



Federal Communications Commission
Washington, D.C. 20554

March 10, 2003

BY FACSIMILE

Hispanic Broadcasting Corporation
c/o Lawrence N. Cohn, Esq.
Cohn and Marks LLP
1920 N Street, N.W.
Suite 300
Washington, DC 20036-1622

Univision Communications, Inc.
c/o Lauren Lynch Flick, Esq.
Shaw Pittman LLP
2300 N Street, N.W.
Washington, DC 20037

Re: Applications For Transfer of Control of Hispanic Broadcasting Corp.
and Certain Subsidiaries, Licensees of KGBT(AM), Harlingen, TX
et al.
File Nos. BTC-20020723ABL *et seq.*

Dear Counsel:

The staff has under consideration applications to transfer control of Hispanic Broadcasting Corporation and certain subsidiaries ("HBC"), which are licensees of 57 full-service radio stations, to Univision Communications, Inc. ("Univision"). The National Hispanic Policy Institute ("NHPI") has filed a Petition to Deny questioning, among other things, the relationship between Univision and Entravision Communications Corporation (Entravision), which owns and controls 17 full-service television stations and 52 full-service radio stations.¹

On November 29, 2002, the staff released a letter requesting further information to assist in determining whether Univision's proposed future interest in Entravision would be attributable following consummation of the merger. In response, Univision amended its showing to state that "Univision currently has no representation on Entravision's board of directors, and, prior to consummation of the HBC merger, all of Univision's stock holdings in Entravision will be converted into a new preferred, nonvoting stock that has no right of board representation or other board rights."² As represented in the response to the letter of inquiry, this new class of nonvoting stock will carry with it the right to approve certain corporate actions.

In a February 27, 2003, Press Release, Univision states that it has reached a tentative agreement with the Department of Justice (DOJ), pursuant to which Univision will convert all of its shares of capital stock of Entravision into a new class of non-voting preferred stock of Entravision that will not have any rights with respect to the Entravision board of directors, and will not have any other consent or voting

¹ On September 3, 2002, Elgin FM Limited Partnership also filed a pleading objecting to the transfer applications.


² Response to Letter of Inquiry, Page 1.

rights other than the right to approve a merger, sale, liquidation or winding up of Entravision and the sale of any television station affiliated with a Univision-owned network. On the same day, Univision filed an amendment to its applications notifying the Commission of the tentative agreement with the DOJ, and summarizing the relevant portions of the Press Release.

The Commission, in the past, has concluded that nonattributable interest holders may retain approval rights over certain fundamental corporate matters if the investor protections are narrowly circumscribed and do not "restrict a corporation's discretion or rise to the level of attributable influence."³ The Commission has stated, however, that broad or intrusive approval rights are inconsistent with nonattributable status.⁴ Virtually all of Entravision's television stations are affiliated with a Univision-owned network. We are concerned, therefore, that a right to approve the sale of any station affiliated with a Univision-owned network would give Univision excessive influence over decisions taken in the ordinary course of Entravision's business. In light of this concern, we request an explanation of how such a proposed right would be consistent with nonattributable status for Univision's interest in Entravision. We also request a copy of the Certificate of Designation containing the rights of the new class of nonvoting stock, or any other documentation setting forth such rights.

The requested information must be accompanied by a declaration of a person having personal knowledge of the truth of any factual statements made.⁵ The applicants should provide the requested information as soon as possible, but in any event within 5 days from the receipt of this letter. The Petitioner will have 3 days to file a reply.

Sincerely,



Barbara A. Kreisman
Chief, Video Division
Media Bureau

cc: National Hispanic Policy Institute
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Smithwick & Belendiuk, P.C.
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Elgin FM Limited Partnership
c/o Harry F. Cole, Esq.
Fletcher, Heald & Hildreth, P.L.C.
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³ *Shareholders of AMFM, Inc.*, 15 FCC Rcd 16062, 16078 (2000); *BBC License Subsidiary L.P.*, 10 FCC Rcd 7926, 7933 (1995); and *Quincy D. Jones*, 11 FCC Rcd 2481, 2487 (1995).

⁴ See, e.g., *BBC License Subsidiary L.P.*, 10 FCC Rcd 7932; *Telemundo Communications Group, Inc.*, 17 FCC Rcd 6958, 6971 (2002).

⁵ See 47 C.F.R. § 1.16.