

Radio Business Report™

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Volume 18, Issue 50



ABC Radio Networks' Sean Hannity on adding national radio to his resume

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Anti-CCU petitioning Farr from over

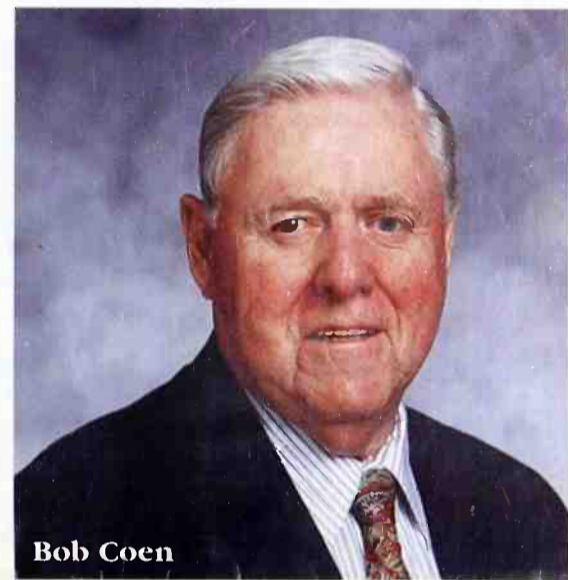
California Congressman **Sam Farr** (D) has joined Buckley Broadcasting in objecting to part of the Clear Channel (N:CCU)-Ackerley (N:AK) merger, specifically, the transfer of two television stations in the Monterey-Salinas-Santa Cruz market, part of which is Farr's district. One of the stations is owned by Ackerley, while the other is run in an LMA.

However, while Buckley petitioned to deny, Farr is only asking for a "full hearing on the matter." That said, it appears the Congressman would favor denial of this part of the transaction. He wrote, "I am very concerned that this de facto television duopoly has not served my constituents in Monterey well, and its combination with the largest radio operator in the market only threatens to make the situation worse."—DS

Coen "modestly optimistic" about 2002

After seeing his 2001 forecast blown away by economic reality, Universal McCann forecaster **Bob Coen** is modestly optimistic about 2002. But, Coen told the UBS Warburg Media Conference in New York, "It's not easy to tell what's going to happen in the chaos that we're in right now."

Even so, Coen is expecting a somewhat quicker recovery than we saw in the last recession. For the total US ad market, Coen is predicting that 2002 will bring growth of 2.4% from this year's depressed levels. That will still bring in the year slightly below 2000 at \$239B in total ad spending. While Coen expects national ad spending to rise 2.5% for all media, he thinks national radio will drop an additional 1% from this year's dismal level. The outlook is better at the local



Bob Coen

level. Radio should have growth of 2.5%, slightly better than his forecast of a 2.4% gain for all local advertising.

The forecast from Interep (O:IREP) CEO **Ralph Guild** was similar. He's predicting that local will have modest growth all year, while national spot will kick in for the second half following more negative numbers for the first half. Over all, Guild forecasts total radio revenues to be up 1 to 2% in 2002.

"I don't agree with the numbers that were shown in the previous session," Viacom (N:VIA) President **Mel Karmazin** said immediately after Guild spoke. The Zen Master didn't offer his own prediction. But he said radio should grow more than 1-2% in 2002. Karmazin's optimism was echoed by Clear Channel (N:CCU) CEO Lowry Mays who said, "I think things are going to be better next year than most people think."

Told of Karmazin's comments, Guild told *RBR* later that his projections were mathematical, based on historical trends. He said he's hopeful that radio will grow more in 2002, along the lines of 3-4%.

Retaining his status as the most pessimistic forecaster, **Jack Myers** issued his own forecast update a day after Coen (12/4). Myers is predicting a drop of 5.7% in US ad spending on top of this year's decline, which he expects to come in at around -6.8%. For radio, Myers is predicting a revenue decline of 4% in 2002.

See page 2 for charts.—JM

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WVPO & WSBG
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from
Multicultural Radio Broadcasting, Inc.

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P.O. Box 262888, Tampa, FL 33685
Phone 813-885-6060 • Fax 813-885-6857
Email: gserafin@compuserve.com

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Executive Editor Jack Messmer
Managing Editor Dave Seyler
Senior Editor Carl Marcucci
Production Michael Whalen
VP Administration Cathy Carnegie
FCC Research Consultant Mona Wargo
Administrative Assistant April Olson
Publisher **Jim Carnegie**
VP/GM, Associate Publisher Ken Lee
Senior Account Executive John Neff
Account Executive June Barnes

Editorial/Advertising Offices
6208-B Old Franconia Road
Alexandria, VA 22310
PO Box 782 Springfield, VA 22150

Main Phone: 703/719-9500
Editorial Fax: 703/719-9510
Sales Fax: 703/719-9509
Subscription Phone: 703/719-7721
Subscription Fax: 703/719-7725

Email Addresses

Publisher: JCarnegie@rbr.com
Editorial: RadioNews@rbr.com
Sales: KLee@rbr.com
JNeff@rbr.com

Bradenton, FL Office

Jack Messmer
Phone: 941/792-1631
Fax: 253/541-0070
Email: JMessmer@rbr.com

Nashville, TN Sales Office

June Barnes
Phone: 615/360-7875
Fax: 615/361-6075
Email: JBarnes@rbr.com

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It just sounds like Ted Koppel

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Open season on IPOs?

Yet another radio group is the subject of a lawsuit over its IPO. This time the target is Spanish Broadcasting System (SBS). Schiffirin & Barroway has filed a purported class action suit in a New York federal court, claiming that shareholders who bought stock in SBS's 10/27/99 IPO through 12/6/00 were defrauded because some of the underwriters had under-the-table deals with big institutional investors to prop up the stock's trading price in return for getting access to blocks of the IPO shares.

RBR observation: What's unique about this lawsuit is that CS First Boston was NOT an underwriter of the SBS IPO. All of the previous lawsuits have targeted CS First Boston clients, since it is the main target of an SEC probe of questionable IPO practices. According to the Wall Street Journal, the SEC is also looking into the IPO practices of three other firms, two of which—BancBoston Robertson Stephens and Morgan Stanley—were among the SBS underwriters. (Lead underwriter Lehman Bros. has not been mentioned as a target of the probe.) The other two firms that the Journal says are under investigation are Goldman Sachs and JP Morgan Chase.

As we suggested previously (RBR 11/26, p. 7), the law firms which specialize in securities law class action suits are likely to find some reason to sue any company whose share price is now less than its IPO price—and that's virtually everyone who went public in the past three or four years.

Although the real targets of these IPO class action suits are the big Wall Street brokerage houses, the lawsuits are at the very least a nuisance for the public companies which are named as defendants. The bad publicity could hurt their stock trading and there are sure to be some legal costs involved in responding to the lawsuits.—JM

NAB argues to strike down crossownership ban

The National Association of Broadcasters has not only petitioned the FCC to do away with the ban on broadcast/newspaper crossownership, it has attacked the rule as never having a basis at all. "Since the early 1940's, the Commission has tried to identify specific abuses or concrete problems presented by newspaper ownership of broadcast outlets," wrote the NAB, "Despite this effort, spanning decades, the Commission has, however, consistently failed to establish the existence of any competitive or other

harms arising from newspaper/broadcast crossownership. Faced with this lack of an evidentiary basis to justify any crossownership ban, the Commission, to warrant its 1975 decision adopting the rule, was forced to speculate about the limited, theoretical diversity gains that might follow from the rule's operation."

The NAB contends that the request for comments on the effects of the rule, or its lack, are misguided, since the FCC itself "had no evidence of competitive harms" when it adopted the rule in the first place. Justification is even harder to come by now with the vast increase in media options which have come into being since 1975.

"...the newspaper/broadcasting crossownership rule must be regarded as a backward-looking relic, reflecting a bygone media age in which the broadcast industry was dominated by only three networks offering a single channel of video programming each. Regardless of its merits when adopted in 1975, the crossownership ban seems anachronistic in today's digital environment and will certainly be archaic in tomorrow's interactive, multimedia environment."—DS

Senate courts sunshine legislation

The Senate Judiciary Committee has approved a bill which would give federal judges the option of allowing the full range of journalistic tools (including cameras, microphones and videotape) into the courtroom. Federal courts up to and including the Supreme Court are affected. The bill, sponsored by **Charles Grassley** (R-IA) and **Charles Schumer** (D-NY) now heads to the full Senate. A similar bill has been introduced in the House of Representatives by **William Delahunt** (D-MA) and **Steve Chabot** (R-OH).

Said Radio-Television News Directors Association President **Barbara Cochran**, "We're happy the committee agrees that electronic journalists should be allowed in federal courts, and we are looking forward to the next step, approval from the full Senate."—DS

Mays sees no problem in multimedia Monterey cluster

Congressman **Sam Farr** (D-CA) and in-market competitor Buckley Broadcasting have voiced concerns about the part of the Clear Channel (N:CCU)/Ackerley (N:AK) merger which would add an owned and an LMA'd television station to Clear Channel's six-radio station cluster in the Monterey-Salinas-Santa Cruz market on California's central coastal region (see story, p.1).

Asked by RBR about this part of

the deal, CCU head **Lowry Mays** said, "My feeling is that it is how you define the market. We can't influence prices by owning both that we couldn't individually." He continued that radio should be treated as a separate market, based on the DOJ's established practice, and that "no predatory pricing is possible." He does not expect any problems getting approval for the merger.—DS

Don & Mike not happy about their present syndicator

Westwood One's **Don & Mike** are looking for a new syndicator. On their 12/3 program, they mentioned that while there are still 18 months left on their contract, they're definitely interested in offers. **Don Geronimo** specifically mentioned Clear Channel and Emmis. They also mentioned they were promised clearance in Philadelphia, but instead will be paid \$100K not to air. Their anger seems to be directed to Infinity Regional VP **Ken Stevens**, was referred to as "Osama Ken Laden."—CM

RBR observation: Maybe we're crazy, but we're not surprised that Don & Mike are having problems. The FM Talkers moved

from PM drive where 1) people in cars could pay attention to their schtick and 2) they are the charter syndicated talent with little national competition, and they moved to daytime where 1) people are working, can't pay as much attention to a Talk show and often look for background music, with 2) firmly entrenched competition from living legends like **Rush Limbaugh**. We're surprised all right—surprised Don & Mike abandoned PM drive in the first place.—DS

Kmart sales are down—how'd that happen?

Kmart CEO **Chuck Conaway**, commenting on a same-store drop of 2.6% for November sales, said, "Our sales performance... fell short of our expectations as our planned reductions in advertising and promotional activity decreased customer traffic more significantly than we anticipated. Recognizing the impact, we have adjusted our advertising and marketing strategy appropriately for the holiday season and over the Thanksgiving weekend we recognized significant sales increases compared to last year."

RBR observation: Stop adver-

Universal McCann analyst Bob Coen's 2002 forecast

National Advertising	% chng	revenue
Medium		
TV networks	+3.5%	\$15.87B
Spot TV	+5.0%	\$10.30B
Cable networks	+5.5%	\$12.01B
Syndicated TV	+4.0%	\$3.32B
Radio	-1.0%	\$3.62B
Magazines	-1.0%	\$10.78B
Newspapers	flat	\$6.65B
Direct mail	+2.5%	\$47.31B
Yellow pages	+1.5%	\$2.14B
Internet	flat	\$4.12B
Other	+2.5%	\$29.83B
Total National	+2.5%	\$145.9B

Local advertising	% chng	revenue
Medium		
Newspapers	+1.5%	\$39.06B
Television	+4.0%	\$13.38B
Radio	+2.5%	\$14.76B
Yellow pages	+1.0%	\$11.59B
Other	+3.7%	\$14.62B
Total Local	+2.3%	\$93.40B

Grand Total +2.4% \$239.32B

Source: Universal McCann

Interop CEO Ralph Guild's 2002 forecast

	1st Half	2nd Half	Full Year
Local radio	flat to +2%	+1 to +5%	+1 to +2%
National radio	-7 to -12%	+5 to +10%	flat to +2%
Total radio	-2 to -4%	+3 to +5%	+1 to +2%

Source: Interop

FYI from Radio Business Report

Due to the holiday calendar RBR will not be printing the weekly on December 24 and December 31st. The first post-holiday issue will be January 7th, 2002.

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tising and the customers disappear. Resume advertising and the customers break records. Hm...—DS

Arbitron drops Sioux Falls

The L.A. Radio group in Sioux Falls, SD has dropped Arbitron, according to the Sioux Falls Argus Leader. Midcontinent was left as the only subscriber, so Arbitron is discontinuing that market's book.—CM

KC to get new station

The FCC has given permission for a major frequency shuffle that will result in a new station serving Kansas City: Best Broadcasting's KCSX-FM 97.3 (Country) will get the new city of license of Lee's Summit, MO, moving 107 miles west from the Columbia, MO market, where it was licensed to Moberly, MO. KCSX will upgrade to a C1 and remain at 97.3 MHz.

To accommodate the move, KNDY-FM Marysville, KS moves from 103.1 to 95.5; KRLL-FM Malta Bend, MO moves from 97.5 to 103.9; KNMO-FM Nevada, MO moves from 97.7 to 97.5; KJCK-FM 94.5 Junction City, KS moves from 94.5 to 97.5; KINZ-FM Humboldt, KS moves from 94.3 to 95.3; KSNP-FM Burlington, KS moves from 95.3 to 97.7; KNCY-FM Auburn, NB moves from 94.7 to 103.1; KCHI-FM Chillicothe, MO flips from a Class C3 at 103.9 to a Class A at 97.5; KPOW-FM La Monte, MO moves from a C3 at 97.1 to a C2 at 97.7; WIBW-FM Topeka will move from 97.3 to 94.5; KAYQ-FM Warsaw, MO moves from 97.7 to 97.1; and KNIM-FM Maryville, MO moves its transmitter site. 97.3 is also allocated to Madison, MO as a new C3.—CM

Big plans for Small Town

Small Town Radio parent corporation Worldwide PetroMoly Inc. has a plan for its new radio group, which has just filed with the FCC to acquire its first stations. Small Town plans to grow the group into contiguous small markets throughout the southeast. It will focus on two or three common formats, originating from studio facilities in Atlanta, giving its sales force a significant listener base to pitch to potential advertisers.

"While these stations are located in smaller markets, consistent with our business strategy, we believe that they have the potential for growth within their own markets, and additionally through larger geographically adjacent markets" said Small Town President **Don Boyd**. "We expect to build a network of size and strength, while providing the communities in which these stations are located with the service and support they deserve."—DS

NRSC recommends iBiquity to FCC; IBOC equipment to be sold at NAB2002

As predicted (RBR.com 11/29), just after the International Telecommunications Union (ITU) approved iBiquity's IBOC FM technology, the National Radio Systems Committee (NRSC) held a meeting and to recommend to the FCC that it be used as the DAB standard here in the US. iBiquity says plans are set for manufacturers to sell IBOC transmitters and beginning at NAB2002's Vegas

show in April; IBOC receivers will be available in 2003.

The NRSC, which is jointly sponsored by the NAB and Consumer Electronics Association, wrote in its recommendation that the iBiquity FM IBOC (In-Band, On-Channel) system provides "greatly reduced impact of multipath interference (for mobile, portable and fixed receivers alike); superior resistance to co-channel and adjacent channel interference; support for enhanced data services; improved audio quality...iBiquity's system charts the course for an efficient transition to digital broadcasting with minimal impact on existing analog FM operation and no new spectrum requirements."—CM

Hiwire flies with Blue Falcon

Hiwire and Blue Falcon Networks have formed a partnership that will integrate Blue Falcon's bandwidth-saving networking delivery system with Hiwire's targeted ad insertion technology to cut costs and maximize revenues. Salem Communications' LA-based KKLA Communications group will be the charter customer for the new service. Blue Falcon's software will be integrated into Hiwire's Internet radio tuner, complimenting Hiwire's ability to generate revenue through targeted streaming ad insertion.

"Hiwire's agreement with Blue Falcon and KKLA Communications represents the next phase of streaming audio," said **Steve Goldberg**, president and CEO of Hiwire. "The combination of our technologies offers broadcasters an easy way to reduce bandwidth costs and generate revenue from targeted ad sales with a single solution. As our first customer for this solution, Salem's flagship station group will allow other large players in the streaming market to see how a single solution will work for them."—CM

Sirius softens on outricing XM

The new CEO of Sirius Satellite Radio (O:SIRI), **John Scelfo**, is already backing off on his company's plan to charge \$12.95 per month for its service, while competitor XM Satellite Radio (O:XMSR) has already launched with a \$9.95 price. "If people don't feel that paying more for 100% commercial-free is worth it, we will change," Scelfo said this morning (12/6) to the CS First Boston Media Week Conference in New York.

But while Scelfo was hedging on price and pointing to his company's planned launch in February, XM CEO **Hugh Panero** was beaming to report that his company is already operating and already has paying customers.

"It's real. It's happening and it is the next generation of radio," Panero said. He told that gathering that the feedback from early customers has been strong, and he added, "We're creating a world of car potatoes now."

Having just closed on new financing, Panero says XM has enough cash on hand to fund its operations through the end of 2002.—JM

It's lights out, wallet open for Barnstable

Barnstable's KGGO-FM and KJYY-FM, both in the Des Moines market, have been hit with fines totaling \$16K. Violations included failure to

keep tower lights up and running, and failure to determine and log why EAS tests were not being received.

Barnstable does not dispute the findings or the fine. However, the stations were being sold and were in an LMA with buyer Wilks Broadcasting.

Often in a case like this, the licensee will try to pawn off some or all of the blame (and fine) on the renter of the property. Barnstable, to its credit, does the opposite. It takes umbrage to the

official record, which states that "...Two Rivers [Barnstable's local licensee name] maintained a manager responsible for accounts receivable and a receptionist. All station operations, other than accounts receivable, were under the direction and oversight of Wilks."

Not true, argued Barnstable. Its manager was fulfilling all licensee obligations. The FCC obliged—it struck the slight to the Barnstable manager from the record, and assessed the fine.—DS

Competing Media

Newspapers hurting

Advertising revenues for newspapers took a 10.3% Q3 hit, dropping to \$10.6B. Retail was down 3.8% to \$4.9B, national was down 10.8% to \$1.7B and the true culprit, classified advertising, was down 17.1% to just under \$4B.

YTD, the total take of \$32B represents a 7.8% shortfall compared to 2000. Retail is down 2.2%, national is down 7.7% and classified is down 13.9%.

The difficult trend experienced by most advertising-based media was exacerbated by 9/11.—DS

Latest line on on-line ad revenue, auto ads

According to a Reuters report, on-line advertising took in \$8.2B in 2000, but is expected to reach a mere \$7.3B total when the smoke of 2001 clears. However, a bounce-back to \$8.1B is foreseen for 2002, almost getting it back to the Y2K high water mark.

Q3 results included income of \$1.79B, a 9% drop from last year. YTD, the industry take is \$5.55B, down 8.4% from the same point in 2000.

Meanwhile, a COMTEX Newswire report notes that automakers are rapidly increasing their use of web advertising. Trumpeting the 0% financing deals, automakers have increased web impressions by 30% and expenditures by 20% from August to October. \$2.3M was spent on Internet advertising in October alone.—DS

Politician files defamation suit against Mancow



Cicero, IL town President **Betty Loren-Maltese** has filed a defamation lawsuit against **Eric "Mancow" Muller** for comments he made on his show 6/18. Mancow said Loren-Maltese accepted payoffs and was associated with members of the mob. Her suit also names Emmis and seeks \$50K in damages. Loren-Maltese goes on trial next May for alleged racketeering and taking bribes to allow an insurance administrator with mob ties to cheat Cicero for \$10M, according to *The Chicago Sun-Times*.

Mancow is firing back. *Sun-Times'* Robert Feder quotes Mancow's response: "She is a very ugly and vile human being, and she couldn't be a better adversary. It's the end of free speech in America as we know it if politicians are able to silence those who criticize them. If you can judge a man by his enemies, then I must be a saint."—CM

Just a few of our 2001 Station Sales...* (and a partial list of satisfied customers)

WJMT(AM)/WMZK(FM) - Merrill, WI	\$3,000,000
WJMS(AM)/WIMI(FM) - Ironwood, MI	
Seller: W. Donald Roberts, Jr.	
Buyer: David Winters and Badger Communications	
WVVC-FM - Utica, NY	\$1,250,000
Seller: Bethany Broadcasting Corp.	
Buyer: Educational Media Foundation	
WHAG(AM)/WQCM(FM) - Halfway, MD	\$3,400,000
(Hagerstown-Chambersburg-Waynesboro market)	
Seller: Gemini Broadcast Group	
Buyer: Dame Broadcasting, LLC	
WENY(AM/FM) - Elmira, NY	\$2,200,000
Seller: White Broadcasting, LLC	
Buyer: Eolin Broadcasting, Inc.	
WLKG-FM - Lake Geneva, WI	\$3,600,000
Seller: C&J Communications	
Buyer: Radio K-T, Inc.	

*Some station sales closings are pending.

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Sean Hannity: a rising star shines for national radio

Outspoken, intelligent, hard-working and principled—that's **Sean Hannity**. His broadcast-centric career began in college radio and quickly transitioned to hosting Talk programs in WVNN-AM Huntsville and later WGST Atlanta. Hannity leap-frogged over to TV in '96 to co-host "Hannity and Colmes" at Fox News Channel. That success landed him the afternoon drive slot on WABC-AM NY shortly thereafter. He most recently took "The Sean Hannity Show" national with ABC Radio Networks in September (*RBR* 9/3, p.4) and it's clearing like gangbusters.

How did Hannity get so far so quickly? His youthful, yet professional approach, seasoned with intense political commentary connects with listeners, viewers and top newsmakers alike, including President **Bush**, V.P. **Dick Cheney**, Rev. **Jesse Jackson**, **Steve Forbes**, **Newt Gingrich**, Mayor **Rudy Giuliani**, **Benjamin Netanyahu**, **Ken Starr**, members of Congress and the list goes on. The topic-driven radio show provides a daily perspective from the right on breaking developments and the American agenda, as we know it after 9/11. Hannity, as he tells us, is soon to be in nine of the Top 10 radio markets with 75 affiliates.

Tell us about how college radio got you hooked on the medium.

I started at the University of California, Santa Barbara. KCSB is the station. As you might expect from a university station from the California system, it was fairly left-leaning. I was a guy who liked Reagan and Bush, so I didn't last too long. I was fired, I think within 40 on-air hours. Which was okay, but, once I got behind a mike, in my case, it just hooked me. So, I decided I'd try and get a job and specifically in Talk radio. I wasn't really interested in music radio. I loved politics. I used to listen to late night talk radio in New York, the real pioneers of the talk industry like **Barry Gray** and **Barry Farber** and later **Bob Grant** and even later still **Rush** and just loved it. So, I put an ad in *Radio and Records* and decided if anyone would even give me a shot I'd go there. I got a call one day from Huntsville, AL and I was hired over the phone. I packed everything I had in the back of a van that I had and drove cross country. I arrived on a Saturday and was on the air that Monday on WVNN, coincidentally at 770 on the AM dial.

So that was sort of your big break in commercial radio.

That was my big break in commercial radio. I spent just a little under two years there. **Neil Boortz** was hosting on WGST 9 to noon everyday and he made the switch to WSB in Atlanta and then that created an opening. Actually, people who traveled back and forth between Huntsville and Atlanta called the Atlanta radio station and said, 'hire the guy in Huntsville, he's pretty good.' So, they called me, brought me in for an audition and I got the job.

When you were honing your skills on Talk radio, what did you first discover that seemed to be the main draw for people about your personality or about the way you handled yourself on air?

Well, I would argue that I've evolved as I've been on the air. I think I was more abrasive, confrontational, combative when I started out. When you're 40 years old, that schtick gets a little old. So I evolved and it's more information and entertainment oriented. I find that you get a lot more being nice to people than hanging up on them on a radio

show. It's just been part of a natural evolution over time. It just happens, when you start in radio you can't teach anybody to do this, you just develop. You can't fake it either. I don't think you can be on the radio for three hours a day or on TV and fake it everyday. Who you are has to come out. People have to like that one way or the other. They either have to like you because they like you or like you because they hate you. Either way it will work. But, they've got to feel something. When I got my start, I'll never forget, I was out in Santa Barbara and I remember I never wanted to go to work because I wanted to stay home all day and watch the Iran Contra Hearings. Then I put on the local talk radio station and this guy would just throw out, "Well, the hearings took place today. Does anybody have any comments?" And nobody would call in. Then I'd call in and start ranting about what a hero **Ollie North** is. He's since become a good friend, by the way. Then people would start responding, "I want to talk to that guy. Doesn't he understand that he's destroying the constitution?" And I'd call back and say, "Wait a minute, I want to respond to that guy." It was like I was hosting the show.

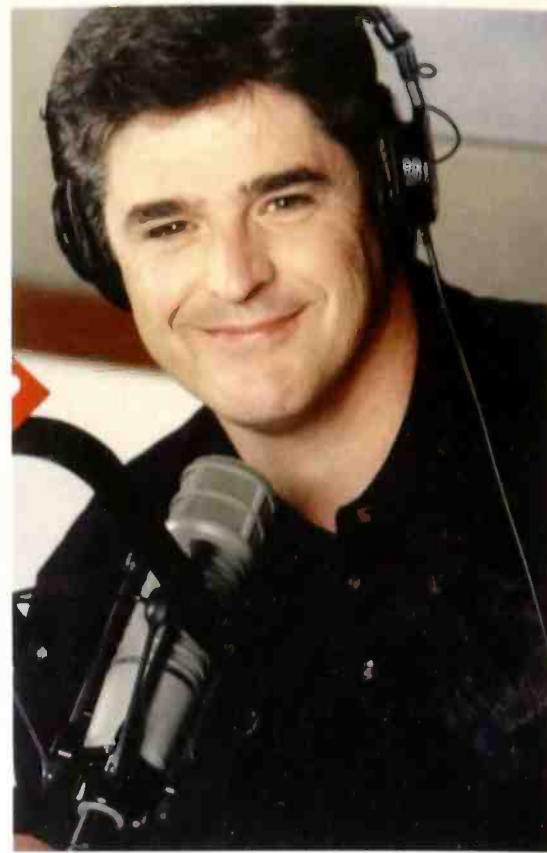
"Have you ever heard of following orders? That's exactly what he was doing."

Exactly, and it was a good idea, if you remember. It's a natural passion I have for politics and the issues of the day. And then coupled really with what you said, honing your skills. You don't start out as a great talk show host. As a matter of fact, I have the tapes to prove it.

Where do you see yourself in 20 years? Is there a goal that you're aiming at or are you already there?

I've never thought in those terms my entire life. I just try to live in the moment every day and do the best job that I can every single day. And then I figure that everything else will take care of itself after that. I mean I don't obsess over ratings. I say, "You build a good show, people will come." And that has worked for me in every market that I have been in. I spend my time focusing on the product and on that day's shows, and thinking a little bit ahead, "Well, what are going to do the rest of the week?" But beyond that, I can't tell you...wherever God has me, that's where I'll be.

To be honest, I'll be the first to tell you I never imagined that I would have the opportunities that I've had in the last five years and that I'd be able to capitalize on them. And I think that one of the things that works for me is I don't think I'm the most talented guy in radio by any stretch of the imagination, or TV for that matter. But I do work hard and I do realize an opportunity when I get one. And the only way you're going to make it work is if you work hard. And that means working the phones to book guests, that means spending the extra



hour or two on the Internet to find a good story that the audience will like that nobody else found. I think those principles are the principles of success.

How did your deal with ABC Radio Networks come about?

You know, it just was a natural progression. I guess the best way we could say that is we took over on afternoons [at WABC-AM NY] and the ratings were really, really low, hadn't been doing well. It was still suffering the effects of when Bob Grant was fired. They hadn't been able to pull afternoon drive out of the 2 share range. So I just came in there and said, "Look, I'm just going to do a different show. And I'm going to do my show and I'm going to do it my way." And it's paid off. We've hit the high water mark of around a 4.6—more than doubling the ratings in that period of time.

Yes, and in that city, that's a lot of people.

We sort of hover and average around a 4 share in the last year, so we've been very consistent. And [WABC-AM PD] **Phil Boyce** and I had talked about where we thought there were openings in syndication and we felt in afternoon drive there really was a niche that needed to be filled. And it just snowballed into a discussion and it seemed to work and the local ABC O&Os seemed to need some product. Really, it happened that quickly. One discussion became a meeting and a meeting became a contract and here we are. I think we're about 75 stations strong and we only launched September 10th. I think by the end of the year, we will have cleared nine of the Top 10 markets.

ABC Radio Networks announced just recently you had cleared 65 affiliates. Now you're already up to 75?

Yeah, but we're not announcing yet...we have four big announcements coming that I can't tell you about. You could figure it out if you look at our Top 10 list and see which ones are missing. They're all there though. There's only one market missing.

How did you handle 9/11? Your national show launches 9/10 and the next day this happens.

We couldn't even get into the city the next day, because I live out in Long Island and literally after these attacks, the city was shut down. We had to get a hook-up from a Long Island radio station, WLIR-FM. So we did the show from there that day commercial-free and we did what we do best. We got the top newsmakers, the top people in the country, administration officials. **Newt Gingrich** I remember was on that day, somebody from the mayor's office. We just walked through it as best we could. Took people's phone calls, gave our take on it, and that led to who did this, that led to fear of

other terror, that led to the anthrax scare, that led to the buildup to the war, through the war effort. Each step is something that a Talk audience would naturally want to talk about.

What advertisers are interested in your nationally syndicated show?

We brought a lot of the people that we had locally into the syndicated show because we delivered well. We've had people on the air for years from the Vermont Teddy Bear to Lobster Gram to The Sharper Image to Flowers.com to a bunch of others. And it's only because I understand this is a business and people pay good money in their advertising rates and I've always understood that you try and get them the best bang for their buck too. They way you do that is...well first of all, I won't endorse something that I don't believe in. And secondly, when I do believe in it, I let they audience know, that hey, these are good people, this is a good product, you want to get behind it and I let them know that they're supporting the show. And people respond, so we've been pretty fortunate in that way.

It seems to be more and more popular now to have conservative Talk show hosts on radio and now TV. Liberals really haven't had that sort of success...

Well, they already have—ABC, NBC, CBS and CNN—what else do they want?

Well, even now Bill O'Reilly looks like he may get signed. What do you think of this sea change where everybody seems to be flocking to the conservative hosts?

Well I think Bill would tell you that he's not a conservative, and it's interesting to see what he does. And I think he views himself more as a journalist, so that would perhaps be a change in the genre somewhat...

Tell us about your great dynamic with Alan Colmes on Fox News Channels' "Hannity and Colmes." How did it come about?

It just evolves. One of the things, we've always had the ability to step out of that "format" of a debate show, whether we're interviewing the former Prime Minister of Britain **Major** or former Prime Minister Netanyahu or last night Queen **Noor** of Jordan. We have the ability to step out of a debate show and do news or do information. I think that has always been pretty unique about our show, where a lot of shows have this set formula that they can't seem to get out of. We've been successful doing both.

I think the bottom line of it all is that Alan and I get along personally. We don't agree, but we respect each other. It's not personal, it never has been and never will be. We don't hesitate at any point in the show during a heated debate, you know, to stand back and laugh at ourselves. And the audience sort of gets it.

Favorite guests of all time?

I love them all. Honestly. I love smart people, obviously, like Newt and Netanyahu and certainly the President whom I've interviewed and the Vice President. But just the whole package of interviewing, from pundits to everyday people who are in the news to queens and kings. For me, just being there in the midst of stuff and finding out what people think, I enjoy that.

How do you compare and contrast radio and TV?

With radio, you've got to be a little hotter. I think TV images are more powerful than radio. Radio by nature you're hotter. You have the ability to use images in TV which can just tell a story—you can give a wink or a nod and that tells a story or conveys a sentiment. And I don't know why, but I naturally go into radio mode and TV mode and there is a difference.



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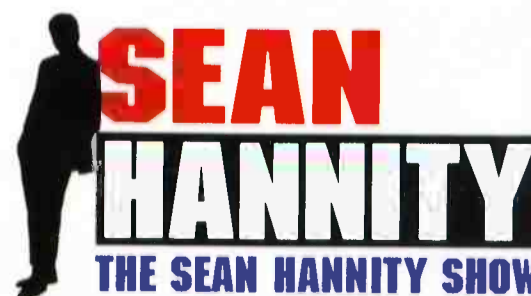
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By Jack Messmer

Mel and Lowry press for more dereg

Being the only radio groups with over \$1B in annual billings isn't enough for Clear Channel (N:CCU) CEO **Lowry Mays** and Viacom (N:VIA) President **Mel Karmazin**. Both made pitches for being able to own more stations in a single market in their presentations to the UBS Warburg conference.

"Right now there's an arbitrary number that one company can own in one market of eight. Why eight, why not 12?" Karmazin asked. He said that to foster competition in the largest markets, only four or five owners are needed. Thus, he said, a single company should be able to own 25-30% of the signals, regardless of number.

"We believe very strongly there should be further deregulation in the radio sector," Mays said. He called for elimination of the rule barring in-market cross-ownership of newspapers and broadcast properties, although Mays noted that Clear Channel has no interest in buying newspapers.

Radio group heads squint to see light at the end of the tunnel

Like Lake Wobegon, "where all of the children are above average," every radio group has figured out how to play the numbers to demonstrate to Wall Street that they are outperforming the industry average in this tough year. But what they weren't willing to say at last week's competing New York me-

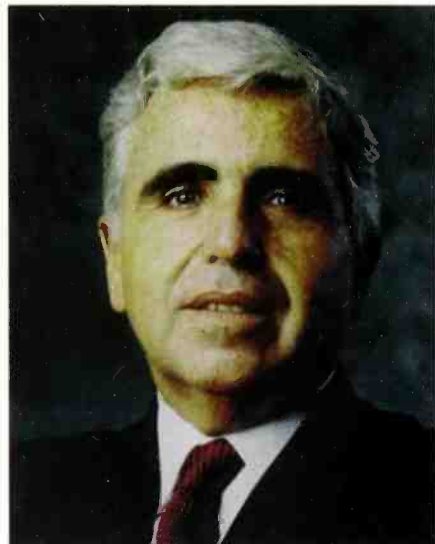


David Field

dia conferences—UBS Warburg's 29th annual at the Grand Hyatt and CS First Boston's at the Plaza—was what their companies will book for revenues and cash flow in 2002.

"In the last few weeks something fundamental has changed. Infinity—and I hate to talk about a competitor—Infinity has stepped up as an industry leader,"

said Entercom (N:ETM) President **David Field** at the CS First Boston confab. He went on to applaud Infinity President **Farid Suleman** and his boss, Viacom (N:VIA) President **Mel Karmazin** for insisting that Infinity radio stations get higher rates for their inventory. "What Infinity has done in the last couple of weeks is a great wake-up call for the industry and I think it's an important show of leadership," Field repeated a few minutes later.



Mel Karmazin

"It is totally unacceptable for our sales people to sell advertising, beginning in the first quarter of 2002, at lower rates than we got in 2001," Karmazin said at the UBS conference. "We can't control what our competitors do, but we hope they'll do the same."

Noting the thick Sunday newspapers he'd observed the previ-

ous day, Karmazin declared, "It's an embarrassment to the radio industry that we're not having a better fourth quarter."

"We're seeing early signs of positive comps in January," Radio One (O:ROIA) CFO **Scott Royster** told the CSFB conference—the first time in a long time that any month is pacing ahead of the previous year. But Royster also warned that there was no guarantee that the trend would hold.

"We've seen false starts before. We had one in the third quarter," CEO **Alfred Liggins** warned.

"Viacom is already climbing out of the slump," CEO **Sumner Redstone** declared to the CSFB conference. While many forecasters are theorizing that the economic recovery will come in the second half of 2002, Redstone said he expects it to come sooner—in the first or second quarter of the year.

Commenting specifically on the situation at Viacom's Infinity Radio unit, Redstone reported evidence of an upturn. "While we have cut prices for the first time, we are now having consecutive weeks where Infinity Radio is up," he said.

No matter what happens in the broader economy, Redstone insisted that Viacom is a unique company and will outperform its competitors in any environment. He repeated the company's recent announcement that it will expand its national cross-platform ad sales operation, known as Viacom Plus, to sell its radio, TV, outdoor and other offerings in multi-media packages at the local and regional level. Redstone hailed the success of cross-platform selling as an unexpected offshoot of the Viacom-CBS merger.

"I did not ever conceive of what we would call cross-selling," Redstone said of the merger, which he said had been driven strictly by the value of the two companies' assets—but he's now an unabashed advocate of cross-selling. The CEO listed Viacom Plus success stories—Johnson & Johnson, Merrill Lynch, Kraft, Ditech, DaimlerChrysler, Fidelity and the biggest to date, a \$300M multi-platform deal with Procter & Gamble. "That was just the beginning," Redstone said of the P&G deal, indicating that even bigger deals are likely in the future.

"It is much more recognized and warmly received at Wall Street conferences than it is in reality on the street," Emmis (O:EMMS) CEO **Jeff Smulyan** said when asked about cross-platform selling at the UBS conference. "Sure, you can always sell a package if you want to give it away," he added.



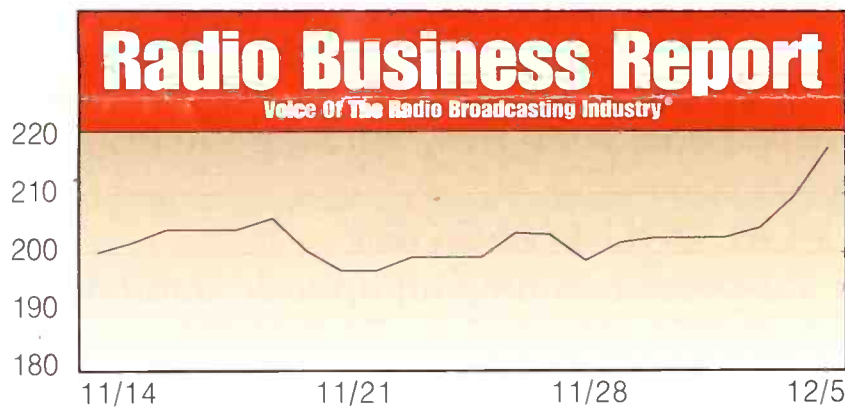
Alfred Liggins



Sumner Redstone

The Radio Index™

The Radio Index™ moved up 9.4 for the week to close 12/5 at 217.416.



Hispanic expects boost from Census numbers

Regardless of what the economy does, Hispanic Broadcasting Corporation (N:HSP) CEO **Mack Tichenor** is counting on a boost from implementation of the 2000 census numbers. As a result of the census, Arbitron is adjusting Hispanic waiting upward by about 10% in the ten largest US Hispanic markets. What that means Tichenor told the UBS Warburg media conference is that ratings for Hispanic stations are going to go up in numbers about in line with those adjustments.

Hispanic Broadcasting CFO **Jeff Henson** told the UBS Warburg conference that 2002 could be a big year for acquisitions. "We see values of radio stations declining as revenues come down and multiples come down," Henson said. So, more stations will be for sale at or near stick value prices. And that plays right into Hispanic Broadcasting's trademark practice of buying English stations in big Hispanic markets to flip to Spanish formats.

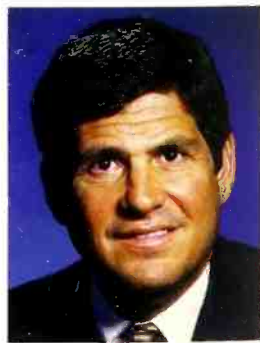


Mack Tichenor

Smulyan confirms interest in Denver swap

CEO **Jeff Smulyan** says Emmis Communications (O:EMMS) is looking to divest some non-core assets to reduce its debt leverage. While he didn't identify what assets Emmis might want to part with, he did confirm speculation seen in *RBR* and elsewhere that Emmis is interested in taking Tribune (N:TRB) up on its offer to swap Tribune's Denver radio stations for TV assets. "It's certainly something we're going to look at," Smulyan said at the UBS conference. "They're nice properties and they would fit."

Smulyan indicated that Emmis is still working on plans to separate its radio and TV assets so that Wall Street investors can have the pure play radio investment that they want from Emmis. He didn't indicate how soon that might take place and said that the solution may surprise many people.



Jeff Smulyan

Ulloa wants to close revenue gap

Entravision (N:EVC) CEO **Walter Ulloa** told the UBS Warburg conference that if his company's Spanish TV and radio stations got the same rates as their English competitors, his company would be booking \$185M in additional annual revenues—so closing that gap through more aggressive selling and convincing advertisers of the value of the Hispanic market remain his top priorities. The biggest part of that gap is in radio, where Ulloa calculates that Entravision's stations command 8.5% of the audience in their markets, but only 2.6% of revenues. That means that

Cumulus Media, Inc.

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there's a \$105M gap between the \$54M that the stations are billing and the \$159M that he thinks they ought to have. Ulloa cited the creation of Lotus-Entravision Reps as one step toward closing that gap and also said that all Spanish radio groups, not just his own, need to keep the heat on Arbitron to improve its methodology for measuring listening by Hispanics.

Dickey wants more big market stations

In the coming months, Cumulus Media (O:CMLS) will begin operating in its largest markets—Houston and Kansas City—but without buying a station in either market. Rather, the company has engineered move-ins from smaller markets—Beaumont to Houston and Topeka to Kansas City—as a way to increase the value of some of their properties.

"We've got a few more that we're working on right now," CEO **Lew Dickey** told the UBS Warburg conference. He noted that Cumulus' cost for the KAYD-FM move-in in Houston will total only about \$10M, while a similar signal in the same market, KQQK-FM, was recently purchased by Hispanic Broadcasting (N:HSP) for \$80M.

Beasley watching the calendar

Regardless of how soon the US economic recovery comes, **George Beasley** knows that WQAM-AM Miami will be rid of its costly pro sports contracts by next spring. That, he told the UBS Warburg Media Conference, will improve the station's cash flow margin from 20% to 39%. CEO Beasley was also optimistic about growth prospects for Beasley Broadcast Group's (O:BBGI) other big market, Philadelphia, where it defines all of its stations as being in the "developing stage," since all are operating below 40% cash flow margins. "Turnarounds are not new to us," Beasley noted, given that he's now entering his fifth decade in the radio business.

Asked by an audience member when the company would have its Philadelphia stations operating as "mature and satisfactory" properties, CFO **Caroline Beasley** replied, "Up to mature and satisfactory, I think it will be beyond 2002." Co-COO **Bruce Beasley** chimed in that Country WXTU-FM is almost to the 40% mark now, but that the company's new 80s Hits station, WPTP-FM, will not reach the mark until sometime after 2002.

Entercom adds Carolina combo

Entercom (N:ETM) has a \$20.5M deal to buy WPET-AM & WKSI-FM from Bahakel Communications. The deal, which includes an LMA beginning 12/5, will give Entercom a match with Clear Channel (N:CCU) for station count in the Greensboro, NC market—six each. However, CCU will still have one more FM (5 FMs/1 AM), with Entercom having four FMs and two AMs. **Broker: Elliot Evers**, Media Venture Partners

Upstate upstart for Radio Disney

Disney (N:DIS), via its subsidiary ABC Radio, has found yet another home for its Radio Disney Children's format. This time, it will be WGNA-AM in the Albany-Schenectady-Troy market. It will be an O&O, not just an affiliate, as seller Regent Communications has decided to cash in on the underutilized AM, which has been simulcasting the Country format of market-leading WGNA-FM to little effect (at least as measured by Arbitron). The station, operating with a good 5 kw signal day and night (directional after dark) from 1460 kHz, is going for \$2M. Albany becomes the 47th market for the format. **Broker: William B. Schutz, Jr.**—DS

Regent no longer covets Covenant stations

That's because it's buying them. Regent Communications (O:RGCI) is plunking down \$1.3M cash for WLSP-AM & WRXF-FM in the Flint MI market. The deal with Covenant Communications Corp. will bump up Regent's existing superduopoly to two AMs and four FMs, but will still leave it some distance behind the market-leading cluster of Cumulus (O:CMLS). Regent has already begun operating the stations in an LMA.

There was a strategic element to the deal to strengthen Regent's Flint cluster. To wit, the sale of WGNA-AM Albany NY to ABC Radio for \$2M (see story above), spinning off a station which was simply simulcasting an FM station, more than funded the Flint acquisition.

Speaking of the Flint deal, Regent Chairman/CEO **Terry Jacobs** said, "This fill-in acquisition will enable us to further drive results by taking advantage of the revenue and cost synergies that market clustering affords. Combined with the sale of one of our AM signals in Albany, we have strengthened our portfolio without impacting our balance sheet." **Brokers: George R. Reed, Scott M. Knoblauch, Eddie Esserman**, Media Services Group, for Covenant—DS

SBS surpasses guidance

Spanish Broadcasting System (O:SBSA) released Q4 2001 and year-end results (SBS's fiscal year ends in September), and it did better than it had expected. Net revenues were up for the quarter, going from just under \$34M to just over \$36M; 2000 revenue of \$122.7M was bested by 2001's \$134.3M performance.

Q4 broadcast cash flow came in at \$14.5M, a 15% drop from the previous year; EBITDA, at \$11.5M, dropped 21%. For the year, BCF was down 23% to \$50M, while EBITDA was down 11% to \$39.5M.

Despite the red ink, which is being used by almost every public radio company, SBS was pleased with the results, which were somewhat better than expected.

Chairman/CEO **Raul Alarcon** said, "Throughout this economically challenging period, we have continued to invest in our management, programming and sales efforts. These investments are beginning to pay off. Our strong management team has been very successful in implementing our growth strategy, which is evidenced by the growth in market share and increased ratings in key markets, particularly New York, Los Angeles and Chicago."

A key event for the company was the start-up KXOL-FM in Los Angeles 4/31/01.—DS

Television Business Report™

Paxson plays hardball with NBC

Paxson Communications (A:PAX) has taken action against its partner, General Electric's (N:GE) NBC, over NBC's nearly \$3B deal to acquire Telemundo. At the UBS Warburg Media Conference in New York (12/5), Paxson President **Jeff Sagansky** said that NBC's 1999 deal to invest \$415M in Paxson with options to take that stake to 49% as early as next year bound both companies to not create any new regulatory barriers to an eventual merger. "With the Telemundo transaction, NBC creates huge new regulatory hurdles," Sagansky said.

After two weeks of negotiations led nowhere, Paxson initiated binding arbitration under terms of the 1999 agreement and hired super-lawyer **David Bois** to represent it in the battle with NBC. At the same time, Paxson filed two petitions with the FCC. The first asks the Commission to rule on whether NBC already holds an attributable interest in Paxson, which would block any Telemundo acquisition (RBR note: And put NBC over the FCC's 35% audience cap). The other petition asks the FCC to deny the Telemundo acquisition because of the conflict with NBC's existing contractual obligations to Paxson.

Sagansky didn't appear worried about seeing the deal with NBC fall apart, since Paxson's management believes the company is worth considerably more now than when **Bud Paxson** did the deal with NBC two years ago. "If it comes to an unwind, which is a likely possibility, we will find a new partner, or more likely a buyer," Sagansky said. Based on the prices paid in other recent sales of large TV groups and cable networks, Sagansky indicated that the stick value of Paxson's distribution network (its terrestrial stations, cable distribution and satellite coverage) is worth over \$3.3B—even before attaching any value to the PAX network and potential spectrum buyouts from the FCC's coming 700 MHz auction.

RBR observation: Paxson is betting that other media giants are now in the hunt for large TV platforms after the recent moves by Viacom (N:VIA) and News Corp. (N:NWS) to break through the 35% audience cap. If that cap were to be wiped out—which Sagansky and many others in the TV industry believe a federal court may do this month—any and all of the big four networks could be interested in bidding for PAX. Viacom, News Corp. and NBC would face divestiture issues in markets where that would give them three TV stations, but Disney (N:DIS) has no TV duopolies. Another media giant—AOL Time-Warner (N:AOL)—owns the WB network, but has only one TV station of its own. However, it would be blocked from buying Paxson so long as the FCC's rule against owning a cable system and a TV station market in the same market stands.—JM

New suitor for Paxson?

According to a Reuters report, Hollywood studio Metro-Goldwyn-Mayer Inc. has expressed an interest in the Paxson group of television stations. Said MGM CEO **Alex Yamenidjian**, "Paxson would fit very well with MGM at the right price and the right structure. It would take our television business to a different level." In particular, it would provide a ready-made outlet for MGM's library of television programs.—DS

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FYI from RBR

Due to the holiday calendar RBR will not be printing the weekly on December 24 and December 31st. The next issue will be January 7th, 2002.

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Latest gear for Holiday remotes

The holidays are kicking in—a big time of the year for remotes. While cell phones may have been the biggest breakthrough yet in remote science, remote equipment vendors have made some serious revolutions of their own. Whether your remotes are delivered via POTS lines ("Plain Old Telephone Service"), ISDN, Inmarsat/satellite, wireless codec, analog RPU (Remote Pickup Unit) or all of the above, we asked the remote solutions providers to detail their newest gear, and the headaches they can prevent.

One can hardly say "remote" without thinking of Broadcast Electronics' Marti division. Marti was, in fact, the first company to make remotes a common phenomenon back in the 60's and 70's. "We do about 12 remotes a week. We use Marti systems. We don't use phone lines. If we use phone lines, we have them installed by the telephone company. But those are few and far between," explains KYLD-FM/KMEL-FM San Francisco Promotions and Special Events Director **Carlos Pedraza**.

Marti introduced two new remote products at the Spring NAB, both of which appeal to different remote broadcasting methods. The first is the latest in Marti's RF remote products, the SRPT-40A. "This is a new 40-watt frequency-agile RPU transmitter for the 450-455 MHz band, an all new design with new front panel, new RF amplifier, and new synthesizer," Marti President **Jim Godfrey** tells *RBR*. "This is a more reliable RPU with more power and more features. It allows a broadcaster who has more than two frequencies licensed to him to use the unit on any of the more than 150 US RPU frequencies. This is all selectable from the front panel."

The second is a cellular-based product that updates Marti's older analog Cellcast unit. The new Cellcast, made available last August, is based on digital (PCS, TDMA, GSM) cellular technology. Says Godfrey: "The new Cellcast offers flexibility in selecting the Cellular system that you want for your remotes. There will be several models available, TMDA, AT&T tri-mode, and GSM models for export. The Cellcast is a portable, easy to use system and offers the greatest flexibility in getting connected almost anywhere."

The latest Scoop codec, "Scoop E-Z," is AETA's solution for covering all the different ways to do a remote. Weighing only 4 lbs (including batteries), Scoop E-Z can handle POTS, ISDN, Inmarsat and wireless remote ops. Says **Glenn Simmonds**, OM, Atlanta's WCLK-FM: "We've been using Scoop for over a year now. What I really like about it is the versatility that the unit has and the fact that it can work for different applications. Before we got the Scoop, we were getting remote requests, but we weren't able to take advantage

of them. Now that we have the unit, we've been able to tackle those remotes and it's worked well for all of them."

Comrex's Matrix codec uses a modular approach is designed to accept future software upgrades. "The core of the Matrix's flexibility revolves around full access to its powerful coding engine through easily inserted modules and upgradeable flash memory," says Comrex Marketing Director **Kris Bobo**. "Whatever may be coming down the communications pipeline, the Matrix is ready. We are hoping that this will be the last codec that the customer needs to buy—it can be frustrating to invest big bucks in a new codec, just to find out that there is a better codec introduced three months later."

Not long ago, ISDN was the greatest, then equipment was designed that could do terrific audio on POTS and now it's high speed GSM digital wireless—and coming soon...3G wireless."

The Matrix weighs less than three pounds, and

can deliver up to 15 kHz audio over a regular POTS line, wireless circuit or ISDN. Says Bobo: "The user can plan to deliver a remote on ISDN, default to a normal phone line when the ISDN won't work and have multiple options for back up. Also, the quality on POTS is so good, that many remotes can be planned on POTS, thereby saving the cost of installing an ISDN line."

"They've been able to truly master the art of putting wideband 'high fidelity audio' over a regular POTS line," says **Greg Savoldi**, Director of Engineering, Clear Channel, Columbus, OH. "The Matrix is really a third-generation. It started with the HotLine, then it went to the Vector, and now it's at the Matrix series. And by the time you've gotten to the Matrix, you've gotten a refined machine that has a processor and it can give you basically Marti bandwidth and beyond over a POTS line that's only moderate-grade in performance."

The Matrix offers cellular phone ability too. Adds Savoldi: "The next generation coming out is using wireless GSM cellular and/or using a certain brand of Nokia phone where you plug the Matrix into the Nokia. And in effect, at a very low baud rate, like 9600, it will go over the cell phone. So now, you can go anywhere. Now, it won't be real high quality [5kHz audio], but it's better than a cell phone and it will have two or three broadcast-quality mics hooked into it."

Comrex also just started offering the BlueBox, for shipment in March 2002. This new POTS/wireless audio codec delivers the audio quality of Comrex's Matrix and the 4-channel Vector POTS codec at a fraction of the cost. BlueBox provides GSM wireless operation to improve GSM phone feed audio quality. Additionally, it can connect to the hands-free port on mobile phones and place calls to telephone hybrids (no codec is required on the receiving end of the call).

Telos Systems e-marketing specialist **Clark Novak** says the Zephyr Xstream is the newest incarnation of the industry-standard Zephyr ISDN transceiver. "Zephyr Xstream allows you to send and receive CD-quality stereo audio over standard digital phone lines. It features an Ethernet port for output of streaming audio over IP, and for remote control via LAN, WAN or the Internet. The three models include the Zephyr Xstream (rack mount studio unit); Xstream MX (rack-mount studio with mixer, digital peak limiter) and Xstream MXP (portable with mixer, digital peak limiter)." The Zephyr family of digital network transceivers was first introduced in 1995.

High quality two-way communication with a remote source has been possible for quite a while, but not always practical because of the



Telos' Zephyr Xstream

delay introduced by the digital compression process—up to 300-plus milliseconds, too much delay for normal conversation. Says Novak: "The Zephyr Xstream family utilizes the newest Fraunhofer codec, MPEG AAC-LD (LD = Low Delay), which gives Layer 3 quality with only 50 milliseconds of delay. Normal conversation is now possible while maintaining extremely high audio quality in both directions."

"The Xstream is an international standard because it had the ability to do stereo and use MPEG Layer 3 algorithm, which gives you the wide bandwidth with only 56 kilobits of connectivity in ISDN. They are leaders in that technology, absolutely," says Savoldi.

Pedraza says if music is involved in his remotes, the Zephyr comes into play: "Depending on the nature of the event. If it's an event that entails broadcasting music, then it gets a little more complicated, so we have to drop ISDN lines. We use Zephyrs from Telos. We haven't had any problems at all with it to date. For just the regular stuff, we can use our cell phones."

Remote gear has come a long way

In the past 20 years, the science of remotes has changed dramatically. Talk show hosts are broadcasting from their bedrooms. Remotes from anywhere cost a fraction of what they once did and sound better.

That's not the way it used to be, for sure. "Thinking back almost 20 years, it definitely would have involved equalized lines. You know—calling Ma Bell and saying I need a 15K or an 8K equalized loop. So here's Ohio Bell having to take copper, equalize it over miles and miles—it would take days to do. You would certainly give them two weeks lead time, it was obviously one-way. The quality would usually be OK, but it was the time factor, and you were a slave to where that thing was anchored," recalls Savoldi. "You could have done Martis, but for an FM broadcast where you would broadcast from a nightclub and play music, now you're talking about two 15K pairs, and they had to be conditioned for stereo so the phasing was OK so it wouldn't have a mono compatibility problem. That would cost a couple of grand to put those in—this is like the mid-80's."

Flash-forwarding to the mid-90s, with a Telos Zephyr or Comrex TX-200 codec on ISDN, engineers could put an ISDN line in for a couple hundred bucks, hook up these codecs and have 15K bandwidth stereo. "And it would play all day and all night on a piece of telephone wire extended 500-1,000 feet from where the drop point was. So just in that 10-year period, we were able to quantum jump as far as technology because of the virtues of digital and ISDN becoming readily available," adds Savoldi. "Now, not only do we have, by regular POTS line achieved a high quality, high bandwidth feedback to the station—we get the same in return from the station for IFB (Interruptible Fold Back—when the producer is talking on the line), Mix Minus. Now you can go into a store and say, 'Can I borrow your fax line for three hours to do a broadcast?'"



BE/Marti's SRPT-40A



Comrex's Matrix codec

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Powell gets Bush nod for FCC Chair

The FCC wasn't without a Chairman for long. Two days after taking office (1/22), President **George W. Bush** appointed **Michael Powell** to head the Federal Communications Commission. Since Powell was already a Commissioner (his term runs through 6/30/02), no Senate confirmation is necessary.

President Bush still has one vacant seat to fill and **Harold Furchtgott-Roth** is a Republican holdover whose term expired last summer. Of the two Democrats, **Susan Ness'** recent recess appointment by then-President **Bill Clinton** (RBR 12/25/00, p. 1) will allow her to remain until Congress adjourns late this year and **Gloria Tristani's** term runs through 6/30/03.



"I am deeply honored and privileged to have received President Bush's designation to be Chairman of the Federal Communications Commission," Powell said in a statement. "I look forward to working with the new administration, Congress, my fellow Commissioners and the very talented FCC staff on the important and challenging communications issues facing our nation."

On Capitol Hill, House Energy & Commerce Committee Chairman **Billy Tauzin** (R-LA) applauded Powell's appointment. "He is the one person best suited to bring the agency into the 21st Century," Tauzin said. The Louisiana Republican had publicly campaigned for Bush to pick Powell for the post.

Look for Powell to have better relations with Congress than his two predecessors, Democrats **Bill Kennard** and **Reed Hundt**, both of whom frequently locked horns with Republicans and even several Democrats on key congressional committees.

Others also hailed the choice. "Michael Powell has demonstrated a keen intellect and a firm grasp on public policy issues," said NAB President **Eddie Fritts**.

"Commissioner Powell is a proven leader in the communications industry and will bring his sharp intellect and substan

continued on page 2

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VP Administration Cathy Carnegie
FCC Research Consultant Mona Wargo
Administrative Assistant April Olson

Publisher.....Jlm Carnegie

VP/GM, Associate Publisher Ken Lee
Senior Account Executive John Neff
Account Executive June Barnes
Account Executive Ann Morrone

Editorial/Advertising Offices

6208-B Old Franconia Road
Alexandria, VA 22310
PO Box 782 Springfield, VA 22150

Main Phone:703/719-9500
Editorial Fax:703/719-7910
Sales Fax:703/719-9509
Subscription Phone:703/719-7721
Subscription Fax:703/719-7725

Email Addresses

Publisher:.....JCarnegie@rbr.com
Editorial:.....RadioNews@rbr.com
Sales:KLee@rbr.com
JNeff@rbr.com

Daytona Beach Sales Office

Ann Moronne
Phone:904/767-3682
Fax:904/760-2888
EmailAMoronne@rbr.com

Nashville Sales Office

June Barnes
Phone:615/360-7875
Fax:208/445-8774
Email:JBarnes@rbr.com

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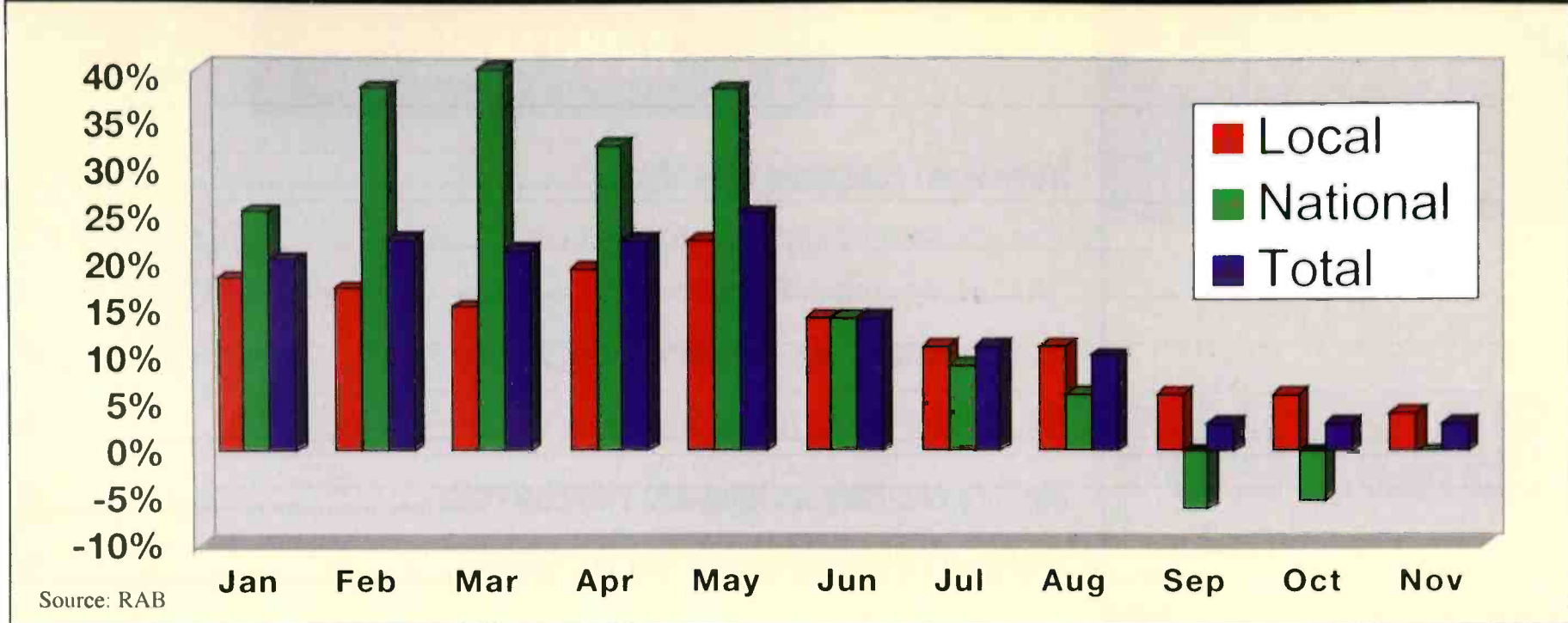


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tial energy to the Chairman-ship. I look forward to continuing our work together in the new administration," said Commissioner Harold Furchtgott-Roth (R), hinting broadly that he'd like to be re-appointed to the FCC.

From the Democratic side, Commissioner Susan Ness said of Powell: "His leadership, intelligence, character, and sense of humor are qualities that will serve him, and the American public, well as he guides the FCC during this dynamic time of progress and change."

Powell was first appointed to the FCC in 1997 by President Clinton. At that time, all that most people in radio knew about him was that he was the son of Retired General **Colin Powell**, who's now President Bush's Secretary of State. The younger Powell established a reputation at the FCC for negotiating some of his conservative-leaning views into Commission decisions—compromising with Chairman Kennard and the other Democrats though often taking exception to major parts in concurring statements—rather than dissenting outright, as Furchtgott-Roth more often did.

Prior to his FCC years, Powell had been an attorney in the Antitrust Division of the Department of Justice. He has been critical of the Commission, under Kennard, injecting itself into antitrust-like reviews of radio, TV and telecommunications mergers.

Powell, who's 37, set his sights on a career in law and politics after a 1987 Jeep accident in Germany cut short his Army career and nearly killed him. "I always expected to make the Army my life. What am I going to do now?" Michael Powell was quoted as asking his father in General Powell's autobiography.

For the next few years at least, the answer is that he'll be in charge of setting communications policy for the entire United States.—JM

November revenues up 3%

Radio revenues rose 3% in November 2000, according to the Radio Advertising Bureau. The RAB reported 1/22 that local revenues were up 4% in November, while national spot was flat. Through the first 11 months of 2000, total revenues were up 13%. Local was also up 13% and national 14%. RAB CEO **Gary Fries** noted that the month marked the 99th straight with an overall gain for radio.

In a departure with past practice, the RAB report did not include regional breakouts. "The decision was made by Miller, Kaplan not to supply the information," explained RAB VP/Corporate Marketing **Renee Cassis**.

"We will begin providing index numbers (1998 = Base Year 100) along with nationwide year-to-year growth effective 1/01," Miller Kaplan partner **George Nadel Rivin** said in response to an inquiry from *RBR*. "With regional differences not nearly as pronounced as they were a decade ago, each of the regions are within a 3% range from nationwide growth for 2000."

Material for the RAB's report is gathered from over 100 markets nationwide by two CPA firms, Miller, Kaplan, Arase & Co. and Hungerford, Aldrin, Nichols and Carter, but Miller, Kaplan covers more markets than Hungerford.

RBR observation: The childishness of the radio executives (and you know who you are) who've been pressuring Miller, Kaplan to clam up is truly astonishing, not to mention short-sighted and self-destructive. They seem to be oblivious to the damage they're doing to themselves and the rest of the radio industry. (See also, pages 8-11.) First they put a halt to *RBR*'s twice-monthly pacing reports and now they've blocked after-the-fact information on regional trends.

Wall Street analysts have noticed and they aren't happy. One, who asked that his name not be used, warned that if The Street is denied access to reliable information about the radio industry, investors will knock stock prices down to reflect that increased risk—and some will take their money out of radio and put it into a sector where they can get better information.

Reacting to tough times by sticking your head in the sand is not reassuring to investors. The tough comps of today will pass. Being more forthcoming with Wall Street, via the analysts and publications such as *RBR*, will make that passage less painful. Going into hiding, as some of you want to do, will only make things worse.

Radio fought for years for a chance to play in the big leagues and finally achieved that goal over the past four years. The time has come for a few guys to abandon their bush league thinking.—JM

McCain renews campaign finance battle

As promised, one-time presidential candidate **John McCain** is pushing to make campaign finance reform the first agenda item for the new Congress. On the first day to submit bills in the Senate, 1/22, Sen. McCain (R-AZ) joined with long-time co-sponsor Sen. **Russ Feingold** (D-WI) and new backer Sen. **Thad Cochran** (R-MS) to introduce the "McCain-Feingold-Cochran Campaign Reform Bill."

Although the actual bill is not yet available, a working draft makes no mention of free broadcast air time. McCain and Feingold dropped that idea a few years back after it ran into strong opposition. That doesn't mean, however, that the issue couldn't come up again. McCain has said he's open to amendments which would strengthen the bill and help win passage, but warns that he'll fight efforts to add killer amendments, such as efforts by some Republicans to restrict union spending to support candidates—spending that tends to go overwhelmingly to Democrats.

The new bill does, however, include a provision which would restrict so-called advocacy ads paid for by independent groups if they target specific candidates. Such ads, which are usually in the form of TV or radio spots, would be banned within 30 days of a primary or 60 days of a general election.—JM



McCain (R-AZ)



Feingold (D-WI)



Cochran (R-MS)

FCC sets FM auction

The FCC has set 5/9 as the date for its auction of 355 construction permits for new FM stations. The auction had previously been scheduled for 2/21. In its order setting out bidding rules, the FCC warned that collusion is prohibited and that the Commission won't hesitate to investigate allegations of contacts between bidders regarding bids, bidding strategies or settlements. Companies may, however, merge their bidding efforts prior to 3/19, when Form 175 short form applications are due for all would-be bidders. Upfront minimum bid payments will be due 4/16. Those minimum payments range from \$1.5K in small towns, such as King Salmon, AK, to \$200K in places like Hemet, CA (Riverside-San Bernardino market) and Dallas, OR (Portland market).—JM

FM minor change freeze announced

Due to the pending FM auction (see previous), the FCC has ordered a freeze on applications seeking minor changes by FM stations from 3/7 to 3/19. Those are the same dates specified for auction participants to file preferred sites for the new station allotments they wish to bid on.—JM

Big City clarifies rep claim

Big City Radio (A:YFM) issued a clarification 1/18 (after *RBR* went to press) of its earlier press release, which had caused some consternation at Hispanic Radio Corp. (N:HSP) and Katz Hispanic Media (*RBR* 1/22, p. 2).

"Big City Radio announced earlier today that it has been appointed to exclusively represent the sixty-seven radio station affiliates of Hispanic Radio Network (HRN). Big City Radio will only represent HRN's nationally syndicated radio programs, and will not represent any of the individual radio stations that air those programs," the company said.—JM

Arbitron issues special notice to SBS's La Ley

It's usually a given that any station that prompts listeners to remember them when dairies come in the mail is going to be punished, at least by a "special notice" from ratings giant Arbitron. Well, this time Spanish Broadcasting Systems' WLEY-FM, "La Ley" got a special notice in the Fall book for a recent promotion that didn't actually mention dairies, and the GM **Mario Paez** wasn't too happy. "Our intent had nothing to do with doctoring [ratings]. It was simply a promotion," he told **Robert Feder** of *The Chicago Sun-Times*. "Arbitron's take on it seems more diabolical than we wanted to do. It's all semantics. But that's the unfortunate part about Arbitron—that they are so dictatorial."

The promo that got the station in trouble: "Don't let anyone surprise you. When they call at your door or on your telephone, say it without fear, 'La Ley rules here.' All of your radios always on La Ley 107.9."

And Arbitron's notice, along with pointing out it regularly contacts households by phone for participation in upcoming surveys: "Listeners may interpret WLEY-FM's an-

nouncement as an instruction to respond to all telephone callers in a way that demonstrates support for WLEY. This may differentially prompt the station's listeners to participate in Arbitron's survey, relative to listeners to other stations."—CM

FCC issues a Shady fine

WZEE-FM Madison, WI has pushed the envelope all the way to an FCC fine. On August 24, 2000 at approximately 3:30 p.m., an unedited version of Rapper **Eminem's** song, "The Real Slim Shady"—including several instances of the "f—" word—was broadcast on the station. In response to an FCC inquiry, Clear Channel admitted to inadvertently airing the wrong version of the song, but in doing so, said it did not violate the FCC's definition of what is considered broadcast indecency. The FCC disagreed with Clear Channel on both claims of the broadcast being inadvertent as well as not falling under the definition of what is indecent and fined WZEE \$7K. When asked whether Clear Channel intends to pay the fine or appeal at the FCC, **Jeff Tyler**, GM at WZEE stated, "An appeal is still pending as far as I know. The play was strictly accidental."

RBR observation: Good luck trying to win this appeal. If the foundation of Clear Channel's argument lies in accidental play, then they may as well start writing the check. After the first go around, the Commission turned a deaf ear to Clear Channel's claims and decided that "...the airing of the unedited version of the song, however unintentional, was still willful." We would note, however, that the FCC is still seven years late in complying with a federal court order to spell out its indecency definition. That continues to call into question all indecency fines.—KR

Radio turns 100

The focus of our careers turned 100 1/23. Radio was first proven viable when Italian-born radio inventor **Guglielmo Marconi** sent the first long distance wireless transmission from the Isle of Wight to Cornwall, UK 1/23/1901 (185 miles). Although Marconi had been experimenting with wireless transmission for years, 1/23 was a benchmark in that development. It proved that radio waves could be transmitted across the horizon—something most doubted at the time was possible.—CM

\$40M campaign for moist TP

Kimberly-Clark Corp. (N:KMB) is planning a \$40M ad campaign for what it's calling the "first major toilet paper innovation in over 100 years." The new product is Cottonelle Fresh Rollwipes—pre-moistened toilet paper that comes in a dispenser much like baby wipes. Unlike baby wipes, however, the Rollwipes are made of fibers that break apart in water like toilet paper—making them flushable.

The product is set to debut in early summer in the Northeast and Southeast. Kimberly-Clark is projecting that sales could top \$150M in the first 12 months and \$500M within six years. That would be a "significant increase" in the \$4.8B US toilet paper market, the company said.

There's no word on what media will be used to introduce Rollwipes, but a company spokeswoman told reporters at the company's Dallas headquarters that the approach will be "subtle."

RBR observation: Look for this product to get some free (and

perhaps unwanted) publicity from many of radio's "bad boy" (and bad girl) hosts. In this case, we're not talking subtle.—JM

Kennard's last dance

On the eve of his resignation as the Chairman of the FCC, **Bill Kennard** released a report outlining 11 major principles on how he thinks broadcasters should fulfill their statutory duty to serve the public interest. This report comes as a response to the request made by Senators **John McCain** (R-AZ),

Joe Lieberman (D-CT), **Robert Byrd** (D-WV) and **Sam Brownback** (R-KS) for the Commission to conduct an in-depth reexamination of the public interest standard (*RBR* 6/5/00, p. 3).

Of the 11 principles, most of which dealt with TV, the following four applied to radio:

* Local issue-oriented programming: Broadcasters must air programming that covers issues that are important to their local communities.

* Communications with communities: Broadcasters should

December NTR goes its own way

December is definitely a different animal when it comes to bringing non-traditional revenues to radio stations. After all, who wants to think about office-related products in the midst of Christmas shopping? On the other hand, everyone wants to know about fun (Leisure) and yummy goodies (Food/Grocery) for the holidays. Maybe Revenue Development Systems should add a Diet Program/Health Club category just for January.—JM

Non-traditional Revenue Track

% of vendor/new business by category (December 2000)

	June	July	Aug	Sept	Oct	Nov	Dec	2000
Automotive	18.91	12.50	11.63	5.17	10.19	12.11	1.55	10.27
Food/Grocery	34.59	14.57	23.50	40.42	28.90	19.52	29.28	26.38
Leisure	13.14	33.73	30.61	26.40	20.55	38.11	53.56	30.15
Health & BC	0.91	3.59	6.15	5.12	8.64	7.25	4.16	6.30
Home Improv.	19.12	7.64	7.88	2.17	5.23	4.97	1.81	6.39
Office	1.04	15.89	5.29	7.19	6.61	6.62	0.00	5.62
Clothing	2.44	8.07	6.39	0.84	1.42	1.05	5.63	4.67
Recruiting	9.85	4.01	8.55	12.70	18.47	10.37	4.02	10.22

Source: Revenue Development Systems, based on revenues from 76 stations in 32 markets.

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gather information from their communities about their interests and needs and engage in an ongoing dialogue with all segments of their communities about those interests and needs.

* Enhancing democracy: Broadcasters should air programming that covers political candidates and events of significance to their communities (not imposing blanket bans on the sale of airtime available to state and local candidates).

* Diversity: Broadcasters' activities should reflect the diversity of their communities.—KR

Rick Dees cleared in DC

Premiere Radio Networks' **Rick Dees** has been cleared at Bonneville's WWZZ-FM Washington, DC (CHR), replacing morning man **Billy Bush** (W's first cousin) 2/5. Part of Dees program will be live in DC every day.

Why Dees in DC now? For one thing, Billy Bush and co-host **Janet Elliott's** numbers weren't all that good. More to the point, Bush the younger was tired of keeping his support of his famous cousin out of the show as much as possible in the heavily Democratic Washington market. He is considering his options for a career outside of radio.—CM

XM needs additional \$150M in funding by Q4

At the C.E. Unterberg Towbin satellite conference 1/22, XM Satellite Radio (O:XMSR) CEO **Hugh Panero** told attendees he would need to raise an additional \$150-\$175M towards the end of this year, even after the service launches in September. XM is currently funded to operate through its target launch date. Although the brokerage firm has cut XM's target price from \$60 to \$50 (and Sirius Satellite Radio—O:SIRI—from \$100 to \$80), XM remains the #1 satellite pick for 2001. Sirius was deemed #2, possibly because it has no plans the in-home receiver or listener market.

On the programming front, add National Lampoon, Firesign Theatre and The Discovery Channel for content deals with XM. Auto sound and telematics designer/manufacture Visteon has also entered a licensing agreement with the satellite broadcaster to manufacture and market XM car radios.—CM



B101 featuring Candice Bergen in ad campaign

Running 1/8-3/11, independent success story B101 (WBEB-FM) Philadelphia is running an ad campaign featuring **Candice Bergen**.

Aiming right at the Winter Arbitrons, President and Co-owner **Jerry Lee** is spending more than \$1M on the campaign that airs on six major market TV stations. The spot has **Bergen** speaking about B101 with a panoramic shot of the Philadelphia skyline in the window behind her. "It's the station with less talk and more music," she says as the station's top hits play in the background.

The Fall book, largely due to the presidential election fiasco, had News station KYW-AM close in on B101's lead. Lee isn't taking it lightly. "The latest Arbitron came out, we were #1 again, but were #1 by four-tenths of a share point—6.6 vs. 6.2," he tells *RBR*. "My goal is to be 50% larger than the #2 station in the market. And we're using her to pull us over the top."

This is certainly not the first time B101 has used celebrities for promotional campaigns. In fact, the station claims to be the first to use a celebrity for a spokesperson 22 years ago. Others over the years have included **Patrick O'Neal**, **Robert Urich** and **Terri Garr**.—CM

Winstar drops Fabulous Sports Babe

After a year and a half run at Winstar, **Nanci Donnellan**, a.k.a. The Fabulous Sports Babe, has been dropped from the roster. She and ABC/ESPN had parted ways previous, after a long run together. No replacement is being sought and Winstar pans on going dark middays, focusing on other dayparts. "Nationally syndicated Sportstalk radio in midday is coming down to a horse race—ESPN and Fox. And she was on the third horse," **Craig Fenech**, Nanci Donnellan's agent, tells *RBR*. "And whoever was on that third horse was not going to make it."

At this time, the Babe has no immediate offers to announce. "I don't know. This just happened Friday. Her plans right now are to sit on the beach in Hawaii and think about what she wants to do next," adds Fenech.—CM

Don & Mike, Gold back at WNEW; lineup firmed up

Not long after we mentioned on *RBR.com* that Westwood One syndicated hosts **Don** and **Mike** were off their evening slot on WNEW-FM New York, per their own demands, the differences have been resolved and they were back on air, regular time slot, 1/18. Problems between the NYC Talker and DC-based duo began when they were purportedly promised a live slot there that would synch with their afternoon slot at flagship WJFK-FM (they had been doing a day or two live from NYC since getting cleared there). After WNEW had recently fired local afternoon host **Leslie Gold**, they were not given the slot, and the real problems began. Don & Mike had also complained their program was over-edited before airing hours later on WNEW.

The differences have been resolved, and Leslie Gold has been reinstated. WNEW's new firm lineup: 5A-9A "The Sports Guys"; 9A-Noon "Leslie Gold"; Noon-3P "Ron and Fez"; 3P-7P "Opie and Anthony"; 7P-11P "The Don & Mike Show."—CM

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Aiming right at the Winter Arbitrons, President and Co-owner **Jerry Lee** is spending more than \$1M on the campaign that airs on six major market TV stations. The spot has **Bergen** speaking about B101 with a panoramic shot of the Philadelphia skyline in the window behind her. "It's the station with less talk and more music," she says as the station's top hits play in the background.

The Fall book, largely due to the presidential election fiasco, had News station KYW-AM close in on B101's lead. Lee isn't taking it lightly. "The latest Arbitron came out, we were #1 again, but were #1 by four-tenths of a share point—6.6 vs. 6.2," he tells *RBR*. "My goal is to be 50% larger than the #2 station in the market. And we're using her to pull us over the top."

This is certainly not the first time B101 has used celebrities for promotional campaigns. In fact, the station claims to be the first to use a celebrity for a spokesperson 22 years ago. Others over the years have included **Patrick O'Neal**, **Robert Urich** and **Terri Garr**.—CM

Radio News®

News Briefs

Encoda Systems launches "mediapromoz.com"

Denver-based Encoda Systems (recently created from combining Columbine JDS, DAL/Drake Automation, and Enterprise Software) has unveiled "mediapromoz.com" to radio, TV and cable industry clients. The site offers broadcast campaigns, custom program development, and a search engine of 450,000 custom promotional products. The site is also staffed with specialists is set to provide ideas and suggestions for promo campaigns.—CM

AP to offer All news Channel on XM

The Associated Press and XM Satellite Radio have signed a deal to provide an "All News Radio" channel to XM's 100-channel system debuting this Summer. AP's All News Radio will provide live, 24/7 audio, covering national and international news, entertainment, sports, business, technology, music, health and medicine and consumer news. AP will also provide its online, audio actuality database, SoundBank, and its broadcast news wires to add content to XM's other channels.—CM

RAB honors "Top Guns"

Six alumni of RAB's Radio Training Academy are being honored as "Top Guns" at the RAB2001 conference 2/1-4 in Dallas. Selected for their post-training success in the real world of radio sales, as well as their classroom performance, the half dozen will sit on the dais at the Saturday (1/3) keynote breakfast and participate the same day in a "Secrets of the Top Guns" session. The six are **Mike Cody** of Cox, **Judi Griffin** of the Lutheran Church stations, **Debbie Gallow** of Emmis, **Danny Boresow** of Entercom, **David Watts** of Rose City Radio and **Lauren Cullen** of Susquehanna.—JM

Interep opens 21st office

Interep National Radio Sales (O:IREP) has opened a rep office in Kansas City, its 20th outpost reporting to New York headquarters. The new office is staffed by **Daniel Sanders**, formerly of KMCI-TV (Ch. 38, Ind.) Kansas City, and **Michelle Sanders**, formerly of KSMO-TV (Ch. 62, WB) Kansas City. Both also have radio stints on their resumes.

Study finds continued ad bias

Findings in a new study indicate that disparities between the advertising performance of minority-targeted and general market radio stations remain pervasive in the broadcasting industry.

Two years ago, author **Kofi A. Ofori** served as the principal investigator for a report commissioned by the FCC which examined ad agency bias against African-American and Hispanic O&Os, as well as other stations carrying related formats (*RBR* 1/18/99, p. 3). This study entitled "When Being No. 1 is Not Enough: the Impact of Advertising Practices on Minority-Owned and Minority-Formatted Broadcast Stations," was conducted by the DC-based Civil Rights Forum and was presented to former FCC Chairman **Bill Kennard** by Ofori in 1999.

The new, follow-up study, "Minority-Targeted Programming: An Examination of its Effect On Radio Station Advertising Performance," was conducted independently by Ofori & Associates. It concludes that these discriminatory practices persist and result in lower advertising revenues for minority radio stations. A statistical analysis of 120 radio stations was completed during the study and it found that reduced ad performance can be attributed to the following variables (in order of most to least attributable):

- Station lacks news, talk, or sports programming
- Low audience ranking in market
- Percentage of audience falls outside 25-54 demo
- Aired minority-targeted programming
- Minority-owned
- Not part of same-market superduopoly

According to the report, individuals interviewed for this study indicated that the media buying process is often influenced by subjective perceptions about the people that listen to various radio formats. These subjective opinions were said to be the result of lack of racial/ethnic diversity within the workforce of media buyers. Consistent with this information, the statistical results of this study suggests that advertisers tend to rely upon program format, rather than facts about consumer income, to determine whether a station's listeners are suitable for their goods and services.

Ofori told *RBR*, "The reason I devoted a lot of ink to the issue of income in the study is because when I got into the theory of doing advertising research, people used to say these Urban and Hispanic stations are not purchased because their listeners don't have the appropriate disposable income. But this study that I just completed shows that income is really secondary. Income is really not one of the factors that predicts who's being bought."

The chart below shows how average power ratios for minority targeted stations continue to trail general market stations in five markets. The power ratio measures the ability of a station to convert its share of market listeners into share of market revenues. These figures are based upon station revenues for 1999. The earlier study that Ofori conducted for the FCC used 1996 data.

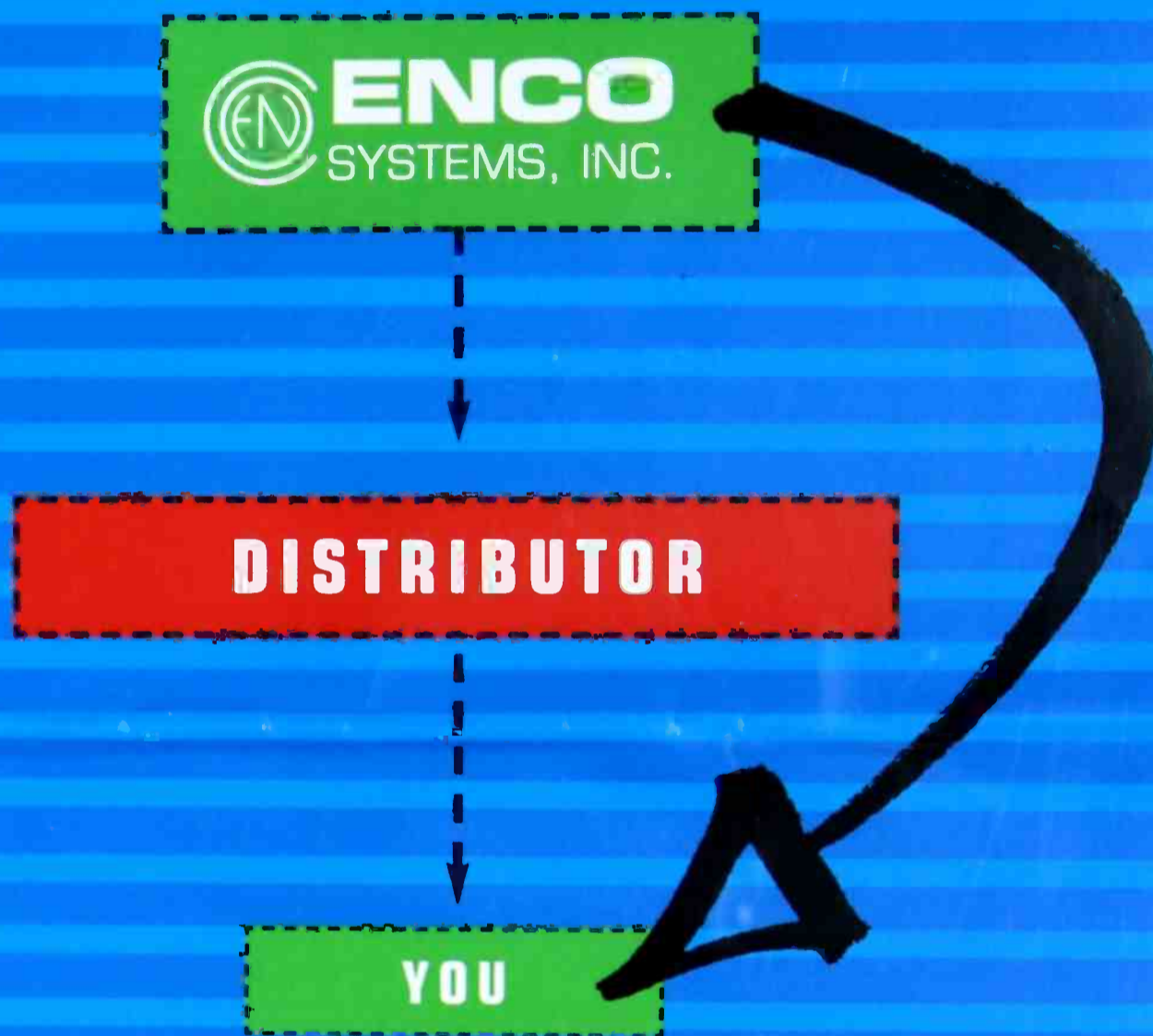
A complete transcript of this report can be obtained at teclawgroup.com.—KR

Power ratio comparisons for minority-targeted vs. general market radio stations

Market	Stns in sample	Minority stns	General stns
Detroit	(23)	.72	1.15
Miami	(27)	.76	1.21
Houston	(23)	.73	1.06
Washington	(23)	.71	1.11
New York	(25)	.68	1.21

Source: Ofori & Associates

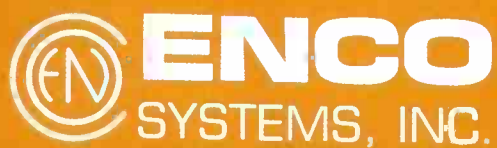
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Buyers offer some perspective

We've all heard how the economic slowdown is affecting both local and national spot, and network radio pacing. We asked three prominent media buyers their opinions on this year's pacing and the slow-downs that are affecting much more than the dot-coms. Since they work daily in the budgeting trenches, so to speak, we consider their perspective to be both reliable and current.—CM

The participants:



Natalie Swed Stone, Managing Partner/Director of National Radio Services, OMD USA (OMD is a division of Omnicom—a buying conglomerate for BBDO, DDB Worldwide and TWBA/Chiat)



Matthew Simpson, Director, National Radio, Carat USA



Mike Robertson, President/CEO, Ocean Media Inc.

How is pacing looking for Jan., Feb. and Mar. in the markets you are buying?

Swed Stone For the national network marketplace, obviously pacing versus last year is slower. But there seems to be some pressure on the most desirable inventory and timing is important in terms of when you get that—as it always is.

There are definitely deals out there and deals to be made. We feel that we are in a good position negotiating-wise, to select what we want. It is definitely more negotiable and softer. On the other hand, we are not finding that pricing is as soft as we want it to be.

Simpson It's active, but it's not as active as third or fourth quarter was for us. I'd probably say pacing is slower as a function of a virtually nonexistent scatter marketplace. Based on our projections, we're pacing probably about 70% versus our projections for first quarter.

The market has completely slowed down. For national, I think it's a result of lower rates in other media. Coming off of fourth quarter results from companies showing lowering profits and less consumer spending, we've got clients that are kind of reserving or cutting back. And it's always been my interpretation that advertising and media spending is an indication of where the economy is going. Usually, advertising feels the effects of a slowing economy about six months prior. So we've been feeling that crunch a little bit, but we are getting some clients that are still spending money. Overall, we're seeing a slight slowdown.

Robertson Right now on the national side, the pacing that we're seeing is down as much as 40% in some areas from Q1 last year to this year. In terms from Q4 last year to Q1 this year, we're off 26%. I know that ours (LA) is more than that. And the thing is, I don't have the full barometer on everything, I'm just looking at what we're doing. It's literally down between 35% and 40% everywhere.

We hear that annual contracts are slow to book. Are you doing things differently with your clients, like buying quarter-to-quarter?

Swed Stone We're moving in the other direction. We're trying to buy more annually because we find the better deals are in the long term.

Simpson About three-quarters of our business this year has been in the upfront, which is unusual for us. Normally we have a more active scatter, but it looks like we've placed about \$50M just in upfront. So what is happening is at least one of our upfront clients has only booked a portion of their upfront and we've yet to book second, third and fourth quarter because we're thinking that we might be able to go back in and better the deal. All of our upfronts have been placed, but the

Radio AdBiz®



It is a sorry state of affairs to find us in the very same boat we were in a year ago this time

By Kathy Crawford

There are now more than 12,000 AM and FM stations in the country. Giant radio groups have been formed by mega-media corporations with the cost of acquisitions piling up billions in debt for the purchasers.

Internet radio is growing exponentially. Satellite radio is emerging. Sales staffs are being consolidated; formats change daily; famous call letters are disappearing or moving from signal to signal.

Change, change, change - except in one critical area:

The industry still kills gazillions of trees when it comes time to invoice agencies.

Initiative Media is the largest radio buyer in the country. We purchased more than \$500 million in radio time for our clients this year, dealing with more than 6,000 stations along the way.

Partnership is a byword of modern marketing. One and one adds up to three when you do it right. We need to work together to produce a more effective product on behalf of the clients we jointly serve. And, we can do it.

Manual invoicing costs stations and agencies money they can ill afford to spend these days. Especially with Wall Street breathing down all of our necks.

Approximately 700 television stations and networks are now sending invoices electronically to the agencies. That took a lot of hard work by the stations and a serious investment (that pays off quickly) by their owners. A round of applause should be given to those who have come to the plate.

Now we need help from the radio industry. Twelve thousand of you are out there but only a few are transmitting invoices at this time. Today it is clear that we all have to "do it better, faster, more efficiently." And manual invoicing isn't "better, faster, or efficient." For example, Initiative Media receives over 13,000 invoices every month from radio stations for more than 500,000 spots. Think of the millions of keystrokes it takes to enter that information into computers! Think of the time it takes! It has been proven that proven that electronic invoicing leads to fewer discrepancies and errors. Electronic invoicing results in faster processing and faster payments. Surely that's something every station would welcome.

It is time for all of us to join the 21st century. If the television stations can do it—the radio stations can, too.

Kathy is Media Director for Initiative Media, NA
She can be reached at 323-370-8400 or kathyc@wimc.com

Editors note: Kathy, who is the Chairperson of the AAAA's EDI Task Force for Local TV and Radio, is a panelist at a special Electronic Invoicing (EI) session at RAB 2001, 2/3 from 2 to 3:45pm. The panel is moderated by **Mary Bennett**, RAB's EVP, National Marketing and also includes **Don Wahlig** from Interep, **Ellen Weinstein** from Encoda Systems, **Harvey Kent** from Donovan Data Systems, **Kim Kohler**, Executive Director, Spot Plus, **Jim Irvine**, Media Director, Ornelas Associates. Companies like OneMediaPassage (the recent merger of One Media Place and Media Passage), AdOutlet, ODAC, Ad Fusion and BuyMedia are all competing for business from the big agencies. Spheric Media and eMadison are currently in Beta test looking to do the same.

major one is kind of on hold, so that is an indication that clients are rethinking their spending for this year.

Robertson Things are very slow to book. However, every week seems to make a difference right now. And so I don't know that that is a forecast for the rest of the year as much as people are still somewhat staggered by the downturn that happened July-Dec. of last year. National accounts are very slow to pull the trigger right now and are committing less than we had anticipated.

We hear that the slowdown is beyond dot-com and includes automotive and other categories. Are you seeing that with your clients? What categories are you observing change in?

Swed Stone Radio has always been a market that relies less on past business. It has always had more attrition. So when the dot-coms came in, it was an enormous change. When the dot-coms went out, it was an enormous change. But traditionally, radio has not been able to rely on certain categories. They constantly change. Television is different. I think print is different. But radio—because of its nature, because of its ability to come in late and get what you want and because it has been for some a primary medium and some a secondary medium—it's constantly changing.

So while dot-coms are out and automotive might be out, there are other things that are coming in. Like Package Goods, Tune-in continues, the Travel business continues and retail is doing OK. So there are people that may focus on a certain category, but this is such a very changing medium. It's true—we all read the paper, the automotives are spending less on television, on radio, everywhere. But there are categories that are still doing fine.

What's happening in this economy is that there is some slowing down, but then there are others coming up. The trick in this business is never to rely on what's in front of you

and never to assume that it will be there forever, but to keep working and cultivating. I'm not sure how much of that was done in 2000. What are the opportunities now? The good news for the advertiser is we're going to have a return of salespeople bringing us creative opportunities instead of us having to ask for them.

So they need to start selling again. And there have been some people who have been doing that and those people are doing well. And they're not telling you, "Guess what dot-coms and automotive are out." They're going to tell you, "Guess what we have to replace it." Because they were preparing. Don't look back, let's move forward. We've had some Epson, Novell, I mean there are people out there who are spending money. You've got to find them, you've got to cultivate them and do a good job so they'll stay in. Keep the commercial clutter down, keep the promotional value up and give the advertiser their money's worth.

Simpson We're definitely seeing a slowdown in communications and technology/electronics—anything that utilizes semiconductors. I think with any of the products people are purchasing with discretionary income, the consumers are taking a second look at their spending.

Robertson I don't have the large clients that the rest of them do, so most of what I know about the different industries, especially automotive, is pretty consistent with what's already public knowledge. I do know with a local auto account here in LA that things are still slow and they're not committing as much money to the associations that they normally do.

In terms of industries, it isn't just the dot-coms that everybody knows is off, it's a lot of startup companies that have the ability to portray themselves as a dot-com or just another Internet vehicle. They're getting kind of clever on how they position their company. But what we have seen are

a lot of startup companies that we were working with, very slow to go to market. And I think obviously raising funds on the VC side is becoming increasingly more difficult. Now, I don't want to put a doom and gloom, but that's just kind of reality for today. I still believe that this could be even be week to week or month to month. I just think we need to see a little bit of confidence from a few of these companies and things will stabilize.

Are any particular regions or markets especially strong or weak?

Swed Stone I'm not in that game. I can't comment on that.

Simpson One department that I have a lot of communication with is our spot radio department because it's critical for us to determine at what point spot becomes more efficient than national and vice versa. And what we've been seeing is anywhere between a 1% and 15% drop in spot radio CPPs from last year. But we're not seeing that kind of decrease in rates on a national level. So what it's forcing us to do is to move some of our clients' business that was in National radio to other media. National radio, for example, has traditionally broken even around market #12 in spot. Now, we are seeing the breakeven point at markets 16-19. What further decreased the amount of national spending on radio is many of the clients previously using it are not just top market clients. They utilize a combination of top, mid and lower-ranked markets in their spot buys, therefore, National to them looks even more inefficient. We're seeing the industry finally recognize this and rates are coming down. So there's a big change going on there. And also, cable is extremely efficient right now. There's pretty amazing deals to be had. So we're losing a lot of national radio budget to national cable—the inventory is there, there's less demand.

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Management, Sales & Marketing

Post dot-com, pacing data is getting harder to come by

When times were good, say a year ago, broadcasters couldn't wait to tell Wall Street how well they were doing. Dot-com dollars were flying through the windows and everybody was watching their stock portfolio swell as share prices moved ever higher.

Now dot-coms are mostly a memory and the US Census won't be advertising for another decade. The broader economy has cooled off as well, and low and behold, reliable data on radio pacings has become rare. Some public companies are hiding behind the SEC's new regulation FD, restricting non-public distribution of financial information, to disclose as little information as possible to Wall Street—which seems to be the opposite of the intent of a government regulation called FD for "Full Disclosure." It seems some groups have taken a vow of silence and turned mum about revenue pacing.

RBR's twice-monthly pacing reports from Miller, Kaplan, Arase & Co. were abruptly ended last August. The explanation given was that pacing data based on inventory was no longer available, but attempts to launch a new pacing report based on revenues (where there's still plenty of data to be crunched) were blocked by unidentified group owners.

RAB continues to report after-the-fact revenue data each month, but now with less detail (see page 2). NYMRAD hasn't yet issued December revenues for New York and told RBR "the whole process of reporting numbers is currently under review." The Southern California Broadcasters Association stopped issuing monthly reports on the Los Angeles market in Q4, but has now issued a report on the full year (see page 12).

Meanwhile, analysts complain that they can only make financial inquiries directly to public companies during quarterly conference calls—and not all questions are answered completely by certain companies.

RBR has been able to obtain some individual market pacing reports, three of which are published on this page. They are a mixed bag, but generally support the expectation that ad sales pacings are soft compared to the go-go days of a year ago, with national spot sales softer than local. If you, dear reader, want to help the free flow of public information, the fax number is 703-719-7910. Anonymity is assured.

Pacing reports are not universal, even in large markets. Philadelphia, for example, joined Miller, Kaplan reporting just a few years ago and has never had full participation. Just recently, both KYW-AM and WYSP-FM stopped reporting and WBEB-FM GM **Blaise Howard** complained that "there is no validity any longer to the Philadelphia pacing report."

"We decided last week to stop participating for a while," WYSP GM **Ken Stevens** confirmed, but said it was because the GSMS didn't want their data going to other stations. Stevens oversees Infinity (N:INF) stations in four markets and those in New York, Washington and Baltimore are still reporting.

In Seattle (sorry, no pacing report for you), dot-com was the number one ad category last year, so comps are tough. "Local's looking pretty good," Sandusky GM **Marc Kaye** told RBR, but national is down 40%. Dot-com is not over, though. He's still getting about dot-com dollars—about 10% of what he saw a year ago. "Buyers are negotiating harder and buying later," he noted.

What a difference a month makes

RBR has acquired a second pacing report for the Washington market (RBR 1/1, p. 3 is when and where the earlier story ran). While revenue totals remain in the red a month closer to air time, they are not nearly as gruesome as they were back when the measure was taken in December.

The chart below directly compares the readings for local in December and in January, and then does the same for national business. Local business seemed to be off by about 25% back in December. Now, it looks like flat revenues or perhaps even a gain are within range. April in particular figures to be a positive month for local business.

The national numbers in Washington remain gruesome, but not nearly as gruesome as they were.

RBR observation: The Washington two-month comparison supports the theory that advertisers are waiting longer to book schedules in the markets which were dot-com saturated last year.

Washington pacing report December and January	Number of stations compared			
	12/15 local	1/15 local	12/15 national	1/15 national
January	-27	-6	-40	-21
February	-21	-6	-47	-39
March	-24	-11	-66	-41
April	n/a	-2	n/a	-58

Houston, we have a problem...or do we?

RBR has once again managed to get its hands on a sales pacing report for an individual market. In this case, the lucky city is Houston. The report is by Miller, Kaplan, Arase & Co., and includes revenue information reported as of 1/14.

To say the least, the numbers are a mixed bag. January and March are looming as strong months, February looks weak and April is, at this point, dismal.

It is encouraging to see positive numbers for January. In last year's revenue report for January, the RAB pegged the Southwest (Houston's region) up 17% for local revenue and up 30% for national—those are tough comps and the market is standing up to them quite nicely.

It would also be encouraging to see anything in the national column without a minus in front of it, and the fact that two of the four national numbers on this chart are in double digits is great. The plus 27% figure for March is astonishing. (Word we've heard on the streets is that the dot-com bonanza pretty much passed Houston by, which, if true, goes a long way to explaining how these numbers are possible.)

We do not put much stock in the negative April numbers. One thing the dot-com frenzy did last year was force everyone to book ad flights early. There is no such pressure this year, and we expect that April figures will take a turn to the positive well before the month actually arrives.

More than anything, this chart underscores the fact that nobody should try to divine any national trends from such a small data sample.

Month	Local	National	Total
January	19.0%	-2.5%	13.3%
February	-0.2%	11.9%	2.7%
March	1.3%	27.0%	8.0%
April	-6.9%	-13.9%	-8.8%

One bad Apple...

New York has a tough row to hoe, according to yet another Miller, Kaplan pacing report obtained by RBR. Local business is down 10.6% for the month of January, and that's the best number on the 1/23 chart, which compares pacing results from like months 2000 to 2001.

While New York's numbers make Houston's mixed bag look like an economic boom, at the same time they are not as bad as a report on pacing in Washington (RBR 1/1, p. 3). New York and Washington were very similar in the local column, but Washington was simply getting bludgeoned in national, while New York's national numbers are a close reflection of its local numbers.

RBR observation: Note that January's loss is not nearly so catastrophic as those posted for February and March. Advertisers are not under the gun to book air time early, as they were at this time last year. If they are waiting to buy the time closer to running the spots, it would have an adverse effect on pacing, but not on revenue, as long as they eventually get around to booking the time. So while pacing in New York may be down 25% in February and March, we do not expect that will be the case for total revenue once the smoke clears.

Month	Local	National	Total
January	-10.6%	-15.7%	-11.6%
February	-25.3%	-28.0%	-25.8%
March	-24.3%	-22.9%	-24.0%

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"Groups take a vow of silence - mum about revenue pacing" RBR 1/29/2001

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As the dot-coms fade, national rises

Dot-comps is shorthand for the funny-number comparables which are a direct result of the dot-com radio ad feeding frenzy of the previous year. Because of it, national business is doomed to look bad for the first quarter of 2001. It will go on to be a reverse image of the ad spending patterns exhibited by the dot-coms last year. Where the dot-coms faded, national business will appear to blossom. Q4 will be fabulous. The following chart, compiled from information furnished to RBR by anonymous sources, shines a penlight on national's projected 2001 performance. (The uncertainty of these numbers is best pointed out by the chasm between the low and high end predictions for Q2.)

RBR observation:

There is only one way to view the dot-com phenomenon, and the sooner everyone does so, the better. The windfall was a once-in-a-lifetime event, much like a family that collects \$25K from a scratch-and-sniff lottery card. The family's income for the quarter shoots up, just like radio put up positive national numbers ranging from 30%-48%.

Next year, Mom and Dad receive substantial raises, strengthening the financial core of the family. However, unless they beat the odds and hit the lottery again, the comparison numbers will be down—way down—nonetheless. This is hardly cause to declare bankruptcy, or for others to downgrade the family's credit or take any other punitive financial actions. It is not cause for shame. It is not something which needs to be swept under the carpet.

If the Chicken Littles on Wall Street interpret radio's 2001 Q1 numbers as a catastrophe and bail out, wiser heads should snap up their abandoned shares at whatever discount they're offering. Radio's fundamentals are sound and the stocks will go back up.

Quarter	projection
Q1	-10% to -20%
Q2	-12% to +10%
Q3	flat to +6%
Q4	+5% to +20%

Radio revenue trends

The RAB has released a look at the history of radio revenues. We are reproducing a portion of it here, going back to 1989.

Notable facts: The -2.8% revenue figure registered for 1991 is the lowest ever (going back to 1945)—the only other negative year in the study was 1961, which was down -0.5%. In 1992, radio registered a small gain, but together, 1991 and 1992 mark the depths of radio's biggest slump (a combination of Docket 80-90 signal saturation, high-debt/low experience radio operators, a credit crunch and generally bad economic conditions). Ownership deregulation became a reality in large part due to this situation, beginning in late 1992.

Growth has been robust ever since. Note in particular the national categories. Network has more than doubled since 1995, and national spot is not far behind.

Year	Radio advertising revenues (in millions)				%Change
	Network	National	Local	Total	
1999	878	3,211	13,592	17681	+14.6%
1998	739	2,768	11,923	15430	+11.9%
1997	646	2,407	10,741	13794	+11.1%
1996	465	2,093	9,854	12412	+8.2%
1995	426	1,920	9,124	11470	+7.8%
1994	411	1,867	8,374	10652	+11.1%
1993	407	1,629	7,532	9568	+9.3%
1992	377	1,479	6,899	8755	+1.9%
1991	440	1,575	6,578	8591	-2.8%
1990	433	1,626	6,780	8839	+5.0%
1989	427	1,530	6,463	8420	+6.6%

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Medium and small markets: the same story with different circumstances

Many think small and medium-sized markets are handling the latest economic downturn better because of their greater reliance on local advertising. While large markets' national numbers and outlook are lackluster at best (much, of course, due to the dot-com decline), medium and small market clusters are to a degree feeling the same pain with local numbers. However, one advantage small and medium markets share today is no hard feelings from traditional advertisers that were bumped and price-gouged in



the top 25 markets when dot-coms came to town.

With a total of 227 medium and small market stations under his command, we asked Cumulus (O:CMLS) Chairman/CEO/President **Lew Dickey, Jr.** for his perspective on 2001 pacing numbers: "Big markets aren't getting the dot-com business they got a year ago, but we never got the dot-com business. When the dot-com scare was around, traditional advertisers had found themselves having to book way out in advance just to secure any kind of position or rate. And then when the dot-coms went away, they went back to their old way of doing business. But in our size markets, since we didn't have that, we didn't have the dramatic fluctuations in the way business has been placed in our markets. So it's pretty much business as usual," he tells *RBR*. "But, by the same token, when auto sales are off 15%, they're off 15% everywhere. If the car dealers aren't moving merchandise, they're cutting back on their ad spending. So, as inventories build for these retailers, by necessity, they trim all of their expenses including advertising."

While radio's solution is to work harder for those local advertisers, offering live remotes and assurances that more advertising can drive sales, Dickey says it can only go so far in tough times. "We're

trying to get creative and trying to be there for them at this point in time. But when consumer demand and consumer confidence is off and demand is down, you can't get blood from a stone—if they're not selling the cars, they're not selling the cars. Remember, the consumer is two-thirds of this economy."

While he can't speak directly to Cumulus pacing numbers for January, February or March, Dickey provides a cautious, but realistic outlook: "We think it's going to start to turn around, but no question—things got a little soft after Thanksgiving and have stayed that way into the new year. I can't say anything specific because of Reg-FD (Regulation Full Disclosure at the SEC) on Cumulus pacing numbers over last year, but I think the outlook as we leave Q1 is going to be cautiously optimistic with a positive trend line toward the end of the year. I can't tell you what April, May and June are going to be. We're at January 23, our business doesn't book out that far. I'm really just starting to get outlook on March right now. A lot of this is going to depend on if we have another 50 basis points rate cut and if there's more talk over the next 90 days of a tax cut."

In comparing small/medium vs. large markets, pacing numbers tend to be much more stable in the Toledo, OHs. than the Washington DCs and Philadelphias. "We tend not to have the wild fluctuations that the larger markets have—positive or negative. In our markets, it tends to be more 'steady as she goes.' But the problem we're facing right now is that overall demand is soft," Dickey observes. "One of the things we were talking about all of 2000 is 'I can't wait until the end of the year when I can get rid of all those low-ball contracts that I inherited, then I can return to market pricing.' Well, we returned to market pricing—and if this is market pricing, who needs it?"

Dickey and his new management team—with EVP/CFO **Marty Gausvik**, EVP/COO **John Pinch** and **John Dickey** EVP/Programming and Marketing—say the ship is once again on course. "We went through a pretty tough problem and we've come out of it a stronger company. We've had a lot of good team members and support. I inherited quite a mess, but this is a new company, top to bottom. It's been seven days a week, 70-80 hours for the past nine months. I've aged five or 10 years—I look like **Phil Donahue**."

News Analysis

Learning to deal with Wall Street's brutality

Turn out the light—the party is over.

The high flying days of radio stalled out in the last half of 2000. Why? A convergence of uncertainty. For one, radio groups who rode the gravy train of the IPO internet stock play saw that train derail—abruptly. You know how the dot-com drill worked: Pitch an Internet idea to raise enough cash to do an IPO, then use the IPO cash to promote the brand—in some cases just to hype the stock. The Silicon Valley was full of big dreams, but short on business plans. People actually believed that the issue of profitability could be put off indefinitely while dot-com startups battled for market share.

Federal Reserve Board Chairman Alan Greenspan saw the inflated stock prices, declared it "irrational exuberance" and gave the Internet world a cold dose of reality—monetary policy, in the form of higher interest rates, which sent the sky-high stock prices crashing to earth.

Did the Fed go too far, though? We did begin to hear speculation about the dreaded "R" word in some quarters. Personal stock portfolios that once showed incredible growth began to slump.

Consumers who feel less wealthy may begin to curtail expenses and add to the slowdown. Such a decline in consumer confidence became noticeable in late 2000 and retail sales for the holidays were not as strong as had been expected. December retail sales did squeeze out a 1% gain, but only with help from pre-Christmas sales and deep discounting at many retailers.

Groups cut pacing reports

We at *RBR* saw the slowdown fears first hand when, quite unexpectedly, we received word that Miller, Kaplan, Arase & Co. would no longer provide *RBR* with its twice-monthly pacing report. It seems some participants did not want to continue providing the data and neither Miller Kaplan nor *RBR* wanted to publish statistically questionable information. *RBR* sought to switch to a new pacing model based on revenues—as opposed to the previous model based on unit inventory—but several group owners objected and threatened to withhold their data if Miller Kaplan cooperated with *RBR* in delivering the much-needed information to the groups' public stockholders.

Hey, wait a minute! Aren't those people their owners? Are we to believe that the groups are trying to hide this information from their owners? Unfortunately, yes, that is the case.

It's hardly a secret that paces will not look pretty compared to the record-breaking levels of early 2000. The "Killer Comparables" are particularly severe in the top 10 markets. They were the markets that saw the biggest benefits of the dot-com gold rush. This year those markets have the challenge of surpassing those numbers and upping the ante even more. Dealing with those tough comps is difficult, but it won't last forever. A year ago the dot-com sector was buying up inventory left and right. That pushed traditional advertisers to book early or be left out. Agency buyers for retail, automotive and the rest bought early to ensure clearances—although they were sometimes still bumped by dot-coms willing to pay almost any amount to get on the air. This supercharged the pacing numbers last year and the groups were all too happy to shout it from the rooftops.

A new dynamic is now in place. Pacing numbers are off—and off dramatically in some markets. Radio's local sales teams deserve credit for extra effort, though, because most of those markets are still finishing each month even with or slightly ahead of their 2000 comp month. Business is being booked closer to air date, but most sales teams are getting the job done and holding the line on pricing.

Sales go back to the golden oldies

If anything can be said about Q1 of 2001, it's that it is blocking and tackling time. CBS and Clear Channel have both begun pushing heavily for multimedia deals with their new marketing platforms. CBS re-racked the old favorite: 1st quarter trips to entice ad spending. Clear Channel is pushing more merchandising opportunities with the recent SFX acquisition.

Local sales teams deserve a lot of credit for hunkering down, sticking to the basics and just getting the job done. We're hearing of great revenue growth in small and middle markets. Those gains aren't coming from cold calling new clients, but rather are the payoff for months of laying the groundwork to bring in new advertisers and boost spending by established accounts. It shows that true professionalism is taking root in this industry's sales force.

Don't spend anything

Wall Street has no long-term memory—none—and very little short-term memory. Everything is focused on today and tomorrow. It's all about winning this quarter. One way to do that is not only to drive revenues, but also trim or hold expenses. *RBR* has heard numerous stories of equipment manufacturers and research companies being told all budgets are on hold—no purchases until 2nd quarter.

That's a tactic that works once, maybe twice. But failing to invest in the future will come back to haunt those who rely too heavily on this short-sighted approach. Short-term gain, long-term pain.

Dealing with Wall Street may be brutal, but honesty is the best policy. No bad news stays hidden forever, and the sooner it's out, the faster you can deal with it and move on. Investors and analysts are already beginning to differentiate between companies which are open and honest about where things stand and those which try to push only good news and ignore questions about their weaknesses. CEOs and CFOs who don't have Wall Street's trust will see extra risk built into their stock prices.

Radio groups need to be more forthcoming with information so the market can be better informed and feel confident that future projections aren't just wishful thinking. Touting growth projections of 8% revenue growth for the year while being mum on the current month results is short-sighted. Timely guidance and brutal honesty will go along way in re-attracting investors to the radio sector.

The Media Brokers

The night of the long knives

"FOREWORD by Leon T. Knauer, Communication attorney and senior partner of Wilkinson, Barker & Knauer."

Ronald L. Hickman

Mystery novel finds murder and intrigue in radio deals

The setting is a large media brokerage firm in Washington, DC. The three top-producing associates suddenly leave to start their own firm across town. Sound familiar?

Unlike the story you're thinking of, **Ron Hickman's** tale of the radio brokerage industry revolves around a murder. (One *RBR* staffer suggested that if there ever is a real-life case of a broker being accused of murder, another broker will surely call to claim credit.)

References to real people and companies in the radio industry, as well as to fictional people and companies that closely resemble real ones, make "The Media Brokers: The night of the long knives" a fun read for anyone in the biz. Hickman, a broker himself, tells some great tales of dirty tricks being pulled by competing brokers (not that such things happen in real life!) and even has his main character, young and yuppie Ashley Porter, enjoying a pretty active sex life. We don't profess to know whether that's an accurate portrayal of the life of a typical station broker.

Is **Bud Walters** the murderer? No, not the real radio group owner, but rather the fictional founder of the Kingman

Associates brokerage firm. How about **Lou Mercatanti**? No, but he does make a cameo appearance as himself—buying yet another radio station.

This tale of media brokers and murder is not Hickman's first book. Four years ago he penned "Touching the Stars," a non-fiction account of his experiences in broadcasting, as a member of the Presidential press corps, interviewing celebrities and battling to win an FCC license for his first station.

"The Media Brokers" can be previewed and purchased at www.iuniverse.com or directly from the author at (850) 934-1995.—JM

Rates falling in many markets

Based on an analysis of 31 markets for a client, **Matthew Simpson**, Director, National Radio, Carat USA, looked at each individual CPP and what the difference is this year vs. the same time in 2000. See below for the general and specific findings. CPP is calculated using ad rates and current average ratings. The overall CPP in the local spot markets is down 7%. All are based on average CPP combined dayparts for Adults 25-54. "Each individual market is having its own little micro recession, some more than others," says Simpson. "You've got a whole big chunk of local business—all these Mom and Pop operations that are normally jammin' money into the market aren't there anymore. Mom & pop aren't going to take \$1,000 out of their pocket and dump it into their local radio station when things aren't going good for them. Because all that money has dried up there, it has left room for larger clients to get some deals."—CM

In general:

Top 15 markets

were down 4% to 15%

Secondary markets

(#15-50) were down 4% to 12%

Tertiary markets

(#50+) were down 8%-12%

Source: Carat USA

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Is stock rebound too fast?

Lehman Bros. analyst **William Meyers** says the 46% surge he's seen in radio stocks already this year—erasing much of last year's decline—may be ahead of the curve.

"We are not suggesting that radio equities are overvalued, but rather that investors may be early, given the uncertainty surrounding the second half of 2000," Meyers said. "With the early entry comes additional risk of stocks correcting before moving higher."

He's still forecasting 7-10% growth for radio in the second half. While that forecast, he said, "is partly a function of easier comps (something we know for certain), it will likewise be determined by an unknown: domestic macroeconomic health."—JM

LA revenues grew 13.6% in 2000

Los Angeles market radio revenues for 2000 were a record \$845.7M, up 13.6% from the previous year. That also marked the third straight year of double-digit growth, following increases of 17.5% in 1999 and 12.2% in 1998.

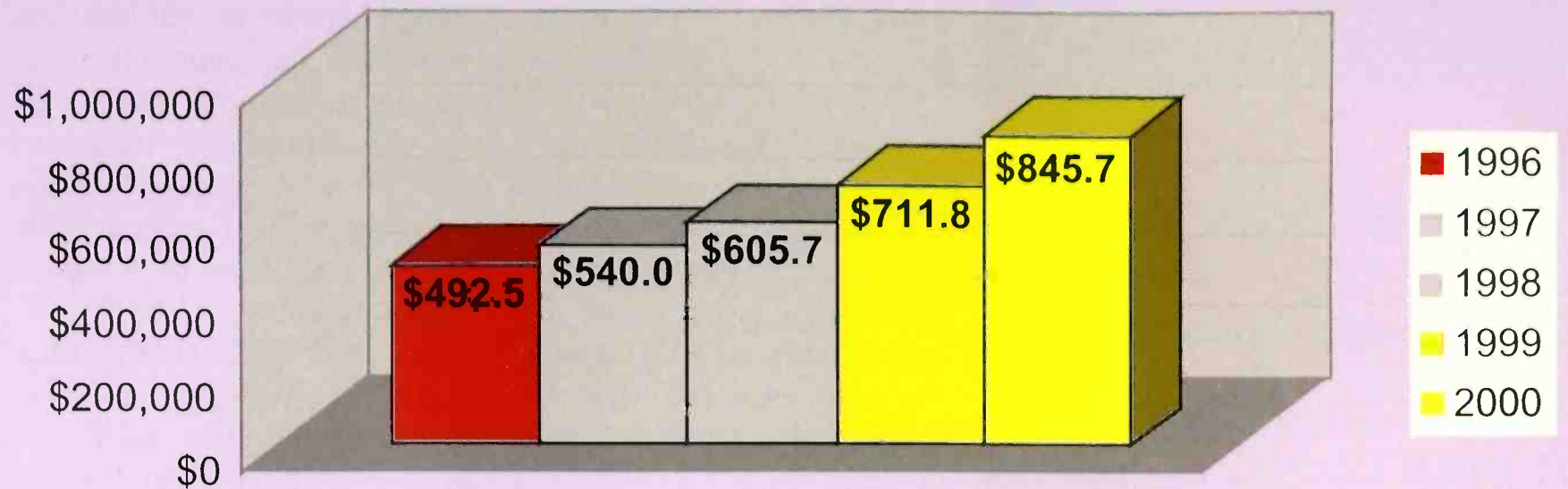
Local radio sales in the City of Angels gained 15.1% in 2000 to \$634.1M and national spot grew 9.1% to \$193.9M. Those figures include only those LA area stations that report to Miller, Kaplan, Arase & Co. (MKA), the CPA firm which monitors the market.

"There are more than a dozen viable Los Angeles or Orange County radio stations that choose not report to MKA, but certainly do generate revenue," noted **Mary Beth Garber**, President of the Southern California Broadcasters Association (SCBA). "It would be an egregious error to overlook their contributions to the growth of the Los Angeles metro radio market," she said, adding that including the non-reporting stations would put LA's 2000 radio billings over \$900M.

The charts, right, show how LA's total radio billings have grown 171.7% over the past five years, from \$492.5M in 1996 to last year's \$845.7M. SCBA's calculations are based on MKA's revenue reports of gross commissionable sales by 31 AM and FM stations in the Los Angeles market.

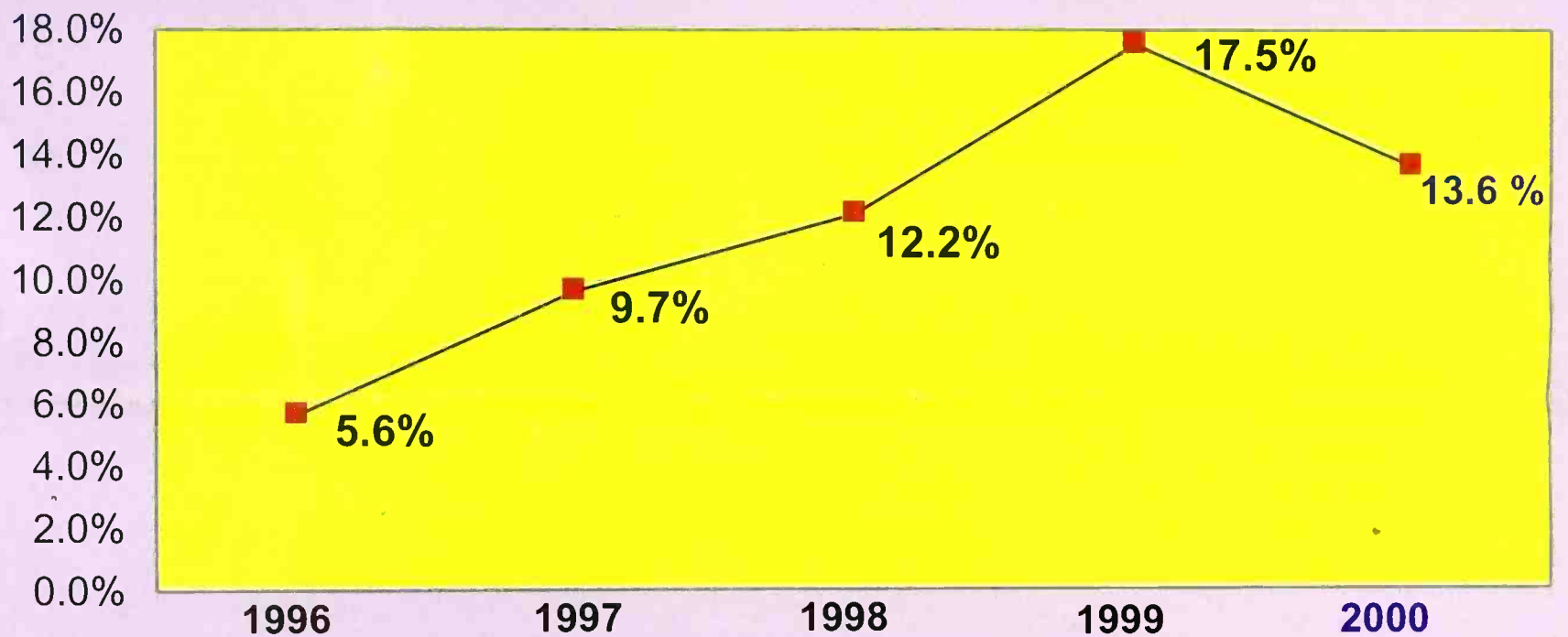
Media Markets & Money™

Los Angeles Metro Radio Revenue Growth In Thousands, by Calendar Year



Source: SCBA, Based on 1996-2000 MKA Reporting Stations

Los Angeles Metro Area MKA Reporting Stations Radio Market Revenues % Increase 1996-2000



Source: SCBA, Based on 1996-2000 MKA Reporting Stations

Chris Devine, President, of
Marathon Media

has agreed to transfer the assets of his

Tri Cities Washington and Montana radio properties

for

\$30,000,000

to

Randy Michaels, President, of
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Saga signs two deals, cancels another

Saga Communications (A:SGA) has new deals to buy stations in Massachusetts and South Dakota. But it's also abandoning a buy in upstate New York, blaming the FCC.

- Buy #1: CEO **Ed Christian** says adding KMIT-FM & KGGK-FM Mitchell, SD will expand the company's regional agri-business focus. Saga already owns stations in Yankton, SD and is buying others in Spencer, IA. Saga is paying Mitchell Broadcasting Ltd., headed by **Gordon Thomsen** and **Tim Smith**, \$4.05M for the pair of FMs. Broker: **Terry Greenwood**, Patrick Communications

- Buy #2: In Central Massachusetts, the \$2.2M purchase of WHAI-AM & FM Greenfield, MA will expand Saga's Springfield, MA cluster. The seller is Haigis Broadcasting Corp., headed by **Ann Banash**. Meanwhile, Saga said that the FCC's failure to act will cause it to abandon plans to buy Eagle Broadcasting's four Ithaca, NY stations for \$13M. That purchase agreement is due to expire 1/31.

RBR observation: Let's hope new FCC Chairman **Michael Powell** moves quickly to put an end to the Commission's extra-

legal (if not outright illegal) red-flagging of radio sales which comply 100% with the 1996 Telecommunications Act, but which the FCC staff (acting on orders from former Chairman **Bill Kennard**) decides need to be investigated for revenue share concentration. Saga's Ithaca deal wouldn't have changed the market at all, since it was a clean sale of an existing superduopoly to a new market entrant. Yet the FCC overstepped its bounds and christened itself an antitrust enforcer, killing the deal by holding it up indefinitely based on a single objection. Powell, who actually has experience in antitrust enforcement, knows the FCC has no business being in the field and had opposed such reviews. Now it's time for him to act and get the FCC staff back in line with its real mission.

Wilks buys Missouri pair

Jeff Wilks is moving into a second market. His Wilks Broadcasting has a \$6M deal to buy KZRQ-FM & KHTO-FM Springfield, MO from **Frank Copsidas'** Radio 2000. Wilks, who is backed by The Wicks Group, owns five stations in the Saginaw, MI market. Broker: **Mike Bergner**, Bergner & Co.

Clear Channel grows in Pennsylvania

Clear Channel (N:CCU) is expanding in the small (#248) Williamsport, PA market with a \$1.5M deal to buy WVRT-FM. The CHR is owned by DHRB Inc., headed by **Sabatino Cupelli**. Clear Channel and SabreCom are the market's big powers.

Millcreek floods Salt Lake

Bruce Buzil's and **Chris Devine's** Millcreek Broadcasting is acquiring an AM in the Salt Lake City market to supplement the company's intertwining group of six FMs. Millcreek will pay **Judith Grow's** Great Stock Company of Vast International Import Inc. \$335K for KOVO-AM Provo, UT.

Pacifica pot brewing again

Renewed protests, lawsuits and labor problems have renewed speculation that the Pacifica Foundation is considering whether to sell its two major market FMs that operate non-commercially on commercial frequencies—WBAI-FM New York and KPFA-FM Berkeley-San Francisco. Disgruntled ex-employees and ex-volunteers charge on their savepacific.org website that the matter will be on the table at Pacifica's March board meeting. At publication deadline, Pacifica had not yet responded to *RBR's* request for comment.

An article in the 1/29 issue of *Time* magazine stirs the pot again, with commentator **Steve Lopez** accusing Pacifica's directors of a "hostile takeover" of WBAI with the "Christmas coup" firing of GM **Valerie van Isler** and several other staffers, leading to protest marches and a few arrests. A similar GM firing in 1999 at KPFA (*RBR* 8/2/99, p. 6) led to similar protests, arrests and also lawsuits which are still being fought in court. Even in today's economy, the New York and San Francisco sticks would still be worth hundreds of millions of dollars to commercial broadcasters—allowing Pacifica to focus on its three less-troublesome stations and its radio network.

RBR observation: Hostile takeover? Would anyone call it a hostile takeover if **Lowry Mays**, **Jeff Smulyan** or **Bob Neil** fired one of their GMs? Executive Director **Bessie Walsh** and Pacifica's Board of Directors are the ones responsible to the FCC for the foundation's licenses. To claim that the local Advisory Boards should have veto authority over the National Board is simply ludicrous—and at odds with both the law and the terms of the stations' FCC licenses.

What's really at issue is a battle between a small cadre of aging white left-wing activists stuck in a 1960s time warp and a group of directors who see a declining audience of aging white left-wing activists. The heresy espoused by those directors, who are being denounced as right-wing capitalist tools, is that Pacifica's stations should endeavor to air more programs that relate to African-Americans, Hispanics, other minority groups and young people. They'd actually like to see WBAI and KPFA attract more listeners and be more relevant to modern society.

If and when the directors decide to sell the two stations, they will certainly claim a pretty penny. Having all that cash available to expand Pacifica's radio network and Internet operations to take their liberal social activism worldwide has to have some appeal—especially if the alternative is to be continuously subjected to attacks by a bunch of hippie-era throwbacks.

MediaTouch parent sold

OMT Technologies Inc., whose subsidiary companies all deal with radio, has a deal to be acquired by Western e-com Inc. in a \$3.5M (Canadian) stock-swap. Western e-com, which trades on the Canadian Venture Exchange as "WEC.K" is a "capital pool company"—what we in the US would call a venture capital company.

Once the acquisition closes, Western e-com plans to complete a private placement which will raise an additional \$1-1.5M (Canadian), which will be used for debt refi-

nancing and to fund development and marketing of OMT's product line.

OMT's best-known operation in the US is MediaTouch, a software developer which markets a full range of digital studio components. It also owns broadcastport.com, which offers a turn-key Internet solution for radio. OMT's Oakwood Broadcast Equipment sells a wide array of broadcast equipment from various manufacturers to radio and TV broadcasters in Canada.

According to the merger announcement, OMT had revenues of \$4.4M (Canadian) for its fiscal year which ended 3/31/00 and EBITDA of \$346K (Canadian).

OMT's three directors, **Ron Paley**, **Ted Paley** and **Scott Farr**, are expected to become directors of the merged company, along with Western e-com's current directors, **Jack Peterson**, **Philipp Ens**, **Steven Stang** and **Ed Burgener**.

Citadel ending monthly updates

With a leveraged buyout which will take the company private pending, Citadel Communications (O:CITC) is ending its monthly financial updates. However, since the \$2B LBO isn't expected to close until the second half of this year, CEO **Larry Wilson** and other Citadel officials will still have a few more conference calls with Wall Street analysts. The company says it will release its Q4 and full-year 2000 results on 2/26, followed by a quarterly conference call.

Ceridian right on target

Ceridian (N:CEN) reports that its Q4 2000 net earnings were \$16.6M, or 11 cents per share, and that full year earnings for 2000 were \$100.2M, or 68 cents per share. Those are actual results, but what the company and The Street are focused on are the pro forma results for Ceridian, excluding Arbitron and costs associated with the pending split-off. "Without regard to a one-time charge in the first quarter of 2000, and unusual items related to the upcoming spin of Arbitron, we met our earnings per share objectives of 32 cents and \$1.01 for the fourth quarter and full year 2000, respectively," CEO **Ron Turner** said in his announcement. Turner, however, had lowered Wall Street's expectations to those levels on 1/11, causing Ceridian's stock to drop more than \$2.

Looking forward, Ceridian said "Arbitron Inc., on an independent, stand-alone basis, will have earnings of about 23 cents per share in 2001."

RBR observation: Arbitron's 2000 financial results are obscured by Ceridian's designation of the radio ratings firm as a discontinued operation, with one-time charges related to the spin-off lumped in with Arbitron's numbers. Look for Arbitron to distribute pro forma comparables for 2000 to Wall Street once the separation is completed.

Emmis cedes pole position in Indianapolis

Dateline Indianapolis: The deal in which Emmis Broadcasting is sending WTLC-AM and the intellectual property of WTLC-FM to Radio One (*RBR* 1/22, p.13) will definitely have an impact on the market. However, the final impact is yet to be determined.

Based on the Arbitron Summer 2000 survey, the first winner is Susquehanna, which moves into the first place slot of this highly competitive market by default. Its combination of Country/Oldies/Modern Country pulls down over 20 shares 12+.

Radio One goes from 5th place to, well, 5th place, but is now a mere whiff behind local owner MyStar, which is holding down 4th. The Urban specialist adds the Urban format of WTLC-FM (5.9 12+) and WTLC-AM's Gospel offering (1.3). It is surrendering the 3.4 points claimed by Urban AC WBKS-FM, as its 106.7 MHz frequency will be the new home of WTLC-FM.

One of Radio One's other FMs, WYJZ, scored only a 1.5 with a Smooth Jazz format. If WBKS's intellectual property goes to WYJZ's slot on the dial, the group's total would jump to 15.3, good for 3rd place ahead of Clear Channel. In short, we would not be surprised to see them make that move, or perhaps even add a Rhythmic Oldies format if the Jazz continues to struggle. Radio One's third FM, WHHH, is listed by Arbitron as a Rhythmic CHR.

The story is not over for Emmis, however. They have not yet decided what format will be hitched up to the soon-to-be-former WTLC frequency of 105.7, along with its robust 50 kw of power. While we have no doubt Emmis will do its homework before committing to anything, we must mention what we see as a gaping format hole: The Classic Rock/Classic Hits category is all but absent in the market. Quinn Broadcasting's WKLU-FM, a Class A coming in from Brownsburg, IN somewhat to the west of town, is the only station using the format, and it scored only an 0.5 in the Summer book.

We quickly checked all of the other markets in Indianapolis's 31-40 rank group, and in all but one case they were supporting at least one Classic station in the 4-6 share range. If Emmis can make a similar go of the format here, they will be back in 1st place.

And if Emmis does not like Classic Rock, there's always Classical.—DS

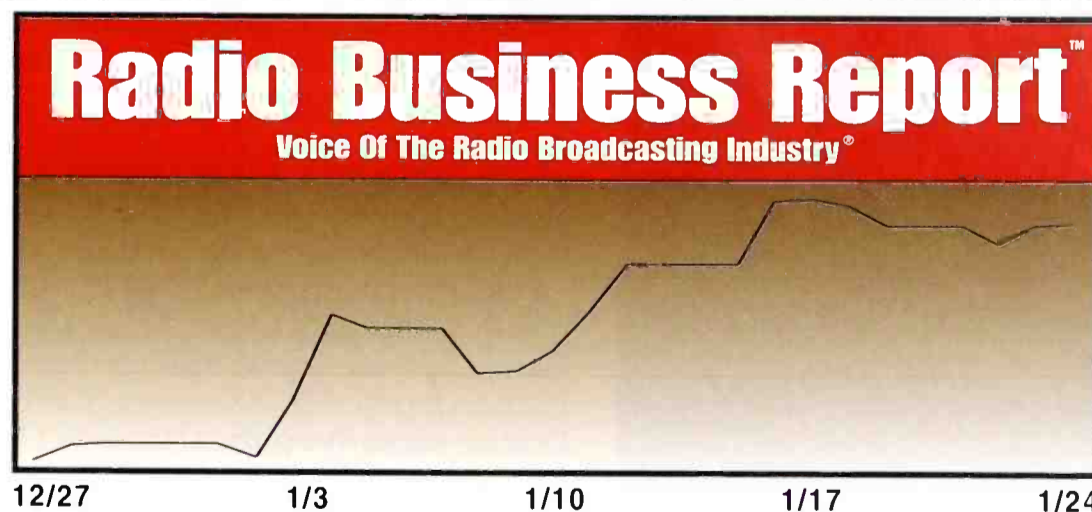
Rank	Owner	Before	After	Formats
1	Susquehanna	20.4	20.4	Ctry/Old/Ctry
2	Emmis	23.6	16.4	NT/AC/CHR/?
3	Clear Channel	15.1	15.1	Rock/Alt/Sprts
4	MyStar	13.5	13.5	AC/CHR/Stds
5	Radio One	9.6	13.4	UC/CHR/SmJz/Gsp
6	Sarkes Tarzian	2.5	2.5	AAA
7	Radio 1500	1.9	1.9	Rel

Sources: Arbitron Summer 2000 survey, *RBR Source Guide* database

The Radio Index™

The Radio Index™ leveled off after hitting a year-to-date high of 176.159 on 1/17. The index closed 1/24 at 171.241, down 4.918 for the week, but up 45.881 YTD.

180
160
140
120



12/27 1/3 1/10 1/17 1/24

CLOSED!

Commonwealth Communications, LLC
has acquired
The STARadio Corp. Clusters
in Helena & Great Falls, MT and Williston, ND
for \$7,500,000

Charles Giddens and Elliot Evers
represented STARadio.

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Transaction Digest[®]

by Dave Seyler & Jack Messmer

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.

\$45,000,000 KCUB-AM, KIIM-FM & KHYT-FM Tucson AZ from Slone Broadcasting Co. (James C. Slone et al) to Citadel Broadcasting Co. (Larry Wilson), a subsidiary of Citadel Communications (O:CITC). \$2.25M letter of credit, balance in cash at closing. **Superduopoly** with KTUC-AM, KOAZ-FM coming in separate concurrent transaction with company closely related to this seller (see item below). LMA until closing. **Broker:** Kalil & Co.

\$19,000,000 KBUL-AM, KCTR-FM, KKBR-FM, KBBB-FM & KMHK-FM Billings MT (Billings-Hardin MT), **KPRK-AM, KMMS-AM & FM, KSCY-FM & KXLB-FM Bozeman MT** (Bozeman-Livingston-Belgrade MT), **KLCY-AM, KLYQ-AM, KBAZ-FM & KYSS-FM Missoula MT** (East Missoula-Hamilton-Missoula MT) and **KSEN-AM & KZIN-FM Shelby MT** from Marathon Media Group LLC (Bruce Buzil, Chris Devine) to Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). \$19M cash. Existing **superduopolies**. **Broker:** Star Media Group

\$16,000,000 KTUC-AM & KOAZ-FM Tucson AZ (Tucson-Oro Valley AZ), 100% stock sale of Slone Radio LLC from James, Jamie & Fred Slone and Mary Wambach to Citadel Broadcasting Co. (Larry Wilson), a subsidiary of Citadel Communications (O:CITC). \$800K total in letters of credit, \$2M in Citadel stock, balance in cash and debt payoff. **Superduopoly** with KCUB-AM, KIIM-FM & KHYT-FM, which are being acquired from another Slone company (see item above). **Broker:** Kalil & Co.

\$10,000,000 WKOX-AM Boston (Framingham MA) from Fairbanks Communications Inc. (Richard Fairbanks) to Capstar TX LP (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). \$10M cash. **Superduopoly** with WXKS-AM & FM, WHJY-FM & WJMN-FM in the Boston market, WTAG-AM & WSRS-FM in the Worcester market and WWBB-FM & WSNE-FM in the Providence market. Notes: No more than two AMs and four FMs overlap at any point. WKOX-AM has a CP to increase power from 10kw to 50kw.

\$5,000,000 KXXX-AM & KQLS-FM Colby KS, KGNO-AM, KOLS-FM & KRPH-FM Dodge City KS, KZLS-FM Great Bend KS, KNNS-AM & KGTR-FM Larned KS, KYUU-AM & KSLS-FM Liberal KS, KILS-FM Minneapolis KS, KFNF-FM Oberlin KS and KWLS-AM & KDGB-FM Pratt KS from Goodstar Broadcasting of Kansas License LLC (Gene Dickerson, Bain Capital) to Waitt Radio Inc. (Norman Waitt). \$600K escrow, balance in cash at closing. Existing **duopoly** in Dodge City. LMA since 1/1.

\$4,250,000 KMYF-FM, KYEA-FM, KZRZ-FM & KTJC-FM Monroe LA (Monroe-Columbia-West Monroe-Rayville LA) from Citadel Broadcasting Co. (Larry Wilson), a subsidiary of Citadel Communications (O:CITC), to Monroe Radio Partners Inc. (Michael Schwartz, Monte Lang, Aaron Daniels, Abe Moses, Edward Argow, Matthew Chase), part of the Radio Partners group. \$212.5K escrow, balance in cash at closing. Existing **superduopoly**. LMA since 12/18/00. **Broker:** Mike Bergner, Bergner & Co.

\$2,000,000 WLUV-AM Tampa-St. Petersburg FL (Dunedin FL) from Synchronous Media Group Inc. (Mark Jorgenson) to Genesis Communications I Inc. (Bruce Maduri, J. Donald Childress). \$500K cash (adjusted for LMA payments), \$1.5M note. LMA since 2/00

\$1,500,000 WVRT-FM Williamsport PA (Jersey Shore PA) from D.H.R.B. Inc. (Sabatino Cupelli) to Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). Cash. **Superduopoly** with WKSJ-FM, WBYL-FM, WRAK-AM, WRKK-AM. LMA since 1/1.

\$1,200,000 KWYS-FM, KEZQ-FM/KWYS-AM Island Park ID-West Yellowstone MT from Alpine Broadcasting LP (Scott D. Parker) to esi-Northern Rocky Mountain Inc. (Kevin Hesse et al). \$60K escrow, balance in cash at closing. Existing **duopoly**. LMA since 11/1/00.

\$1,020,000 WCLD-AM & FM, WMJW-FM, WAID-FM & WKDJ-FM Cleveland-Rosedale-Clarksdale MS, 75% stock interest in Radio Cleveland Inc. from H.L. & Joyce Sledge (12.5% before/none after), heirs of The Estate of W. Frank Wood (12.5%/none), George Shurden (12.5%/none), The Estate of J.R. Denton Sr. (12.5%/none), Juliet Klein (12.5%/none) and Barbara Levingston (12.5%/none) to Kevin Cox (12.5%/45%) and Clint Webster (12.5%/45%). Gregory Shurden continues as 10% owner. \$1.02M cash for stock. Existing chain **superduopolies**.

\$1,000,000 KOOO-FM CP (95.5 MHz) **Pueblo CO** (Rocky Ford CO) from High Peak Broadcasting LLC (Bruce Buzil, Chris Devine) to Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). \$1M cash. **Broker:** Star Media Group

\$400,000 KAJI-FM Point Comfort TX from BK Radio (Bryan King, Steve Bumpous) to Fort Bend Broadcasting Co. Inc. (Roy E. Henderson). \$20K escrow, balance in cash at closing.

\$335,000 KOVO-AM Salt Lake City (Provo UT) from Great Stock Company of Vast International Import Inc. (Judith W. Grow et al) to Millcreek Broadcasting LLC, related to Marathon Media LLC (Christopher F. Devine, Bruce Buzil, Robert G. Nieman, Aaron Shainis et al). \$65K deposit, balance in cash at closing. **Superduopoly** with KWKD-FM Randolph, KFVR-FM Roy, KUUU-FM Tooele, KMXU-FM Manti, KYKN-FM Nephi (all UT) and KOTB-FM Evanston WY. Forms five distinct markets. LMA until closing.

\$180,000 WHHV-AM Hillsville VA from Magnum Communications Inc. (Howard E. Espravnik) to New Life Communications Inc. (R. Leon Goad). \$5K escrow, balance in cash at closing or \$5K escrow, \$35K cash at closing, \$140K note. **Broker:** Snowden Associates (seller)

\$175,100 WDME-FM Dover-Foxcroft ME from Mid-Maine Media Inc. (Joyce Werner, Richard Thau) to The Zone Corp. (Stephen King). \$43,775 downpayment, balance in cash at closing.

\$125,000 WMYT-AM & WDVV-FM Wilmington NC (Carolina Beach/Wilmington) from Priase Broadcasting Network Inc. (Dennis Anderson) to Family Radio Network Inc. (James J. Stephens Jr., Cynthia M. Stephens, Matthew M. Wall, Ulmer S. Eaddy, Kit Austin, Margaret Yelverton, Tony Register). \$25K deposit, balance in cash at closing. **Superduopoly** with WWIL AM & FM, WLSG-AM. WWIL-FM is non-commercial.

N/A KCEL-FM California City CA from Kathryn J. Efford to KCEL Radio LLC (Kathryn J. Efford, Carrine L. Lloyd, James W. Reeder, Stephen L. Richards, Dustin L. Richards, M. Joshua Meister, Gerald G. Paul). Transaction "was not a sale, but an addition of investors." Investor financial obligations were not specified.

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Upped & Tapped



has upped **Andy Laird** to VP/Radio Engineering.

Adiesa Brown is now VP/Specialized Agency Sales for Interep. She will concentrate on business with small to mid-sized advertising agencies.

It's always April for NextMedia in Reno: At least since it installed **April Clark** as VP/GM of its four-station cluster in Reno, NV.

Northeast US radio group Nassau Broadcasting has named **Ralph Nieves** National Sales Manager.

Feed the Monster escapee **Debbie Greenbaum** has caught on with Jones Radio Networks, where she will fill the role of Manager, Affiliate Relations. She will be joined by **Liz Laud**, Di-

rector, Affiliate Relations. Laud comes from Westwood One. **Robert E. Allen, Jr.** is filling the newly-created position of VP/Accounting & Financial Reporting for radio group owner Regent Communications. He will report to SVP/CFO **Tony Vasconcellos**.

Cotton club? Clear channel has announced some new execs at its cluster in Honolulu. **Charles Cotton** will take over the Market Manager from the exited **Bob Longwell**; at the cluster's KUCD-FM, **Ken Martin** will be Program Director and **Patrick Leonard** will be Local Sales Manager.

Strauss to stress Hispanic operations? Yes, and it will utilize the services of **Andy Izquierdo**, who will join the PR/consultancy Strauss Radio Strategies as Director of Spanish Radio.

Hollywood Hamilton's Week-end Top 30 has a new Execu-



tive Producer. NBG Radio Network has brought in **Casey Keating** to fill the role.

Feinblatt, VP/Radio and Tim Stansky, VP/Marketing. Meanwhile, Annie Maguire has been upped to the VP/Director of Sales slot at its Boston cluster.

Mark R. Fratrik has exited his VP/Economist slot at the NAB to become a VP with Broadcast Investment Analysts Financial Network (BIAfn).

Reyes moves on to stand 'PAT: **Gino "Latino" Reyes** is the new PD at Spanish Broadcasting System's FM tandem in New York. He will take over the programming chores at WSKQ and WPAT. He exits Clear Channel's Miami cluster.

Bob "Donuts" Bartolomeo was appointed director of affiliate relations for United Stations Radio Networks. He comes from



Westwood One's Imus in the Morning show as director of affiliate relations.

Upped & Tapped info fax to April Olson at 703-719-7725

Shel game: Radio group owner Artistic Media Partners has named **Shel Leshner** VP/Marketing. He will also act as GM for Artistic's stations in the Northern Indiana area.

Hola, Amigo: Eight-year veteran **Kevin Clayton** has been promoted to Product Manager at Circuit Research Labs. He will be responsible for the company's Amigo Series broadcast audio processors. Meanwhile, **Steve A. Claterbaugh** has been named North American Sales Manager for both CRL and sister Orban.

Changes at Arbitron: **Dennis Seely** has been upped to VP/Marketing, and **Brad Feldhauas** has been named Director of Strategic Initiatives, both for Radio Station Services; Ex-CCU exec **Ed Cohen** has been upped to VP/Domestic Radio Research.

Bonneville makes its Mark in the Nation's Capitol: With a mark, as it turns out. **Mark O'Brien** has been handed the VP/GM reins to CHR tandem WWZZ-FM and WWVZ-FM. Other stops for O'Brien in Washington have included WASH-FM, WJMO-FM and WTOP.

CCU parks Parker in Atlanta: And he'll be taking up three spaces. **Tom Parker** will act as Operations Manager for WGST-AM, the Georgia News Network and Total Traffic.

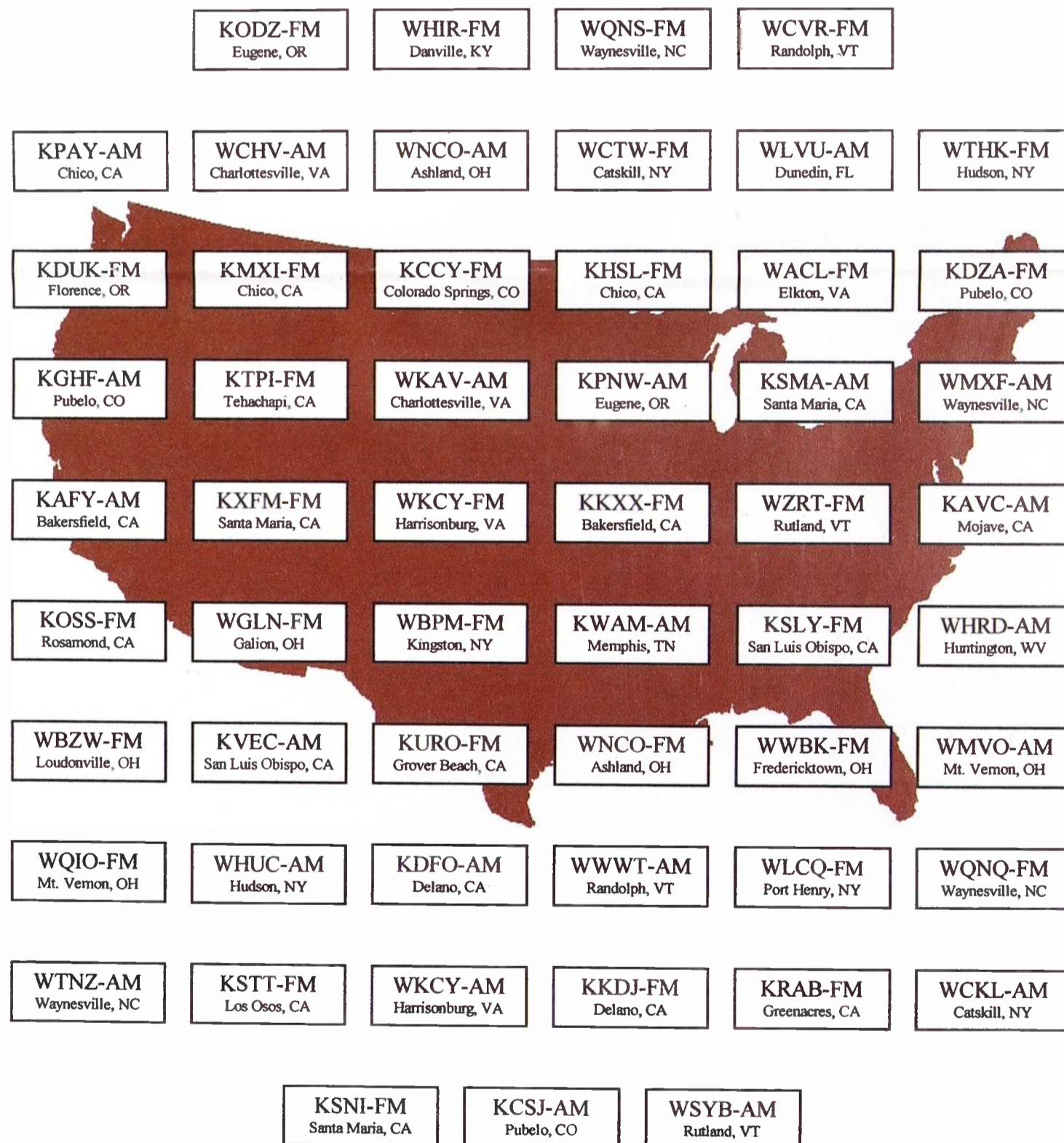
A whole lotta yakkin' in Yakima: **Dewey Boynton**,



PD of New Northwest's Country KHHK-FM Yakima has been named Director of Country Programming for the entire group. He will thus be involved with six of the company's 43 stations.

Storm warning: Premiere Radio Networks has lured **Leslie Sturm** away from MJI Broadcasting to fill the position of VP/NY Sales. Journal Broadcast Group

Radio Stations Sold In 2000

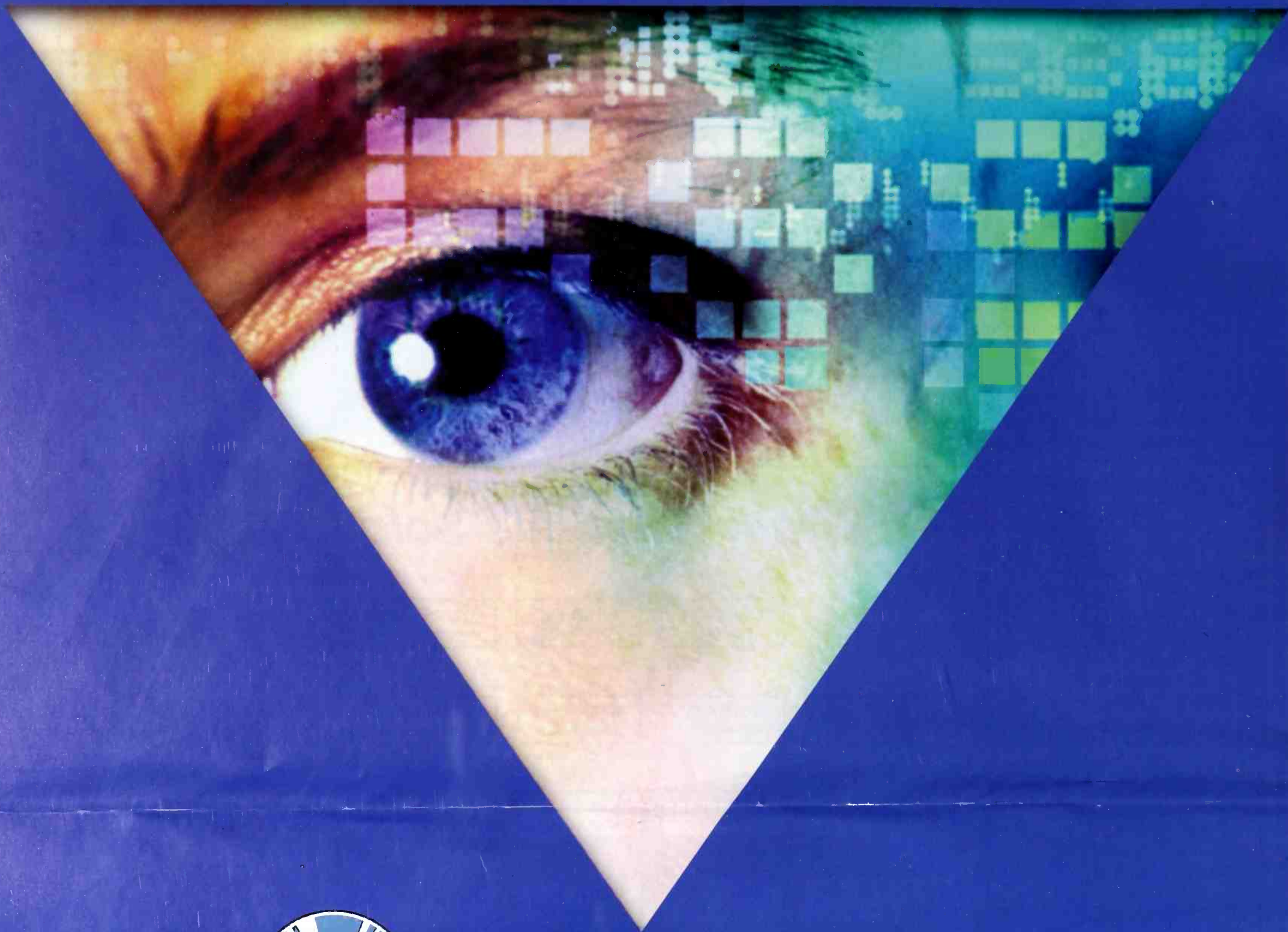


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