

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

In re Petition of	)	
	)	
Liberty Spectrum Inc.	)	
	)	File No. ISP-PDR_____
	)	
	)	
For Declaratory Ruling	)	
Pursuant to Section 310(b)(4)	)	
of the Communications Act,	)	
as amended, 47 U.S.C. §310(b)(4)	)	

**PETITION FOR DECLARATORY RULING  
PURSUANT TO 47 U.S.C. §310(B)(4)**

Liberty Spectrum Inc. (“Liberty Spectrum”), through its undersigned counsel and pursuant to 47 U.S.C. §310(b)(4) and 47 C.F.R. §§1.990(a)(1) and 1.991, respectfully requests Commission approval for the foreign ownership of Liberty Spectrum’s indirect, ultimate parent company, Liberty Global plc (“Liberty Global”), to exceed the statutory benchmark set forth in Section 310(b)(4). Liberty Spectrum may bid on one or more spectrum blocks in the 600 MHz Band in the Commission’s Forward Auction (“Auction 1002”). Although the most recent foreign ownership survey of Liberty Global’s outstanding shares found that Liberty Global’s foreign ownership conformed to the Section 310(b)(4) benchmark, Liberty Spectrum is submitting this petition to obtain any declaratory ruling that may be required regarding Liberty Global’s foreign ownership to facilitate Liberty Spectrum’s potential participation in Auction 1002 later this spring.

**Background**

Liberty Spectrum is a newly-formed Delaware corporation that expects to file a Form 175 application to participate in Auction 1002. Liberty Spectrum is a wholly-owned subsidiary of Liberty Global, Inc. (“LGI”) (also a Delaware corporation), and an indirect, wholly-owned

subsidiary of Liberty Global, a publicly-traded company organized under the laws of England and Wales.<sup>1</sup> Attached as Exhibit 1 is a chart illustrating Liberty Spectrum's ownership structure. Liberty Global, indirectly through LGI, holds a sixty percent ownership interest in Liberty Cablevision of Puerto Rico LLC ("Liberty Cablevision").<sup>2</sup>

In early 2014, Liberty Global commissioned Georgeson Inc. ("Georgeson") to perform a foreign ownership survey of its outstanding shares. The Georgeson survey determined that Liberty Global's U.S. ownership level was: (1) 83.2 percent of the total shares outstanding, weighted according to voting rights; and (2) 80.5 percent of shares outstanding, weighted according to market value for the Class A, Class B and Class C shares. However, in late 2014, Liberty Global, through an exchange of shares, acquired all of the shares that it did not own previously in Ziggo N.V., a provider of video, broadband Internet, fixed-line telephony and mobile services in the Netherlands. Further, on November 16, 2015, Liberty Global and Cable & Wireless Communications plc<sup>3</sup> ("C&W") jointly announced a recommended offer pursuant to

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<sup>1</sup> Liberty Global is an international cable and broadband communications company, with 27 million customers in 14 countries subscribing to 57 million television, broadband Internet and telephony services as of September 30, 2015. It also provides mobile services in ten countries, including 4G services in multiple countries, serving five million mobile subscribers and offering WiFi service across six million access points as of September 30, 2015. Liberty Global's shares are traded on the NASDAQ Stock Exchange. Its businesses are attributed to two tracking stock groups: the Liberty Global Group (NASDAQ: LBTYA, LBTYB and LBTYK), which comprises its European operations, and the LiLAC Group (NASDAQ: LILA and LILAK, OTC Link: LILAB), which comprises its operations in Latin America and the Caribbean.

<sup>2</sup> Liberty Cablevision is the largest cable operator in Puerto Rico and provides enhanced video, broadband Internet, and digital VoIP telephony services to its subscribers in Puerto Rico.

<sup>3</sup> Through its subsidiaries, C&W provides a range of telecommunications services primarily to customers in the Caribbean and Latin America. These services include mobile and fixed-line voice telephony, data services and connectivity and managed services to businesses and governments.

which all of the issued and to be issued shares of C&W would be acquired by Liberty Global.<sup>4</sup> Liberty Global's transaction with C&W is expected to close later this year.

Thus, the 2014 Georgeson survey confirmed that Liberty Global's foreign ownership was within the Section 310(b)(4) benchmark. However, because the 2014 survey may not reflect accurately the foreign ownership of Liberty Global's outstanding shares currently or in the near future, Liberty Spectrum is submitting this petition for a declaratory ruling allowing indirect foreign ownership in excess of the Section 310(b)(4) benchmark in connection with Auction 1002.

### **Public Interest Showing**

Liberty Spectrum respectfully submits that the issuance of a declaratory ruling allowing foreign ownership of Liberty Global above the statutory benchmark will serve the public interest by supporting Liberty Spectrum's potential participation in Auction 1002. In its 1997 *Foreign Participation Order*, the Commission found that allowing indirect foreign investment in a common carrier radio licensee beyond the Section 310(b)(4) benchmark would promote competition in the U.S. market and further the public interest. *See Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Report and Order and Order on Reconsideration*, 12 FCC Rcd. 23891 (1991). Following issuance of the *Foreign Participation Order*, the Commission has allowed foreign individuals and entities to hold indirectly up to 100 percent of the equity and voting power in FCC telecommunications licensees under Section 310(b)(4). *See, e.g., Intelsat, Ltd., Transferor, and Zeus Holdings Ltd., Transferee*, 19 FCC Rcd. 24820 (2004); *Voicestream Wireless Corp.*, 16 FCC Rcd. 9779 (2001). More recently, the

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<sup>4</sup> Applications seeking Commission consent to the transfer of control of non-common carrier submarine cable landing licenses, international section 214 authorizations and aircraft radio licenses in connection with Liberty Global's transaction with C&W are pending with the Commission. *See* File Numbers: SCL-T/C-20151130-00033; SCL-T/C-20151130-00034; SCL-T/C-20151130-00035; SCL-T/C-20151130-00036; ITC-T/C-20151130-00281; ITC-T/C-20151130-00282; ITC-T/C-20151130-00291 and 0007040208.

Commission has recognized that “foreign investment has been and will continue to be an important source of financing for U.S. telecommunications companies, fostering technical innovation, economic growth and job creation.” *See Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licenses Under Section 310(b)(4) of the Communications Act, as Amended*, 28 FCC Rcd. 5741 (2013), at ¶3.

Liberty Spectrum anticipates that it may bid on or more spectrum blocks in the 600 MHz Band in the Puerto Rico Partial Economic Area (“PEA”) suitable for the provision of mobile broadband services. Should Liberty Spectrum participate in Auction 1002 and become a 600 MHz band licensee, Liberty Global’s financial resources and expertise in providing advanced telecommunications services in Puerto Rico, as well as Europe and Latin America, would facilitate Liberty Spectrum’s deployment of mobile wireless services in Puerto Rico, thereby advancing the public interest.

**Information Required Pursuant to 47 C.F.R. §1.991**

**1.991(a) Applicant Information**

Liberty Spectrum Inc.  
FRN: 0025266875  
Address: 1550 Wewatta Street  
Denver, Colorado 80202  
Telephone: (303) 220-6600  
Type of organization: Delaware corporation  
Certifying officer: John Winter, Vice President, Legal

**1.991(b) Legal Counsel**

Robert L. Hoegle, Esq.  
Thomas F. Bardo, Esq.  
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Address: 101 Constitution Avenue, NW, Suite 900  
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1.991(c) Authorized Radio Services

Liberty Spectrum does not hold any radio services license(s). Liberty Spectrum submits this petition in connection with its application to participate in Auction 1002, in which Liberty Spectrum may bid on one or more spectrum blocks in the 600 MHz Band for the potential provision of mobile wireless services in the Puerto Rico PEA.

1.991(d) Declaratory Ruling Requested

Liberty Spectrum seeks a declaratory ruling under 47 C.F.R. §1.990(a)(1) to accommodate its potential participation in Auction 1002.

1.991(e) & (f) Direct and Indirect Ownership Interests

Liberty Spectrum, the potential applicant in Auction 1002, is a Delaware corporation and a direct, wholly-owned subsidiary of Liberty Global, Inc. ("LGI"). LGI, in turn, is a wholly-owned subsidiary of Liberty Global. Liberty Global's shares are listed on the NASDAQ Global Select Market. Dr. John C. Malone beneficially owns approximately 24.9 percent of the voting power, but less than 5 percent of the equity, of Liberty Global. No other shareholder owns 5 percent or more of the aggregate equity or voting interests in Liberty Global.

1.991(g) Information Regarding Direct and Indirect Ownership Interests

LGI wholly-owns Liberty Spectrum

Place of organization: Delaware

Type of business organization: corporation

Principal business: ownership and operation of international cable and telecommunications businesses

Liberty Global wholly-owns LGI

Place of organization: England and Wales

Type of business organization: public limited company

Principal businesses: international cable and telecommunications services

Dr. John C. Malone

U.S. Citizen

1.991(h) Estimate of Aggregate Foreign Ownership and Ownership Structure

The 2014 Georgeson survey determined that Liberty Global's U.S. ownership level was: (1) 83.2 percent of the total shares outstanding, weighted according to voting rights; and (2) 80.5 percent of shares outstanding, weighted according to market value for the Class A, Class B and Class C shares. Thus, based upon the Georgeson survey, foreign shareholders held 16.8 percent of Liberty Global's total shares weighted according to voting rights and 19.5 percent of Liberty Global's shares weighted according to market value. As noted above, other than Dr. Malone, who is a U.S. citizen, no other shareholder owns 5 percent or more of the aggregate equity or voting interests in Liberty Global.

**Conclusion**

For the foregoing reasons, Liberty Spectrum respectfully requests that the Commission issue a declaratory ruling that the public interest will be served by authorizing foreign ownership in Liberty Global, and indirect foreign ownership in Liberty Spectrum, in excess of the Section 310(b)(4) benchmark.

Respectfully submitted,

**LIBERTY SPECTRUM INC.**

/s/ Robert L. Hoegle

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*Counsel for Liberty Spectrum Inc.*

February 10, 2016

**DECLARATION**

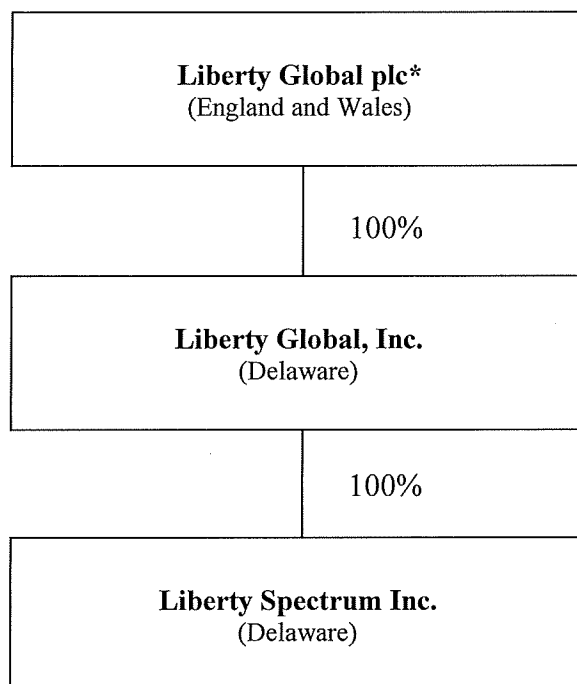
I, John Winter, state under penalty of perjury that I am Vice President, Legal, of Liberty Spectrum Inc. ("Liberty Spectrum"), that I am authorized to make this declaration on behalf of Liberty Spectrum; and that the statements contained in the foregoing Petition for Declaratory Ruling Pursuant to 47 U.S.C. §310(b)(4) are true and correct to the best of my personal knowledge, information and belief; and all ownership interests disclosed in the Petition have been calculated based upon FCC rules and that the interests disclosed satisfy each of the pertinent standards and criteria set forth in the rules.

  
\_\_\_\_\_  
John Winter

Executed on February 10, 2016

## Exhibit 1

### Liberty Spectrum Inc. Ownership Structure



\* Dr. John C. Malone, a U.S. citizen, (c/o 1550 Wewatta Street, Denver, CO 80202) beneficially owns approximately 24.9% of the voting power, but less than 5% of the equity, of Liberty Global plc. No other shareholder owns 5% or more of the aggregate equity or voting interests in Liberty Global plc.