

**Press Statement of Chairman Michael K. Powell
And Commissioners Kathleen Q. Abernathy and Kevin J. Martin**

Re: Transfer of Control of Certain Subsidiaries of the Hispanic Broadcasting Corporation to Univision Communications, Inc.

We support today's decision to approve the combination of Univision's television stations and HBC's radio stations. We take this opportunity to highlight several important matters relating to today's decision.

First and foremost, this merger has meaningful public interest benefits. It will give Hispanic media a better opportunity to compete against big media companies, capturing more advertising revenue to allow it to expand unique language and cultural offerings to its audiences.¹

The benefits of this merger have led many prominent individuals and groups within the Hispanic community to urge the FCC to support this merger, including Rep. Henry Bonilla, Rep. Lincoln Diaz-Balart, Rep. Ileana Ros-Lehtinen, Rep. Jose Serrano, and Rep. Ciro Rodriguez, as well as such well-established Hispanic organizations such as the National Council of La Raza, the League of United Latin American Citizens, the National Hispanic Media Coalition, the National Puerto Rican Coalition, the Association of Hispanic Advertising Agencies, the National Hispanic Bar Association, and the Mexican American Grocers Association. These individuals and groups are important voices in the Hispanic community and we value their views.

Today's decision wisely rejects the call to separate Hispanics into a separate class for government review purposes. The implications of treating Hispanics as an insular group removed from the general mainstream of news, entertainment, and information are troubling. While the dissent makes reasonable points in this regard, such an approach would diverge from 30 years of FCC precedent declining to evaluate program format. Moreover, that approach could prove a limitless notion by opening up claims that there should be language-specific, or even viewpoint-specific, ownership rules. Should there be an Arabic, French, Chinese language market? Should there be a conservative, or liberal viewpoint-specific market? This balkanization of content for regulatory purposes would corrode the American notion of a diverse marketplace of ideas.

The argument has been made that the FCC should have found a Spanish language media market. Both the FCC and the DOJ have long maintained that television and radio are separate markets. In this transaction, a pure television company is buying a pure radio company and thus there is no reduction in competition. Even were we to find a Spanish television market and a Spanish radio market, the combination still would not

¹ A recent news report noted that Spanish-language television attracts roughly five percent of the total U.S. viewing audience but only about two percent of television advertising dollars. "Spanish Language Media Expand," *Washington Post*, Aug. 11, 2003 (A1)

foreclose competition or increase concentration. The facts simply do not support conflating television and radio into a mega-Spanish media market.

Charged with protecting advertisers, the DOJ did find a separate Spanish radio advertising market, but it ultimately reached a decision that does not differ from ours. The DOJ approved the merger with conditions. Contrary to the claims in the dissent, we not only embrace DOJ's conditions but go further by requiring the divestiture of two radio stations under our new radio multiple ownership rule. Significantly, DOJ did not embrace the blurry notion of a combined TV/radio Spanish language market, nor do we.

The dissent, itself unwilling to fully embrace a Spanish language market, argues for us to block the transaction, based on the "unique character" of the Spanish medium. The dissent raises legitimate points concerning the characteristics of Spanish-formatted media and the use of media by Spanish-speaking Americans. While we agree that the public interest standard does have room for unique considerations, we are not persuaded that the factors here justify disapproving the merger.

For example, much is made of how many Hispanics speak Spanish exclusively or predominately in the home, citing 40 to 50 percent of all Hispanics. However, those that "predominately" speak English represent the bulk of these numbers. These are individuals that choose to speak mostly Spanish in the home. Yet, there is no suggestion they cannot, or do not speak Spanish outside of the home or in the workplace. Only about 11% of Hispanics cannot speak English (roughly about 2.6% of all Americans) and thus have no means to access English media. Given how dramatic a course change it would be to review format and in view of the variety of Spanish language media available, we do not believe these modest numbers are sufficient to deny the transfer.

Hispanic Americans are not sealed off from English media. It is important to understand that Spanish-speaking Americans spend a majority of their viewing and listening time with English language stations.² Indeed, there are a number of new prime time shows on the major networks that feature Hispanics and are being promoted to Hispanic audiences.³ This fundamental fact cuts against a finding that Spanish speakers only have access to Spanish language media outlets. And for those who speak only Spanish, there are currently 26 Spanish language television networks. Many Spanish-only speakers also can use the Spanish translation of English language television programming (SAP channel⁴), which can open up new sources of English programming for Spanish-only speakers. In 2000, the Commission found that between one-third and one-half of the television stations in the 25 markets are broadcasting on the SAP channel. Moreover, in the top 20 Hispanic cities, 16 have at least one daily, weekly, or twice-weekly Spanish language newspaper. Thus it is clear to us that Spanish media, like

² Nielsen Media Research, NielsenTV Hispanic People Meter, Sept. 23, 2002 – May 11, 2003, and Arbitron, MaximiSer V9.0 MultiRanker Report Demographic, Winter 2003.

³ "Fox Promos Target Latinos" *Broadcasting & Cable* (Sept. 8, 2003) at 34.

⁴ SAP is a service that enables a television viewer to press a button on the remote control and have English-language programming instantly translated into Spanish via subtitles on the bottom of the television screen.

English media, are growing rapidly and present Spanish-only speakers with a wide array of choices.

Nor are Spanish media sealed off from direct competition with English language media. Stations can and do switch from broadcasting in one language to another. In the past four years, 163 radio stations switched from English to Spanish, while 77 went from Spanish to English. We are confident that the ability of stations to move between English and Spanish formats, and the continued growth of Spanish media generally, will preserve and strengthen choice and competition for all Spanish-speaking Americans. In this regard, we find it noteworthy that the Department of Justice did not challenge the combination of Univision's television stations and HBC's radio stations.

It should also be pointed out that Univision will not monopolize Spanish media nationwide. The merged firm will own 51 of 222 Spanish language television stations and 67 of the 706 Spanish language radio stations. It will own three of the 26 Spanish-language television networks available today on broadcast, cable and satellite. These are not the numbers of dominance.

Nonetheless, as with all proposed broadcast mergers, the Commission carefully scrutinized this transaction to protect the public interest. After determining that the company would violate our new broadcast ownership rules in those two cities, the Commission directed the merged company to divest radio stations in Houston and Albuquerque. Thus, contrary to the dissent's suggestion, we are confident that this condition, on top of the conditions imposed by the Department of Justice, will ensure that the combined Univision-HBC will serve the public interest.