

CUMULATIVE DISTRIBUTION OF 2002 BROADCAST ADVERTISING REVENUE SHARES*

Share	Univision + HBC	Univision + HBC + Entravision
>80%	1
>70%	2	5
≥60%	7	7
>50%	8	9
>40%	9	10

*Numbers may differ from those obtained from the charts due to rounding.

These high market shares—including above 70% in several markets—demonstrate that the merger will enable the new Univision/HBC to exercise substantial market or monopoly power to the detriment of both Spanish-speaking consumers and advertisers who seek to reach that audience. For “a share above 70% is usually strong evidence of monopoly power” and “a share between 50% and 70% can occasionally show monopoly power.” *Broadway Delivery Corp. v. United Parcel Service of Am., Inc.*, 651 F.2d 122, 129 (2d Cir. 1981). Even a share below 50% can support a finding of monopoly power when other indicia of such power—such as the high entry barriers present here—exist. *See id.* The consequences of a monopoly in Spanish-language broadcasting is not only higher rates for advertisers, but also a substantial loss in diversity of voices. Moreover, where, as here, the combined entity will control over 40% in all or virtually all of the major relevant markets, diminished economic performance is likely. *See FTC v. Swedish match*, 131 F. Supp. 2d 151, 166 (D.D.C. 2000) (“Without attempting to specify the smallest market share which would still be considered to threaten undue concentration, we are clear that 30% presents a threat.” *quoting United States v. Philadelphia National Bank*, 374 U.S. 321, 364 (1963)). In sum, the market shares shown here present a real risk of anticompetitive harm to Spanish-language advertisers, as well as a critical loss of diversity to Spanish-speaking Americans in these markets.

Moreover, the merger threatens both competition and diversity whether or not Spanish-language television and radio compete in the same market. The reason is that the merger gives Univision/HBC the power to exclude competition even if Spanish-language TV and radio belong in different markets. First, the Univision/HBC merger would raise already high entry barriers into Spanish-language radio. Advertising on Spanish-language TV is important to a Spanish-language radio station's ability to obtain significant audience. Indeed, several of SBS's stations only succeeded because of risky and expensive television advertising campaigns. However, after its acquisition of HBC, Univision—which dominates Spanish-language television—will have an incentive to refuse to deal with, or discriminate against, Spanish-language radio competitors (including SBS) who seek to advertise through Univision (and other properties) in order to advantage HBC. Second, after the

merger, the combined entity will have the power to insist that Spanish-language advertisers who wish to advertise through both radio and television purchase time from both Univision and HBC rather than from the combined entity's rivals. Such difficult-to-detect and subtle tying arrangements or refusals to deal—realistic possibilities here—impair competition. *See, e.g., Lorain Journal Co. v. U.S.*, 342 U.S. 143 (1951). The resulting harm to competitors, including SBS, that is sure to follow will not only harm advertisers, but also will impair diversity.

To meet its obligations under the Communications Act, the FCC must undertake a detailed analysis of diversity and competition specific to a Spanish-language media markets implicated by this merger. In addition to the materials submitted last week and filed today, SBS intends to file shortly with the Commission further information demonstrating the severity of the threat to competition and diversity presented by the proposed merger.

Respectfully submitted,
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SPANISH-LANGUAGE BROADCAST ADVERTISING REVENUES, 2002

[Los Angeles: Hispanic Population of 7.0 million]

	Percent
Univision	41
HBC	19
Entravision	5
SBS	6
Telemundo	13
Other	15

Notes: Advertising revenue-based satellite program services that also offer Spanish-language programming include services such as Galavision Cable Network, MTV Latin America and Viva Television Network.

Sources: 2002 BIA, Inc.; 2002 Television and cable Factbook; 2002 U.S. Hispanic Market, Strategy Research Corporation.

SPANISH-LANGUAGE BROADCAST ADVERTISING REVENUES, 2002

[New York: Hispanic Population of 4.0 million]

	Percent
Univision	41
SBS	28
Telemundo	18
HBC	7
Other	6

Notes: Advertising revenue-based satellite program services that also offer Spanish-language programming include services such as Galavision Cable Network, MTV Latin America and Viva Television Network.

Sources: 2002 BIA, Inc.; 2002 Television and cable Factbook; 2002 U.S. Hispanic Market, Strategy Research Corporation.

SPANISH-LANGUAGE BROADCAST ADVERTISING REVENUES, 2002

[Miami: Hispanic Population of 1.7 million]

	Percent
Univision	35
Telemundo	20
HBC	20
SBS	15
Other	9
Entravision	0.20

Notes: Advertising revenue-based satellite program services that also offer Spanish-language programming include services such as Galavision Cable Network, MTV Latin America and Viva Television Network.

Sources: 2002 BIA, Inc.; 2002 Television and cable Factbook; 2002 U.S. Hispanic Market, Strategy Research Corporation.

SPANISH-LANGUAGE BROADCAST ADVERTISING REVENUES, 2002

[Chicago: Hispanic Population of 1.6 million]

	Percent
Univision	33
HBC	30
SBS	22
Telemundo	8
Entravision	4
Other	4

Notes: Advertising revenue-based satellite program services that also offer Spanish-language programming include services such as Galavision Cable Network, MTV Latin America and Viva Television Network.

Sources: 2002 BIA, Inc.; 2002 Television and cable Factbook; 2002 U.S. Hispanic Market, Strategy Research Corporation.

SPANISH-LANGUAGE BROADCAST ADVERTISING REVENUES, 2002

[Houston: Hispanic Population of 1.6 million]

	Percent
Univision	32
HBC	42
Other	19