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Mutual News to go silent; WW1 trims staff

Begun in 1935-36, and once on an estimated 1,200 affiliates, Westwood One (N:WON) has decided to end syndication of Mutual News April 18 and replace the hourly feed with CNN News. Mutual newscasts have become less and less recognized in today's marketplace, aside from older demo stations. Also, with CBS, Mutual, NBC, CNN and now Fox News, WW1 had to consolidate somewhere. As to NBC News also being less of a WW1 focus these days, Westwood CEO **Joel Hollander** says "there will still be some NBC feeds."

Hollander admits, some jobs will be lost in trimming down. It's all about focusing on the profitable sectors. "Mutual just became less and less a branded name. We're concentrating on the resources where the demand for the product is and where these resources will be most effective and serve the listeners best. And consequently, through the programming schedule changes, some layoffs have

Radiant radio revenue results remain the rule

The results are in for February 1999, and February 1998 can take its place in the dust where it has been left. This year's February came in 18% better than in 1998, based on an 18% gain in local revenue combined with a 15% uptick in national business.

Locally, the *worst* region, the Southwest, had an excellent 15% gain while the Southeast and West were up 20%. The East led the way in national business with a 23% gain, and all but the Southeast had double-digit gains.

Year-to-date, local and national business are both up 16%. This is a stunning beginning to the year. And if the conventional wisdom is correct and business picks up as Y2K approaches, there is no telling what astronomical new sales record will be posted—DS.

indeed taken place." He adds the restructuring will not affect CBS Radio News' newsgathering operation "at all."

Mutual was acquired by WW1 founder **Norm Pattiz** in 1985, right after its IPO, bringing news to the mostly entertainment syndicator. "At the time, the acquisition of Mutual was probably the single most important move in the growth of Westwood One," Pattiz told *RBR*. "It made Westwood One a full-service radio network. It put us in the News business, the Sports business, it gave us **Larry King**."—CM

Broadcasters pay for a big move

Broadcasters will have to reach deeper into their pockets this year to fund, among other things, the FCC's recent move to the Portal Buildings in D C.

The House and Senate passed similar \$1.7T Republican budget proposals 3/25, ordering the FCC to collect \$172.5M in regulatory fees, up 6% from last year. The increased broadcasting fees, 6.9%-12.5% depending on population-size served and classification of the radio station (see chart, below), according to FCC

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FY 1999 Radio Station Regulatory Fees

Population Served	AM Class A	AM Class B	AM Class C	AM Class D	FM Classes A, B1 & C3	FM Classes B, C, C1 & C2
<=20,000	430	325	225	275	325	430
20,001 - 50,000	825	650	325	450	650	825
50,0001 - 125,000	1,350	875	450	675	875	1,350
125,001 - 400,000	2,000	1,400	675	825	1,400	2,000
400,001 - 1,000,000	2,750	2,250	1,250	1,500	2,250	2,750
>1,000,000	4,400	3,600	1,750	2,250	3,600	4,400

Source: FCC

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Chairman **Bill Kennard**, would also cover the costs of enforcement, policy and rulemaking, international and user information activities for the 1999 fiscal year, which begins 10/1.

Of the \$38.8M increase, \$20.3M is directly related to the FCC's move to compensate for higher rent, extended guard services, Federal Protective Services and to reimburse the General Services Administration for the costs it incurred during the transition.

The remaining increase covers mandatory salary and benefit increases, Consumer Price Index adjustments and automation enhancements. "In view of the importance of these services to the economy of the United States, this investment in technology is critical," said Kennard. "Since the automation enhancements will directly benefit the Commission's licensees, we propose that all of this increase be paid for by an increase in regulatory fees."

But the buck won't stop here: Regulatory fees will continue to rise for the 2000 fiscal year, from \$172.5M to \$185.7M.

Dennis Wharton, NAB's VP of Communications, says his organization opposes all forms of regulatory fees. "They represent nothing more than a tax on the ability of broadcasters to provide free programs," he told *RBR*.

The House and Senate will have to agree on a final version of the GOP budget plan next month.—TS

News analysis:

Who needs NTIA?

While many Republicans are looking to trim the FCC's authority, Sen. **Judd Gregg** (R-NH) surprised his colleagues by proposing that the Commerce Department's National Telecommunications and Information Administration (NTIA) be merged into the FCC, expanding the Commission's authority to manage federal spectrum use as well as all other users. We at *RBR* have long thought that (other than the engineers who do the actual spectrum management) the main role of the bureaucrats at NTIA was to churn out papers on what they would do if they were the FCC. Yes, that is as much of a waste of taxpayer dollars as it appears to be. Sen. Gregg may be onto something.—JM

Oxley bill would bar gender/race data

Rep. **Mike Oxley** (R-OH) has introduced a bill which would short-circuit the FCC's plan to gather data on the race, ethnicity and gender of broadcast station owners. The data gathering was adopted as part of an FCC measure whose primary purpose was to decrease reporting burdens on broadcasters, while making access to information more easy for the public (*RBR* 10/26/98, p.2).

The Communications Personnel Paperwork Reduction Act (H.R. 1273), co-sponsored by Rep. **Ralph Hall** (D-

TX), would eliminate any requirement for the disclosure of race, ethnicity or gender in required ownership reports.

"Advancing ownership by minorities and women has been an effort that has been longstanding and we can't do that unless we have the information," said FCC Chairman **Bill Kennard** last October. Kennard's proposal had brought howls of protest from large corporate broadcasters, who said it would be difficult, if not impossible, to gather such data on the owners of publicly traded stock.—TS

SW Networks sold to Launch Media

No, it wasn't WinStar after all, as was speculated (*RBR* 1/11, p. 6), but L.A.-based **Launch Media** (Launch.com) that bought SW Networks. However, SW parent Sony Music will remain involved in the Launch.com purchase, says SW spokesperson **Lisa Gephart**: "Sony Music is making an investment in Launch.com right after they go public [late April] and we're also licensing some of our videos to be broadcast on Launch's website."

The deal, said to be Launch.com's first strategic partnership with a major record label, was finalized last Wednesday [3/24]. "As far as when

all the changes take place, we don't have that finalized yet—in terms of when the videos will be available on Launch.com or what exactly is going to happen with SW Networks under the new structure," said **Heather Crosby**, VP Corporate Communications, Launch.com.

It does look like SW will be able to conduct its show prep and music news business to over 1,000 clients as usual. "We're not going to change the business that SW Networks is in. So, if they're providing Classical music stations with information, we won't halt that as far as we've determined," said Crosby.

Launch.com has been up and running since 1995 as a comprehensive

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Recruiting drops, but still hot

Job recruiting is somewhat seasonal, since many companies add new positions as they begin a new budget year. But while "Recruiting" declined sharply from January as a non-traditional revenue source for radio stations, it remained one of the strongest categories tracked by Revenue Development Systems (RDS). As we noted last month, "Recruiting" had previously been included in the "Office" category through 1998.—JM

Non-Traditional Revenue Track

% of Vendor/New Business by Category
(February 1999)

	Sept	Oct	Nov	Dec	1998	Jan	Feb	YTD
Automotive	13.45	9.84	10.91	18.77	15.63	10.36	17.84	17.84
Food/Grocery	39.09	45.23	46.52	31.55	33.80	22.48	42.19	31.97
Leisure/Electronic	25.73	17.80	18.63	32.85	22.35	33.56	35.61	34.54
H&BC	7.06	13.39	3.99	7.64	9.00	7.62	4.24	5.99
Home Improvement	3.27	3.89	7.39	3.16	8.07	7.26	5.39	6.36
Office	11.40	8.66	7.92	4.37	8.63	2.42	2.22	2.32
Clothing	0.00	1.19	4.63	1.66	2.51	3.28	0.15	10.21
Recruiting	—	—	—	—	—	23.39	10.21	17.04

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

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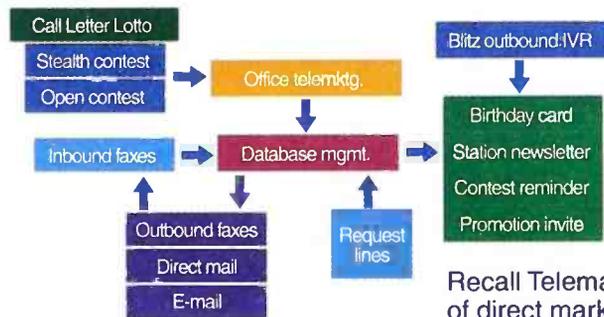
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music destination site, leveraging artist bios and interviews, album and concert reviews using audio and video streaming music clips. NBC, Intel, Island Records, GE Capital and others are also investors.—CM

BroadcastMusic.com launching

BroadcastMusic.com, based in Portland, ME, is launching with 150 stations (30+ initially) and Superadio-syndicated programming beginning 4/10 or 4/17. Headed by President **John Brier**, client stations are offered exclusivity in each market from competitors and are provided ad space for local website sales. \$1M has been spent on the venture to date, with another \$1M being spent in the next 4-5 months.

Says Brier: "We are offering stations from all over the country, in all different formats, from all different

market sizes. Some markets include stations from Chicago, Tampa, Portland, ME, Greenville, SC and also cities in Iceland and Jamaica."

BroadcastMusic is positioning itself as a user-friendly, easily navigable site that focuses on radio and music only. In addition, it is free to stations—revenues are expected to come exclusively from national advertisers and percentages of online sales of goods and services. "We actu-

ally put all the equipment in for free, we pay the licensing fees, streaming costs, phone lines and transmission fees. I have heard from some stations that Broadcast.com can charge up to \$3,000/month plus transmission fees," said Brier.

Superadio's "Open House Party" is set to begin a live video streaming simulcast with the radio show, a first for syndicated radio and the Internet, according to Brier.—CM

Oh, oh, oh... another honor for the hardest working man in radio

ABC Radio Networks' **Tom Joyner** (left) accepts the Pioneer in Broadcasting Award from Motown legend **Smokey Robinson** at the National Association of Black Owned Broadcasters (NABOB) 15th Annual Communications Awards Dinner (3/18) in Washington, DC. Robinson also performed at the NABOB gala.

Pioneering broadcaster **Hal Jackson** (not pictured) received NABOB's Lifetime Achievement Award. Other awards were presented to leading figures from the record and movie industries.



Newspapers gained 6.3% in 1998

The Newspaper Association of America reports that US newspaper ad revenues gained 6.3% last year to a record \$43.9B. That's only a little better than half the growth rate of radio (12% according to RAB), although newspaper ad spending is still about three times that of radio.

National, the smallest category of newspaper advertising by far, was the biggest gainer, up 7.7%. Classifieds grew 6.6% and local retail growth was the weakest at 5.7%.

"This growth continues to reflect the ongoing strength in local markets across the country and is consistent with

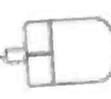
our earlier forecast for the year," noted NAA President/CEO **John Sturm**. "We expect to see another year of share growth as advertisers continue their spending in newspapers."

RBR observation: Share growth? Depending on whose numbers you use, total US ad spending rose 7-8% last year, yet NAA is bragging about 6.3% growth. That amounts to a decline in share by the mathematics we learned in school. Radio's effort to steal business from newspapers should be all the easier if these guys think they're winning by posting losses.—JM

1998 newspaper revenues			Quarter-by-quarter 1998 newspaper stats							
(\$ in billions)			(\$ in billions)							
Category	\$B	Gain	Q1 \$B	Q1 gain	Q2 \$B	Q2 gain	Q3 \$B	Q3 gain	Q4 \$B	Q4 gain
National	\$5.7	7.7%	\$1.4	10.2%	\$1.5	8.7%	\$1.4	6.2%	\$1.5	5.7%
Retail (local)	\$20.3	5.7%	\$4.4	4.9%	\$5.0	6.8%	\$4.9	5.6%	\$6.0	5.3%
Classified	\$17.9	6.6%	\$3.9	10.6%	\$4.3	7.0%	\$4.4	5.6%	\$5.2	4.1%
Total	\$43.9	6.3%	\$9.7	7.9%	\$10.8	7.1%	\$10.7	5.7%	\$12.7	4.9%

Source: Newspaper Assn. of America

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Stations hit the Net

After weighing three Web music suppliers, Susquehanna Radio settled on Amazon.com (O:AMZN) to supply its listeners with one-stop music shopping.

Larry Downes, director of database and direct marketing for Susquehanna Radio Indianapolis, told RBR that Amazon.com had the most attractive offer, beating out CD Now and Music Boulevard. "Not only were their [Amazon.com] figures good, but we trusted the fact that 6.2M customers have visited their site without a credit card incident."

WFMS-FM, WGLD-FM and WGRL-FM Indianapolis are the latest stations to form a partnership with Amazon.com, the nation's largest online retailer of music, videos and books. Several Susquehanna Radio stations in Atlanta set up the service last month, and more website part-



nerships are expected to pop up this year since Amazon.com inked a contract to work with all Susquehanna stations.

Under the partnership, listeners can visit each station's Web site and

receive "station-only special prices" on musical selections. Special offers on CDs, videos and books will be available with many of the radio stations' promotions, such as the upcoming Country Music Expo.—TS

RBR News Briefs

Interep snares Cumulus

Cumulus Media (O:CMLS) is the latest large group owner to consolidate its national representation under a single rep. All 220 Cumulus stations are now repped by Interep, which has established a dedicated sales force, Cumulus Radio Sales, to handle national sales for Cumulus' stations in six major cities—Atlanta, Boston, Chicago, Dallas, Detroit and New York. Elsewhere, other Interep companies will be assigned to handle rep duties.—JM

Broadcasting may hit federal courts

Under current law, television and radio coverage of federal criminal and civil proceedings at the trial and appellate level is banned. But that may change soon.

The Sunshine in the Courtroom Act (H.R. 1281) was introduced 3/25, which would give federal judges the right to permit cameras and microphones in their courtrooms. A similar bill failed to pass the Senate last year.

"RTNDA (Radio-Television News Directors Association) has long supported opening courtrooms at all levels to coverage by electronic me-

dia," said RTNDA President **Barbara Cochran**. "Our members are the people who have made television and radio coverage work at the state and local level and they can make it work in our nation's federal courtrooms."—TS

Waivers fly despite Tristani opposition

Commissioner **Gloria Tristani** (D) is continuing her crusade against granting waivers of the one-to-a-market rule (RBR 10/12/98, p. 6). She was the lone dissenter as the FCC granted waivers for Ramar Communications to acquire WLZK-FM Brownfield-Lubbock, TX; Smith Broadcasting to acquire KEYT-AM Santa Barbara, CA; and Waitt Radio to acquire KOLK-FM Onawa-Sioux City, IA.—JM

Fisher loses John & Ken; signs with Tyll, NBG

The "John and Ken Show," syndicated to 110 affiliates 3-7P PT with Fisher Entertainment has pulled out of a three year contract to do morning drive on KABC-AM L.A. Fisher is looking for another talent to replace John & Ken, who will end syndication 5/21. "John and Ken are great talents. In fact, they are the eighth largest

syndicated program in America, reaching almost 2M listeners. Why they decided to do this is a mystery to me, but I imagine that KABC must have paid them a lot of money," said Fisher President **Glenn Fisher**.

Fisher has signed a two year sales rep deal with NBG Radio Networks (O:NSBD) for its upcoming syndication of "The **Ed Tyll Show**." (10P-1A) and will help with clearances in secondary markets. Tyll, debuting 4/12, will not be replacing John & Ken in Fisher's syndicated lineup.—CM

CKLW back...this time with 1M watts?

Not really. It did come back as "The Big 8," for April Fools, though, with former jocks cutting breaks to support the prank: **Dick Purtan, Pat St. John, Pat Holiday, Frank Brodie, Charlie O'Brien, Bill Gable**, among others.

WZOO-FM Ashtabula, OH began the broadcast day saying the station had been renamed CKLW and moved to Pelee Island, Canada (in Lake Erie) because of new Canadian laws allowing it to increase power to 1M watts and "cover 48 states." The real CKLW (now News/Talk) in Windsor, ON allowed WZOO to use the call letters from 6-9AM. Top-40 CKLW-AM was hugely popular in the 60s and 70s, drawing top ratings in Detroit, Toledo and Cleveland.—CM

Consolidation seems far from final in Phoenix

by Dave Seyler

The radio ownership lineup in Phoenix sustained a great deal of fluctuation over the past year. And yet, it would appear that many more changes are in store. More on that later.

Chancellor picked up a strong locally-owned combo to maximize its superduop at eight stations, and solidified its grasp on first place in the process. Sandusky, which stood pat, held on to the third slot.

Now the fun begins. In a rare superduopoly break-up, the stations in the Buck Owens/Mac America JSA, once good for second place, have split off in three directions. Its AM, never a force in the market, has now become, literally, a Mickey Mouse operation. One of the FMs was spun to Z Spanish last Fall. The two remaining FMs went to Jacor, which previously took over the Nationwide FM duop, building a strong contender which controls the

second spot now. It is slated to go to Clear Channel along with the rest of Jacor. Pulitzer's stations went to Hearst-Argyle.

And then a second superduopoly was broken up, as New Century sent one of its FMs to HefTel.

RBR observation: We see this market as particularly unsettled. For starters, there are nearly 400,000 Hispanics living in Phoenix, making it the 15th largest Hispanic marketplace, and yet only one Hispanic-formatted station made the Fall 1998 Arbitron survey. Talk about an untapped audience! We were not at all surprised to see HefTel enter the market, and we expect continued efforts to gather more stations from both HefTel and Z Spanish.

The situation in Phoenix also makes a strong argument against the proposed LPFM service. Phoenix already has seven owners with ten stations who between them pulled a 3.0 12+ in Fall 1998. In other words, the citizens of Phoenix are all but ignoring ten stations. However, we are sure they are perfectly capable of ignoring dozens of additional stations, so maybe **Bill Kennard** is right, and we should go ahead and shoehorn as many new signals in as possible.

With three smaller duopolies and two standalone FMs (1.7 shares and up), we expect more consolidation. Among the smaller stations, one owner has already cobbled together a combination of three suburban FMs. We suspect that "hola" will replace "hello" at some of the others.

Rank	Owner	AM	FM	Fa97	Rank	Owner	AM	FM	Fa98
1	**Chancellor	2	4	22.2	1	**Chancellor	3	5	33.6
2	**OwensMac	1	3	13.6	2	**Clear Channel	0	4	20.0
3	**Sandusky	2	3	10.0	3	**Sandusky	2	3	9.0
4	*Pulitzer	2	1	9.9	4	*Hearst	2	1	8.1
5	Bcst Group	1	1	9.5	5	*New Century	1	2	4.9
6	*Nationwide	0	2	7.1	6	*Z Spanish	1	2	2.4
7	**New Century	1	3	5.3	7	New Planet	0	1	2.2
8	New Planet	0	1	2.4	8	HefTel	0	1	1.7
9	Z Spanish	0	1	1.2	9	**#Rainbow	0	3	0.6
10	Continental	1	0	0.6	10	Syncom	0	1	0.5
11	Syncom	0	1	0.5	11	Christian	1	0	0.4
12	CRC	1	0	0.4	11	CRC	1	0	0.4
12	Embee	1	0	0.4	11	Embee	1	0	0.4
12	Fiesta	1	0	0.4	11	Interstate	1	1	0.4
12	Interstate	1	1	0.4	15	KASA	1	0	0.3

* = duopoly; ** = superduopoly; # = LMA

Duopoly Dimensions

	Owners	Stns	Pct
Total Own/Stns	15	38	
Superduop	4	20	52.6
Duop	3	9	23.7
Combo	1	2	5.3
Standalone	7	7	18.4
Total Consolidation	7	29	76.3

Market Statistics

Rank 15	
12+ population	2,318,100
Black population	82,300
Black	3.6%
Hispanic population	399,800
Hispanic	17.2%
Source: Arbitron, RBR Information Services	

A dream realized: Noah Samara's WorldSpace



Almost 10 years ago, **Noah Samara**, a Washington attorney and telecommunications consultant started putting it all together. He wondered how he could help create an information vehicle that could reach millions of ears thus far underserved by radio. He had knowledge and contacts on the satellite side and knew some potential investors, but that was about it.

Now CEO of Washington-based WorldSpace Corp., Samara has drummed up \$1.1B investment dollars to back his dream, and has already launched the first of three satellites, AfriStar. AsiaStar and AmeriStar are to follow this year. Combined, these satellites can reach 80% of the world. He has patents granted protecting the end-to-end process, from the broadcaster uplink to onboard processing on the satellite, and specific patents on the receivers, receiver chip sets and specific waveform. Sanyo, Hitachi, JVC and Panasonic have licensed the technology and have already unveiled the prototype receivers (*RBR* 12/14/98 p.4).

WorldSpace doesn't stop with satellite-delivered music and information channels to Asia, Africa and Latin America. The receivers will also act as satellite modems, whereby plugging one into a PC can bring the Internet and numerous multimedia services.

Noah called *RBR* from Bahrain recently to give us his story, from dream to reality.

How did you come up with the WorldSpace concept?

That idea has always been in my mind, in terms of really wanting to create an infrastructure that would deliver information to the developing world. It came together actually almost as a pressing issue based on a *Washington Post* article that was talking about the spread of AIDS in Africa and so forth. And it was associating a lot of health and conflict issues in Africa with information or the lack thereof. It was around the end of '89-early '90 when the idea started jelling in my mind, in the form of actually creating a cost-efficient and cost-effective information delivery infrastructure. I was basically thinking that there should be such an infrastructure and that it should be most likely satellite-based to deliver information to underserved regions of the world.

How did you bring your idea to fruition?

I started with a concept plan first which turned into a business plan. At the time, there was a maturation of technologies that would be able to broadcast to portable units. AMSC's broadcasting to L-band telephone receivers, the Geostar concept and GPS, which is fundamentally a broadcast service, broadcasting navigation information to small portable units. With all of those developments, it was clear from a conceptual point of view that we were able to deliver information in the form of audio services directly to portable receivers in an expansive area, such as Africa, Asia, or what have you. Once that became clear, on July 23, 1990, which is one of the birthdays I celebrate, we filed before the FCC for a system that we would launch over Africa, called Afristar. We set up a company called AfriSpace that would launch this business over Africa. With that filing and a short business plan in hand, I went to people (investors that I knew) in different places and sought seed capital.

The next aspect was to get a license from the FCC, which we did within some 11 months or so after the filing. We were granted an experimental license. Within eighteen months from the original FCC application, at the World Administrative Radio Conference in 1992 in Torremolinos, Spain, was allocated a global frequency for the service.

How is WorldSpace Corp. financed through WorldSpace Inc. and World Space International Network? (WorldSpace recently detailed its major investors—*RBR* 2/1, p. 3)

Basically, World Space International Network [\$950M invested] is a separate entity that is implementing the global infrastructure. World Space Inc. is a U.S. entity [\$150M invested]. World Space Inc. has shareholding or has ownership in World Space International Network. However,

by Jack Messmer

Mega surrounds Capitol Hill

Not many AMs provide full coverage of the Washington, DC market and you're not likely to get ABC (N:DIS), Chancellor (O:AMFM) or Bonneville to part with one of the few that do. No problem, **Alfredo Alonso** can cover the market — not with one station, but with five.

Alonso's Mega Communications already owns WKDL-AM Washington, DC and WKDV-AM Manassas, VA, plus he has LMA'd and is buying WINX-AM Rockville, MD. If you think of the nation's capital as a clock, with the US Capitol at the center, those signals pretty much cover from around eight through the 12 at the top to four or so, but that leaves a big gap to the south.

To fill that hole, Mega is now buying WBZS-AM Alexandria, VA (Hey,

isn't that where *RBR* is located?) and WZHF-AM Arlington, VA (which pretty much covers everything inside the beltway by itself) from **John Douglas'** OIA LLC for \$11M cash. Douglas bought the two signals as part of an \$18M package of three spin-offs from what was then Evergreen Media (now Chancellor) two years ago (*RBR* 6/9/97, p. 13), with \$13M ascribed to the DC signals. However, that sale was 100% seller-financed, while Alonso is paying cash.

Trumper finds fourth FM for Salt Lake City

Actually, Trumper Communications already has four FMs in the Salt Lake City market—three owned, one LMA'd. What's happening now is that

Jeff Trumper is ending his LMA of KSNU to buy tower-mate KRAR from First National Broadcasting Corp. for \$300,000.

KRAR, a Class C on 106.9 MHz, is licensed to Brigham City.

RBR observation: KRAR and KSNU have identical coverage patterns, so listeners will just have to learn to tune to 106.9 instead of 107.9 for the simulcast of KOSY-FM's Soft AC format. This actually makes it easier for really loyal listeners who drive a lot to listen to 106.5 in the southern part of the metro and 106.9 to the north.

Emmis books another record year

Emmis Communications (O:EMMS), whose fiscal year ended 2/28, reported this morning that net revenues for the year were up 55% to \$195M and broadcast cash flow rose 44% to \$83.9M. On a same station basis, revenues were up 11% and cash flow 16%.

"As promised, the growth in each of our business units exceeded projections," said **Jeff Smulyan**, CEO, Emmis. Also, in a conference call with analysts, Smulyan noted that the company is beginning to see strong results from its international expansion: Emmis' Hungarian radio station posted \$600K in cash flow for the fiscal Q4.

Combo commands \$20 price tag

It's been well over a year since Phoenix Media Group (O:PXMG), a tiny penny stock company, announced that it was getting into radio with a deal to buy KSWD-AM Seward, AK, without specifying a price for the acquisition (*RBR* 2/16/98, p. 13). The stated business plan was to sell advertising aimed at the hoards of cruise ship passengers who go ashore at the tiny Alaskan port town.

Now the deal has finally been filed at the FCC, but the public company is not listed as the buyer. Instead,

David and Bob Sinclair of
Sinclair Telecable

have agreed to transfer the assets of

**WGCV-AM, WCDX-FM
WJRV-FM, WPLZ-FM
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to

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The urge to merge: Clear Channel + Jacor

Shareholders of both Clear Channel Communications (N:CCU) and Jacor Communications (O:JCOR) apparently love the idea of combining the two companies. Both groups of shareholders gave 99.9% approval to the merger in separate votes (3/26). We wonder, though, who the 0.1% dissenters were and what their beef was with the deal that's given both companies a stock price boost.

The deal announced last October (*RBR* 10/12/98, p. 2) still needs approval from the FCC and DOJ before the two companies can become one. At the time the deal was announced, 10/8/98, Jacor was valued at \$4.4B, based on its 10/7/98 closing price of \$40.125. At the recent (3/26) closing price of \$74.063, Jacor was worth \$5.7B, including \$1.5B in debt that will be assumed by Clear Channel.

Here, from the proxy sent to shareholders, is how finances will look for the combined Clear Channel/Jacor:

Category	Full year 1997			Q1-Q3 1998		
	CCU	JCOR	Merged	CCU	JCOR	Merged
Net revenues	\$1,274M	\$651M	\$1,925M	\$1,110M	\$589M	\$1,699M
Operating income	\$200M	\$85M	\$202M	\$166M	\$79M	\$198M

Source: Clear Channel/Jacor proxy dated 2/23/99

Of course, those figures don't include full year 1998 results, nor do they include the figures most important to most broadcasters: broadcast cash flow. Both companies have announced their results for the past year—record results at that.

Clear Channel said (*RBR* 2/22, p. 12) that its broadcast cash flow rose 93% to \$583.7M.

Jacor reported (*RBR* 2/15, p. 15) that its cash flow rose 48% to \$256.6M.

current owner **William Holzheimer** will become one of three equal owners of Phoenix Broadcasting Inc. with **Donald Cary** and **Charles Dunham**. Holzheimer is also selling his FM CP, KPFN (105.9 MHz) to Phoenix Broadcasting Inc. The price tag: \$10 for the

AM and another ten-spot for the FM CP, plus "the assumption by Buyer of all leases for real estate and equipment, and of the liabilities now owed to D.C. Engineering, Surveyor **Nick Kline**, Kenai Borough, and the City of Seward."

RBR's deal digest

Jeff Wilks is selling his brand new WQVR-FM La Crosse, FL to **Richard Ingham's Asterisk Inc.** for \$2.16M. That will give Asterisk its sixth station in the Gainesville-Ocala market, although no more than three have city grade contour overlaps at any point. **Broker: Doyle Hadden**, Hadden & Associates... **P.G. Gardner** is ballooning his operation in Monticello, AR from one station to four with a \$1.4M deal to buy KHBM-AM & FM & KXSA-FM from **Truman** and **Mary Hamilton**. **Broker: Bill Cate**, Sunbelt Media... Westwood One's (WON) Shadow Broadcast Services announced a "strategic alliance" with SmartRoute Systems to integrate SmartRoute's traffic information systems architecture into Shadow's operation centers.

CLOSED!

KFRY-AM/KYYY-FM
Bismarck, North Dakota
to
Jacor Communications
Randy Michaels
President & CEO
from
Meyer
Broadcasting Company
of Bismarck
Judith Ekberg Johnson
President and CEO
for
\$4,800,000.

Charles E. Giddens
and
Brian E. Cobb
Brokers

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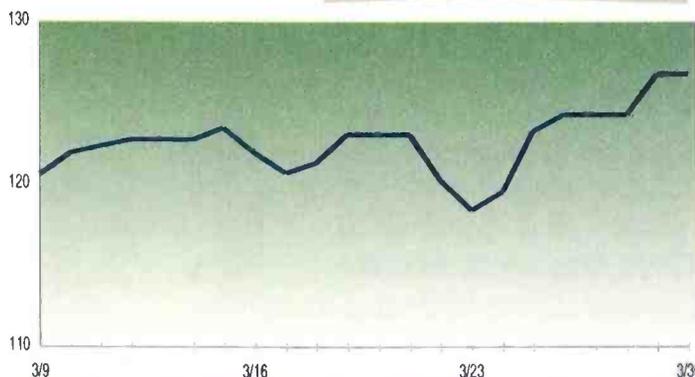


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TRANSACTION DIGEST™

by 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.

\$149,000,000—* WHPT-FM & WFJO-FM Tampa (Sarasota-St. Petersburg FL) from Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU), **WTBT-FM** (105.5 MHz, to become WDUV) Tampa (New Port Richey FL) from Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR), and **WVEZ-FM & WSFR-FM** Louisville (Louisville KY-Corydon IN) from Jacor Licensee of Louisville (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR), to CXR Holdings Inc. (Robert Neil), a subsidiary of Cox Radio (N:CXR). Like-kind exchange for \$94M cash and five Syracuse NY stations (*RBR* 2/15, p. 12). **Superduopoly** in Tampa with WSUN-AM, WFNS-AM, WWRM-FM & WCOF-FM. **Superduopoly** in Louisville with WRKA-FM (following divestiture of WLSY-FM & WRVI-FM). Note: This deal also includes an LMA with option to buy WMHZ-FM. Broker: Media Venture Partners

\$24,000,000—* WFIA-AM, WDJX-FM & WLRS-FM Louisville from Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR), to Blue Chip Broadcasting Ltd. (L. Ross Love Jr., Lovie Ross, Calvin Buford, J. Kenneth Blackwell, Thomas Revely III). \$1.2M escrow, balance in cash at closing. **Superduopoly** with WMJM-FM & WGZB-FM.

\$5,000,000—WEAE-AM Pittsburgh from Jacor Broadcasting Corp. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR), to ABC Inc. (John Hare, pres., ABC Radio), a subsidiary of The Walt Disney Co. (N:DIS). \$250K escrow, balance in cash at closing. Broker: Media Venture Partners

\$4,400,000—* WDYL-FM Richmond (Chester VA) from Hoffman Communications Inc. (Herbert Hoffman Jr.) to Radio One Licenses Inc. (Cathy Hughes, Alfred

Liggins III), a subsidiary of Radio One Inc. (O:ROIA, IPO pending). \$200K escrow, balance in cash at closing. **Superduopoly** with WGCV-AM, WKJS-FM, WSOJ-FM, WCDX-FM, WPLZ-FM & WSMJ-FM. Broker: Media Services Group

\$3,330,000—* WTLQ-AM & WINK-AM & FM Ft. Myers-Naples (Pine Island Center-Ft. Myers FL), 49.33% stock sale of Fort Myers Broadcasting Company from Arthur B. McBride Jr. Revocable Trust (0% afterward) to trusts for each of his three children, Brian A. McBride (29.77% afterward), Maureen McBride (24.44% afterward) and Kathleen McBride Plum (24.44% afterward). Total consideration of \$16.65M (\$1.5M cash, balance in three notes) includes WINK-TV (Ch. 11, CBS). *RBR* has estimated that the radio properties account for approximately 20% of the value. Note: The application states that this transfer of control is exempt from the one-to-a-market rule under Note 4 to the Multiple Ownership Rule, since stock is being transferred to the third generation in an unbroken chain of family ownership.

\$936,000—* WLLH-AM Lowell MA from The Great Merrimack Wireless Talking Machine Co. (Arnold Lerner, Ronald Frizzell, Donald Fitzgibbons) to Mega Communications of Lowell Licensee LLC, a subsidiary of Mega Communications LLC (George & Adam Lindemann, Alfredo Alonso). \$300K letter of credit as escrow, \$936K in cash at closing. **Superduopoly** with WNFT-AM & WBPS-AM Boston. Broker: Harold Bausemer, The Sales Group

\$820,000—WNAI-AM Louisville (Newburg KY) from Gore Overgaard Broadcasting Inc. (Harold Gore) to Word Broadcasting Network Inc. (Robert & Margaret Rodgers, Gregory Holt, Cleddie Kieth, William Berry). \$40K escrow, balance in cash at closing. The buyer is seeking a **waiver** of the one-to-a-market rule due to its ownership of WBNA-TV (Ch. 21, WB) Louisville. Broker: Force Communications

\$550,000—KKOM-AM (formerly KKAL) San Luis Obispo (Arroyo Grande CA) from F&L Broadcast Development Corp. (Jerry J. Collins) to Pamplin Broadcasting Inc. (Robert B. Pamplin Jr., Gary Randall). \$550K cash. LMA since 3/9.

\$440,000—WVHI-AM Evansville IN from Geyer Broadcasting Inc. (Wayne Geyer) to Word Broadcasting Network Inc. (Robert & Margaret Rodgers, Gregory Holt, Cleddie Kieth, William Berry). \$25K escrow, balance in cash at closing. Broker: Force Communications

\$263,750—WLVV-AM Mobile from Estate of Albert L. Crain (Joy Crain Johns, executrix) to WLVV Inc. (Darrell E. Martin). \$15K escrow, \$125K (less escrow) in cash at closing, \$138,750 note. Broker: John W. Saunders

\$110,000—* WKZZ-FM CP (92.5 mHz) Tifton GA from Orchon Media Inc. (Cliff McCurdy) to M&M Broadcasting Inc. (Tony & Denise Mooney). \$5K escrow, balance in cash at closing. **Superduopoly** with WBHB-AM, WRDO-FM & WKAA-FM Fitzgerald-Ocilla GA. Broker: Media Services Group

\$50,000—WGTX-AM DeFuniak Springs FL from Sonshine Communications (Dale Riddick, Randy Williams) to Wesco Enterprises Inc. (Wesley Wilkerson, Jennifer Wilkerson, Ron Kelley, Sonny Yates). \$3K escrow, balance in cash at closing.

\$50,000—KUSO-FM CP (92.7 mHz) Albion NE from David M. Kelly to Flood Communications LLC (Michael, Daniel & Ann Flood, Gordon Adams, Dennis Collins). \$5K non-refundable deposit, balance in cash at closing.

\$25,000—KVLL-AM Woodville TX from Radio Woodville Inc. (Edward Seeger) to Stargazer Broadcasting Inc. (David & Evelyn Garland). \$500 downpayment, additional \$24.5K in cash at closing.

N/A—WERK-AM Muncie IN from Dream Weaver Broadcasting Inc. (Wade Weaver) to Electronic Applications Radio Service Inc. (Martin Hensley, Neil Rapp). Donation to non-profit corporation.

N/A—WFPK-FM & WFPL-FM Louisville from Louisville & Jefferson County Advisory Commission, Louisville Free Public Library (Craig Buthod, director; Jerry Abramson, mayor) to Kentucky Public Radio Inc. (Armond Ostroff, chairperson; Gerald Weston, president). Transfer for no consideration from government entity to non-profit foundation.

N/A—KXPZ-FM San Antonio (Lytle TX) from The Stronghold Foundation Inc. (James C. Baer, president) to Educational Media Foundation (K. Richard Jenkins, president). Merger of non-profit foundations for no consideration.

N/A—* WJLI-FM McArthur OH from JACVIN Religious Broadcasters Inc. (Lewis E. Davis) to Davis Broadcasting Media Inc. (Lewis E. Davis Revocable Trust). Transfer for assumption of liabilities. **Superduopoly** with WJTD-AM & WKOV-FM Wellston OH and WCJO-FM Jackson OH.

N/A—* WHAS-AM, WKJK-AM, WWKY-AM, WTFX-FM, WHKW-FM, WQMF-FM & WQSH-FM Louisville (Louisville KY-Salem-Jeffersonville-Clarksville IN) and **WZNZ-AM & WBGB-FM** Jacksonville (Jacksonville-Ponte Vedra Beach FL) from Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU) to The Clear Channel Trust I (Charles Giddens, trustee). These stations are being placed with the trustee to be assigned to selected buyers or returned to Clear Channel once other divestitures related to its acquisition of Jacor Communications (O:JCOR) have been completed. Existing **superduopoly** in Louisville.

N/A—* WTAM-AM, WVMX-FM, WGAR-FM, WMJI-FM, WMMS-FM & WZLE-FM Cleveland (Cleveland-Lorain OH), **WIZE-AM, WONE-AM, WTUE-FM, WMMX-FM, WBTT-FM, WXEG-FM,**

WLSN-FM & WLQT-FM Dayton (Springfield-Dayton-Englewood-Beavercreek-Greenville-Kettering OH), **WDAE-AM, WFLA-AM, WFLZ-FM, WDUV-FM** (103.5 mHz) & **WAKS-FM** Tampa (Tampa-Bradenton FL) and **WSPB-AM, WAMR-AM, WCTQ-FM, WSRZ-FM, WYNF-FM & WLTF-FM CP** Sarasota (Sarasota-Venice-Coral Cove-Englewood FL) from various subsidiaries of Jacor Communications (O:JCOR) to The Clear Channel Trust II (Charles Giddens, trustee). These stations are being placed with the trustee to be assigned to selected buyers or returned to Clear Channel Communications (O:JCOR) once other divestitures related to its acquisition of Jacor have been completed. Existing **superduopolies**.

N/A—WJSL-FM Houghton NY from Houghton College Radio Corp. (Daniel R. Chamberlain, pres.) to WXXI Public Broadcasting Council (Norm Silverstein, pres.). Transfer of 90.3 mHz license in return for equipping and maintaining a new station for the college on 91.1 mHz. Note: The buyer plans to operate this station primarily as a satellite of WXXI-FM Rochester NY. Although not clearly stated, the buyer appears to be seeking a **waiver** of the main studio rule.

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