

Radio Business Report™

Voice Of The Radio Broadcasting Industry®

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AMERICAN URBAN RADIO NETWORKS

#1

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Powell & Co. review the FCC's mission

"We have to be a lot more challenging and creative about our own internal resources and how we reallocate them," Chairman **Michael Powell** said in discussing the challenges facing the FCC he now heads.

In a departure from the usual practice, not a single item for action was on the agenda for the FCC's 2/22 monthly meeting. Rather, the new chairman had the chief of each FCC bureau speak to the four commissioners about their concerns, achievements and outlook for the future.

Television is well along the road to digital, but radio is just beginning, Mass Media Bureau Chief **Roy Stewart** told the special overview session of the FCC, noting that the Bureau is currently reviewing digital proposals for radio. Discussing the convergence of various types of media providers, Stewart proclaimed that we are standing at a watershed for traditional broadcasting. "Various media

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previously considered separate and distinct are now offering competing services to the consumer," Stewart said. Although he offered no specific proposals for how to deal with media convergence, Stewart said it is becoming increasingly important for the various bureaus of the FCC to work closely together.

Following Stewart's presentation, in which he applauded his staff for their dealings with LPFM, two Commissioners got into a bit of debate over LPFM. "When Congress has to come in and clean up the mess, it is not an accomplishment for this agency," said Commissioner **Harold Furchtgott-Roth** (R).

That prompted Commissioner **Gloria Tristani** (D) to defend the FCC's move to create LPFM. "Low power radio was a response to the real need of the American public and the American people to have a little part of that spectrum," she said.

Stewart had earlier stated that approximately 40% of the LPFM applications on file will be nullified by congressional action which reinstated third adjacent channel protection from interference. Tristani lamented the churches and community groups which will not be able to broadcast using what she again insisted was "a tiny bit of spectrum."

One of the biggest challenges facing the FCC is staffing. Currently some 30% of the Commissions engineers are eligible for retirement. Both engineers and attorneys frequently leave their government posts at the FCC for higher-paying jobs in the private sector. Powell hopes to attract new employees to the Commission by emphasizing the high profile of the FCC's mission. "We are the intersection of law, policy, economics and technology like, I think, no other," he said.—JM

SMR deal closed; Hanson stays

The deal is done: The buyout of Strategic Media Research (SMR) (*RBR* 2/5, p.4) by investment team **Jimmy de Castro, Alfred Liggins, David Kantor, Jeff McClusky, Gary Slaight** and **Jeff Trumper** is final. A federal court judge had previously approved the sale (1/30) from majority ownership by Chartwell Capital and SMR President/Founder **Kurt Hanson** to that team which will be lead by SMR SVP **Amy Vokes**. Strategic filed Chapter 11 in early January.

Hanson will be staying aboard in an executive, but not an ownership, capacity with an as-yet-undetermined title. The company, with \$1M in operating capital, is closing in on new office space in Chicago.

"We're looking forward to putting Kurt and Amy back at the helm of the company they ran successfully for so many years," said de Castro. Hanson is committed to staying on "for as long as it takes to get Strategic's leadership position firmly established again."

Strategic's core businesses include call-out music research, custom research projects, phone-based audience tracking and direct marketing services.—CM

Tristani eyeing Capitol Hill?

It's never been any secret that Commissioner **Gloria Tristani** (D) regarded the FCC as a stepping stone to bigger things. After passing up an opportunity to run for the US House last year in her home state of New Mexico, in expectation that **Al Gore** would win the presidency and appoint her to chair the FCC (Oops! Slight miscalculation there.), Tristani is rumored to be preparing the leave the Commission soon to start fundraising for the 2002 election. Will

she run against Sen. **Pete Domenici** (R-NM) or Rep. **Heather Wilson** (R-NM)? The *Albuquerque Tribune* quoted her as being undecided on which congressional seat to seek—but definitely interested in making a bid for one of them.

If she picks the Senate as her target, Tristani would need to raise about \$5M—so she'd need to get started soon. If Tristani leaves the FCC soon, President **Bush** would have a growing backlog of empty seats to fill—two that can go to Republicans, plus one which would have to go to a Democrat or independent.

RBR observation: We know plenty of broadcasters who'd be happy to make a campaign donation if it will get Tristani off the FCC—just so long as she doesn't actually win a seat in Congress! Aside from her family heritage (grandpa was US Senator **Dennis Chavez**), we can't imagine any reason why New Mexico Democrats are so anxious to have Tristani run. Her elitist, ivory tower approach to government—walling herself off from all but a tight inner ring of advisors—should make her an aloof, irritating candidate. Sharp campaign consultants can disguise that in a big state campaign waged primarily on TV and radio, but that's not the way campaigns are run in New Mexico. Pressing the flesh, kissing babies, judging enchilada-making contests and making small talk with grizzled ranchers and nostalgic little old ladies would hardly fit with the personality Tristani has exhibited in Washington. Could she really be that different at home? We doubt it. Sen. Domenici is said to be facing a tough battle to retain his seat. He might be lucky to have Tristani as his opponent.—JM

Furchtgott-Roth questions phone rule

The FCC has affirmed two \$4K fines against Infinity Broadcasting (N:INF) for a "Don & Mike" show segment in 1999 in which a woman's phone conversation was broadcast without her permission. The FCC rejected Infinity's argument that it shouldn't be held responsible for the airing on KHTK-AM Sacramento, CA, since it was owned at the time by EZ Sacramento, a subsidiary of American Radio Systems—a company later merged into Infinity. The Commission also fined the originating station, WJFK-FM Washington, DC, which was and is owned by Infinity.

More interesting, however, is the concurring statement of Commissioner **Harold Furchtgott-Roth** (R), who questions whether the FCC has any business regulating the broadcast of phone calls. He says such complaints could be better dealt with under state privacy laws. "I believe the Commission should re-examine the utility of rules—like this one—that are not based on a specific statutory charge," Furchtgott-Roth said. He suggested that relying on state laws would put broadcasters on the same footing as other media and that eliminating such rules would allow the FCC to focus its resources on enforcement of "those areas squarely and solely within the FCC's jurisdiction."

RBR observation: Would broadcasters (and nationwide syndicators in particular) really want to have to deal with 50 rules dealing with broadcasting telephone calls, rather than one nationwide rule?—JM

Suleman now CEO at Infinity

With the completion of Infinity's merger into Viacom (see page 13), **Farid Suleman** has gotten new titles—President and CEO. He had formerly been Executive VP and CFO of Infinity when its stock traded separately from Viacom.

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Viacom President **Mel Karmazin's** right-hand man for more than 15 years, Suleman had been at Infinity since 1986. The two built the small radio group into a large radio group, then expanded through mergers and acquisitions to create a media empire.

In recent years, Suleman had assumed responsibilities beyond his official title for overseeing radio and outdoor operations as Karmazin focused on CBS TV and then Viacom's far-flung media holdings. Now he has a title that reflects his actual role. In addition to being President and CEO of Infinity, Suleman will continue to be Executive VP and CFO of Westwood One.—JM

Arbitron flies solo 3/30

Ceridian (N:CEN) has announced that Arbitron will be spun off as a separate company at the end of March. The split—technically a reverse spin to create a "new" Ceridian—will have the new shares of the separated companies distributed 3/30 to shareholders of record on 3/16.

As it turns out, Arbitron has gotten the best possible NYSE stock symbol. American Realty Trust vacated "ARB" in August after merging with National Realty LP to become American Realty Investors (N:ARL). Arbitron will trade as ARB on the Big Board, while the "new" Ceridian will reclaim the CEN symbol.—JM

JRN launching Rhythmic Oldies format

Jones Radio Network is unveiling a new Rhythmic Oldies format, "Rhythmic Oldies," 2/19 that includes a bevy of talent from across the country, including: **Banana Joe Montione** (KTXQ-FM Dallas); **Kathy Aparo** (WOCL-FM Orlando) and **Jean Ross** (WXYV-FM Baltimore). The launch comes on the

heels of Jones' recently launched "Body and Soul" Urban AC format. Consultant **Don Kelly** ([Ragan] Henry-Kelly Programming Services) and Jones Director of Contemporary Programming **Jon Holiday** are the shepherds. 6-10 affiliates are expected at launch, including Corpus Christi, TX, Muskegon, MI, Alexandria, LA and Ft. Wayne, IN.

The two say they used the recent Coleman Research Study on Rhythmic Oldies as fodder for designing the new format. "We've got an opportunity here, as Westwood is discontinuing

their Rhythmic Oldies product. Comparing it to theirs, this is more of an R&B crossover model where theirs was decidedly Pop-oriented. I think this is a little closer to the AMFM model that **Steve Rivers** had designed, but certainly more than 250 records." Holiday tells *RBR*.

Adds Kelly: "What I did, in conjunction with Jon after we looked over the Coleman study, some monitors of different stations, and some input from different stations, was find that the really successful stations that seemed to have gotten beyond

Mo' money in Motown?

There is good news on the radio revenue front: Detroit radio was able to break out the black ink for the month of January. Although national business was down 21%, local was up 14%, more than enough to offset, resulting in a 4% gain for the month.

We have two Hungerford, Aldrin, Nichols & Carter pacing reports for the market, provided by anonymous sources. One was taken 2/4 and the other 2/18. The numbers show a mixed bag, but indicate a return to normal business conditions as the year proceeds. Both readings showed April with slight growth, although it slipped a bit on the second report.

Word on the street is that, although Detroit was not a big dot-com market, it is taking 40-45 days longer than last year to get business on the books. If that is true, then pacing numbers will continue to show improvement the closer we get to run time for the ads. The much-mentioned slowdown in domestic auto ad spending is certainly being felt in Detroit, but foreign manufacturers are picking up some slack, and local dealers still have to move product regardless of the national posture of their company. The bottom line? Comps, here, are doable.

On the books	Local	National	Total
January	+14%	-21%	+4%
as of 2/4/01			
February	+1%	-24%	-7%
March	-6%	-20%	-10%
April	+7%	-9%	+3%
as of 2/18/01			
February	+1%	-19%	-5%
March	-9%	-23%	-12%
April	+8%	-17%	+1%

Source: Hungerford, Aldrin, Nichols & Carter, CPA's

the initial phase of 'Oh, wow, we haven't heard this music in a long time,' seemed to have embraced the R&B and Classic R&B side more than some of the other stations. So therefore, we definitely are going to be a crossover dance and Classic R&B type of radio station."—CM

Tristani rants again

Commissioner **Gloria Tristani** (D) is again railing at the FCC's Mass Media Bureau for approving a station sale that she thinks results in too much revenue concentration. Never

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mind that the sale in this case is a single AM in Binghamton, NY, WINR, for \$1M.

Tristani is upset that buyer Clear Channel (N:CCU) and one other group, Citadel Communications (O:CITC), now control 91.2% of the revenues in market #170. "Instead of simply granting the license transfer, I would have considered other options—e.g., a

showing that the Binghamton market cannot support three competitors, so the license transfer to Clear Channel was the only realistic option. Or consider whether the station at issue was financially unlikely to survive, and whether the current owner attempted to find other buyers? To my knowledge, such questions were never asked. As a result,

we may never know if the cementing of a duopoly in Binghamton was inevitable, or simply another case of regulatory malfeasance by the FCC," Tristani wrote.

RBR observation: Since when was abiding by the laws of the United States "regulatory malfeasance?" For a closer look at competition in the Binghamton market, see page 8.

Group heads see life after tough comps

2001 may not be the best year radio's ever gone through, but unless the US economy really gets sick, radio group heads are still optimistic that this will be an up year—albeit, with most of the growth coming in the second half.

"There isn't one major medium that's going to thrive in 2001—the same way that it did in 2000—but there is a lot of evidence to suggest that

us—local and national—basically compete with each other for our inventory. In times like this—and this will probably come as no surprise to our national reps—we tend to direct our efforts locally, to things like direct business, events and promotions. We know that well. We react quickly, efficiently and cost effectively with our advertisers. It works for us and it works for them," Kennedy said.

"None of us are going to be immune," offered **Jeff Smulyan**, CEO, Emmis Communications (O:EMMS). "I think radio will perform better [than other sectors]."

What a difference a year makes, he reminded the Wall Street audience. "While we had all this dot-com spending last year, last year at this time there was also talk that our industry was pretty much relegated to dinosaur status—Internet-only audio was going to wipe us out. If it didn't, low-power FM was going to wipe us out. Low-power FM pretty much got killed in Congress and Internet-only audio is nearly a thing of the past," Smulyan chuckled. "While clearly we think that there are benefits that we can gain for our listeners and our advertisers by streaming our audio, the notion that a whole new technology independent of our medium will spring up and wipe out our

business is illusory."

Rather than worrying about any new media threats, the group heads this year are far more focused on where the economy is heading.

"As we talk to our advertisers, we do not believe we're in a recession at this point," said **Bob Neil**, CEO, Cox Radio (N:CXR). "If you listen to what [Alan Greenspan said [to Congress], he pretty much said the same thing. As we talk to our advertisers in the local markets, we don't sense that. In a num-

revenge' here in the first quarter. A year ago, pricing was just incredibly high and demand on inventory put through some unrealistic price increases. So the buyers right now are sitting back and trying to let everybody negotiate with them. By and large, though, I see our inventory being used—there's just some buyers' revenge on the rates at this point."

"In terms of pricing—no question, it's below the fever-pitched levels of the boom period," said Susquehanna's Kennedy. "Don't forget, we are in the first quarter here. The pricing platform basically remains solid. We're still at levels above where we were before that boom period last year. So when you consider that radio's revenues have been doubled since '93, I would sure hate to think that people are being confused by the percentages that they're seeing in the tough comps with 2000."

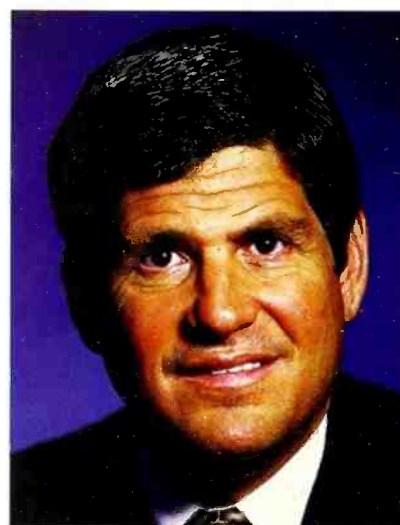
Tough comps. That term was heard repeatedly throughout the discussion.

"No mistake, comps right now are tough," said Kennedy. "When you look at numbers like New York, March last year was up 68%, San Diego was up 72%—how do you match numbers like that? Few, if any, other industries face



Kennedy

radio's going to fare better than most, if not all, other media," **David Kennedy**, President, Susquehanna Radio, said in a roundtable discussion for investors, arranged by analyst **Jim Boyle** of First Union Securities. "The two major sources of revenue for



Smulyan

ber of our local markets, we're actually seeing pretty good local revenue growth. The area that's the trouble spot now is national—and that makes sense because of the difficult comps from quarters one and two of last year. We're seeing a little bit of what I would call 'buyers'

OneOnOne gets bigger Chicago coverage

OneOnOne Sports Network, recently acquired by *The Sporting News* (RBR 12/4, p.12) for \$100M, is getting a much broader audience in Chicago on WYPA-AM 820 beginning 3/1. The clearance comes as the Catholic Radio Network sold the station to NewsWeb. OneOnOne was cleared on suburban rimshotter WJKL-FM Elgin, IL. The move puts OneOnOne in a much better competitive position against WMVP-AM (ABC/ESPN Radio) and WSCR-AM (Infinity/CBS Radio Sports). OneOnOne Sports is expected to change its

comps like that. We see that coming to an end sometime near the end of second quarter."

He remains optimistic. "As we talk with the advertisers—within our company and as I talk with other people in the business—we're actually pretty encouraged by what we hear. There seems to be no genuine fear or concern about what's going on, but there is some confusion—a little bit of 'who can hold their breath the longest' thrown in there. They



Neil

know they can only keep their powder dry for so long before their competitors make a move—and for them, market share is the name of the game. They've got to maintain it. They've got campaigns ready to go, apparently. We're hearing some new strategies and

name to "The Sporting News Radio Network" in late March.

WJKL will also switch (3/1) to Christian "K-Love," produced by Sacramento-based Educational Media Foundation.—CM

Fine reduced in Puerto Rico

El Mundo Broadcasting Corp. has gotten the FCC to reduce a

tactics are going to be used—discount advertising, rebates, low interest rates, that sort of thing. Anything that will move that inventory they've been piling up. This is really going to begin breaking over the next several weeks. That's pretty encouraging for us."

"I was here in 1991, which was the worst of times that radio had seen, and radio weathered that storm well" noted **Terry Jacobs**, CEO, Regent Communications (O:RGCI), "and I'm confident we'll emerge from this slowdown a much stronger medium as we did from that period." Regent's medium and small markets, he noted, are more "recession-resistant" because a larger percentage of their revenues come from local ad sales, rather than national spot. "Unlike the larger markets, our markets never received any of the dot-com advertising dollars," he said. That's saved Regent from those tough comps which the large market groups are having to deal with.

"Pacings, because so much business was placed in advance a year ago, really don't have a lot of relevance," Neil said. "We're seeing as we go into a month, where a year ago we might have been in excess of 100% of our budget, we're seeing a more typical pattern develop now where you're start-

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\$6K fine to \$4K—essentially after El Mundo withdrew part of its guilty plea. The company had been fined for airing a phone conversation without permission 5/8/00 on both WKAQ-AM San Juan, PR and WUKQ-AM Ponce, PR. El Mundo officials later realized that the company's LMA of WUKQ (which it later purchased) didn't begin until 5/10/00, two days after the violation,

ing to go into the month at 80% of budget level and more money is being added as the month goes on than was a year ago."

"We expected it to be a tough first half," said **Alfred Liggins**, CEO, Radio One. "I'm seeing the large markets get hit particularly hard." Although Radio One operates mostly in large markets, Liggins says his group is pacing toward growth in the high single digits for Q1 and Q2 because it has so many recently-acquired stick properties.

"In terms of categories we



Jacobs

see weakening in the first quarter, automotive is obviously a very big one that's weakening. Telecommunications and, of course, dot-com advertising," Liggins offered.

"Definitely, I'd put it in the 'cautious' category, in terms of their spending," Cox's Neil said of automotive advertising. "It's not

so the offending call never aired on the second station. The FCC accepted the revised plea and reduced the fine to the base amount of \$4K.—JM

Guild is golden

Interep (O:IREP) CEO **Ralph Guild** has been named this year's recipient of The International Radio and Television Society's Gold Medal. The award

evaporated. It seems, from talking to my TV counterpart, it's hit television worse than it has radio in our case, at this point. Generally, if you look across the category, automotive dealers are continuing to spend. Interest rate reductions bode well."

According to Smulyan, the most important thing to look at is the long-term battle for market share—a battle that radio is winning.

"In five years, newspaper ad share is down almost four points, while radio is up three. If you go back a little further, we're up more than that—newspaper's down from that. And I think the most important thing about this business—and it's been heightened because of consolidation, with more professional sellers, more focused companies—is that we focus on the fundamental weakness of newspapers. That's where the dollars are in these markets and that's where our opportunity lies. Newspapers even today have 44% of all dollars spent—we're at 16%. And yet most of the retailers who spend all of those dollars in newspapers target demographics that newspapers don't reach anymore." Smulyan believes his company and the other radio groups will continue to take those dollars away from newspapers, making radio a good long-term investment.—JM

to honor significant career-long contributions to the industry went to **Mel Karmazin** last year and previously to such luminaries as **Lucille Ball**, **Walter Cronkite** and **Oprah Winfrey**. Guild will receive the IRTS Gold Medal 3/21 at a black tie gala at the Waldorf-Astoria in New York.—JM

Microsoft appeal to be heard

Building on the victory won in December, with same-day audio broadcasts of Supreme Court arguments (in the Florida election case), broadcasters will be getting live audio from a federal appeals court this week.

RTNDA is praising the US Court of Appeals in Washington, DC for agreeing to provide a live pool feed of arguments in the antitrust appeal of Microsoft (O:MSFT). The 2/26-27 audio feed will be distributed by ABC News Radio's WAND system and by the network TV pool. The first-ever live audio from the federal appeals court will also be streamed on the Internet at c-span.org, abcnews.com and likely other places as well.—JM

Napster unveils bevy of compromises

Napster spent most of last week making offers and compromises to the record industry in an attempt to settle the whirlwind of legal problems it has encountered since the recent 9th US Circuit Court of Appeals decision (*RBR* 2/19, p.4) upholding an injunction for copyright infringement. Napster announced it is making progress on a new technology that will enable a new membership-based business model that it hopes will be supported by the RIAA and music industry. Label partner Bertelsmann AG's subsidiary Digital World Services is the technology provider, working with Napster for months now on the new system that enables "secure administration of transferred files within a peer to peer structure."

In exchange for settling legal

disputes and injunctions from record labels for copyright infringement, Napster offered \$1B to the labels suing the company. Napster CEO **Hank Barry** says that sum will be broken down to \$150M per year to the big five, with another \$50M going to other labels. The record companies immediately denounced the offer as inadequate.

In its latest offer du jour, Napster unveiled a plan to charge a \$5.95-\$9.95 fee for service. The monthly fee would include unlimited downloading. Additional fees may be charged for burning songs onto CD, the company said.

Meanwhile, Senate Judiciary Committee Chairman **Orrin Hatch** (R-UT) said 2/14 he would hold hearings to look into the 2/12 9th US Circuit Court of Appeals decision (*RBR* 2/19, p.4) upholding the RIAA injunction against Napster for copyright infringement. Hatch is concerned that the decision, which will ultimately shut Napster down as a free music file sharing service, will just send users elsewhere to other similar and harder to control sites. "I guess my feeling about this 9th Circuit decision is a gnawing concern that this legal victory for the record labels may prove more pyretic and short-sighted from a policy perspective," Hatch said in his 2/14 Senate floor speech.

Barry applauded Hatch and said he would work with the Judiciary Committee, record partner Bertelsmann AG and the RIAA to arrive at an agreement that can keep Napster alive while benefiting all concerned.—CM

Coleman releases '80s Insights Report

Nearly 100 radio execs participated 2/15 in Coleman Research's industry-wide conference call on '80s format, launched on dozens of radio stations within

the past few months. The call was the first of Coleman's "InsightsCall" series and featured findings of the '80s Insights report and a Q&A period with participants. The full '80s Insights report, available for download (www.ColemanInsights.com), includes an analysis of Arbitron and music monitor data for 20 '80s stations in America's 54 largest radio markets. Among the findings:

- The format's primary sales demo is Adults 18-49, with the 25-34 age cell serving as its "focal point."
- Men and women account for roughly equal portions of the format's audience.
- The airing of the format on many weak signals is limiting its performance.
- On average, '80s stations have not maintained the audience shares they achieved in their debut ratings periods.
- Most stations in the format are taking very similar music approaches, with Flashback and Rock material making up the majority of their music mixes.

"It should be stressed that this is a very early look at the format, as more than half of the stations we looked at weren't even in the format until midway through Arbitron's Fall 2000 survey period," said Coleman VP **Warren Kurtzman**. "However, we believe that by tracking these stations early on, we can have an objective basis for assessing the format's performance in the future. We also believe that by identifying what makes some stations succeed and what makes some fail, we can develop stronger programming and marketing strategies for '80s stations."—CM

United Stations acquires "hardDRIVE" from JRN; more to come

United Stations Radio Networks has acquired weekly long-form

"hardDRIVE" from Jones Radio Network (2/19). USRN assumes all distribution, production and affiliate and advertiser sales for the show. Hosted by **Lou Brutus** (WRQX-FM Chicago), hardDRIVE features previews and interviews of new bands in the Rock and Alternative Rock genres. USRN picks up approximately 60 hardDRIVE affiliates.

The show was originally with SW Networks. USRN had wanted it even back then. "As a company, we've built ourselves on serving niches, from House of Blues Radio Hour to the Jazz shows we do to the Christian show. It's Hard Rock programming. We didn't have something servicing that," USRN VP Programming **Andy Denmark** tells *RBR*. "We actually tried to acquire it when SW got rid of their programming. It ended up with MediaAmerica and then Jones. They called us to ask if we wanted it—I guess it don't fit into what they're doing right now."

hardDRIVE writer/producer **Roxy Myzal** also joins USRN as Executive Producer, Rock Programming. Denmark adds that Myzal will oversee more USRN Rock programming acquisitions in the near term: "I think that this kind of niche programming...you may see some other announcements pretty soon—we're doing even more of it."—CM

Clear Channel to consolidate 11 San Diego stations

Maybe the biggest yet—Clear Channel is embarking on an 11-station consolidation project for its San Diego stations. The stations are currently located in facilities across the area and are all headed for one building that will include all new equipment and an amphitheater. The project is expected to be completed in March.—CM

GREAT LOCAL REPS AND THE RADIO-EYE

By Franklin Raff

After advertising legend David Ogilvy got the Rolls-Royce account, he emerged from three weeks of research and ideation with a few simple facts. One of these facts became his famous headline: "At 60 miles an hour, the loudest noise in the cabin of this new Rolls-Royce comes from the electric clock." That insight, retained from the wealth of knowledge he collected from journals, factory employees - and personal experience - is a principal reason why we still venerate the brand, forty years later. Ogilvy once wrote: "When I advertised Rolls-Royce, I gave the *facts* - no hot air, no adjectives. [...] In every case sales went up dramatically - on peppercorn budgets." Though Ogilvy was an agency man, his fact-finding, documentary abilities were akin to those that distinguish a few extraordinary radio reps. For the sake of analysis, these exceptional qualities deserve an equally unique if somewhat obscure - name: *Radio-Eye*.

Not long after the Russian revolution of 1917, leaders of the burgeoning soviet filmmaking industry began plotting revolutions of their own. Among them was Dziga Vertov, the founder of the *Kino-Eye*, or "Cinema-Eye" movement in filmmaking. Adherents of *Kino-Eye*, or *Kinoks*, rejected fictional and narrative films, which, they felt, were slaves in both form and content to theater and literature. In their place, Vertov crafted a purely documentary cinema whose purpose was to monitor and record in minute detail the facts of everyday life. According to Vertov and the *Kinoks*, it was only through the use of the movie-camera's *unique attribute*, its ability to document life in motion, that cinema would emancipate itself from the tradition of dramatic and literary fiction. Vertov glorified the movie camera itself, the *Kino-Eye*, which he described as an intrepid and omniscient agent. From vast banks of documentary footage, Vertov's *Kinoks* retained

the most remarkable and fascinating images for their films.

We, and our best sales reps, seek for our own careers and for radio in general what Vertov sought for cinema: independence, originality, and trustworthiness. In our case, we seek independence from the commercial reign of other advertising media. We seek original ways to turn listeners into customers. We want to use radio's power in an honest and accountable manner. We need consistent sales increases, and frankly, we need to find meaning in our work. Local reps - our most valuable warriors - may come closer to achieving these objectives by employing *Radio-Eye*. *Radio-Eye* can be thought of as an objective agent - an imaginary movie camera if you will - which emanates from the mind of the radio sales rep. It arises from his desire to sell *for* his clients, and its contribution to his career can be almost revolutionary.

Good local reps take pleasure in using both sides of their brains. They like to think creatively, and they like to do the numbers. Yet, because they have such singularly extensive personal contact with our clients' businesses, they have another distinctive ability. Radio reps have the unique potential to lift dusty layers of standard business and advertising practice to uncover and document striking and extraordinary *facts*. The power of a great rep is the power of applied knowledge. If a local rep believes that his clients' commercials constitute the

most important sales calls he makes, he is a credit to our industry and - again, *we* call him - a Radiok. As a salesman he has overcome the overwhelming tendency to be self-centered. He understands that the fundamental aim of our business is not to sell *to* our clients, but to sell *for* them. He spearheads creative be-



Dziga Vertov

cause he knows his clients - and *their* clients - best. You may call him an ear-leaser inasmuch as you may call Ernest Hemmingway a typist. Radioks understand that Radio is only a medium, that it is useless and possibly detrimental as an advertising tool without compelling commercial content.

Claude C. Hopkins, one of the founding fathers of modern advertising, believed "every ad should tell a story." Radio's intimacy ensures its power in this regard. But our local reps must know enough to tell the story. Radioks *know* why their listeners should buy from their clients. Like Vertov's movie-camera, they have documented the facts. They do not crawl from door to door sniffing for the 'broken bones' that will



Franklin Raff

justify their next solution-oriented proposal. Rather, the Radiok engages his prospects and clients not as a hungry closer would, but objectively, and in a documentary fashion. Persistence comes naturally: it is necessary, and usually welcomed. The Radiok seeks to know the character of a business. He

asks about wholesalers, suppliers, distributors, and company history. He asks: *Why would I buy from you, and not your competitor?* He notes potential marketing bridges such as a peculiar location. He studies trade magazines, but also asks about a least-favorite vendor. In his trust-building study, the Radiok has the gentle inquisitiveness of a new employee.

Though the Radiok may not be primarily driven to sell radio, you may find he ultimately sells more radio, with less difficulty, than those who measure their success in time-orders. Radiok thinking is profoundly service-oriented. Every local business has a compelling and persuasive story. The Radiok finds it. And with the Radio listener, as with our own prospects, a compelling story, told creatively, commands more attention and sells more effectively than any clichéd pitch, transparent call-to-action, or canned close.

Perhaps influenced by a popular song in the fledgling days of his now renowned agency, Leo Burnett likened the creative process to "trying to get hold of - for a moment - one of those hot, unreachable stars." For the Radiok, it is reaching for the stars while mining for facts, and holding a business conversation: a feat that leaves little room for minor closes. That, perhaps, is why Radioks seem to be a little more trustworthy, why they seem to work a little harder, why if nurtured - they ultimately earn higher billings, sign bigger clients (and agencies), and keep them.

If you don't have a Radiok, you might wish to grow your own. If you find he doesn't care much for cash prizes, cost-per-points, or the company Christmas party, take it as a good sign. Let him slip for a month or two if he's prospecting high but not meeting goals. You'll notice he's laid out his clients; creative for the whole year: that's *Radio-Eye* at work. He might come in dead last

for the Holiday Greetings telemarketing promotion, but he'll upsell and secure next years' annuals by the end of Q3. Maybe he shies away from carpet-bomb cold-calling, and sometimes he places unfair demands on the production guy. Keep him all the same. Chances are, if you lose him, you'll lose his clients, too. Let him stay late. When his advertisers buy big on competing stations and run your creative, he's probably advised it. You'll get yours, and more of it, and more consistently. Keep a growing Radiok away from blitz marketing packages, fire-sales, free remotes, added value gimmicks, and middle-managers: in this regard the Radiok is a canary in a coal mine. They'll kill him long before they kill us.

We are commonly preoccupied with the question of how Radio can claim a greater share of the wealth bestowed on other media. This can be achieved, on a local level, by emphasizing intimacy, intelligence, independence, and creativity: the basic attributes of the Radiok. Some short-term thinkers are inclined to believe that local creative is relatively unimportant. They can be identified by their enthusiastic apologies: "it's important to get your name out there", "we've got a new promotion for your marketing director, whatever his name is", "we're number one in so-and-so", etc. The Radiok is a different animal. He does not think of his work as a "numbers game", which is why his clients do not feel like numbers. He consistently drives his clients' business, because he consistently finds interesting and truthful reasons for his listeners to buy. He upsells with good reason, and, when appropriate, he guides orders and creative in other media. He is anchored, deeply and irrevocably, in the sales efforts of his clients. They are, after all, his employers. In the end, a Radiok the Rolls-Royce of radio reps - merely uses us, and the medium of radio, as a means to multiply his own sales efforts.

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RBR News Analysis

Should Tristani fine-tune Binghamton?

FCC Commissioner **Gloria Tristani** is opposed to a \$1M deal which would send Binghamton, NY's WINR-AM from Titus Broadcasting to Clear Channel (N:CCU) (*RBR* 9/18/00, p.25). In a market where Clear Channel and Citadel (O:CITC) dominate, she thinks this will be the death-knell of competition in the market, making it more unlikely that there will be a third radio competitor.

Here is the only fact one needs to know. The signal of WINR, as of 1/1/97, was overlapped by 18 other stations. That puts it squarely in the six-station cluster tier according to the law of the land, without any engineering sleight-of-hand. That is the end of it, as far as the FCC should be concerned.

Ms. Tristani should not be worried about this in any case. As the chart below shows, there are ample outlets for advertisers to choose from. Besides, according to the most recent info we have available, WINR accounts for only 2.2% of the market's radio revenue, and with TV and newspaper considered, it accounts for less than 0.5% of market revenue. Hardly a make-or-break station under any circumstances.

What's necessary for Tristani's fantasy of a third major radio operator to become reality? First, the WINR deal must be undone, and then four independent owners must come together somehow and merge into one company. Its total revenues would come in just behind Smith's TV station (which is an LPTV, by the way, the best NBC can do for a Binghamton affiliate).

However, it is ludicrous to deny Titus Broadcasting the opportunity to liquidate its assets via the legal sale of its station, in a market full of competitors, because it is just possible, if all the planets line up and the correct tarot card is drawn, that media ownership in the market will conform to one commissioner's ideal.

The newspaper estimate below is extrapolated from *Duncan's Radio Market Guide*—it is probably far below the Binghamton *Press & Sun-Bulletin's* actual revenue. Other station revenues are from *BIA's Investing in Radio Market Report 2000* and *Investing in Television Market Report 2000*. Radio ratings are from Arbitron, and station lineups are from the *RBR Source Guide & Directory* database.

Estimated media revenues

Owner	Nwsp	AM	FM	TV	Est 99 Rev	Fa99	Fa00
Gannett	1	0	0	0	\$20,000,000	-	-
Gateway	0	0	0	1	\$10,000,000	-	-
Citadel	0	2	3	0	\$6,500,000	40.0	33.1
Northwest	0	0	0	1	\$3,500,000	-	-
Clear Chan	0	1	4	0	\$2,575,000	30.8	37.3
Ackerley	0	0	0	1	\$2,500,000	-	-
Smith	0	0	0	1	\$1,200,000	-	-
WEBO	0	0	1	0	\$450,000	3.3	4.7
WATS	0	1	1	0	\$300,000	0.0	1.3
Titus	0	1	0	0	\$225,000	3.3	4.0
Equinox	0	0	1	0	\$150,000	2.3	1.7

Sources: BIA, Arbitron, Duncan, *RBR Source Guide*

**Bigger and brighter
than ever:**

**Paul Allen on CRB and the
32nd Annual CRS**

Paul Allen is Country Radio Broadcasters' (CRB) Executive Director. We caught up with him in the middle of finalizing last-minute details for the 32nd Annual Country Radio Seminar (CRS) in Nashville; February 28-March 3. The event draws not only Country's biggest stars, but radio's too.—CM



**• Tell us your history with
the industry.**

Some years ago, I was trained by the military to manage a radio and TV station for American Forces Radio, which is kind of what sparked my interest in being a part of the radio business itself. I went into commercial radio for a while, programming radio, and then programmed an NBC TV affiliate in West Virginia. I then moved to Nashville and went into government here. After that I bought a radio station. There I learned that seven-day-a-week management of a small-market radio station was way more than what I was ready for. So after a couple of years of that, I sold my property to a music industry group here in Nashville and was invited back into government to manage campaigns for some candidates and managed some political issues for folks—and almost had a full career there. And when that came to an end, the folks at Country Radio Broadcasters invited me to be their Executive Director and I've been here going on six years now.

**• Tell us about CRB and the
yearly CRS seminar.**

Country Radio Broadcasters initially began as the Country Radio Seminar, intending to bring Country radio and Country music together for a series of brief business meetings in an effort to promote the format and to strengthen the format. It gave both a chance to interact and to share ideas and find ways to strengthen. That began in 1970. Now, 32 years later, that has grown from a handful of about 60 or 70 people who were at that first Country Radio Seminar up to around 2,500 people who will be here in Nashville.

Country Radio Broadcasters by definition is an organization that educates people—folks in the music business and the radio business—with an eye towards strengthening the Country radio format as a major entertainment medium. That's part of what we do. The other part is provide scholarships for people who are studying radio. At the end of this year, CRB will have given over \$250K in scholarships to deserving young people to further their study in the profession of radio.

**• We understand Country music
recordings were down last
year. What do you hear was
the reason?**

Year-end sales for Country as a genre of music last year was down by about 3-4%, while the majority of recorded music was up by about 4-5%. What I hear here in Nashville is, in part, some of the reason Country sales are down is because two or three of the marquis acts of the industry did not have new albums out last year, for example **Garth Brooks** and **Shania Twain**. Something else that the people who analyze this more than I do tell me is that it appears Country acts that appear toward the top of the chart most frequently are those that are selling more individual units than those that are towards the

bottom. So the stronger acts seem to be getting stronger and there seems to be less and less opportunity for the newer acts to sell as much as some of the others.

**• As a format, Country is still
at a plateau while radio has
seen 12% growth over the last
two years. What are your com-
ments there?**

You're right—radio is doing extremely well. This year it became nearly a \$20B industry, which is huge. Country as a format still remains extremely strong so far as the number of stations that program it. Of the 11,000 commercial radio stations, 20% of those still remain as Country. Country's gross audience shares aren't in the 12's and 13's that we were experiencing back in the mid 90s. It's cut down and held just under 9% nationally. As a product of consolidation, radio finds itself niching smaller and smaller to where the pieces of the formats showing a four and five share are great in a lot of markets. So having a nine share in some markets is not too bad.

**• What can you tell us about
the present state of Country—
the pros and the cons that will
be discussed at the CRS panels?**

Is the format too Pop or is the format too Country? We have a panel session set aside just for that discussion. That was a very popular session last year and still a concern of a lot of people. The moderator for that session is going to be TV's Judge **Mills Lane**. So while it's a very serious subject, we asked Judge Lane to come in and be the moderator to kind of put a light side to it so that folks don't take it so seriously that it becomes an emotional thing. So Judge Lane will do a great job of keeping things in check, but he'll also do a great job of making sure that he encourages the debate that's necessary.

**• So any meal or food at that
panel session will be using
all plastic utensils?**

Ha, ha, ha...Guaranteed—there will be no food fights!

**• What future goals is CRB
focused on?**

We want to provide a forum that will let our program supplier, which is the Country music industry, provide a forum for this quasi-partnership to talk issues and to discuss ways that we can grow our audience share. The four days we spend here in Nashville is a great chance for the networking discussion and to provide the forum to allow both of those two industries to find ways to grow and to strengthen each of their goals.

**• CRB does several things to
recognize local radio stations
of all market sizes—the Radio
Humanitarian Award, the Ra-
dio Promotional Award and
the Air Personality Award. Tell
us how each one is awarded.**

Among the things that we hold as tenets of our organization is that we hold as high ideals those stations that are the most professional and we try to bring that to our organization as well. We also recognize those radio stations that provide for a better quality of life for everybody, and that is the heart of our Humanitarian Award. Each year we award a Radio Humanitarian Award to a large, medium and small market station that has done the most, based on their market sizes, to add to the quality of the life experience in their communities of license.

The other thing we like to recognize is those that are the most creative in getting into their communities through radio station promotions. I think one key way to see the level of professionalism at a radio station is to see how creative the folks at the station are to deliver great pro-

Programming for Profit

otions that help to add to the cume as well as impacting the community. So we award Promotions Awards for small, medium and large markets.

And we also began two years ago to recognize air personalities that are unique to the Country radio format. And so this is our second year awarding air personalities of small, medium and large markets.

• Tell us about the CRB Country Music Hall of Fame.

There are two halls of fame, actually. There's the Country Music DJ Hall of Fame which has been around since the early 70s. It was a foundation operated by another company, and four years ago CRB took over the responsibilities of that foundation and now it is a part of what we do. The Country Music Hall of Fame recognizes announcers who have been on the air for at least 25 years in the Country format and who have made a significant contribution towards the growth of Country Music as an artform. Each year we'll induct 2-4 announcers at a formal ceremony held here in Nashville each Summer. At the same time, we will recognize a Country artist for having made significant contributions to Country music over the years and also recognize somebody in the broadcast industry with our CRB President's Award. At our website www.crb.org, you can go to the Hall of Fame web page and find a photograph and bio on each of our Hall of Fame members, and for about half of them, we also have airchecks.

• Tell us about the CRB Scholarship foundation with the NAB, and the silent auction that's held for it.

Our scholarship program, by the time we finish the end of this year, will have awarded nearly \$250K in scholarships over the last 30 years. But this year, we stepped up the pace of our award to over \$40K. We're awarding several thousand dollars to some local universities in Tennessee and 10 scholarships through the BEA, which is an arm of the NAB. It's an independent organization that awards scholarships for the NAB, as well as for

other organization people like Shane Media. The BEA screens candidates for us and recommends them for award of \$3,000 annual scholarships, which is a nice amount of money for juniors and seniors to help finish up their work in radio broadcasting.

• Tell us about the CRS seminar later this month.

This CRS seminar holds itself out to be probably one of the biggest ones on record. Overall, we will have 30 sessions, beginning Thursday morning, 3/1, running through the close of the day Saturday 3/3. The sessions are ranging in topics from Too Pop/Too Country to the state of the Touring industry, which is good in some respects for radio people because many of the radio folks partner with some of the acts that are touring to have concerts that are made in association with the radio station itself.

Our keynote this year is going to be **Sam Donaldson** from ABC News. He will speak to us for about an hour, and my understanding is that his message to those of us in the radio broadcasting industry is very much like a mentor. Other sessions include looking at how to better mesh the programmer with the promotions side of the record industry. There sometimes seems to be a collision between what the record industry sees as a viable product vs. what the programmers see.

We're also going to have sessions that look toward satellite radio, with folks from XM and Sirius; folks from the world wide web to talk about non-terrestrial broadcasting; research presentations from Arbitron, collective contesting, management sessions and much more.

• Tell us about the artists taping sessions for stations. Who is doing it this year and how many stations typically get IDs and liners done?

The list is still being compiled, but it would be safe to say if you went to the charts, probably 80%-90% of the people that are in the Country Top 50 are going to be in the artist taping session.

• Wow. You see so many artists in Country dedicated to the format and industry's success. You don't see that with other formats to this degree. Why?

There's no other radio convention that can draw genre-specific numbers of radio pros and music pros as the CRS. I'm not saying that to take any credit for it—somebody a lot smarter than me created this organization a lot of years ago. I'm kind of the caretaker for it in my time here. It's just phenomenal. You have the largest folks in the industry participate and showcase, as well as a bunch of folks we haven't heard of who will be in their own time, become major acts. The event itself almost takes on a life of its own. People look forward to it, it's almost like a homecoming for a lot of people.

• Describe the "Superfaces Show." Is it with Travis Tritt this year?

He is our Superface this year, and last year we had **Alan Jackson**. On Wednesday at CRS, we'll have the artists taping session in the afternoon and then that evening, we'll have a welcome reception, which is the first time a lot of these folks have seen each other in a year. We'll have dinner provided by the Country Academy of Music and by USRN and **Travis Tritt** will sing for us.

• What stars will be present this year at the panels?

Loretta Lynn, Brad Paisley, Clint Black, Colin Ray, Billy Ray Cyrus—those are just some.

Our session panelists are hands down some of the best people that you will find anywhere in

the radio-record business, and not necessarily specific to our own format.

• Give us a run-down of some of this year's CRS events.

Yes, before **Sam Donaldson**, we have **Billy Gilman**, the 12-year-old singing sensation from Sony Music. He will be singing the national anthem for us. And following that, **Clint Black** will be around to present our Artist Humanitarian Award—to a Country artist who has yet to be made public. We know who he is, but we won't know until that morning publicly.

At noon on Thursday, **Trisha Yearwood** performs on the RMCA-sponsored luncheon. Also **Gary Allen** on Friday; At noon **Garth Brooks** will be performing at the ASCAP luncheon for us; On Saturday at noon, the Country Music Association sponsors our luncheon and what they're going to do is celebrate 33 years of the CMA Song of the Year. They plan to put video highlights of some of the songs and then the person that sang those songs will come out and sing them. So there will be perhaps a half dozen performances by people over the last 33 years who actually had the CMA song of the year. Saturday afternoon, we have a "guitar pull," where a songwriter sits in an acoustic setting and plays songs that he or she has written. We have four great songwriters showcasing their talents, including **Pam Tillis** and **Keith Urban**.

And to close out our convention Saturday night, we have our "New Faces" show, the 32nd presentation. It begins with a formal sit-down dinner and leads into a two-hour showcase of these acts which will include **Phil Vassar, Sara Evans, Trick Pony, The Clark Family Experience** and **Chris Cagle**.

So, a lot of information, a lot of talent and a lot of fun through the entire week.

Station: WTEM-AM
Moniker: "SportsTalk 980"
Frequency: 980 kHz
Web address: SportsTalk980.com
City of License: Washington, DC
Markets served: Washington, DC
Power/antenna height:
50,000 watts day/5,000 watts night
Format: Sports Talk
Owner: Clear Channel Communications
GM: Jim Weiskopf-Station Mgr.,
Bennett Zier-Market EVP
Ops Dir: Tod Castleberry
Market Dir: Mark Lapidus
SM: Steve Brennan
Internet Content Mgr: Matt Engel
Streaming provider: Yahoo!
Broadcast



Weiskopf

How would you describe your format and programming? Any unique shows?

(all Weiskopf)

SportsTalk 980 is an entertaining, informative and controversial talk radio station with a focus on sports. Our programming is a combination of the best available nationally syndicated programming and locally produced sports/talk shows. Most importantly, we provide our listeners the Sports Updates they crave, every 20 minutes.

Additionally, we carry many play-by-play broadcasts. SportsTalk 980 is the home of the Baltimore Orioles for the Washington D.C. market; The Washington Capitals; The Washington Wizards; University of Maryland football; Georgetown University basketball; and UVA football and

Station Profiles

by Carl Marcucci

basketball. Although we do not broadcast Washington Redskins games, we have built our Skins fan base by creating award winning pre and post game shows.

We have several unique shows on 980. Our "Sports Reporters" show features local and national sports journalists from print and broadcast. The show airs weekdays from 5p to 7p and is hosted by **Andy Pollin** and **Steve Czaban**. (Andy appears nationally with Tony Kornheiser and Steve fills-in for Jim Rome regularly). These discussions about the hottest daily sports topics are fast-paced and intense. During the NFL season from 6p-7p, we air a special version of the program called "Redskins at Six." Last season, we were the official station of Redskin's Training Camp. This allowed us to take the fans behind the scenes with all the major players.

How would you describe your listeners?

Upscale. Decision Makers. They're 30-54 year old men who are affluent and highly educated. They are guys with strong opinions and they love their sports.

Describe any local events you sponsor.

As you can imagine, we get a lot of requests to sponsor charity sporting events. We're involved with more than 10 charity golf events each year. The biggest of these events is "The Bobby Mitchell Hall of Fame Tournament" which raises over \$250K each year for Leukemia. This year will be our 10th year sponsoring the event.

SportsTalk 980 is also a major partner for the Spina Bifida Association of America's Annual Celebrity

Roast. The last two years, we've roasted **Don Imus** and **Dan Rather**. Attendees have included **John McCain**, **James Carvell**, **Alan Greenspan**, **Ben Bradlee**, **Andrea Mitchell** and many of the most influential people in Washington.

Tell us about your local advertiser base.

There are two revenue streams that are unique to the Washington, DC market: political issue advertising and business-to-business advertising to the high-tech community. We do very well in both of these areas. Automotive, financial and upscale retail are all big for us.

Who is your national rep and what percent of your advertising is national?

We had been represented by Eastman since 1992. With Clear Channel's national reorganization, Eastman became the Clear Channel's Emerald Division and they continue to work with SportsTalk 980 today. About 25% of our business is national.

What is the maximum number of spots you would run in an hour and why?

With local talk programming, we will not run more than 16 units an hour. The other times on the station are dictated by our syndicated shows and play-by-play spot load. We look for every opportunity to give our listener an extended uninterrupted listening experience.

Describe your website and streaming strategy.

Sportstalk980.com was one of the first sports radio sites in the world. The whole site is set-up to be true to our mission of being "1st With Scores

& Breaking Sports News." We do our best to keep the content localized so we can offer unique information not found on the national sports sites.

Sportstalk980.com has had a full-time webmaster for nearly two years now. We've been streaming audio since the beginning with the company that evolved into yahoo.com. Last year, we even carried The Ken Beatrice Show as an internet-only program when Ken was bumped by play-by-play. His fans loved it.

Now that Enigma Digital is part of Clear Channel, we are poised to become one of the leading sports web sites in the country.

Tell us about the station's imaging and on-air talent.

SportsTalk 980 has made a concerted effort to be "1st With Scores and Breaking Sports News." We dominate the sports image in Washington by providing sports updates every 20 minutes. To be true to our mission, we interrupt talk programming with breaking sports news whenever necessary. Our talk show hosts work closely with our sports update anchors to make certain we are providing comprehensive coverage of the most important local and national stories of the day. 980's imaging is edgy, topical, and always consistent with our position.

What do you think about your station adding a digital broadcast signal, should the FCC approve it?

I am excited about anything we can do as an industry to enhance the listening experience. If the FCC approves IBOC and the receivers make it to market, we are all winners!

KIIS is tops

BIA agrees with Duncan's American Radio that KIIS-FM Los Angeles was the nation's top-billing radio station in 2000. They even agree on the figure—\$65.5M. The rankings (with slight differences in dollars) are identical throughout the top ten, except for 8th place, where BIA says ABC's KGO-AM San Francisco (\$48.1M) and Duncan's says Infinity's KTWV-FM Los Angeles (\$48M).

1. KIIS-FM LA, Clear Ch.
 2. WFAN-AM NYC, Infinity
 3. WXRK-FM NYC, Infinity
 4. WLTW-FM NYC, Clear Ch.
 5. WINS-AM NYC, Infinity
 6. WHTZ-FM NYC, Clear Ch.
 7. KROQ-FM LA, Infinity
 8. KGO (BIA)/KTWV (Duncan's)
 9. WKTU-FM NYC, Clear Ch.
 10. WCBS-AM NYC, Infinity
- Source: Duncan's, BIA

Media Markets & Money™

by Jack Messmer

Kansas City move-in joins Susquehanna in steps

Kansas City is about to get a new radio station. KGAR-FM will sign on this summer at 105.1 MHz. The unbuilt station is allocated to Garden City, MO, but it's gotten approval for an upgrade to Class C1 on a tower site right in the heart of Kansas City. That's made it a valuable commodity and owner **Frank Copisidas** is cashing in—but without giving up all of the upside.

In a complicated two-step deal, Copisidas is selling a 40% interest in licensee Jesscom to Susquehanna Radio for \$10M, along with a three-year JSA.

Copisidas will program the station with his own staff at a facility separate from Susquehanna's three stations, while Susquehanna's sales staff sells the inventory.

"It was mutually beneficial for us," Susquehanna Radio President **David Kennedy** told *RBR*. The new station is expected to sign on in June.

At the end of the three-year period, Susquehanna will buy the remaining 60% based on a fair market appraisal. Susquehanna entered the KC market just last year with its acquisition of KCMO-AM & FM & KCFX-FM as spin-offs from Entercom (N:ETM). Brokers:

Mike Bergner, Bergner & Co. (Copisidas); **Larry Patrick & Terry Greenwood**, Patrick Communications Susquehanna) **RBR observation:** No one is saying what the format will be for this new station, but it's a pretty good bet that it will fit well demographically with Susquehanna's Oldies KCMO-FM and Classic Rock KCFX-FM.

Susquehanna up double-digits

Susquehanna Media, which has public bonds, reported that Q4 revenues rose 14% to \$87.7M and EBITDA gained 11% to \$35.2M. For Susquehanna Radio, Q4 revenues rose 14% to \$61.1M. Broadcast cash flow rose 14% to \$27.4M.

For all of 2000, Susquehanna Media (radio and cable) saw revenues rise 18% to \$320.6M and EBITDA gained 19% to \$121.7M. Full-year radio revenues grew 19% to \$220.9M and broadcast cash flow shot up 30% to \$94.9M.

Regent up triple digits

Acquisitions propelled Regent Communications (O:RGCI) to triple-digit growth rates for Q4, but the company also posted strong double-digit growth on a pro forma basis.

On an actual reported basis, Q4 net revenues rose 124% to \$14.3M and broadcast cash flow gained 321% to \$4.8M. Full year revenues jumped 85% to \$44.1M and BFC gained 152% to \$13.9M. On a pro forma basis (stations Regent owned in Q4 of both '99 and '00), Q4 net revenues rose 17.4% to \$4.1M and BCF increased 31.4% to \$1.1M.

Regent said it has purchased \$5.6M worth of its own stock—a total of 1,088,600 shares—under the \$10M buyback program its board authorized last summer. CEO **Terry Jacobs** told

Chris Devine, President, of
Marathon Media

has agreed to transfer the assets of

KLCE-FM, KCVI-FM and KECN-AM Blackfoot, Idaho
KICN-AM, KFTZ-FM, KOSZ-FM and KBLI-AM Idaho Falls, Idaho
KUNF-AM Washington, Utah
KREC-FM Brian Head, Utah

for

\$14,500,000

to

Craig Hanson, Chief Executive Officer, of
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Wall Street to expect Q1 revenues of \$11-1.2M and BCF of \$2.4-2.6M.

While Regent, like other groups, has experienced a slowdown in national business in some markets, its smaller markets get a higher percentage of their revenues from local sales than do operators in large markets. "It has not had the negative effect on us that it has had on some others," COO **Bill Stakelin** assured investors and analysts.

Regent puts a special effort on pre-selling Q1, which is traditionally one of radio's slower quarters. The company says pro forma revenues were up 2.5% for January, with February pacing 4-5% ahead and March 6%. "We have been resisting, especially in first quarter, as we do each year, the temptation to simply lower the rate base on our radio stations to get 'X' revenue in the door," Stakelin said, adding that "the folks who are very quick to drop their rates and destroy their basic foundation rate structures...have a very hard time [getting their rates back up]."

LMA to O&O on Jersey Coast

A three-year-old LMA is being converted to ownership in the Atlantic City-Cape May, NJ market. **Bill Huf's** Coastal Broadcasting Systems is paying \$1.4M—minus nearly \$300K in LMA payments—to acquire WWZK-FM. The cash-for-stock deal will have the Coastal partners—Huf, **Edwin Rosenfeld**, **Scott Wahl** and **Charles Pessagano**, operating as WZK LLC—buy all of the stock of Marc Scott Communications. The sellers are **Marc Scott** and his mother, veteran broadcaster **Faye Scott**. In a related deal, prior to closing, Marc Scott Communications will spin off its other station, WJNN-FM North Cape May, NJ, to another entity controlled by Marc Scott.

Swapping in Puerto Rico

Arso Radio, one of Puerto Rico's largest radio groups, is swapping a San Juan rimshotter to boost its presence in Mayaguez. Arso will trade off WBRQ-FM Cidra, PR to Newlife Broadcasting for \$400K cash and

WFDT-FM Aguada, PR. Both stations are Class A. The swap partners have been LMAing each other's station since November.

Corpus Christi cluster conveyed

Equicom's Corpus Christi, TX trio of KOUL-FM, KRAD-FM & KLTG-FM has been LMA'd by Rodriguez Communications, with a sale pending for \$6.75M. That will leave Equicom President **Jim Ray** running stations in Bryan-College Station, TX and five unrated Texas markets (a deal last year to sell those five small markets never closed). Equicom has venture capital backing from Equus II, LBJ Capital and the Texas Growth Fund.

Marcos Rodriguez has been growing his group again after big cash-outs last year of some of his largest stations.

Joyner nabs South Hill

Tom Joyner has a history of owning stations in rural areas of North Carolina and Virginia, so it's no surprise that he's buying WJWS-AM & WSHV-FM South Hill, VA for \$1.05M. The seller is **Norm Talley's** Old Belt Broadcasting Corp. As always, we have to point out that this Tom Joyner is the long-time station owner from the Carolinas, not the nationally syndicated morning show host who is based in Dallas. Broker: **Greg Guy & Terry Greenwood**, Patrick Communications

Viacom/Infinity merger complete

Infinity Broadcasting's stock closed forever on 2/21 at \$31.50. Immediately after Infinity share-

holders voted to approve the deal, the long pending merger was completed. Under the tax-free deal, Infinity shareholders received 59.2% of a Viacom Class B (N:VIAb) share.

Cost cutting boosts WW1

Westwood One (N:WON) grew operating cash flow by 13% in Q4 to \$54.7M, while net revenues gained only 1% to \$156M. To achieve that cash flow growth, WW1 cut operating expenses by \$3.9M and chopped \$790K off corporate overhead. "We watch our costs every day," CFO **Farid Suleman** assured analysts. For the full year, WW1's net revenues rose 55% to \$553.7M and operating cash flow gained 82% to \$165.6M. Net income rose 77% to \$42.3M.

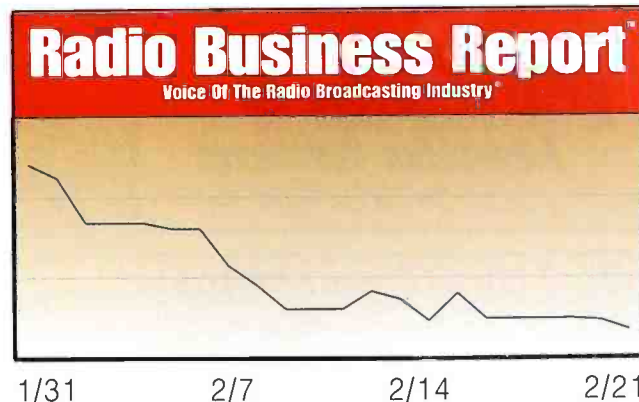
Both Suleman and CEO **Joel Hollander** rebuffed concerns that Clear Channel Communications (N:CCU), which owns Premiere Radio Networks and has its own traffic service in several markets, could pull all of its stations out of affiliations with WW1 and its Metro/Shadow traffic operations. Hollander noted that quite a few Clear Channel stations took WW1's recent Super Bowl coverage and had signed on for the Grammy Awards. He said WW1 has a good relationship with Clear Channel and that they'll continue to do business with each other because it is in the business interest of both companies to do so.

For the current year, WW1 is projecting EBITDA of \$183-188M. The company is not providing a revenue estimate yet, although Suleman said full-year growth of 6-8%, with single-digit growth in Q3 and something higher in Q4. For Q1 and Q2, he said, it's "hard to say."

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185
175
165
155



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WHOO-AM, Orlando, Florida
from Cox Radio, Inc.
to ABC, Inc.
for \$5,000,000

Charles Giddens and Elliot Evers
represented ABC.

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Read about these transactions and more at rbr.com
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Transaction Digest

by Dave Seyler & Jack Messmer

The deals listed below were taken from recent FCC filings.

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

\$2,000,000,000 207 stations, 100% stock sale of Citadel Communications (O:CITC) and its license-holding subsidiary, Citadel Broadcasting Co., from Larry Wilson and the company's public shareholders to FLCC Holdings Inc. (Ted Forstmann, Sandra Horbach, Thomas Bell, Gordon Holmes). \$26 per share, plus debt assumption. Existing **superduopolies**. The acquiring company will also assume a few pending contracts to buy additional stations. Broker: CS First Boston

\$10,000,000 WFFX-AM, WJDQ-FM, WMSO-FM, WZKS-FM & WYYW-FM Meridian MS (Meridian-Newton-Union-Marion MS) from Broadcasters & Publishers Inc. and Apex Broadcasting Inc. (Houston Pearce), part of the Radio South group, to Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). \$10M cash. Existing **superduopoly**.

\$3,600,000 WBRQ-FM San Juan PR (Cidra PR) from Arso Radio Corp. (Luis Soto) to Newlife Broadcasting Inc. (Juan Carlos Matos Barreto, Ana G. Velez Montes). \$400K cash and WFDT-FM (below) LMA since 1/11.

\$3,200,000 WFDT-FM (formerly WNNV) **Mayaguez PR** (Aguada PR) from Juan Carlos Matos Barreto, Ana G. Velez Montes and Dominga Barreto Santiago to Arso Radio

Corp. (Luis Soto and family). Transfer as partial payment for WBRQ-FM (above). **Duopoly** with WIVA-FM Mayaguez-Aguadilla PR. LMA since 1/11.

\$2,025,000 KMXU-FM Salt Lake City UT (Manti UT) from Sanpete County Broadcasting Co. (Douglas Barton) to Mag Mile Media LLC (Bruce Buzil, Chris Devine, Andrew Barrett). \$75K escrow, balance in cash at closing. **Superduopoly** with KOVO-AM, KYKN-FM & KWKD-FM. No contour overlap with KUUU-FM, KFVR-FM or KOTB-FM. Note: The seller will retain KMTI-AM Manti UT. Broker: Media Services Group

\$1,500,000 KLTD-FM Killeen-Temple TX (Temple TX) from KenCannon Communications Ltd. (Ken Williams) to Cumulus Licensing Corp. (Lew Dickey Jr.), a subsidiary of Cumulus Media (O:CMLS). \$250K downpayment, balance in cash at closing. **Superduopoly** with KTEM-AM, KOOV-FM, KUSJ-FM & KOOC-FM. LMA since 1/10. Broker: Media Services Group

\$1,475,000 KLVW-FM Odessa-Midland TX (Odessa TX) from Educational Media Foundation (Richard Jenkins) to Tommy R. Vasocu. \$375K letter of credit as escrow, \$1.25M in cash at closing, \$225K note. **Duopoly** with KQRX-FM. Note: The buyer must relocate this station's tower.



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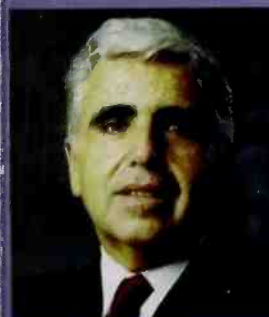
Lowry Mays
of
Clear Channel Communications



Robert Neil
of
Cox Radio, Inc.



Mac Tichenor
of
Hispanic Broadcasting Corp.



Mel Karmazin
of
Viacom/Infinity

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- Charlie Colombo of United Stations
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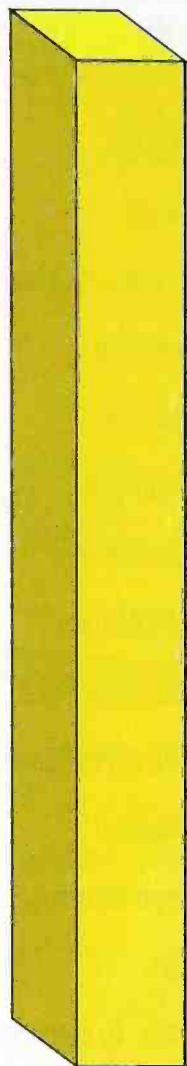


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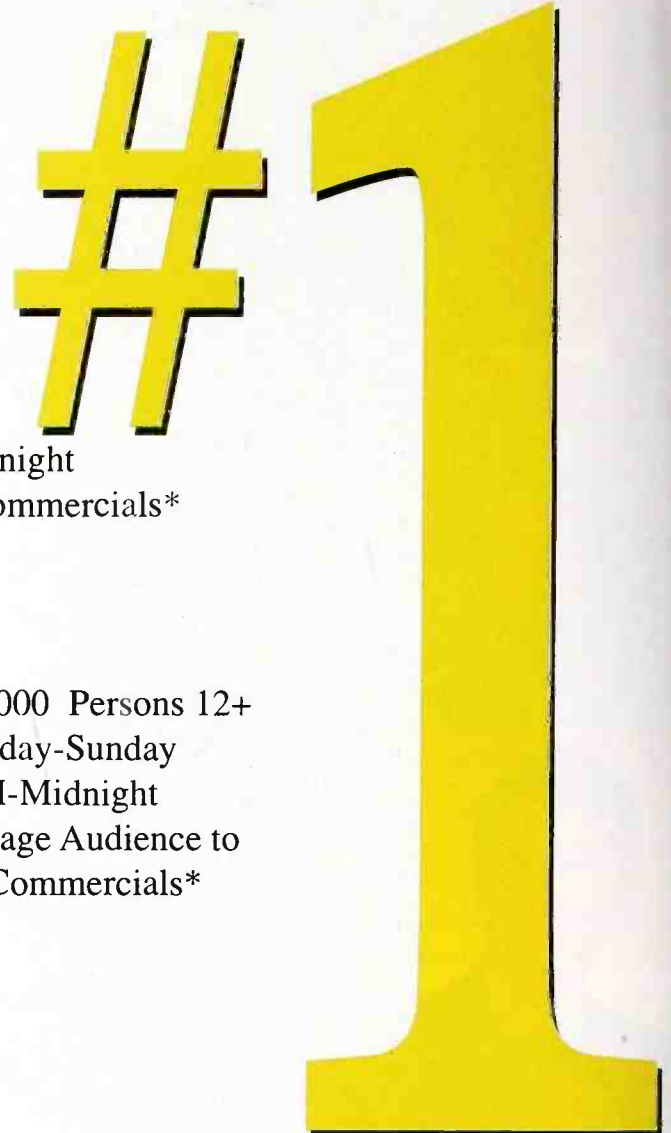
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