

Appendix D

Harlingen-Weslaco-Brownsville-McAllen, Texas DMA

The triggering of the Commission's daily newspaper cross-ownership rule, 47 C.F.R. Section 73.3555(d) (the "Daily Newspaper Cross-Ownership Rule") due to the attributable, non-controlling interests of certain parties to the Transferee will not have any adverse effect on the multiplicity of media voices in the Harlingen-Weslaco-Brownsville-McAllen, Texas area because, as demonstrated herein, the market contains diverse and competitive broadcast and non-broadcast media.

The Harlingen-Weslaco-Brownsville-McAllen Designated Market Area (the "Harlingen DMA") is ranked as the 92nd largest market in the nation by Nielsen Media Research. 1/ The household-to-broadcast television station ratio in the Harlingen DMA is more than seven times greater than that of the nation's largest DMA, New York City. 2/ The Harlingen DMA has a total of seven commercial and non-commercial full-power television stations, including affiliates of ABC, NBC, CBS and PBS. 3/ Both before and after consummation of the proposed transaction, all seven of these stations will be owned by different entities. 4/

1/ See Nielsen Media Research website at <http://www.nielsenmedia.com/DMA.html> (rankings for the 2005-2006 television season).

2/ See *Broadcast and Cable Yearbook 2006*. The New York DMA is comprised of 7.3 million households and is served by 23 television stations, whereas the Harlingen-Weslaco DMA is comprised of 317,000 households and is served by seven television stations.

3/ See Table D-1.

4/ *Id.*

In addition to the full-power television stations, there are 13 low-power television stations (including five Class A stations) in the Harlingen DMA, many of which provide additional programming to viewers, including, for example, an Azteca network affiliate (KBDF-LP, Brownsville) providing Spanish-language programming. 5/

The Harlingen DMA also is served by a diverse radio market, including 20 FM stations and 9 AM stations. 6/ Radio services available to residents in the DMA include Spanish-language programming (*e.g.*, KGBT(FM), Harlingen; KRIO(AM), McAllen), and religious programming (*e.g.*, KBNR(FM), Brownsville; KRGE(AM), Weslaco), in addition to a wide variety of other talk and music formats. 7/

The Harlingen DMA also is well served by multi-channel video programming distributors ("MVPDs"). Approximately 60 percent of households in the Harlingen DMA subscribe to some form of MVPD service, 8/ most commonly cable television service, which has a penetration rate of 46 percent (142,650 households) in the Harlingen DMA and is provided over two separate cable systems, each owned by different cable operators. 9/ Cable subscribers in the Harlingen DMA are primarily served by Time Warner Cable, which carries nearly

5/ *Id.* See also Azteca America's website at <http://www.aztecaamerica.com/corporate/coverage/map.shtml>.

6/ See Table D-2.

7/ *Id.* See also <http://radio.findanisp.com/radio-station-list-by-state.php?state=AZ> for programming categories.

8/ See Nielsen Media Research, DMA Household Universe Estimates: Cable and/or Alternative Delivery Systems, May 2006, available at http://www.tvb.org/rcentral/markettrack/cable_and_ADS_penetration_by_DMA.asp.

9/ See Table D-3.

300 video and digital audio program channels, including 23 Spanish-language network channels in addition to the retransmission of local Spanish-language broadcast stations. 10/

DBS providers EchoStar and DirecTV also serve subscribers in the Harlingen DMA, and both offer local-into-local delivery of broadcast television stations in the DMA. 11/ Harlingen-Weslaco-Brownsville-McAllen residents also have access to two Satellite Digital Audio Radio Services, Sirius and XM Radio, each offering nearly 200 digital audio channels. 12/ Additionally, Harlingen-Weslaco-Brownsville-McAllen residents are situated in one of the first states in the nation in which both AT&T and Verizon have secured statewide cable television franchises to deploy IPTV services. 13/

With respect to the newspaper market, six daily newspapers and 10 weekly newspapers are published in the Harlingen DMA. 14/ As further described in Exhibit 18-B, principals of one of Transferee's attributable shareholders have a non-controlling, 16 percent attributable interest in Freedom Communications, Inc., which is the publisher of *The Brownsville Herald*, the *Valley Morning Star* and *The Monitor/La Frontera* (collectively, the "Freedom Newspapers"). At least three weekly newspapers published in the Harlingen DMA by other

10/ See the Time Warner Cable channel lineup for Harlingen, available at <http://www.timewarnercable.com/riograndevalley/programming/rgvlineups.html>.

11/ See http://www.dishnation.com/local_channels.jsp for local channels available via EchoStar and <http://www.directv.com/DTVAPP/global/contentPage.jsp?assetId=1000013> for local channels available via DirecTV.

12/ See Sirius's website at <http://www.sirius.com> and XM Radio's website at <http://www.xmradio.com>.

13/ See Aman Batheja, "Texas Law May Set Standard Nationwide," *Fort Worth Star-Telegram*, June 9, 2006.

14/ See Table D-4.

publishers have circulation figures that exceed the circulation (daily or Sunday) of each of the Freedom Newspapers. 15/

Given the presence of multiple competitors and the clear diversity of voices in the Harlingen DMA, grant of the limited waiver sought is entirely consistent with Commission precedent and would serve the public interest by facilitating the prompt consummation of the proposed multi-station transaction and an orderly process for achieving compliance with the Commission's ownership rules.

15/ *Id.*

Table D-1

Harlingen-Weslaco-Brownsville-McAllen, Texas DMA

Television Broadcast Stations 16/

Full-Power Television Stations

| | Call Sign (Network) | Facility ID | Community of License | Channel | Owner |
|---|--------------------------------|--------------------|---------------------------------|----------------|---------------------------------------|
| 1 | KVEO (NBC) | 12523 | Brownsville | 23 | Communications Corp. of America |
| 2 | KGBT-TV (CBS) | 34457 | Harlingen | 4 | Raycom Media Inc. |
| 3 | KLUJ-TV (ETV) | 12913 | Harlingen | 44 | Community Educational Television Inc. |
| 4 | KMBH (PBS) | 56079 | Harlingen | 60 | RGV Educational Broadcasting Inc. |
| 5 | KNVO (UNV) | 69692 | McAllen | 48 | Entravision Communications Corp. |
| 6 | KTLM (TMO) | 62354 | Rio Grande City | 40 | Sunbelt Multimedia Co. |
| 7 | KRGV-TV (ABC) | 43328 | Weslaco | 5 | Manship Stations |

Low-Power Television Stations

| | Call Sign | Station Type | Community of License | Channel | Owner |
|----|------------------|-------------------------|---------------------------------|----------------|----------------------------------|
| 1 | KBDF-LP | Low Power | Brownsville | 64 | Una Vez Mas GP LLC |
| 2 | KXIV-LP | Low Power | Brownsville | 17 | Faith Pleases God Church Corp. |
| 3 | KVTF-CA | Class A | Brownsville | 20 | Entravision Communications Corp. |
| 4 | KFTN-CA | Class A | La Feria | 30 | Entravision Communications Corp. |
| 5 | KJST-LP | Low Power | McAllen | 28 | CTV Broadcasting LLC |
| 6 | KNDF-LP | Low Power | McAllen | 57 | Una Vez Mas GP LLC |
| 7 | KSFE-LP | Low Power | McAllen | 67 | Entravision Communications Corp. |
| 8 | KSTI-LP | Low Power | McAllen | 25 | Faith Pleases God Church Corp. |
| 9 | KRZG-CA | Class A | McAllen | 35 | Mako Communications LLC |
| 10 | KTFV-CA | Class A | McAllen | 32 | Entravision Communications Corp. |
| 11 | KRYM-LP | Low Power | Raymondville | 55 | Aracelis Ortiz Corp. |
| 12 | KMAO-LP | Class A | Raymondville | 50 | Aracelis Ortiz |
| 13 | KRGT-LP | Low Power | Rio Grande City | 6 | CTV Broadcasting LLC |

16/ Source: *Television & Cable Factbook* online database, available at <http://www.factbookonline.com>, and FCC CDBS Database

Table D-2

Harlingen-Weslaco-Brownsville-McAllen, Texas DMA

Radio Broadcast Stations 17/

FM Radio Stations

| | Call Sign | Facility ID | Community of License | Owner |
|----|------------------|--------------------|-----------------------------|----------------------------------|
| 1 | KJAV | 51957 | Alamo | Border Media Partners LLC |
| 2 | KTEX | 64631 | Brownsville | Clear Channel Communications |
| 3 | KKPS | 56483 | Brownsville | Entravision Holdings LLC |
| 4 | KBNR | 73752 | Brownsville | World Radio Network Inc |
| 5 | KBFM | 40777 | Edinburg | Clear Channel Communications |
| 6 | KVLY | 67188 | Edinburg | Entravision Holdings LLC |
| 7 | KOIR | 56478 | Edinburg | Rio Grande Bible Institute |
| 8 | KBTQ | 67072 | Harlingen | Univision Communications Inc |
| 9 | KFRQ | 56484 | Harlingen | Entravision Holdings LLC |
| 10 | KMBH-FM | 56081 | Harlingen | RGV Educational Broadcasting Inc |
| 11 | KGBT-FM | 6662 | McAllen | Univision Communications Inc |
| 12 | KHID | 56082 | McAllen | RGV Educational Broadcasting Inc |
| 13 | KVMV | 73749 | McAllen | World Radio Network Inc |
| 14 | KCAS | 85028 | McCook | Faith Baptist Church Inc |
| 15 | KHKZ | 36166 | Mercedes | Clear Channel Communications |
| 16 | KQXX-FM | 36168 | Mission | Clear Channel Communications |
| 17 | KNVO-FM | 40680 | Port Isabel | Entravision Holdings LLC |
| 18 | KBUC | 18654 | Raymondville | Border Media Partners LLC |
| 19 | KESO | 36650 | South Padre Island | Border Media Partners LLC |
| 20 | KZSP | 56473 | South Padre Island | Border Media Partners LLC |

AM Radio Stations

| | Call Sign | Facility ID | Community of License | Owner |
|---|------------------|--------------------|-----------------------------|------------------------------------|
| 1 | KVNS | 87142 | Brownsville | Clear Channel Communications |
| 2 | KURV | 70463 | Edinburg | Border Media Partners LLC |
| 3 | KGBT | 67067 | Harlingen | Univision Communications Inc |
| 4 | KRIO | 56477 | McAllen | Rio Grande Bible Institute |
| 5 | KIRT | 56474 | Mission | La Iglesia del Pueblo Inc |
| 6 | KVJY | 64629 | Pharr | Border Media Partners LLC |
| 7 | KSOX | 18653 | Raymondville | Border Media Partners LLC |
| 8 | KUBR | 51960 | San Juan | La Radio Cristiana Network Inc |
| 9 | KRGE | 11081 | Weslaco | Christian Ministries of the Valley |

17/ Source: BIA Radio Market Report 2006

Table D-3

Harlingen-Weslaco-Brownsville-McAllen, Texas DMA

Cable Television Systems

Cable Market Summary 18/

| | |
|---------------------|---------|
| Cable TV Households | 142,650 |
| Cable Penetration | 46% |

Cable Systems in DMA 19/

| | Cable Company | Community | County | No. Channels | Homes Passed | Number of Subscribers |
|---|-----------------------|-----------------------------------|---------|---------------|---------------|-----------------------|
| 1 | Ridgewood Cablevision | Cameron County (southern portion) | Cameron | Not Available | Not Available | Not Available |
| 2 | Time Warner Cable | Pharr | Hidalgo | 76 | 134,800 | 109,000 |

18/ Source: *Broadcast & Cable Yearbook 2006*

19/ Source: *Television & Cable Factbook* online database, available at <http://www.factbookonline.com>

Table D-4

Harlingen-Weslaco-Brownsville-McAllen, Texas DMA

Newspapers

Newspaper Market Summary 20/

| | |
|--|-----------------|
| Total Households | 317,500 |
| Total Daily Newspapers Sold (Penetration) | 109,898 (34.6%) |
| Total Sunday Newspapers Sold (Penetration) | 101,176 (31.9%) |

Daily Newspapers Published in DMA 21/

| | Title | City | M-F Circulation (Total) | Sunday Circulation (Total) |
|---|--------------------------------|-------------|------------------------------------|---------------------------------------|
| 1 | <i>The Brownsville Herald</i> | Brownsville | 14,787 | 17,577 |
| 2 | <i>El Nuevo Herald</i> | Brownsville | 6,176 | 6,438 |
| 3 | <i>Edinburg Daily Review</i> | Edinburg | 4,823 | 4,823 |
| 4 | <i>Valley Morning Star</i> | Harlingen | 20,446 | 23,451 |
| 5 | <i>The Monitor/La Frontera</i> | McAllen | 38,098 | 45,706 |
| 6 | <i>Rumbo del Valle</i> | McAllen | 20,000 | N/A |

Weekly Newspapers Published in DMA 22/

| | Title | City | Weekly Circulation (Total) |
|-----|---|--------------|---------------------------------------|
| 1. | <i>El Bravo</i> | Brownsville | 50,000 |
| 2. | <i>Bargain Book</i> | Brownsville | 162,115 |
| 3. | <i>Kingsville Record and Bishop News</i> | Kingsville | 5,361 |
| 4. | <i>The Kingsville Journal</i> | Kingsville | 6,000 |
| 5. | <i>El Clamor</i> | McAllen | 17,268 |
| 6. | <i>El Periodico USA</i> | McAllen | 25,960 |
| 7. | <i>Valley Town Crier</i> | McAllen | 104,037 |
| 8. | <i>The Advance News</i> | Pharr | 6,929 |
| 9. | <i>Raymondville Chronicle & Willacy County News</i> | Raymondville | 3,267 |
| 10. | <i>Rio Grande Herald</i> | Rio Grande | 3,900 |

20/ Source: *SRDS Circulation 2006*

21/ Source: *Editor & Publisher International Yearbook* online directory available at
<http://www.editorandpublisher.com>

22/ *Id.*