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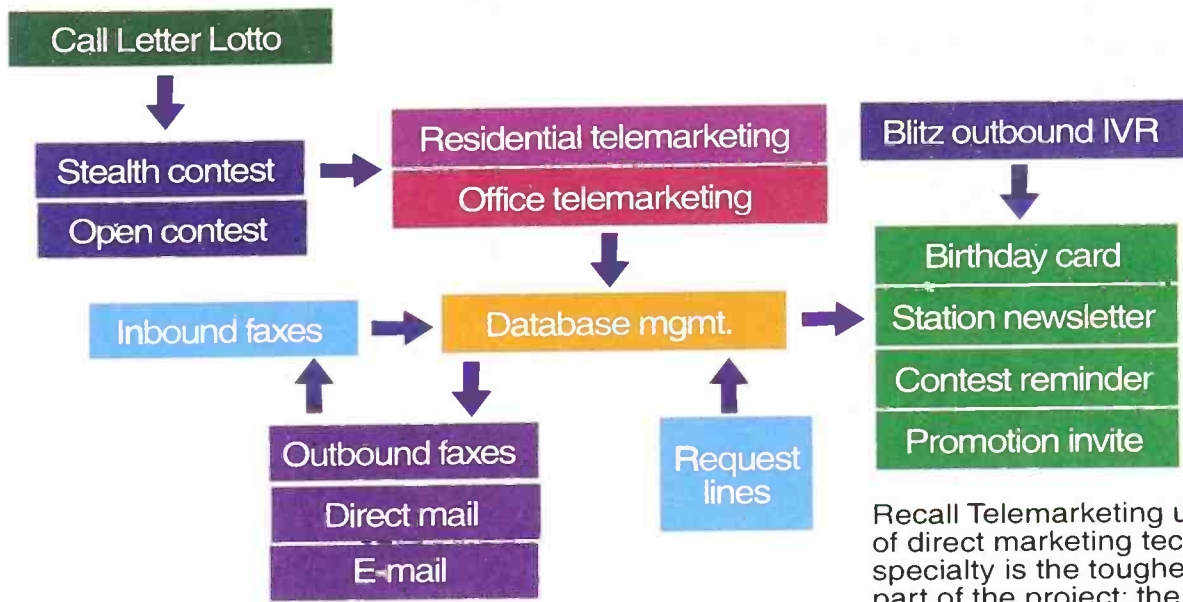
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Pirate wins a round in federal court

Minneapolis pirate broadcaster **Alan Fried** has not only won his day in court, but put the FCC on the defensive. The 8th Circuit Court of Appeals reversed a district court's 1996 order to shut Fried's "Beat Radio" down and confiscate his equipment (Fried was a DJ at a local dance club and was doing live broadcasts).

The decision means a micro-broadcaster can now raise constitutional defenses in federal district court, priming the system for a new precedent. Says **Scott Bullock**, Senior Attorney for D.C.-based Institute for Justice, which is defending farmer/pirate broadcaster **Roy Neset** in North Dakota: "It's the first time that a court has held that a microbroadcaster can challenge the constitutionality of the microradio prohibition. The **Stephen Dunifer** court has said that you can't, the district court in the North Dakota case said you cannot do that, the district court originally in Minnesota in the Beat Radio case said you can't do that, and now the 8th Circuit said in a 2-1 decision that you can." Neset's case is also pending before the 8th Circuit—oral arguments will take place in May or June.

Fried began operating his station on 97.7 MHz in 1996. The first complaint was called to the FCC in July of that year, and in August, the FCC mailed its standard warning letter, allowing 10 days to shut down, after which, the equipment could be seized.

Fried responded that microbroadcasting is within First Amendment rights and requested a waiver. He continued broadcasting. Fried's equipment was seized 11/96 after the federal district court agreed with the government and ordered him off the air.

But now, the FCC may have to defend its policies in federal district court. Said Bullock: "What the FCC wanted to do was file a lawsuit, haul [pirates] into federal court, and only present the issue that they were broadcasting without a license. No defenses, including constitutional, could be raised. You couldn't challenge the regulations in court. The 8th Circuit said you can raise these defenses in federal district court."

What will happen now, considering the FCC may have to defend itself

against something Chairman **Bill Kennard** is trying to push through and essentially make legal? "I think it's going to put them into a box—here they have to defend their current policy when they're claiming the current policy is probably not a good idea," said Bullock. "The outcome could be that the current regulations are declared unconstitutional. It's up to the judge, but he could allow the unlicensed people to remain on the air, pending new rules by the FCC, and I think in declaring it unconstitutional would be a great incentive to the FCC to get on the ball and repeal the prohibition on microradio."

RBR observation: Maybe Kennard is psychic and knew this was coming all along! If courts start ruling against the FCC, action on the LPFM petition could be faster than any of the parties expected.—CM

Broadcasters attack new EEO proposal

Broadcasters found little to like in the FCC's attempt to reinstitute EEO rules for licensees (*RBR* 11/23/98, p. 2), following last year's federal appeals court ruling (*Lutheran Church-Missouri Synod v. FCC*) which struck down the Commission's 30-year-old regulations.

Rather than institute a new set of rules which apply only to broadcasters, the NAB urged the FCC to defer to the Equal Employment Opportunity Commission to rule on discrimination complaints. NAB's

proposal would have stations with five or more employees certify every two years that they have complied with one of three options: 1) the government's EEO regulations as a federal contractor; 2) their state broadcaster association's "Broadcast Careers" program; or 3) the NAB's general and/or specific outreach initiatives of the station's choosing.

Under the NAB proposal, broadcasters would maintain documentation to show compliance with EEO outreach. The documentation would be available to the FCC, if requested,

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but there would be no annual filing required.

NAB also warned that some of the FCC's proposals, which would reinstate many of the old EEO requirements to maintain records of the race and gender of job applicants, may be unconstitutional.

Going even beyond the NAB's deregulatory stance, Haley Bader & Potts P.L.C., a major communications law firm, urged the FCC to scrap its proposed rule completely and rely instead on voluntary efforts to promote the hiring of women and minorities.

The law firm noted that the FCC's claim of jurisdiction was based on the assumption that "employment diversity equals programming diversity," but said the Commission had failed to either define program diversity or provide a means to measure it. Even if it could be assumed that programming mirrored the race and gender of each station's staff, the law firm said the FCC's approach would encourage each station to be staffed identically and sound alike—the opposite of program diversity.

Based on a survey of its clients, Haley Bader & Potts said there was no evidence that programming was influenced by the race or gender of the programmer.

Not all commenters saw deregulation as the way to go.

The NOW Foundation, in a joint filing with a number of other feminist groups, insisted that the court decision in the Lutheran Church case didn't require any change in the FCC's EEO policy regarding women. Furthermore, NOW said it opposed "any streamlining of EEO that would allow a significant number of broadcasters to avoid the requirements of open and equitable recruitment."

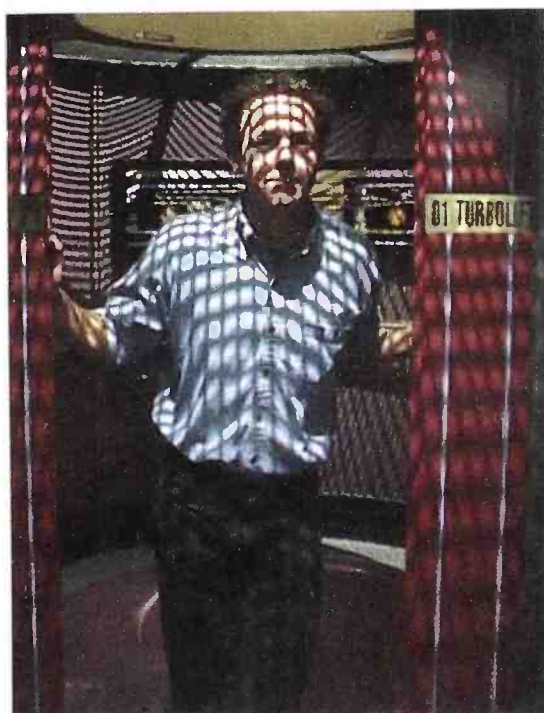
NOW suggested that because broadcasters "might not be able to create effective recruiting programs capable of attracting a diverse pool of applicants," the FCC should adopt a number of specific recruiting and outreach efforts and let individual broadcasters pick from them. NOW wants the FCC to continue to strictly enforce compliance, gather data and even "conduct random audits throughout the license term to ensure good faith compliance with the EEO program."—JM

May looking strong

Pacing is holding nearly steady with last year for March and April, but May is already ahead of 1998—which is big news. "May, year in and year out, is the month that contributes most to radio revenues," notes Miller Kaplan's **George Nadel Rivin**.—JM

RBR/Miller Kaplan Market sell-out percentage report

| | 1999 | 1998 |
|-------|--------|-------|
| March | 70.9 % | 71.2% |
| April | 42.8% | 44.1% |
| May | 36.6% | 34.0% |



Kurt Hanson has been back as full-time Chairman of Strategic Media Research since January, after taking a five-month leave of absence in late 1998. What could be so appealing as to lure someone away from his own company? How about an opportunity to work on a sci-fi movie? Hanson worked as a graphic designer on "Star Trek: Insurrection," creating the control panels in the space ship used by the movie's alien bad guys, the Son'a.

Hanson, who somehow got onto the turbolift of the Enterprise E without wearing a regulation Star Fleet uniform, is now immortalized in the film's credit roll. Is it his first screen credit, *RBR* asked? "Oh, yes. First and last."

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News Briefs

Bill would allow TV duopolies

As promised (RBR 2/15, p. 5), Rep. **Cliff Stearns** (R-FL) has introduced a bill, H.R. 942, which would allow VHF-UHF TV duopolies and grandfather all existing TV LMAs. The bill, titled the Broadcast Ownership for the 21st Century Act, would also allow VHF-VHF overlaps from adjacent markets, such as Washington and Baltimore. Stearns' co-sponsors are

Reps. **Mike Oxley** (R-OH) and **Martin Frost** (D-TX).

"Our bill will broadly deregulate the confining ownership limitations imposed by the FCC on the television broadcast industry," Stearns said (3/2) as he introduced the measure. "As we approach the dawn of a new century, it is time to reform the antiquated rules and regulations of the FCC that they cling to in an effort to replicate the communications world of the 1950s."

Stearns accused the FCC of ignoring Congress' intent in the 1996

Telcom Act, which he said was to loosen the TV ownership rules and grandfather all existing LMAs. Instead, FCC Chair **Bill Kennard** (D) has been moving toward elimination of LMAs.—JM

Imus raises big bucks

Syndicated host **Don Imus** raised a record \$2.5M in his annual radiothon for charities battling fatal children's diseases—the Tomorrow's Children Fund, C.J. Foundation and Imus Ranch. \$1.5M came from corporate

news briefs continued on page 10

Hot categories for '99 growth

Interep's researchers have been crunching numbers and identified ten hot advertising categories—sectors which have had strong growth in recent years and are expected to continue growing this year.

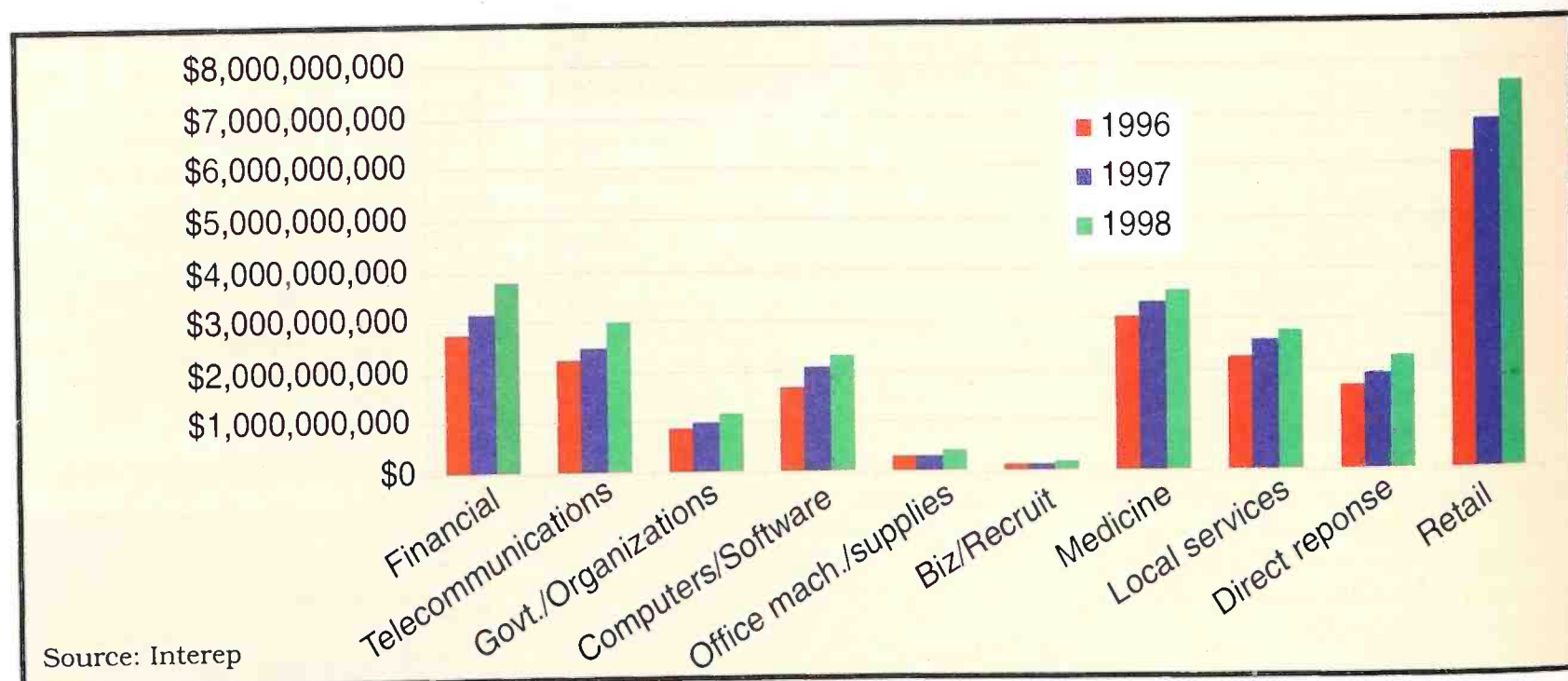
As the chart below shows, some are already huge—such as Retail, which grew 10.8% last year to more than \$7.5B—while others are still small, but growing fast. One such hot category is Business & Recruitment, where explosive spending on employee recruitment drove ad revenues up 30.3% last year to \$176.6M.

In each case, the year measured is a 12-month period through the end of September. Interep's categories were selected on a four-year spending trend analysis, as well as total spending on the 11 major advertising media tracked by Competitive Media Reporting.

Here's a brief synopsis of each:

- Financial ad spending—banks, brokerages and such—shot up 20.8% last year to \$3.77B.
- Telecommunications—including traditional phone companies and their wireless challengers—gained 22.6% to \$2.97B.

- Advertising by Governments and Organizations rose 17.5% to \$1.14B.
- Computers and Software ad spending gained 17.5% to \$2.27B.
- Ad spending to sell Office Machines and Supplies shot up 21.7% to \$372.9M.
- Business and Recruiting ad spending exploded 30.3% last year to \$176.6M. That's nearly triple the previous year's 12.1% growth rate and recruitment advertising appears to be growing even faster this year.
- Medicines—a category that got a big boost from relaxed rules for advertising prescription drugs and shot up 40.4% in 1996—continued to grow 6.3% last year to \$3.51B.
- Local Services and Amusements grew only 6.9% last year to \$2.74B. Interep, however, is predicting stronger growth because utility deregulation is heating up competition for customers as state after state adopts new rules.
- Direct Response advertising grew 19.4% last year to \$2.21B.
- Retail, long a mainstay category, grew another 10.8% last year to \$7.52B.—JM



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Volume 3, Issue 3 March 1999

A Buyers' Perspective



**The Media
Edge's Natalie
Swed Stone**

story begins on p. AB 2

AdNews

Interrep finds that heavy
radio users are heavy
hitters.

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SyndicationNews

WW1 does Grammys;
TWC now en Espanol;
Premiere gets czar

Page AB6

AdStats

Which stations'
web sites get
the most traffic

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Radio AdBiz

March 1999, Volume 3, Issue 3

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In this AdBiz interview, we asked The Media Edge's VP/Manager Network Radio **Natalie Swed Stone** what she likes about network radio and what can be improved—to get more buys and better serve her clients into the next millennium.

Natalie buys for AT&T, Xerox, Clorox, The U.S. Army and Showtime, among others. She is no stranger to radio, and has come full circle from buyer to seller to buyer: She began her career in research at the CBS Television Network in 1977 before joining NW Ayer in a similar capacity. She began buying network radio for the U.S. Army and AT&T in 1980. Natalie then became Manager of network radio at BBDO in 1982, and sold at ABC Radio Networks from 1988-90. She then spend eight years in sales for MediaAmerica, spending most of her time with the **Rush Limbaugh** Show. Natalie returned to buying for clients AT&T and The U.S. Army in Sept. '98 at The Media Edge, and here presents her unique perspective.—CM

What has network radio done to help to make your buying decisions easier?

Well let me say, "Not enough!" It needs to become more sophisticated. We at the Media Edge have been in the forefront in trying to convey this to the networks.

The use of RADAR® helps because we can obtain audience research on our own. And that is important, because the agencies can do that for other national media, but for network radio, when we use Arbitron, we have to rely to a large degree on what the networks give us. We can't do anything on our own. We have to be kind of spoon-fed this information which is not good when you are planning and buying. It's not an efficient tool.

RADAR helps by bringing software to the agencies and making it easier for us to plan, buy, and quantify for our clients. Agencies are more comfortable and they are getting what they think they are getting. Rather than, "I thought I was getting X, but I got Y, now I'm not comfortable or smart enough to use this medium." Anytime accountability goes up, it helps.

What more needs to be done: the systems need to be improved. There needs to be a way for agencies to access the information on all available properties. And you probably know how many there are—hundreds, hundreds in the medium. We have to be able to access this on our own. Very often we get calls, "I want to buy Sports. What's out there? I want to buy Talk. What's out there? I want to buy Talk only on Saturday. What's out there? I want to buy Talk that appeals to this one. What's out there? I want to buy Country; how many are there?" We don't have that in one place. It's not published in one place, so it's not easy.

Again, it's available for all other national media. Now, if clients and planners become more sophisticated in terms of targeting, we the buyers need to be able to follow through in an efficient way. We can't be calling them



and taking days to get back to [our clients], when other media are getting back to them in an hour because it's all on the computer.

So you think this would definitely help radio get more buys?

I do. I think that if the information were there and people sought and had access to it, it would be more user-friendly. I think these things are probably coming. I don't know when, but it's something that is lacking. We at The Media Edge are developing our own systems.

Also, we desperately need what cable has. Network radio, I think, is most often compared to cable in terms of complexity, the large number of properties out there. Cable has an electronic data system (they call it EDI) that the

Cable Advertising Bureau facilitated with cable networks and the agencies. That has helped enormously in terms of the perception of buying cable to the ad community. The contracts and billing are all electronically transferred, so agencies don't have to input, maintain or monitor hundreds of thousands, or millions, of spots that are out there. We can't currently control this in an efficient way. So we at The Media Edge are trying to work with the networks on developing an electronic data transfer that we can use.

Donovan Data Systems has been part of this process for cable. And we're talking to them about doing the same for network radio. The networks need to obviously buy into why it's necessary. But it sounds like a no brainer to us.

Why do you think network hasn't followed the lead of the other media?

I'll tell you why, because they have been waiting for the revenue. It's a catch-22. The networks didn't have the resources to allocate to this, that and the other thing. I think that the agencies haven't pushed because the network radio portion of media spending was low. But that is changing, and it's changing on the networks' end—they are generating more revenue and agencies are allocating more to radio. More attention is being paid to radio in general. Hopefully the networks will respond now, and realize that since great things are happening in radio and network radio it's time to get sophisticated. Let's move up.

Has consolidation affected your business?

We think that consolidation is good. Stronger stations, stronger programming. We're hoping that the consolidation will bring economies of scale and save us money, obviously not the other way around, that is a couple of operators controlling the medium and charging more. We are certainly going to be sensitive to the pricing, but it seems to us that streamlining costs will help the medium.

Also, if consolidation continues into cross-media consolidation, then TV/cable owners will expect "electronic data systems." We expect cross media sales to increase.

Has radio become a better reach vehicle?

Network radio has upgraded the size and rank of its affiliated stations. AMFM is a very good example of this. They have top-ranked stations in major markets. Years ago, network radio affiliated the middle station in a market. You could just look and people would just present that way. But that has all changed. And with that comes better reach.

Also, syndication has forced the networks to go for quality. Syndication has changed the game, because syndicators were able to go to

DECEMBER 1998

View from The Edge

Network Radio 2000

At the beginning of 1999, where are we in Network Radio and what can we expect going into 2000?

Even if you don't live and breathe radio the way we do, no doubt you have heard about the unprecedented wave of consolidation that is sweeping the radio industry. This month's View From The Edge provides an historical context for the forces impacting this industry that will help us understand why these changes were necessary, why they ultimately occurred and how they will affect our business going forward.

Natalie contributes to the Media Edge's newsletter, "A View from the Edge," where she did a special "Network Radio 2000," informing clients on the changing landscape of radio.

a top station and say, "I'll give you this service for five minutes of inventory, rather than a hundred minutes." Therefore they were able to bring in top stations and that helped also.

Tell us a little bit about your job.

My job at The Media Edge is to oversee all network radio investments and to provide knowledge to the entire agency and our clients on all aspects of network radio. This includes comprehensive knowledge of how the medium works, how it fits into a plan, marketplace issues, research issues, trends, etc.

What trends, coming into the new millennium, are you seeing in network radio?

I think it is hotter. It is a hotter medium because of its relative value. The halo is coming off of network TV. Television is becoming more difficult to buy, and cable buys are increasing. Reach is harder to generate, so in terms of relative value, network radio and radio are looking stronger. It is still targetable. Its portability is a unique strength. It is the only medium that has that.

Network radio had the lowest advertiser attrition rate it has ever had this year. With the

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advent of AMFM, a better medium overall, and the medium providing results for advertisers, agencies are beginning to use it more. Because of the additional attention and revenue being given, it will be bought and sold better. There will be better tools and it will become a more sophisticated medium.

What do you think about the .com business?

The .com business has been a great thing for network radio. It has infused the medium with vitality. I do believe that had it not been for the .com business, we would not have seen this medium doing as well as it has so quickly. The cable tune-in business is another huge category for the medium.

Why don't some clients like to use radio?

I think radio is a complex medium. It's not always sold properly. It is not always bought properly. The creative isn't necessarily produced with radio in mind. It is often produced for television. Radio is its own medium with its own particular qualities. Agencies need to pay more attention to all aspects of it. But again, it is a complex medium and needs radio specialists.

Which network buys consistently seem to do the best for your clients?

I think that we all know that **Paul Harvey** and **Rush** and the Talk properties have been successful because they've been used exclusively by clients and can include the personalities. Snapple and Clean Shower are good examples. It is very unusual for a Westwood Next to be used exclusively. Buyers normally buy a combination of networks, or a combination of networks and programs.

It is important that we do a lot of research. And again, I think that clients and agencies are becoming more sophisticated. They are doing a lot of market research and are finding out exactly who is using this product. As we move into the millennium, we want to match these specifications with what we can glean from various networks. How sophisticated can they be in telling us who is listening to their networks? We're not there yet.

Do you do any Hispanic buying and how does that growing population sector affect your decisions?

We have actually encouraged some of the networks to incorporate some Hispanic into their networks, because we know that the population is going in that direction. We at The Media Edge are very much aware that the population has changed, and is changing, and it's important for us to deliver the entire population to our clients. And if we are under-delivering Hispanic where we shouldn't be, that is an issue for us. We also have a Hispanic agency. So, as things are specialized, it's whose

area can best make the buy. If ABC, for example, adds some Hispanic stations to their network, we would applaud that.

What about groups now owning the networks? Has that changed anything?

There is always room for quality. Of course, it is definitely much more competitive. If you don't own a station, and you've got a syndicated property, and the company who does own the station has its own syndicated property, you're just going to have to be a lot better to get on.

Can you go through a typical cycle of a buy, as an example for our readers?

Say Xerox wants a 25-54 male buy.

Natalie says, "Who are these men 25-54? There are a lot of men 25-54 out there. Tell me more. I want to know where they live, what they do, what they read, what they watch." They then give me that information. They live in the northeast, they live here, they live there; they are younger than they are older. Any psychographic information, anything I can get from that. I then try to match to what I can get from

RADAR, for example, in terms of socioeconomics, audience composition, and things like that. There are so many networks and stations out there and so many properties, we have to be able to distinguish them, separate them and say, "This is better than this for this client, this makes more sense." Otherwise, I could close my eyes, and pick 1, 2, or 3.

Then you basically let the networks know what you are planning to do, a little bit about your target, what your goals are, and hope that they can help you to meet those goals. And then the negotiation starts, which is "I don't want to sell you what you want. I want to sell you something else." And then we proceed from there.

We hope that the networks want to work with us, because our goal, we believe, is to provide the client with something that will work, so that they will come back. Rather than have a short-term view such as, "I need more money against this one property tomorrow," we hope the network says "Let's work with The Media Edge and their client, because I think they will come back if we really make it work."

AdNews

Look out: Incoming from Interep!

Not to be alarmed: Interep has released a study in income in America, information which is an important part of targeting when planning a media campaign. Among its findings:

- The median US household income is now \$37,005, and the average household income is \$49,692.
- Non-Hispanic whites have the highest per capita income, \$20,425, followed by Asian-Americans at \$18,226. Asian-American households, which tend to have a higher number of resident working adults, now lead in average household income.
- Trends indicate that the rich are getting richer and the poor poorer, while the middle class gets smaller.
- Wealth tends to concentrate in the largest markets.
- Heavy radio users show a higher median income than heavy television or cable viewers.—DS

Clinton seeks alcohol warnings

The **Clinton** Administration is floating a proposal to require warnings on alcoholic beverage ads. The draft language would require the warnings on TV, print, outdoor and Internet ads, but—so far—radio is not included.—JM

Viacom returns to radio... sort of

Viacom (A:VIA) announced plans to acquire Imagine Radio, an Internet audio site that delivers customized music formats, and to launch two fully-integrated Internet sites—one offering entertainment to kids in conjunction with Nickelodeon and the other, tied in to MTV and VH1, offering music and other entertainment to adults. CEO **Sumner Redstone** says he's already considering a IPO for the new Internet division.—JM

Onsale puts the Internet on the radio

Not technically—the Internet retailer is launching a \$10M campaign to promote its virtual computer store which will rely on radio and print. The radio flight has taken off in Boston, Chicago, New York, Philadelphia, San Francisco, Seattle and Washington, with ads in Newsweek, Time, Business Week and others set to follow.—DS

Sarley, Bigg & Bedder harpoons Mobius award

A humorous radio spot written for Trico Wiper blades brought home a Best of Show award for radio commercial producer Sarley, Bigg and Bedder. The 28th Annual Mobius Awards Presentations was held on February 11 in Chicago.—DS

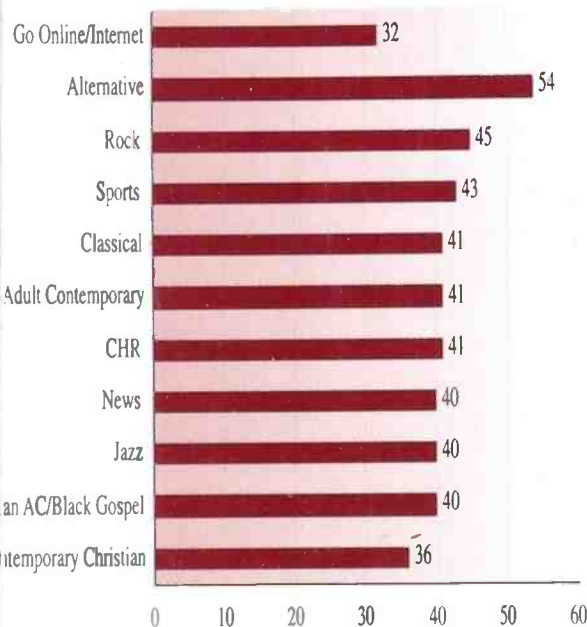
AdStats

Top 10 Radio Websites (1998)

Adult Rating Past 30 Days

| | | | |
|----|--------------|---------|-----|
| 1 | San Diego | KFMB-AM | 4.3 |
| 2 | Indianapolis | WFBQ-FM | 3.4 |
| 3 | Raleigh | WDCG-FM | 3.2 |
| 4 | Atlanta | WNNX-FM | 3.1 |
| 5 | Minneapolis | KQRS-FM | 2.3 |
| 6 | Memphis | WEGR-FM | 2.2 |
| 7 | Pittsburgh | WDVE-FM | 2.0 |
| 8 | Kansas City | KQRC-FM | 1.9 |
| 9 | Okla. City | KATT-FM | 1.9 |
| 10 | Salt Lake | KSL-AM | 1.9 |

% of Adult listeners going Online/Internet



Radio Listening By Level Of Internet Use

| Weekly Minutes On Internet | Average Minutes Listening to Radio Daily |
|----------------------------|--|
| 1-99 | 156 |
| 100-179 | 183 |
| 180+ | 191 |

Minutes Per Week Logged Online/Internet

Reach Heavy Online/Internet Users With Radio And Outdoor

| Medium | % of Heavy Media Consumers Who Are Heavy Internet Users |
|-------------|---|
| Outdoor | 25.0 |
| Radio | 21.9 |
| Newspaper | 21.3 |
| Direct Mail | 17.5 |
| Television | 16.2 |

Source: The Media Audit

Media Index

Can you spell s-w-e-e-p-s?

by Jack Messmer

Radio got the lion's share of budgets as TV stations battled for viewers in the all-important November sweeps. We can't help but notice that Bud Paxson went back to his radio roots with heavy ad buying to promote his new PAX-TV—an every-day promotion of the evening's lineup that continues to this day. Do you think magazine and book publishers will ever figure out that they can get a lot more bang for their buck by reconfiguring their newspaper-heavy budgets to use more broadcast? Nah, print guys love print, even if it is the kind of ink that comes off on their fingers.

RBR/Miller Kaplan Total Media Index

November 1998 (Expenditures in 000)

| Category | Newspaper | TV | Radio | Total Media | Radio% of Total |
|-------------------------------|--------------------|--------------------|--------------------|----------------------|-----------------|
| Automotive | 162,463,510 | 162,899,738 | 31,232,486 | 356,595,734 | 8.76% |
| Restaurants | 4,562,528 | 47,799,427 | 9,663,568 | 62,025,523 | 15.58% |
| Department Stores | 119,870,308 | 34,747,918 | 12,987,052 | 167,605,278 | 7.75% |
| Foods | 1,977,849 | 31,507,363 | 7,896,728 | 41,381,940 | 19.08% |
| Communications/Cellular | 40,041,665 | 36,163,647 | 18,972,198 | 95,177,510 | 19.93% |
| Furniture | 31,810,380 | 18,604,088 | 6,098,581 | 56,513,049 | 10.79% |
| Financial Services | 32,540,796 | 30,009,100 | 14,800,773 | 77,350,669 | 19.13% |
| Movies/Theater/Concerts | 26,323,750 | 20,760,184 | 7,586,976 | 54,670,910 | 13.88% |
| Grocery Stores | 16,591,377 | 10,396,148 | 7,984,777 | 34,972,302 | 22.83% |
| Appliances & Electronics | 43,368,036 | 20,955,703 | 4,886,515 | 69,210,254 | 7.06% |
| Hotel/Resorts/Tours | 35,505,706 | 7,440,960 | 3,294,096 | 46,240,762 | 7.12% |
| Drug Stores/Products | 15,084,726 | 13,966,535 | 4,435,152 | 33,486,413 | 13.24% |
| Computers/Office Equipment | 26,155,296 | 13,452,666 | 13,807,463 | 53,415,425 | 25.85% |
| Specialty Retail | 45,960,873 | 47,226,942 | 17,254,012 | 110,441,827 | 15.62% |
| Health Care | 15,217,264 | 21,636,174 | 11,141,159 | 47,994,597 | 23.21% |
| Auto Parts/Service | 7,953,747 | 9,386,141 | 4,870,776 | 22,210,664 | 21.93% |
| Music Stores/CDs/Videos | 4,603,527 | 9,597,944 | 4,977,863 | 19,179,334 | 25.95% |
| Transportation | 12,098,265 | 8,816,429 | 5,575,416 | 26,490,110 | 21.05% |
| Entertainment-Other/Lottery | 3,586,956 | 7,002,256 | 7,607,140 | 18,196,352 | 41.81% |
| Home Improvement | 13,634,199 | 6,948,430 | 3,206,018 | 23,788,647 | 13.48% |
| Professional Services | 11,025,083 | 7,611,974 | 7,287,315 | 25,924,372 | 28.11% |
| Beverages | 4,612,387 | 9,088,009 | 11,042,953 | 24,743,349 | 44.63% |
| Television | 11,837,541 | 5,241,804 | 41,119,338 | 58,198,683 | 70.65% |
| Personal Fitness&Weight Ctrs. | 1,266,529 | 3,522,343 | 679,708 | 5,468,580 | 12.43% |
| Publications | 34,149,311 | 4,978,611 | 2,563,823 | 41,691,745 | 6.15% |
| TOTAL | 722,241,609 | 589,760,534 | 260,971,886 | 1,572,974,029 | 16.59% |

*Based on Media Market X-Ray composite data for 13 markets (Atlanta, Cleveland, Dallas, Hartford, Houston, Minneapolis-St. Paul, Pittsburgh, Portland, OR, Providence, Sacramento, San Diego, San Francisco, Seattle). Newspaper and television data compiled by Competitive Media Reporting and radio data compiled by Miller, Kaplan, Arase & Co., CPAs. For further information contact George Nadel Rivin at (818) 769-2010.

Weather Channel Radio Net now en Español

Aimed at the growing list of Hispanic-targeted stations, Jones/MediaAmerica launched its Spanish language version of The Weather Channel Radio Network 2/15. Media America Director of Hispanic Radio Services **Mike Castello** is clearing the barter net: "The last year has shown, in particular for Hispanics, that there are two reasons to be interested in the Weather. What will the local weather be, and, given the headline stories of hurricanes Mitch and Georges (which caused untold thou-



sands of deaths in the Caribbean and Central America), what is the weather in *Mi Pueblo?*."

TWC en Español launched in Puerto Rico to 11 affils and negotiations with major Spanish-language group owners is underway here in the U.S. "El Canal del Tiempo," TWC's Latin American Division out of Miami is providing the content.

JRN gets Bolton

Jones/MediaAmerica has tapped **Amy Bolton** to handle affiliate sales for Cox's four new syndie products: "The Motley Fool," "The **Clark Howard** Radio Show," "Handel on the Law" and "The **Neal Boortz** Show" (AdBiz Feb. p. AB6). Bolton has worked for Westwood One, SW Networks, ABC Radio Networks, ABI Media and The Broadcast Group. Her new title: Director of Talk Radio, Affiliate Marketing.



Amy Bolton

WW1 does Grammys; announces Imus book awards, Fox News affils

The first **Imus** American Book Awards were announced live last month on "Imus in the Morning" and simulcast on MSNBC. Sponsored by the A&E cable net, Barnes & Noble Booksellers and barnesandnoble.com, Imus listeners voted throughout January from 12 nominated titles. The \$100K Grand Prize: **Richard Price's** *Freedomland*. Three others received \$50K prizes: **David Remnick's** *King of the World: Muhammad Ali and the Rise of an American Hero*; **Ruth L. Ozeki's** *My Year of Meats*; and **Taylor Branch's** *Pillar of Fire: America in the King Years 1963-65*.

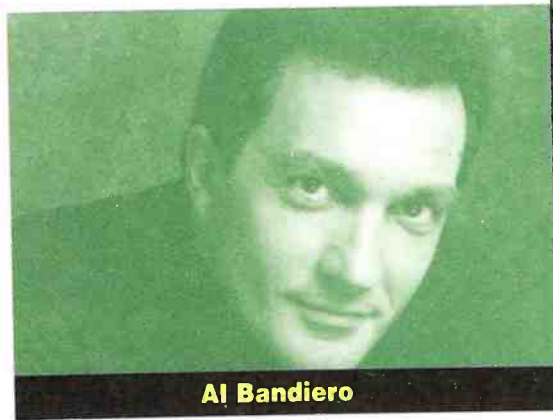
Westwood One and Fox News' "Fox News Radio" net, launched in December (RBR 10/19/98, p. 4), has cleared 11 affiliates, including KFI-AM Los Angeles, KATT-FM Oklahoma City, WKQB-FM Raleigh-Durham and KDAA-FM Springfield, MO. Fox News Radio offers one minute morning drive newscasts, news and sports actuality feeds and 24 hour crisis coverage.

Westwood also celebrated its second year broadcasting from the Grammy awards with "Backstage at the Grammys with Chevy Cavalier." This was a live 18-station remote event that included backstage coverage and artist interviews from the week leading up to the 2/24 event.

Fisher launches "Jammin' Party"

"Jammin' Party" is Fisher Entertainment's new R&B Oldies show, launching in less than two weeks. Chancellor's WBIX-FM (Jammin' Oldies) morning drive jock **Al Bandiero** is the host on this two hour weekend barter feature. "The traditional Oldies stations and Rhythmic CHRs have missed the boat. Music like **Stevie Wonder** and **Diana Ross** and The Supremes have been underplayed in markets such as New York for years, so I expect this format and this program to be huge," said Fisher

CEO **Glenn Fisher**. Sales interests include AMFM, Premiere, NBG and United Stations, but no contract has yet been signed.



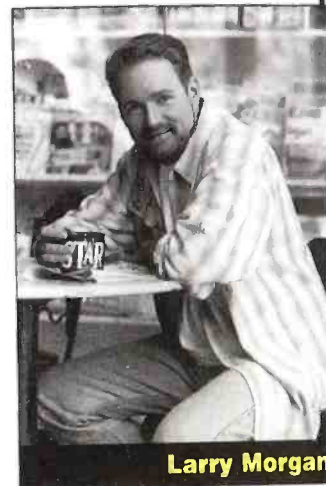
Al Bandiero

Premiere appoints "Comedy Czar"; gets Burbank

Filling a newly-created position within the ranks of Premiere Radio Networks, **Larry Morgan** has been appointed VP/Creative and Comedy Czar (2/16), overseeing morning prep, research and comedy research. He manages the day to day production, distribution and quality of 13 different Premiere daily radio prep services to 1,400 affils. Morgan most recently did morning drive on L.A.'s KYSR-FM, and was Premiere's Creative Director in '94.

After fifteen years of afternoon drive on Jacor's WLW-AM and four years of syndication

by Jacor with "Rear View Mirror," **Gary Burbank** takes his satire, song parodies, spoofs and colorful characters to the umbrella of Premiere 3/1. "Gary Burbank's Rear View Mirror" is a three hour Saturday feature for barter. Premiere begins syndication to approximately 50 Burbank affils.



Larry Morgan

More news: **Jim Rome** has renewed his contract for four more years, through 2003. He's on 130 affils; **Rush** is webcasting audio, **Art Bell** both audio and video (RBR 3/1, p.5).

"World Party 2000" gearing up for millennium

What are you going to be listening to as the millennium rolls over? Well, one possibility may be SBR Creative Media's "World Party 2000" Radio Network, delivering live hourly two-minute reports beginning 6 AM ET 12/31/99 from corners of the world where the millennium has just turned. Still looking for unique spots from which to air, SBR has already announced Rio de Janiero, Havana, the South Pole, Jerusalem, Mt. Everest, Australia aboard a nuclear sub and inside a Tokyo hospital birthing room as some. The segments will air live from 31 midnights, as they get closer and closer to the U.S. The last segment airs midnight PST.

The World Party radio package includes 35 promotional "preview reports" affiliates can sell to local sponsors in Q4. The reports include stories about time zones, superstitions about the millennium and wild 2000 celebration activities.

Cleveland Consolidation catch-up in progress

by Dave Seyler

Cleveland was among the last large markets to enter the superduopoly era. As recently as Fall 1997, there was only one superduopoly in operation (Nationwide's), and with three unescorted FMs, it was, from a stick standpoint, as small as a superduopoly could be.

In November 1997, Jacor bought Nationwide, building a six-station superduopoly here and kicking off a year of incredible change in the market.

Chancellor followed Jacor, cobbling together a six-station cluster of its own via deals with three separate owners. Jacor later swapped one of its AMs to Capstar, a company which soon thereafter announced it was merging into Chancellor. This would up Chancellor's cluster to seven stations, assuming all deals are completed.

Meanwhile, Clear Channel announced a deal to absorb Jacor. There was no way to combine the existing in-market stations of the two groups, and the Clear Channel three-station duopoly was put on the block. Surprisingly, the stations were split up, with two going to Radio One and one to Infinity.

RBR observation: Well, not all that surprisingly when we consider what has happened since. Chancellor has gone on the block with Clear Channel as the only serious suitor. But not much can happen here. Both groups are at or near the ownership ceiling already. In "The big what-if sale: Clear Channel/Chancellor divestitures (RBR 2-1, pp 6-8) we noted that there were no large groups already in the market which might be interested in spin-offs. That statement didn't remain true for long. We now find two of the most station-hungry groups in America lurking in the shallows, waiting for a tasty morsel to drift their way. Radio One must be particularly interested in the Urban-flavored trio which recently belonged to Xen Zapis, leaving plenty more for Infinity to go after. And Clear Channel was pretty crafty to stock the pond with some fish which not only will bite hard, but which will also be able to pay top dollar for the bait it may well have to offer.

Fall 1997

| Rank | Owner | AM | FM | 12+ |
|------|----------------|----|----|------|
| 1 | **Nationwide | 0 | 3 | 19.6 |
| 2 | *Zapis | 1 | 2 | 17.6 |
| 3 | Embrescia | 1 | 1 | 12.4 |
| 3 | *Jacor | 2 | 1 | 12.4 |
| 5 | *Clear Channel | 1 | 2 | 9.5 |
| 6 | RP/ML | 0 | 1 | 5.0 |
| 7 | Elyria-Lorain | 1 | 1 | 4.7 |
| 8 | Radio Seaway | 0 | 1 | 2.9 |
| 9 | Linn | 1 | 0 | 1.0 |
| 10 | Baldwin | 0 | 1 | 0.5 |
| 11 | Divine Mercy | 1 | 0 | 0.4 |
| 11 | Taylor | 1 | 0 | 0.4 |

* = duopoly; ** = superduopoly

Duopoly Dimensions

| | Owners | Stns | Pct |
|---------------------|--------|------|------|
| Total Own/Stns | 8 | 22 | |
| Superduop | 2 | 13 | 59.1 |
| Duop | 1 | 2 | 9.1 |
| Combo | 2 | 4 | 18.2 |
| Standalone | 3 | 3 | 13.6 |
| Total Consolidation | 3 | 15 | 68.2 |

Fall 1998

| Rank | Owner | AM | FM | 12+ |
|------|-----------------|----|----|------|
| 1 | **Chancellor | 3 | 4 | 36.0 |
| 2 | **Clear Channel | 1 | 5 | 32.9 |
| 3 | Elyria-Lorain | 1 | 1 | 5.8 |
| 4 | Infinity | 0 | 1 | 5.4 |
| 5 | Radio One | 1 | 1 | 2.8 |
| 6 | Radio Seaway | 0 | 1 | 2.3 |
| 7 | Linn | 1 | 0 | 1.0 |
| 8 | *Spirit | 2 | 0 | 0.3 |

Market Statistics

| | |
|---------------------|-----------|
| Rank | 24 |
| 12+ population | 1,763,500 |
| Black population | 322,500 |
| % Black | 18.3 |
| Hispanic population | 45,000 |
| % Hispanic | 2.6 |

Source: Arbitron, RBR Information Services Group



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Exclusive Reach

AMFM's strong FM affiliate base delivers many stations unaffiliated with any other network — over 38% exclusive audience.

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Chicago
312-202-8850

Los Angeles
323-852-3002

Detroit
248-614-7064

Atlanta
404-365-3054

Dallas
972-239-6220



Dominant Shows

The base of AMFM's syndicated shows are dominant in their formats and demographics with established programs and marquee talent.



Top Markets

AMFM's line-up includes the strongest group of major market metro stations — most of them previously unaffiliated with any network.

The Radio Network For The New Millennium

A Division of **Chancellor** Media Corporation

BROADCAST INVESTMENTS™

March 3—RBR Stock Index 1999

| Company | Mkt:Symbol | 2/24 Close | 3/3 Close | Net Chg | Pct Chg | 3/3 Vol (00) | Company | Mkt:Symbol | 2/24 Close | 3/3 Close | Net Chg | Pct Chg | 3/3 Vol (00) |
|----------------|------------|---------------|--------------|------------|------------|-----------------|------------------|------------|---------------|--------------|------------|------------|-----------------|
| Ackerley | N:AK | 17.812 | 17.937 | 0.125 | 0.70% | 358 | HefTel Bcg. | O:HBCCA | 43.500 | 42.250 | -1.250 | -2.87% | 387 |
| Alliance Bcg. | O:RADO | 1.062 | 1.000 | -0.062 | -5.84% | 128 | Infinity | N:INF | 25.812 | 25.125 | -0.687 | -2.66% | 3474 |
| Am. Tower | N:AMT | 25.750 | 25.750 | 0.000 | 0.00% | 2798 | Jacor | O:JCOR | 69.625 | 69.187 | -0.438 | -0.63% | 4055 |
| AMSC | O:SKYC | 4.250 | 4.250 | 0.000 | 0.00% | 766 | Jeff-Pilot | N:JP | 69.250 | 69.625 | 0.375 | 0.54% | 2884 |
| Belo Corp. | N:BLC | 17.562 | 17.937 | 0.375 | 2.14% | 2802 | Jones Intercable | O:JOINA | 42.750 | 40.062 | -2.688 | -6.29% | 207 |
| Big City Radio | A:YFM | 4.812 | 4.625 | -0.187 | -3.89% | 208 | Metro Networks | O:MTNT | 48.250 | 46.125 | -2.125 | -4.40% | 29 |
| Broadcast.com | O:BCST | 81.687 | 86.750 | 5.063 | 6.20% | 25767 | NBG Radio Nets | O:NSBD | 3.750 | 3.875 | 0.125 | 3.33% | 7 |
| Capstar | N:CRB | 21.312 | 21.937 | 0.625 | 2.93% | 1597 | New York Times | N:NYT | 32.687 | 30.250 | -2.437 | -7.46% | 3202 |
| CBS Corp. | N:CBS | 37.437 | 36.687 | -0.750 | -2.00% | 28842 | OmniAmerica | O:XMIT | 28.000 | 29.000 | 1.000 | 3.57% | 0 |
| CD Radio | O:CDRD | 22.625 | 22.000 | -0.625 | -2.76% | 1888 | Otter Tail Power | O:OTTR | 38.250 | 35.500 | -2.750 | -7.19% | 31 |
| Ceridian | N:CEN | 37.344 | 35.125 | -2.219 | -5.94% | 3826 | Pacific R&E | A:PXE | 1.750 | 1.500 | -0.250 | -14.29% | 51 |
| Chancellor | O:AMFM | 45.750 | 47.937 | 2.187 | 4.78% | 11185 | Pinnacle Hldgs. | O:BIGT | 14.000 | 14.375 | 0.375 | 2.68% | 3647 |
| Citadel | O:CITC | 27.000 | 25.875 | -1.125 | -4.17% | 717 | Pulitzer | N:PTZ | 81.062 | 78.750 | -2.312 | -2.85% | 7910 |
| Clear Channel | N:CCU | 60.250 | 59.812 | -0.438 | -0.73% | 4284 | RealNetworks | O:RNWK | 70.125 | 82.000 | 11.875 | 16.93% | 10350 |
| Cox Radio | N:CXR | 42.750 | 44.687 | 1.937 | 4.53% | 353 | Regent Pfd. | O:RGCIP | 4.750 | 4.750 | 0.000 | 0.00% | 15 |
| Crown Castle | O:TWRS | 18.937 | 17.125 | -1.812 | -9.57% | 1174 | Saga Commun. | A:SGA | 18.875 | 18.500 | -0.375 | -1.99% | 29 |
| Cumulus | O:CMLS | 12.062 | 10.625 | -1.437 | -11.91% | 727 | Sinclair | O:SBGI | 14.250 | 14.375 | 0.125 | 0.88% | 8752 |
| DG Systems | O:DGIT | 5.000 | 3.937 | -1.063 | -21.26% | 885 | SportsLine USA | O:SPLN | 42.750 | 51.750 | 9.000 | 21.05% | 6798 |
| Disney | N:DIS | 35.062 | 34.500 | -0.562 | -1.60% | 49376 | TM Century | O:TMCI | 0.687 | 0.687 | 0.000 | 0.00% | 0 |
| Emmis | O:EMMS | 46.187 | 44.500 | -1.687 | -3.65% | 323 | Triangle | O:GAAY | 0.015 | 0.010 | -0.005 | -33.33% | 7816 |
| Entercom | N:ETM | 30.937 | 31.062 | 0.125 | 0.40% | 778 | Triathlon | O:TBCOA | 12.062 | 12.437 | 0.375 | 3.11% | 8 |
| Fisher | O:FSCI | 63.000 | 62.500 | -0.500 | -0.79% | 0 | Tribune | N:TRB | 66.250 | 65.187 | -1.063 | -1.60% | 6476 |
| Gaylord | N:GET | 25.187 | 25.250 | 0.063 | 0.25% | 50 | WesTower | A:WTW | 26.125 | 25.750 | -0.375 | -1.44% | 353 |
| Granite | O:GBTVK | 6.875 | 6.500 | -0.375 | -5.45% | 6868 | Westwood One | N:WON | 24.375 | 23.187 | -1.188 | -4.87% | 286 |
| Harris Corp. | N:HRS | 31.875 | 30.062 | -1.813 | -5.69% | 3306 | WinStar Comm. | O:WCII | 34.000 | 29.750 | -4.250 | -12.50% | 16386 |

**\$6.8
Billion**

**That's the annual
public service
contribution of
local radio and
television stations.**

broadcasters
Bringing Community Service Home

NAB
BROADCASTERS

by Jack Messmer

How many bidders do you need for an auction?

Much has been made of Wall Street concerns that Clear Channel Communications (N:CCU) may be the only company to make a firm bid for Chancellor Media (O:AMFM). Investors hope that a bidding war will develop so they'll receive a premium price for their Chancellor stock—and fear that **Lowry Mays** may grab a bargain if he thinks he's in the catbird seat.

Would it surprise you then to learn that Clear Channel was the only bidder for Jacor Communications (O:JCOR)?

That \$4.4B stock-swap merger (RBR 10/12/98, p. 3) is about to close and proxies are being mailed out for shareholder votes on March 26. Included in the proxy document is an account of the events leading up to the merger deal. It confirms that in addition to Clear Channel, Jacor management had talks with "Company A" and "Company B" (obvi-

ously Chancellor and CBS). In the end, neither made a formal bid for Jacor, although the CEO of "Company A" asked **Randy Michaels** to put off acceptance of any other deal in hopes of doing a deal once economic conditions improved.

Clear Channel made its formal bid September 11 and the final agreement was hammered out in a series of meetings and discussions that concluded with a signed merger deal and public announcement October 8.

What do I get out of this?

Since the Jacor merger into Clear Channel involves a complicated calculation based on Clear Channel's average closing stock price for the 25-day period ending two days before closing, the proxy provides a chart so Jacor stockholders can see how much Clear Channel stock they'll get for each share of Jacor stock.

| CCU average closing price | Exchange ratio | Value per JCOR share |
|---------------------------|----------------|----------------------|
| \$42.00 | 1.4000 | \$58.80 |
| 43.00 | 1.3953 | 60.00 |
| 44.00 | 1.3636 | 60.00 |
| 45.00 | 1.3500 | 60.75 |
| 46.00 | 1.3500 | 62.10 |
| 47.00 | 1.3500 | 63.45 |
| 48.00 | 1.3500 | 64.80 |
| 49.00 | 1.3500 | 66.15 |
| 50.00 | 1.3500 | 67.50 |
| 51.00 | 1.3368 | 68.18 |
| 52.00 | 1.3240 | 68.85 |
| 53.00 | 1.3118 | 69.53 |
| 54.00 | 1.3000 | 70.20 |
| 55.00 | 1.2886 | 70.88 |
| 56.00 | 1.2777 | 71.55 |
| 57.00 | 1.2671 | 72.23 |
| 58.00 | 1.2569 | 72.90 |
| 59.00 | 1.2470 | 73.58 |
| 60.00 | 1.2375 | 74.25 |
| 61.00 | 1.2283 | 74.93 |
| 62.00 | 1.2194 | 75.60 |

Source: Clear Channel/Jacor proxy, filed 2/24/99

New Century Arizona, LLC

has agreed to transfer the assets of

KHOT-FM

Paradise Valley (Phoenix), Arizona

for

\$18,300,000

to

McHenry Tichenor, Jr., CEO of

Heftel Broadcasting Corporation

**Star
Media
Group, Inc.**

*"Radio's Full Service
Financial Specialists"™*

5080 Spectrum Drive, Suite 609 East • Dallas, TX 75248 • (972) 458-9300

Capstar cash flow gains nearly 300%

Capstar Broadcasting (N:CRB) saw its broadcast cash flow grow 299% in 1998 to \$212.9M. Net revenues grew 195% to \$517.5M, but the company's loss before extraordinary items also increased 106% to \$89.5M.

Capstar, which has a merger pending with Chancellor, said Q4 cash flow grew 401% to \$79.1M as net revenues gained 204% to \$179.6M. On a pro forma, same-station basis, the company said Q4 cash flow was up 39% and net revenues 16%.

Sunburst bursts into Big D

Sunburst Media is making a huge jump in market size with a deal to buy KLTU-FM Dallas-Ft. Worth. Until now, the largest market for **John Borders'** Sunburst group was McAllen-Brownsville—Arbitron market #62. Dallas is #7.

Sunburst is paying \$63.8M to acquire the 100kw Contemporary Christian outlet from **Marcos Rodriguez Jr.**, who will continue to own two AMs

Two new radio IPOs

Wall Street's appetite for radio stocks and even more so for Internet stocks have prompted a couple of radio companies to join the IPO parade. One, NetRadio Corp., can claim to be in both hot categories, while USA Radio Network is a more traditional broadcasting company.

USA doing small offering

Dallas-based USA Radio Network, founded by **Marlin Maddoux** in 1985, has expanded from being primarily identified with Religious stations to a network serving over 1,180 affiliates nationwide with news, music and talk programming. The company employs 72 people at its headquarters and its news operation has stringers around the globe.

USA Radio Network is handling its own IPO under the SEC's small company stock rules. The company plans to sell 100,000 shares at \$10 each to raise \$1M for expansion of its operation, including live simulcasting on the Internet.

NetRadio eliminating debt

NetRadio Corp., which will trade on Nasdaq as "NETR," plans to sell up to \$37.375M in stock to the public to expand the advertiser-supported Internet audio site. At the same time as the IPO, NetRadio will convert its current \$5.235M in debt owed to its parent company, Navarre Corp. (O:NAVR), into stock and sell an additional 550,000 shares to ValueVision (O:VVTV) for \$500,000.

NetRadio's net revenues for 1998 were \$255,062, down from \$330,921 the previous year. Meanwhile, expenses increased to \$685,767 in 1998 from \$672,061 in 1997. **Underwriter:** EVEREN Securities

RBR observation: Negative cash flow and declining revenues, huh? But hey, it's an Internet stock! The stock price will probably shoot through the roof.

and an FM in the market. Rodriguez said he had "mixed emotions" about the sale, since his father had been employed at the station when it signed on in 1964.

Radio One adds a combo

Radio One is already expanding in Richmond, before even closing on its purchase of WDYL-FM (RBR 2/15, p. 13). **Alfred Liggins'** fast-growing group is buying WKJS-FM & WSOJ-

FM for \$12M. The seller is FM 100 Inc., owned by two local MDs, Dr. **Walton Belle** and Dr. **Charles Cummings**. The sale doesn't include WREJ-AM. **Broker:** Mitt Younts, Media Services Group

Hedberg group shrinks to one market

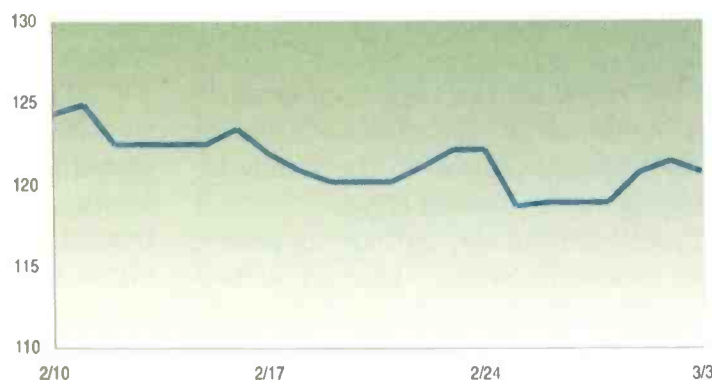
Paul Hedberg isn't quite getting out of radio after 43 years—he and son **Mark** will still have a combo in Algona,

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Fitting the billings: Top ten radio stations

For the fourth year in a row, Infinity's WFAN-AM New York has taken first place in BIA Research's annual list of top-billing stations. The Sports outlet raked in \$55.1M in 1998, putting it a comfortable \$900K over second-place KIIS-FM Los Angeles (Jacor, soon-to-be Clear Channel). New to the list is Smooth Jazz KTWV-FM Los Angeles (Infinity), which displaced WGN Chicago and KGO San Francisco, both of which had previously been mainstays

on the top ten list.

Top ten owners dropped from five to three. Infinity placed six stations on the list, followed by Chancellor with three and Jacor with one. The drop in rank of WGN and KGO not only erased Tribune and ABC from the owner column, it also washed out any mention of Chicago and San Francisco, reducing the list to stations in New York or Los Angeles.—DS

| Rank | Market | Calls | Format | Owner | 1998 Rev |
|------|-------------|---------|-------------|------------|----------|
| 1 | New York | WFAN | Sports | Infinity | \$55.1M |
| 2 | Los Angeles | KIIS-FM | CHR | Jacor | \$54.2M |
| 3 | New York | WLTW-FM | AC | Chancellor | \$47.3M |
| 4 | New York | WXRK-FM | Rock | Infinity | \$45.1M |
| 5 | New York | WINS | News | Infinity | \$38.3M |
| 6 | Los Angeles | KRTH-FM | Oldies | Infinity | \$37.1M |
| 7 | New York | WKTU-FM | CHR | Chancellor | \$36.9M |
| 8 | New York | WCBS-FM | Oldies | Infinity | \$36.4M |
| 9 | Los Angeles | KKBT-FM | Urban | Chancellor | \$35.85M |
| 10 | Los Angeles | KTWV-FM | Smooth Jazz | Infinity | \$34.5M |

Source: BIA Research

IA—but most of the Hedberg Broadcasting Group is being sold to **Norm Waitt Jr.**'s Waitt Radio Inc. for \$8.4M.

Waitt already owns the CBS TV affiliate and an FM in Sioux City. The seven Hedberg stations are all located in the Sioux City TV ADI, although they're out of the Arbitron metro. Only the acquisition of KSOU-AM & FM Sioux Center, IA will require a waiver of the one-to-a-market rule. The other stations in the deal are KHK-FM Rock Rapids-Sioux Center, IA, KAYL-AM & FM Storm Lake, IA and KUOO-AM & KUQQ-FM Spirit Lake-Milford, IA.

"These are local radio stations in the purest sense of the word," said Paul Hedberg, who believes that the commitment to local programming will continue under Waitt. LMAs will begin April 1.

RBR observation: The cash flow multiple of 8.75 on this deal shows how well a broadcaster can do, even outside the rated markets, by staying focused on the local audience.

Citadel grows in Spokane

Larry Wilson's Citadel Communications (O:CITC) has exercised an option to buy American General Media's KNJY-FM Spokane for \$4.15M. That'll give Citadel seven stations in market #87.

briefs continued from page 6

sponsors and \$1M from listeners to the morning show, which originates on WFAN-AM New York.—JM

InXsys Broadcast Networks signs exclusive national web deal

InXsys Broadcast Networks signed a national web agreement with Interep. They will sell national banner advertising on all 600-700 radio station and 1,000 NBC-TV web sites managed with InXsys. This will be handled by a new division at Interep headed up by **Adam Guild**.—CM

Greaseman on apology tour

Angry demonstrators were kept outside a Washington, DC church last week (3/3) as fired WARW-FM morning jock **Doug "Greaseman" Tracht** held a press conference to apologize for the racist remark that cost him his job (RBR 3/1, p. 5). "My words and pathetic attempt at morbid racial humor trivialized death," Tracht said as he offered to go to Texas to apologize in person to the family of dragging victim **James Byrd**.

Tracht remained contrite as caller after caller chastised him in a live appearance on Radio One's WOL-AM. Several callers, however, were also critical of owner **Cathy Hughes** and

host **Joe Madison**, both African-Americans, for giving Tracht a public forum. The WOL appearance was the first of several radio and TV interviews of the fired jock.—JM

Westwood launches CBS.MarketWatch.com Radio Net

Already on KDKA-AM Pittsburgh and WINS-AM NYC, the very successful CBS.MarketWatch.com (O:MKTW) was launched as a radio net March 4 to 30+ affiliates. Providing 'round the clock financial market updates in one minute reports each hour, the net broadcasts out of a new MarketWatch.com bureau at the NYSE, as well as the existing bureaus in NYC, D.C., London and S.F.

"Mancow TV" to debut in Chicago

"Mancow's Morning Madhouse" host **Eric Muller** is launching his own local Chicago TV show March 29 on WCIU-TV ("The U!"). The U! will broadcast two 30-minute episodes back to back weeknights from 12:30-1:30 AM. The focus on the show is the studio and backstage activity of the daily radio show with live music performances and audience participation segments shot outside the studio. Does that include his annual "Nudefest?"—CM

by Jack Messmer

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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.

\$147,000,000—* WHPT-FM, WFJO-FM & WDUV-FM (after frequency switch to 105.5 MHz) Tampa-St. Petersburg (Sarasota-St. Petersburg-New Port Richey FL) and **WSFR-FM & WVEZ-FM** Louisville (Corydon IN-Louisville KY) from subsidiaries of Clear Channel Communications (N:CCU, Lowry Mays, CEO) and Jacor Communications (O:JCOR, Randy Michaels, CEO), which is set to merge into Clear Channel, to Cox Radio Inc. (N:CXR, Bob Neil, CEO). Tax-free exchange for five Syracuse stations (below) and \$94M cash. **Superduopoly** in each market, although Cox has indicated it will divest two other Louisville stations (RBR 2/15, p. 12). Broker: Charles Giddens, Media Venture Partners

\$55,000,000—* WHEN-AM, WSYR-AM, WYYY-FM, WWHT-FM & WBBS-FM Syracuse (Syracuse-Fulton NY) from Cox Radio Inc. (N:CXR, Bob Neil, CEO) to Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). Tax-free exchange as partial payment for five Tampa and Louisville stations (above). Clear Channel has stated that the value of the Syracuse stations is \$55M (RBR 2/15, p. 12). Broker: Charles Giddens, Media Venture Partners

\$1,500,000—* KAGO-AM & FM Klamath Falls OR from Garrard Inc. (William Garrard) to New Northwest Broadcasters II Inc. (Michael Williams O'Shea, Ivan Braiker, Key Equity Capital Corp., Northwest Capital Appreciation Inc., First Media Ventures LLC). \$75K escrow, balance in cash at closing. **Superduopoly** with KLAD-AM & FM & KAQX-FM Klamath Falls-Bonanza OR.

\$712,500—* KPRK-AM & FM CP (100.7 MHz) Bozeman (Livingston MT) from Livingston Broadcasting Inc. (Jann Holter Berntsen) to Marathon Media of Montana LP (Aaron Shainis, Bruce Buzil). \$500K in cash at closing, \$65K debt assumption, cancellation of \$147.5K note. **Superduopoly** with KMMS-AM & FM & KSCY-FM.

\$300,000—* WMOR-AM & FM Morehead KY from Morehead Broadcasting Company Inc., debtor-in-possession (James E. Forrest) to Morgan County Industries Inc. (Clifford C. Smith). \$10K escrow, balance in cash at closing. Duopoly with WLKS-FM West Liberty KY.

\$225,000—WVYE-FM CP (100.5 MHz) Port Gibson MS from Rainey-Rob LLC (Kenneth Rainey Sr., Russell Brashear) to Dominant Communications Corp. (Carl Haynes). \$225K cash. Creates combo with WRTM-AM Vicksburg MS.

\$220,000—* KBGZ-FM CP (104.3 MHz) Joplin MO (Galena KS) from GMA Broadcasting Corp. (Richard Heibel) to Land Go Broadcasting Inc. (Robert C. Landis, Robert W. Landis, Patrick Golay). \$11K escrow, balance in cash at closing. **Superduopoly** with KQYX-AM, WMBH-AM, KJML-FM & KMOQ-FM. Broker: Star Media Group

\$162,500—WBUL-AM Shepherdsville KY from Cross Country Communications Inc. (George Zarris) to LCR Partners LP (Vincent Heuser Jr.). \$5K escrow, balance in cash at closing.

\$100,000—KNOS-FM Omaha from Omaha Community Broadcasting (William Thompson) to VSS Catholic Communications Inc. (Stephen Hruby, pres). \$100K cash. LMA since 12/30/98. Broker: Media Venture Partners

\$90,000—KKGR-AM East Helena MT from Covenant Broadcasting Inc. (Roger Lonquist) to KKGR Inc. (Jim Schaeffer, Ron Davison). \$2K escrow, balance in cash at closing. LMA since 2/1. Note: Schaeffer is GM of KBLL-AM & FM Helena MT, but is not an owner of the combo.

\$79,006—* KZZI-FM Belle Fourche SD from Lovcom Inc. (W.K. Love) to Western South Dakota Broadcasting LLC (Steven E. Duffy). \$79,006 cash. Duopoly with an FM CP for Rapid City SD.

N/A—KQNS-FM Lindsborg KS, 99% stock transfer of B-B Broadcasting Inc. from Bruce A. Chalmers to Elizabeth Ann Chalmers (100% thereafter). Divorce settlement.

N/A—WKBZ-AM & FM Muskegon-Whitehall MI from KBZ Broadcasting Inc. (Nathaniel Wells Jr.) to Grand Valley State University (Donna Brooks, Chair). Transfer to non-profit entity for cancellation of debt. The university has requested a **waiver** of the main studio rule to have these stations re-broadcast WGVU-AM & FM Grand Rapids. LMA in place. The university already owns non-commercial WTLJ-TV (Ch. 54) Muskegon.

AAIRS SAYS ENOUGH

It may be too late to put the radio broadcast oligarchies back in the bottle, but let's try.

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Our Mission

- * Awaken FCC and Congress
- * Support the Digital Radio Express and Lucent Technologies royalty-free in-band digital AM & FM design
- * Help FCC conclude favorably its FM rule making relieving adjacent channel restrictions and allowing non-negotiated co-channel relief to FM stations protecting high powered FM's not at maximum height, in markets offering little hope of maximization
- * Create a strategic alliance with the National Federation of Independent Business whose lobbying efforts are the best in the USA
- * Lift the freeze currently in place relating to AM buyout rights
- * Raise heaven and move earth to convince Bill Kennard the micro radio initiative is a death knell to the already existing minority broadcasters caught in the Telecommunication Act's unintended consequences

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