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December 26, 2002

RECEIVED

DEC 26 2002

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 - 12th Street, SW  
Washington, DC 20554  
ATTN: David Brown

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

Dear Ms. Dortch:

On December 24, 2002, Spanish Broadcasting System, Inc. made an ex parte presentation to Commissioner Jonathan S. Adelstein pursuant to the Commission's Public Notice in the above-referenced docket, released August 26, 2002.

There is transmitted herewith two (2) copies of a document associated with the oral ex parte presentation, and filed in accordance with Section I.1206(b)(1) of the Commission's Rules. Also provided to Commissioner Adelstein was a copy of the same bound document presented to other Commissioners and FCC staff during previous SBS ex parte presentations. This lengthy document is already on the Commission's website at the Univision/HBC transaction link, under record documents. See filing of September 30, 2002.

no. of copies rec'd 012  
Date 12/26/02

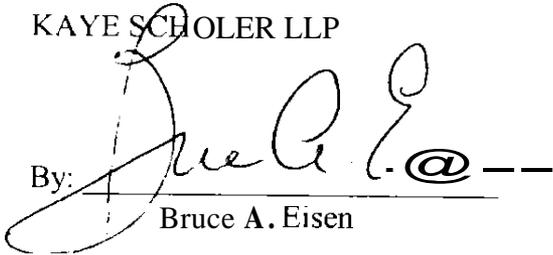
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NEW YORK CHICAGO LOS ANGELES WASHINGTON, D.C. WEST PALM BEACH FRANKFURT HONG KONG LONDON SHANGHAI

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

Very truly yours,

KAYE SCHOLER LLP

By: ---

Bruce A. Eisen

Enclosure

cc: Qualex International/Rm CY-B402

**UNIVISION +** 

**Monopolistic Control  
of U.S. Hispanic Media  
& Entertainment**

**UNIVISION**  **ENTRAVISION**

 **CLEARCHANNEL** 

**FC** Federal  
Communications  
Commission

**COMMISSIONER JONATHAN S. ADELSTEIN  
DECEMBER, 2002**

# UNIVISION+

## Related Hearings, Investigations, Proceedings and Filings

### Regulatory Agencies

- DOJ - Task Force investigating Clear Channel Entertainment
- DOJ - Task Force reviewing Univision/HBC transaction/"second request" issued
- FCC - Ringer Petition to Deny various Clear Channel acquisitions alleging CC control of radio "fronts"
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### Congress

- Congressman Berman investigating CC anticompetitive practices
- Congressman Weiner investigating CC corporate abuse
- Senator Feingold formulates legislation against CC's anticompetitive practices
- Congressional Hispanic Caucus to review Univision/HBC transaction

### Federal Court

- SBS Antitrust Complaint

# UNIVISION + Public Interest Conflicts

fact



- Have intentionally lied to the FCC, flagrantly violated ownership limits and conspired to control U.S. Hispanic Radio



- Have misrepresented Univision's de facto control of Entravision and has conspired to control U.S. Hispanic TV



- Elimination of viable competitor
- Monopolistic market share
- Dominant economic concentration
- Decreases diversity of voices
- Reinforces existing barriers to entry  
(Forecloses Hispanic ownership of media)

**U.S. Hispanic media, news, information and entertainment  
will be controlled by one individual**

# UNIVISION + Resultant Control of U.S. Hispanic Media

Univision stations

Telefutura stations 

Cable 

Entravision stations 

Radio 

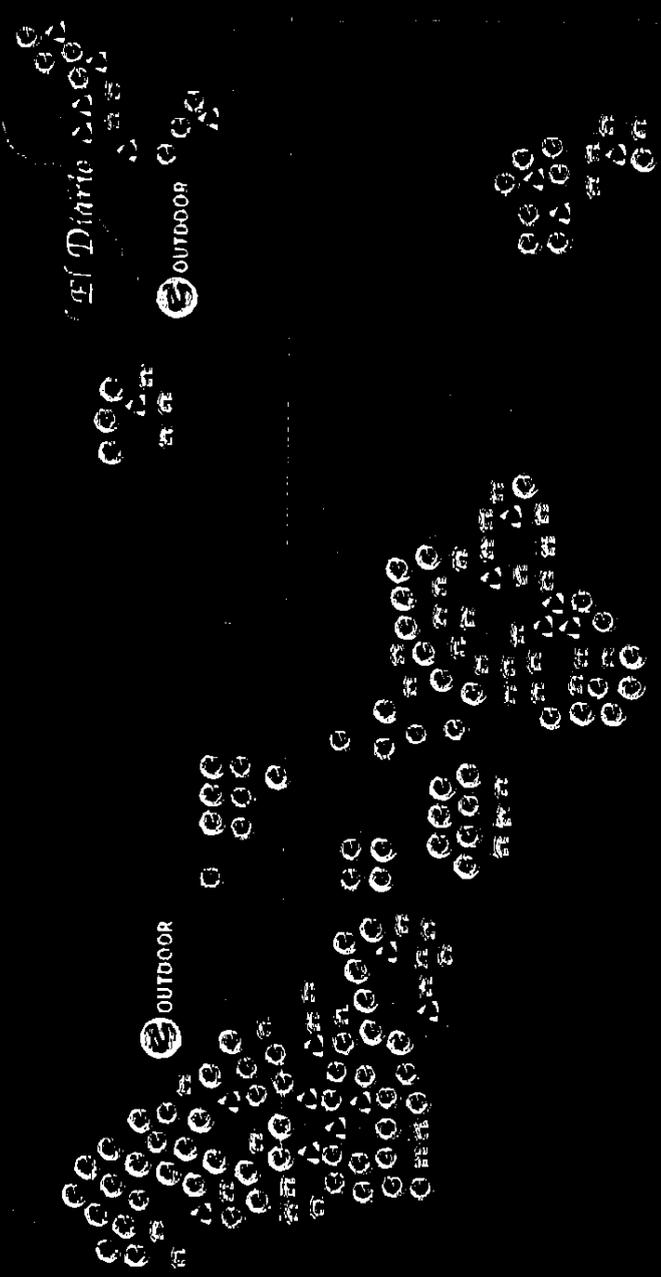
Internet 

Billboards 

Newspaper 

Publishing 

Records 



One individual (non-Hispanic) will control U.S. Hispanic media, news, information and entertainment

# UNIVISION+

## Total Hispanic Broadcast Revenues

(amount in Millions)

### TOP 10 MARKETS - STARTING POINT\*

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

\* Excludes Teletutura and Cross Platform selling efforts

Source 2002 BIA Financial Network

**UNIVISION**  **ENTRAVISION**

 **CLEARCHANNEL** 

# Parallel Paths to Control U.S. Hispanic Media & Entertainment

# UNIVISION + Sham Checklist

## FCC SHAM FILINGS MARKETPLACE REALITIES

<p><del>Clear Channel is a passive investor does not control HBC</del></p>	<p>Clear Channel created HBC                  Clear Channel funded HBC                  Clear Channel assisted/directed HBC                  Clear Channel "dealt" HBC to Univision - Bel Air, CA May 2002                  Clear Channel illegally tried to derail HBC competitor SBS</p>
<p><del>Clear Channel is "non-voting" stock in HBC</del></p>	<p>Clear Channel's 26% "non-voting" HBC stake is actually much more determinative than if 26% were actually voting:                  HBC cannot make a single major corporate act without Clear Channel approval (negative control)</p>
<p><del>Clear Channel board and HBC board merged</del></p>	<p>To this day, HBC board has directors originally named by Clear Channel prior to adoption of "non-voting" scam</p>
<p>Clear Channel has character qualifications befitting an FCC licensee</p>	

# UNIVISION+ Sham Checklist

## FCC SHAM FILINGS MARKETPLACE REALITIES

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

~~Clear Channel is a publicly traded company and does not control HBC~~

~~Clear Channel has no "non-binding" stock purchase agreement with HBC~~

~~Clear Channel has no HBC board representation~~

~~Clear Channel does not have the character qualifications to be an FCC licensee~~



# UNIVISION+ Sham Checklist

FCC SHAM FILINGS

MARKETPLACE REALITIES

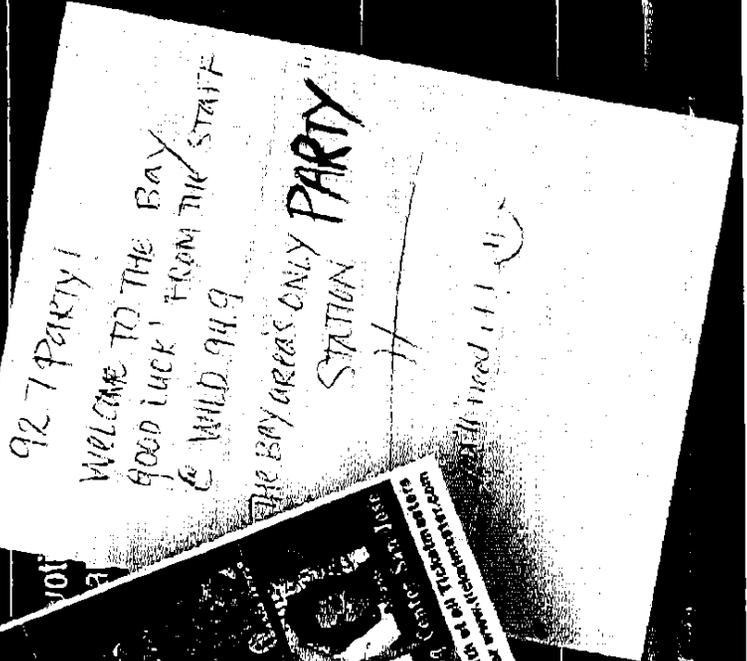
~~Clear Channel is a non-investor does not control HBC~~

~~Clear Channel has no "non-investor" status HBC~~

~~Clear Channel has no HBC board control situation~~

~~Clear Channel has character qualifications bearing an FCC license~~

Clear Channel created HBC  
Clear Channel funded HBC  
Clear Channel associated/directed HBC  
Clear Channel HBC to Univision - Bel Air, CA May 2002  
Clear Channel tried to derail HBC competitor SBS



# UNIVISION+ Sham Checklist

FCC SHAM FILINGS MARKETPLACE REALITIES

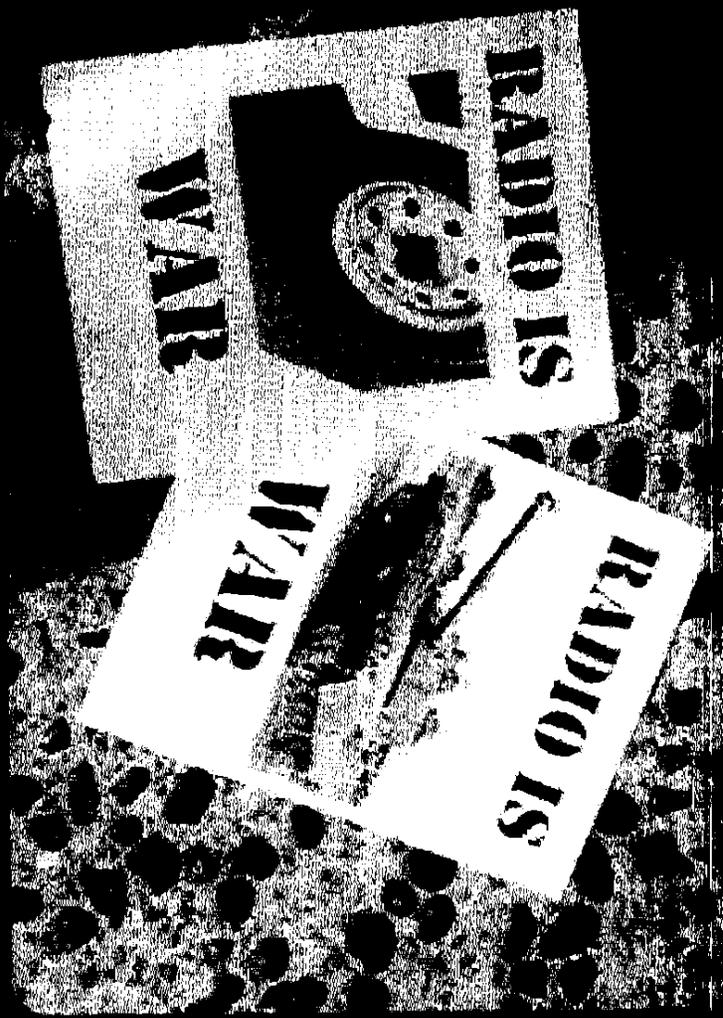
~~Clear Channel  
is a created HBC for  
does not control HBC~~

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

~~Clear Channel has  
"non-binding" agreement with HBC~~

~~Clear Channel has and  
HBC Board of Corporation~~

~~Clear Channel has character  
qualifications in being  
an FCC licensee~~



# UNIVISION+ Sham Checklist

FCC SHAM FILINGS

MARKETPLACE REALITIES

~~Clear Channel  
is responsible for  
does not control HBC~~

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

~~Clear Channel has  
"non-exclusive" station with HBC~~

~~Clear Channel has no  
HBC during transition~~

~~Clear Channel has character  
qualifications being  
an FCC licensee~~

WABQ  
WISQ  
WISQ

# UNIVISION + Sham Checklist

## FCC SHAM FILINGS MARKETPLACE REALITIES

<p><del>Clear Channel is a minority investor does not control HBC</del></p>	<p>Clear Channel created HBC Clear Channel funded HBC Clear Channel assisted/directed HBC</p>
<p><del>Clear Channel has "not-in-my-backyard" HBC</del></p>	<p>COOK</p>
<p><del>Clear Channel has no HBC board representation</del></p>	<p>STOMPNO</p>
<p><del>Clear Channel has character qualifications holding an FCC license</del></p>	<p>STOMPNO</p>

UNIVISION+



# Sham Checklist

## FCC SHAM FILINGS

## MARKETPLACE REAL TIES

<p><del>Clear Channel is a general partner does not control HBC</del></p>	<p>Clear Channel created HBC          Clear Channel funded HBC          Clear Channel assisted/directed HBC          Clear Channel "dealt" HBC to Univision - Bel Air, CA May 2002          Clear Channel illegally tried to derail HBC competitor SBS</p>
<p><del>Clear Channel has "non-voting" stock in HBC</del></p>	<p>Clear Channel's 26% "non-voting" HBC stake is actually much more determinative than if 26% were actually voting: HBC cannot make a single major corporate act without Clear Channel approval (negative control)</p>
<p><del>Clear Channel has no HBC board representation</del></p>	<p>To this day, HBC board has directors originally named by Clear Channel prior to adoption of "non-voting" scam</p>
<p><del>Clear Channel has character qualifications holding an FCC license</del></p>	

UNIVISION+ HBC ...

# UNIVISION+ Sham Checklist

## FCC SHAM FILINGS MARKETPLACE REALITIES

<p><del>Univision does not control Entravision</del></p>	<p>Univision created Entravision                  Univision funded Entravision                  Univision repurchased Entravision shares in open market                  Univision controls programming = lifeblood of Entravision</p>
<p><del>Univision and Entravision are independent competitive entities</del></p>	<p>Univision blocked Entravision competitor from acquiring TV stations in Tampa, Orlando and Washington, D.C.</p>
<p><del>Univision is not involved in Entravision operations</del></p>	<p>Univision blocked competitor Telemundo from advertising on Entravision radio stations in Denver</p>
<p><del>Univision is not a majority owner</del></p>	<p>Univision denied access to its TV network to all internet portals in order to provide exclusivity to Univision.com</p>
<p><del>Univision has proposed non-voting stock and removal of effective from Entravision board</del></p>	<p>Univision retains 31% ownership                  Univision retains programming lifeblood                  Univision non-voting sham = Clear Channel non-voting sham</p>

# UNIVISION + The Money Trail

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

 CLEAR CHANNEL

 UNIVISION



ENTRAVISION

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

Clear Channel Dollars

Univision Dollars



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

Economic dominance  
 of Univision Group  
 expansion of Univision assets  
 inhibits competitors

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

Stronger  
 #1 Univision Group  
 economic clout

Stronger #1 Univision  
 TV + Cable

Univision  
 Radio + TV, Records, Online  
 commands higher  
 rates

Massive promotion of  
 Univision Radio  
 excludes competitors

Stronger #1 Univision  
 Online

Stronger #1 Univision  
 Radio

Univision Radio, TV and Records  
 feed Univision Online  
 excludes competitors

Univision Radio + TV favors  
 Univision Records  
 excludes competitors

Stronger #1 Univision  
 Records

# UNIVISION'S Self-Perpetuating Monopolistic Model

**Reinforces barriers to entry (forecloses Hispanic ownership of media)**

UNIVISION + 

# Monopolistic Control of U.S. Hispanic Media & Entertainment

UNIVISION  ENTRAVISION

 CLEARCHANNEL 

**FC**

Federal  
Communications  
Commission

COMMISSIONER JONATHAN S. ADELSTEIN  
DECEMBER, 2002

# UNIVISION+



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fact...

 CLEAR CHANNEL 

- Have intentionally lied to the FCC, flagrantly violated ownership limits and conspired to control U.S. Hispanic Radio

UNIVISION  ENTRAVISION

- Have misrepresented Univision's de facto control of Entravision and has conspired to control U.S. Hispanic TV

UNIVISION + 

- Elimination of viable competitor
- Monopolistic market share
- Dominant economic concentration
- Decreases diversity of voices
- Reinforces existing barriers to entry  
(Forecloses Hispanic ownership of media)

**U.S. Hispanic media, news, information and entertainment  
will be controlled by one individual**

# UNIVISION + Resultant Control of U.S. Hispanic Media



**One individual (non-Hispanic) will control U.S. Hispanic media, news, information and entertainment**



# Total Hispanic Broadcast Revenues (amount in Millions)

## TOP 10 MARKETS - STARTING POINT\*

<u>Market</u>	<u>Total TV/Radio</u>	<u>Univision + HBC</u>	<u>% of Total</u>
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<b>Total</b>	<b>\$970</b>	<b>\$666</b>	<b>69%</b>

\* Excludes Teletutura and Cross Platform selling efforts  
 Source 2002 BIA Financial Network

**UNIVISION**  **ENTRAVISION**

 **CLEARCHANNEL** 

# Parallel Paths to Control U.S. Hispanic Media & Entertainment

# UNIVISION + Sham Checklist

## FCC SHAM FILINGS MARKETPLACE REALITIES

<p><del>Clear Channel is a special interest does not control HBC</del></p>	<p>Clear Channel created HBC          Clear Channel funded HBC          Clear Channel assisted/directed HBC          Clear Channel "dealt" HBC to Univision - Bel Air, CA May 2002          Clear Channel illegally tried to derail HBC competitor SBS</p>
<p><del>Clear Channel has a "non-voting" stake in HBC</del></p>	<p>Clear Channel's 26% "non-voting" HBC stake is actually much more determinative than if 26% were actually voting:          HBC cannot make a single major corporate act without Clear Channel approval (negative control)</p>
<p><del>Clear Channel board and HBC board representation</del></p>	<p>To this day, HBC board has directors originally named by Clear Channel prior to adoption of "non-voting" scam</p>
<p>Clear Channel has character qualifications befitting an FCC licensee</p>	

# UNIVISION+ Sham Checklist

## FCC SHAM FILINGS MARKETPLACE REALITIES

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

~~Clear Channel  
is a passive investor  
does not control HBC~~

~~Clear Channel has no  
"non-voting" stock in HBC~~

~~Clear Channel has no  
HBC board representation~~

~~Clear Channel has character  
qualifications being  
an FCC licensee~~



# UNIVISION+ Sham Checklist

## FCC SHAM FILINGS

## MARKETPLACE REALITIES

~~Clear Channel  
is a common investor  
does not control HBC~~

Clear Channel created HBC  
Clear Channel funded HBC  
Clear Channel associated/directed HBC  
Clear Channel HBC to Univision - Bel Air, CA May 2002  
Clear Channel tried to derail HBC competitor SBS

~~Clear Channel has no  
"non-voting" stock in HBC~~

92 7 Party!  
WELCOME TO THE BAY  
GOOD LUCK! FROM THE STAFF  
@ WILD 94.9  
THE BAY AREA'S ONLY PARTY  
STATION  
//  
We need it!!



~~Clear Channel has no  
HBC board representation~~

~~Clear Channel has character  
qualifications being  
an FCC licensee~~

# UNIVISION + Sham Checklist

## FCC SHAM FILINGS

~~Clear Channel is a majority investor does not control HBC~~

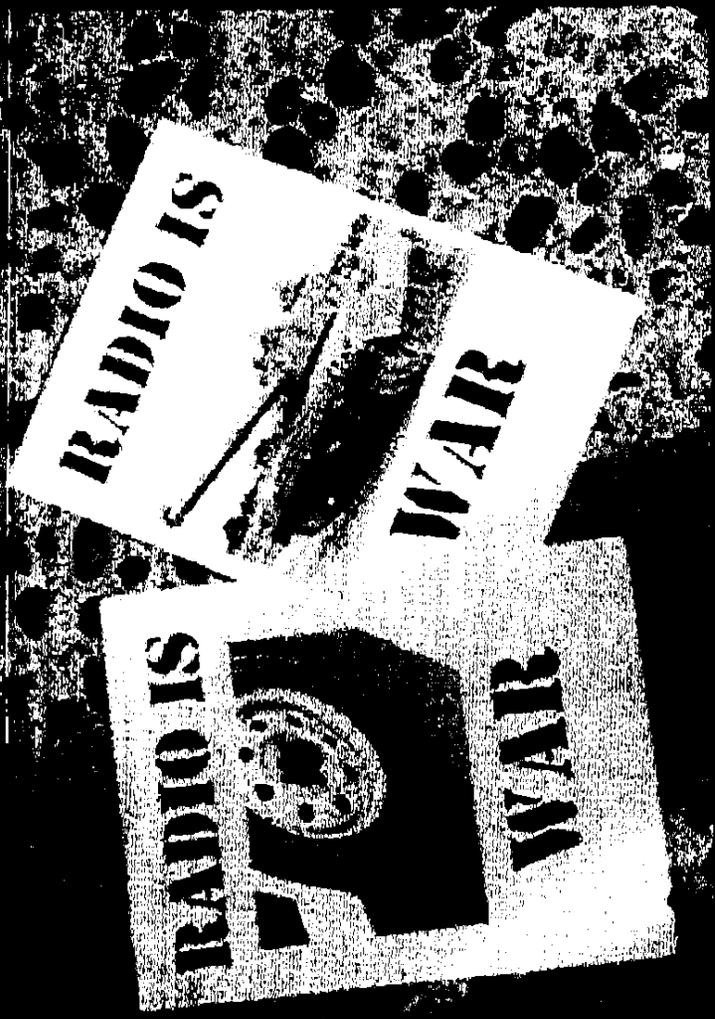
~~Clear Channel has no "non-binding" standing HBC~~

~~Clear Channel has no HBC board representation~~

~~Clear Channel lacks character qualifications benefiting an FCC licensee~~

## MARKETPLACE REALITIES

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



# UNIVISION+ Sham Checklist

## FCC SHAM FILINGS MARKETPLACE REALITIES

~~Clear Channel is the controlling interest does not control HBC~~  
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# UNIVISION + Sham Checklist

## FCC SHAM FILINGS

## MARKETPLACE REALITIES

- ~~Clear Channel is a general investor does not control HBC~~
- ~~Clear Channel has no "non-affiliated" status with HBC~~
- ~~Clear Channel has no HBC board representation~~
- ~~Clear Channel has character qualifications to be filing an FCC licensee~~

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



# UNIVISION + Sham Checklist

## FCC SHAM FILINGS MARKETPLACE REALITIES

<p><del>Clear Channel is the controlling interest in Univision, does not control HBC</del></p>	<p>Clear Channel created HBC          Clear Channel funded HBC          Clear Channel assisted/directed HBC          Clear Channel "dealt" HBC to Univision - Bel Air, CA May 2002          Clear Channel illegally tried to derail HBC competitor SBS</p>
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<p><del>Univision does not interfere in Entravision's operations</del></p>	<p>Univision blocked competitor Telemundo from advertising on Entravision radio stations in Denver</p>
<p><del>Univision is not a monopoly</del></p>	<p>Univision denied access to its TV network to all internet portals in order to provide exclusivity to Univision.com</p>
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# UNIVISION + The Money Trail



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**UNIVISION**

  
 CLEAR CHANNEL



**ENTRAVISION**

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Clear Channel Dollars      Univision Dollars



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Stronger #1 Univision  
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Univision  
Radio + TV, Records, Online  
commands higher  
rates

Massive promotion of  
Univision Radio  
excludes competitors

Stronger #1 Univision  
Online

Stronger #1 Univision  
Radio

# UNIVISION'S Self-Perpetuating Monopolistic Model

Univision Radio, TV and Records  
feed Univision Online  
excludes competitors

Univision Radio + TV favors  
Univision Records  
excludes competitors

Stronger #1 Univision  
Records

**Reinforces barriers to entry (forecloses Hispanic ownership of media)**