

divided by language—Chinese (Mandarin and Cantonese), Japanese, Korean, Vietnamese, Hindi, Bengali, Urdu, Malay, Punjabi—the influence and economic advantages (cost-effectiveness) that spring from critical mass are elusive if not impossible. Therefore, other than grassroots marketing or media outlets serving small enclaves, any Pan-Asian network or national print vehicle would be either highly fragmented in a multiplicity of languages or require English as the common denominator.

3. Language is the single most important characteristic of culture and Hispanics in the United States are united by a common language traced to Spanish colonizers regardless of whether these are viewed as ruthless conquistadors (Mexico) or brothers from the mother country (Cubans). If this were not the case, neither national broadcast networks nor national print media would be viable business models. This isn't to say that there aren't English dominant Latinos, but rather that for marketing and communications purposes we include them in the mainstream universe just as we exclude non-Spanish speakers from the Hispanic consumer pool. Spanish dominant Latinos then, by necessity, must rely on Spanish language media even to exercise their right to vote; bilingual Latinos may choose either language based on content or self-identification. Considering that Latinos are basically absent from general market media, being depicted as less than 2% of all characters (while more than 12% of the population) and often in the most negative roles, bilingual Hispanics are practically compelled to turn to Spanish language media to see and/or hear themselves.

4. This cultural phenomenon known as Hispanic-America, and its need for in-language communications that respects and embraces our multiracial identities, musical preferences and folkloric richness created the Hispanic advertising industry. The Association of Hispanic Advertising Agencies was organized in recognition that ours is a marketing sector that could not and would not be well served by general market entities; the very same who for more than 30 years had been predicting with almost evangelical fervor our assimilation and demise. The truth is that Hispanic advertising and media professionals constitute a unique business specialty. As managers, we must have as thorough an understanding of the disciplines as our monolingual, general market counterparts and communicate in English with our clients, bankers, the IRS and the 21 year old brand manager who has never traveled outside of Indiana, yet transcreate, transform, interpret and connect with our consumers in Spanish, the language most likely to produce the sales and economic benefits sought by our clients. "Compre nuestro auto, nuestro jugo y traiga su dinero a nuestro banco." It's the American way. Consumer spending is the backbone of our economy. And let's be realistic, the mainstream population base is experiencing negative birth rates. All U.S. population growth is directly attributable to minority and immigrant sub-segments. The Census says so.

5. The wave of Hispanic agency acquisitions by general market firms shows

that they were wrong about assimilation (which did not and will not take place), were wrong to remain intransigently monolingual as if it were a badge of honor and thus, with very few exceptions and these only in the multi-national arena, incapable of creating Hispanic divisions organically. Ultimately, they had to buy the agencies. Most were motivated by profit potential others to keep the market in check and under control.

6. The increasing acceptance of Mexican Matriculas, the strengthening of Radio Marti's signal, NAFTA and the proposed FTAA, point to Hispanic interests influencing the national agenda well beyond the Congressional Hispanic Caucus. This is understandable as Hispanics represent the country's largest pool of bilingual, transnational citizens. It may be a small percentage of the vast United States of America, but a critical component of the country's hemispheric—perhaps global—aspirations. A country within a country indeed.

Exhibit B

May 20, 2003

To Whom it May Concern: I am Julio Amparo. I have worked in the Hispanic market as an owner of an independent advertising agency for over 15 years.

I have been asked to comment on the pending merger between Univision Communications and Hispanic Broadcasting Corporation. An important question the F.C.C. is facing is whether or not the U.S. Hispanic market is separate market.

First, we speak a different language. We have our own consumer base, our own and separate tastes. As an owner of an ad agency I can tell you Hispanics have their own brand awareness for our own products. Our population growth is different, the cost structure of media is separate—we are a separate consumer base.

The Hispanic Media market—radio and TV combined—is a separate and distinct market. Listen and you will hear with your ears we are a separate market.

I hope my comments will be useful in the Commission's consideration of the U.S. Hispanic media market as a separate relevant entity and in its review of the Univision/HBC merger.

Julio Ampara,
President.

June 11, 2003

Marlene H. Dortch
Secretary, Federal Communications
Commission, 445 12th Street, SW.,
Washington, DC 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 submitted several filings for the record of this proceeding demonstrating that Spanish-language media does not compete with English-language media. In other words, English-language and Spanish-language broadcasting constitute separate markets for competition and

diversity purposes. The proposed Univision/HBC merger threatens to create substantial market power in numerous geographic markets for Spanish-language broadcasting to the detriment of advertisers, consumers, competition, and diversity. This letter submits data demonstrating the severity of that threat in the ten metropolitan areas with the largest Hispanic populations.

Attached hereto is a chart for each of the top ten Spanish-language broadcast markets displaying the market share of each participant in terms of combined television and radio advertising revenues for 2002.¹ In seven of the top ten markets, the combined entity's (Univision + HBC) post-merger market share will equal or exceed 60%, and in two of the top ten markets the combined entity's market share will exceed 70%. Indeed, in San Antonio, the combined entity will control a striking 80% of the market. Only in Brownsville/McAllen (13%) and New York (48%) will the combined entity have a market share below 50%. When Entravision's market share is included (Univision + HBC + Entravision), the combined entity's market share ranges from 48% in New York to 84% in Phoenix. For convenience, the table below summarized the distribution of revenue shares for the combined entity, with and without Entravision. As illustrated by the data in this table, the combined entity would account for a large majority of advertising revenues in 8 (or 9) of the top ten markets.

¹ The charts were prepared using the following methodology: The advertising data for both broadcast radio and broadcast television were obtained from BIA, Inc., through its *Media Access Pro* software (current as of June 5, 2003). BIA provides station-level revenue and ownership data for more than 13,000 radio stations and nearly 2,000 commercial television stations in the United States. Revenues from BIA are estimated using data from its proprietary survey of station managers and owners. For radio stations, BIA reports information on station format. These data were supplemented with information from the *2002 Television and Cable Factbook, 2002 U.S. Hispanic Market* (a publication of Strategy Research Corporation), and various internet websites, including www.100000watts.com.

First, all of the radio and television stations broadcasting to the ten metropolitan areas with the largest Hispanic populations were identified. Using information from BIA as well as internet-based research, each station's language format was determined. A radio station was classified as a Spanish-language station if a portion of the BIA format description was Spanish (BIA reports the current format, which may not necessarily correspond to the station's format in 2002, although we believe relevant changes, if any, to be minimal) or, alternatively, if it could be determined that a portion of the station's programming was in Spanish. Similarly, for television stations, a station was classified as Spanish-language if a portion of the station's programming was in Spanish. Because all Univision television stations broadcast in Spanish, this decision rule provides a conservative estimate of Univision's revenue share.