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Jacor shocker: Merging with Clear Channel

By Jack Messmer

Just when Wall Street had been lulled into believing that no sale of Jacor Communications (O:JCOR) would take place until stock prices recovered, **Randy Michaels** surprised everyone with an announcement (10/8) that Jacor would merge into Clear Channel Communications (N:CCU). The deal is valued at \$4.4B.

Although there had been other bidders—CBS (N:CBS) and Chancellor Media (O:AMFM) had been among those believed to be in the running—Michaels said that Jacor

had sought out the Clear Channel deal because, among other things, it would require few station divestitures and leave Jacor's management structure in place, with Michaels still running the group as a Clear Channel subsidiary.

"It doesn't feel much like a takeover to us," Michaels said. "It feels like a partnership to us."

"This puts together two companies which are very complimentary," agreed Clear Channel CEO **Lowry Mays**. "This transaction clearly places us, without a doubt, as the largest out-of-home

advertising company in the world."

Initial indications were that Jacor's stations would keep their \$120-\$140M in national billings at the Katz Radio Group (mostly with Eastman), rather than move to Clear Channel's dedicated rep at Interep. Hefel (O:HBCCA), in which Clear Channel owns a 30% stake, also has its rep contracts at Katz. *Financial details on page 35.*

Sinclair to divest

Sinclair Broadcast Group (O:SBGI) said it plans to divest about \$500M in radio and TV properties in Q4 1998 and early 1999. The company did not specify which stations it would be putting on the auction block.

News Analysis

Guilt by association

By Jack Messmer

Radio stocks got trashed last week by the continuing troubles of the industry's revenue-disadvantaged cousins, TV and newspapers. Wall Street traders seem unable to differentiate between media stocks, and the panic sell-off even extended to tower company stocks.

Could we have a show of hands: How many station owners decided during the 1990-'91 recession that tower rental was a budget item which could be eliminated to cut overhead?

RBR's weekly stock chart (p. 32) carries the dismal result. Every stock was

down from a week earlier, with the sole exception of Otter Tail Power Co. (O:OTTR), an electric utility which happens to own a few radio stations. The Radio Index™, compiled by Dow Jones Indexes for *RBR* and the Wall Street Journal Radio Network, fell below 80 for the first time (p. 35).

In sharp contrast, we have the twice-monthly RBR/Miller Kaplan report on forward pacing (right), which shows demand for radio spot inventory still strong—with no sign of any slump.

Meanwhile, most public radio companies are expecting to report record results for Q3, as Emmis (O:EMMS) already has for its fiscal Q2 (*RBR* 9/28, p. 10). Is anyone on Wall Street even listening?

What recession?

October and November forward pacing numbers remain solid, with December already ahead of last year. Unlike some other media, radio is strong and getting stronger.

RBR/Miller Kaplan Market sell-out percentage report

	1998	1997
Oct 1	79.3%	80.1%
Nov.	70.6%	72.6%
Dec.	47.5%	44.0%

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USADR wants FCC to get moving

by Carl Marcucci

In an attempt to speed up the acceptance process for IBOC DAB, USA Digital Radio filed a 400-page Petition for Rulemaking with the FCC last week asking it to approve IBOC as the DAB standard for the US. While an inevitable step that needed to be taken (partially to avoid a repeat performance of AM Stereo where a standard was never issued and differing systems in the marketplace hindered its acceptance), USADR hopes to use the petition to its advantage—it has been in the game the longest and claims to be ahead of competitors DRE and Lucent in development.

"We asked them to be very aggressive in timetables and setting a standard. Broadcasters, listeners and manufacturers want to have the new technology sooner rather than later," said **Bob Struble**, president, USADR. "Certainly, we favor our [system] over what our competitors are doing, but there's probably many parts of this filing that we would hope our competitors would very much support—we asked the Commission to endorse digital in general, we asked them to say that IBOC is the only way to do digital in the states."

The petition details system evaluation criteria, such as no digital and analog interference, matching IBOC coverage to existing coverage, audio quality and a rule barring acceptance unless a system contains both AM and FM (USADR claims to be well ahead on AM design).

All three proponents have indicated they will submit their systems to the NRSC for standardization, but if the FCC adopts a specific standard for IBOC, such as the existing USADR, it could knock the others out of the race—DRE's system is substantially different, Lucent's is still a question.

"I'm very confident the FCC will look at all the systems and not simply rubber stamp one because it's in early," said **Charlie Morgan**, Chairman, NRSC, VP Engineering, Susquehanna. "I'm sure Lucent and possibly DRE will put in counter proposals."

Pirates protest FCC, NAB

Roughly 50 pirate radio backers marched on the FCC and NAB last week as part of a pirate convention. Frustrated with a FCC crackdown, they claim corporate interests and the NAB are pulling the strings of their "puppet," FCC Chair **Bill Kennard**.



Rough RADAR for many

by Frank Saxe

RADAR® 58 was a tough survey for nearly all networks, with only four posting increased 12+ audiences. For all networks combined, audience levels held steady at 24M listeners, despite many stations leaving affiliation behind to concentrate on local advertising dollars.

ABC's Advantage Network reported the largest 12+ gain among the nets with a 25.5% increase, followed by AMFM's Diamond Network, up 13.7%, AMFM's Emerald Network, up 2.5% and ABC's Platinum Network, up 1.4%.

Disney's (N:DIS) ABC Radio continued its dominance in programming, holding 19 of the top 20 programs, and **Paul Harvey** held four of the ten top broadcasts. ABC has led the way in low-inventory networks, which has helped it hold its dominance during this time of particularly tight inventories.

While ABC's Prime Network won morning drive, RADAR newcomer Jacor's (O:JCOR) Premiere, came out of the gate with a story to tell—its AM Drive Network snared the highest number of listeners of any network, cuming 5.5M weekly.

Premiere, however, admits Dr. Laura underperformed, in part because the network ran into trouble collecting the huge amounts of data

continued on page 6

10/12/98 RBR

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continued from page 4

from 436 affiliates, as required by Statistical Research Inc. "Several key affiliates were not airing the full three hours," added **Kraig Kitchin**, president/COO, Premiere. The show ranked #13 during the 10a-3p daypart for Adults 25-54.

Dr. Laura is the first long form daily program to be measured by RADAR, and whatever its numbers, agency buyers applauded its addition. "It gains credibility," said one.

Chancellor's (O:AMFM) AMFM Radio Network's numbers grew slightly, but AMFM President **David Kantor** said he expects even better numbers in RADAR 59, when 74 SFX stations purchased by Chancellor are fully credited to AMFM. In the top 10 and top 25 markets, AMFM drew

Minority stations bill 30% less

by Frank Saxe

While an FCC-sponsored study looking into whether advertiser prejudices are impacting minority owned and programmed stations is not yet complete, *RBR* has learned it will conclude Urban and Hispanic programmed radio stations bill 30% less than their general market counterparts.

Over the past few months, Civil Rights Forum Research Director **Kofi Ofori** has surveyed broadcasters, national rep firms and advertising agencies—many of whom have declined to release information. "Some material is impossible to unearth, because it's embarrassing," said Ofori.

FCC Chair **Bill Kennard** (D) said last week, he intends to use the study as a "wake up call" to the advertising community. "Discrimination is distorting the marketplace," Kennard told the Minority Media and Telecommunications Council.

The report may be the smoking gun which could spur a Federal Trade

considerable strength from Chancellor's holdings—scoring the top spot in several key demos.

It was another tough book for Westwood One (O:WONE). All of its networks had decreases among Persons 12+, although two of its nets gained in the 25-54 demo. Westwood has been reducing compensation paid to affiliates, and many are switching to other networks—which hurts ratings.

Last week, CBS Radio (N:CBS) extended its management agreement with WWI for another five years. It also named WFAN-AM GM **Joel Hollander** WWI's new President/CEO. "The time had come for Westwood One to have a full-time CEO," said outgoing chief **Mel Karmazin**—who also serves as CBS President/COO and CEO of soon-to-be-public Infinity Broadcasting.

Commission investigation. "I'm trying to establish a case that would warrant that," said Ofori.

"I'm not sure if anyone in Washington has that power," responds **Burtch Drake**, president/CEO, Advertising Agency Association of America. "How advertisers spend their money is pretty much an advertiser's business, not the government's."

Radio Advertising Bureau President/CEO **Gary Fries** agreed. "Who the advertiser wants to target is truly a business decision that is not going to be solved by any sort of regulation requiring commercials be placed on certain types of stations."

The issue came to the forefront last Spring, when a leaked Katz Media memo referred to minority listeners as "suspects." That led to protests from minority broadcaster and the NAACP.

Drake has met with Rev. **Al Sharpton** and is working to set up a meeting with agencies and advertisers. However, Drake said most are reluctant to place themselves into what they perceive as a no-win situation.

► RBR News Briefs

► NAB President **Eddie Fritts** goes on injured reserve. Fritts told Radio Board members last week he will not be attending this week's Radio Show in Seattle, because he must have painful knee replacement surgery at the Mayo Clinic. Fritts will be working from home for a few weeks, and is expected back in the office by Thanksgiving.

► Expect it to get more difficult to get one-to-a-market waivers. While the FCC approved Emmis Communications' (O:EMMS) purchase of WWVR-FM Terre Haute, IN on a four to one vote [Cmsr. Tristani dissented], they vowed to start putting the requests through closer scrutiny.

► The FCC has approved eight station sales, after completing its analysis of whether they would impact the distribution of a market's radio advertising revenue. The deals were flagged in August. No comments were filed on the proposed transfers during a 30 day window. The deals approved are: KAAY-AM Little Rock, AR from KAAY, LLP to Citadel; and Bocephus Broadcasting's seven stations in Blacksburg, VA, which go to Root Communications.

► Electric Village, now going by OnRadio, has signed all 210 Jacor stations to a two-year contract to manage content and ads on the stations' Web sites.

► The NAB Radio Board last week voted unanimously to oppose an FCC proposal allowing stations to negotiate interference among themselves. Many engineers believe the plan could undermine the FM band's integrity (*RBR* 10/5, p.8).

► Republicans in Alaska have backed off on efforts to have former small market radio group owner **John Lindauer** bumped off the Nov. ballot as the party's nominee for governor (*RBR* 10/5, p. 10). The AP quoted one party official as saying of the nominee, "He's a disaster and a pathological liar, but hey, he's our guy."

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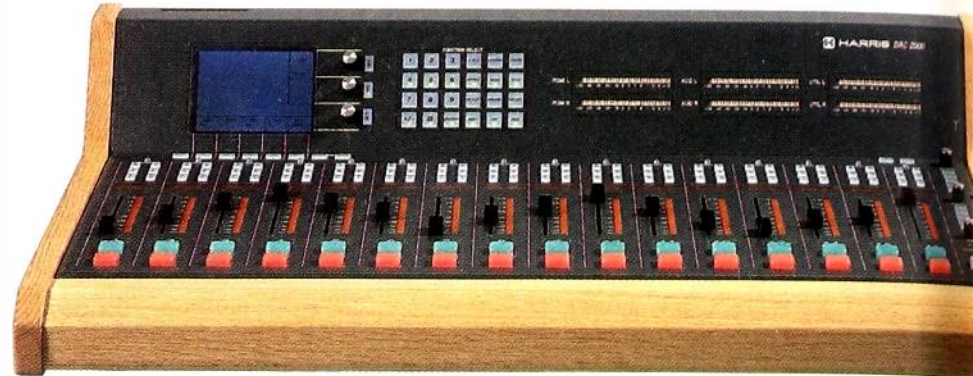
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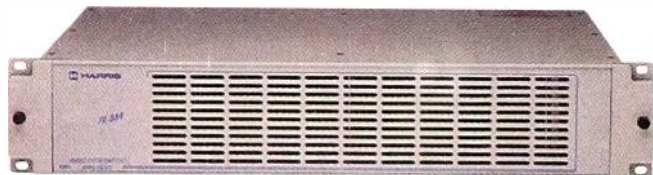
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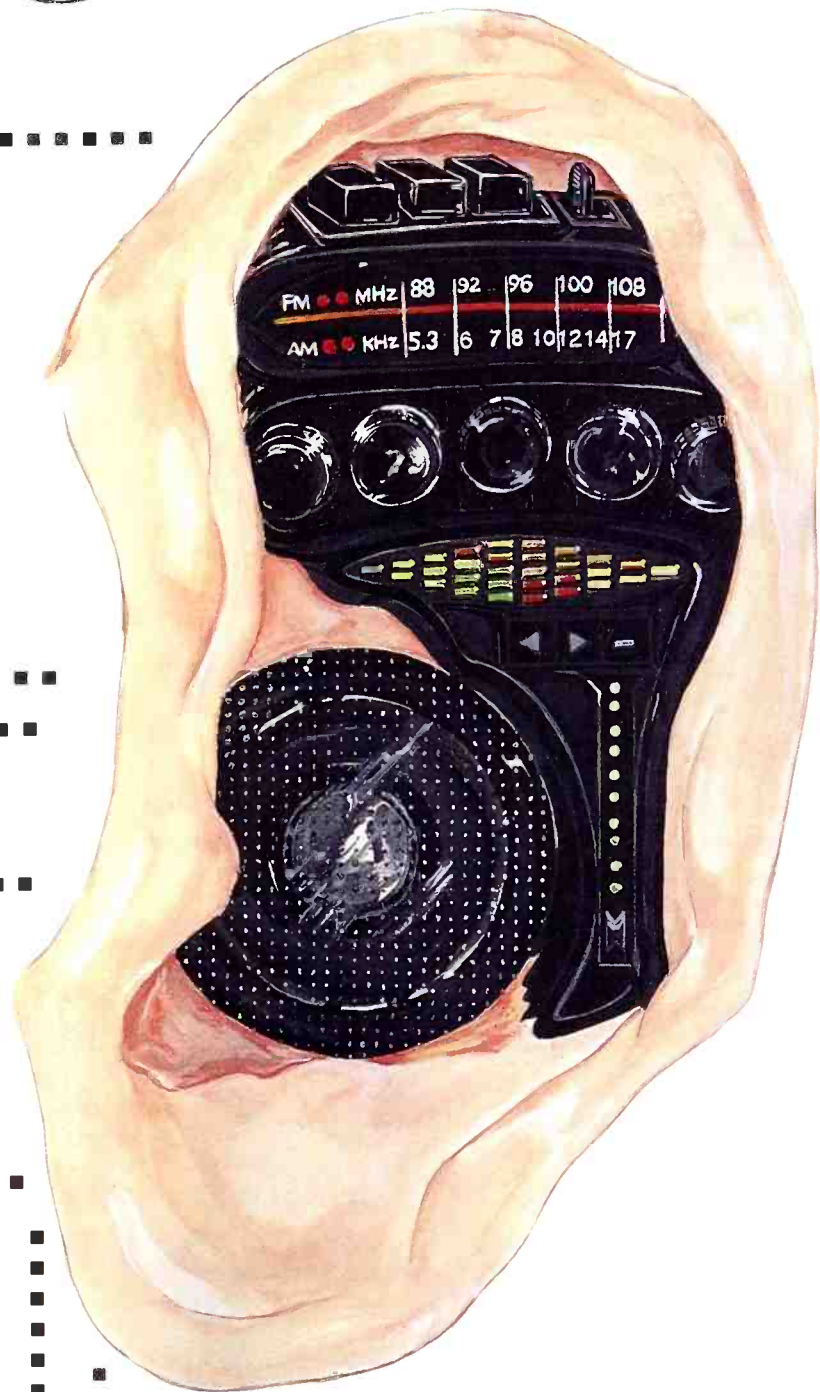


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New at the NAB Radio Show

by Carl Marcucci

Lucent to give first demo of new FM IBOC system

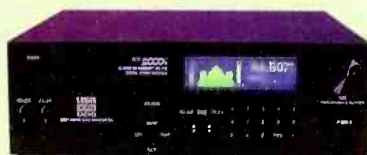
Five months after its inception (*RBR* 5/18, p. 2), Lucent Digital Radio will already be demonstrating its prototype FM IBOC system. "It's part of our way of doing business here. When we decide we're going to do something, we go after it. We come through on our promises," said **Suren Pai**, president. When asked if this system is simi-

lar to the previous AT&T/Amati system, which wasn't viable due to interference problems, "There's a whole new generation of technologies on both the channel coding and audio coding sides and modulation schemes. It's almost re-designed from scratch, having learned from some of the problems of the other systems. I don't believe there is much similarity to our system other than at the conceptual level," said Pai.

There will also be a demonstration of Lucent's "PAC," Perceptual Audio Coding technology. **Booth #732.**

USADR unveils prototype AM & FM receivers, exciters

USADR will be showing its new AM/FM "IBOC-2000R" receivers and "IBOC-2000E" exciters, along with an audio sound room demo comparing AM and FM analog and digital, a video of data gathered from IBOC signal tests and will host two panel discussions: "Digital Facilities Workshop," 10/15 8A to 4P; "DAB for managers: smoke & mirrors or the real thing," 10/16 1:45 to 3P. USADR has also filed a 400-page Petition for Rulemaking—see story, p. 4. **Booth #646.**



USADR'S IBOC Receiver



USADR'S IBOC exciter

DRE to demo system, detail field testing

Digital Radio Express will be showing off the outfitted van used in mobile field testing this summer (*RBR* 9/21, p. 13), along with demonstrating its prototype receiver and exciter. Like at NAB Vegas, analog and digital signal comparisons will be also shown under multipath environments. A videotape will be shown of the van's ventures in the Bay area, detailing spectrum analyser output for analog and digital signals in bad reception zones. **Booth #1118.**

AMRC now "XM Satellite Radio"; announces programming deals

Satellite DARS company AMRC, primarily owned by AMSC (O:SKYC), is repositioning itself as XM Satellite Radio and announcing programming deals—both to bring it out of the "other radio satellite company" stigma.

"The basic theme is you have AM, you have FM, and now 60 years later you have XM—a new band, the next generation of radio," said CEO **Hugh Panero**. "It's sort of our unveiling as a service and as a company."



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The programming announcements:

- *USA Today* has partnered for a news and information channel.
- Hefel will custom-produce five Spanish-language channels including Caribbean, Regional Mexican, Romantica, Tejano and Rock en Español.
- Salem will produce three channels: traditional Christian music, Pop Christian music and Christian Talk.
- C-SPAN will offer its Washington, D.C. station, WCSP-FM, as a channel.
- **John Douglas'** Asia 1 network will program two channels: Mandarin/Cantonese and "Taj," which is in Hindi (India).

More deals will be announced at the show—Westin Presidential Suite, 47th floor.

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Mkt Size	Stns	Super	Super%	Consol	Consol%
1-50	1451	754	52.0	1100	75.8
1-100	1067	537	50.3	773	72.4
101-150	816	381	46.7	549	67.3
151-200	827	366	44.3	575	69.5
201-261	815	361	44.3	558	68.5
TOTAL	4976	2399	48.2	3555	71.4

Quarter	Stns	Super	Super%	Consol	Consol%
Q2 96	4860	985	20.3	2562	52.7
Q3 96	4872	1256	25.8	2756	56.6
Q4 97	4878	1390	28.5	2847	58.4
Q1 97	4863	1639	33.7	3005	61.8
Q2 97	4868	1840	37.8	3116	64.0
Q3 97	4877	1969	40.4	3195	65.5
Q4 98	4876	2077	42.6	3245	66.6
Q1 98	4939	2237	45.3	3432	69.5
Q2 98	4955	2333	47.1	3492	70.5
Q3 98	4976	2399	48.2	3555	71.4

Region	Stns	Super	Super%	Consol	Consol%
Northeast	481	219	45.5	324	67.4
Mid-Atlantic	836	388	46.4	579	69.3
South	1286	644	50.1	918	71.4
Midwest	945	434	45.9	689	72.9
Southwest-Rockies	781	399	51.1	563	72.1
Pacific	647	310	47.9	482	74.5

Northeast (CT, ME, MA, NH, NY, RI, VT) Mid-Atlantic (DE, DC, KY, MD, NJ, OH, PA, VA, WV) South (AL, AR, FL, GA, LA, MS, NC, SC, TN) Midwest (IL, IN, IA, KS, MI, MN, MO, NE, SD, WI) Southwest-Rockies (AZ, CO, ID, MT, NV, NM, OK, TX, UT, WY) Pacific (AK, CA, HI, OR, WA)

Consolidation continues, but pace is slowing

by Dave Seyler

Radio ownership consolidation is continuing its march, although the pace has slowed considerably. Superduopolies now claim 48.2% of all stations in Arbitron-rated markets (almost 2,400). 71.4% of all stations are in some sort of consolidated operation (superduopoly, duopoly or LMA). Consolidation dealing began most heavily in the larger markets, but the smaller markets have been catching up. All market sizes are within about 4% of the average for the nation as a whole.

The Pace of Consolidation

Consolidation dealing in Q3 1998 was the slowest since Telcom was inked into existence. The number of stations in a superduopoly increased by only 1.1%, and total consolidation was even slower with a meager increase of 0.9%.

Wall Street may have had a little something to do with the slowdown. A few acquisition-minded companies were distracted by IPOs, and everyone was distracted by trying, without much success, to dodge the bears which have been running roughshod over stock values for much of the summer. In both cases, perhaps companies felt that a dealing breather was called for.

A type of deal has not been uncommon this past year which decreases the overall level of consolidation: Superduopoly spin-offs either at the behest of the DOJ or FCC or for other reasons. An example of the latter is a deal just struck by CBS to sell one of its two Boston AM stations to a niche broadcaster.

Nevertheless, it seems inevitable that by the dawn of the new millennium, superduopoly will claim fully half of all stations, with three-fourths taking part of a consolidated operation.

Consolidation by region

Warm weather seems to be a favorable condition for growing superduopolies. Over 50% of the stations in Arbitron-rated markets in the South and South

continued on page 14

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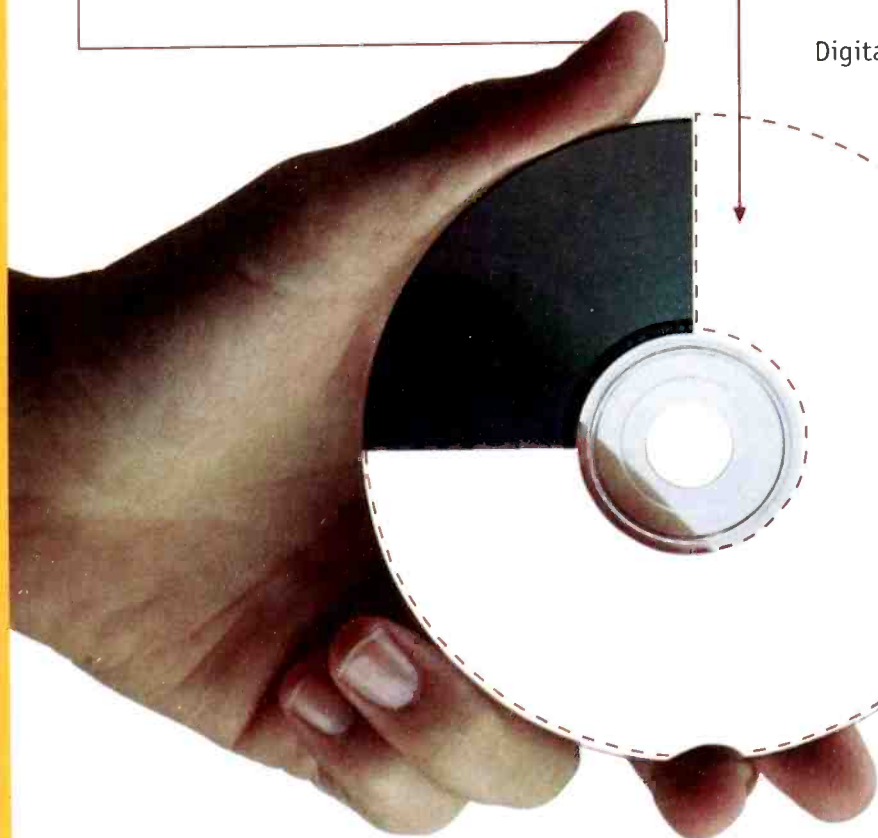
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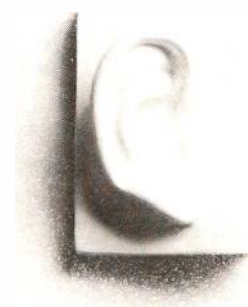
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Duopoly Dimensions, state-by-state

State	Stns	Super	Super%	Rank	Consol	Consol%	Rank	State	Stns	Super	Super%	Rank	Consol	Consol%	Rank
Alabama	125	52	41.6	36	74	59.2	49	Missouri	115	56	48.7	26	81	70.4	35
Alaska	24	19	79.2	2	19	79.2	14	Montana	21	5	23.8	49	18	85.7	4
Arizona	62	29	46.8	28	44	71.0	32	Nebraska	33	21	63.6	8	30	90.9	1
Arkansas	64	39	60.9	9	49	76.6	20	Nevada	47	28	59.6	11	36	76.6	20
California	448	183	40.8	38	321	71.7	29	New Hampshire	25	14	56.0	16	17	68.0	40
Colorado	79	34	43.0	34	61	77.2	18	New Jersey	45	21	46.7	29	33	73.3	25
Connecticut	55	18	32.7	46	37	67.3	42	New Mexico	45	32	71.1	3	35	77.8	16
Delaware	11	0	0.0	51	9	81.8	9	New York	247	136	55.1	19	173	70.0	36
Dist. of Columbia	33	19	57.6	13	28	84.8	6	North Carolina	162	80	49.4	23	129	79.6	13
Florida	296	168	56.8	14	215	72.6	26	North Dakota	40	21	52.5	2	30	75.0	24
Georgia	123	82	66.7	6	103	83.7	7	Ohio	173	87	50.3	22	122	70.5	34
Hawaii	29	16	55.2	18	21	72.4	28	Oklahoma	57	32	56.1	15	49	86.0	3
Idaho	20	16	80.0	1	16	80.0	11	Oregon	56	29	51.8	21	44	75.6	22
Illinois	129	60	46.5	31	92	71.3	31	Pennsylvania	216	85	39.4	40	136	63.0	45
Indiana	121	42	34.7	44	76	62.8	46	Rhode Island	18	6	33.3	45	14	77.8	16
Iowa	89	37	41.6	36	61	68.6	39	South Carolina	113	68	60.2	10	87	77.0	19
Kansas	35	15	45.9	32	28	80.0	11	South Dakota	33	22	66.7	6	27	81.2	10
Kentucky	64	37	57.8	12	50	78.1	15	Tennessee	175	64	36.6	43	121	69.1	38
Louisiana	148	60	40.5	39	89	60.1	48	Texas	391	191	48.8	25	266	68.0	40
Maine	49	24	49.0	24	43	87.8	2	Utah	34	24	70.6	4	24	70.6	33
Maryland	73	32	43.8	33	51	69.9	37	Vermont	14	4	28.6	48	9	64.3	43
Massachusetts	73	17	23.3	50	31	42.5	51	Virginia	124	69	55.6	17	90	72.6	26
Michigan	164	79	48.2	27	124	75.6	22	Washington	90	63	70.0	5	77	85.6	5
Minnesota	60	28	46.7	29	50	83.3	8	West Virginia	97	38	39.2	41	60	61.9	47
Mississippi	80	31	38.8	42	51	63.8	44	Wisconsin	126	53	42.1	35	90	71.4	30
								Wyoming	25	8	32.0	47	14	56.0	50

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ARTHUR
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Consolidation continued from page 12

west are in a superduop. Conversely, the northernmost regions, the Northeast and Midwest, have seen the smallest amount of superduopoly construction, each coming in below 46%. The Mid-Atlantic, which straddles the North and South, and the Pacific, which covers the entire Western North-South spectrum, are in the middle. When it comes to total consolidation (superduops plus duops), the Western climes seem to be favorable. The Northeast and Mid-Atlantic are the least consolidated, and the South is only a bit higher. Meanwhile, the three Western regions are all over 72%, with the furthest West (Pacific) nearing the 75% mark. Details for each region are spelled out in the chart on page 12.

Consolidation by state

Is your state more or less consolidated than the national average? Superduop consolidation for the nation currently sits at 48.2%; the level of total consolidation is 71.4%. The chart above shows where consolidation stands in each state.

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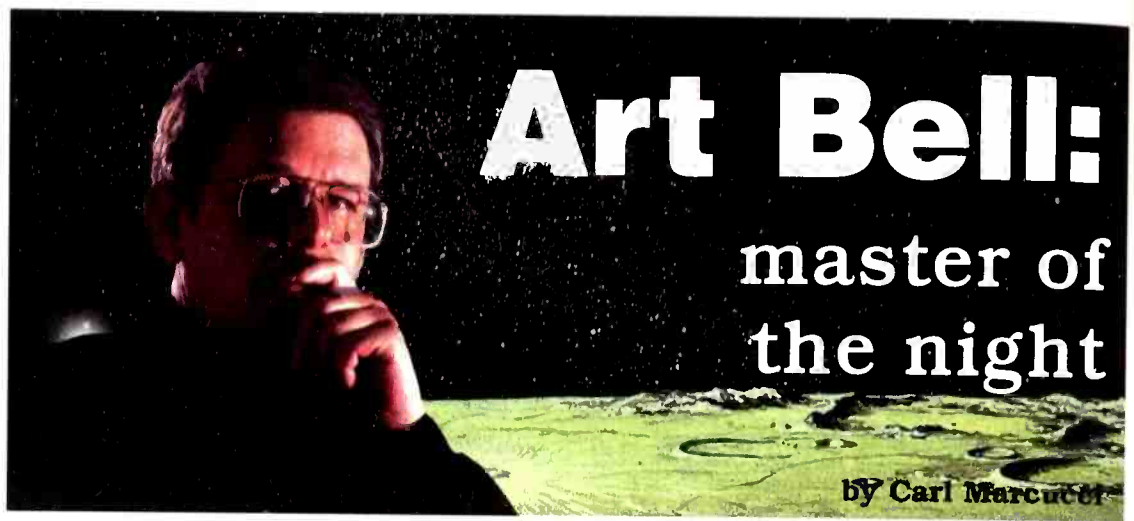
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Art Bell: master of the night

by Carl Marcucci

Call him an oddity or a man ahead of his time—either way, **Art Bell** is popular and getting more so every day. Directly uplinking to satellite from his home in Pahrump, Nevada (closer to the infamous Area 51/"Dreamland" base than Vegas), Art talks about alien abductions, government conspiracies, Armageddon, out-of-body experiences—in general, the unexplained and *underpublicized*.

410 affiliates and 10M listeners strong, Bell is now the king of late night Talk—while rarely even mentioning **Bill Clinton!** Acquired by Jacor's (O:JCOR) Premiere only this year (*RBR* 2/2, p. 4), it has just been announced Bell's "Coast to Coast AM" (it's "Dreamland" on Sundays) is now available for three hour pre-feed syndication (9/21) of the previous night's show. In addition, "We are currently clearing satellite space to provide affiliates next-day airing. We will be offering the show as a re-feed sometime during the day beginning next year," said **Kraig Kitchin**, President/CEO, Premiere Radio Networks.

Contrary to popular opinion, Art Bell is only a conduit of information for guests and callers, not a doomsday prophet. Running his own board, he lets the callers and guests take the podium, screening calls only for guests. He agrees with few, but judges fewer. The topics he does agree on, however, seem to make some haunting sense...

You've had some of the most unusual guests on radio. What sticks out in your mind as some of the most bizarre?

Mel, of course, of "Mel's Hole." Mel lived up in the state of Washington, near Ellensburg. He called me one night and said, "You know, Art, I've got this hole on my property that's cordoned off and for years, people up here, including me, have been throwing things down the well—like refrigerators, dead cows—you name it, they've been throwing it down. Nobody (other than a bounce off the side occasionally) has ever heard anything hit the bottom—ever."

So he decided one day as an experiment to take monofilament line, put a weight on it and lower the line into the hole. And he lowered 7,000 feet of line and never hit bottom. I was taking this story on the air.

Mel, a day after the broadcast, tried to go back to his property (this was property he owned, but didn't live on) and here's the military, with the whole

area cordoned off. Mel couldn't even get to his own home after the broadcast. They negotiated a long-term lease deal, which he made a lot of money from, and ended up taking the money and running. He went to Australia and what the hell the military is doing with the hole right now nobody knows.

"Strange Universe," the TV show—based on my interview—went up and looked for Mel's hole in the area described. They didn't exactly find the hole, but they found all kinds of military bootprints and vehicle tracks and other indications that the military had been right in that very area.

What about the pilot shot down over Area 51?

Here's a guy who calls the show and says "Hey, I'm in an aircraft and I'm going to settle this question. I'm calling on a cellular phone and I've got a special antenna mounted outside the aircraft. I'm flying to Area 51 right now."

continued on page 18

Eliminate Carts for \$5,000

At last! A "cart" replacement system that **works like carts**, but with digital audio quality that **sounds like compact discs**.

It's Scott Studios' new Spot Box. It's the **easiest** hard disk digital system to use!

There are two parts: A triple-deck "cart" player on the left, and a "Cart Wall" pick list on the right.

The triple-deck digital player has everything you would ever want: Big green Play buttons, bright red Stop buttons, VU meters, large countdown timers, flashing End-of-Message signals, and large legible "cart" labels.

You can start each spot manually from the screen, from remote Start buttons (and run lights) on the console, or touch the Auto-Manual button to have Spot Box smoothly start the next deck itself.

Spot Box is really easy to use. There's only the one screen, so jocks never get confused. Even though Scott Studios uses Windows 98 or NT, Spot Box works like carts, **not** a computer.

If you use a paper log, load any cut quickly with the blue number keys at the bottom of the touch screen, or type them in with a 10-key pad. Or, pick and play any recording by number or name from the scrolling "Wall of Carts" showing all your spots, promos and jingles in ABC or 123 order.

As an option, Spot Box can be paper-free. Simply import logs from your traffic computer by diskette or Local Area Network.

You get detailed printouts showing exactly which spots played and when. With the traffic import option, you see at a glance the comparison of schedule and air times.

If you have several stations, record a spot only once. There's no limit to the number of Spot Boxes or hard drives you can connect by LAN or WAN for additional studios and redundancy. Every spot can be instantly played in every studios'

The interface shows a digital clock at 8:13:24 on Saturday, August 1, 1998. The triple-deck cart player on the left has three decks:

- Deck 1:** CompUSA - Epson (PCM), ID 2474, :01/1:00/C CM, Q: 1-800-CompUSA. Countdown: :32. Buttons: Play, Auto, Stop.
- Deck 2:** Dallas Morning News (NA), ID 4843, :00/1:00/C CM, Q: the News, You Know. Buttons: Play, Auto, Stop.
- Deck 3:** Pepsi-Cola (Jing), ID 7327, :00/0:30/C CM, Q: & Diet Pepsi!. Buttons: Play, Auto, Stop.

The "Cart Wall" on the right lists 10 items:

- 1023 Boston Market - \$1+ :00/1:00/C CM
- 1025 Boston Market - Lunch :00/1:00/C CM
- 1034 Both of You - Maternity :00/0:30/C CM
- 1035 Bright Truck Leasing :01/1:00/C CM
- 1036 Burns Security Syst :00/0:30/C CM
- 1038 Car Nation - Tuesday :00/1:00/C CM
- 1039 Car Nation - Wed :00/1:00/C CM
- 1040 Central Bank & Trust :00/0:30/C CM
- 1041 Cinema 12 :00/1:00/C CM
- 1043 Charley Horse Saloon :00/0:30/C CM

Navigation buttons include Up, Sched, Spots, Jingle, Promo, Songs, ABC, Record, and Dn. A numeric keypad (1-0) is at the bottom.

Here's the simple and easy Scott Spot Box cart replacement. It sounds great, with three channels of uncompressed digital audio on three console channels.

Spot Box. Recordings can be locked so they only play on designated stations, days and times.

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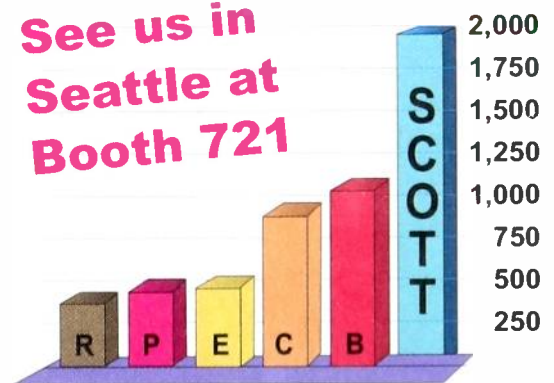


Scott's non-proprietary 32-bit audio card is superior to anything else: >90db signal-to-noise, ruler flat frequency response, and your choice of MPEG II, uncompressed or both, mixed at all popular sample rates. Others use inferior 8- or 16-bit audio cards designed many years ago.

It's a fact: over 1,922 radio stations have 4,162 Scott digital workstations, including **major** groups like CBS, Chancellor, Disney/ABC, Clear Channel, Emmis, Citadel, Cumulus and many more.

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I warned him on the air several times: I said look, I know Area 51 to the degree if you walk on it, drive on it or invade it from the air, you're either going to get shot or shot down. But hell, this is pretty dramatic stuff. I've got a guy who's 20 minutes outside of Area 51. So I kept airing it. What are you going to do, hang up on the guy? I don't think so. We heard him get shot down on the air.

How do you handle call-ins? Any special screening methods?

When I'm in open lines, zero screening. I just punch up the next line that's blinking. I do screen when I have a guest to be sure what the person wants to ask or interact about is relevant to the guest.

What is your radio history before syndication?

I spent 20 years in Rock and Roll radio. I did a morning show at 91-X in Tijuana [San Diego] just before I got out of radio. I did Monterey, WAVZ-AM New Haven, CT back in its heyday.

After 20 years of it, and I was pretty successful, I got sick of moving, sick



Bell at the helm of his in-house studio

of the gypsy existence and I began to grow up. I quit, I said that's it.

I went to work in cable TV, first in San Diego, and then Las Vegas where I built the microwave headend, processing and satellite gear for Times-Mirror. I built and maintained that equipment for about six years ('79-'85). I was very successful, making a lot of money as a department head.

The building part was really cool and fun, but [when finished], I began to feel like a Maytag repair guy—I was bored. Too easy, too much

money, too much politics.

And this was the time one of KDWN's employees came to me and said, "Hey, we heard that you did some Talk radio. What do you say about coming down and doing a weekend gig at K-Dawn?" And it was like, Hell yeah, sure. I'm bored.

K-Dawn had me on weekends for a while and then a midday show. But the real romance for me was to get on at night. KDWN is 50kw day and night. That 50kw at night goes to about 13 states. So I went to the manager there and said look, the guy who's on now is sitting there getting no calls—no calls with 13 states of coverage. He's going 40 minutes at a shot without a call. He's reading them the friggin' newspaper.

One day my opportunity came—they'd finally had enough of this guy. [GM] Claire Reis said "Alright, try it, if it doesn't work, I'm yanking you out of there real quick." So I went up there and did what I felt like doing, and boy, seven phone lines are going pretty soon. And it's going nuts, so they left me there and then the evolution began.

What is your syndication history?

One man in Las Vegas who had a little bit of money and no knowledge of radio whatsoever in '93 or '94 ponied up some money and we got a signal up on one satellite subcarrier. I called and got affiliates in cities like Phoenix, Portland and Seattle. We did very well every place we went, but we had no affiliate relations staff, no sales staff.

Then it was purchased by another fellow, who had a political agenda, so we ended up running a whole bunch of pro-gun commercials. And then, finally, it was purchased by Alan Corbeth [President, CBC, which Premiere bought], and Alan, of course, knows radio. That's when we began to get an affiliate relations staff.

And lo and behold, we started doing what the industry said couldn't be done—making money at night. The show began to spread toward the Midwest very quickly and then finally the East coast. It took one book for us to become number one in New York.

How has your show changed in the last ten years you've been doing it?

Ten years ago—fourteen, even, I was doing political Talk, but even then, if

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you go back to KDWN, I was doing shows with people like **John Lear**. Every week or so, I would suddenly deviate completely, close down politics and talk to John, whose father Bill invented the Lear Jet, about UFOs or something and the audience would respond...just tremendously. I slowly integrated more and more of the unusual.

What are your biggest advertisers?

C. Crane Company makes electronic gear, they've been with me since the beginning. Absolutely Fresh Flowers, Play, Inc.—they make Snappy, which takes a moving video and makes a still photo of it. North American Trading, which sells gold coins, NBC, AT&T Worldnet, Zenith and tech-oriented stuff.

A lot of times, I might be talking for a full minute before you realize I'm even doing a commercial because I somehow integrate the material that I'm doing at the moment and sort of segue into the commercial in a way that makes it fit.

I mean, if you're talking about Y2K and the power grid going down, it's not too hard to talk about a radio that you crank and don't have to plug into the wall.

What about your Web site?

I think my program developed the first truly interactive program on the Internet [artbell.com]. We've got one of the most active sites on the Web. And it's a natural, because if I talk about a picture of a UFO over Phoenix, I can direct people to see it over the Internet.

I don't receive, neither does Jacor, a penny from the Web site. It was developed by **Keith Rowland** and it's his baby all the way. It's his income, his work, and it still isn't in any way connected to me financially.

When did you unexpectedly lose your satellite uplink?

This guy calls up absolutely frantic, screaming that they're going to kill him, that they're tracing this call. He was trying to relate things about earth changes, Area 51 and an alien conspiracy. He was actually crying towards the end. And then my hotline lit up and I got a call from the network that said "Guess what, you're off the air—everywhere."

I ran into the other room and looked at my uplink. All the lights were off. Now, to me that meant a massive failure of my uplink transmitter. What I



Forget lawn furniture, Art shows off what's in his backyard

didn't think about was the satellite. I get a call from the network 20 minutes later, we're still off. They talked to GE Americom. They said the satellite lost earth lock, which is almost impossible.

What about the close encounter with the triangular craft when you and your wife were driving at night?

I was about a half mile from home and my wife was in the car with me. She looked over her shoulder and said what the hell is that? I pulled the car over to the side of the road, it's very quiet, on a Summer night about 11:40. You could hear a cricket at a quarter mile. We both got out of the car, and looked at this thing coming from the ESE, behind us. It was triangular. It was, at the very least, 150 feet or more from one point of the triangle to the other. It was solid black. The moon was just short of full, stars everywhere. And here comes this thing, it couldn't have been going more than 30 mph, massive, massive in size. There was no change in the sound of the cricket. There was no rushing of air, and this thing went directly above us. The moon went away, the stars went away.

I was in the Air Force, I know what aerodynamic flight is and what it isn't, and believe me, this was not aerodynamic flight. What we have here is a craft that was defying gravity. It passed over us and it just kept going out over the valley headed towards the WNW, which is directly out toward Area 51. Either this was a craft from elsewhere, or it was one of our craft which was using anti-gravitic technology, possibly back engineered from fallen UFOs.

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Back engineered?

There's quite a bit of evidence to indicate that back-engineered technology is all over the place in our present society. **Col. Philip Corsco** told a very credible story. He wrote the book "The Day After Roswell." His claims are the Roswell crash as well as other crashes yielded technological artifacts that were back-engineered. Things like fiber optics, the transistor, and by God, if you start looking into the history of Bell Labs and the transistor, there are some strange goings on there, folks. And it's pretty murky where the technology came from.

Corsco said he was the one, on orders from **Gen. Ramey**, that began to inject some of this technology—hand it over to private industry and say here, make this work.

Tell us about your book "The Quickening."

I wrote that two and a half years ago and almost all of it is now occurring. When I wrote it, it wasn't. I was saying the weather was going to get even more severe and people were saying "You're nuttier than a fruit-

cake." They don't say that anymore.

The Quickening boils down to this: economically, environmentally, politically, socially (ie. kids killing kids)—in every area of human endeavor, events are beginning to occur at an ever increasing, exponential pace. And this process is going on.

All I can tell you is we're headed toward a change. And it's going to be a big change. It doesn't mean it's going to be the end of the world because the world is going to continue to turn. However, whether we continue to turn with it is an open question. Our hold on life is tenuous. And if you don't think that's true, recall the dinosaurs that were a lot heartier than we are physically—we're using them as oil now.

What do you hear about the Y2K crisis?

I've interviewed **Gary North**, **Ed Yourden**, the experts in the field. I am preparing. Well, Galaxy 4, the satellite, went down. And here in Pahrump, you couldn't go to an ATM, you



couldn't pay for any food at the grocery store, other than cash, because the little cards wouldn't work.

I asked Ed Yourden: As a broadcaster who depends on three satellites to get my voice from here to there, what he thought would happen Jan. 1, 2000 to me? He said to plan on at least a month's vacation, and he meant it. In other words, there's no chance I'm going to be on the air Jan. 1, 2000. Why? because my show depends on what? Electricity, telephones, satellites—all the things that are threatened.

What warnings/advice do you have for our readers?

There's a lot of things they should be doing—at least the bare minimums. Whether you believe Art Bell and his guests with regard to earth changes that are coming or Y2K or weather changes, certain facts are absolutely true. What I tell people to do is if you want to know what it's going to be like, or what it could be like, go out to the breaker box outside your house and turn off the mains. And walk back into your house and begin to realize that you live in a non-functioning shell. Without electricity. You probably don't have water under some circumstances. You don't have television, radio, light, heat, cooling, you don't have anything.

And then ask yourself, well, gee, should I have the basics around? Radio, of course, so you know what's going on, some source of light, some source of alternative power, some food source. Those things you should begin to have around for your family. And if you prepare, and nothing happens, fine.

I would say, if you prepare, the odds now are better than not in the next couple of years you will find what you've prepared for you will need. I've got solar cells on my roof and a 11.5 kw generator. I'm living what I talk.

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Russ Mundschenk, Chief Engineer,
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- Radio Communications Unlimited 5509 Barrington Ooltewah, TN 37363 Tel/Fax: +1 (423) 396-3743
- Caveco 1121 Bellamy Road, North Unit #10 Scarborough, ONT M1H 3B9 Tel: +1 (416) 438-6230 Fax: +1 (416) 438-1065 e-mail: bob@caveco.com
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- All Electric 487 Caribou Crescent Coquitlam, BC V3C 4X7 Tel: +1 (604) 945-5651 Fax: +1 (604) 945-5652 e-mail: allelec@dowco.com

Upped & Tapped

Bill Figenshu has just finished juggling juggernauts. Recently a Senior VP at Chancellor, he will take the same title with CBS/Infinity, where he will be overseeing ten stations in Tampa and Detroit. He is known as one of the key execs who put the viable in Viacom.

Meanwhile, back at Chancellor, three execs will be updating their business cards. **John Fullam**, GM, WHTZ-FM.N.Y. moved to SVP, Regional Operations, where he will oversee ops in NY, Washington, Long Island and Detroit. **Robert Winston** was named Director of Sales and Marketing for the five-station L.A. superduop. **Chuck Armstrong** took the reins of VP, Entertainment Marketing and New Media. He, along with **John Madison**, will be responsible for marketing plans to promote new record, TV and film releases.

Sinclair Broadcast Group has promoted Director of Corporate Finance **Patrick J. Talamantes** to the post of Treasurer. He will continue to report to CFO **David B. Amy**.

Jacor's **Pam Taylor** will have to widen her business card, moving up from VP/Communications to Senior VP/Corporate Communications.

John Sears, ND for KPTV Portland OR, is now wielding the gavel for the Radio-Television News Directors Association. The new chairman succeeds **Lucy Himsted-Riley**, ND for WSFA-TV Montgomery AL, who stays on to serve as past chairwoman. Sears will in turn be succeeded by chairman-elect **Robert Garcia** of CNNRadio, who will take over the chair in 1999.

Texas broadcast group Equicom and its sister Texas Eagle Radio Network announced promotions. **Bill Hooten** is the new GM for Equicom's Corpus Christi FM trio. Taking over the GM reins at its O&O/LMA five-station cluster in Bryan will be **Benny Springer**, who also retains his position of EVP for Texas Eagle. He will be working at the network with **Charlie Haldeman**, the new Group Program Director for the Texas Eagle Country format.

Spanish station owner/network Radio Unica has named **Enrique J. Perez** to the newly-created post of SVP/West Coast Operations. He will be based at KBLA 1580 AM Los Angeles.

Morris Communications has a new VP. **Peter D. Scheumier** will oversee radiobroadcasting, outdoor advertising and direct mail for the multi-media company. Also, **Dick Johnson** has been upped to GM of Morris' Fairway Outdoor Advertising division.

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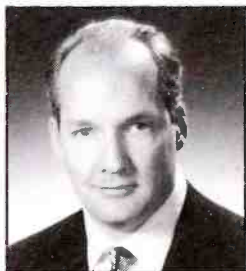
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Radio deal volume off sharply in '98

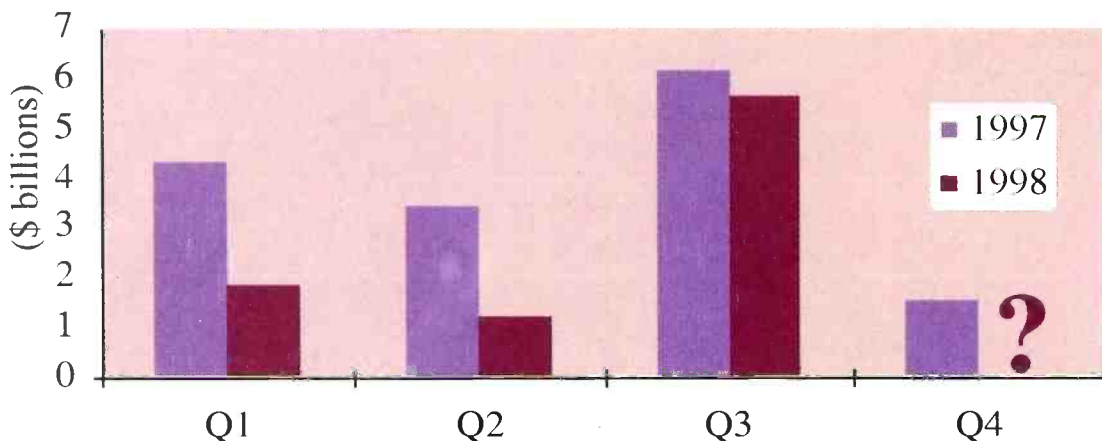
By Jack Messmer

Despite having the second-largest deal in the history of radio, in terms of dollar value, Q3 trading trailed the previous year's Q3 by nearly a half billion dollars. Year-to-date, transaction volume is off 38% from last year's record pace, at \$8.57B. In short, Q4 would have to nearly equal the first three quarters of this year, combined, if 1998 trading is to beat the record of \$15.29B set in 1997. What are the odds of that happening? Not good.

The slow-down was expected, though, since so much consolidation had taken place in 1996 and '97 that there are fewer large groups left to be bought. There have been only eight deals of \$100M or more so far this year, and only one broke the billion-mark—the merger of Capstar (N:CRB) with Chancellor Media (O:AMFM), a roll-up of two companies already controlled by Hicks, Muse, Tate & Furst.

At right is an updated (through Q3) list of the biggest radio deals of all time.

Quarterly Transaction Volume



Big Big Deals

Billion-dollar-plus deals

\$4.340B Radio station value of \$4.9B merger of Infinity Broadcasting into Westinghouse/CBS (1996)

\$4.100B Capstar merged into Chancellor Media (1998)

\$2.600B American Radio Systems to Westinghouse/CBS (1997)

\$2.100B SFX Broadcasting to Capstar Broadcasting Partners (1997)

\$1.300B Chancellor Broadcasting merged into Evergreen Media, creating Chancellor Media (1997)

\$1.075B Viacom Radio to Chancellor Media (1997)

\$500-million-plus deals

\$906M Radio station value of \$19.6B CapCities/ABC sale to Disney (1995)

\$859M Radio station value of \$5.4B CBS sale to Westinghouse (1995)

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Robert Mallery, Technical Consultant, Communication Service and Supply

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Ray Baker, Chief Engineer, Ace Radio Broadcasting, Melbourne, Australia

"Super powerhouse processing and a big, tight, bone-jarring bottom end."

Pete Partenio, Audio Specialist, Odyssey Communications

"The station pops right off the dial—it didn't do that before."

Tom Sittner, Chief Engineer of KSJL-FM, San Antonio, Texas

"We're getting calls from listeners commenting about the improvement in reception."

René Engel, General Manager, KCSN, Los Angeles

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continued from page 26

\$655M EZ Communications to American Radio Systems (1996)

\$638M 11 SFX stations to Chancellor Media from Capstar (1998)

\$629M Paxson Radio to Clear Channel Communications (1997)

\$620M Nationwide Communications to Jacor Communications (1997)

\$300-million-plus deals

\$410M Granum Communications to Infinity Broadcasting (1996)

\$395M Shamrock Broadcasting to Chancellor Broadcasting (1995)

\$375M Radio station value of \$799.4M Citicasters sale to Jacor (1996)

\$373M Legacy/Metropolitan stations to Westinghouse (1989)

\$370M Chancellor Media and Bonneville International swap stations in New York, Los Angeles, Houston and Washington, DC (1997)

\$365M Colfax Communications to Chancellor Broadcasting (1996)

\$340M Gannett Radio (5 stns.) to Chancellor Media (1997)

\$325M Radio station value of \$630M sale of Heritage Media stations from News Corp. to Sinclair Broadcast Group (1997)

\$306M Pyramid Communications to Evergreen Media (1995)

\$300M Malrite Communications merged with Shamrock Broadcasting (1993)

\$300M Radio value of \$1.354B sale of Heritage Media to News Corp. (1997)

\$200-million-plus deals

\$298M Chancellor Media spin-offs to Susquehanna, Greater Media, Douglas Broadcasting and Bonneville International (1997)

\$275M Alliance Broadcasting to Infinity Broadcasting (1995)

\$275M Six Cleveland stations to Chancellor Media (1998)

\$255M Secret Communications (7 stns.) to SFX Broadcasting (1996)

\$250M NewCity Communications to Cox Radio (1996)

\$250M Gannett swaps six radio stations for Jacor's WTSP-TV Tampa (1996)

\$243M Broadcasting Partners Inc. to Evergreen Media (1995)

\$240M Radio station value of \$1.2B sale of River City Broadcasting to Sinclair Broadcast Group (1996)

\$238M Secret Communications (4 stns.) to Evergreen Media (1996)

\$235M Radio Equity Partners to Clear Channel Communications (1996)

\$225M Westinghouse/CBS swaps Philadelphia & Boston stations for Greater Media's Los Angeles stations (1997)

\$223M Liberty Broadcasting to Bob Sillerman's SFX & Multi-Market (1995)

\$215M Patterson Broadcasting to Capstar Broadcasting Partners (1997)

\$210M Tichenor Media merged into Heftel Broadcasting (1996)

\$200M Commodore Media to Capstar Broadcasting Partners (1996)

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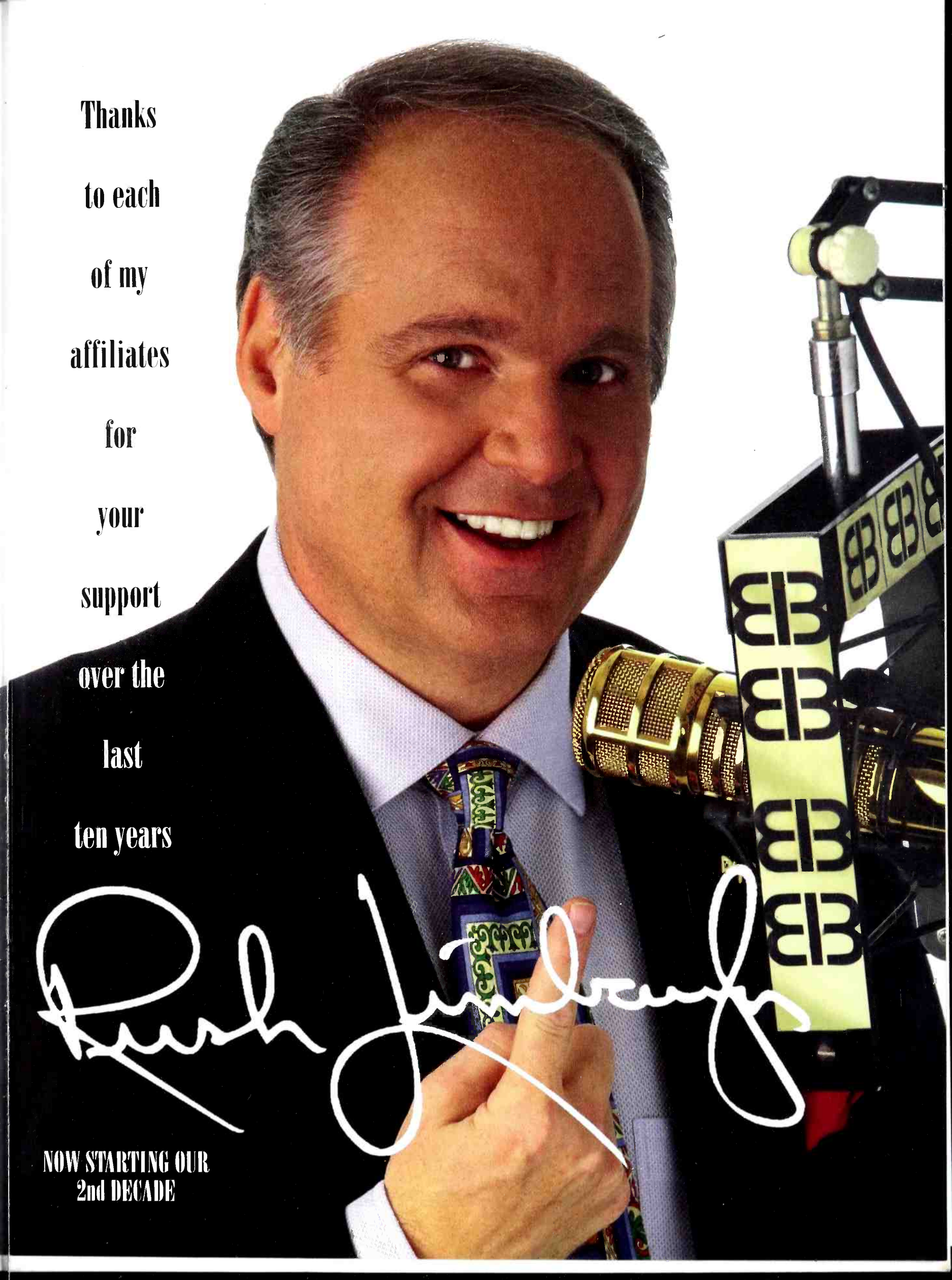
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NOW STARTING OUR
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Mel upbeat on CBS prospects

Despite Wall Street's negative view of the network TV business (*RBR* 10/5, p. 19), CBS Corp. (N:CBS) President **Mel Karmazin** says his company's cash flow margins are growing. "Our margin as a company in 1998 will be significantly higher than 1997," he told reporters in Washington, DC (10/1). "We're picking up market share and we're doing a better job selling advertising this year than in previous years."

Karmazin has been much more successful at boosting sales and margins for CBS' O&O TV stations than for the TV network, but that doesn't mean he wants to get out of the network business, as some have speculated. Rather, Karmazin thinks that the TV network business could be improved if it got a dose of the same medicine from the FCC that spurred the last six years of rapid growth for

radio: duopoly. "If General Electric (N:GE) decided that owning the NBC network is not something they need to do strategically, then we should be allowed to be a buyer," Karmazin suggested. "In fact, if we owned the two networks, then we would have the opportunity to consolidate back room and selling opportunities and make the networks more profitable."

RBR observation: Not such a far-fetched idea when you consider that Karmazin already has NBC Radio teamed up with CBS Radio and Mutual at Westwood One (O:WONE), not to mention handling sales and affiliate relations for CNN Radio. Also, CBS has already been in talks with Time Warner (N:TWX) about sharing some news operations with CNN to help both save on the huge overhead of around-the-clock, around-the-world coverage.

SportsLine disappoints Wall Street

Dow Jones—SportsLine USA's (O:SPLN) stock plunged on a double dose of bad news as the sports Web site developer warned that Q3 revenue will fall short of expectations, and that it will pay a hefty sum to expand its distribution agreement with America Online (N:AOL).

The news dragged down the entire Internet sector Wednesday (10/7), said Jefferies & Co. analyst **Bruce Smith**, who called SportsLine a "bit player" in the industry and added that its troubles are company-specific.

SportsLine said it will meet third-quarter consensus estimates of a loss of 41 cents a share, but that revenue will be below expectations—at about \$7.4M—due to weak advertising revenue. BancBoston Robertson Stephens Inc. analyst **Keith Benjamin** had been projecting revenue of \$8.8 million.

SportsLine, which went public last November, is in a tight race with Disney's (N:DIS) ESPN.com. CBS Corp. (N:CBS) holds a minority interest in SportsLine.

SportsLine's shares also fell on news that the company will pay more than \$23M in cash, stock and warrants to renew and expand its marketing deal with AOL. The new agreement is significantly more expensive than the recently expired \$4.5M contract, which lasted a bit longer than a year.

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Gaylord on hotel building spree

Gaylord Entertainment (N:GET) is fast becoming a hotel chain, as well as a media and theme park company. After owning only one hotel for many years—albeit the largest in the US outside Las Vegas—Gaylord now has on the drawing board two companions for Nashville's Opryland Hotel.

The latest is Opryland Hotel-Texas, a 1,500-room facility which will include 350,000 square feet of meeting and exhibit space, to be built in Grapevine, TX, just north of

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October, 1998

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October 7—RBR Stock Index 1998

Company	Mkt:Symbol	9/30 Close	10/7 Close	Net Chg	Pct Chg	10/7 Vol (00)	Company	Mkt:Symbol	9/30 Close	10/7 Close	Net Chg	Pct Chg	10/7 Vol (00)
Ackerley	N:AK	19.750	17.687	-2.063	-10.45%	90	Harris Corp.	N:HRS	32.000	29.625	-2.375	-7.42%	4730
Alliance Bcg.	O:RADO	1.062	0.906	-0.156	-14.69%	2647	HefTel Bcg.	O:HBCCA	37.750	31.250	-6.500	-17.22%	3201
Am. Tower	N:AMT	25.500	15.937	-9.563	-37.50%	7863	Jacor	O:JCOR	50.625	40.125	-10.500	-20.74%	12461
AMSC	O:SKYC	5.250	4.437	-0.813	-15.49%	590	Jeff-Pilot	N:JP	60.500	59.687	-0.813	-1.34%	2536
Belo Corp.	N:BLC	20.000	16.125	-3.875	-19.38%	2398	Jones Intercable	O:JOINA	24.875	24.250	-0.625	-2.51%	1586
Big City Radio	A:YFM	4.500	3.562	-0.938	-20.84%	121	Metro Networks	O:MTNT	36.625	31.500	-5.125	-13.99%	743
Broadcast.com	O:BCST	40.375	38.125	-2.250	-5.57%	1029	NBG Radio Nets	O:NSBD	1.031	0.937	-0.094	-9.12%	249
Capstar	N:CRB	15.437	12.187	-3.250	-21.05%	3489	New York Times	N:NYT	27.500	23.562	-3.938	-14.32%	11994
CBS Corp.	N:CBS	24.250	22.437	-1.813	-7.48%	38207	News Comm.	O:NCOME	0.687	0.593	-0.094	-13.68%	5
CD Radio	O:CDRD	19.000	16.875	-2.125	-11.18%	5373	OmniAmerica	O:XMIT	18.875	14.500	-4.375	-23.18%	2533
Ceridian	N:CEN	57.375	50.937	-6.438	-11.22%	4214	Otter Tail Power	O:OTTR	37.250	38.875	1.625	4.36%	61
Chancellor	O:AMFM	33.375	23.937	-9.438	-28.28%	152216	Pacific R&E	A:PXE	2.250	2.125	-0.125	-5.56%	21
Childrens Bcg.	O:AAHS	3.312	3.000	-0.312	-9.42%	627	Pulitzer	N:PTZ	79.125	68.875	-10.250	-12.95%	159
Citadel	O:CITC	20.437	16.875	-3.562	-17.43%	2317	RealNetworks	O:RNWK	34.687	27.687	-7.000	-20.18%	8356
Clear Channel	N:CCU	47.500	37.000	-10.500	-22.11%	28674	Regent Pfd.	O:RGCIP	4.000	3.500	-0.500	-12.50%	0
Cox Radio	N:CXR	35.125	28.062	-7.063	-20.11%	1529	Saga Commun.	A:SGA	15.750	15.500	-0.250	-1.59%	27
Crown Castle	O:TWRS	9.625	7.812	-1.813	-18.84%	2654	Sinclair	O:SBGI	16.250	9.937	-6.313	-38.85%	16978
Cumulus	O:CMLS	8.125	8.000	-0.125	-1.54%	477	SportsLine USA	O:SPLN	17.437	7.687	-9.750	-55.92%	53288
DG Systems	O:DGIT	2.750	2.437	-0.313	-11.38%	36	TM Century	O:TMCI	0.500	0.460	-0.040	-8.00%	0
Disney	N:DIS	25.312	24.937	-0.375	-1.48%	46399	Triangle	O:GAAY	0.050	0.040	-0.010	-20.00%	4241
Emmis	O:EMMS	37.750	28.000	-9.750	-25.83%	3216	Triathlon	O:TBCOA	10.000	9.250	-0.750	-7.50%	134
Fisher	O:FSCI	68.250	58.750	-9.500	-13.92%	0	Tribune	N:TRB	50.312	46.750	-3.562	-7.08%	7740
Gaylord	N:GET	29.812	24.437	-5.375	-18.03%	365	Westower	A:WTW	21.500	14.250	-7.250	-33.72%	580
Granite	O:GBTVK	6.375	4.125	-2.250	-35.29%	1979	Westwood One	O:WONE	17.875	17.000	-0.875	-4.90%	885
							WinStar Comm.	O:WCII	23.750	14.375	-9.375	-39.47%	32311

continued from page 30

the Dallas-Ft. Worth International Airport. The 77-acre site, including an 18-hole golf course, is adjacent to Grapevine Mills, a giant shopping complex of outlet stores.

Just two months ago (*RBR* 8/17, p. 11), Gaylord announced plans to build a 1,400-room hotel near Disney World in Florida. However, Gaylord announced last week that it had dropped its option on the former PTL Club property near Charlotte, NC, where it had considered building a 1,000-room hotel and conference center.

Granite downgraded

Standard & Poor's revised its debt ratings outlook on Granite Broadcasting (O:GBTVK) from stable to negative (10/6). Although S&P said that Granite, the nation's largest African-American controlled broadcasting company, had improved its business profile by acquiring TV stations in two top-10 markets—San Francisco and Detroit—the ratings firm said it was concerned that the stations' upside potential may be limited by their WB network affiliations.

10/12/98 RBR

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by Jack Messmer

Jacor adds dual L.A. FMs for \$67M, or maybe more

Veteran L.A. broadcaster **Ken Roberts** is exiting the industry again, selling his twin 103.1 MHz signals—KACD-FM Santa Monica and KBCD-FM Newport Beach—to Jacor Communications (O:JCOR). \$67M is the least that Jacor will pay Roberts' Kelsho Communications. If trailing 12-month cash flow at closing exceeds \$5M, Roberts will get an additional \$7.5M and the kicker goes past \$20M if cash flow tops \$6.67M. An LMA with Jacor's KIIS-FM will take effect soon, following antitrust review.

The letter of intent, filed with the FCC before Jacor itself was sold (p.35), states that \$35M will pay off Roberts' loan at Chase Manhattan Bank, so he'll be walking away from the deal with \$32M to over \$50M (before taxes).

RBR observation: This is Roberts' second big cash-out in radio. He sold KROQ-FM L.A. to Infinity in 1986 for \$45M—at the time, the highest price ever paid for a single station. Roberts jumped back into the business in 1991, paying \$17.65M for the twin 103.1 stations.

Allen buys close to home

Microsoft (O:MSFT) co-founder **Paul Allen**'s entry into radio may be a one market investment, rather than the launch of a group. Allen associate **Bert Kolde** told a Portland, OR news conference that no other radio buys are planned, following Allen's announcement that he's buying KXL-AM & FM from **Les Smith**'s Alexander Broadcasting. The price appears to be over \$40M.

In addition to his high-tech investments, Allen owns pro sports teams in Portland and Seattle and recently made large investments in cable TV, becoming the largest equity owner of both Marcus Cable—partnering with Chancellor Media (O:AMFM) CEO **Jeff Marcus**—and Charter Communications.

RBR observation: There's been speculation at the bar after many an NAB or RAB event in recent years about "what might happen if **Bill Gates** decides to buy into radio." Now we've gotten the next-closest thing, his right-hand man entering radio—with no noticeable impact on the market. That could change, though, if Allen were to decide to accumulate a group. *Forbes* recently estimated his net worth at \$22B, which could buy quite a few stations...

New investors fuel Mega buying

Alfredo Alonso's recent buying spree, which has added three stations to his Spanish radio group for \$10.5M (*RBR* 10/5, p. 20), follows a recapitalization in which the six existing Mega Broadcasting stations are being sold to a new company, Mega Communications, for \$13M. Alonso remains as President & CEO and he's the company's 28.8% stockholder. His new backers, **George** and **Adam Lindemann**, own 35.6% each.

The Lindemanns are both directors and part-owners of The Freedom Network, which owns two AM stations and is buying a third. Adam Lindemann is the majority owner of KSFY-FM Roswell, NM and his father, George, owns an 18% interest.

Autry death triggers Heftel option

This month's death of **Gene Autry** at age 91 will trigger the sale of the last property from Autry's Golden West broadcast group. Heftel (O:HBCCA) has LMA'd KSCA-FM L.A. since Feb. 1997, with an option to buy the station upon Autry's death (*RBR* 1/6/97, p. 12). Under the option formula, the total price now due is just a bit over the \$112.5M minimum, minus \$13M already paid by Heftel in option payments.

Chris Devine of Legend Broadcasting

has agreed to transfer the assets of

KTMO-FM Kennett, Missouri

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Clear Channel-Jacor still #3 in billings

The \$4.4B stock-swap merger of Jacor Communications (O:JCOR) into Clear Channel Communications (N:CCU) will take the combined company past the \$1B mark for annual radio revenues, but won't unseat either #1 Chancellor Media (O:AMFM) or #2 CBS (N:CBS).

What it will create, though, is a multi-media company with operations in 117 US markets and, according to CEO **Lowry Mays**, make Clear Channel the world's largest company in out-of-home media—by which he means radio and outdoor advertising. While few of their radio markets overlap, Clear Channel's Eller Media subsidiary has billboards in many of Jacor's radio markets—for example, more than 7,000 billboards in the Los Angeles market and 1,500 in Atlanta.

RBR's *Source Guide* database indicates that Clear Channel-Jacor will have to divest radio stations in Tampa, Cleveland, Jacksonville, Louisville and Dayton. The companies say they will be able to keep all nine stations in the sprawling Houston market.

This deal is structured as a tax-free exchange, with Jacor shareholders receiving Clear Channel shares when the deal closes. Based on Clear Channel's 10/7 closing stock price of \$37, the Jacor acquisition, including debt assumption, is valued at \$4.4B.

Here's how the stock conversion will be calculated:

25-day average closing price for CCU at closing date	CCU shares per JCOR share
Less than or equal to \$42.86	1.40
Over \$42.86 but less than or equal to \$44.44	1.40-1.35
(calculated to value of \$60 per JCOR share)	
Over \$44.44 but less than \$50	1.35

At Jacor's 10/7 closing price of \$40.125, the merger would give Jacor shareholders a 29% premium. At closing, Jacor shareholders will own approximately 25% of Clear Channel's common stock. Slightly less than 5% will be owned by Jacor's largest shareholder, the Zell/Chilmark fund, headed by current Jacor Chairman **Sam Zell**. He'll have no role in the merged company.

Donaldson, Lufkin & Jenrette was financial advisor to Jacor. Salmon Smith Barney advised Clear Channel. *Additional details on page 2.*

RBR's deal digest

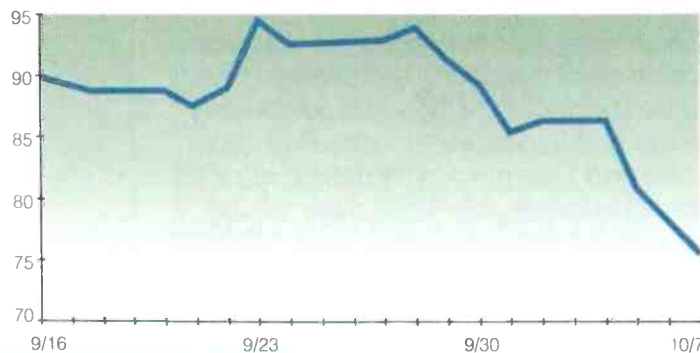
Cox Radio (N:CXR) is spinning off WGBB-AM on Long Island to **Josephine Chang's** WGBB-AM Inc. for \$1.7M... **Steve Newberry's** Commonwealth Broadcasting is expanding again with a \$1.4M buy of WAEW-AM, WCSV-AM & WXVL-FM Crossville, TN. **Broker: George Reed, Scott Knoblauch & Mitt Younts**, Media Services Group... Clear Channel is picking up a second big-signal AM Talk station in Springfield, MA—Celia Communications' WNNZ-AM for \$1.2M. **Broker: Glenn Serafin**, Serafin Bros... Jacor (O:JCOR) is adding to its Iowa holdings with an \$850,000 buy of Talley Broadcasting's KBKB-AM & FM Ft. Madison. **Broker: The Connelly Co.**

The Radio Index™

RADIO BUSINESS REPORT
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THE WALL STREET JOURNAL
RADIO NETWORK

Radio stock prices were dragged down by ad worries about TV and newspapers, taking The Radio Index™ below 80 for the first time. The index closed Wednesday (10/7) at 75.99, down 13.83 from a week earlier. The Clear Channel-Jacor merger was announced the next day.



10/12/98 RBR

CLOSED!

WMIH (AM)
Cleveland, Ohio
from
Divine Mercy
Communications, Ltd.
to
ABC, Inc.
for
\$3,900,000.

Elliot B. Evers
and
Charles E. Giddens
represented ABC.

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BRIAN E. COBB
CHARLES E. GIDDENS
703-847-5460

ELLIOT B. EVERS
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WGUL-FM, Dade City, FL. \$3.5 million
WNFT-AM, Boston, MA \$5 million
Mega Broadcasting, Buyer

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T RANSACTION **D** IGEST™

by Jack Messmer & Dave Seyler

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

\$30,100,000—* KORG-AM & KEZY-FM Los Angeles (Anaheim CA) from Anaheim Radio Associates, a subsidiary of ML Media Partners, controlled by Merrill Lynch (N:MER), to Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR). \$3M escrow, balance in cash at closing. **Superduopoly** with KXTA-AM & KIIS-FM L.A., KDIF-AM Riverside, and KOGO-AM San Diego. Broker: **Gary Stevens**, Gary Stevens & Co.

\$6,700,000—WFUN-FM St. Louis (Bethalto IL) from Coltre Broadcasting Inc. (Robert E. Howe) to Arch Broadcasting LP (Bruce Buzil, Andrew Barrett, Aaron Shainis), whose principals control the Marathon Media group. \$250K escrow, balance in cash at closing. Broker: Communications Equity Associates

\$4,800,000—KFYR-AM & KYYY-FM Bismarck ND from Meyer Broadcasting Co. (Judith Johnson) to Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR). \$480K escrow, balance in cash at closing. Broker: Media Venture Partners

\$4,000,000—* KAVL-AM, KAVS-FM & KYHT-FM Lancaster-Mojave-Yermo CA from Antelope Broadcasting Co. (Ronald Carter) to Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR). \$200K escrow, balance in cash at closing. Existing **duopoly**. KAVL-AM also has a contour overlap with KIIS-FM L.A. LMA since 9/14. Broker: Jorgenson Broadcast Brokerage

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\$3,000,000—* KCKC-AM San Bernardino CA from All Pro Broadcasting (Willie & Andrea Davis) to Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR). \$150K escrow, balance in cash at closing. **Duopoly** with KDIF-AM Riverside CA. LMA since 9/1. Broker: McCoy Broadcast Brokerage

\$3,000,000—* KZMS-FM Modesto (Patterson CA), 100% stock sale of J.B. Broadcasting Inc. (John & Amador Bustos) to Z-Spanish Radio Network Inc., a subsidiary of Z-Spanish Media Corp. (Amador & John Bustos and others). Exercise of option under 1995 agreement, \$3M cash for stock. Continues existing **superduopoly** with KLOC-AM, KMIX-FM & KCVR-FM.

\$2,100,000—* KAMG-AM & KVIC-FM Victoria TX from Independence Broadcasting Co. (Wendell Mayes Jr.) to Victoria Radio Works Ltd. (John W. Barger). \$105K escrow, balance in cash at closing. **Duopoly** with KEPG-FM Victoria TX. LMA since 8/26. Broker: Dick Chapin

\$1,700,000—* WZOO-FM Edgewood OH from Bulmer Communications of Ashtabula Inc. (John A. Bulmer) to Ashtabula Broadcasting Corp. Inc. (Richard & David Rowley). \$200K escrow, \$1.65M (less escrow) in cash at closing, \$50K under non-compete agreement. **Duopoly** with WFUN-AM & WREO-FM Ashtabula OH, which will become a **superduopoly** if the FCC grants the buyer's application for a new FM licensed to Ashtabula.

\$1,350,000—* WPAL-AM Charleston SC from WPAL Inc. (William Saunders) to Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications. Letter of intent, with complete contract to be filed by amendment. The parties have advised the FCC that the pur-

continued on page 38

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BancBoston Robertson Stephens Inc.



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Senior Secured Credit
Facility

Managing Agent
BankBoston, N.A.




\$2,000,000,000
Revolver Credit Facility

Managing Agent
BankBoston, N.A.




\$110,000,000
Senior Secured Credit
Facilities

Agent
BancBoston Robertson Stephens Inc.




\$37,500,000
Aggregate Senior Credit
Facilities

Documentation Agent
BancBoston Robertson Stephens Inc.



\$1,400,000,000
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Credit Facility

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Transaction Digest
continued from page 36

chase price is \$1.35M. **Superduopoly** with WLLC-FM, WXLV-FM, WEZL-FM & WRFQ-FM.

\$775,000—* KKHB-FM Eureka CA from NCC 2 Inc. (William Groody) to Bicoastal Media LLC (Kenneth R. Dennis, Kevin P. Mostyn, Don Bleu). \$30K escrow, balance in cash at closing. **Superduopoly** with KGOE-AM, KATA-AM, KRED-FM & KFMI-

FM. Note: 12 stations in market. **Broker:** Media Services Group

\$700,000—* KGND-FM Ketchum OK from Lee May Broadcasting Co. (Jack Lee) to Northeast Oklahoma Broadcast Network Inc. (Larry & Janell Hestand). \$10K escrow, additional \$90K in cash at closing, \$600K note. **Duopoly** with KGVE-FM Grove OK.

\$390,000—KFEL-AM Pueblo CO from Metropolitan Radio Group Inc. (Gary L. Acker) to Wellspring Harvest Ministries Inc. (Allen Bickle, Roger Brown, Mike Strantz). \$57.5K escrow, additional \$57.5K in cash at closing, \$275K note.

\$375,000—KEYL-AM & KXDL-FM Long Prairie-Browerville MN, 100% stock sale of Prairie Broadcasting Co. Inc. from Donald & Charleen Schermerhorn and Darrell Anderson to G&C Ventures Ltd. (Gene Sullivan, Charles Leverich and Steven, Raleigh & Eric Sandberg). \$25,073 downpayment, additional \$50,145 payment for stock due as LMA payments and at closing, \$298,800 debt assumption.

\$312,500—* WCLS-FM Oscoda MI from Spectrum Communications Inc. (James C. Leighty) to Ives Broadcasting Inc. (Robert M. Currier). \$312.5K in cash at closing. Chain of **duopolies** with WHSB-FM Alpena MI and WHST-FM Tawas City MI. LMA since 1/1.

\$300,000—* KKRR-FM (new on 102.5 mHz) **Casper WY** from Robert R. Rule d/b/a Rule Communications to Mount Rushmore Broadcasting Inc. (Jan Charles Gray). \$300K cash in advance. At closing, the seller is to pay the buyer 8% annual interest for the period from contract to closing. **Superduopoly** with KVOC-AM, KQLT-FM & KASS-FM. Note: 13 stations in market.

\$260,000—WSPW-AM Bridgewater NJ from Bridgewater Broadcasting Co. Inc. (John D. Lake) to New Jersey AM Radio LP, controlled by New Jersey Broadcasting Inc. (E. Burke Ross Jr.). \$26K escrow, balance in cash at closing. Note: No contour overlap with the buyer's four other NJ stations.

\$233,000—WKPE-AM Orleans MA from GramCam Communications Inc. (David A. Roth) to University of Massachusetts, a non-profit educational institution administered by a board of 19 trustees. Donation for appraised value of \$233K. Note: The seller is retaining WKPE-FM.

\$208,000—WXCE-AM Amery WI from Badger Broadcasting Corp. (Steven T. Moravec) to Johnson Tower Partnership (Robert & Lois Johnson). \$20.8K escrow, balance in cash at closing. **Broker:** W. Donald Roberts, Kozacko Media Services



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Vernon R. Baldwin, President

for

\$8,000,000

The undersigned initiated this transaction and acted as exclusive advisor.



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WUAB-TV (LMA), Cleveland, Ohio
WXIX-TV, Cincinnati, Ohio
WFLX-TV, West Palm Beach, Florida
WNWO-TV, Toledo, Ohio
WLII-TV, Puerto Rico
WSUR-TV, Puerto Rico

has been acquired by

Raycom Media, Inc.

The undersigned acted as financial advisor to
Malrite Communications Group, Inc.
in this transaction.

September 1998

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GROUP**

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conference company consisting of



has sold 100% of its stock to

Imark Communications

We acted as financial advisor to and
assisted in the negotiations as the exclusive representative of
Interactive Group

August 1998

VERONIS, SUHLER & ASSOCIATES INC.

The Orion Publishing Group Ltd.

One of Britain's leading consumer book publishers

has sold a majority equity interest to

Hachette Livre S.A.

France's largest book publisher

We initiated the transaction, acted as financial
advisor to and assisted in the negotiations
as the representative of
The Orion Publishing Group Ltd.

August 1998

VERONIS, SUHLER & ASSOCIATES INC.

Universal Media, Inc.

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the number one magazine serving travel agents in the United States,
and *Travel Agent International, Official Travel Industry Directory,*
Travel Agent Custom Publishing, Travel Agent Trade Shows,
and Smart Fax

to

Advanstar Communications, Inc.

We acted as financial advisor to and assisted in
the negotiations as the exclusive representative of
Universal Media, Inc.

August 1998

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<p>JULY 1998</p> <p>\$745,806,694</p> <p>AMERICAN TOWER AMERICAN TOWER CORP.</p> <p>COMMON STOCK</p> <p>CO-MANAGER</p>	<p>JUNE 1997</p> <p>\$32,500,000</p> <p>AMERICAN TOWER AMERICAN TOWER CORP.</p> <p>HAS SOLD A STAKE TO</p> <p>CLEAR CHANNEL COMMUNICATIONS, INC.</p> <p>FINANCIAL ADVISOR</p>	<p>JUNE 1998</p> <p>\$1,350,000,000</p> <p>CAPSTAR RADIO BROADCASTING PARTNERS, INC.</p> <p>\$500,000,000 REVOLVING CREDIT FACILITY \$450,000,000 TERM LOAN A FACILITY \$400,000,000 TERM LOAN B FACILITY</p> <p>ADMINISTRATIVE AGENT/CO-ARRANGER</p>	<p>MAY 1998</p> <p>\$589,000,000</p> <p>CAPSTAR BROADCASTING CORPORATION</p> <p>COMMON STOCK</p> <p>CO-LEAD MANAGER</p>
<p>JUNE 1997</p> <p>\$100,000,000</p> <p>CAPSTAR BROADCASTING</p> <p>12% SENIOR EXCHANGEABLE PREFERRED STOCK DUE 2009</p> <p>LEAD MANAGER</p>	<p>JULY 1998</p> <p>\$2,500,000,000</p> <p>CHANCELLOR MEDIA CORPORATION</p> <p>CHANCELLOR MEDIA CORPORATION OF LOS ANGELES</p> <p>\$1,600,000,000 REVOLVING CREDIT FACILITY \$900,000,000 TERM LOAN A FACILITY</p> <p>SYNDICATION AGENT/CO-ARRANGER</p>	<p>MARCH 1998</p> <p>\$1,032,400,000</p> <p>CHANCELLOR MEDIA CORPORATION</p> <p>CHANCELLOR MEDIA CORPORATION</p> <p>COMMON STOCK</p> <p>JOINT-BOOK MANAGER</p>	<p>DECEMBER 1997</p> <p>\$500,000,000</p> <p>CHANCELLOR MEDIA CORPORATION</p> <p>CHANCELLOR MEDIA CORPORATION</p> <p>8.125% SENIOR SUBORDINATED NOTES DUE 2007</p> <p>LEAD MANAGER</p>
<p>JUNE 1998</p> <p>\$300,000,000</p> <p>CLEAR CHANNEL COMMUNICATIONS, INC.</p> <p>\$125,000,000 6.625% SENIOR NOTES DUE 2008 \$175,000,000 6.875% SENIOR DEBENTURES DUE 2018</p> <p>CO-MANAGER</p>	<p>JUNE 1998</p> <p>\$940,000,000</p> <p>CLEAR CHANNEL COMMUNICATIONS, INC.</p> <p>HAS ACQUIRED</p> <p>MORE GROUP</p> <p>FINANCIAL ADVISOR</p>	<p>MARCH 1998</p> <p>\$594,800,000</p> <p>CLEAR CHANNEL COMMUNICATIONS, INC.</p> <p>COMMON STOCK</p> <p>LEAD MANAGER</p>	<p>MARCH 1998</p> <p>\$500,000,000</p> <p>CLEAR CHANNEL COMMUNICATIONS, INC.</p> <p>2 1/2% SENIOR CONVERTIBLE NOTES DUE 2003</p> <p>LEAD MANAGER</p>
<p>OCTOBER 1997</p> <p>\$66,200,000</p> <p>ECHOSTAR COMMUNICATIONS CORPORATION</p> <p>COMMON STOCK</p> <p>CO-MANAGER</p>	<p>JANUARY 1998</p> <p>\$238,600,000</p> <p>HBC HEPTEL BROADCASTING CORPORATION</p> <p>CLASS A COMMON STOCK</p> <p>LEAD MANAGER</p>	<p>JUNE 1998</p> <p>\$212,600,000</p> <p>LAMAR ADVERTISING COMPANY</p> <p>COMMON STOCK</p> <p>LEAD MANAGER</p>	<p>SEPTEMBER 1997</p> <p>\$200,000,000</p> <p>LAMAR ADVERTISING COMPANY</p> <p>8 1/2% SENIOR SUBORDINATED NOTES DUE 2007</p> <p>CO-MANAGER</p>
<p>JUNE 1997</p> <p>\$500,000,000</p> <p>outdoor systems OUTDOOR SYSTEMS, INC.</p> <p>8 7/8% SENIOR SUBORDINATED NOTES DUE 2007</p> <p>CO-MANAGER</p>	<p>FEBRUARY 1998</p> <p>\$150,000,000</p> <p>SBA COMMUNICATIONS CORPORATION</p> <p>12% SENIOR DISCOUNT NOTES DUE 2008</p> <p>LEAD MANAGER</p>	<p>APRIL 1998</p> <p>\$467,800,000</p> <p>SBG SINCLAIR BROADCAST GROUP</p> <p>SINCLAIR BROADCAST GROUP</p> <p>CLASS A COMMON STOCK</p> <p>CO-MANAGER</p>	<p>SEPTEMBER 1997</p> <p>\$193,500,000</p> <p>SBG SINCLAIR BROADCAST GROUP</p> <p>SINCLAIR BROADCAST GROUP</p> <p>CLASS A COMMON STOCK</p> <p>CO-MANAGER</p>
<p>SEPTEMBER 1997</p> <p>\$150,000,000</p> <p>SBG SINCLAIR BROADCAST GROUP</p> <p>SINCLAIR BROADCAST GROUP</p> <p>6% CONVERTIBLE EXCHANGEABLE PREFERRED STOCK</p> <p>CO-MANAGER</p>	<p>APRIL 1998</p> <p>\$2,378,200,000</p> <p>UNIVERSAL OUTDOOR HOLDINGS, INC.</p> <p>HAS BEEN ACQUIRED BY</p> <p>CLEAR CHANNEL COMMUNICATIONS, INC.</p> <p>FINANCIAL ADVISOR</p>	<p>AUGUST 1997</p> <p>\$206,900,000</p> <p>UNIVERSAL OUTDOOR HOLDINGS, INC.</p> <p>COMMON STOCK</p> <p>LEAD MANAGER</p>	<p>FEBRUARY 1998</p> <p>\$836,000,000</p> <p>UNIVISION COMMUNICATIONS, INC.</p> <p>CLASS A COMMON STOCK</p> <p>CO-MANAGER</p>

BT Alex. Brown

Bankers Trust
Architects of Value