Oral Testimony of Joseph Uva
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United States Senate

"Television Viewers, Retransmission Consent, and the Public Interest"
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Good afternoon. Thank you Chairman Kerry, Ranking Member Ensign and Members of the Subcommittee. My name is Joe Uva and I am the President and CEO of Univision Communications. Univision is the leading Spanish language media company in the United States. In addition to our broadcast and cable networks, our program production business, our radio stations and our on line services, we own and operate 62 television stations across the United States and in Puerto Rico, making us one of the top five TV station groups.

Today I'd like to share Univision's experience in negotiating retransmission consent (or "RTC") agreements for our television stations with distribution partners across the country. I think our experience powerfully demonstrates the importance of the RTC system to the future of Univision's local broadcast platform and the communities we serve.

Traditionally, Univision stations relied upon the "must carry" rules in order to obtain cable carriage, and received no compensation from multichannel video distributors for carriage of our programming. At the same time, our programming, like that of other broadcasters, was helping propel the growth of those distributors.

In 2008, Univision took the historic step of announcing that we would embark on RTC negotiations with our distribution partners, seeking, for the first time, fair compensation for the valuable programming our stations offer. Over the next eighteen months, Univision successfully negotiated over 150 carriage agreements with cable, satellite and telephone companies, including distributors who are represented on this panel. These deals were reached without disruption in signal carriage to Univision's stations and their viewers during the negotiations.

We decided to elect RTC for several reasons. First, Univision recognized that in order to meet the changing needs of the rapidly-growing U.S. Hispanic community, we needed the additional resources that come from a dual revenue stream.

Second, Univision believed it would be fair and appropriate to participate with our distribution partners in the value of our high quality programming. Indeed, the audience for Univision's broadcast programming is larger than that of many cable programming services for which multichannel distributors have been paying carriage fees for years.

Finally, Univision elected RTC because we saw an opportunity to establish long-term, value-creating partnerships with our multichannel distributors, such as the leading Spanish-language video-on-demand service.

Revenue from RTC has enabled Univision to expand its mission of informing, entertaining and empowering Hispanics in the U.S. For example, we recently launched campaigns to promote the value of education in the Hispanic community, encourage Hispanics to participate in the U.S. Census, and promote financial awareness and planning in our community. We created Univision Studios, which is producing high quality Spanish language programming for distribution on our stations. We launched a nationwide voter education drive to help boost Hispanic voter turnout to unprecedented levels for a mid-term election, invested in the most robust and comprehensive election coverage that we have ever offered, and hosted historic candidate debates.

Listening to all the recent rhetoric about RTC, one might have thought that Univision would never have been able to reach RTC agreements without conflict and carriage disruption. As a direct participant in the negotiation of Univision's deals, I can personally attest that we were able to do so because in every RTC negotiation there are natural incentives for the parties to reach an agreement.

From Univision's perspective, the desire to reach a deal and avoid a service disruption is a powerful motivator. Signal disruption could undermine the trust of the U.S. Hispanic community, perhaps our most valuable asset, and damage our relationships with advertisers.

We believe that our distribution partners faced similarly compelling motivations to reach a deal. They understood that a signal disruption created the risk of subscriber attrition, as well as severe customer dissatisfaction.

I certainly understand concerns by elected officials that their constituents not have to face even the temporary loss of a favorite station's signal on cable or satellite. But we are very concerned that government mandates -- such as requiring Univision to keep providing our programming to a distributor even where we failed to reach a deal -- would distort the market by removing our distributors' primary incentive to reach agreement.

We also are concerned that even the threat of government intervention will have a negative impact on our business. Investors know that mandated "interim carriage," standstills and the like only benefit cable operators. This is precisely the wrong time to do anything that will further depress investor confidence in broadcasting and local program services.

Thank you, Mr. Chairman, for allowing Univision to join this conversation today. I look forward to any questions you may have.