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November 3, 2011

Response of the Office of Chief Counsel

Act:

1934





UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

CORPORATION FINANCE

November 3, 2011

Mail Stop 4561

Robert W. Murray Jr
Baker Botts LLP
30 Rockefeller Plaza
New York, New York
10118-1100

Re: Liberty Media Corporation
Liberty Interactive Corporation

In regard to your letter of October 14, 2011, our response thereto is
attached to the enclosed photocopy of your correspondence. By doing this we

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Rule 16b-7

1. The following information is being disclosed pursuant to Rule 16b-7:

[REDACTED]

Rule 16b-7

including subsidiary cash) and approximately \$11,113 million in total liabilities (including approximately \$7,045 million principal amount of debt, including subsidiary debt).

The old LMC Starz Group focused primarily on video programming, and had

attributed with approximately \$2,761 million in total assets (including approximately \$1,035

B. The Separation

General. The Separation was effected pursuant to the terms of the Reorganization Agreement and the old LMC Charter. A special meeting of stockholders of old LMC Starz

vote on proposals to approve the Redemptions in order to effect the Separation, at which time the proposals were both approved by the requisite vote of stockholders.

Structure of the Separation. In accordance with the Reorganization Agreement, [REDACTED]

Rule 16b-7

outstanding as the Liberty Interactive Corporation Liberty Interactive common stock, is the only
outstanding common stock of LIC and was not changed by the Separation

Stockholder Vote. Consummation of the Separation was conditioned upon the approval of the holders of the old LMC Starz common stock and the old LMC Capital common stock. As noted above, at a special meeting of stockholders held on May 23, 2011: (1) the redemption of the outstanding shares of each series of old LMC Starz common stock for shares of the corresponding series of LMC Starz common stock was approved by the holders of a

majority of the aggregate voting power of the shares of old LMC Starz common stock present and entitled to vote, voting as a separate class; and (2) the redemption of the outstanding shares

II. Legal Analysis Relating to Rule 16b-7

Rule 16b-7 under the Exchange Act provides an exemption from Section 16(b) for

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Rule 16b-7

each outstanding share of old LMC Starz common stock and old LMC Capital common stock.

respectively. That was exactly the structure used by USX Corporation and General Motors, Inc. to split off United States Steel Corporation and Electronic Data Systems Holding Corporation, respectively. See *United States Steel* and *EDS*. In both of those cases, prior to the merger the split-off company had been tracked by a separate class of common stock of the parent that was converted, in the merger, into the right to receive the common stock of the split-off company. The structural differences between the Redemptions in our case and the mergers in *United States Steel* and *EDS* do not alter the fact that in each case, the transaction does not significantly alter in

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Rule 16b-7

...promotion of the Generation would as a practical matter be barred from effecting any non-

[REDACTED]