am the President and General Manager of Chinese Sound of Oriental and West Heritage, licensee of KQEV-LP, Walnut, California, a low power FM radio station.
2. KQEV-LP broadcasts news, information, music and entertainment programming in the Chinese languages.
3. The offices of KQEV-LP are located within the signal coverage of XEWW, 690 frequency and the signal of XEWW can be heard within the coverage area of the signal of KQEV-LP.
4. I have read the Petition to Deny pleading associated with this declaration and declare under penalty of perjury of the laws of the United States that the factual information and assertions stated therein are true to the best of my knowledge and belief.



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Xiaowei Xia, Ph.D.  
President and General Manager

Dated: August 8, 2018

CERTIFICATE OF SERVICE

I, Kathy Nickens, do hereby certify that I sent via U.S. mail (except where indicated), on this 8th day of August, 2018, copies of the foregoing PETITION TO DENY to the following:


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Kathy Nickens