

**COMPLIANCE WITH MULTIPLE OWNERSHIP RULES
AND REQUEST FOR CONTINUED SATELLITE EXEMPTION**

By this application, Spanish Broadcasting System Holding Company, Inc. ("*SBSHC*") proposes to acquire the FCC licenses for the television stations listed below. *SBSHC* is a wholly-owned, indirect subsidiary of Spanish Broadcasting System, Inc. ("*SBS*"):

WTCV(TV) San Juan, PR (FCC Facility ID No. 38954)
WVEO(TV) Aguadilla, PR (FCC Facility ID No. 61573)
WVOZ-TV Ponce, PR (FCC Facility ID No. 29000)

SBS, through its subsidiaries, is the licensee of the following radio stations:

WMEG(FM) Guayama, PR (FCC Facility ID No. 32157)
WRXD(FM) Fajardo, PR (FCC Facility ID No. 51428)
WEGM(FM) San German, PR (FCC Facility ID No. 1890)
WIOB(FM) Mayaguez, PR (FCC Facility ID No. 8153)
WNOD(FM) Mayaguez, PR (FCC Facility ID No. 53554)
WODA(FM) Bayamon, PR (FCC Facility ID No. 54471)
WZMT(FM) Ponce, PR (FCC Facility ID No. 53076)
WZNT(FM) San Juan, PR (FCC Facility ID No. 74552)

WZET(FM) Hormigueros, PR (FCC Facility ID No. 61579)¹
WIOA(FM) San Juan, PR (FCC Facility ID No. 8151)¹
WIOC(FM) Ponce, PR (FCC Facility ID No. 8152)¹

The acquisition of WTCV(TV), WVEO(TV) and WVOZ-TV implicates two of the Commission's multiple ownership rules: (1) the radio-television cross-ownership rule, and (2) the local television multiple ownership rule. As demonstrated below, the acquisition of WTCV(TV), WVEO(TV) and WVOZ-TV complies with the radio-television cross-ownership rule and, subject to continuation of the existing satellite exemption, the local television multiple ownership rule.

¹ By contemporaneously-filed applications, *SBS* proposes to assign the licenses of WZET(FM), WIOA(FM) and WIOC(FM) to International Broadcasting Corporation ("*IBC*"), the current licensee of the television stations listed above.

Radio-Television Cross-Ownership Rule

The radio-television cross-ownership rule, Section 73.3555(c), is triggered only in cases where there is the following signal encompassment:

- an FM station's 60 dB μ (1 mV/m) contour encompasses the entire community of license of a commonly owned TV broadcast station; or
- an AM station's 2 mV/m contour encompasses the entire community of license of a commonly owned TV broadcast station; or
- a TV broadcast station's Grade A contour encompasses the entire community of a commonly owned radio station. Although the FCC Rules are silent regarding digital television service contours with respect to cross ownership, it is understood that the noise-limited service contour ("NLSC") is being utilized for this purpose. *See Letter to Stephen Diaz Gavin, Esq., 25 FCC Rcd 1851 (2010).*

As shown in Technical Statement prepared by William Getz of Carl T. Jones Corporation, submitted herewith as Attachment 1 ("*Technical Statement*"), the radio-television cross-ownership rule is triggered because the NLSC of Station WTCV(TV) ² encompasses the communities of license of three SBS radio stations:

- (i) WRXD(FM), Fajardo, PR
- (ii) WODA(FM), Bayamon, PR
- (iii) WZNT(FM), San Juan, PR

Likewise, four SBS radio stations' relevant contours overlap San Juan, PR, the community of license of WTCV(TV):

- (i) WRXD(FM), Fajardo, PR
- (ii) WODA(FM), Bayamon, PR
- (iii) WZNT(FM), San Juan, PR
- (iv) WMEG(FM), Guayama, PR

If the radio-television cross-ownership rule is triggered, then an entity may control one television station and seven radio stations (to the extent permitted by the local radio multiple ownership rule) in a market containing at least 20 independently owned and operated media "voices." As shown in Technical Statement, the Puerto Rico market would have at least 27 independently owned media voices following the proposed acquisition; accordingly, the proposed acquisition complies with the radio-television cross-ownership rule.

² As discussed below, Stations WVEO(TV), Aguadilla, PR, and WVOZ-TV, Ponce, PR are part of the proposed acquisition, but will continue to operate as satellites of WTCV(TV); therefore, WVEO(TV) and WVOZ-TV are not relevant to the radio-television cross-ownership showing.

Local Television Multiple Ownership Rule – Request for Continued Satellite Exemption

SBS hereby respectfully requests that the Commission continue to waive the provisions of Section 73.3555(b) in accordance with Note 5 thereto, and grant this application for consent to assignment of licenses of stations WTCV(TV), WVEO(TV) and WVOZ-TV. This request represents a continuation of the *status quo* after the proposed assignment. The stations subject to this application currently are operated with WTCV(TV) as the parent station and WVEO(TV) and WVOZ-TV as satellite stations. This combination of stations was initially approved by the Commission in 1993. See, *Canal 48, Inc.*, 8 FCC Rcd 2193 (1993). The satellite waiver was later reaffirmed in 2001. *Esperanza Television, LLC*, 1800E1-DB, released July 23, 2001. While the latter proposed assignment was never consummated, the rationale and circumstances underlying approval of a satellite waiver in 1993 and its continuation in contemplation of an assignment of license in 2001 remain essentially unchanged. In addition, the same satellite waiver is the subject of a waiver request contained in the pending application for transfer of control of International Broadcasting Corporation (“IBC”). See FCC File No. BTC-201401114ACT.

Continuation of the current satellite status for WVEO(TV) and WVOZ-TV will allow the continued provision of high-quality programming to residents living beyond the Puerto Rican economic center of San Juan and thus will serve the public interest. In *Television Satellite Stations*, 6 FCC Rcd 4212 (1991), the Commission adopted a presumption that satellite operations are in the public interest if an applicant can satisfy the following public interest criteria: (1) there is no city-grade overlap between the parent station and the proposed satellite station; (2) the proposed satellite station would provide service to an underserved area; and (3) no alternative operator is “ready and able” to construct or to purchase and operate the satellite as a full-service stand-alone facility. 6 FCC Rcd at 4213-14. Applications that qualify for the presumption and are unrebutted will be viewed favorably by the Commission. *Id.* at 4214. Where an applicant is unable to qualify for the presumption, the proposal will be evaluated on an *ad hoc* basis and granted if other circumstances warrant approval. *Id.*

In this instance, the proposed continued satellite status satisfies the first and third criteria for a presumption in favor of grant of such status. As demonstrated in the Technical Statement, (Attachment I hereto), there is very little overlap between the city grade contours of the parent station WTCV(TV) and either of the satellite stations, WVEO(TV) or WVOZ-TV. There is, however, overlap between the city-grade contours of the two satellite stations.

Neither WVEO(TV) nor WVOZ-TV fully fits the Commission’s definition of a station which serves an underserved area. Accordingly, the presumption in favor of a satellite exemption does not strictly apply in this instance. Nonetheless, the Commission has twice previously found on an *ad hoc* basis that the combination proposed herein serves the public interest and has therefore approved it. There has been no change in circumstances which would warrant a change in the conclusion reached.

The Commission has long recognized the unique set of challenges facing television broadcasters in Puerto Rico, and that the terrain and economic conditions, combined with the small geographic size of the island, make satellite and other rebroadcast arrangements among television stations an economic necessity. *See, e.g., T. Michael Whitney*, 16 FCC Rcd 2297 (2001); *Milton Maltz*, 13 FCC Rcd 15527 (Media Bureau 1998); *JEM Communications, Inc.*, 9 FCC Rcd 4874 (1994); *Canal 48*, 8 FCC Rcd 2193; *Hector Nicolau*, 5 FCC Rcd 6370 (1990). The island of Puerto Rico is only about 125 miles long (east to west) and 30 miles wide (north to south). The topography is dominated by the Cordillera Central Mountain Range, which bisects the island east to west and effectively blocks television signals originated on one side of the island from being received on the other. This terrain has a “significant limiting affect [sic] on the actual over-the-air coverage of television stations operating on the island.” *Hector Nicolau*, 5 FCC Rcd at 6371. In the instant case, WTCV(TV) is licensed to San Juan, on the northeast coast; WVOZ-TV is licensed to Ponce, on the south coast; and WVEO(TV) is licensed to Aguadilla, on the northwest coast.

Nonetheless, while the communities of Puerto Rico are not included in any Nielsen Designated Market Area (“DMA”), the Commission has repeatedly treated Puerto Rico as a single market for purposes of multiple ownership rules. *See, e.g., Paxson Communications of San Juan, Inc.*, 16 FCC Rcd 14139 (2001); *Milton Maltz*, 13 FCC Rcd 15527. Likewise, advertisers expect to be able to reach the entire island market with their messages. As noted above, however, the terrain of the island makes achievement of that goal with a single station a virtual impossibility. Furthermore, the poor cable penetration on the island precludes any significant additional audience reach from that source. *See, Television and Cable Factbook* at F-8 (2014) (stating that there are only 199,550 subscribers to basic cable in Puerto Rico).

The small size and concentrated nature of the market add further complications. A review of CDBS shows that, on an island that is only approximately 125 miles by 30 miles, there are in excess of 30 television stations authorized and well over 100 radio stations. The result is an intense level of competition among broadcast stations for advertising dollars to allow for the continued operations of their stations. Moreover, the increasingly severe economic condition of Puerto Rico makes the generation of sufficient revenue to survive quite difficult.

As a result, a relationship between stations in San Juan, the economic center of the island, and stations in poorer, outlying areas has developed. These relationships, whether through satellite status or time brokerage/rebroadcast agreements, allows the San Juan stations to achieve the island-wide coverage that advertisers demand while providing the stations in more remote communities the economic support and quality programming that they need to survive. The Commission has long recognized that areas outside the San Juan population center lack the economic basis to sustain full-power operations. *See, e.g., T. Michael Whitney*, DA 01-189 at 5; *JEM Communications, Inc.*, 9 FCC Rcd at 4875; *Canal 48, Inc.*, 8 FCC Rcd at 2194. As a result of these economic realities, it is clear that no alternative operator is available to acquire either or both of the satellite stations as stand-alone operations. This fact is reflected in the many joint station operations, whether through combined ownership or other agreements, throughout Puerto Rico. In fact, without such arrangements, the areas of Puerto Rico outside of San Juan would suffer from a lack of television broadcasts, as the economics prevent those

communities from sustaining independent television stations, and the topography prevents San Juan stations from reaching them.

Considering all of these factors, it is clear that a continuation of the current satellite status for WVOZ-TV and WVEO(TV) would serve the public interest.

Attachment 1 - Technical Statement prepared by William Getz of Carl T. Jones Corporation

See Attachment

**Multiple Ownership Showing
Cross-Ownership Study
Spanish Broadcasting System Holding Company, Inc. (PR)
July, 2015**

After the proposed acquisitions and sales, the Applicant, Spanish Broadcasting System Holding Company, Inc. (PR), ("SBS"), will hold attributable interest in one television station (WTCV-TV, San Juan, PR, FCC Facility ID. No. 28954) and the eight FM stations listed in Table 1 on the island of Puerto Rico.¹ All stations located on the island of Puerto Rico are considered to be located in the same television market.

The radio-television cross-ownership rule is triggered when the analog Grade A contour of a commonly owned television station wholly encompasses the community of license of a commonly owned radio station or when the 60 dBu (1.0 mV/m) contour of a commonly owned FM station wholly encompasses the community of license of a commonly owned television station.² As shown Exhibit 1, the DTV station's relevant contour overlaps the entire community of license of three (3) FM stations. Likewise, four (4) FM stations' relevant contour overlap San Juan, PR, the community of license of the subject television station.

Section 73.3555(c)(2)(ii) of the FCC Rules allows for common ownership of up to two commercial television stations and four commercial radio stations provided there are at least additional 10 independently owned media voices in the market. As shown below, there are at least twenty-seven (27) independently owned media voices in the market³:

1. Univision Communications, Inc. (WSTE-DT+)
2. Western New Life (WQHA-DT)
3. Asociacion Evangelistica Cristo Viene, Inc. (WCCV-DT+)
4. TeleAdoracion Christian Networ, Inc. (WDWL-DT)
5. R&F Broadcasting Inc. (WRFB-DT)
6. Christian Apostolic & Roman Catholic Church (WORO-DT)
7. Eastern Television Corp. (WRUA-DT)
8. Ebenezer Broadcasting Group, Inc. (WIDP-DT)
9. Hemisphere Media Group (WNJX-DT)
10. Encuentro Christian Network Corp. (WECN-DT)

¹ Two satellite stations which are also part of the proposed acquisition, WVEO-DT, Aguadilla, PR (Facility ID No. 61573) and WVOZ-DT, Ponce, PR (Facility ID No. 29000), will continue to operate as satellite stations to WTCV-DT and are therefore not relevant to the instant study.

² Post transition to digital, a UHF DTV station's 41 dBu F(50,90) Noise Limited Service contour is commonly substituted for the analog Grade A contour in cross-ownership studies.

³ A (+) sign after a call sign indicates that there are additional radio or TV outlets for the listed broadcast licensee which are not listed.

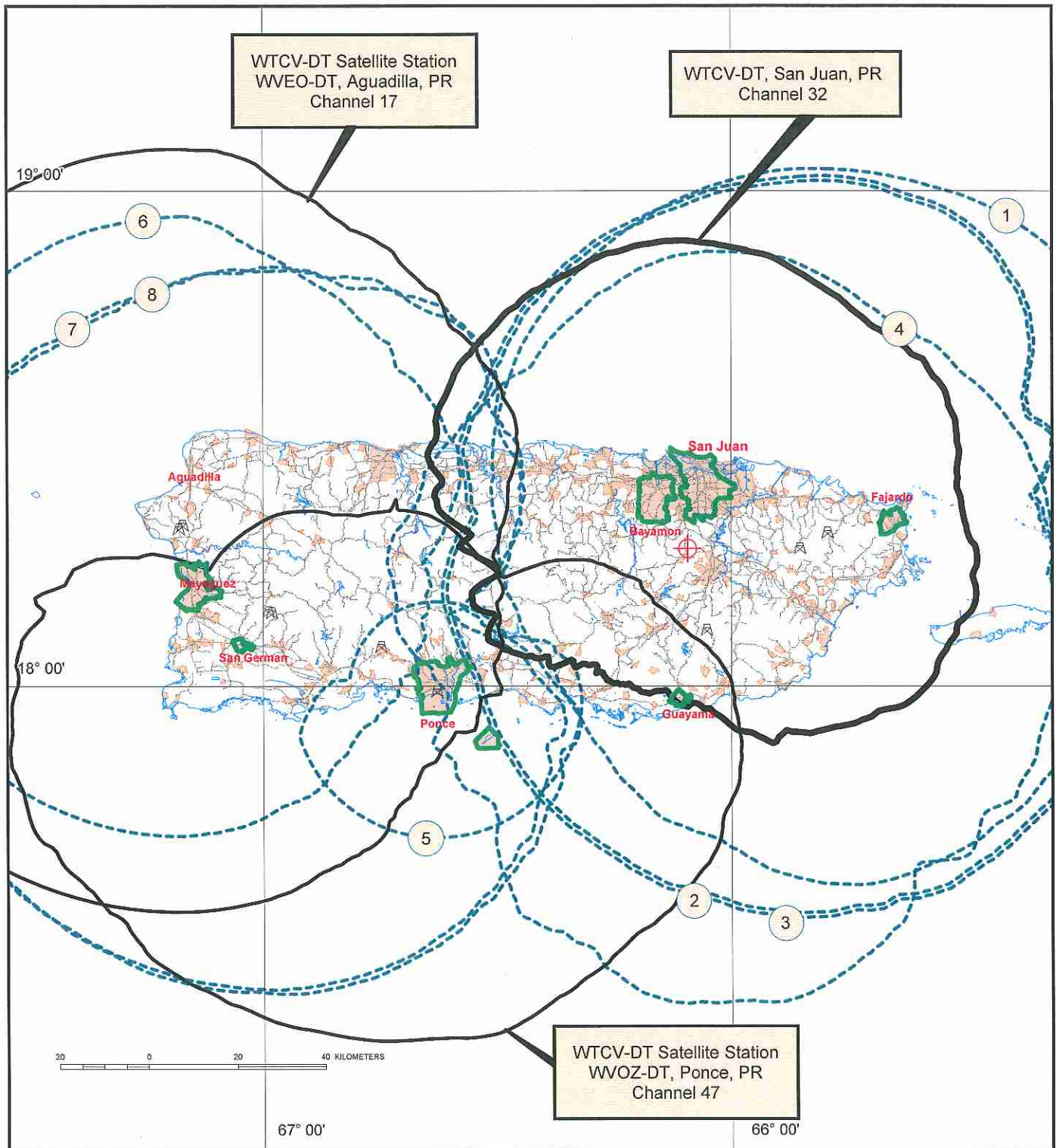
11. Max Media (WMEI-DT)
12. Puerto Rico Public Broadcasting Corp. (WIPR-DT)
13. Ana G. Mendez Univ. System (WMTJ-DT)
14. America CV Stations Group (WJPX-DT)
15. NBC Universal LLC (WKAQ-DT)
16. Acero Broadcasting Corp. (WSJU-DT)
17. Wilfredo G. Blanco PI (WAPA 680 AM, San Juan, PR)
18. Calvary Evangelistic Mission, Inc. (WBMJ 1190 AM, San Juan, PR)
19. San Juan B/C & Prog. Sys. of PR (WCAD 105.7 FM, San Juan, PR)
20. Bestov Broadcasting, Inc. (WIAC 740 AM, San Juan, PR)
21. University of Puerto Rico (WRTU 89.7 FM, San Juan, PR)
22. Media Power Group, Inc (WSKN 1320 AM, San Juan, PR)
23. Arso Radio Corp. (WUNO 630 AM San Juan, PR)
24. Pedro Roman Collazo (WVOZ 1520 AM, San Juan, PR)
25. El Vocero (newspaper -- Publi-Inversiones)
26. El Nuevo Día (newspaper – GFR Media)
27. Spanish Broadcasting System (self)

Accordingly, the proposed commonly owned combination of stations is compliant with local radio-television cross-ownership rules contained in Section 73.3555(c) of the FCC Rules.

DATED: July 28, 2015


William J. Getz

UHF DTV Noise Limited Service Contours 41 dBu F(50,90)
 FM 60 dBu (1.0 mV/m) Coverage Contours (Dashed & Numbered - See Table 1)



**Technical Description of Attributable FM Stations
Shown on Cross-Ownership Map (Exhibit 1)**

July, 2015

<u>Map Number</u>	<u>Call</u>	<u>Status</u>	<u>Channel/Freq</u>	<u>Service</u>	<u>Class</u>	<u>City</u>	<u>State</u>	<u>DA</u>	<u>Power (kW)</u>
1	WRXD	LIC	243	FM	B	Fajardo	PR	No	11.5
2	WODA	LIC	234	FM	B	Bayamon	PR	No	31
3	WZNT	LIC	229	FM	B	San Juan	PR	No	28
4	WMEG	LIC	295	FM	B	Guayama	PR	No	25
5	WZMT	LIC	227	FM	B1	Ponce	PR	No	14.5
6	WIOB	LIC	248	FM	B	Mayaguez	PR	No	50
7	WNOD	LIC	231	FM	B	Mayaguez	PR	No	25
8	WEGM	LIC	236	FM	B	San German	PR	No	25

Technical Exhibit
Request for Continuation of Satellite Exemption
Spanish Broadcasting System Holding Company, Inc. (PR)
July, 2015

After the proposed acquisitions and sales, the Applicant, Spanish Broadcasting System Holding Company, Inc. (PR), ("SBS"), will hold attributable interest in UHF digital television stations WTCV, San Juan, PR, (FCC Facility ID. No. 2895), WVEO, Aguadilla, PR (Facility ID No. 61573) and WVOZ-TV, Ponce, PR (Facility ID No. 29000). Both WVEO and WVOZ-TV currently operate as satellite stations for parent station WTCV-TV.

Exhibit 1 shows the city-grade and Noise Limited FCC contours for the currently licensed facilities for parent station WTCV (FCC File No. BLCT-20040722ADD) and satellite stations WVEO (FCC File No. BLCDDT-20071116ACV) and WVOZ-TV (FCC File No. BLCDDT-20071116ACW).¹ As shown on Exhibit 1, only minor city-grade contour overlap exists between WTCV and WVOZ-TV while no city-grade contour overlap occurs between WTCV and WVEO. Also shown on Exhibit 1, is city-grade contour overlap between WVOZ-TV and WVEO and noise limited contour overlap between all the stations. All FCC contours presented herein were calculated in accordance with Section 73.625 of the FCC Rules using an NED 3-second US terrain database.

Puerto Rico is well known for its mountainous terrain which separates the mostly coastal population centers. Consequently, the FCC contours, which only consider terrain effects from 2 to 10 miles from a station's transmitter site, do not accurately represent the wide-area predicted coverage of the subject stations. In fact, when a more accurate signal prediction methodology such as the Longley-Rice alternate prediction model ("Longley-Rice") is used, the city-grade signal overlap area between the subject stations is substantially reduced.

The areas which are shaded in red on Exhibit 1 represent the locations where the city-grade signals (as predicted by Longley-Rice) overlap. As the Exhibit demonstrates, there are very few locations within the predicted city-grade F(50,90) contour overlap areas where actual city-grade service is predicted to be available for more than one station. Most notably, there are nearly no actual common areas of city-grade service within the WTCV/WVOZ-TV city-grade contour overlap area.

DATED: July 28, 2015



William J. Getz

¹ Post transition to digital, a UHF DTV station's 48 dBu F(50,90) city-grade contour most closely parallels the analog Grade A contour and the UHF DTV station's 41 dBu F(50,90) Noise Limited Contour most closely parallels the analog Grade B contour. Accordingly, the instant study uses the DTV city-grade and DTV noise limited contour in lieu of the analog Grade A and Grade B contours which were used in previous studies.

Areas of predicted city-grade overlap considering Longley-Rice alternate prediction method.

