

Demonstration of Compliance with the Commission's Multiple Ownership Rules

This exhibit demonstrates that the instant transaction complies with the Commission's current local radio multiple ownership rule (47 C.F.R. Section 73.3555(a)), and the Commission's current radio-television cross ownership rule (47 C.F.R. Section 73.3555 (c)).

I. Background

Univision Communications Inc., the ultimate parent of Univision Radio License Corporation ("URLC"), the assignee herein, through subsidiaries (which are collectively referred to herein as "UCI"), currently owns and operates two television stations in the Chicago, Illinois DMA--Station WXFT-TV, Aurora, Illinois, and Station WGBO-TV, Joliet, Illinois. UCI is also the licensee of five radio stations in the Chicago market--Station WIND(AM), Chicago, Illinois, Station WOJO(FM), Evanston, Illinois, Station WRTO(AM), Chicago, Illinois, Station WVIV-FM, Highland Park, Illinois, and Station WVIX(FM), Joliet, Illinois. In the transaction which is the subject of the instant application, URLC proposes to acquire Station WZFS(FM), Des Plaines, Illinois, which is in the Chicago market.

II. Compliance with the Local Radio Multiple Ownership Rule

Under the Commission's current local radio multiple ownership rule (47 C.F.R. Section 73.3555(a)(1)(i)), an entity may own as many as eight radio stations (not more than five in either the AM or FM service) in an Arbitron radio market which has a total of at least 45 radio

stations. There are more than 45 radio stations in the Chicago Arbitron Market. Therefore, UCI's proposed acquisition of Station WZFS, which would result in the common ownership by UCI of five (5) radio stations in the Chicago Arbitron Market (i.e., AM station WRTO, and FM stations WOJO, WVIV-FM, WVIX, and WZFS) would comply with the Commission's local radio multiple ownership rule in this market.¹

III. **Compliance with the Radio-Television Cross Ownership Rule**

The proposed transaction would modify UCI's existing radio-television cross ownership interests in the Chicago, Illinois markets. As explained in detail below, the proposed transaction fully complies with the Commission's current radio-television cross ownership rule in this market.²

The Commission's current radio-television cross ownership rule is triggered when the 2 mV/m contour of an AM radio station or the 1 mV/m contour of an FM radio station (hereafter "principal community contour") wholly encompasses the community of license of a television station to be commonly owned, or when the Grade A contour of a television station wholly encompasses the community of license of a radio station which is to be commonly owned with the television station. 47 C.F.R. Section 73.3555(c)(1). Where the radio-television cross-

¹ The Asset Exchange Agreement between the parties to this transaction provides that, with prior Commission approval, UCI will assign the license to operate Station WIND to Salem Media of Illinois, LLC ("SMI") concurrently with assignment of the license to operate Station WZFS from SMI to UCI. (Note: A separate assignment application is being filed concurrently to obtain Commission approval to assign the license of Station WIND from UCI to SMI.) SMI's obligation to assign the license to operate Station WZFS to UCI and UCI's obligation to assign the license to operate Station WIND to SMI are mutually contingent. However, as the Commission is being asked to approve separate assignment applications relating to Station WIND and Station WZFS without conditions, UCI notes that, assuming arguendo UCI were to acquire the license to operate Station WZFS as proposed herein, and retain its license to operate Station WIND, it would not change the conclusion that UCI would comply with the Commission's local radio multiple ownership rule, as it would result in UCI operating six (6) radio stations (two AM stations and four FM stations) in the Chicago Arbitron Market, which is within the allowable limits of 47 C.F.R. Section 73.3555(a)(1)(i)).

² All the television stations involved in this analysis are already licensed to UCI, and their common ownership under the Commission's television duopoly and national audience reach rules has already been approved by the Commission.

ownership rule is triggered, an entity may directly or indirectly own, operate, or control the following numbers of stations:

- (1) Up to two television stations and one radio station in all markets (see 47 C.F.R. Section 73.3555(c)(2));
- (2) Up to two television stations and four radio stations, if at least 10 independently-owned media voices will remain in the market post consummation (see 47 C.F.R. Section 73.3555(c)(2)(ii)); and
- (3) Two television stations and six radio stations or one television station and seven radio stations, if at least 20 independently-owned media voices will remain in the market post consummation (see 47 C.F.R. Section 73.3555(c)(2)(i)).

The number of media voices present in a market includes all independently-owned full power television stations operating in the DMA of the television station(s) that have Grade B signal contour overlap with the Grade B contour of the television station(s) at issue, all independently-owned radio stations operating in the radio metro market in which the television and radio stations' communities of license are located, all independently owned out-of-market radio stations which receive a minimum share as reported by Arbitron or a comparable ratings service, and all English language newspapers that are published at least four days per week and have a circulation greater than 5% of the households in the television station's DMA. An additional voice is considered to be in the market if cable television is generally available in the market. See 47 C.F.R. Section 73.3555(c)(3).

As shown in Attachment A (Figure 1), the Grade A contours of both Station WGBO-TV and Station WXFT-TV, currently licensed to UCI, wholly encompass all of the communities of license of the radio stations which will be licensed to UCI subsequent to the approval and closing of the proposed transaction--Stations WOJO, WRTO, WVIV-FM, WVIX, and WZFS (i.e., Chicago, Evanston, Highland Park, Joliet, and Des Plaines, Illinois). Therefore, under Section 73.3555(c)(1) of the rules, a radio-television market would be created by the proposed

transaction consisting of television stations WGBO-TV and WXFT-TV, and radio stations WOJO, WRTO, WVIV-FM, WVIX, and WZFS (i.e., two television stations and five radio stations).^{3 4}

As mentioned previously, the Commission's radio-television cross ownership rule allows an entity to own two television stations and as many as six radio stations where at least 20 voices will remain in the market subsequent to the consummation of the transaction. See 47 C.F.R. Section 73.3555(c)(2)(ii). As shown in Attachment B, there will be in more than 20 remaining independent voices in the Chicago, Illinois market subsequent to the consummation of the proposed transaction. Accordingly, the common ownership of the current and proposed UCI radio and television stations in the relevant Chicago area market, consisting of television stations WGBO-TV and WXFT-TV with radio stations WOJO, WRTO, WVIV-FM, WVIX, and WZFS would comply with the Commission's radio-television cross ownership rule.

³ It is also noted that (1) the principal community contour of Station WRTO completely encompasses the communities of license of Station WGBO-TV and Station WXFT (i.e., Joliet and Aurora); (2) the principal community contour of Station WVIX completely encompasses the community of license of Station WGBO-TV (i.e., Joliet); but (3) the principal community contours of none of the other radio stations currently or proposed to be licensed to UCI completely encompass the community of license of either station WGBO-TV or Station WXFT-TV. See Attachment A (Figure 2). However, these community encompassments do not create any distinct "market" for purposes of the Commission's radio-television cross ownership rule and hence are not considered further.

⁴ As explained in footnote 1, UCI proposes to assign Station WIND to SMI as part of the instant transaction. However, assuming arguendo, that UCI remained the licensee of Station WIND, this would add Station WIND to the "market," but would not change the conclusion that the resulting radio-television combination complies with the Commission's radio-television cross ownership rule (see below).