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August 12, 2003

RECEIVED

AUG 12 2003

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms Marlene H Dortch, Secretary  
Federal Communications Commission  
445 - 12th Street, SW  
Washington, DC 20554

Re Transfer of Control of Hispanic Broadcasting Corp.  
(Docket No MB 02-235,  
FCC File Nos BTC-20020723ABL, et al.)

Dear Ms Dortch

Please find attached hereto, a letter written by Buddy McGregor, a principal of Yellow Rose Communications, Inc , to Raul Alarcon, Jr , President and Chief Executive Officer of Spanish Broadcasting System, Inc ("SBS") SBS believes that the Commission should consider this letter in its review of the proposed merger of Univision Communications, Inc and Hispanic Broadcasting Corp

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

Sincerely,

  
Bruce Eisen

BE/ljs

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KAYE SCHOLER LLP

Ms Marlene H Dortch, Secretary

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August 12, 2003

cc Chairman Michael K Powell  
Commissioner Kathleen Q. Abernathy  
Commissioner Michael J Copps  
Commissioner Kevin J Martin  
Commissioner Jonathan S Adelstein  
David Brown, Esq. (Media Bureau, FCC)  
Barbara Kreisman, Esq (Media Bureau, FCC)  
Lawrence N Cohn, Esq (Counsel for the Shareholders for the Hispanic Broadcasting Corp.)  
Scott R. Flick, Esq. (Counsel for Univision Communications, Inc.)  
Mr Buddy McGregor



***With the Largest 10,000 watt coverage area of any Spanish station in Austin***

Aug. 7, 2003

Raul Alarcon  
SBS Broadcasting

If the HBC Univision merger will gobble up 70% of all budgets, this will harm many broadcasters in America. The Walmart of Radio, HBC, is in the final stages of taking over most of the Spanish- oriented radio advertising with their vast broadcast holdings in the State of Texas.

We have a prime example right here in the President's backyard. HBC just purchased a rather low-powered FM station from Simmons Media. But, with their clout, they are able to take a station close to their frequency 'off the air', or greatly reduce its power allowing HBC to become the most powerful of 11 Spanish stations in the market.

Thanks to a limitless amount of promotional capital this station will command the highest spot price in the market very shortly. With the clout of 63 Arbitron station contracts, local radio people figure HBC will be on the top of the ratings company's Hispanic list.

Station representative organizations are few in Hispanic media. There are only 3 in the U.S.

HBC 'owns' one of the largest ones, Katz Spanish representatives. Two years ago when we asked Katz to represent our independently owned FM and AM Spanish stations they were delighted. As their Dallas office chief Bill Froehlich put it, "we've been wanting a station there because Austin is one of the fastest growing Hispanic markets in the USA"...

Two days later Bill calls to tell us he "cannot represent us, because HBC is holding the market for themselves."

If Univision's other partner, Entravision also is included in this merger, then their Representative firm, Lotus Entravision Reps., second largest in the nation, could constitute a situation in the Austin market akin to business practice irregularities.

Besides this situation, we have the influence of Clear Channel and their portion of the merger pie. When we applied to increase our power, the FCC said the only way to go to 6000 watts was for the Clear Channel station 45 miles north of ours to apply to power up to 6000 at the same time.

Since Clear Channel owns some 30% of HBC and they also knew of HBC's plan to enter the Austin market, they had avoided, through their engineers and station managers, any talk with us of a mutual power increase.

This pincer movement on the part of HBC and Clear Channel caused us to take a good look at "the handwriting on the wall". Especially since Lotus Entravision Reps. abdicated their rep contract with our station and took the unprecedented position of representing a direct competitor in this market, Amigo's stations. We assume it was because all of these entities were in the merger planning stage.

Last month we switched our FM programming to "Smooth Jazz" and gave up quite a bit of Hispanic billing. The Walmart of Spanish radio strikes again.

Now everything is clear. HBC will probably buy out the Rodriguez-Amigo stations and have the greatest FM presence in the Austin market with two Rep. firms placing national business on their own stations. Doesn't everything sound 'cozy'?

Local advertisers, including Hispanic-owned businesses, may be priced out of the market.

Where is the Justice Department when you need them.

512-848-3624  
Buddy McGregor