

# WILLKIE FARR & GALLAGHER

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June 2, 2003

**RECEIVED**

JUN 11 2003

Federal Communications Commission  
Office of the Secretary

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
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

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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*

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Attorneys for Spanish Broadcasting System, Inc.

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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.

Castor A. Fernandez



4115 Klorra Street  
Miami, Fl. 33133  
castorq@bellsouth.net  
305-724-4363

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 US 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 US. They do this by attracting an ever growing group of people (the largest single minority in the US) 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.

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May 27, 2003

**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, D.C. 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, N.J.)

Also in 1968, I became a VP and Director of National Sales for Spanish International Network (S.I.N., the predecessor of Univision), with affiliate stations in San Antonio, Los Angeles, Fresno, New York, Miami, San Francisco and Chicago.

In 1973 I resigned that position, as the first -and only- Hispanic to be in charge of national sales for any "national network" in U.S., to start the first Spanish Radio National Sales Representative in this Country (Caballero Spanish Media, Inc.), representing over 140 Spanish radio stations.

Amongst stations represented by CSM were those owned and operated by Hefel Broadcasting, Tichenor Broadcasting Co.(both of these Companies were the predecessors of the actual Hispanic Broadcasting Company -HBC), Spanish Broadcasting System, Liberman Broadcasting, Excel Broadcasting, The Z Network, etc.

CSM was sold in 1995 to the Interep Company (a General Market -English language- radio representative). Interep has kept CSM, to this day, as a separate Spanish division.

I remained with the Company until 1998, when I undertook the creation of a TV (low power stations) Network -MasMusica TeVe- to broadcast Spanish music, 24/7. At the present moment this programming is broadcast over 21 Spanish TV stations within the U.S.

Most recently, since there is no any advertising sales organization representing independent TV stations -including mine and others- I have started a new -and only- independent Spanish TV representative sales organization, Caballero TV&Cable Sales.

299 Alhambra Circle  
Suite 510  
Coral Gables, FL 33134  
Phone: 305-648-0065  
Fax: 305-648-0068  
[www.caballero.com](http://www.caballero.com)

I have been selling time for Spanish Media in United States (both radio and TV), for the last 42 years, uninterruptedly. I can say, unequivocally and based on my professional experience, the following:

Unless an advertiser makes the decision to promote its products or services to the Hispanic consumer, in Spanish and, subsequently, creates a "Hispanic Budget", there will not be schedules placed on any Spanish Media.

Unfortunately, that "Hispanic Budget", when it does exist, amounts, at best, to a 1 to 3% of the "general market budget" (although Hispanic consumers represent about 14% of the total U.S. population, according to the Census Bureau). That brings, as a result, the situation where many of those advertisers' Hispanic budgets cannot afford both television and radio schedules.

Many of those advertisers are willing to allocated and reallocate parts of their Hispanic budgets to TV or to radio, depending on changes of rates and the ability of a particular medium to negotiate those rates. The fact is that Spanish language TV and radio are substitutes for many advertisers.

Every advertiser in the U.S. considers this to be a SEPARATE AND DISTINCTIVE MARKET. In fact, most, if not all, of the still very few advertisers who have decided to advertise in the Spanish language have, first, funded a SPANISH ADVERTISING BUDGETS, then created a SPANISH MARKETING DEPARTMENT and, lastly, chosen a SPANISH ADVERTISING AGENCY. Without those three elements, the Spanish speaking consumer does not play any role in the marketing plans of ANY of the hundreds of national advertisers who are NOT advertising in the Spanish language, simply because the Spanish market is not integrated in their general market strategy, and as they say, "it has to be treated differently", language and otherwise.

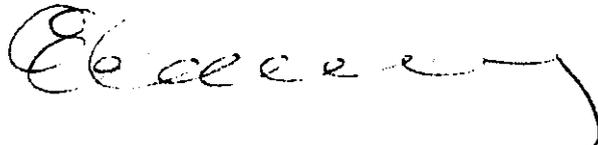
Many times we were confronted with situations when general market agencies placed schedules on some of our represented stations: when they found out that we were broadcasting in Spanish, they canceled that schedule because, according to them, they were buying "radio" not "Spanish radio" or they were buying "television" not "Spanish television"

Still, today, we confront many situations where *most* national (or general market) advertisers do not buy any Spanish language media because they (the advertisers) are not "prepared" to go into the Spanish market.

Another point I want to make is the following. A General Market Network (radio or television), to be considered as such, has to guarantee advertisers to cover about 80% of the total U.S. population. In the case of Spanish Networks, they are required to cover ONLY ABOUT 80% OF THE HISPANIC POPULATION. Certainly, those Hispanic ADs where about 80% of the National Hispanic population resides do not even get close to cover 80% of the General Population of the U.S. This marks another very clear separation between the General and the Spanish Markets.

If I can be of any help to this Commission, please, do not hesitate to have any of your associates to contact me.

Sinceramente,

A handwritten signature in cursive script, appearing to read "E. C. C. C. C.", written in dark ink.

## **EDUARDO CABALLERO PERSONAL BIO**

Eduardo Caballero was born in the Oriente Province, Cuba. Went to school in Sagua de Tanamo and Havana, where he obtained a Degree as Doctor in Law from the Jose Marti University.

Started his own law firm with his wife, Raquel Miller-Caballero, also a lawyer, and practiced that profession in Havana, until the end of 1961, when, in view of the political situation in his country, decided to come to the United States as a political refugee.

Under a program of relocation sponsored by the U.S. Government, he and Raquel went, first, to Dallas where he worked, simultaneously, at a restaurant, as a host, and at a department store, as a salesman; later on, they went to New York where, in 1962, Eduardo started his career in broadcasting, landing a job as a salesman for a local Spanish radio station (WBNX), thru the offices of a client of his former law firm in Cuba.

Soon he became the first Hispanic in USA to hold the position of General Sales Manager of a radio station.

In 1968 he helped to create what was known as Spanish International Network (SIN), today Univision. He was appointed first General Sales Manager for WXTV, Channel 41, New York and soon after that, in 1969, he became an Executive VP and Director of National Sales for the Network.

In March of 1973 he resigned his position, and, again, together with wife Raquel, started Caballero Spanish Media Inc., the first Spanish media sales representative in this country.

His company started representing four Spanish TV stations (all of the independent Spanish stations existing at that time), and fourteen Spanish radio stations (out of less than 35 existing stations). Eduardo also syndicated a weekly Spanish movie, which ran in twenty-nine television stations, almost all of them general market stations, using Ricardo Montalban as the presenter, and with the sponsorship of the Bristol Myers Company.

In 1976, Eduardo decided that he should be involved exclusively in radio, where he saw the greatest potential for C.S.M. His company grew to represent over 140 Spanish radio stations from coast to coast, covering over 95% of the Hispanic consumers in the country, opening opportunities for new radio operators and hundreds of jobs for both, Hispanics and non-Hispanics.

In 1995, Eduardo sold C.S.M. to Interep, and remained with the Company until the beginning of 1999, when he left to work on his new project, Caballero Television, owner and operator of twelve LP television stations, all of them located in Central California and Texas. He created his own network -Mas Música Teve- broadcasting 24 hours of music videos.

Caballero Television has offices in Dallas, New York, Miami and Bakersfield, CA.

Recently, the Broadcasters' Foundation presented to Eduardo, The American Broadcast Pioneer Award, as the first Hispanic to receive this award.

In September 2002, Eduardo was honored by the American Advertising Federation with the Mosaic Award.



Eduardo lives with his wife of 41 years, Raquel, in Miami, Florida. They have a daughter, Rosamaria, also a lawyer, who graduated from Georgetown Law School. Married, with two daughters, Sofia and Paloma, she lives, with husband P.J. Stafford, in New York City.

Eduardo is, or has been, involved in the following organizations:

Chairman-founder of the Hispanic arm of the Media Partnership for a Drug Free America.

Member of the US Postal Service Marketing Advisory Board.

Founder of the Spanish Radio Association of America.

Former Member of the Board of the Stations Representative Association (S.R.A.).

Former Member of the Board of Directors of the Advertising Counsel.

Former Member of the Arbitron Bi-lingual Advisory Committee.

Founder of the Association of Hispanic Advertising Agencies (A.H.A.A.).

Former member of the Board of Trustees of the National Hispanic University (San Jose, CA).

Former Member of the Board of Directors of the National Drop-out Prevention Foundation.

He is also a proud member of the N.A.B. and of the Pioneer Broadcasters, among many other organizations.

Eduardo lives with his wife of 41 years, Raquel, in Miami, Florida. They have a daughter, Rosamaria, also a lawyer, who graduated from Georgetown Law School. Married, with two daughters, Sofia and Paloma, she lives, with husband P.J. Stafford, in New York City.

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South Florida's 1<sup>st</sup> Spanish-Language Daily Newspaper  
Founded July 4, 1953



Hi Albert, as per your request, following are my thoughts on why the Hispanic market should be treated separately from the general market. As you know, I have over 15 years in the industry. Most of these years have been with agencies specializing in Hispanic marketing and advertising. I am currently with Diario Las Americas, South Florida's first Hispanic daily newspaper.

The U.S. Hispanic media market should be treated separately from the non-Hispanic media market. Hispanics differ in many ways from non-Hispanics:

- Larger households 3.4 vs. 2.5
- Hispanics are younger 27.6 vs. 37.2
- More HH with children <18 58% vs. 34%
- Religion is more important in their lives 80% vs. 46%
- Language preference - over 90% of Hispanics speak some Spanish, over 70% prefer to speak Spanish at home and over 50% prefer to speak Spanish on social occasions.

sources: Nielsen Universe Estimates 2002, Strategy Research, Yankelovich 2000, Center for Media Research 10/7/02

Advertising in Spanish-language is proven to be far more effective with Hispanics. According to the Roslow 2000 study on advertising effectiveness among U.S. Hispanics: ad recall rises 61% for those viewing in Spanish, communication is 57% more effective and persuasion is 5 times greater.

Marketing to Hispanics should not only be in Spanish-language but should also be culturally relevant. Translation of general market copy is not an effective or efficient approach for delivering the target. Advertising should be culturally relevant and dialect sensitive. Agencies specializing in Hispanic advertising and marketing understand that accents and terminologies differ based on country of origin. They exercise sensitivities to these differences when creating an advertising message. Important, as well, is not to stereotype this market.

Spanish language preference has not decreased throughout the years as many had predicted. It has actually increased. One contributor to the increase could be the increasing acceptance of Spanish-language, as well as, what many are calling 'retro-acculturation.' Latinos are feeling more comfortable with their culture and the use of Spanish-language. Great contributions by Latinos in the areas of sports, entertainment, and business have laid out a new dynamic for Latino youths. They are more proud to be a part of the Hispanic community and to be considered Latinos.

*"The Spanish language is more important to me than it was just five years ago." - % HISPANICS AGREE*



Source: Yankelovich Partners 1990 & 2002 Hispanic Monitor Study

The Hispanic market is separated from general market by language and culture. Hispanics have different viewing and listening patterns. That is why the top rated programs (overall - Hispanic & general market - source Nielsen Hispanic Station Index) on television for Hispanics are 'novelas' on Univision; and why the top radio stations in major Hispanic markets are Hispanic stations. Some Hispanics can be reached through general market advertising efforts (spill), but the effectiveness and impact of the message is not the same (per Roslow 2000). Hispanics are more likely to buy brands that advertise to them in Spanish-language. Many advertisers have become savvier to the fact. In November Burger King Inc. set aside swathes of aisle space in nearly 1,000 of its stores for videos dubbed in Spanish. In December, Kmart Corp. announced the launch of an apparel line named after Mexican pop star Thalía. P&G created a magazine-style direct mail piece specific to Hispanics.

Some companies early to see the potential are cashing in. Sales of Ford brand cars and light trucks to the Hispanic market grew 40% in the past five years. After the company started using Mexican bombshell Salma Hayek to market its Lincoln brand last year, Hispanic purchases of Lincoln Navigators grew 12%, while sales to non-Hispanics were flat, says a Ford Motor Co. spokeswoman. At Honda Motor Co.'s American arm, Latino purchases grew to 8.4% of all vehicles sold last year from about 7% five years ago.

With the nation's economy as a whole stagnating, the U.S. Hispanic population is emerging as one of the most promising motors for growth. Driving the growth is the population's higher-than-average birth rate and immigration. Additionally, Hispanic household incomes are starting to catch up with national averages. The Global Insight report estimates that Hispanic household incomes should grow from 77% of the national average in 2000 to 82% by 2020. The Selig Center for Economic Growth at the University of Georgia says Hispanic disposable income will reach \$926 billion in 2007, up some 60% from \$580.5 billion last year. Meanwhile, non-Hispanic buying power will grow less than 28%, to \$8.9 trillion. The Selig Center estimates that in five years Hispanics will account for 9.4% of the nation's disposable income, up from 5.2% in 1990.

**DIARIO**  
**LAS AMERICAS**

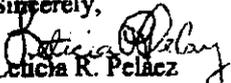
**la Revista**  
del DIARIO

Both television and radio have seen the growth. Advertising on Spanish-language TV grew 16.5% last year, over twice the 7.6% growth by all broadcast TV, estimates Gordon Hodge of investment bank Thomas Weisel Partners. Today there are 8 times the number of Hispanic radio stations than there were 20 years ago.

1980	67	Hispanic Radio Stations
2002	600	Hispanic Radio Stations

Get the picture? It seems some major companies have, and it spell \$\$\$\$. They understand the importance of the Hispanic market. They see it as a separate market, and so should we.

Sincerely,

  
Leticia R. Pelaez  
Director of Advertising



Castells & Asociados  
ADVERTISING

INSPIRATION  
PASSION  
RESULTS

May 22, 2003

Federal Communications Commission  
445 Twelfth Street South  
Washington, D.C. 20554

To Whom It May Concern,

My name is Raquel Tomasino, I am Media Director of Castells & Asociados and have been asked to comment on whether the U.S. Hispanic media market is a separate market for the purpose of assisting the FCC in its ongoing review and analysis of the pending merger of Univision Communications and Hispanic Broadcasting Corporation.

From a marketing standpoint the US Hispanic market is a separate marketplace. Marketing to Hispanics requires understanding of the cultural differences that exist versus the General Consumer, understanding that creatively Spanish-language commercials need to reflect Latino cultural nuances and queues to be fully effective in producing similar results versus the General English-language commercials.

More than 50% of the US Hispanics are Spanish-dominant. In the West Coast that number is closer to 60%. While long time residents and US born Latinos speak English so that they can function in mainstream America, various factors which include, the growing population, strong Hispanic communities, and immigration keep fueling the desire for Hispanics to hang on to their culture, their language and entertainment preferences.

The Hispanic market is not one Monolithic segment of the population, it is a complex group comprised of many segments with different cultural nuances and origins, united by one language.

Spanish-language media plays a very big part in reaching out to the different segments of the population by continuing to supply programming that feature relevant content that speak to the Latino preferences.

In the case of Spanish-language TV, Experience has shown that original productions with familiar content such as Latino entertainers, International dramas and Futbol/Soccer is a formula for success. The English-TV programming, such as "Charlie's Angels" and "Reyes Y Ray" (Starsky & Hutch) remakes in Spanish that some networks tried to reproduce and run on Spanish-TV proved to be unsuccessful.

Radio has become the optional source of information and news not only about our homeland but our communities, with commercials that we can actually understand and follow in our language. Radio also offers the variety in programming needed to finely target the different segments of the Hispanic communities.

Like the Central American who listen to Cumbias, the Caribbean's who prefer Salsa, the South American's like Spanish-Rock and the Mexican Community who love their Rancheras and traditional sounds of Mexico.

As an agency it is important for us to educate our clients on the most effective way to reach the Hispanic consumer. We are responsible for creating advertising that is compelling, that builds awareness and consumer loyalty and at the end of the day we need to deliver these through the various, relevant forms of media vehicles.

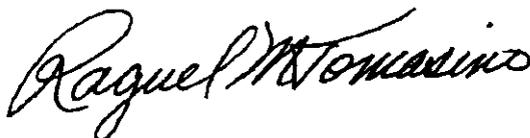
That's why we have a list of ten things to avoid when marketing to Hispanics. Below is a top line of the top ten things not to do by Liz Castells-Heard, President of Castells & Asociado:

10. **Approaching The Market As If It Were A Monolithic Segment.**  
*"One-Size Fits All" Approach No Longer Works, Unless It's just the Start.*  
Hispanic marketing has evolved from the '70's "orphan" to the "childish" '80's regional efforts; the post-pubescent 90's of homogenization; and now to bicultural segmentation, as "Hispanic" grows up as an adult rich with complexities. It's beyond country of origin -- one generic "broadcast" Spanish *can* be effective. It's knowing what makes us tick; foreign-born (58%) or US born; Spanish-dominants (58%) or reaching bilinguals/English-dominants with culturally-relevant English ads (like African-American). It's targeting various age targets *and* influencers. Companies like McDonald's who do this well, have very strong Hispanic positions.
9. **Not Understanding Your "Hispanic" Category.**  
*Category Dynamics Don't Automatically Apply. Know & Embrace The Differences.*  
Your "Hispanic" category is not at the same point of its lifecycle development; and Latinos are often behind on the learning curve. Cultural and lifestyle differences affect perceptions, needs, motivations and advertising. Demographic barriers may not exist; but perceptual barriers need to be addressed, like in cable or banking.

8. **Not Having A Long-Term Hispanic Market Plan.**  
*Have A Consistent & Integrated Hispanic Strategic Branding and Retail Plan.*  
 You need to have bilingual training, people, operations; multi-media advertising, promotions and PR. Some believe you don't need a Hispanic branding campaign due to the *myth* of Hispanic brand loyalty. Hispanics will respond and brand-switch. You can't assume your established General Market or Latin American efforts will bleed over. Classic examples are Colgate-Palmolive left behind by P&G, or Toyota toppling Chevrolet. Continual short-term messages lead to poor brand perception, discounting and brand erosion. You need a branding campaign with "legs" and a multi-media mix, beyond TV to radio, OOH, DR, on-line, print, etc.
  
7. **Consistently Opting For General Market "Transcreations."**  
*Stay True To The Brand, Seek Synergies With Hispanic Consumer Relevance.*  
 Look for synergies and commonalities between General and Hispanic consumer segments, but don't force-fit. Transcreating GM strategies or creative may work when the concept transcends ethnicities or for short-term promotions, but *consistently* employing this approach becomes ineffective. Just think about all the GM money you spend to identify that key consumer nugget, or that breakthrough ad. Know the cultural nuances that affect your direction and define ad relevance.
  
6. **Oversimplifying And Underestimating The Potential Of The HCM.**  
*Quantify The Hispanic Business Potential With Sound Research and Analysis.*  
 Put the stats to work and figure out the actual potential, by market, by account. Once you assess the huge potential, "package" it internally. Call it a profitable "division" or establish a multi-discipline Hispanic committee to facilitate its viability.
  
5. **Inadequate Allocation Of Company Resources to "Hispanic."**  
*Proper Allocation of Hispanic Marketing Budgets and Resources Is Key.*  
 Inadequate pre-planning, sub-standard concepts, limited "test efforts," poor tactical executions and lack of performance metrics devalue Hispanic potential. Don't say; "This is all we have for Hispanic this year." Hispanic should be an integral part of the budget pre-planning process. Assess Hispanic share vs. the GM; and weigh the trade-offs of where you spend. The \$2.4 Billion spent in Spanish is still less than 4% of all ad dollars - But it's changing quickly as companies spend more; traditional categories *like packaged goods*, newer categories like telecomm, health, travel, entertainment, or high-tech.
  
4. **Thinking Hispanics Are Effectively Reached Via English Media.**  
*Spanish Ads are Critical; English-language Spillover is Not Necessarily Effective.*  
 Don't say; "Half of Hispanics see our spots, they're the ones with the money." Spanish media continues to grow; 70% of Hispanic TV viewing goes to Spanish, up from 45% in 1995. Spanish broadcast gets the majority of share even among bilinguals. To know what to spend, apply a systematic budget formula that accounts for Nielsen spill, Roslow comprehension, population and CPP's. Nationally, 10% of total dollars should go to Spanish, 4% to English-Hispanic; in L.A., 30% to Spanish, 11-18% to English-Hispanic. Hispanic median income is \$49K (85 index vs. GM), so it's highly likely Hispanics can afford your product.

3. **Recruiting A Native Spanish Speaker To Critique Your Agency's Creative.** *Just Like the General Market, Let the Hispanic Consumers Be The Judge.*  
Please don't say; "Juanita Garcia says the words are not right." Regis & Kelly are not asking you to write their monologue, so don't rely on your housekeeper to critique the work done by a creative with a Masters and 15 years experience. Do the same type of copy research as the GM, qualitative or quantitative, it all exists. Assure your Hispanic ads deliver the strategy and communication goals.
2. **Hispanic Programs Must Pay Out In Incremental Volume.**  
*Have a Measurable, Realistic and Agreed-Upon Hispanic ROI and Report Card.*  
There is a base cost for customer retention and maintaining brand share, and the Hispanic program should not pay-out solely on incremental sales. The report card should be based on cumulative measures; Hispanic sales tracking, field surveys and pre/post quantitative tracking studies. Don't relegate Hispanic research to the back shelf. Employ the proper research size and methodology to ensure the Hispanic sub-segments are well defined and represented.
1. **Not Allowing Your Hispanic Agency To Challenge Status Quo.**  
*Demand High Performance From Your Hispanic Agency.*  
Demand the same level of excellence as your General Market agencies. Be inclusive with your agency and set clear goals and expectations. Think of your agency as a marketing partner, as the more knowledge shared, the better the work. Allow Hispanic programs to evolve, flourish and increase. Hire a true Hispanic agency, not a Hispanic "division," or one – like **Castells & Asociados**.

Sincerely,



Raquel Tomasino  
EVP, Director of Media Services



Latin America/U.S. Hispanic  
Integrated Marketing & Communications

The Honorable Michael Powell, Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, Southwest  
Washington, D.C. 20554

Dear Chairman Powell:

My name is Linda Lane González, president of The VIVA Partnership, Inc., a Miami-based advertising agency specializing in the U.S. Hispanic market. My professional experience over the past 15 years has been almost exclusively in the U.S. Hispanic market, having worked with some of the greatest pioneers of our field, Lionel Sosa, Carlos Montemayor, Paul Castillo and others over the years on a variety of accounts including Chrysler, Builder's Square, Cuervo, CBS, Verizon Wireless, Uniroyal, Meow Mix, and Entenmann's.

I have been asked to comment on whether or not I believe the U.S. Hispanic media market is actually a separate market. My answer is an emphatic yes. To which could be added an emphatic *of course!* Hispanics are different in many ways: be it culture, language, or the numerous customs and traditions. Research shows that in-language programming is more impactful to the Hispanic target when it connects on a deeper level, in language and culturally relevant.

The Hispanic media market and its numerous vehicles are a separate, relevant entity. From Nielsen to Arbitron – media is adapting and adjusting to the ever-growing Hispanic population. Nielsen has adjusted the way it measures audience levels due to the exploding Hispanic numbers. Arbitron continues to be challenged and is currently modifying their methodology on how to accurately measure Hispanic audience levels.

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

Very sincerely yours,

Linda Lane González  
President  
The VIVA Partnership, Inc.  
4141 N.E. 2<sup>nd</sup> Avenue, Suite 203E  
Miami, FL 33137

VIVA Partnership  
4141 NE 2nd Ave. • Suite 204 • Miami-FL 33137  
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May 27, 2003

The Honorable Michael K. Powell  
Federal Communications Commission  
445 12<sup>th</sup> Street  
SW, Washington 20024

Dear Chairman Powell:

My name is Tere Zubizarreta, President & CEO of Zubi Advertising.

I have been asked to comment on whether the U.S. Hispanic media market is a separate market. There's no doubt that the Hispanic media market is an entity completely separate from the "general market".

As will be shown below, there is ample evidence and factual corroboration to conclude that the U.S. Hispanic media market is a separate market.

The Hispanic media market stands alone since it caters strictly to those U.S. residents (33 million by 2000 census), in their native language, taking into account cultural idiosyncrasies and family values.

The media availability to address this market is professional in its programming and formats are according to the demographics in each of the major Hispanic markets.

This fact is particularly important when looking at the radio and TV networks as the primary source of communication with this fast growing market.

I hope the information provided will be useful in the consideration of the U.S. Hispanic media market as a separate relevant market.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tere', is written over the typed name.

Tere A. Zubizarreta

TAZ:mlt

Tere A. Zubizarreta | 455 Alhambra Circle, 10th Floor, Coral Gables, Florida 33134  
President & CEO | tel: 305.428.6150 • Fax: 305.460.6859 • www.zubiad.com  
zubi.zubiad.com | Member of the Association of Hispanic Advertising Agencies - AHAA

MAY-20-2003 04:40PM FROM-

T-308 P.002/002 F-000



May 21, 2003

To Whom It May Concern,

I'm Richard Cotter, Senior Partner and Director of Local Broadcast for Mindshare. We're one of the largest buyers of time on radio and television stations in America.

I've been asked to weigh in on the question if Hispanics in the United States represent a discreet market. The question is important because it's being used in the analysis by the F.C.C. concerning the proposed merger of Univision Communications and Hispanic Broadcasting Corporation. There's ample evidence and factual corroboration to conclude that the U.S. Hispanic media market is a separate market.

First, the Hispanic media market is separated from the rest by it's own radio and television stations broadcasting in their own language. The Spanish language radio and TV stations serve a distinct consumer base with different brand awareness, tastes and preferences. To be sure it's a separate population with different growth rates.

As the F.C.C. reviews the Univision/HBC merger I hope the information highlighted here will help provide direction and the right decision to this important question.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Cotter", written in a cursive style.

Richard Cotter  
Senior Partner, USA Director of Local Broadcast

WORLDWIDE PLAZA 631 6TH AVENUE NEW YORK NY 10019 TEL 646 756 0000 FAX 646 756 4001

May 28 '03 16:33 P.02

SPANISH BROADCASTING Fax: 2125416904



AMISTAD  
MEDIA

May 2003

As a media executive, I've been asked to comment on whether the US Hispanic media market is a separate market from the general market. There is no question that the Hispanic market is indeed separate and should always be considered as such.

There is ample evidence and factual corroboration to conclude that this to be true. The language of preference for many Hispanics, whether they are recent arrivals or US born, is Spanish. The importance of the culture to Hispanics is such that parents instill pride in language, customs, music and dance to their children. In the mid seventies, the US had about 50 Spanish-language radio stations in the entire country. Today over 600 radio stations dot the landscape with stations cropping up in markets where just 10 years ago no one would have guessed the need for Spanish formats would be.

The same holds true for Spanish-language TV. We've seen the growth in the number of networks and independent stations everywhere. Some markets, such as Chicago, Miami and Los Angeles have at least five Spanish-language TV options.

The bottom line is, if you don't speak Spanish, chances are you ignore Spanish-language media. Similarly, if you don't speak English, or just simply prefer Spanish, chances are you ignore English-language media. So if you're not speaking to me in the language I prefer, I'm not listening to your message. Few advertisers can afford to ignore this market.

There is no question as to the relevance of this market, and ample evidence exists that it reached through Spanish-language media.

Emma Moya  
VP/Client Services  
Amistad Media Group  
815 Brazos Street  
Austin, Texas 78701

THE HISTORICAL  
ASSOCIATION OF  
SOUTHERN FLORIDA



AN ASSOCIATION OF PEOPLE INTERESTED  
IN PRESERVING THE HISTORY OF  
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President



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had@historical-museum.org  
www.historical-museum.org

Founded in 1946—Sponsored by the  
American Association of Museums

May 21<sup>st</sup>, 2003

Ladies and Gentlemen:

I am the Marketing Director for the Historical Museum of Southern Florida. My career in marketing and advertising expands more than twenty years of experience in TV, radio and major publications in the Caribbean and United States.

I have been asked to offer some observations about whether Hispanic media in the United States should be considered a separate market venue from that of the general market. My answer is a definite, *si, por supuesto*.

For the last two decades, major U.S. corporations have debated whether or not to consider Hispanics just a minority group who will, in time, assimilate to the American culture or a growing consumer powerhouse loyal to their ethnicity. Time has proven that the latter is the correct assessment of this market. Almost everyday, articles are published in major newspapers throughout the United States confirming the importance of reaching Hispanics in their own language, showing sensitivity to their particular customs.

The Hispanic market has evolved into a rich mosaic of cultures. Each segment with its own set of goals, music preferences and interests. There are two common denominators: Language and pride of culture.

Endless research has shown time and time again that Hispanics respond better when approached in *español*. The message is even more effective if it is tailored to their particular cultural background. Hispanic media, particularly radio and TV play a key role in the success of any promotional effort targeted to this important market. Hispanics depend on radio and TV for their news, entertainment and lifestyle trends. Hispanic radio and TV are their emotional link to their roots.

Hispanic media, in particular radio and TV, has evolved into a market in itself. Using the most efficient technology and combining it with the characteristics of the Hispanics' *simpatía*, makes it stand out and be different from any other mass communication venue.

I trust that the views offered here may be useful in the consideration of the U.S. Hispanic media market as a separate and relevant venue.

## DMA

Delaney Media Agency  
2000 South Ocean Dr. Suite 1401  
Ft. Lauderdale, Fla. 33316

954 761-2358 Office  
954 761-9749 Fax  
954 336-5726 Cell

May 27, 2003

To Whom it May Concern:

My name is Pat Delaney. I am President of DMA and have been in the advertising industry for over 27 years. I have planned and purchased all mediums throughout the US for clients such as: Reebok, Wendy's International, BMW, AutoNation, Terminix, Rite Aid Drugs, Toys R Us, just to name a few.

I have been asked to comment on whether the US Hispanic media market is a separate market. Also, whether there is ample evidence and factual corroboration to conclude that the US Hispanic media market is a separate market:

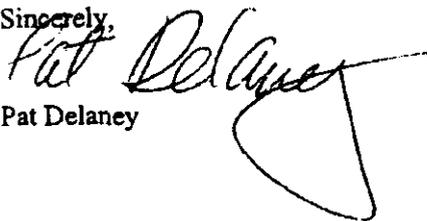
The US Hispanic market is a separate market. Hispanics listen and watch various mediums differently than Anglos. With the available research on Hispanics, it clearly shows that while many Hispanics are bilingual, they still speak Spanish at home and do listen or watch Hispanic radio or TV. It's also substantiated by research that the number one radio or tv station in a given market (eg. Los Angeles, Miami, etc.) is Hispanic. This reflects all stations in a market, not just Hispanic and indicates to an advertiser that a large percentage of their potential customers are being missed if Hispanic media is not being purchased. In many markets, Hispanics account for over 50% of the market.

Over the years I have found that with the available research an advertiser can effectively reach their potential customers by using both Hispanic and Anglo mediums. The research provides duplicated and unduplicated listenership/viewership of the media purchased to assure full coverage of both Hispanics and Anglos. Without this research it would be a shot in the dark.

I hope this information provided will be useful in the consideration of the US Hispanic media market as a separate relevant market.

Sincerely,

Pat Delaney



*Presidente*  
IMPORTED BEER

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May 23, 2003

To: Federal Communications Commission  
Honorable Michael Powell

I am Mike Herrera. My experience is Florida Distributor Coordinator. I have worked in the Florida Market for 17 year in the beer Industry. Fourteen years with Anheuser Busch and the last three with Presidente U.S.A. Presidente Beer is one of the leading beers in the U.S. that markets to Hispanic consumers across the country.

I have been asked to comment on whether the U.S. Hispanic media market is a separate market.

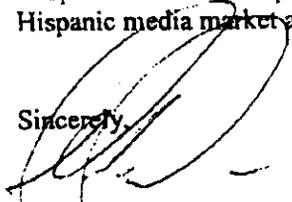
There is ample evidence and factual corroboration to conclude that the U.S. Hispanic media market is s separate market. Research companies such as Simmons measures media habits, product and service usage, demographics and psychographics of Hispanic consumers across the country.

In addition to the Nielsen media research is one of the market leaders in terms of providing quality measurement of Hispanic TV audiences.

When Presidente Beer commences its marketing planning and forecast our strategic approach is to identify the key markets within our Demographic group and separate within each market the hispanic and general market. This strategic marketing approach is used in all of our key markets across the United States.

I hope the information provided will be useful in the consideration of the U.S. Hispanic media market as a separate relevant market.

Sincerely,



Mike Herrera  
Presidente U.S.A.