

Regulators Face a Bilingual Conundrum; A proposed merger poses a question: Are Spanish-language media their own market?

The Los Angeles Times; Los Angeles, Calif.; Nov 24, 2002; Meg Jamcs and Jeff Leeds;

.Abstract:

A few days later, Univision officials got a call from Clear Channel's outside financial advisor, again asking whether Univision was interested in its piece of the broadcaster. Univision said it would only if a deal could be made for full control of the radio chain.

Spanish-language TV giant Univision Communications Inc. is seeking to buy the nation's largest Spanish-language radio chain, Hispanic Broadcasting Corp., for more than \$2 billion. If the deal is approved by federal regulators, Univision will capture an estimated two-thirds of all Spanish-language advertising in the U.S.

Univision plunged into the record business last year, financing its own Univision Music Group and then purchasing independent Fonovisa Records for about \$230 million. Univision Music Group, with such artists as singer [Jennifer Pena], left, now accounts for about 22% of the U.S. Latin music market, according to Nielsen Soundscan.

Full Text:

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Four years ago when millions of viewers tuned in to the planet's premier sporting event -- World Cup soccer -- they heard pop sensation Ricky Martin belting out the tournament's theme song, "Cup of Life."

But when the matches returned to TV last spring, the voice they heard woven through the coverage was of a virtual unknown, 18-year-old Jennifer Pena. She had an inside track: Univision Communications Inc., which owns the U.S. broadcast rights to the games, had just signed her to a record deal. Not coincidentally, Pena's album was released during the June tournament

Univision's choice of singers illustrates the growing moxie of a media behemoth that has far grander plans for itself. Univision already is the king of Spanish-language TV. Last year, it created its own record label. And now the company wants to spend more than \$2 billion to take over the nation's largest Spanish-language radio chain, Hispanic Broadcasting Corp.

If the merger is approved by federal regulators, Univision will obtain a lock on two-thirds of all Spanish-language advertising in the U.S., while gaining an unmatched platform for its talent -- a prospect that raises concerns about conflicts of interests.

"The only reason Jennifer Pena got to sing the song was because she was on Univision's label," said Roland Garcia, founder of small, Texas-based Hacienda Records. "They can make their own hits, and they will put us out of business."

In fact, the proposed merger has churned up turbulence among many players who once were consigned to the sidelines of the multibillion-dollar English-language broadcast industry but now find themselves battling for the riches of an exploding Latino market.

Protests have been voiced to the Federal Communications Commission, including one from Hispanic Broadcasting's chief competitor and another from a Latino advocacy group headed by New York state Sen. Efrain Gonzalez Jr.

"It is not in our best interests for Univision to control the Hispanic market in the United States," he said, "No one else will be able to compete.... You create Shamu and guess what? It eats all the little fish."

Univision executives argue that the merger would strengthen the overall economics of a traditionally underserved sector of the market and [that they expect regulators will bless the deal in coming months.

But the antitrust review will be unlike any other undertaken by regulators during the past decade of media mergers, legal experts say. The government must decide whether Spanish-language media are a distinct market or a small slice of the nation's overall advertising and broadcasting pie.

"The commission is being called upon to make a decision which could have extraordinary consequences," said Washington communications attorney Vince Pepper, who has argued many cases before the FCC. "If you start recognizing a foreign language as a subgroup of the market, then you are involving the government in waters in which it has never stuck its toes."

Univision contends that it is part of the overall media market because it competes for advertising dollars alongside such giants as Viacom Inc. and Walt Disney Co., each of which owns television networks, radio stations and other assets.

A ruling that Spanish-language broadcasting stands alone would probably sink the Univision merger because the combined company would amount to a monopoly.

Univision was bought in 1992 by reclusive Los Angeles billionaire A. Jerrold Perenchio, who recognized the immense growth potential in the Latino market. In the last decade, he has guided the company from annual sales of about \$200 million to a projected \$1.2 billion this year.

Corporate America has caught on

Companies ranging from the Krispy Kreme doughnut chain to the distillers of Doni Perignon have increased their marketing budgets in an effort to woo Latino consumers, who spend an estimated \$580 billion a year. In April, General Electric Co.'s NBC spent \$2 billion to acquire Telemundo, the second-largest Spanish-language TV network in the U.S.

Nowhere is the market hotter than in Los Angeles, the nation's largest -- and most competitive -- Latino media center. Univision's evening newscast on KMEX-TV Channel 34 often outdraws such English-language counterparts as KABC Channel 7, KNBC Channel 4 and KCBS Channel 2 for viewers.

With the acquisition of Hispanic Broadcasting, Univision's reach would extend to 55 radio stations, including five in Los Angeles. One of them, KSCA-FM (101.9), has ranked as the region's No. 1 station for most of the last five years among listeners ages 25 to 54, a group coveted by advertisers.

Since Univision created its new record label, it has quickly captured nearly a quarter of the U.S. Latin music market, according to Nielsen SoundScan. Univision plans to launch a cable channel next month devoted to music videos.

Because Univision already is so dominant, the possible addition of a huge radio chain has presented a minefield for regulators as they try to determine the impact on specific markets and advertisers who are worried about getting squeezed for higher rates.

In recent weeks, Justice Department antitrust investigators have been gathering documents on ad rates and audience size from Univision's competitors and advertisers. They also are examining whether Univision controls radio stations in Latino markets where it is seeking an even stronger hold.

Investigators specifically are interested in the long-standing relationship between Univision and Santa Monica-based Entravision Communications Corp., which owns Spanish-language TV and radio stations.

Government rules prohibit a company from owning more than eight stations in any market. The question being pursued by regulators is whether Univision essentially is controlling Entravision through its 31% ownership. If so, then the proposed merger might put Univision over the government limits.

To try to assuage regulators, two senior Univision executives resigned in August from Entravision's board. Univision also has vowed to convert its interest in Entravision into nonvoting stock if the merger is approved.

Even if Univision passes that test, another awaits: Regulators must be convinced that Univision's new stations would remain truly competitive with those in which it already has an interest.

And if that isn't enough to keep regulators busy, then there's this question: Are television and radio separate markets, or do they compete with each other for the same advertising dollars? Univision is arguing that they are distinct markets, meaning the company could own a big piece of both without monopolizing either one.

Opponents of the merger, however, are not content to wait for the resolution of those technical issues. They recently stepped up a behind-the-scenes lobbying campaign to muddy the merger by targeting the role of Hispanic Broadcasting's biggest shareholder, Clear Channel Communications, which already is embroiled in a number of controversies involving alleged anti-competitive tactics in its radio and concert divisions.

Critics of the proposed union accuse Clear Channel of secretly masterminding the deal in possible violation of an agreement with the FCC. The radio chain, by far the largest in the U.S., obtained the agency's approval for its stake in Hispanic Broadcasting only after vowing to be a "passive" investor with nonvoting stock.

That assurance was necessary to avoid monopoly problems because of the high number of stations Clear Channel controls in various markets.

But documents submitted to the Securities and Exchange Commission detailing the proposed merger suggest that Clear Channel instigated the talks that led to the deal. Here, according to the documents, is what transpired:

The first overture came in an e-mail from Clear Channel's chief financial officer, Randall Mays, to Univision's senior vice president. Mays told the executive that another company was making a play for its 26% share of Hispanic Broadcasting. Mays said that if Univision executives wanted in the game, they should contact him.

A few days later, Univision officials got a call from Clear Channel's outside financial advisor, again asking whether Univision was interested in its piece of the broadcaster. Univision said it would only if a deal could be made for full control of the radio chain.

A third contact came two weeks later, when Clear Channel's Mays saw Univision's senior vice president at a broadcasters' convention in Las Vegas and pitched his plan face-to-face.

Within weeks, it became clear to Univision that it could, in fact, purchase not only Clear Channel's holding but all of Hispanic Broadcasting, whose executives were fielding offers from other suitors. One of those was archrival Spanish Broadcasting System Inc., which owns 24 stations nationwide and has become the most vocal critic of the proposed merger.

Mays declined to discuss his company's role in the talks except to say, "We have nothing to do with the operations of Hispanic [Broadcasting]."

But critics argue that if FCC regulators believe there is evidence that Clear Channel was more than a passive bystander in Hispanic Broadcasting strategy, there could be grounds to delay or even reject the merger.

Despite all the controversy, U.S. Rep. Xavier Becerra (D-Los Angeles) said critics of the deal should keep Univision's size in perspective.

"As big as Univision is, it hasn't been able to get its fair share from the advertising pie," he said.

"Maybe a stronger player [in Spanish-language broadcasting] will be what it takes to get advertisers up to the table and willing to pay more."

*

Two Spanish-language powerhouses seek to marry:

Spanish-language TV giant **Univision Communications Inc.** is seeking to buy the nation's largest Spanish-language radio chain, **Hispanic Broadcasting Corp.**, for more than \$2 billion. If the deal is approved by federal regulators, Univision will capture an estimated two-thirds of all Spanish-language advertising in the U.S.

Univision plunged into the record business last year, financing its own Univision Music Group and then purchasing independent **Fonovisa Records** for about \$230 million. Univision Music Group, with such artists as singer **Jennifer Pena**, left, now accounts for about 22% of the U.S. Latin music market, according to **Nielsen SoundScan**.

Univision owns 53 TV stations. In Los Angeles, Univision's evening newscast on **KMEX-TV Channel 34**, featuring **Eduardo Quezada**, left, as news anchor, often outdraws such English-language counterparts as **KABC Channel 7**, **KNBC Channel 3** and **KCBS Channel 2**.

Hispanic Broadcasting Corp. owns 55 radio stations, including five in Los Angeles. One of them, **KSCA-FM (101.9)**, has ranked as the region's No. 1 station for most of the last five years among listeners ages 25 to 54, a demographic group coveted by advertisers. It features the nationally syndicated show of **Renan Almendarez Cocollo**, below, who is Los Angeles' top-rated morning host.

[Illustration]

Caption: PHOTO: FORESIGHT: Los Angeles billionaire A. Jerrold Perenchio recognized Univision's potential in 1992: PHOTOGRAPHER: Alan Berliner For The Times; PHOTO (no caption): PHOTOGRAPHER: Annie Wells L.A. Times; PHOTO: (no caption): PHOTOGRAPHER: Gina Ferazzi L.A. Times; PHOTO: (no caption): PHOTOGRAPHER: Univision

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Dan Mason
21701 Club Hollow Road
Poolesville, Maryland 20837

December 16,2002

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20024

Dear Chairman Powell:

Mr. Raul Alarcon of Spanish Broadcasting System has asked me to express my opinion with regard to the competitive environment in the major market Spanish-language radio sector with a view of assisting you in your analysis of the pending Univision-HBC merger. More specifically, I would like to share my outlook on that merger's reinforcement of the inherent "barriers-to-entry" that would be faced by either new Hispanic radio entrepreneurs or existing English-language general market radio broadcasters attempting to enter the Spanish-language radio field.

My experience in the radio industry dates back to 1973. I graduated from Eastern Kentucky University with a bachelor's degree in Broadcasting. Over the past several years, I have been involved in all aspects of radio broadcasting while serving as President of Cook Inlet Radio, Group **W** Radio, CBS Radio as well as Infinity Radio. I recently retired from Infinity in September of 2002 and now work with the industry in a consultancy capacity. I have also served on the board of directors **of** the NAB (National Association of Broadcasters).

Today, major market Spanish-language radio is primarily serviced by two public radio entities, HBC and SBS. These two companies are exclusively focused on owning and operating major market Spanish-language radio stations.

The U.S. Spanish-language media market is a distinct niche market. There are several reasons that can be offered up to explain **why the major market Spanish-language radio component of that market is so specialized.**

Initially, a potential new Hispanic radio competitor would first need to overcome the lack of available major market FM or AM facilities and lack of funding for what would be a start-up situation. Stick values (defined as non-cash **flow** stations) continue to be at an all-time high. It is commonplace for FM stations in the top ten markets to be sold for numbers in excess of \$100 million with little or no cash flow. Even top **AM**

sticks continue to command lofty prices as well. For example, ABC recently purchased WEVD-AM in New York for a price tag of nearly \$80 million. A few years ago, ABC also purchased KRLA-AM in Los Angeles from Infinity for \$65 million.

Excellent facilities rarely go on the market and when they do there is usually a bidding frenzy commanding top dollar.

Likewise, existing English-language operators would face serious operational obstacles stemming from the unfamiliarity with Hispanic culture and music. More importantly, English-language radio operators would undoubtedly find it extremely difficult to identify, recruit and retain the varied sources of Hispanic talent necessary to properly run a major market radio facility. It would also be very difficult for English-language operators to hold on to the best talent when the Spanish-language operators can provide more opportunity for movement and advancement within their companies. My former company recently lost a popular Hispanic announcer at an Infinity station in Fresno to a Spanish-formatted station owned by HBC in Chicago. The fact is that Spanish-language media is a separate and unique sector that requires specific expertise. As previously mentioned, the major market radio portion is currently being fought over by *two* very competitive specialists that are dedicated to that market and nothing else.

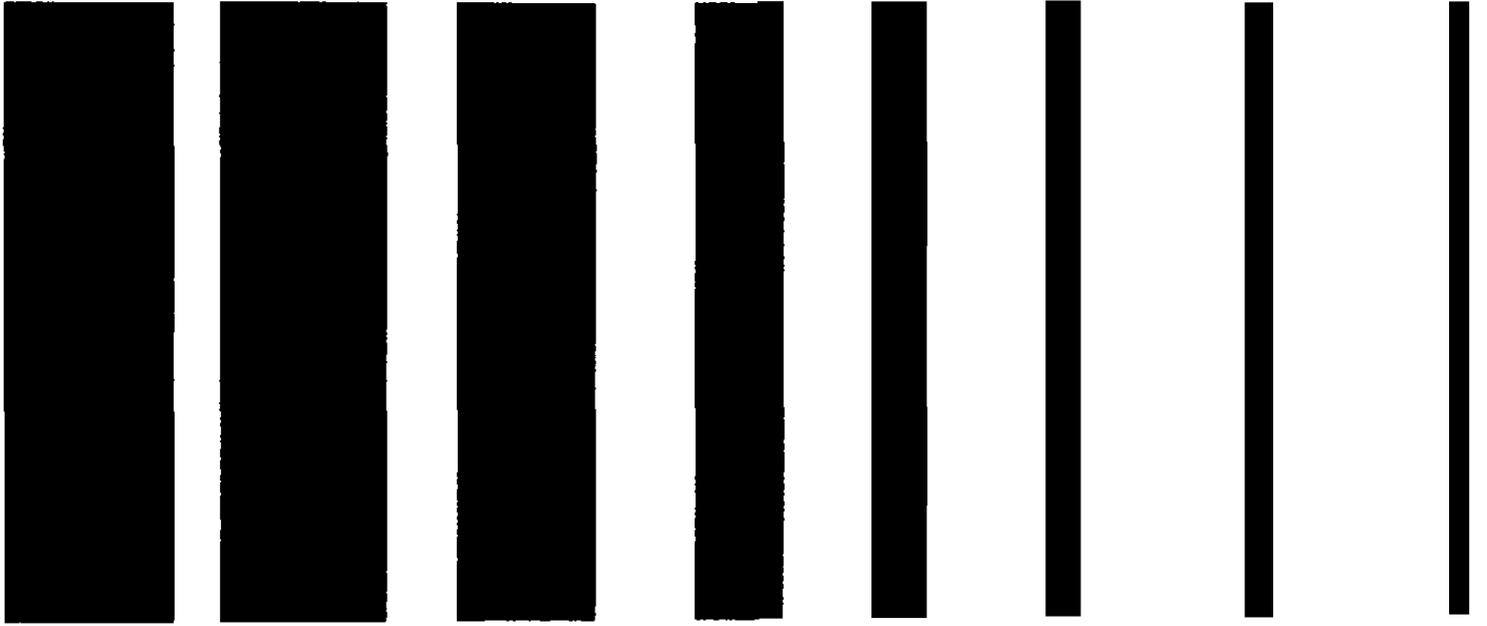
Finally, on the advertising side, Spanish-language market budgets are totally separate from the general market budgets. They are never commingled. In every major market, Spanish-language ad expenditures are often a small percentage of the total advertising pie, thereby limiting the number of potential competitors. There is no compelling economic rationale today that would *convincingly* argue for an English-language operator to dedicate valuable capital resources to experiment against established and well entrenched competitors who super-serve this specialized niche market. In fact, in my thirty years of radio experience, I cannot recall a single successful example of a major market English-language radio competitor entering any market with a new Spanish-language format.

For all of the reasons stated above, I believe that it is highly unlikely that a new major market Spanish-language radio company of any relative significance will come into existence in the foreseeable future. The recent difficulties experienced by Big City Radio in its format changes are present-day examples of the real-world effectiveness of these "barriers-to-entry".

I hope these views serve their intended purpose of assisting your analysis of the pending Univision/HBC transaction. I would welcome any further **discussion** or follow-up questions.

Sincerely,





Hispanic Listening Preference

December 2002

Compilation of Arbitron Data

Introduction

This report studied the percentage of listening by Hispanic audiences to Spanish-language radio stations and all non-Spanish language radio stations.

Results were tabulated from Arbitron data for Spanish primary Hispanic listeners in the top 15 Hispanic markets (as an average) as well as selected major markets.

The data referred to in this report was sourced from the Arbitron Spring 2002 Report, RMR Qualified Stations, Monday through Sunday, 6AM to Midnight.

Top 15 U.S. Hispanic Markets

Hispanics Spend 68% of their
Time Listening to Spanish Radio*

(select markets)

Los Angeles - 79%

New York - 69%

Miami - 50%

Chicago - 74%

Houston - 75%

San Francisco - 60%

Dallas - 75%

San Antonio - 76%

* All other radio alternatives - 19%

Top 15 U.S. Hispanic Markets

Hispanic Adults 1849 Spend 69% of their Time Listening to Spanish Radio*

(select markets)

Los Angeles - 80%

New York - 67%

Miami - 53%

Chicago - 76%

Houston - 77%

San Francisco - 63%

Dallas - 75%

San Antonio - 77%

* All other radio alternatives - 19%

Top 15 U.S. Hispanic Markets

Hispanic Adults 25-54 Spend 70% of their Time Listening to Spanish Radio*

(select markets)

Los Angeles - 82%

New York - 71%

Miami - 56%

Chicago - 74%

Houston - 77%

San Francisco - 65%

Dallas - 74%

San Antonio - 78%

* All other radio alternatives - 17%

Top 25 Hispanic Ad Agencies

THE BRAVO GROUP

New York, NY

(212) 780-5800

Ownership: Young & Rubicam

CEO: Daisy Expósito Ulla

Year founded: 1980

No. of employees: 220

2002 gross billings (\$M): \$270.00

2001 gross billings (\$M): \$246.26

Clients: Philip Morris USA, AT&T, Blockbuster Video, Ford Lincoln Mercury, Wyeth

BROMLEY COMMUNICATIONS

San Antonio, TX

(210) 244-2126

Ownership: 49% owned by Publicis/51% Hispanic-owned

CEO: Ernest Bromley

Year founded: 1981

No. of employees: 120

2002 gross billings (\$M): \$184.00

2001 gross billings (\$M): \$176.00

Clients: Procter & Gamble, Burger King, Continental Airlines, Payless

DIESTE HARMEL & PARTNERS

Dallas, TX

(214) 800-3500

Ownership: Omnicom

CEOs: Tony Dieste and Warren Harmel

Year founded: 1995

No. of employees: 115

2002 gross billings (\$M): \$159.00

2001 gross billings (\$M): \$145.09

Clients: Peps,-Cola, Frito-Lay, Hyundai, Clorox, HBO

LÁPIZ

Chicago, IL

(312) 220-5959

Ownership: Bcom3

CEO: Dolores A. Kunda

Year founded: 1987

No. of employees: 28

2002 gross billings (\$M): \$135.00

2001 gross billings (\$M): \$130.00

Clients: Coke, Tecate, Kellogg's, Wrigley, Toys R Us, Disney, McDonald's

CASANOVA PENDRILL INC.

Irvine, CA

(949)474-5001

Ownership: Interpublic Group of Companies/ 51% Hispanic-owned

CEO: Paul Casanova

Year founded: 1984

No. of employees: 60

2002 gross billings (\$M): \$120.00

2001 gross billings (\$M): \$90.00

Clients: General Mills, Johnson & Johnson, General Motors, Home Depot

ZUBI ADVERTISING

Coral Gables, FL

(305) 448-9824

Ownership: Independent/100% Hispanic-owned

CEO: Teresa A. Zubizarreta

Year founded: 1976

No. of employees: 86

2002 gross billings (\$M): \$106.00

2000 gross billings (\$M): \$77.24

Clients: Ford, SC Johnson, American Airlines

WING LATINO GROUP

New York, NY
(212) 500-9401
Ownership: Grey Global Group
CEO: Jacqueline L. Bird
Year founded: 1937
No. of employees: 114
2002 gross billings (\$M): \$96.79
2001 gross billings (\$M): \$76.88
Clients: Procter & Gamble, Panasonic, Slimfast

THE VIDAL PARTNERSHIP

New York, NY
(212) 867-5185
Ownership: Independent/100% Hispanic-owned
CEO: Manny Vidal
Year founded: 1991
No. of employees: 70
2002 gross billings (\$M): \$90.00
2001 gross billings (\$M): \$70.10
Clients: Wendy's, Schering-Plough, Mastercard

MENDOZA, DILLON & ASOCIADOS

Aliso Viejo, CA
(949) 330-6700
Ownership: WPP Group PLC
CEO: Ingrid O. Smart
Year founded: 1979
No. of employees: 60
2002 gross billings (\$M): \$89.00
2001 gross billings (\$M): \$90.00
Clients: Kia Motors America, Sears, Kraft

PUBLICIS SANCHEZ & LEVITAN LLC

Miami, FL
(305) 858-9495
Ownership: Publicis Groupe/Miami office is 51% Hispanic-owned
CEO: Aida Levitan
Year founded: 1986
No. of employees: 80
2002 gross billings (\$M): \$87.00
2001 gross billings (\$M): \$80.00
Clients: BellSouth, Nescafe, Pennzoil-Quaker State, Chivas Regal, Juicy Juice

THE CARTEL GROUP

San Antonio, TX
(210) 696-1099
Ownership: Independent/100% Hispanic-owned
CEO: Victoria Varela
Year Founded: 1994
No. of employees: 80
2002 gross billings (\$M): \$86.29
2001 gross billings (\$M): \$74.11
Clients: U.S. Army, J.C. Penney, Leap Wireless, Capital One

LA AGENCÍA DE ORCÍ & ASOCIADOS

Los Angeles, CA
(310) 444-7300
Ownership: Independent/100% Hispanic-owned
CEOs: Hector and Norma Orci
Year founded: 1986
No. of employees: 92
2002 gross billings (\$M): \$85.00
2001 gross billings (\$M): \$72.00
Clients: Washington Mutual, American Honda, Verizon, Allstate Insurance

DEL RIVERO MESSIANU DDB
Coral Gables, FL
(305) 666-2101
Ownership: DDB
CEO: Eduardo del Rivero
Year founded: 1993
No. of employees: 48
2002 gross billings (\$M): \$75.00
2001 gross billings (\$M): \$70.00
Clients: McDonald's, State Farm Insurance

ACCENTMARKETING
Coral Gables, FL
(305) 461-1112
Ownership: Interpublic Group of Cos./51% Hispanic-owned
CEO: Esteban Blanco
Year founded: 1997
No. of employees: 53
2002 gross billings (\$M): \$60.70
2001 gross billings (\$M): \$46.90
Clients: GM, Chevrolet, Pontiac, GMC, U.S. Navy, Nextel

ARVIZU ADVERTISING & PROMOTIONS
Phoenix, AZ
(602) 279-4669
Ownership: Independent/100% Hispanic-owned
CEO: Ray Arvizu
Year founded: 1991
No. of employees: 44
2002 gross billings (\$M): \$57.50
2001 gross billings (\$M): \$47.50
Clients: Mastercard International, America West Airlines, McDonald's, Cox Communications

ORNELAS & ASSOCIATES
Dallas, TX
(214) 999-9322
Ownership: Independent/100% Hispanic-owned
CEO: Victor Ornelas
Year founded: 1988
No. of employees: 31
2002 gross billings (\$M): \$53.90
2001 gross billings (\$M): \$52.50
Clients: Nissan, Budweiser, Kimberly-Clark

LOPEZ NEGRETE COMMUNICATIONS
Houston, TX
(713) 877-8777
Ownership: Independent/51% Hispanic-owned
CEO: Alex Lopez Negrete
Year founded: 1985
No. of employees: 50
2002 gross billings (\$M): \$50.00
2001 gross billings (\$M): \$41.50
Clients: Wal-Mart Stores, Bank of America, Tyson Foods, Goya Foods, Geico Direct

SIBONEYUSA/EAST
(New York and Miami offices only)
Miami, FL
(305) 372-8630
Parent company: Interpublic Group of Companies/51% Hispanic-owned
CEO: Iose M. Cubas
Year founded: 1983
No. of employees: 40
2002 gross billings (\$M): \$45.00
2001 gross billings (\$M): \$40.00
Clients: Colgate-Palmolive, Kellogg's, Red Lobster, Sedano's Supermarkets

AD AMÉRICAS

Los Angeles, CA

(213) 688-7217

Ownership: Independent

CEO: Liz Castells-Heard

Year founded: 1985

No. of employees: 40

2002 gross billings (\$M): \$44.00

2001 gross billings (\$M): \$36.50

Clients: McDonald's, Toyota, Safeway/Vons/Dominicks, AT&T Broadband, Dole Packaged Foods Co.

LATINWORKS MARKETING

Austin, TX

(512) 479-6200

Ownership: Independent/100% Hispanic-owned

CEO: Manny Flores

Year founded: 1998

No. of employees: 35

2002 gross billings (\$M): \$42.00

2001 gross billings (\$M): \$28.00

Clients: Miller Brewing Company, Greyhound Lines, Beech-Nut Babyfoods

THE SAN JOSE GROUP

Chicago, IL

(312) 751-8500

Ownership: Independent/100% Hispanic-owned

CEO: George San Jose

Year founded: 1981

No. of employees: 32

2002 gross billings (\$M): \$38.00

2001 gross billings (\$M): \$32.50

Clients: American Trans Air, National Pork Board, Dial Corp., Herdez Group

IAC GROUP INC

Miami, FL

(305) 856-7474

Ownership: Independent/100% Hispanic-owned

CEO: Ana Maria Fernandez-Haar

Year founded: 1978

No. of employees: 38

2002 gross billings (\$M): \$34.00

2001 gross billings (\$M): \$33.50

Clients: Publix Supermarkets, Taubman Centers, Procter & Gamble

CREATABILITY

Coral Gables, FL

(305) 663-7374

Ownership: Independent/100% Hispanic-owned

CEO: Ritchie Lucas

Year founded: 1989

No. of employees: 15

2002 gross billings (\$M): \$29.00

2001 gross billings (\$M): \$29.00

Clients: Royal Caribbean, Iberostar Resorts, Dunkin' Donuts, Washington Mutual Finance

EURO RSCG MVBMS HISPANIC

New York, NY

(212) 886-4100

Ownership: Euro RscG MVBMS

CEO: Ron Berger

Year founded: 1997

No. of employees: 27

2002 gross billings (\$M): \$26.00

2001 gross billings (\$M): \$40.00

Clients: Subway Restaurants, Intel, 10-10-987, 10-10-220, Collect en Español

AL PUNTO ADVERTISING

Tustin, CA

(714) 544-0888

Ownership: Independent/50% Hispanic-owned

CEO: Peggy Goff

Year founded: 1994

No. of employees: 20

2002 gross billings (\$M): \$25.00

2001 gross billings (\$M): \$23.00

Clients: Warehouse Music, ConAgra Foods, IEHP (health plan)

**** Top 25 Hispanic Ad Agencies:** Methodology Hispanic advertising agencies were identified from databases compiled by AHAA and the SRDS Hispanic Media & Market Source. Hispanic ad agencies are defined as agencies that specialize in advertising to the U.S. Hispanic community. Ad agencies were sent a survey asking for information. The rankings are based on estimated 2002 billings. Nominations and/or comments can be sent to Hispanic Business by fax (805-964-6139) or e-mail (research@hbinc.com).

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Source: HISPANIC BUSINESS Magazine

OTHER ADVERTISING AGENCY/MARKETING REPRESENTATION

1.	Gavilan, Horacio	Executive Director, Association of Hispanic Advertising Agencies	703-610-0231
2.	Aguirre, Jack	Media Director-Sanchez & Associales. Chicago, IL	312-704-0300
3.	Amparo, Julio	President-Ampro Advertising, Bryn Mawr. NY	914-423-7373
4.	Arroliga, Oni	President-Creative Spanish, Miami, FL	305-445-7171
5.	Barrutia, Elizabeth	Senior VP/Media Director-Arenas Entertainment. Los Angeles, CA	323-467-9140
6.	Bartel, Mickey	Media Supervisor-Initiative Media, Chicago, IL	312-397-6711
7.	Blanco, Adriana	President-The Admark Group, Pasadena, CA	626-583-1610
8.	Buerger, Steve	Advertising Director/Event Marketing-Miller Brewing, Milwaukee, IL	414-931-6764
9.	Catell, Gustavo	Media Director-BVK Meka, Miami, FL	305-372-0028
10.	Cotter, Richard	Senior Partner/Director-Mindshare, NY, NY	646-756-5120
11.	Doyle, Mark	President-2 nd Federal Savings, Chicago, IL	773-277-8500
12.	Feinberg, Malt	Senior VP National Broadcast Radio-Zenith Media, NY, NY	212-859-5196
13.	Felipe, Sam	President-Results Advertising. Burbank, CA	818-563-1820
14.	Franklin, Sherri	Media Buyer-Spot Plus, Dallas, TX	214-259-2800
15.	Garcia, Maritza	President-Hernandez & Garcia, Lincolnwood, IL	847-676-4445
16.	Gonraler, Linda	President-VIVA Partnership. Miami, FL	305-576-6007
17.	Gota, Susan	Assistant Manager/Local Broadcast-Dailey & Associates, Hollywood. CA	310-360-3643
18.	Growcock, Marcy	President-Creative Media Development. Chicago, IL	312-853-1700
19.	Guim, Rene	President-Nuner, Guim & McCartney Advertising. Miami, FL	305-503-3045
20.	Gutierrez, Maritza	President-Creative Ideas, Miami, FL	305-358-5644
21.	Gutierrez, Pat	VP/Media Director-Cruz/Kravetz, Culver City, CA	310-312-3630
22.	Hoffman, Adonis	Sr. VP/Counsel, American Association of Advertising Agency, Washington. DC	202-331-7345
23.	Huss, Cheri	Broadcast Supervisor-CARAT, Santa Monica, CA	310-255-1320
24.	Jacobellus, Victor	President-Rose Productions, Chicago, IL	312-222-1303
25.	Jericho, Saul	President-Potamkin Mitsubishi/VW, NY, NY	212-433-1701
26.	Jimenez, Maria	Account Director-Sanchez & Associates. Chicago, IL	312-704-0300
27.	Kimmelman, Gene	President, Consumer Union, Washington, DC	202-462-6262
28.	Kush, Laura	Manager Ethnic Broadcast-Haworth Marketing & Media, Los Angeles. CA	310-824-7777
29.	Macias, Ben	Marketing Director-Aronson Furniture, Chicago, IL	733-475-3427
30.	Martin, Alex	Broadcast Group Manager-Horizon Media, Los Angeles. CA	310-282-0909
31.	Meilan, Maria	Media Director-Historical Museum, Miami, FL	305-375-1492
32.	Membliella, Royme	President-Royme Membliella & Associates, Miami, FL	305-868-1655
33.	Mendez, Malena	Director Marketing-Broward Center Performing Arts. Ft. Lauderdale. FL	954-468-3331
34.	Menocal Rubiera, Megaly	Media Communications Manager-Visa International. Miami, FL	305-551-5900
35.	Meyer, Debbie	President-Meyer & Associates. Naperville, IL	630-357-6834
36.	Miranda, Luis	Partner-Mirmar Group, NY, NY	917-922-6813
37.	Moran, Alejandra	President-Si Advertising, Cicero. IL	708-780-0116
38.	Naiman, Helene	President-██ Media, NY. NY	212-490-0505
39.	Pagan, Sam	Marketing Services Director-Luminas Americas, NY, NY	973-953-7615
40.	Pappas, Iliana	President-Accent Marketing, Chicago, IL	312-226-6117
41.	Patterson, Sid	President-SPA, NY, NY	212-725-9600
42.	Pinto, Lynette	VP Marketing-Telemundo. Miami, FL	305-889-7000
43.	Pirarro, Cesar	Business Manager-El Nuevo Herald, Miami, FL	305-372-2815
44.	Pool, Jean	President-Mindshare. NY, NY	646-756-4000

45. Rivera, Robert	President-SMI Entertainment, Miami, FL	305-885-8767
46. Rodriguez, Mike	General Manager/VP-Channel 51/Telemundo, Miramar, FL	954-622-7000
47. Ross, Candace	Senior Broadcast Negotiator-OMD, Los Angeles, CA	310-301-3681
48. Rossi, Luis	President-Rossi Enterprises, Chicago, IL	773-273-3300
49. San Jose, George	President-San Jose & Associates, Chicago, IL	312-751-8500
50. San Jose, Natalia	President-Hispano Link, Lincolnwood, IL	847-763-9000
51. Schectman, Steven	President-Sanlas Enchanted Forrest, Miami, FL	305-893-0090
52. Seaton, Kelly	Media Supervisor-Initiative Media, Chicago, IL	312-397-6711
53. Sternberg, Ann	Media-Rock & Roots, NY, NY	212-788-4963
54. Tassinari, Caprice	International Marketing Director-Simon Property Group, Miami, FL	305-663-4222
55. Tomasino, Raquel	Senior VP/Media Director-Ad Americas, Los Angeles, CA	213-688-7250
56. Turner, Michael	President, Information Policy Institute, NY, NY	212-629-4557
57. Wiscovitch, Joe	President-Wiscovitch & Assoc, NY, NY	212-688-9460
58. Woddard, Mark	VP of Media-Specs/FYE, Miami, FL	305-532-5319

Qualitative Criteria. **Adults 18+**

~~Female~~ ~~Secrets Race~~ is Hispanic

Drug Stores

Selected Profile ranked by % of left	Target Persons	Covg (% left)	Index
1. Purchasd non-prescripn items at Sedano's (mo)	106,845	84.4%	227
2. Purchasd non-prescripn items at Navarro Discount Pharmacy (mo)	168,905	79.3%	214
3. Purchasd non-prescripn items at Fedco (mo)	52,105	55.0%	148
4. Purchasd non-prescripn items at other drug store (mo)	28,455	43.1%	116
5. Purchasd non-prescripn items at Winn-Dixie (mo)	199,820	37.3%	100
6. Purchasd non-prescripn items at other supermarket drug department (mo)	32,100	36.9%	99

Population Information:		Survey Respondent Information:	
Total Adults 18+:	3,547,370	Total Adults 18+:	4,054
Qualitative Population:	1,316,795	Qualitative Respondents:	1,612
% of Adults 18+:	37.1%		

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Qualitative Criteria Adults 18+
 Full Survey Area
 represents Race is Hispanic

Furniture, etc

Selected Profile ranked by % of left

	Target Persons	Covg (% left)	Index
1 Shppd El Dorado for frniturelmttrss (yr)	127.985	46.3%	125
2 Shppd Mattress Giant for frniturelmttrss (yr)	64.475	43.3%	117
3. Shppd City Furniture for frniture/mtrss (yr)	121.095	39.3%	106
4. Shppd Mattress Discounters for frniture/mtrss (yr)	17.100	38.8%	104
5. Shppd Rooms To Go for frniturelmttrss (yr)	208.380	36.2%	97
6 Shppd JCPenney Home Store for frniture/mtrss (yr)	65,350	32.5%	88
7 Shppd Bloomingdale's for frniturelmttrss (yr)	36.835	32.1%	87
8. Shppd Sears for frniture/mtrss (yr)	67,595	30.4%	a2

Population Information:

Total Adults 18+ 3,547,370
 Qualitative Population: 1,316,795
 % of Adults 18+: 37.1%

Survey Respondent Information:

Total Adults 18+: 4,054
 Qualitative Respondents: 1,612

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Qualitative Criteria: Adults 18+
 Full Survey Area
 represents Race is Hispanic

Retail Stores

Selected Profile ranked by % of left.

	Target Persons	Covg (% left)	Index
1. Shopped Michaels (3mos)	155,805	46.4%	127
2. Shopped Burlington Coat Factory (3mos)	157,275	43.2%	118
3. Shopped Ross Dress For Less (3mos)	299,405	42.6%	116
4. Shopped Toys 'R' Us (3mos)	315,595	42.3%	116
5. Shopped KB Toys (3mos)	128,600	41.8%	114
6. Shopped Sears (3mos)	678,180	41.7%	114
7. Shopped Marshalls (3mos)	419,030	41.6%	114
8. Shopped BrandsMart U.S.A (3mos)	412,890	40.3%	110
9. Shopped Costco (3mos)	376,630	37.9%	103
10. Shopped Burdines (3mos)	665,980	37.6%	103
11. Shopped JCPenney (3mos)	530,170	37.5%	102
12. Shopped K Mart (3mos)	798,985	37.4%	102
13. Shopped Best Buy (3mos)	404,430	36.8%	100
14. Shopped The Sports Authority (3mos)	256,170	36.0%	98
15. Shopped Wal-Mart (3mos)	802,065	36.0%	98

Population Information:		Survey Respondent Information:	
Total Adults 18+:	3,441,445	Total Adults 18+:	4,086
Qualitative Population	1,260,530	Qualitative Respondents	1,617
% of Adults 18+:	36.6%		

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Qualitative Criteria: Adults 18+
 Full Survey Area
 represents Race is Hispanic

SuperMarkets

Profile ranked by % of left.	Target Persons	Covg (% left)	Index
1 Shopped Sedano's tor groceries (wk)	452,540	86.2%	235
2 Shopped other grocery store lor groceries (wk)	246,085	49.0%	134
3. Shopped Wal-Mart Supercenter for groceries (wk)	202,070	39.3%	107
4 Shopped Winn-Dixie tor groceries (wk)	643,875	38.5%	105
5 Shopped Smart & Final lor groceries (wk)	39,850	35.2%	96

Population Information:		Survey Respondent Information:	
Total Adults 18+:	3,441,445	Total Adults 18+:	4,086
Qualitative Population:	1,260,530	Qualitative Respondents:	1,617
% of Adults 18+:	36.6%		

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Qualitative Criteria: Adults 18+
 Full Survey Area
 represents Race is Hispanic

Profile	Target Persons	Covg (% left)	Index
1 Shopped Delray Farm Foods for groceries (wk)	109,375	62.7%	436
2 Shopped El Guero for groceries (wk)	101,675	84.7%	589
Population Information:		Survey Respondent Information:	
Total Adults 18+:	7,048,630	Total Adults 18+:	4,054
Qualitative Population:	1,013,745	Qualitative Respondents:	520
% of Adults 18+:	14.4%		

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January 6, 2003

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20024

Dear Chairman Powell:

The Association of Hispanic Advertising Agencies (AHAA) is the national organization of firms that specialize in marketing to the nation's Hispanic consumers. AHAA represents over 95% of the Hispanic advertising industry and we work in partnership with all issues regarding our industry in the private and public sectors.

We would like to take this opportunity to suggest that the impact of the proposed merger between Univision and HBC be fully explored and understood before any final decisions are made. AHAA firmly believes that a competitive marketplace is necessary for innovation, creativity and growth.

Therefore, we would like the Commission to further study the affect of the media concentration resulting from the pairing of the nation's #1 Spanish-language television operator with the #1 Spanish-language radio owner. As leaders of the Hispanic advertising industry, we are ready to assist the commission in providing additional insights and expertise as needed.

Sincerely,

The AHAA Board of Directors

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