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Wall Street batters radio stocks

Radio stocks were pummeled last Tuesday (8/22) after the Southern California Broadcasters Association (SCBA) reported that Los Angeles radio revenues rose only 3% in July to \$69.2M. That was old news to industry insiders—RBR and others had reported that July was the year's first soft month—but apparently a shock to investors who don't follow radio closely.

The L.A. showing was weaker than NYMRAD's report for New York. July revenues for the number one Arbitron market were up 12.2% to \$63M.

The SCBA report sent virtually all radio stocks lower 8/22, but groups who own L.A. stations were generally the hardest hit. Clear Channel (N:CCU) dropped \$4.813 to \$76.875 (and was the NYSE's 3rd most active stock), merger partner AMFM (N:AFM) fell \$4.688 to \$72.125, Emmis (O:EMMS) gave up \$2.063 to \$35.188 and Radio One (O:ROIA), which hasn't even closed on KKBT-FM L.A., fell \$2 to \$22.25. Infinity (N:INF) apparently got a pass because of the pending Viacom (N:VIA) buyout bid and the Hispanic groups were largely unscathed. Strangely, Citadel (O:CITC), whose nearest station is 250 miles from L.A., fell \$4.313 to \$24.375.

RBR observation: It'll be another week or two before the Radio Advertising Bureau reports nationwide results for July, but it would be a pretty safe bet that the overall figure will come in somewhere between the 12.2% New York gain and L.A.'s 3%. As previously reported, the July softness had disappeared by mid-August and September pascings are strong.—JM

A detailed chart of the L.A. market results appears on page 13.

AMFM/CCC may terminate Traffic.com relationship

Within the next 90 days, according to an RBR source, the deal that former AMFM Radio President **Jimmy de Castro** struck with Traffic.com to provide real-time wireless and web-based traffic information (using a network of highway sensors) to affiliates and listeners (in exchange for spot and promotional time) will be killed by Clear Channel, post-merger. Traffic.com also sells 10-second active inventory for AMFM as part of the deal. "They hate the deal...it was done by de Castro," is what the source told us.

Traffic.com's total radio ad network affiliate count is 430,300 of which are not AMFM stations. Traffic.com has AMFM traffic-based affiliates in Pittsburgh and Philadelphia. "We have an existing relationship with AMFM, so we're going to continue to service those stations. We have had ongoing, positive discussions with Clear Channel," says **Al McGowan**, SVP, New Media, Traffic.com. "From our standpoint, they're a great partner. Our rollout schedule is being driven by radio, TV web arrangements, wireless and logistics plays. So our whole business is much more diverse than radio."

Another source close to AMFM hinted it is still possible a revised arrangement can be salvaged. While admitting the current relationship is under review, McGowan (as did Premiere President COO **Kraig Kitchin**) says no final decision has been made.—CM

Mid-year Miller, Kaplan network numbers

While June showed the slowest growth from last year, 24%, Miller, Kaplan, Arase & Co.'s YTD Mid-Year Network Radio Revenue Report is very encouraging—a 35% increase over '99. (all in 000's).—CM

	'99 Rev.	'00 Rev.	%chng
January	\$71,421	\$96,556	35.2%
February	\$67,455	\$97,638	44.7%
March	\$76,666	\$105,726	37.9%
April	\$79,467	\$113,891	43.3%
May	\$88,688	\$116,102	30.9%
June	\$85,806	\$106,415	24.0%
YTD total	\$469,503	\$636,328	35.5%

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Lawyers rush in

Class action lawsuits have become standard fare for corporate mergers and acquisitions, so we all saw this one coming. One of the law firms that specializes in class action securities litigation has filed such a suit over Viacom's (N:VIA) \$15.5B bid to buy out other shareholders of Infinity (N:INF). Stull, Stull & Brody charges in its lawsuit that the stock swap offer, which Viacom valued at just over \$40 per Infinity share (*RBR* 8/21, p. 12), is "unfair and grossly inadequate."—JM

Minority survey under way

The Commerce Department's National Telecommunications and Information Administration announced the launch of a survey that hopes to find out why minority commercial radio and television ownership is decreasing. The survey was sent to 195 minority media owners and is also available on the Internet. The questions focus on ownership structure, as well as ethnicity and race. Another major focus is to assess the impact of the 1996 Telecommunications Act upon minority ownership.

RBR observation: In a word, huh? The NTIA, which clearly has too much time on its hands, has apparently resorted to inventing things to study which do not in fact exist. While there is no precise answer currently available to this question, the best evidence we have suggests minority ownership of radio stations is on the rise and has been for several years.

Minority ownership did go down, briefly, just after the Telecom Act was passed. The single biggest blow was when **Ragan Henry** sold most of his US Radio group to Clear Channel, 18 stations in all (*RBR* 3/11/96).

Radio One, all by itself, has more than made up for that loss in the interim, rising from eight to over 50 stations owned or pending. And most of these are better signals in larger markets than those sold by Henry. Blue Chip has gone from one to 16. We also did a quick check of four Hispanic groups (SBS, Entravision, Mega and Radio Unica), who went from 14 stations total at the beginning of 1996 to over 120 owned or pending, mostly in top 50 markets.

Is there room for more minority ownership? Sure. The best way to nudge it in that direction is to restore the minority tax credit which, last we heard, was still wending its way through Congress. But please, let's not muddy the waters by completely misstating the issue.—ED, DS

MeasureCast web ratings service launches

Positioned as a direct competitor to Arbitron's InfoStream web listening ratings, MeasureCast has launched its own service with BroadcastAmerica.com's 600 radio and 70 TV station affiliates 8/16. MeasureCast offers web streaming data within 24 hours, using a software application installed directly on the host computer. Data includes demos, average quarter hour (AQH), estimated cume and TSL on an hour-by-hour basis. Up and running since 10/99, InfoStream also lists AQH, cume and TSL.

"I think the big differentiators are 1) We are next day. Right now, Arbitron still hasn't even announced March numbers, so we are much more timely. 2) We include demographics [age, gender and zip code, which breaks down to DMA, MSA and region]—they currently are not. 3) Ours is available 24/7 on the web—they are doing monthly reports," **Bill Piwonka**, VP Marketing, MeasureCast, tells *RBR*. "Another thing is they are collecting simple log/text files which are very easily altered or tampered with. Our method of collection is secure and tamper-proof."

While InfoStream's service currently relies on stations' server logs to be manually sent to Arbitron for tabulation, a recent alliance with Lariat Software intends on ramping up to similar functionality, but not necessarily 24/7 turnaround. Its "Media Reports" software will enable monitoring of streams from hundreds of servers simultaneously and report that to a central database. Arbitron is creating a version of Media Reports that will be offered free to content delivery networks and ISPs to load on their servers, capture the data and send directly to Arbitron.

RBR observation: Arbitron has been measuring streaming longer than Measurecast, but is currently behind in the game technologically. It should be interesting to see if the king of radio ratings can also dominate the Internet ratings space. [For more on this story, visit our website at rbr.com].—CM

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DOJ, FTC clear iBiquity Digital

The final hurdle for an IBOC Grand Alliance has been cleared (8/23): The Federal Trade Commission and DOJ have given thumbs up to iBiquity Digital, and the merger of USA Digital Radio and Lucent Digital Radio (*RBR* 7/17, p.2) has closed. As with the original working relationship between USADR and Lucent, Lucent will supply its PAC compression technology to the system. Other details of Lucent's technological contribution to the iBiquity system have yet to be determined.—CM

Disney settles "Black Hoe" suit

The Walt Disney Co. (N:DIS) has settled (8/22) a racial discrimination lawsuit for \$2M, which centered around a "Black Hoe" promotion on O&O KLOS-FM LA (The **Mark & Brian** Show). The suit was filed 8/6/99 by **Judy Goodwin**, an African-American employee of the station who complained the station acted in a "racist and sexually degrading" manner, sending black plastic garden hoes to listeners in the gag promotion.—CM

MarketWatch.com now in all Top-10 markets

Offering business reports twice each hour weekdays and 18 business features each week, the MarketWatch.com (O:MKTW) Radio Network (syndicated by Westwood One) is now cleared in the Top-10 markets; 19 of the Top-20. Top-10 affiliates include WINS-AM NY, KFVB-AM LA, WBBM-AM Chicago, WWDB-FM Philly, KCBS-AM SF, WMEX-AM Boston, KRLD-AM Dallas, WXYT-AM Detroit, WFVJ-FM Atlanta and WWRC-AM Washington.—CM

Tom Star suspended

Only a matter of weeks since the network's move to Vegas, Talk America Radio Network president **Tom Star** has been suspended (early this month), pending further notice from the company's Board of Directors. KRLV-AM Las Vegas GM **Paul Lyle** has been appointed acting Talk America President. Official statements on Star will be made from the board in the near future, Lyle tells *RBR*.—CM

The Clear Channel empire tops 1,000

Maybe we should call it K-Channel. Anyway, here is the unofficial *RBR* count of Clear Channel (N:CCU) stations by market size. We will not be surprised to discover that we're off by a signal or three, but we do believe that if our number isn't 100% accurate, it's very close.

Of the 1,026 total stations pending all deal closures, 16 are actually owned by other companies but are operated by CCU in either an LMA or JSA, making the total number of owned & operated stations 1,010.

The five top-50 markets without a CCU presence are Puerto Rico (13), Seattle (14), Kansas City (30), Buffalo (45) and Monmouth-Ocean (47). And CCU could have been in Puerto Rico. AMFM had either two or three FMs in each of the island's three major population centers (San Juan, Mayaguez and Ponce), which it sold to SBS prior to announcing its merger into CCU.

168 of CCU's markets are Arbitron-rated, which is just over 60% of the total Arbitron universe. Of that 168, CCU is operating 135 superduopolies and 21 duopolies, meaning it has consolidated 92.9% of its rated markets. Its 903 stations in Arbitron areas account for roughly 16.7% of all such stations.—DS

Market sizes	AM	FM	Stns
1-50	78	188	266
51-100	76	162	238
101-150	45	93	138
151-200	33	79	112
201-276	47	102	149
Unrated	43	80	123
Total stns	322	704	1,026

DOJ accused of playing politics

DOJ Antitrust Division head **Joel Klein** has been stung by a federal judge's accusations that DOJ appeared to yield to "cronyism" and "political favoritism" in giving a green light to the Hearst Corporation's spin-off of the *San Francisco Examiner* to a well-connected ally of Mayor **Willie Brown** (D). Hearst had to divest the afternoon paper to buy the market's leading daily, the morning *San Francisco Chronicle*, for \$660M.

According to reports in the Bay Area media, even the two newspapers involved, Brown had lobbied the White House and DOJ to block the Hearst acquisition at first, then switched gears after Hearst agreed to divest the *Examiner* to local publisher **Ted Fang**, a political ally of the mayor. Fang also received a \$66M subsidy from Hearst to take the afternoon paper off its hands.

US District Court Judge **Vaughn Walker** eventually allowed the deal to go to closing, but wrote in his 7/27 opinion that it appeared "cronyism" had led to DOJ dropping its antitrust investigation in mid-stream.

Klein apparently just made matters worse with a letter (8/10) demanding that Walker delete "all portions of the opinion that contain any statements about the Department of Justice's motives or any suggestions of political influence on our investigation and analysis of the Hearst matter."

The judge replied that he would entertain a formal motion to reopen the case, but also leveled new criticism at DOJ for not responding to his earlier requests for input. At last report, Klein was still considering whether to carry the issue forward and risk making a bad situation worse.

RBR observation: Was Klein absent from law school the day they warned students not to ever get into a fight with a federal judge?

We've been reporting on the DOJ's Antitrust Division being operated as a puppet of the Vice President's office as regards radio mergers since 1996. It's hardly surprising that the DOJ is now being accused of granting political favors as well as mounting politically motivated attacks.—JM

Tristani upset by violence

Two recent broadcasts by CBS-owned networks, one radio and one TV, have Commissioner **Gloria Tristani** up in arms. The TV incident was a graphic "Snipers Wanted" that appeared below a picture of **George W. Bush** during "The Late Late Show" hosted by **Craig Kilborn**. On radio, she cited a caller who made a death threat on Democratic VP candidate Sen. **Joseph Lieberman** during **Howard Stern's** morning show 8/14 (*RBR* 8/21, p. 3).

Tristani issued a letter to CBS President **Leslie Moonves** because "violence suggested on television too easily and too often becomes violence attempted." Tristani implied the possibility of imposing new government controls saying, "Calls for voluntary codes of conduct are changing to calls for enforceable regulatory standards."

RBR observation: Why is Tristani blaming Stern and CBS for the radio case, when they cooperated with the Secret Service, resulting in the caller's arrest?—ED

nTunes.com and RCS team for e-commerce offering

nTunes.com, an online fulfillment house offering private-label CD stores, has allied with RCS for its Radio WebShow technology to provide a real-time e-commerce solution to radio station websites. Based on technology used in RCS' Selector programming, RadioShow allows station's website to follow the station's on-air broadcast in real time, displaying continuously changing images, song info, artist notes, music news, weather, etc. When web listeners click RCS's "Buy Me" button on the station site, they are transported to the station's customized nTunes online CD store, with the instant purchase option of the CD playing at the time. RCS is licensing its technology to nTunes; nTunes enters revenue-sharing deals with stations individually.

"It's totally cooperative with the radio station in that our technology allows them to get a factual, real what is actually on the air data feed from the radio station, whereas companies like GetMedia don't have that capability," **Elliott Mazer** SVP New Business Development tells *RBR*. "They get a Selector log sent to them electronically and they guess what is on the air. Our method is much more accurate."—CM

Lytle's book is no accident

Armed with a political science degree, **Chris Lytle** set out for a career in politics, but was quickly dissuaded after a brief stint as a Capitol Hill staffer. Then, quite by accident, he became a salesperson.

"Nobody would actually get into sales on purpose," he told *RBR*, despite the fact that most companies in every field seem to be headed by people who came up through the sales ranks. But those CEOs aren't seen as role models by young people considering their career objectives and Hollywood has yet to make a major motion picture with the hero cast as a sales pro. "Every portrayal of salespeople in the media is negative," noted Lytle.

Writing 28 years later in his first mass market book, *The Accidental Salesperson*, Lytle provides a how-to guide for others who, like him, have embarked on an unplanned sales career. (And it is probably just as helpful for those few who actually set out to make sales their working life.)

Perhaps this book's greatest appeal is what it isn't—a dry, textbook approach to building a sales career step-by-step. Learn and practice lesson one, then move on to lesson two.

Rather, Lytle has written each of the 13 chapters to stand on its own. If you have already booked an appointment with a decision maker, go ahead and read Chapter Eight to get some practical advice on how to deal with the opportunity. You can go back and read the foregoing chapters later—and you'll probably want to.

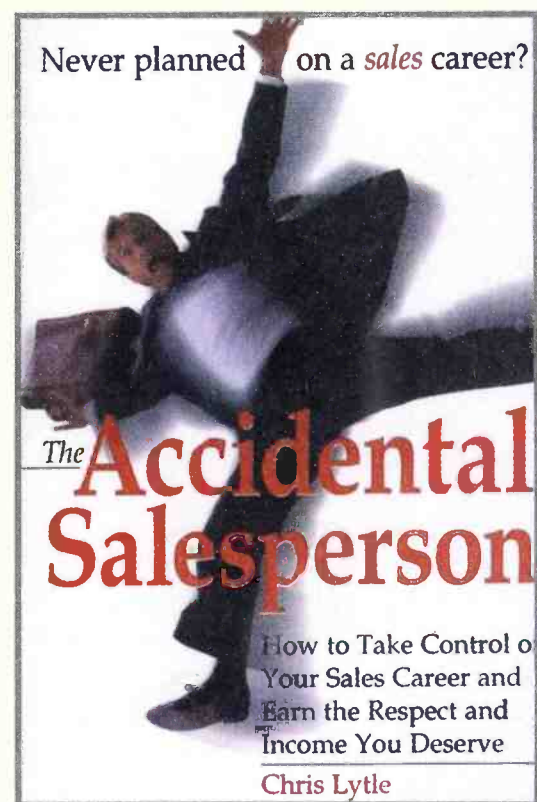
Most chapters include a reference to a popular movie—something Lytle calls a "\$2 sales training seminar" because anyone can rent it at Blockbuster and learn something from the movie that will help them in sales.

"I've always used films and lines from films in my seminars to try to illustrate key points. It's popular media. Most people can relate to these movies," he said. "There are some things that are taught in the movies that are very valuable life lessons."

At the heart of *The Accidental Salesperson* is a chart which shows how a typical "Level One" account executive can advance from simply selling spots to a "Level Four" pro who has the complete confidence of his clients because he truly has their interests at heart. Lytle is realistic enough to admit that no one can achieve a Level Four relationship with all clients, but his book is chock full of practical advice and anecdotal stories to help every salesperson improve their dealings with all clients and, hopefully, reach that pinnacle of mutual success with a few.

Although Lytle is a radio salesperson by background, more and more of his seminar appearances are now outside the broadcast industry, so this book is written to be applicable to all types of sales.—JM

You can request an email download of Chapter One at Lytle's Apex Performance Systems (www.apexperformancesystems.com), a subsidiary of Cumulus Media (O:CMLS), or order the book at *RBR's* online bookstore (www.rbr.com). An interview with the author is also airing on the *rbr.com* online radio station.



by Jack Messmer

Blaya takes TV model to Radio Unica

Joaquin Blaya came to radio three years ago after a long career in television—serving as President & CEO of Telemundo from 1992-95 and before that as President of its chief competitor, Univision. Blaya founded Radio Unica in 1997 to become the first nationwide News/Talk radio network in Spanish. Programming began 1/5/98 and Radio Unica sold its IPO 10/18/99 at \$16 per share. After soaring as high as \$33.125, the stock has recently traded in the high single digits.

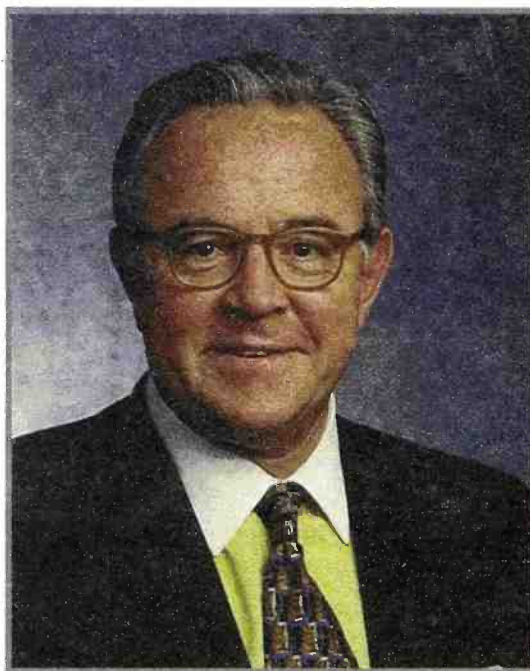
You reported last month that Radio Unica's revenues were up 69% in the second quarter and you now are heading toward positive cash flow. When do you expect that to happen?

We reported 69% for the second quarter and for the year it is about 125%. The answer is that we expect to be cash positive on a company-wide basis in the fourth quarter.

You said in your conference call with the Wall Street analysts that you believe your platform is finished. Do you not anticipate buying any more stations or are you still open for some opportunities?

We have the platform in place there. At the beginning of this company, we stated that we wanted to control the circulation of the network. Today we have about 70% of that circulation on the stations that we own. The platform is in place, but we are also opportunistic and if there were those opportunities in markets where we could accomplish a significant upgrade for example, that is something that we would look at—or in secondary markets that we could fold into a large market operation or something of that nature. Therefore, we are opportunistic, but our platform is in place.

Many other radio groups have concentrated on having multiple outlets in every market. You have a single nationwide network. You



have all AMs, all News Talk formats with national programming. Is that any easier or is it more difficult to sell?

We have broken through the market. The consolidators have mainly put together—successfully—a bunch of music stations. What we have brought to the market is an exclusive product. It is what I call franchise and marquee events. First, we have, on a national basis, the biggest stars of the Hispanic market in America. Secondly, we control all of the major sports events of interest to Hispanics. We have thus built a unique platform, which is not only attractive to audiences, but also certainly very attractive to advertisers. In a growing

market like the Hispanic market, before we came into existence, there were only two national advertising platforms serving it. Those two were in television: Univision and Telemundo. By creating Radio Unica, what we did is to create the third national advertising platform to service what is the fastest growing segment of the American population.

You've spent a lot of money acquiring sports rights or Spanish language rights to a great deal of major sports. Why have you had that focus as part of your business plan?

First, because we make money with sports. Sports are a very profitable item for us. Secondly, because it is a great promotional platform that certainly attracts new listeners and new advertisers. Once you bring those advertisers into those marquee events, they stay with the network, sponsoring some of the other programming fare. Therefore, sports really are a win-win situation for us. It separates us from everyone else.

How extensive is your coverage going to be of this year's Summer Olympics?

Our focus will be in covering the Hispanic or Latin athletes. Soccer and boxing are two of the major events, but we would also concentrate on every event in which a Latin athlete has a relevant participation. And you have to realize that if you look at coverage of the Olympic Games in America, most of the time you would think that the only two people participating in a race are the two American athletes. In the case of a track or field event, if there were a Mexican athlete or Colombian athlete who would finish third or fourth in that event, that is a tremendous accomplishment—and to that person's nationality, that man or woman is a star. You would never hear or see that report in the US. Radio Unica will emphasize that in its coverage.

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Is it possible to appeal to Mexican-Americans, Puerto Ricans, Cuban-Americans and all of the other Spanish-speaking people with a single national program?

Absolutely. In fact, that has already been answered. In the years that we were building Univision—and I was developing the programming that even today is on the air on the Univision Network—that question was always asked. Well the answer is always an emphatic “Yes!” Today, Univision is the fastest growing network in America, both in audience and income. It is the number one station in many of the major markets in America. So, the concept of a national Hispanic programming has already been proven in the U.S. and very successfully so. What we have done is that we have transferred to radio some of the biggest stars of television in Hispanic America. Therefore, these are the national stars. We have also done something beyond that. We have taken national programming, with talent which local stations would not be able to afford, and we have turned it also into local radio by giving people access through an 800 number, access to participate live in each and every one of our shows. In addition, the network is getting over 150,000 calls a week from people who are calling in to participate on one of our shows. The model is working. It is successful and I am not surprised at all, because we have already experienced that in part of our previous life in running the television networks.

What kind of split do you have between national and local ad sales? Are you more heavily dependent on national than most local stations are?

Today, and this is a growing and moving target, network and national represent probably about 32% or 33%. Eventually, we could get to the point where there will probably more like 50-50%, growing national and network.

Have you done much yet with the Internet?

We have an investment in a Spanish sports portal called “SportsYa!,” which is a good extension for us promotionally with the franchise that we have in sports. We also are work-

ing expeditiously to improve and expand our RadioUnica.com. We are looking at other opportunities as well.

In the long run, you see this as solely a standalone company dealing with news and talk or would you be expecting at some point to either acquire someone or be acquired, or become a larger Hispanic media entity with possibly TV or other media? Or do you expect to expand into more radio formats?

As I have stated, our focus now is just to keep doing what we are doing. It doesn't take a genius to speculate. And everybody speculates. Certainly, a unique radio format like the one we have created fits very well with the other radio formats in the markets. So one could speculate that this company could acquire some music operators or vice versa. You could run all kinds of equations. This is not the time for us to do that.

You must be pleased with how well Entravision did with its IPO. Wall Street still seems to embrace the Hispanic media.

Absolutely. I am pleased because it is the right idea at the right time. I am also pleased because I know them. They are very good operators and are good, solid professionals. Many people wonder [about the Hispanic market]: How far it can go? It is almost there. Not so—to those of us who have spent many years on this, there is a long, long way to go. All the demographics are indicating that we are going in the right direction. The numbers that will come out of this year's census will show you things like a [US Hispanic] nation of 33 million people. That is a nation the size of Canada, or bigger actually. It is going to show that between now and the end of the decade, 40% of the nation's growth will come from that segment of the population. Thus the market is still in the early stages and there are still opportunities for investors and operators in this market.



You don't think we are anywhere near saturation?

Not at all. Just look at many of the urban centers in America in which the majority of the population is Hispanic—and markets like Los Angeles or Miami or Houston, New York, Chicago, and so many other markets—the census will show that we are nowhere near the level of saturation. The market has a long way to go. It will require other media services with programming alternatives just like the general market.

You have complained about Arbitron's diary placement. How severe do you think the problem is right now with Spanish-speaking households, rather than just Hispanic representation in the Arbitron sample?

We are talking to Arbitron on a daily basis about the subject. We certainly need improvements. Obviously, the final improvement for radio measurement is changing the methodology. Unfortunately, the methodology is old and obsolete, but it is all we have. There needs to be an improvement and only with that improvement [People Meters], will we get a true measurement of radio audience in America. But before that, of course, we need to work with Arbitron so that there is an improvement in diary distribution to Spanish-speaking members of the community so that we get a true read on what's happening today. You lose two diaries and there goes 30% of the audience. The audience, and particularly the audience to Talk, doesn't change. We are working with them on a daily basis. We certainly hope that we can improve it before we move into the new system.

Great Scott! What's new is Rhythmic Oldies

Salisbury-Ocean City MD: Great Scott Broadcasting's WJNE-FM has flipped formats and call signs. WJNE-FM, now WQJH, was simulcast with WJYN but it now will stand alone as a Jammin' Hits station. "There was a lot of overlap geographically [between WJNE and WJYN]. Also, we wanted to hop on the Rhythmic Oldies bandwagon a while ago. It just made sense and was the right time for us," said GM **Kathy Deighan**. "We wanted to build our 25-54 base and that's when we realized that Jammin' Hits was what to go with." It also fills the 25-54 hole in the cluster lineup, which includes big classic hits and rock.

The new PD is **Jim McHugh**, the talent is local and there is no programming consultant. "We are not worried about the competition because we are more upbeat, happy and Motown. The other stations are a little sleepy with **Elvis**. We're not going that way," Deighan adds. Some of the featured artists are the Four Tops, **Marvin Gaye** and **Al Green**.

But the Modern AC listeners need not worry. WJYN-FM will still have them covered. "We left WJYN alone because it does well inland and with the locals," said Deighan. WQJH is referring Modern AC listeners over to its former simulcast partner.

Rival station, Cumulus's WSBY-FM GM **Frank Hamilton** is not worried about his monster rating in the 25-54 range. "We're targeting ethnic audiences. They're going after the old white guys." Hamilton also says that WQJH jumps all over and doesn't stick to its format. If WSBY's numbers begin to drop, Hamilton says that they wouldn't really do anything about it. "We would just push our excellent digital productions, **Tom Joyner** and good jocks."—ED

Talk showdown on the California coast

San Luis Obispo: KKAL-FM has abandoned its Classic Country format for Talk-Sports. "From a sales and revenue standpoint, switching to talk definitely works to our advantage," said **Tom Keffury**, KKAL's director of sales. Another plus for the station will be its standing as the only FM talk-oriented format in the market. With the exception of "The **Jaz McKay** Show," KKAL's local production, all new programming will be syndicated, including Premiere Radio's "**Jim Rome** Show," Westwood One's "**Don & Mike** Show," and OneOnOne's "**Poppa Joe Chevalier** Show."

Targeting Men 18-44, Keffury stresses, "We plan to deliver hot talk that is cutting edge!" Let the News/Talks counterparts on the AM dial beware. Prospective competitors include standalones KGLW, KPRL, and KVEC. Currently, KVEC holds the highest 12+ numbers for News/Talk, with KPRL and KGLW following in rank, respectively.

Keffury plans to accomplish this ratings hijack without any help from the old format's audience. Keffury adds, "They'll likely switch to the other Coun-

try station, [KKJG]," which is not a total loss since KKAL has an LMA with American General Media, owner of the KKJG. The addition of Talk to the American General Media cluster—currently offering Rock, AC, Country, Oldies, and CHR—will be a nice balancing factor, further extending the variety of programming.—KR

That was the flip that was

RBR is taking a look at some selected format flips from a year ago to see how the flipping stations have fared. All of the stations we looked at are FMs. Data is from Arbitron's Spring 2000 survey and the *RBR Source Guide* database.

Greater Media kisses women good bye

Boston: Smooth Jazz WSJZ abandoned both the format and call letters and became Talk WTKK. We cannot say that Greater Media's use of the format has been a success. It was pulling in the low 2's 12+. It jettisoned that audience, dipping to 0.8 Fa99. Although it has picked up audience since then (up to 1.6 Sp00),

it has yet to catch up to its earlier numbers. Women account for almost all of the lost audience. It pulls far less than half the women over age 25 than it used to, while the total number of men in the same age group is almost exactly the same. We will bet, however, that it is a different group of men than were listening to Smooth Jazz.—DS

Three-for-all? Citadel declares war

Little Rock: Modern AC KLAL no doubt was able to keep a portion of its playlist when it repositioned itself as a CHR. It created a three-way battle in the format with Clear Channel's KQAR and Equity's KHTE. KLAL's move has had questionable results. It seemed to be picking up steam with the Modern AC format, getting up as high as a 4.1 Su99, but has reverted to the same mid-2 range it had been in prior to that book. The main effect of the flip has been to replace male listeners with female. Nonetheless, both KQAR and KHTE appear to have suffered. Comparing Sp99 with Sp00, KQAR has dropped 6.2 to 4.4, KHTE 3.5 to 2.3. The major beneficiary seems to be Equity's Adult Alternative KLEC, which has gone 2.7-5.7 over the same period, seemingly taking men 18-34 and 25-54 from all three stations.—DS

Mutual format of Omaha

Omaha: When AMFM's KTNP ditched its Modern AC format for Rock as KRQC, it went headlong into the formatic turf of Journal's KEZO, and it has apparently succeeded in taking a bite out of the Rock juggernaut. From Sp99 to Sp00, KRQC has gone from 1.8-3.6, picking up almost all of its new audience in the M18-34 demo. Meanwhile, KEZO has gone 8.3-6.5. It doesn't take a rocket scientist to figure out where KRQC's two shares came from. Nonetheless, KRQC has a long way to go to overtake KEZO, which leads in just about every category. Women of all ages have been abandoning both stations, apparently headed for KCTY-FM (Waitt Radio), which itself exited Standards late last year to fill the hole left by KRQC's flip with a new Adult Alternative format.—DS

by Jack Messmer

The real skinny on West Palm wheeling and dealing

The paperwork is finally in at the FCC, so here's what's happening in the West Palm Beach market. Clear Channel Communications (N:CCU) holds an option from 1998 to buy three stations from James Crystal Radio for \$77M: WJNA-AM for \$2M, WRLX-FM for \$15M and WRMF-FM for \$60M. Clear Channel is exercising that option, but will acquire only WJNA-AM and WRLX-FM for a total of \$17M. In order to comply with local ownership limits, Clear Channel will divest WBZT-AM to an as-yet-unnamed buyer. Clear Channel is also dealing WRMF-FM to an as-yet-unnamed buyer.

That will leave James Crystal with seven AMs—five in Florida, and one each in New Mexico and Arizona. Now that Clear Channel has claimed the

stations it has options on, President **Jim Hilliard** says, "We're buying, we're not selling."

For Clear Channel, the end result will give it two AMs and five FMs in the West Palm market, plus contour overlaps from WINZ-AM & WIOD-AM Miami.

Epperson to Epperson

This all-in-the family deal was an obvious move when the first step of this sale was announced in June (RBR 6/26, p. 13). The funny thing is, step one never showed up in the FCC's Public Reference Room, although it's been filed, granted and closed. In that deal, Hearst-Argyle Television (N:HTV) sold its AMs in Louisville, KY and Greensboro, NC to

Truth Broadcasting Corp., owned by **Stuart & Nancy Epperson**. An SEC filing by Hearst-Argyle revealed that the price was \$3.5M. Now Truth is selling the Louisville station to Salem Communications (O:SALM) for \$1.75M. Stuart Epperson is Chairman, co-founder and a major shareholder of Salem, the nation's largest Religious radio group.

RBR observation: This deal was an obvious play because Salem already has stations in Louisville, while Truth does not. Conversely, Truth has stations in Greensboro and Salem does not. Both stations have new call letters: The Louisville station, formerly WLKY-AM, is now WGTK-AM; the Greensboro station, which is licensed to Kernersville, NC, was WXII-AM and is now WTRU-AM.

Lowry expands (Mondo)sphere of influence

Chalk up three new markets for Clear Channel. As it charges past the 1,000-stations mark (see page 6), Lowry Mays' radio giant is buying 11 stations in three California markets from the Mondosphere group, owned by rock promoters **Cliff Burnstein** and **Peter Mensch**. Mondosphere COO **Jon Horton** confirms the sale of the group's Bakersfield, San Luis Obispo and Santa Maria-Lompoc stations, but won't comment on price. RBR sources say it's between \$45M and \$50M.

More bulk in Chattanooga

As the Mays family and **Randy Michaels** work to minimize the tax hit from this week's closing of the AMFM merger spin-offs, Clear Channel is adding **Marshall Bandy's** WSGC-FM Ringgold, GA-Chattanooga, TN for \$3.3M. Clear Channel will enter the Chattanooga market when it closes a multi-market deal with Cumulus Media (O:CMLS). Broker: **C. Alfred Dick**, Business Broker Associates

Cumulus Broadcasting, Inc.

has agreed to purchase of the assets of radio station

WKQB-FM

Southern Pines-Fayetteville, North Carolina

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for

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Mitt Younts of Media Services Group, Inc.

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Another double-Bob spin-off

Clear Channel has filed the last of the required spin-offs from its \$65.9M buy of **Bob Sherman's** and **Bob Pittman's** Roberts Radio. Mark Jorgenson's Concord Media Group is paying \$4.625M for WPMB-FM Kingston, NY. Concord has already filed to buy Clear Channel's spin-off of WCTW-FM in the same market, Poughkeepsie, NY, along with two AMs in the nearby Albany, NY market from another group buy.

Someone else gets to buy

Clear Channel is not buying WKSO-FM & WFXF-FM Peoria, IL—**Peter Ottmar's** AAA Entertainment is, bringing AAA's superduopoly to five FMs. Seller **Bob Kelly** is getting \$2.75M. That deal was announced shortly after AAA filed to convert its LMA of B&G Broadcasting's WBGE-FM Peoria to an O&O for \$2.3M. Broker: (for both deals) **Doug Ferber**, Star Media Group

Buzil buys in Utah

Upgrade and move-in specialist **Bruce Buzil** is buying KYKN-FM Nephi, UT (just south of the Salt Lake City metro) for \$1.53M. Buzil and his usual partners have created yet another company, Mill Creek Broadcasting LLC, to buy this station from Cruise LC, owned by **Robert Davis** and **Charles Hall**.

Tennessee seller buying again

Zollie Cantrell's BP Broadcasters LLC—which is in the midst of selling its only station, WOCE-FM Benton, TN for \$2.4M (RBR 8/21, p. 14)—is moving north-northeast toward Knoxville to buy WLIL-AM & FM Lenoir City, TN for \$1M. The seller is WLIL Inc., owned by the Estate of **Arthur Wilkerson** and headed by his son, **Dwight Wilkerson**. An LMA took effect 8/1.

Youngstown owner adds combo

There's not much left in the Youngstown market to buy, but **Michael Arch** has found a way to expand in the far suburbs. Arch, whose Beacon Broadcasting already owns WANR-AM Warren-Youngstown,

Continued on page 15

2000 Los Angeles market radio revenues

What upset Wall Street 8/22 (see page 2) and sent radio stocks lower? Here are complete year-to-date revenue gains for the Los Angeles market.

	Monthly percentage gain			Year-to-date percentage gain		
	Local	National	Total	Local	National	Total
January	37.4%	17.4%	32.0%	37.4%	17.4%	32.0%
February	35.5%	22.7%	32.2%	36.3%	20.4%	32.2%
March	29.8%	29.5%	29.7%	33.7%	24.1%	31.2%
April	22.7%	34.0%	25.3%	30.6%	26.5%	29.5%
May	37.2%	37.6%	37.3%	32.2%	29.1%	31.5%
June	28.5%	-2.2%	19.5%	31.5%	22.0%	29.1%
July	7.6%	-8.2%	3.2%	27.3%	16.7%	24.6%

Source: Southern California Broadcasters Assn., Miller, Kaplan, Arase & Co.

Philip D. Marella, Chairman

has agreed to sell the radio stations of

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TRANSACTION DIGEST™

by Jack Messmer & Dave Seyler

The deals listed below were taken from recent FCC filings. *RBR's* Transaction Digest reports on all deals that involve assignment of a station license (FCC Form 314) and substantial transfers of control of a licensee via a stock sale (FCC Form 315), but not internal corporate restructurings (FCC Form 316). All deals are listed in descending order of sales price.

\$77,559,000 31 stations in Columbus GA, Evansville IN, Mason City IA, Rochester MN & Mankato-New Ulm MN from Cumulus Licensing Corp. (Lew Dickey Jr.), a subsidiary of Cumulus Media (O:CMLS), to Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). The contract states that the total price will be 15 times 1999 cash flow for the stations in Mason City, IA, Rochester, MN and Mankato/New Ulm, MN, plus \$9.39M for the Evansville, IN stations and what Cumulus actually pays to acquire the Columbus, GA stations. Maximums, though, are set at \$15.42M for Mason City, \$10.185M for Rochester, \$20.31M for Mankato/New Ulm and \$22.254M for Columbus. Existing **superduopolies**.

\$20,000,000 WVOM-FM, WBYA-FM, WGUY-FM, WLKE-FM, WBFB-FM & WKSQ-FM Bangor ME (Howland-Searsport-Dexter-Bar Harbor-Belfast-Ellsworth ME) from Eastern Radio Assets (Mike Oesterle et al) to Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). \$1M escrow, \$17M loan from buyer to seller on 5/8, balance in cash at closing. Existing **superduopoly**. Note: No more than four contours overlap at any point. LMA since 5/8. Broker: CEA

\$4,700,000 KCDA-FM Spokane WA (Coeur d'Alene ID) from AGM-Nevada LLC (Charles Salisbury, Anthony & L. Rogers Brandon), part of the American General Media group, to Capstar TX LP (Tom Hicks et al), a subsidiary of AMFM Inc. (N:AFM), which is being acquired by Clear Channel Communications (N:CCU). **Superduopoly** with KAQQ-AM, KUDY-AM, KISC-FM, KKZX-FM & KNFR-FM. Note: 32 stations in market.

\$3,500,000 WLOB-AM Portland ME, **WLOB-FM** Augusta-Waterville ME (Rumford ME) and **WLLB-AM** Lewiston-Auburn ME (Rumford ME) from Carter Broadcasting Corp. (Kenneth Carberry) to Atlantic Coast Radio LLC (J.J. Jeffrey). \$150K escrow, balance in cash at closing. **Superduopoly** of WLOB-AM with WJAE-AM, WJJB-AM, WCLZ-FM & WRED-FM. WLLB-AM & WLOB-FM overlap each other, but none other of the buyer's stations. Broker: John Pierce & Co.

\$925,000 WLQE-FM Roanoke-Lynchburg VA (Bedford VA) from JLR Communications Inc. (Jeffrey Raynor) to Bedford Radio Partners LLC (Stephen Garchik, Ronald Walton), part of the Garchik group. \$45K escrow, balance in cash at closing. Note: No contour overlap with Garchik's Blacksburg-Christiansburg VA stations.

\$900,000 WMIB-AM & WODX-AM CP (1660 kHz) Ft. Myers-Naples FL (Marco Island FL) from Cos-Star Broadcasting Corp. (Patrick Costa), part of the Costa-Eagle Radio group, to Community Broadcasting Corp. (Richard Storm Jr., Chris Johnson, A. George Iglar & others). \$200K option payment, additional \$700K in cash at closing. LMA since 8/16/99.

\$793,000 WDER-AM Manchester NH (Derry NH) from Spacetown Communications Corp. (Judith Gureckis-Farrar) to Blount Communications Inc. of NH (William & Deborah Blount). \$50K escrow, balance in cash at closing.

\$555,000 KQEX-FM Fortuna CA from Stephen Hastings to S.T.E.G. Broadcasting LLC (Ephrem Tilahun, Gregory McMillion, Mel Klein, Bill Dirks, David Gersh, Yimaj Kadir). \$105K escrow to transfer at closing, \$450K note.



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OH, is going outside the metro and across the state line to buy WGRP-AM & WEXC-FM Greenville, PA. Seller **Gary Fleming's** Greenville Broadcasting Co. will be paid \$475K. Broker: **Ray Rosenblum**

Going super in Lewiston, ID

Pacific Empire Holdings might better be named Idaho Empire, since that's where its superduopolies are located. In addition to its existing Pocatello cluster, the company has put together a four-station operation in Lewiston, ID. It already owns KATW-FM and is going just across the state line to buy KCLK-AM & FM Asotin-Clarksville, WA and KVAB-FM Clarkston, WA. **Julie Benedictson's** Clarkston Broadcasters Inc. is being paid \$1.6M for the trio in a cash-for-stock deal. Pacific Empire is owned by **Mark & Mary Bolland, John & Connie Taylor** and **Randolph Lamberjack**.

Gaylord cash flows in wrong direction

As he prepares to exit the company (*RBR* 8/7, p. 6), Gaylord Entertainment (N:GET) CEO **Terry London** reports that the company had negative operating cash flow to the tune of \$400K for Q2, compared to a positive \$11.4M (excluding a divested TV station) a year earlier. Revenues for the quarter were up 11.3% to \$128.7M.

CRLI on the grow

Circuit Research Laboratories Inc. (O:CRLI) is cranking up operations following its recent acquisition of Orban Inc. On a historical basis, that nearly quadrupled Q2 revenues to \$1.04M, including Orban sales for the final month of the quarter. To put things in perspective, CRLI provided pro forma results, including Orban, for the first half of this year: Revenues of \$6.2M this year compared to \$7.4M a year ago and a net loss of \$89K this year compared to \$510K a year ago. CEO **Jay Brentlinger** said some customers had deferred orders while the Orban purchase was pending. CRLI already has \$1M in orders booked for the new Optimod-FM 8400 and a total of \$1.7M in pending orders for all products.

Government backs down on LMA fine

Attorney **David Tillotson** has beaten back the FCC's attempt to fine one of his clients—and he thinks he has a blueprint to negate virtually any case the Commission might bring against a broadcaster for going too far with an LMA. The FCC, we would caution, doesn't share that view.

The FCC last year fined licensee King Broadcasters \$10K, with Mass Media Bureau Chief **Roy Stewart** ruling that KSLD-AM & KKIS-FM Soldotna, AK had been improperly transferred to **Chester Coleman** under an LMA which, by then, had been transferred to another party. King refused to pay and the FCC got the US Attorney in Alaska to file suit. After pre-trial discovery, though, the government abruptly dropped the suit before going to trial.

Although the US Attorney's office claimed it had abandoned the suit because the licensee (which was still getting regular LMA fee payments) had no money, Tillotson maintains that the real reason was the admissions the government had made about the FCC's rules for LMAs—or, more precisely, the lack thereof.

In a pre-trial deposition, Mass Media Bureau Deputy Chief **Peter Doyle** conceded that none of the factors cited in determining that control had been transferred to Coleman was, by itself, a violation. Those factors dealt with such things as having the LMAing party supply 100% of programming, sell 100% of advertising, own some equipment necessary for broadcasting and pay some of the licensee's bills.

Following the Doyle deposition, the US Attorney filed an admission with the court that none of the individual factors cited was a per se violation. "However, when the FCC assesses whether there has been an unauthorized transfer of a station license, it considers the totality of the circumstances surrounding a time brokerage agreement [LMA]," the filing stated.

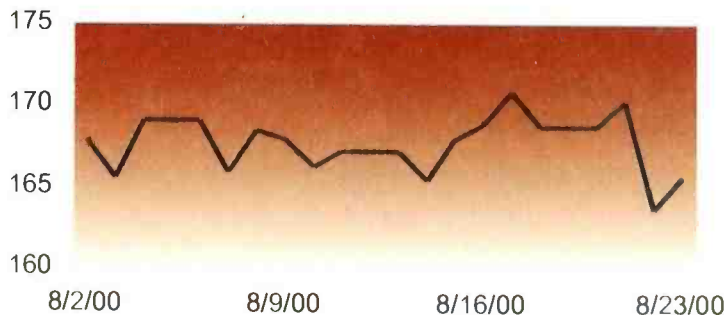
Tillotson is convinced that, had the government not dropped the case, the judge would have issued a summary judgement in King's favor on the grounds that the FCC's standards for judging LMAs were too vague and amorphous to be used as a basis for imposing penalties.

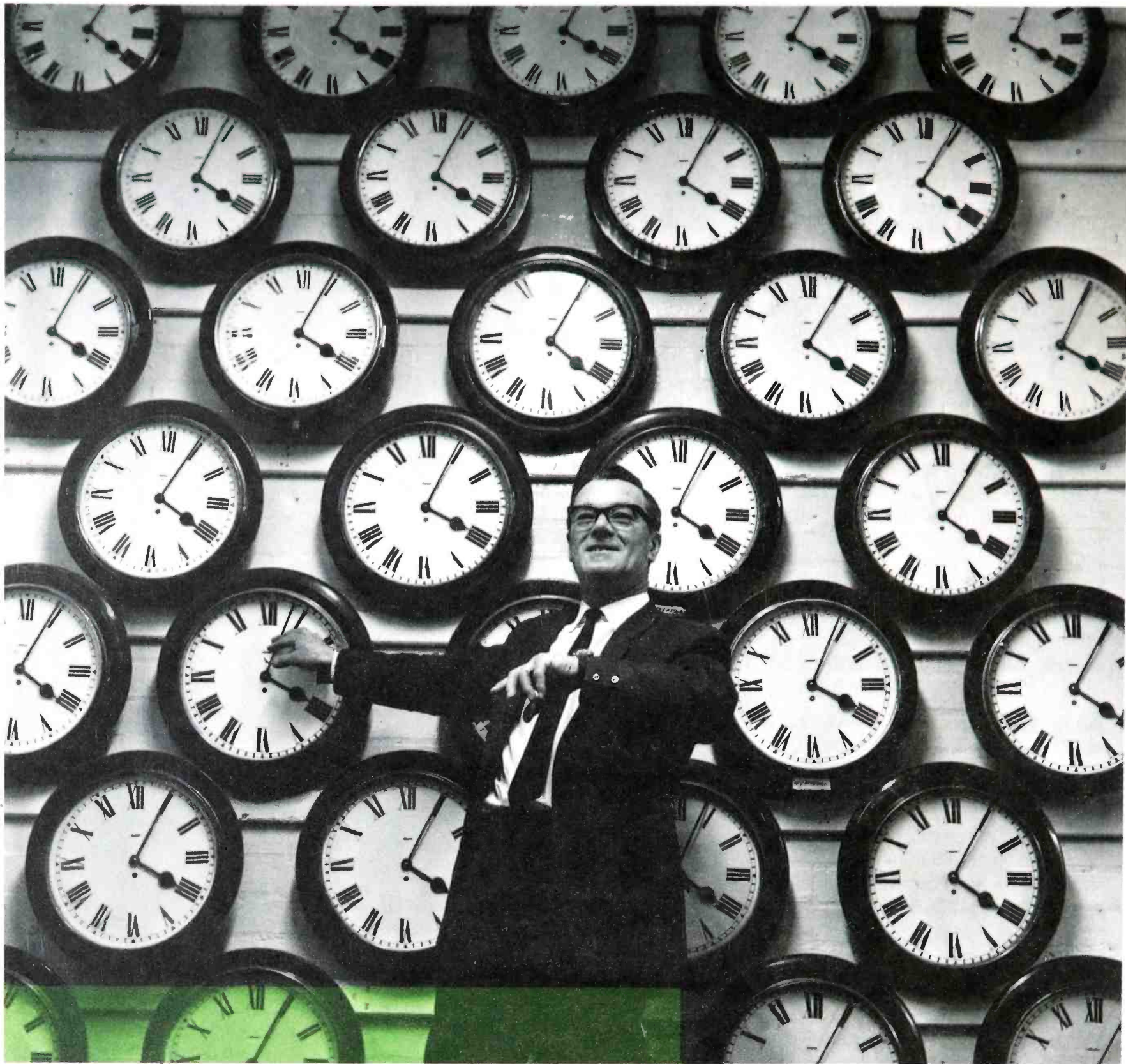
Doyle, however, takes a very different view. "The case was very clear that we look at, and have looked at for decades, a number of factors. It is a totality of circumstances test," he told *RBR*. The Deputy Chief says that comes down to scrutiny of three primary areas, programming, personnel and money, to determine who is in control of a station. Doyle notes that there's been no change in the FCC's position and that the Commission can and will continue to enforce its rules against unauthorized transfers of control.—JM

The Radio Index™



Panic selling over L.A.'s July figures sent The Radio Index™ down 3.10 for the week to close 8/23 at 165.59.





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