January 8, 2003

Marlene H Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554
ATTN: David Brown

Re: Docket No. MB 02-235
Ex Parte Presentation. DA 02-2082

Dear Ms. Dortch:

On January 7, 2003, Spanish Broadcasting System, Inc. made an ex parte presentation to Chairman Michael Powell, pursuant to the Commission’s Public Notice in the above-referenced docket, released August 26, 2002.

There is transmitted herewith two (2) copies of a document associated with the oral ex parte presentation, and filed in accordance with Section 1.1206(b)(1) of the Commission’s Rules.

Should any questions arise with regard to this matter, kindly communicate directly with this office.

Very truly yours,

KAYE SCHOLER, LLP

By: ____________________________
   Bruce A. Eisen

Enclosure

cc: Qualex International/Rm CY-B402
UNIVISION + NBC
Monopolistic Control of U.S. Hispanic Media & Entertainment

UNIVISION  ENTRAVISION  CLEAR CHANNEL  NBC

FCC
Federal Communications Commission
CHAIRMAN MICHAEL K. POWELL
JANUARY, 2003
WEIGHING THE PUBLIC INTEREST

HISTORICAL VIEWPOINT

PROSPECTIVE VIEWPOINT

The Commission Should Oppose the Merger

We will show conclusively that this merger DOES NOT serve the public interest, convenience and necessity
<table>
<thead>
<tr>
<th><strong>FACT</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HISTORICALLY</strong></td>
</tr>
<tr>
<td>- Have intentionally lied to the FCC, flagrantly violated ownership limits and conspired to control U.S. Hispanic Radio</td>
</tr>
<tr>
<td><strong>UNIVISION</strong></td>
</tr>
<tr>
<td><strong>ENTRAVISION</strong></td>
</tr>
<tr>
<td>- Have misrepresented Univision’s de facto control of Entravision and conspired to control U.S. Hispanic TV</td>
</tr>
<tr>
<td><strong>PROSPECTIVELY</strong></td>
</tr>
<tr>
<td>- Harms consumers (listeners, viewers, advertisers, shareholders, competitors)</td>
</tr>
<tr>
<td>- Elimination of a viable competitor</td>
</tr>
<tr>
<td>- Monopolistic market share/concentration</td>
</tr>
<tr>
<td>- Elimination of competitive playing field</td>
</tr>
<tr>
<td>- Reinforces existing barriers to entry</td>
</tr>
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**Forever Forecloses Public Interest Standard for U.S. Hispanic Market**
UNIVISION + HBO Resultant Control of U.S. Hispanic Media

Univision stations
Telefutura stations
Cable
Entravision stations
Radio
Internet
Billboards
Newspaper
Records

One individual will control U.S. Hispanic media, news, information and entertainment
# Total Hispanic Broadcast Revenues

**TOP 10 MARKETS — STARTING POINT**

<table>
<thead>
<tr>
<th>Market</th>
<th>Total TV/Radio</th>
<th>Univision + HBC</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>$303</td>
<td>$219</td>
<td>72%</td>
</tr>
<tr>
<td>Miami</td>
<td>171</td>
<td>95</td>
<td>56%</td>
</tr>
<tr>
<td>New York</td>
<td>122</td>
<td>59</td>
<td>48%</td>
</tr>
<tr>
<td>Houston</td>
<td>84</td>
<td>68</td>
<td>81%</td>
</tr>
<tr>
<td>Chicago</td>
<td>73</td>
<td>50</td>
<td>68%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>64</td>
<td>52</td>
<td>82%</td>
</tr>
<tr>
<td>Dallas</td>
<td>62</td>
<td>45</td>
<td>71%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>42</td>
<td>34</td>
<td>81%</td>
</tr>
<tr>
<td>San Diego</td>
<td>26</td>
<td>23</td>
<td>86%</td>
</tr>
<tr>
<td>El Paso</td>
<td>23</td>
<td>22</td>
<td>96%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$970</strong></td>
<td><strong>$666</strong></td>
<td><strong>69%</strong></td>
</tr>
</tbody>
</table>

* Excludes Telefutura and Cross Platform selling efforts

Source: 2002 BIA Financial Network
## Sham Checklist

### FCC Sham Filings

<table>
<thead>
<tr>
<th>Statement</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear Channel is a passive investor does not control HBC</td>
<td>Crossed out</td>
</tr>
<tr>
<td>Clear Channel has a &quot;non-voting&quot; stake in HBC</td>
<td>Crossed out</td>
</tr>
<tr>
<td>Clear Channel has no HBC board representation</td>
<td>Crossed out</td>
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### Marketplace Realities

<table>
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<tr>
<th>Statement</th>
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<tr>
<td>Clear Channel created HBC</td>
<td>Clear Channel funded HBC</td>
</tr>
<tr>
<td>Clear Channel assisted/directed HBC</td>
<td>Clear Channel &quot;dealt&quot; HBC to Univision – Bel Air, CA May 2002</td>
</tr>
<tr>
<td>Clear Channel illegally tried to derail HBC competitor SBS</td>
<td>Clear Channel's 26% &quot;non-voting&quot; HBC stake is actually much more determinative than if 26% were actually voting: HBC cannot make a single major corporate act without Clear Channel approval (negative control)</td>
</tr>
<tr>
<td>To this day, HBC board has directors originally named by Clear Channel prior to adoption of &quot;non-voting&quot; scam</td>
<td>Clear Channel has character qualifications befitting an FCC licensee</td>
</tr>
<tr>
<td>FCC SHAM FILINGS</td>
<td>MARKETPLACE REALITIES</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>Clear Channel is a passive investor, does not control HBC</td>
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<td></td>
</tr>
<tr>
<td>an FCC licensee</td>
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**UNIVISION + NBC Sham Checklist**

<table>
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<tr>
<td>Clear Channel is a passive investor does not control HBC</td>
<td>Clear Channel created HBC</td>
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<tr>
<td>Clear Channel is a non-active shareholder in HBC</td>
<td>Clear Channel funded HBC</td>
</tr>
<tr>
<td>Clear Channel assigned/directed HBC</td>
<td>Clear Channel assisted HBC to Univision – Bel Air, CA May 2002</td>
</tr>
<tr>
<td>Clear Channel has no HBC board representation</td>
<td>Clear Channel aided to derail HBC competitor SBS</td>
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<td>Clear Channel has character qualifications being an FCC licensee</td>
<td></td>
</tr>
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**Image:**

- **949 Tha Bomb 2002**
  - **92.7 PARTY!**
  - **Welcome to the Bay**
  - **Good Luck from the Staff & WILD 94.9**
  - **The Bay Area's Only PARTY**

**Note:**

- Tickets On Sale Saturday, May 4th at all Ticketmaster outlets and at select Aha Aha locations or [www.ticketmaster.com](http://www.ticketmaster.com)
- You'll need it! 🎟️
# Sham Checklist

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</tr>
<tr>
<td>Clear Channel has no “non-voting” stake in HBC</td>
<td>Clear Channel funded HBC</td>
</tr>
<tr>
<td>Clear Channel has no HBC board representation</td>
<td>Clear Channel assisted/directed HBC</td>
</tr>
<tr>
<td>Clear Channel has character qualifications affecting an FCC licensee</td>
<td></td>
</tr>
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</table>

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**Radio is War**

---

**Radio is War**
## UNIVISION + Sham Checklist

### FCC Sham Filings

- Clear Channel is a passive investor, does not control HBC
- Clear Channel has a "non-voting" stake in HBC
- Clear Channel has no HBC board representation
- Clear Channel lacks character qualifications, limiting its status as an FCC licensee

### Marketplace Realities

- Clear Channel created HBC
- Clear Channel funded HBC
- Clear Channel assisted/directed HBC

---

RADIO IS WAR!
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GO B2A:
B2A PARA
**FCC SHAM FILINGS**  |  **MARKETPLACE REALITIES**
---|---
Clear Channel created HBC  | Clear Channel's 26% “non-voting” HBC stake is actually much more determinative than if 26% were actually voting:
Clear Channel funded HBC  | HBC cannot make a single major corporate act without Clear Channel approval (negative control)
Clear Channel assisted/directed HBC  |
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<tbody>
<tr>
<td>Univision does not control Entravision</td>
<td>Univision created Entravision</td>
</tr>
<tr>
<td>Univision and Entravision are &quot;independent competitive entities&quot;</td>
<td>Univision blocked Entravision competitor from acquiring TV stations in Tampa, Orlando and Washington, D.C.</td>
</tr>
<tr>
<td>Univision is not involved in Entravision operations</td>
<td>Univision blocked competitor Telemundo from advertising on Entravision radio stations in Denver</td>
</tr>
<tr>
<td>Univision is not a monopsonist</td>
<td>Univision denied access to its TV network to all internet portals in order to provide exclusivity to Univision.com</td>
</tr>
<tr>
<td>Univision has proposed non-voting, non-removal of directors from Entravision board</td>
<td>Univision retains 31% ownership</td>
</tr>
<tr>
<td></td>
<td>Univision retains programming lifeblood</td>
</tr>
<tr>
<td></td>
<td>Univision non-voting sham = Clear Channel non-voting sham</td>
</tr>
</tbody>
</table>
UNIVISION + Conspiratorial Control of U.S. Hispanic Media

$20 MM
+$250 MM
+$40 MM
+Wall Street support

non-distributable interest

NBC

Ref.
Univision SEC Filing

CLEARCHANNEL

$10 MM
+$110 MM
+Stock Repurchases
+Programming

ENTRAVISION

Clear Channel Dollars --- Univision Dollars
Structural Nexus
Jerry Perenchio
UNIVISION

Network
#1 Mid-Market TV/Radio

UNIVISION
#1 TV Station Group

UNIVISION
#1 TV Network

UNIVISION
#1 Cable

UNIVISION.com

TV Station Group

Fonovisa
#1 Records

cfa
#1 Concerts/Events

CLEARCHANNEL
#1 Global out-of-home Entertainment entity

Televisa
#1 Global Spanish TV Programming entity

Proposed Televisa/CC Mexican radio merger DENIED

FCC Divestiture Order 1986
FCC Approved Reentry 1992

Direct Ownership
Affiliation (programming/content/ventures)
Elimination of Competitive Playing Field

Univision
1 TV Group(s)
1 Network(s)
1 Radio
1 Records
1 Cable
1 Online

Economic dominance of Univision Group
expansion of Univision assets
inhibits competitors

Lack of competitive TV programming
(15 years remaining)
excludes competitors

Stronger #1 Univision Group
economic clout

Univision
Radio + TV, Records, Online
commands higher rates

Stronger #1 Univision
Online

Stronger #1 Univision
TV + Cable

Massive promotion of Univision Radio
excludes competitors

Stronger #1 Univision
Radio

Univision Radio, TV and Records
feed Univision Online
excludes competitors

Stronger #1 Univision
Records

Univision Radio + TV favors Univision Records
excludes competitors

Ref.
Hacienda Records

Univision's Self-Perpetuating Monopolistic Model

Reinforces Marketplace Barriers to Entry
Reinforces Barriers to Entry

Availability of stations

Existing Barriers
Reinforces Barriers to Entry

- Availability of stations
- Access to capital

Existing Barriers
Reinforces Barriers to Entry

UNIVISION as bidder
UNIVISION as competitor
Unavailability of UNIVISION as promotional vehicle

Availability of stations
Access to capital
Existing Barriers

UNIVISION + NBC

Ref. Dan Mason Correspondence

MARKETPLACE ENTRY

UNIVISION Reinforced Barriers

ACCESS DENIED
Andy Hobson  
EVP, Univision  
"During the first six months of 2002, Univision captured more than 95% of the growth in advertising on Spanish-language television in the markets in which we operate."

"Since we still expect to capture substantially ALL OF THE GROWTH in spending in the 2nd half of the year, we expect our television revenues to grow between 17 1/2 - 20% for the year."

"New and expanded exclusive long-term programming agreements for our Univision, Telefutura and Galavision networks with the world's leading Spanish-language producers including Mexico's Televisa, Venezuela's Venevision and RCTV and Colombia's RCN."

Ray Rodriguez  
Pres. & COO, Univision Network  
"The acquisition (of HBC) will create the premier broadcasting, marketing and entertainment company serving the nation's 35 Million Hispanics."

"With the leading Spanish-language radio network we will have an unprecedented opportunity to cross-promote and cross-sell our products including shows, music, artists and other features."

"To sum up, we've taken significant steps this quarter to materially extend Univision's position as the most comprehensive Spanish-language multimedia company in the United States with leading market share in each of our business lines."
Bob Cahill  
Vice Chairman, Univision

"Cross-promotional opportunities afforded by a combination of radio and television will (attract increasing amounts of advertising dollars) as will the ability to introduce new advertisers to Hispanic media through the less costly medium of radio and, then, upon proof of success, to move these advertisers to Hispanic television as well."

Univision Defines a Separate Hispanic Radio & TV Market
Univision Defines A Separate Market

- Separate Market (Spanish Radio and TV)
- Separate Audience (35 Million Hispanics)
- Separate Advertisers (Vast Proportion Exclusive to Hispanic Media)
- Separate Population Growth Rate (7X the General Market)
- Separate Dollars (Spanish-language vs. General Market)
- Separate (Exclusive) Programming Sources (Latin America vs. Domestic)
- Separate (Proprietary) Products (Hispanic Shows, Music, Artists)
- Separate Pricing "Funneling" Mechanism (Using Radio as "Loss Leader")

Separate Market Control Paradigm
What Will the Univision Paradigm Mean for Competition?

Radio vs. Radio

Radio vs. TV

TV vs. TV

The Univision Paradigm Destroys Competitive Model and Harms Consumers
UNIVISION

Monopolistic Strategy
Separate Market Control Paradigm

Competitive Model

Separate Market Control Paradigm

Pricing

Radio/TV Manipulation

"ALL the Growth"

Performance

Multi-Party Marketplace

Separate Sequestered Market (Control)