

Radio Multiple Ownership Compliance Analysis and Waiver Request

The proposed assignee, International Broadcasting Corporation (“IBC”), hereby requests waiver, in accordance with 47 C.F.R. §1.3, of the application of Section 73.3555 of the Commission’s rules relating to the total number of radio broadcast facilities which any one entity or individual may hold an attributable interest in any particular “market” and, in particular, the definition of “market” under the current Commission rules.

IBC and the principals of IBC, Angel Roman Lopez and Ruth Roman Lopez (the “Principals”), currently have attributable interests, as that term is defined for purposes of the FCC’s radio ownership rules, in seven (7) AM radio stations and one (1) FM radio station in Puerto Rico, which complies with the FCC’s limitations on radio ownership pursuant to Section 73.3555(a)(1)(i). IBC, licensee of six (6) radio stations,¹ proposes to purchase from the assignor and its affiliate a total of three (3) FM radio stations. The proposed transaction would increase the stations attributable to IBC by three FM stations, to a total of nine (9) – 5 AM and 4 FM. In addition, because the Principals of IBC each also have attributable interests in two other AM radio stations,² the proposed assignment will increase the number of Puerto Rico radio stations attributable to the Principals to a total of eleven (11) stations – 7 AM and 4 FM. This analysis and related technical statement submitted herewith demonstrate that the proposed transaction complies with the Commission’s multiple ownership restrictions with regard to the Principals when evaluated in accordance with the contour overlap methodology.

¹ WVOZ-FM, Carolina, PR (Fac. ID 28921);
WEKO (AM) Morovis, PR (Fac. ID 72452);
WIBS (AM) Guayama, PR (Fac. ID 72384);
WRSJ (AM) Bayamon, PR (Fac. ID 295);
WGIT(AM), Canovanas, PR (Fac. ID 87150); and
WGYA(AM), Guyama, PR (Fac. ID 25531).

² Principals Angel Roman Lopez and Ruth Roman Lopez are attributable owners of WVOZ (AM), San Juan, PR (Fac. ID 54958); and WQBS (AM), San Juan (Fac. ID 573).

For purposes of its market rankings, Arbitron treats the island of Puerto Rico as a single Arbitron Metro market. Because this market definition does not reflect the true geographic make-up of this island, IBC requests waiver of the use by the Commission of the Arbitron Metro standard in this unique situation in Puerto Rico in favor of the use of the contour overlap methodology to find that the proposed transaction complies with the Commission's multiple ownership rules. There is good cause to approve this request.

When the Commission adopted the Arbitron Metro Survey Area as the definition of a radio market for the purpose of determining compliance with the radio ownership rules, it thought it sensible to rely on that market definition when applying the rules, because Arbitron (now Nielsen), as the principal ratings service, had defined radio markets for most of the more populated areas of the country. The Commission recognized that the Arbitron Metro was based on the Metropolitan Statistical Areas (MSAs) established by the Office of Management and Budget (OMB) and concluded that people in the United States tend to be clustered around specific population centers. As a result, the FCC concluded that the Arbitron Metro was the appropriate standard to use in assessing compliance with the local radio multiple ownership rules. *See 2002 Biennial Regulatory Review, Report and Order and Notice of Proposed Rule Making, 18 FCC Rcd 13620, 13724-13725 (2003).*

This conclusion may be correct for most of the contiguous United States, but it is inapplicable to the island of Puerto Rico. If one were to accept the Arbitron definition of Puerto Rico as one Metro market, an individual entity or person could have cognizable ownership in no more than eight (8) radio stations on the entire island. According to BIA's FCC Geographic Market Definition for Puerto Rico (appended hereto), there are 132 full-power radio stations serving Puerto Rico – 115 commercial stations, 17 noncommercial stations, and dozens of separate owners. The mere fact that there are this many radio stations competing in and serving the population of this single "market" supports a waiver of the Arbitron-based ownership limits. In fact, OMB has determined that the island, which is roughly equivalent in size and population to the state of Connecticut, has *eight* Metropolitan Statistical Areas and *three* Combined

Statistical Areas, which are larger population areas comprised of combinations of MSAs and/or Micropolitan Statistical Areas (Micro SAs). See OMB Bulletin No. 13-01 (2013), available at <http://www.whitehouse.gov/sites/default/files/omb/bulletins/2013/b-13-01.pdf>. Thus, Arbitron's delineation of Puerto Rico as a single Arbitron Metro market is inconsistent with its practice on the mainland where the Arbitron definition of Metro markets coincides with OMB's selection of MSAs – for example, Connecticut has *four* MSAs, each of which is treated as a separate Metro market by Arbitron.

Moreover, even Arbitron acknowledges that Puerto Rico has at least six distinct “regions—San Juan, West, South, East, North and Northeast—that have important population centers with their own characteristics, such as Mayagüez, Ponce, Humacao, Fajardo, and San Juan.” *Puerto Rico Radio Today* (2013 ed.), available at <http://wargod.arbitron.com/downloads/PuertoRicoRadioToday13.pdf>. In fact, Arbitron provides radio format ratings data broken out according to region, suggesting acknowledgement that its *own* treatment of Puerto Rico is untenable. *Id.* at pp. 17-22. As the Commission itself has noted, “[t]he island of Puerto Rico is approximately 125 miles long (east to west) and 35 miles wide (north to south), with a central mountain range that not only separates the island from east to west, but also divides it into three basic areas, San Juan, Ponce, and Aguadilla-Mayaguez. The Commission has previously acknowledged the severely limiting effect Puerto Rico's unique mountainous terrain has on signal propagation, which prevents stations in the more populous San Juan area from serving the two other main areas of the island.” *MSG Radio, Inc.* (DA 12-973), 27 FCC Rcd 7066 (2012) (citations omitted).

There is substantial precedent going back decades for waiver of the use of the Arbitron Metro standard in Puerto Rico. See, e.g., *MSG Radio, Inc.*, *supra*; *Luis A. Soto*, 22 FCC Rcd 2549 (2007); and *St. Croix Wireless Co., Inc.*, 8 FCC Rcd 7329 (1993). Indeed, the Commission has declared that the unique characteristics of the Puerto Rico Arbitron Metro present a compelling case for departing from the Arbitron Metro as the presumptive definition of the local market in determining whether the transaction complies with the local radio station ownership rule. See *Luis A. Soto*, 22 FCC Rcd at 2553. More recently, the

Commission noted that, “[w]hile there are other Arbitron markets that comprise more than one MSA, Puerto Rico is the only such market that has the additional factors of geographic size, topography, and sheer numbers of radio stations and station owners” to support a waiver of the local radio ownership rule. *MSG Radio, Inc., supra*. The FCC must therefore apply the same analysis to the situation presented here and accept a contour overlap approach in determining whether a waiver of the local ownership rules is appropriate.

The attached technical analysis prepared by FCC Consulting Engineer Louis R. du Treil, Jr. demonstrates by contour analysis that the stations which will be attributable post-transaction to IBC and the Principals are found in three distinct “markets” as defined by overlapping principal community contours. Each of these markets is served by more than 45 full-power radio stations. Thus, IBC and its Principals would be permitted cognizable interests in up to eight (8) stations in *each* market. Because the proposed transaction would result in no single market in which IBC or its Principals would have attributable interests in more than seven (7) stations in any of the given markets, waiver of Section 73.3555(a) is appropriate in this instance.

TECHNICAL STATEMENT
RADIO MULTIPLE OWNERSHIP ANALYSIS
INTERNATIONAL BROADCASTING CORPORATION

This radio multiple ownership analysis was prepared on behalf of International Broadcasting Corporation in consideration of the acquisition of radio stations WIOA(FM), WIOC(FM) and WZET(FM) from Spanish Broadcasting System Holding Company, Inc., and its subsidiaries (SBS). This analysis was prepared under the FCC interim contour analysis method.* Considering the SBS stations to be acquired and all other attributable radio stations in the area, the following stations were analyzed:

Call Sign	City of License	Facilities
WQBS(AM)	San Juan, PR	870 kHz, 5 kW, U, DA-2
WVOZ(AM)	San Juan, PR	1520 kHz, 25 kW, U, DA-2
WIBS(AM)	Guayama, PR	1540 kHz, 1 kW-U
WRSJ(AM)	Bayamon, PR	1560 kHz, 0.74 kW-N, 4 kW-D, U
WEKO(AM)	Morovis, PR	1580 kHz, 2.5 kW-N, 5 kW-D, U, DA-D
WGYA(AM)	Guayama, PR	1590 kHz, 1 kW, U
WGIT(AM)	Canovanas, PR	1660 kHz, 1 kW-N, 10 kW-D, U
WZET(FM) [†]	Hormigueros, PR	Ch. 221A, 2.95 kW, 337 m
WIOA(FM)	San Juan, PR	Ch. 260B, 31 kW, 560 m
WIOC(FM) [‡]	Ponce, PR	Ch. 286B, 47 kW, -61 m
WVOZ-FM	Carolina, PR	Ch. 299B, 12 kW, 841 m

* See Report and Order and Notice of Proposed Rulemaking, MB Docket 02-277, FCC 03-127, Released July 2, 2003.

[†] WZET(FM) is shown for reference. No market is formed involving this station.

[‡] WIOC(FM) is shown for reference. No market is formed involving this station.

The principal community contours of all of these stations are depicted on a map included herein as Figure 1. The radio multiple ownership analysis considers only those stations with overlapping principal community contours (5 mV/m for AM stations, 3.16 mV/m for FM stations). An ownership study was prepared in accordance with the Federal Communications Commission multiple ownership rules as outlined in Section 73.3555.

Radio Markets

The “radio market” applicable to common ownership of the subject stations is defined as the area encompassed by the mutually overlapping principal community contours of the stations proposed to be commonly owned. As listed in the table below, there are three defined “radio markets” formed by the subject stations:

Defined Radio Market	Stations that Define Radio Market	
	AM Stations	FM Stations
Market 1	WQBS, WVOZ, WRSJ, WEKO	WIOA
Market 2	WQBS, WVOZ, WRSJ, WGIT	WIOA, WVOZ
Market 3	WIBS, WGYA	WIOA, WVOZ

Count of Stations in Defined Markets

The number of radio stations in a “radio market” is determined by counting the operating stations that have principal community contours that intersect the principal community contours that define the radio market. Only those stations located within 92 km of the perimeter of the mutual overlap area of the defined market area were employed in the count of stations. Commonly owned stations, other than those that form

the market in question were not considered in the count of stations in the defined market. The results of the analysis are tabulated below:

Defined Radio Market	Number of Stations in Radio Market
Market 1	43 AM; 38 FM; 81 Total
Market 2	38 AM; 32 FM; 70 Total
Market 3	39 AM; 35 FM; 74 Total

Tabulations of the radio stations identified in the defined radio markets are attached hereto. Only known licensed, operating stations were employed for the study. Distances to the AM coverage contours were predicted using the antenna patterns as identified in the Commission's AM database and the appropriate Ground Wave Field Strength versus Distance Graph described in Section 73.184 of the FCC Rules. Ground conductivity data were obtained from FCC Figure M3. Distances to the FM contours were determined based on the method outlined in Section 73.313 of the FCC Rules. Terrain data were derived from the U.S.G.S. 3-second computer database for each of the FM stations using radials evenly-spaced every 5 degrees of azimuth.

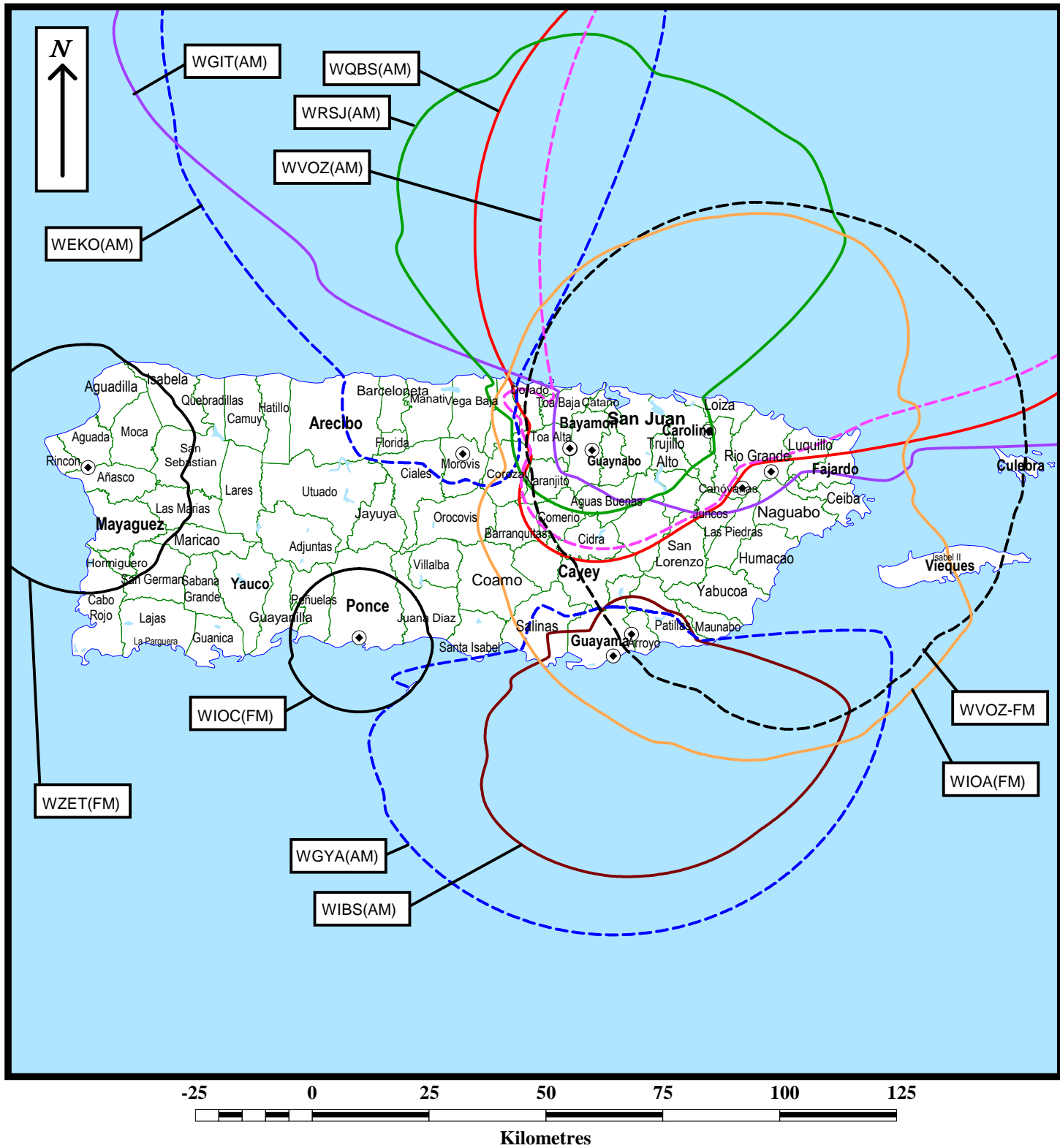
Based on the above, it is concluded that the proposed combination of the stations to be owned complies with Section 73.3555(a) of the FCC Rules.



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September 29, 2015



PREDICTED PRINCIPAL COMMUNITY CONTOURS OF SUBJECT STATIONS

duTreil, Lundin & Rackley, Inc. Sarasota, Florida

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RADIO MULTIPLE OWNERSHIP ANALYSIS
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WPAB	PONCE	PR	550					
WKAQ	SAN JUAN	PR	580					
WEXS	PATILLAS	PR	610					
WUNO	SAN JUAN	PR	630					
WAPA	SAN JUAN	PR	680					
WIAC	SAN JUAN	PR	740					
WKVM	SAN JUAN	PR	810					
WXEW	YABUCOA	PR	840					
WQBS	SAN JUAN	PR	870					
WFAB	CEIBA	PR	890					
WPRP	PONCE	PR	910					
WIPR	SAN JUAN	PR	940					
WDNO	QUEBRADILLAS	PR	960					
WOSO	SAN JUAN	PR	1030					
WCGB	JUANA DIAZ	PR	1060					
WMIA	ARECIBO	PR	1070					
WLEY	CAYEY	PR	1080					
WVJP	CAGUAS	PR	1110					
WMSW	HATILLO	PR	1120					
WQH	SAN JUAN	PR	1140					
WBQN	BARCELONETA-MANATI	PR	1160					
WBMJ	SAN JUAN	PR	1190					
WHYO	SALINAS	PR	1210					
WNIK	ARECIBO	PR	1230					
WALO	HUMACAO	PR	1240					
WJIT	SABANA	PR	1250					
WISO	PONCE	PR	1260					
WCMN	ARECIBO	PR	1280					
WSKN	SAN JUAN	PR	1320					
WIVV	ISLAND OF VIEQUES	PR	1370					
WOLA	BARRANQUITAS	PR	1380					
WISA	ISABELA	PR	1390					
WIDA	CAROLINA	PR	1400					
WNEL	CAGUAS	PR	1430					
WCPR	COAMO	PR	1450					
WKUM	OROCOVIS	PR	1470					
WMDD	FAJARDO	PR	1480					
WDEP	PONCE	PR	1490					
WMNT	MANATI	PR	1500					
WVOZ	SAN JUAN	PR	1520					
WRSJ	BAYAMON	PR	1560					
WEKO	MOROVIS	PR	1580					
WCMA	BAYAMON	PR	1600					

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WCRP	GUAYAMA	PR	201					
WLUZ	LEVITTOWN	PR	203					
WPUC-FM	PONCE	PR	205					
WRTU	SAN JUAN	PR	209					
WIDA-FM	CAROLINA	PR	213					
WIPR-FM	SAN JUAN	PR	217					
WYAS	LUQUILLO	PR	221					
WORO	COROZAL	PR	223					
WYQE	NAGUABO	PR	225					
WZNT	SAN JUAN	PR	229					
WNOD	MAYAGUEZ	PR	231					
WODA	BAYAMON	PR	234					
WEGM	SAN GERMAN	PR	236					
WFID	RIO PIEDRAS	PR	239					
WAEI-FM	MARICAO	PR	241					
WRXD	FAJARDO	PR	243					
WNRT	MANATI	PR	245					
WOYE	RIO GRANDE	PR	247					
WNVM	CIDRA	PR	249					
WSEX	SANTA ISABEL	PR	251					
WZOL	LAS PIEDRAS	PR	252					
WUQ-FM	MAYAGUEZ	PR	254					
WPRM-FM	SAN JUAN	PR	256					
WIDI	QUEBRADILLAS	PR	258					
WIOA	SAN JUAN	PR	260					
WIVA-FM	AGUADILLA	PR	262					
WXYX	BAYAMON	PR	264					
WNVE	CEIBA	PR	269					
WZAR	PONCE	PR	270					
WTOK-FM	SAN JUAN	PR	273					
WDIN	CAMUY	PR	275					
WVJP-FM	CAGUAS	PR	277					
WERR	VEGA ALTA	PR	281					
WKAQ-FM	SAN JUAN	PR	284					
WCAD	SAN JUAN	PR	289					
WNIK-FM	ARECIBO	PR	293					
WMEG	GUAYAMA	PR	295					
WCMN-FM	ARECIBO	PR	297					

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WXEW	YABUCOA	PR	840					
WQBS	SAN JUAN	PR	870					
WFAB	CEIBA	PR	890					
WPRP	PONCE	PR	910					
WIPR	SAN JUAN	PR	940					
WOSO	SAN JUAN	PR	1030					
WCGB	JUANA DIAZ	PR	1060					
WLEY	CAYEY	PR	1080					
WVJP	CAGUAS	PR	1110					
WQII	SAN JUAN	PR	1140					
WBQN	BARCELONETA-MANATI	PR	1160					
WBMJ	SAN JUAN	PR	1190					
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WISO	PONCE	PR	1260					
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WSKN	SAN JUAN	PR	1320					
WIVV	ISLAND OF VIEQUES	PR	1370					
WOLA	BARRANQUITAS	PR	1380					
WIDA	CAROLINA	PR	1400					
WNEL	CAGUAS	PR	1430					
WCPR	COAMO	PR	1450					
WKUM	OROCOVIS	PR	1470					
WMDD	FAJARDO	PR	1480					
WDEP	PONCE	PR	1490					
WMNT	MANATI	PR	1500					
WVOZ	SAN JUAN	PR	1520					
WRSJ	BAYAMON	PR	1560					
WCMA	BAYAMON	PR	1600					
WGIT	CANOVANAS	PR	1660					

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WZOL	LAS PIEDRAS	PR	252					
WPRM-FM	SAN JUAN	PR	256					
WIOA	SAN JUAN	PR	260					
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WVJP-FM	CAGUAS	PR	277					
WERR	VEGA ALTA	PR	281					
WKAQ-FM	SAN JUAN	PR	284					
WIOC	PONCE	PR	286					
WCAD	SAN JUAN	PR	289					
WMEG	GUAYAMA	PR	295					
WCMN-FM	ARECIBO	PR	297					
WVOZ-FM	CAROLINA	PR	299					