

Dated: July 18, 2003.

Exhibits Attached.

United States v. Univision Communications, Inc., Civ. Action No. 1:03CV00758, Comments on Behalf of Spanish Broadcasting Inc., July 18, 2003, Exhibits A-D

Exhibit A

June 2, 2003

Marlene H. Dortch

Secretary, Federal Communications Commission, 445 12th Street, SW., Washington, D.C. 20554

Re: *Applications for Transfer of Control of Hispanic Broadcasting Corp., and Certain Subsidiaries, Licensees of KGBT (AM, Harlingen, Texas et al. (Docket No. MB 02-235, FCC File Nos. BTC-20020723ABL, et al.)*

Dear Ms. Dortch: Spanish Broadcasting System, Inc. ("SBS") has asked more than twenty advertising agencies and advertisers with special knowledge of the Hispanic community to address the nature and extent of the media marketplace in which they conduct their business. Their responses are attached.

All of the responses indicate that English-language broadcasting and Spanish-language (Hispanic) broadcasting constitute separate markets. Many of them observe that the Spanish-language broadcasting market includes both radio and television.

These propositions are fundamental to the Commission's analysis of the proposed Univision Communications, Inc.—Hispanic Broadcasting Corp. merger. The agency and advertiser perspectives on the market address both competition and diversity, just as the Commission must in connection with its public interest determination on the permissibility of requested transfers.

The conclusions of the agency and advertiser executives conform with those the Commission has reached in other contexts. The Commission often and recently has recognized the existence of a separate Spanish language broadcasting market. It also has recognized that television and radio are part of the same product market for fundamental Communications Act purposes.

The separate nature of the Hispanic broadcasting market means that the FCC may not rely exclusively on its cross-ownership and multiple ownership rules in making its public interest determination. These heuristic devices may be a sufficiently reliable basis for decision where transfers implicate majority-language broadcasting. Their reliability cannot be assumed where minority-language broadcasting is concerned. In this case, the proposed merger moves the Hispanic market very decidedly in the direction of monopoly. Both the statute and ordinary prudence require that the decision in this matter be the product of careful analysis of record evidence and that it be reflected in a reasoned explanation.

In this regard, SBS will respond to the many factual assertions contained in the May 14, 2003, Univision submission shortly. Unsurprisingly, we do not find Univision's propositions probative of the substantive issues nor do we find Univision's legal and

policy points relevant to the resolution of this important matter. (We note that the submission, inexplicably, is not posted on the ECFS site and thus remains unavailable to anyone seeking to follow the proposed transaction through the Commission's Web site).

Finally, we note the unusual circumstance presented by today's Commission vote fundamentally changing its principal media ownership regulations (following the most exhaustive and comprehensive review of [the] broadcast rules ever undertaken") and the pendency of this major broadcasting transfer application. As we are able to learn the details of the new ownership rules, we will submit our analysis of their significance for the Univision proposal.

Respectfully submitted,
/s/ Philip L. Verveer
Philip L. Verveer
Sue D. Blumenfeld
Michael G. Jones
David M. Don
WILLKIE FARR & GALLAGHER, 1875 K Street NW, Washington, DC 20006,
Telephone: (202) 303-1000, Facsimile: (202) 303-2000

and

Bruce A. Eisen
Allan G. Moskowitz
KAYE SCHOLER FIERMAN HAYS & HANDLER, LLP, 901 15th Street NW, Suite 1100, Washington, DC 20005

Attorneys for Spanish Broadcasting System, Inc.

cc: Chairman Powell, Commissioner Abernathy, Commissioner Copps, Commissioner Martin, Commissioner Adelstein, Susan Eid, Stacy Robinson, Jordan Goldstein, Catherine Crutcher Bohigian, Johanna Mikes, Ken Ferree, David Brown, Scott R. Flick, Counsel for Univision Communications, Inc., Roy R. Russo, Counsel for Hispanic Broadcasting Corp.

May 27, 2003

To Whom It May Concern

Dear Sir or Madam: I have been involved in the Hispanic Market USA since 1966 and have owned my own firm for over 31 years.

During that time, I have placed national and local ads for a very wide variety of companies, government agencies, and other public and private institutions, large and small including Coca Cola, McDonald's, Procter & Gamble, General Motors, Anheuser Busch, Castrol, Pizza Hut, Burger King to mention just a few. I am also the single largest individual receiver of Creative Awards in the industry, and was placed in the Hispanic Market Hall of Fame (only 4 recipients so far), in 2002.

I have been asked to address two issues:

First: Is there a separate advertising product market defined by the Spanish language? In other words, are Spanish language media and English language media substitutable for one another?

The answer is an unequivocal: NO! English language media and Spanish language media are NOT substitutable. There definitely is a separate advertising product market defined by the Spanish language.

Let Me explain: One could safely say that for the first time in U.S. History, there has been a CATERING to Spanish language, not so much out of a sociological sense of responsibility, but out of the dire necessity of the large and small American corporations to open new markets to replace maturing ones in the U.S. They do this by attracting an ever growing group of people (the largest single minority in the U.S.) which could not be otherwise addressed. There are 27 Latin American countries with endless political and economic travails, which only serve to increase the CONTINUOUS, NON-STOPPING Immigration WAVE to the LAND of opportunity.

Second: Are Spanish language video (television and cable) and radio substitutes for one another?

I have no doubt that Spanish and English language media are in different markets from the perspective of advertising buys. A small, but significant non-transitory increase in price in English language media will not induce the advertisers with whom I am familiar to shift their advertising to Spanish language media. Instead, they will absorb the price increase.

The reverse also is true. The reason is that for many products the target audience simply cannot be reached unless it is addressed in their familiar language. Among other obvious bits of evidence, the major television networks virtually never present a commercial in Spanish (or any language other than English, for that matter).

Spanish language video and radio are substitutes for many advertisers. Many advertise on both. Many sponsors are quite willing to allocate and reallocate percentages of their ad budgets to video or to radio depending upon shifts in the price and ratings of one or the other. A small, but significant increase in price in one will shift purchases to the other for many products.

It is very common in negotiations over advertising rates, for agencies and clients to make the claim, for example, that if concessions in price are not made, the advertising will be placed on the other medium, video or radio as the case may be.

I hope that you find this information helpful. I would be happy to discuss it at greater length if you would find it useful.

Sincerely,
Castor A. Fernandez,
President/Creative Director, Castor

May 27, 2003

The Honorable Michael K. Powell
Chairman, Federal Communications Commission, Washington, DC 20554

Dear Mr. Chairman, My name is Eduardo Caballero, President/CEO of Caballero TV & Cable Sales, an independent-Spanish TV stations sales representative.

I started selling Spanish Media in February of 1962, as a local salesman for Radio Station WBNX, New York City. I became its General Sales Manager that same year.

I resigned in March of 1968 to become General Sales Manager of Spanish TV Station WXTV, Channel 41, New York Market (licensed to Paterson, NJ).

Also in 1968, I became a VP and Director of National Sales for Spanish International