

FOR COMMISSION USE ONLY
File No.

**United States of America
Federal Communications Commission
Washington, D.C. 20554**

APPLICATION FOR PERMIT TO DELIVER PROGRAMS TO FOREIGN BROADCAST STATIONS
(Carefully read instructions before filling out Form--RETURN ONLY FORM TO FCC)

1. Name of applicant Street Address or P. O. Box City State ZIP Code Telephone No.
(include area code)
Bay City Television, Inc. 8253 Ronson Road San Diego, CA 92111-2066 619-279-6666

2. Name and address to whom communication should be sent if different from item 1.
Name Street Address or P.O. Box City State ZIP Code Telephone No.
(include area code)
c/o Philip A. Bonomo, Esq. 2000 K Street, NW Washington, DC 20006-1809 202-429-8970
Leventhal Senter & Lerman PLLC, Suite 600

3. Legal identity of applicant: *(only check one box)*
 Individual Partnership Corporation Government Entity Other
If Other specify:

4. Application is for:
 New Authorization Extension of Existing Authority 325-NEW-20030422-00003

5. If applicant is an individual, is applicant a citizen of the United States? D/N/A YES NO

6. If applicant is a partnership, are all partners citizens of the United States? D/N/A YES NO

7. If Applicant is a corporation: See Exhibit 1

a. Under laws of what state was it organized?

b. Is more than one-fifth of the capital stock of the corporation owned of record or may it be voted by aliens or their representatives or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country? YES NO

c. Is any officer or director of the corporation an alien? YES NO

If the answer is Yes, give the following for each:

Name Nationality Position

d. Is applicant directly or indirectly controlled by any other corporation?

YES NO

If the answer is Yes, give the following for the controlling corporation.

| Name | Address | State in which organized |
|------|---------|--------------------------|
|------|---------|--------------------------|

e. Is more than one-fourth of the capital stock of the controlling corporation either owned of record, or may it be voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country?

YES NO

f. Is any officer or more than one-fourth of the directors of the corporation an alien?

YES NO

If the answer is Yes, give the name, nationality, and position of each, and give the total number of directors of the corporation.

| Name | Nationality | Position | Number of Directors |
|------|-------------|----------|---------------------|
|------|-------------|----------|---------------------|

g. Is the above-described controlling corporation in turn a subsidiary?

YES NO

If the answer is Yes, attach as Exhibit No. _____ additional information answering the holding company questions in this paragraph for each company, to and including the organization having ultimate control.

8. a. If the applicant is an unincorporated association, give the following: D/N/A

Total number of members Number of Alien members (if any)

b. State the following for alien officers or directors (if any):

| Name | Nationality | Position |
|------|-------------|----------|
|------|-------------|----------|

9. a. What is applicant's principal business?

To conduct the U.S. programming and sales operations of Station XETV, Tijuana, B.C., Mexico.

- b. Does applicant or any party to this application have any interest in, or connection with, any AM, FM, or TV broadcast station (either domestic or foreign), or any application pending before the commission?

YES No

If the answer is Yes, attach Exhibit No. 2 giving full particulars.

10. Is applicant a representative of an alien or of a foreign government?

YES No

If the answer is Yes, explain. See Exhibit 1

11. a. Has any radio station authorization previously issued to the applicant or party to this application been revoked, either by the Commission or by any court?

YES No

- b. Has any previous application by the applicant or party to this application been denied by the Commission or by a predecessor agency?

YES No

If the answer to (a) and/or (b) is Yes, explain:

12. a. Has applicant or any party to this application been found guilty by any court of any felony?

YES No

- b. Has applicant or any party to this application been finally adjudged guilty by a federal court of the violation of the laws of the United States relating to unlawful monopoly, restraint of trade, and/or unfair methods of competition?

YES No

If the answer to (a) and/or (b) is Yes, explain.

13. Address of studio or other place at which programs will originate:
8253/8283 Ronson Road, San Diego, CA 92111, or other location in San Diego area.
14. State ownership of originating facilities.
Bay City Television, Inc. owns the Ronson Road facility. If another facility is used, it will be leased.
15. Describe the means (wireline, radio link, or other method) whereby programs will be delivered, to foreign station(s), including names of any interconnecting common carriers.
By satellite, terrestrial microwave, fiber link, network area storage (computer network) or leased private or common carrier capacity.
16. Give the location, type, and authorized power of foreign station(s) to which programs will be delivered, and identify the licensee or operating agency of such station(s).
Programs will be delivered to commercial TV station XETV, Tijuana, B.C. Mexico, licensed to Radio Television, S.A. de C.V. XETV operates in analog mode on Channel 6 at 100kW maximum visual effective radiated power and in digital mode on Channel 23 at 403kW maximum visual effective radiated power from Mount Saint Antonio, Tijuana.
17. Attach as Exhibit No. 3 a full explanation of the legal relationship between the applicant and foreign station(s) involved, including a copy of contract (if any) with foreign station(s).
18. (a) Attach as Exhibit No. 4 a statement as to whether program deliveries are to be intermittent or regularly scheduled, and the average number of hours per day, week and/or month during which the foreign station(s) involved will broadcast such programs.
- (b) Attach as Exhibit No. 5 a detailed description of the nature and character of the programming proposed and the language to be employed.

CERTIFICATION

The APPLICANT acknowledges that all statements contained in this application and attached exhibits are material representations, and that the exhibits forming a part of this application are incorporated herein as if set out in full in the application. The undersigned certifies that the statements contained in this application are true, complete, and correct to the best of his/her knowledge and belief and are made in good faith.

Signed and dated this 2ND day of May, 2008

Bay City Television, Inc.
(Name of Applicant)

By RODRIGO SALAZAR
(Signature)

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.

Chief Financial Officer
(Title)
Bay City Television, Inc.

EXHIBITS furnished as required by this form:

| Exhibit No. | Para. No. of form | Name of officer or employee (1) by whom or (2) under whose direction exhibit was prepared (show which) | Official title |
|-------------|-------------------|--|-------------------------|
| 1 | 7, 10 | | |
| 2 | 9b | | |
| 3 | 17 | All exhibits were prepared under the direction of Rodrigo Salazar. | Chief Financial Officer |
| 4 | 18a | | |
| 5 | 18b | | |

ALIEN OWNERSHIP

The applicant, Bay City Television, Inc. ("Bay City"), is a California corporation all of whose corporate officers and directors are citizens of the United Mexican States ("Mexico"). Bay City is indirectly wholly owned by Grupo Televisa, S.A.B., a Mexican corporation based in Mexico City.

Such ownership by non-U.S. citizens is not a bar to the grant of a Section 325(c) authorization. Indeed, Bay City itself currently holds such an authorization: the one for which renewal is hereby sought, which for the past several years has enabled Bay City to transmit local news and other programming electronically to Station XETV(TV), Tijuana, B.C., Mexico (FCC File No. 325-NEW-20030422-00003). *See also SIN, Inc.*, 101 F.C.C.2d 823, 825, 58 R.R.2d 942, 943 (1985) (imposition of citizenship requirement on Section 325 applicants unnecessarily restricts transfer of programming between the U.S. and foreign countries); *Amendment of...the Commission's Rules to Implement Section 403(k) of the Telecommunications Act of 1966 (Citizenship Requirements)*, 11 FCC Rcd 13072 (1996) (noting that the 1996 Telecommunications Act removed the restrictions in Section 310(b) of the Communications Act on the ability of corporate holders of FCC authorizations, and companies controlling such entities, to have alien officers or directors).

Bay City is not the representative of a foreign government.

**INTERESTS IN OR CONNECTIONS WITH
BROADCAST STATIONS AND BROADCAST APPLICATIONS**

1. **Connections with Broadcast Stations.** The applicant, Bay City Television, Inc. ("Bay City"), San Diego, California, is the United States programming and sales representative of Station XETV, Tijuana, B.C., Mexico, which currently serves as the Fox Television Network's affiliated television station for the San Diego market. Both Bay City and Radio Televisión, S.A. de C.V., the licensee of XETV, are indirectly wholly owned by Mexican corporation Grupo Televisa, S.A.B. ("Televisa"). Televisa holds numerous additional Mexican broadcast licenses.

2. **Pending FCC Applications.** Bay City has no other pending FCC applications.

EXHIBIT 3

Bay City Television, Inc.

FCC Form 308

Question 17

May 2008

1 of 1

LEGAL RELATIONSHIP WITH FOREIGN STATION

The applicant, Bay City Television, Inc. ("Bay City"), provides programming and advertising sales services to Mexican television station XETV, which operates in analog mode on Channel 6 and in digital mode on Channel 23 from Mount San Antonio, Tijuana. Although Bay City and Radio Televisión, S.A. de C.V. ("R.T.S.A."), the licensee of XETV, are both indirectly wholly-owned subsidiaries of Grupo Televisa, S.A.B., their legal relationship for purposes of the provision of these services is one of independent contractors.

A copy of the contract between Bay City and R.T.S.A. is attached; proprietary financial information has been redacted. *See* FCC Rule 73.3613(d)(1), permitting redaction of confidential or proprietary information in time brokerage agreements required to be submitted to the Commission: such agreements are similar to the instant contract.

AGREEMENT

THIS AGREEMENT made as of January 1, 1999, by and between RADIO TELEVISION, S.A. DE C.V., a Mexican company (hereinafter referred to as "Radio"), and BAY CITY TELEVISION, INC., a California corporation (hereinafter referred to as "Bay City").

WITNESSETH

WHEREAS, Radio holds a Mexican Federal concession to operate commercial television broadcasting station XETV in Tijuana, Baja California, Mexico, operating in analog mode at 100,000 watts on Channel 6 and, subsequent to the effective date hereof, in digital mode on Channel 23; and

WHEREAS, Bay City is currently a Fox Network affiliate, with facilities for acquiring and producing programming, sales, promotion, art, traffic, billing and collection, and is able and willing (i) to offer an efficient service to businesses that wish to advertise in the medium of television in the San Diego County area, and (ii) to produce local news and other programming; and

WHEREAS, Radio and Bay City have a long-standing business relationship extending over 50 years and are parties to agreements dated January 1, 1992 and June 25, 1996 (the "Prior Agreements"), under which Radio is responsible for maintaining its broadcasting license and transmitting the programming supplied by Bay City, and Bay City is responsible for obtaining programming and selling advertising; and

WHEREAS, the parties agree that it is appropriate to revise their agreement to be consistent with the revised advance pricing arrangement effective January 1, 1999 (the "1999 APA") which implements the Competent Authority agreement between the Mexican and United States tax authorities, and with other agreements to which Bay City is or may become a party;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Sales and Programming. (a) Bay City shall use its best efforts to promote within the United States of America ("United States") the sale of commercial time for broadcast over the television transmission facilities of Radio. Bay City shall promote such time sales for its own account and Radio authorizes the application of a fair rate schedule applicable for the San Diego County area. Subject to the limitations provided herein, Radio shall air on Channels 6 and 23, in their entirety, without material degradation, additions, deletions or alterations of any kind, and at the times scheduled by Bay City, all commercials, programs, promotional announcements and other programming material of any kind which Bay City has produced or acquired and delivered to Radio for broadcast over Radio's transmission facilities in Tijuana, Baja California, Mexico. In addition to broadcasting all primary video, accompanying audio and line 21 closed captioning data received from Bay City, Radio shall also transmit all program-related or non-program-related material and data received from Bay City for transmission by Radio in the

Vertical Blanking Interval of the XETV signal, or on subcarriers. In the promotion of such sales and in the acquisition, production and scheduling of programming for broadcast over XETV's facilities, Bay City shall be guided by U.S. industry standards of good broadcast practice and shall abide by all Mexican laws, regulations, rulings and orders that control programming and publicity transmitted by Mexican radio and television stations ("applicable Mexican communications law"), under the terms described in Radio's Federal Television Concession, and by all applicable U.S. law.

(b) Bay City shall be responsible for a full schedule of programming, and in particular for: (i) determining and evaluating the target audience for the station; (ii) evaluating, obtaining, producing, and scheduling programming; and (iii) evaluating the desirability of network affiliation, and maintaining network affiliation, to the extent deemed desirable by Bay City from time to time.

(c) Bay City shall be responsible for advertising and promoting the station in the San Diego County area.

(d) Bay City shall be entitled to contract with third parties for the performance of any of its obligations set forth in Sections 1(a), (b), and (c).

2. Furnishing of Radio's Facilities. (a) Radio shall make available for such time sales as are made by Bay City such television time and facilities as shall be requested by Bay City

at least 24 hours in advance. Notwithstanding the foregoing, Radio shall have the right to withhold from Bay City such air time as shall be required by applicable Mexican communications law or governmental guidance.

(b) In the operation of its facilities, Radio shall abide by applicable Mexican communications law, and by applicable U.S. law. Radio shall exercise its best efforts to maintain its broadcasting concession and to renew its broadcasting concession for the maximum available term.

(c) Radio shall operate its broadcast facilities in accordance with the best North American broadcast practices as they are developed from time to time. Radio shall maintain its broadcasting facilities in first class operating condition, including technical improvements consistent with the best broadcast technical standards in the North American market as they are developed from time to time.

(d) Subject to applicable Mexican communications law, Radio shall operate its broadcast facilities consistent with its and Bay City's contractual obligations, including but not limited to any network affiliation agreement to which Bay City is a party.

3. Payment of Affiliation, Production and Other Programming Costs. Bay City shall pay for and supply all of the programming pursuant to its network affiliation and program licensing agreements, talent (including live talent), video tapes, motion pictures, art work, and other necessary or incidental costs for

the production, acquisition and delivery to Radio of programming material to be broadcast by XETV. Notwithstanding the foregoing, Radio shall, at Bay City's timely request and expense, acquire programming material and perform such production and programming services as Radio's personnel and facilities are capable of providing and shall charge to Bay City its costs. For these purposes, Radio's costs in currencies other than lawful currency of the United States of America ("U.S. Dollars") shall be converted to U.S. Dollars at the market rates prevailing at the time of invoicing. Radio shall invoice Bay City monthly in arrears, as set out in Section 5(d) of this Agreement, for expenses under this Section 3.

4. Annual Air-Time Payment. (a) For each calendar year ending after the effective date of this Agreement and beginning prior to the termination of this Agreement ("Agreement Year"), Bay City shall pay to Radio for air time the amount necessary to achieve a profit split whereby $\frac{1}{2}$ of the combined operating profit or combined operating loss (as those terms are defined in the 1999 APA) is allocated to Radio and $\frac{1}{2}$ thereof is allocated to Bay City (the "Annual Air-Time Payment").

(b) Combined operating profit or combined operating loss shall be calculated in U.S. dollars in accordance with the 1999 APA.

(c) Should at any time the tax authorities of the United States and Mexico agree to a binational advance pricing

arrangement which is accepted by Bay City and Radio which differs from the 1999 APA, this Agreement shall be amended accordingly.

(d) Should Bay City no longer be a Fox Network affiliate, Bay City and Radio shall review the profit or loss split and, to the extent appropriate, renegotiate the split, taking into account the requirements of the United States and Mexican tax law.

(e) When the 1999 APA terminates, the terms thereof shall nevertheless apply for the purposes of this Agreement as long as this Agreement is in effect.

5. Payment and Accounting. (a) For each Agreement Year, the Annual Air-Time Payment shall be paid by Bay City to Radio in 13 installments as set forth below.

(b) Within 30 days after the end of each full calendar month in each Agreement Year, following the date on which this Agreement has been signed by Bay City and Radio, Bay City shall pay to Radio a monthly installment amount equal to the dollar amount agreed to by Bay City and Radio. Unless otherwise agreed to by the parties (which agreement may be oral), and taking into account cost reduction measures implemented by the parties, the monthly installment following the execution of this Agreement shall be US\$.

(c) For each Agreement Year, Bay City shall make a Final Air-Time Payment (as defined below) (or submit a refund claim) to Radio within 30 days after it and Radio have issued their respective audited financial statements. The Final Air-Time

Payment (or refund) shall equal (i) the Annual Air-Time Payment, (ii) less the sum of the Monthly Installment Amounts for the Agreement Year. If the Final Air-Time Payment is negative and there is a refund claim, Radio shall refund the amount thereof to Bay City within 30-days of receiving the claim. If this Agreement terminates other than at the end of a calendar year and audited financial statements coincident with the date of termination are not prepared, the Annual Air-Time Payment for the year of termination shall be calculated by prorating the information from the calendar year audited financial statements of the year of termination to reflect the period during which this Agreement was in force.

(d) Any amount due to Radio for production and programming services and materials pursuant to Section 3 of this Agreement shall be accounted for on a calendar month basis one month in arrears and shall be paid by Bay City within 45 days of Bay City's receipt of Radio's billing thereof.

(e) Each party shall have access during reasonable business hours to, and the right to order its own review of, the other party's books and records, for purposes of confirming the amounts due under this Agreement. The cost of any review shall be at the expense of the party ordering the review.

6. Prior Notification of Programs. For the purpose of complying with Radio's established standards and practices, Bay City shall submit to Radio all potentially controversial

television broadcast programs, including advertising matter, 72 hours in advance of transmission time. Radio may reject or refuse to broadcast any program or advertising matter which it reasonably believes, under the standards of applicable Mexican communications law or applicable U.S. law, to be unsatisfactory, unsuitable or contrary to the public interest. Radio shall give Bay City prompt notice of such rejection or refusal and Bay City shall be under no obligation to compensate Radio for any such program rejected or refused.

7. Continuity Sheets and Traffic Analysis. Bay City shall, at the request of Radio, furnish to Radio complete continuity sheets and traffic analysis of time and availabilities. Such information shall be furnished to Radio at least 24 hours in advance of the scheduled broadcast time.

8. Term. (a) The term of this Agreement shall begin on January 1, 1999, and shall continue until December 31, 2003, and thereafter on a year-by-year basis unless either party gives at least ninety (90) days prior written notice to the other party of termination effective on January 1, 2004, or any subsequent January 1. Notwithstanding the foregoing, should Radio no longer have a concession and authority to broadcast in the same manner that it is now broadcasting, this Agreement may be terminated by either party on the date on which Radio no longer has such concession and/or such authority.

(b) This Agreement may be terminated by either party, by

ninety (90) days prior written notice to the other party, if the other party: (i) becomes insolvent or files for bankruptcy or similar reorganization proceedings; (ii) has bankruptcy or similar reorganization proceedings filed against it, which proceedings are not dismissed within forty-five (45) days of filing; (iii) is placed in the hands of a receiver or trustee for the benefit of creditors; (iv) is wound up or dissolved or transfers substantially all of its assets; (v) is nationalized or becomes subject to any other governmental taking of substantially all of its assets; or (vi) commits a material breach of this Agreement, which breach is not cured within ninety (90) days after written notice from the terminating party to the breaching party. Without limiting the generality of the foregoing, a default by Bay City in payment of amounts due under Section 5 shall be deemed a material breach of this Agreement. If a notice of termination has been submitted to arbitration under Section 12 of this Agreement, the effective date of termination shall be suspended and shall depend on the decision in arbitration.

(c) Subject to Section 12 of this Agreement, termination under this Section 8 is in addition to and shall be without prejudice to any other rights or remedies which a party may have by virtue of the facts giving rise to the termination rights under this Section 8.

9. Notice and Notification. (a) All notices and notifications under this Agreement shall be addressed to the