

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington D.C. 20554**

In the Matter of)	
)	
Petition for Rulemaking to Amend the)	MB Docket No. 10-71
Commission's Rules Governing)	
Retransmission Consent)	

To: Chief, Media Bureau

COMMENTS OF UNIVISION COMMUNICATIONS INC.

Univision Communications Inc. ("Univision") submits these Comments¹ in opposition to the above-captioned Petition for Rulemaking seeking revision of the Commission's retransmission consent rules.² Univision is the indirect parent of the licensees of 63 full-power, Class A and low-power television stations across the country, most of which are affiliated with its Univision and Telefutura Networks. Univision's own experience over the last 18 months in successfully negotiating carriage agreements with virtually all multichannel video programming distributors ("MVPDs") across the country, at the same time, demonstrates that the retransmission consent regime is hardly "broken," as petitioners contend. Indeed, in its most recent round of retransmission consent negotiations, Univision successfully reached over 150 carriage agreements with cable, satellite and telephone company MVPDs of all sizes -- including

¹ Univision also is a party to joint comments being filed concurrently herewith by CBS Corporation, Fox Entertainment Group, Inc. and Fox Television Stations, Inc., NBC Universal, Inc. and NBC Telemundo License Co. and the Walt Disney Company. Univision files these comments separately in order to relate its recent experiences with the retransmission consent process.

² See Petition for Rulemaking jointly filed by Public Knowledge; DIRECTV, Inc.; DISH Network LLC; Charter Communications, Inc.; American Cable Association; New America Foundation; OPASTCO; Time Warner Cable Inc.; Verizon; Cablevision Systems Corp.; Mediacom Communications Corp.; Bright House Networks, LLC; Insight Communications Company, Inc.; and Suddenlink Communications (filed Mar. 9, 2010) ("Petition").

each of the individual MVPDs among the petitioners -- without any disruption in signal carriage to Univision's stations and their viewers during the negotiations. Moreover, Univision's carriage agreements with MVPDs are intended to create long term distribution partnerships that are beneficial for both parties, as well as for viewers. In short, Univision's experience demonstrates that the retransmission consent process serves the public interest because it provides value for consumers while properly balancing the bargaining positions of MVPDs and broadcasters, all as intended by Congress.

Although Univision is the premier Spanish-language media company in the United States, it had to rely upon the Commission's must carry rules in order to obtain its initial carriage of its stations' signals on cable systems.³ In 2008, however, Univision took the historic step of electing retransmission consent for nearly all its full power television stations, seeking, for the first time, fair compensation for the valuable programming its stations offer.

Univision concluded that it is appropriate to seek compensation from MVPDs for carriage of its popular programming, just as MVPDs compensate non-broadcast programmers for their content, including programming services owned by cable operators themselves. In fact, the audience for Univision's broadcast programming is larger than many of the cable programming services that MVPDs offer and for which they have been paying for years -- a reflection of the substantial investment that Univision makes in its programming and its importance to Univision's viewers.⁴ The value of Univision's programming, and its unique connection with its

³ Before the current election cycle, Univision had elected retransmission consent only once, in the prior election cycle, with respect to its Puerto Rico television stations.

⁴ For example, in the February 2010 NSI Ratings for the Los Angeles DMA, among total viewers 18-49, Mon-Sun 7-11 pm, Univision's station KMEX was watched by more viewers on average than TNT, TBS, USA, E!, Disney, Nickelodeon, MTV or ESPN. Similarly, in the New York DMA, Univision's station WXTV was watched by more viewers on average than any of those cable networks.

viewers, also is reflected in the performance of its local stations and their local news programming:

- Univision's KMEX in Los Angeles is ranked as the number one station in the United States, regardless of language, among Adults 18-49.⁵
- Univision's stations have the top rated early newscast among Adults 18-49 in Los Angeles, Houston, Dallas, Phoenix, San Francisco, Fresno, Austin (tie), and Bakersfield -- in any language.
- Univision's stations have the top rated late newscast among Adults 18-49 in Los Angeles, Miami, Houston, Dallas, Phoenix, and Austin (tie) -- again, in any language.⁶

In addition, the Univision Network is one of the top five broadcast networks in this country -- regardless of language. The ability to recoup a portion of Univision's programming investment through the retransmission consent process is key to ensuring the continued quality and availability of its popular program services to the public.

Univision's goal in the retransmission consent process has been to build long term partnerships with distributors. Each agreement reached has been a "win-win" for both parties, and, more importantly, for viewers. For Univision, these partnerships allow it to expand its delivery of high quality programming over multiple platforms. For the distributor, Univision's stations provide high quality program content and a valuable way to serve a significant and growing demographic.⁷ For example, in July 2009 after most of its retransmission consent deals

⁵ Source: Nielsen, NSI, Total Year 2009 (1/1/09-12/31/09), Live+7 data.

⁶ Source: Nielsen Station Index, 02/04/2010-03/03/2010, Adults 18-34 Live +7 program average impressions. Early evening news includes head-to-head local newscasts aired during Mon-Fri 6pm-6:30pm E/PT, 5pm-5:30pm Central. Late local news includes head-to-head local newscasts aired during Mon-Fri 11pm-11:30pm E/PT, 10pm-10:30pm Central. Excludes irregular newscasts.

⁷ According to the Pew Research Center, Hispanics represent approximately half of the population growth in this country.

were signed, Univision launched a video-on-demand (“VOD”) service consisting of 50 hours of content that is refreshed every month -- more content than any other Spanish-language broadcast or cable network currently offers on VOD.

Univision’s carriage agreements with MVPDs are becoming the basis for increased content offerings to viewers. For example, on January 6, 2009, Comcast and Univision announced that they had reached a multi-year agreement for carriage of Univision’s stations on Comcast’s cable systems.⁸ Soon after, the companies partnered to deliver President-elect Obama’s inaugural address in Spanish through Comcast’s VOD service, providing Spanish speaking viewers with extensive access to this historic event on both broadcast and cable platforms. Comcast’s Senior Director, External and Federal Affairs, Susan Gonzales, remarked that “[t]his partnership [with Univision] allows us to further engage the Hispanic community in this historic event while providing access to content when they want it.”⁹ For Univision, this partnership provided additional reach in its extensive coverage of Inaugural events, and for Comcast this special VOD content provided a compelling value proposition to its customers, highlighting the significance of serving the Hispanic community.

On March 15, 2009, AT&T and Univision announced a multi-year carriage agreement. The Executive Vice President of Content for AT&T Services, Dan York, remarked that:

We’re thrilled to deliver Univision’s quality programming to our U-verse TV customers as part of our extensive channel lineup. This strategic deal helps us

⁸ Press Release: Univision and Comcast Announce Multi-Year Distribution Agreement, released January 6, 2009, http://www.univision.net/corp/en/pr/New_York_06012009-1.html#null.

⁹ Press Release: Comcast and Univision Partner to Deliver Inaugural Address in Spanish on Video-On-Demand, released January 19, 2009, http://www.univision.net/corp/en/pr/New_York_19012009-1.html.

with several competitive content initiatives as we continue to expand the reach of our U-verse services, while supporting Univision with broader distribution.¹⁰

Then, on April 1, 2009, Time Warner Cable and Univision announced that they had reached a comprehensive program carriage agreement, including retransmission of the signals of Univision broadcast stations. Six months later, Time Warner Cable and Univision announced the official launch of “Lo Mejor On Demand™,” the operator’s first Hispanic free on demand channel, which gives Time Warner digital customers access around the clock daily to the best Spanish language programming from the top networks. Glenn Britt, Time Warner Cable’s Chairman, President and Chief Executive Officer, observed that “the Hispanic VOD service that we just launched [is] an example of how we can work with programmers, where sometimes people anticipate a hostile situation, but we and Univision and the others are working together to create a great new service for customers.”¹¹ Lo Mejor On Demand™ is already available to Time Warner Cable’s digital cable customers in New York, Los Angeles, Dallas and other markets, and is an example of a retransmission consent deal that provides a vehicle for broadcasters and MVPDs to partner to provide greater access and more robust offerings to the Hispanic community.¹²

In short, although this was the first cycle in which Univision elected retransmission consent on a national basis, it successfully reached carriage agreements with all

¹⁰ Press Release: Univision and AT&T Sign Multi-Year Content Agreement for AT&T U-Verse TV. Released March 15, 2009, http://www.univision.net/corp/en/pr/NEW_YORK_15032009-1.html.

¹¹ Time Warner Cable, Inc., Q3 2009 Earnings Call (Nov. 5, 2009), Statement of Glenn A. Britt - President, Chief Executive Officer, Director.

¹² Press Release: For the First Time Ever, Time Warner Cable and Univision Broadcast Three Shows Live From Times Square to Introduce Lo Mejor on Demand, released October 23, 2009, <http://ir.timewarnercable.com/phoenix.zhtml?c=207717&p=irol-newsArticle&ID=1345604&highlight=>

major MVPDs.¹³ As expected, these were hardnosed business negotiations, like any arms-length negotiation between a producer and distributor who are very experienced and good at their jobs. But that is what Congress intended in establishing “a marketplace for the disposition of rights to retransmit broadcast signals.”¹⁴

Univision’s experience is exemplary of the public interest benefits of the retransmission consent regime. As a result of these win-win negotiations, Univision was able to successfully enter into over 150 agreements with MVPDs of all sizes during the same period, and its valuable programming continues to be delivered to subscribers throughout the country. But Univision is hardly unique. Thousands of successful carriage arrangements are routinely entered into by stations and MVPDs across the country, with only rare and isolated incidents of signal disruption. Why would anyone want to “fix” or “reform” a process that is resulting in more consumer choice, as evidenced in the deals Univision executed with the industry? There is simply no need to change a system that is working well and to the benefit of the consumer. Univision bargained for fair compensation for its valuable programming and, in collaboration with the MVPDs, is now delivering more content and services to consumers. Univision’s

¹³ Press Release: Univision signs multi-year carriage agreement with DirecTV, released March 3, 2009, http://www.univision.net/corp/en/pr/New_York_03032009-1.html#null. See also, Press Release: DISH Network(R) Reaches Agreement to Deliver Univision, TeleFutura and Galavision to DISH Network, released April 1, 2009, <http://dish.client.shareholder.com/releasedetail.cfm?ReleaseID=374851>; Press Release: Univision and Verizon Announce Multi-Year Carriage Agreement, released April 20, 2009, http://www.univision.net/corp/en/pr/New_York_20042009-1.html#null; Press Release: Univision Announces Multi-Year Carriage Agreement with Cox Communications, released June 24, 2009, http://www.univision.net/corp/en/pr/New_York_24062009-0.html; Press Release: Univision Announces Multi-Year Carriage Agreement with Mediacom Communications, Signs More than 100 deals in First Half of 2009, released June 24, 2009, http://www.univision.net/corp/en/pr/New_York_24062009-1.html#null. See, also, “Univision Fortifies Retransmission Consent Roster,” Laura Marinez and Mike Reynolds, *Multichannel News*, June 24, 2009 (quoting a spokesperson for Cablevision Systems Corp. that “we have concluded our discussions with Univision and we are pleased with the results”). Certainly, the retransmission consent process is not causing “consumer harm” to the viewers who enjoy these new services.

¹⁴ Senate Report on Cable Television Consumer Protection Act of 1991, 102 S. Rpt. 92, at 36.

experience with retransmission consent negotiations demonstrates that the process is working well and that it properly balances the interests of both MVPDs and broadcasters -- all to the ultimate benefit of American consumers.

Respectfully submitted,

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By: _____ /s/

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