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Ford money backs LPFM

Future low-power FM broadcasters will be getting an early lesson as to how to apply for a license and why an LPFM station can serve the community, says **William Winslow**, a spokesperson for the United Church of Christ (UCC).

UCC, an adamant LPFM advocate, has received a two-year \$250,000 grant from the Ford Foundation and is expected to offer LPFM seminars as early as April.

"We're going to use this money to advise larger groups on what microradio is all about and how it can work for them," Winslow explains to *RBR*. "We're also going to help in the

licensing application where it's going to be very competitive."

But UCC is not using the grant to furnish equipment for LPFM stations. "That's still their own responsibility," he adds.

The program is in response to an FCC decision last month which authorized 1-100 watt stations on the FM band to be used by local, nonprofit groups only (*RBR* 1/24, p. 2). Meanwhile, Rep. **Mike Oxley** (R-OH) has scheduled a hearing for next week (2/17) on his bill (*RBR* 11/22/99, p.2) which would ban LPFM and cancel any licenses issued by the FCC.—TS

Digital slow down, demands SBA

A federal agency has asked the FCC to take a breather from its digital radio proposal in order to concentrate on the financial impact that a switch to digital will have on smaller broadcasters.

The Small Business Administration recently filed comments with the Commission, urging the agency not to prematurely decide digital service "without extensive real world testing and study of DAB transition on small business."

Further, SBA said that so far the FCC has offered little reassurance that small broadcasters would be able to afford digital equipment. "It may well be that digital systems will be too expensive for small broadcasters to develop and employ," SBA told the FCC.

The 1996 Small Business Regulatory Enforcement Fairness Act requires federal agencies to show that their adopted actions will not hurt small businesses. SBA claimed that the FCC has not satisfied this requirement because the agency does not know the impact a digital switch will have on broadcasters, including newly approved low-power FM stations (*RBR* 1/24, p.2).

The DAB proposal, released in November (*RBR* 11/8, p. 3), seeks comments on whether IBOC DAB or a new non-IBOC spectrum model would best advance the industry's transition to digital. SBA said that broadcasting both analog and digital signals simultaneously (which the IBOC model allows) would be in the best interest of broadcasters.—TS

Voters want reform, not free ads

Hot off the New Hampshire campaign trail, a Harris Interactive Election 2000 poll finds that a strong majority of voters support GOP Presidential hopeful Sen. **John McCain's** and former New Jersey Senator **Bill Bradley's** call for campaign finance reform.

That support was evident last week when McCain scored a big GOP victory over Texas Gov. **George W. Bush** in the nation's first primary in New Hampshire and Bradley ran a tight race with Vice President **Al Gore**, coming in second among Democrats.

But according to the Harris poll, voters that were surveyed between 1/19 and 1/26 did not favor giving candidates free radio and TV airtime as a way to reform campaign financing. Only 46% of the voters supported a bill to require free airtime; 35% opposed it and 19% were undecided.

When asked who had the most influence in national politics today, 80% of those surveyed said people who give money to political parties and candidates [such as the NAB] have more influence; 12% said voters. Similarly, when asked whether voters or lobbyists in DC had more influence, 79% answered lobbyists; 11% said voters.—TS

Other key results:

Issue	Yes	No	Undecided
Limit donations to political parties?	70%	14%	16%
Publicly disclose contributors within a week?	77%	10%	13%
Ban labor union political contributions unless individual members consent?	82%	9%	9%
Ban corporate political contributions unless individual shareholders consent?	78%	10%	13%

Source: The Harris Poll

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

Advertising sales information: Ken Lee 703-719-9500 • Fax 703-719-9509

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Email Sales: KenLeeRBR@aol.com • SeanRBR@aol.com • JohnNRBR@aol.com • SPritch28@aol.com

Group moves to block CBS/Viacom deal

When CBS (N:CBS) head **Mel Karmazin** and Viacom (N:VIA) boss **Sumner Redstone** announced in September that their companies were intending to merge (*RBR* 9/13, p. 6), excitement over the largest media merger ever was inevitable. But one civil rights group is now calling for the FCC to cut short the applause and put a halt to the deal.

The National Black Media Coalition (NBMC) has filed a petition with the Commission, claiming that the mega-merger is not in the best interest of the public and would in fact "signal the end of any hope of minority/black ownership" in the broadcast industry.

Under the terms of the deal announced 9/7/99, Viacom would acquire CBS for \$34.45B in Viacom's non-voting Class B stock (N:VIA.B).

The merger would create TV duopolies in several top markets and a 46% national audience coverage, violating FCC rules, claims NBMC. Current FCC rules place the audience reach cap at 35%.

"This cannot be tolerated and waiver or divestiture is not the answer," writes the group, referring to CBS/Viacom's plan to conform with FCC regulations. The mega-media group would have to sell or swap at least five TV stations to get into compliance.

CBS and Viacom each have media interests in Pittsburgh, Miami, Dallas, Philadelphia, Boston and Detroit, and again violates FCC regulations because "there are serious Grade B overlaps between stations in those markets," says NBMC, adding, "the notion that waivers are available is not an answer to the question of whether the public interest will be served."

Further, the group claims that a relationship between CBS and Viacom would give them control of "too many markets which could result in diminished diversity" and a lack of minority owned stations.—TS

FCC rescinds religious decision

The FCC has abandoned a recent decision to require non-commercial broadcasters operating with educational licenses to devote at least 50% of their programming to educational content (*RBR* 1/17, p. 4).

The FCC's 12/29/99 decision came under attack in recent weeks from religious broadcasters and Capitol Hill because certain religious programming (such as church services) would not be considered educational under the FCC's guidelines.

The religious content ruling was triggered by a Pittsburgh license transfer in which non-com WQEX-TV (Ch. 16) was approved for purchase by Cornerstone Television, a religious broadcaster, which in turn was going to sell its commercial WPCB-TV(Ch. 40) to Paxson Communications (A:PAX). Cornerstone backed out of the deal due to the new restrictions.

But the FCC avoided Congressional intervention by voting 1/29 to undo their original order.

"Regrettably, it has become clear that our actions have created less certainty than more," stated the Commission.

Commissioner **Gloria Tristani** (D) was the only no vote, saying she did not feel the agency was restricting religious speech because religious stations are allowed "to broadcast whatever they wish on commercial channels." But Commissioner **Michael Powell** (R), who had dissented from the original December decision, called the new decision a closure to an open "Pandora's Box of problems."

Rep. **Cliff Stearns** (R-FL), a co-sponsor of the Religious Broadcasting Freedom Act to repeal the FCC's original order, said he was "relieved" that the FCC withdrew its earlier decision. "The Federal Communications Commission was wrong in its effort to restrict religious broadcasting by imposing its definition of educational content," he said.

The National Religious Broadcasters, an association for Christian communicators, has asked that the FCC take its reversal decision one step further and guarantee that such a policy on religious/educational content cannot be resurrected in the future.—TS

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Jacksonville, FL

WTF-AM/FM
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RBR News Briefs

RadioWave gets new partners, clients

RadioWave.com, Motorola's real-time, interactive, embedded streaming site provider has scored three new investor partnerships: Intel, Warburg Pincus Equity Partners and the FBR Technology Venture Partners. RadioWave has an advanced product, but only a handful of clients since launch, so this influx of technology and cash resources should be just what the company needs.

One client is Merge933.com (*RBR* 1/31, p. 7). Another is EMI/Capitol Records' Blue Note label—RadioWave supplies their portable (you can listen and also do other tasks) streaming "Blue Note" music player. The EMI/Capitol Records relationship is expected to expand into other sub labels.—CM

Eastlan and Willhight software agreement

Eastlan Resources (Radio Adbiz 12/99, AB12) has signed a three-year software development agreement with **Jim Willhight**, President, Willhight Programming Services. The audience measurement service, which started last Fall, will now have the exclusive rights to all innovations of the program Virtual Program Director.

Mike Gould, President, Eastlan Resources, tells *RBR* that his company has been extremely pleased with Willhight's software and wanted to retain the improvements made to it for their own. Eastlan now has over 40 subscribers in five states. Gould expects the company to provide its services to 30-50 markets this year.—KM

KSFO host killed in Alaska flight 261 crash

Cynthia Oti, host of "Financial Fitness" on KSFO-AM San Francisco, was killed along with the other 87 passengers and crew on Alaska Airlines flight 261 last Monday (1/31). Her show aired 7-8P weekdays. Says KSFO/KGO-AM OM **Jack Swanson**: "She was great, a great talent. She was coming home from a short vacation in Mexico. We are now considering doing a memorial program later this week. We don't know what we're going to do with that slot."

The family has asked that cards and donations for an educational trust in her name be sent to First Union Securities, 555 California Street, Suite 2300 SF, CA 94104.—CM

Digital Radio Comments

Sixty-nine commenters weighed in on DAB at the FCC, including broadcasters, equipment manufacturers, the IBOC proponents (USA Digital Radio and Lucent Digital Radio) and the NAB. The overwhelming majority backed IBOC as the standard, however, see SBA comments, page 2.

Comments from the NAB:

The NAB is fully behind IBOC, suggesting the Commission "focus its attention on IBOC DAB as the appropriate model...The transition to digital for terrestrial radio broadcasters must be made a priority as they face the advent of satellite digital radio service in the near term."

Of course, NAB also commented on the interference effects of LPFM on IBOC implementation. It also asked that the Commission look to the NRSC's recommendations from its standard-setting and testing process.

Comments from SVP Susquehanna/NRSC Chairman Charlie Morgan:

Involved with IBOC development almost from the start and the pointman on whether IBOC will pass or fail through NRSC's Phase I and Phase II field tests (which both USADR and LDR are participating), Morgan and Susquehanna Radio stand firmly behind IBOC: "It is Susquehanna's firm belief that IBOC and only IBOC can move radio broadcasting into the digital domain in a timely and orderly fashion, with minimal cost and disruption to existing services."

The filing mirrored much of the NAB's comments (or vice versa?), but in stressing the drawbacks of using new spectrum for DAB, used Europe's use of the Eureka-147 DAB system: "Much of Europe has embraced the Eureka-147 system and after nearly 10 years of development, they have near zero market penetration. Transmission facilities have been operating for some time in many major European communities; yet, there are still no receivers."

Comments of USADR:

Along with urging the Commission to adopt the IBOC model for DAB, USADR said "DAB should be designed to address audio quality, robustness, coverage, spectral efficiency and [flexibility] for new services. In order to do this, a certain amount of system capacity, in the form of bits, needs to be devoted to each element. For example

[among others given], if more bits are devoted to enhance robustness through forward error correction, fewer bits remain to be dedicated for improved audio quality or new services."

Comments of Lucent Digital Radio:

For possibly the first time, LDR gives some real details of its AM and FM IBOC systems in these comments. LDR also addresses, one by one, how its AM and FM systems fit the above-listed Commission criteria, and emphasizes how its proprietary "Multi-Streaming PAC" solves the problems of interference, graceful signal degradation under fading conditions and efficient channel usage to deliver higher capacity bitstreams. However, it admits (USADR says FM CD-"like") that while its hybrid FM system can supply a combination of audio and data, "if CD quality audio transmission is desired, the entire 128 kbps bandwidth [the available digital channel space] will need to be dedicated to audio, employing our...multi-streaming PAC encoder."

We also learn that LDR's AM system (unlike the FM) allows broadcasters the ability to adjust between digital AM performance and range and degradation to the host analog signal.

Comments from Infinity:

With CBS/Infinity being one of the initial USADR investors, it comes as no surprise that Infinity's comments were directed not only to IBOC being the choice for DAB, but USADR's system "will provide a vastly improved service to the public, offering enhanced sound fidelity, improved robustness, and [will provide] broadcasters the ability to offer enhanced auxiliary services that are significantly more robust and of a higher quality than today's subcarrier services."

Like many other commenters, Infinity specifically addresses the Commission's discussion on opening DAB spectrum currently allocated to Channel 6 TV (82-88 MHz). "...such spectrum will not be available until after the DTV transition has been completed. Such a lengthy delay in implementing DAB would be harmful to both the public, which would be deprived of the great benefits of DAB, and broadcasters, who would be forced to compete using their current analog signals against other media that will be providing superior digital service."—CM

BuyMedia.com Performance Review

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This Year

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Premiere to rep XM Satellite Radio

Still one year away from launching its service, XM Satellite Radio (O:XMSR) has added more advertisers and partners to its growing stable of supporters.

First, Premiere Radio Networks is throwing its weight behind XM. The two companies struck a long term agreement for the former to rep the latter. **Kraig Kitchin**, President/COO, Premiere, said in a statement, "Premiere Radio Networks is very excited about this opportunity to participate in the next generation of national radio. We look forward to a long and rewarding partnership with XM Radio."

According to **Vicki Stearn**, Director, Public Relations, XM Radio, Premiere's expertise and experience will really benefit and complement XM's sales staff. Premiere's parent company, Clear Channel Communications (N:CCU), is an investor of XM Radio (*RBR* 1/24, p.7).

XM Radio also announced its first charter advertisers which include Grey Advertising, J. Walter Thompson, Ogilvy & Mather, Zenith Media, AT&T, Discovery Networks and Allstate Insurance. Commenting on these new agreements, **Hugh Panero**, President/CEO, XM Radio, says, "It is a great privilege to announce that these leaders of the advertising world are making a solid commitment to the future of radio. The fact that Premiere Radio Networks, with its prestigious national sales force, and these major agencies and advertisers have committed to XM Satellite Radio at this early date, demonstrates the value of our nationwide satellite-delivered radio advertising platform and the strength of our business and programming models."

Matt Feinberg, VP/Manager, Radio National Broadcast, backs Panero up, "There have been very few technological changes in the radio industry until now. Satellite radio offers expanded program choices, coast-to-coast coverage and the ability for advertisers to effectively reach specific audiences in a cost-effective way in the mobile environment."

Stearn tells *RBR* that XM Radio will work with Statistical Research,

Inc. (RADAR) once they launch their service to provide clients with customized audience measurement reports.—KM

Arbitron releases November webcast ratings

Arbitron released its Webcast ratings (1/31) for November through InfoStream. Listening estimates for over 850,000 unique listeners to 255 channels of audio programming were compile using data from BroadcastAmerica.com, LaMusica, Magnitude Network, ABC Radio Networks, Access 21 and RealBroadcast Networks. InfoStream determined Internet listeners spent nearly 1.4 million hours tuned to Internet audio in November.

The top three monthly cume sites were Adult Alternative www.kpig.com with 60,700 monthly cume listeners, Modern AC www.cd93.com with 59,000 (both in the Monterey-Salinas market) and Country www.khyi.com Dallas with 58,100. All three are streamed by Magnitude Networks.

In time spent tuning (TST), the net's version of TSL, top three sites were www.smoothjazz1059.com (WJZW-FM Washington DC) with 7:30 average TST, AC www.kpla.com Columbia, MO with 7:08 average TST, and Hot AC www.mix1073fm.com (WRQX-FM) Washington, DC with 6:39 avg. TST. The total number of unique listeners was down slightly from October, but TST was up—from 1.3 million hours in October to nearly 1.4 million hours in November. Most of the numbers were fairly consistent—site to site and rankings—from the October list.—CM

Wicks to acquire CBSI, Datacount?

Officials at the Wicks Group, CBSI and Datacount are not denying that Wicks will be acquiring the latter two but have all declined to comment. But a source close to the deal says that information circulating about it are premature and inaccurate. He tells *RBR* the deal has not happened and any more publicity about it could upset the transaction. Nonetheless, the acquisition is at the end stages and an announcement should be forthcoming in the next two weeks.—KM

RBR News Briefs

AMFM and Westwood strike traffic deal for CNET Radio

More progress from last week with AMFM Inc. (N:AFM) and Westwood (N:WON) (*RBR* 1/31, p.3): While a bulk of AMFM stations could be switching over to traffic.com in the next "24-30 months," as we told you, the relationship between the two companies continues with new deals. The latest: Shadow is the exclusive traffic services provider for AMFM's new "CNET Radio" on KNEW-AM SF (*RBR* 1/10, p.4).

However, while a goal for Shadow would be to forge a national contract for CNET Radio as it may roll out across the country on "30 other AMs," as AMFM Inc. Vice Chairman/Radio President and AMFMi CEO **Jimmy de Castro** told *RBR*, KNEW/KIOI-FM GM **Brent Osborne** says it's not a consideration at this time: "Shadow stepped up to fill a need that we had in San Francisco, but there were no conversations with regard to any kind of national rollout with CNET Radio whatsoever."—CM

Carters to receive award

Former President **Jimmy Carter** and his wife **Rosalynn** are slated to be the recipients of this year's Service to America Leadership Award presented by the NAB's Education Foundation.

The Carters, who were chosen for their continued support of the Carter Center, will receive the award this summer (6/12) when the NABEF holds its second annual Service to America Summit in DC.

Former First Lady **Nancy Reagan** was recognized last year for her "Just Say No" campaign.—TS

Global Media allies with

AccuWeather, announces new Pres.

Global Media (O:GLMC), the Vancouver-based e-commerce and streaming media provider to broadcaster Web sites, announced (1/25) an agreement with AccuWeather to develop a continuously updating weather media player that will deliver local, regional, national and international forecasts, watches and warnings through AccuWeather's site, (www.accuweather.com). Under the partnership, Global Media will also supply e-commerce links in the form of a store front. AccuWeather's 1,000 media affiliates will be offered a hyperlink to access the media player for their markets.

Jeff Mandelbaum, former RealNetworks VP of Media Systems Sales, was appointed the new president of Global Media 1/31.—CM

by Tiffany Stevens

Talk Radio splits and grows —What's happening to all that blab?

There are more phones in households than ever before, and now we're seeing them in cars and coat pockets. Who hasn't noticed the grocery shopper yapping into the cell phone right in the middle of the produce section? Of course it's an added benefit to have a portable phone at your finger tips as a safety measure. But it's also an added pleasure when the radio station that's playing over the loudspeakers announces that caller number nine wins \$1,000 and you're as far away from a pay phone as possible.

Radio listeners, whether at home, at work or on the run, are becoming more active due to greater phone access. And radio programming, especially the Talk shows, are reaping the benefits.

"Logistically it's easier to get on the phone," says Dr. **Jan McBarron**, co-host of the nationally syndicated talk show "Duke & The Doctor". "Everyone's got cell phones, car phones, cordless phones. When we first started out, our show had two phone lines open. Now we're at the point where we have six phone lines open at a time to accommodate all of the calls."

According to McBarron, that means Talk shows, including her own health show, are fielding calls from a more varied audience than just a few years ago. "The audience demographic for Talk shows has expanded. In the beginning we heard mainly from women. Now we are getting calls from more men and younger people. When I was a teenager I don't think that I would have called a Talk show. They're not afraid to talk now."

Why were listeners afraid to dial before? "Audiences weren't as well informed as they are today," she answers.

"With breaking news such as St. John's Wort and the use of botanicals popping into mainstream media articles, people are becoming more interested and tuning into talk shows such as mine for additional information."

Being informed also means that Talk show hosts are hearing "more sophisticated questions" from their callers, McBarron explains. "Four years ago I would get questions about arthritis, cholesterol and blood pressure. Those were the three staples. Now people are calling my show and asking about Gilbert's Syndrome and Chronic Fatigue Syndrome. I would not have gotten these questions a few years ago," she says. "The era of just listening is over."

Health issues are not the only draw for listeners to talk shows. "There are several new Talk techniques coming into style," explains **Kent Burkhart**, Director of American View Radio Network. "There is one Portland, OR station that is dedicated to men only, much like the magazine *Gentlemen's Quarterly* or the Lifetime Network on cable television which is for women. This station is playing all the Sports shows and hitting the male audience."

"At one time, people thought of Talk radio as basically political talk," says **Michael Harrison**, editor of *Talkers Magazine*, a trade publication that serves the talk industry. "While Talk radio is still strong in politics, that's not what it is all about today. Talk radio reflects changes in society—sports, relationships and lifestyles. For example, there is a fellow named **Gabriel Wisdom** out of San Diego—a Harvard graduate who is also a veteran of the underground Rock days—who now does a nationally syndi-

cated financial show that is as hip as some of the early progressive Rock shows but is absolutely on the money financially. Talk is truly entering a period of diversification."

And that diversification is due to the availability and variety of syndicated programs, adds **Glenn Fisher**, Pres. of Fisher Entertainment, a national syndicator. "Two, three, four stations in a market can now go Talk, competing with one another, because there are enough programs out there to support each station. All of a sudden people like **Rush Limbaugh** and Dr. **Laura [Schlessinger]** were hitting the scene and that has enabled many stations back in the late 80s and today to flip to Talk."

Hello FM!

Diversification is evident more on the FM dial rather than the AM, explains Harrison. "In the past 10 years we've seen the invasion of Talk on the FM dial. In the late half of the 90s Talk shows started to pick up the same type of diversification that we saw in music throughout the 70s—the breaking down of formats by specific genres geared to certain markets."

According to *RBR* statistics, there are currently 23 Talk stations on the FM dial, plus another 22 stations considered News/Talk. But that number is expected to grow. One such example is the recent conversion of WKRK-FM Detroit from Rock to Talk. GM **Steve Sinicropi** says he believes that FM is going to be the ideal place for more Talk formats. "A lot of AM radio is too old for younger listeners and a lot of FM radio is the same songs over and over," he says. "I mean, how many times can you hear

I heard they're gonna go Prophet....



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* June 10, 1999 M Street Journal:
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that same **Lynyrd Skynyrd** record?"

Fisher agrees, saying there is too much redundancy on the FM dial, not just by the songs being played but by the formats as well: "You have three Country stations, three AC stations, three Rock stations in a given market, all competing for the same little niche of that music's popularity...FM Talk is giving a new alternative to the listener that wasn't there before."

FM Talk is targeted to a younger audience, says Sinicropi, it's more hard hitting and lifestyle oriented than its AM counterpart. And advertisers are falling for the format as it's reaching the younger demos.

"You can see the success that our company, Infinity Broadcasting, has had with other FM talk stations—WJFK-FM Washington, DC; KLSX-FM Los Angeles; and WCKG-FM Chicago. We're carrying shows that target men 25-54. Weekends we have a cigar show and we've got live sports programming with 'Parker & The Man'. And then we have a lot of technology shows. This is the audience that ad-

vertisers want to target—younger adults in their 20s, 30s and 40s."

In five years, at least one Talk radio station on the FM dial, or even two, is going to be in any given market, predicts one talk radio syndicator. "When you look at some of the talk programming on FM, such as **Howard Stern's** show, you can see how well it works," says American View Radio Network's Burkhardt, adding, "We have every indication and every barometer that it works just as well of FM as it does on AM, if not better."

But another Talk radio expert says it is not time to dig the grave just yet for AM Talk shows. "Yes, we know about FM Talk, but I think AM radio stations are going to compete against them so they're going to give the FM stations a run for their money because they cannot afford to lose their listeners," states **Tom Star**, Pres. of Talk America, a national syndicator.

In order to compete against the FM powerhouses, many AM Talk stations are taking their lead from the big guys. "We see that younger lis-

News-Talk-Sports

The News/Talk/Sports format cluster is #1 (out of 15) in terms of total listeners. This is entirely due to its very strong showing in the top 50 Arbitron markets. From Market 51 on down, Country is king, but the sound of pedal steel does not fare at all well in the big cities, where it finishes a distant #5. Country's strength in the smaller markets is not nearly enough to overcome the huge population advantage held by News-Talk-Sports in its area of primary strength.

News-Talk-Sports does very well in the Midwest, Northeast and Pacific regions, where it is also the #1 format. Southwest/Rockies and the South are its weakest regions, where it comes in #3 and #4 respectively.

The N-T-S listener base definitely skews old. It is the most listened-to format group by individuals in the 35-64 demo. Subtract 10 years from the demo and the format cluster slips to #2. Among the younger set it is almost a non-factor, coming in a distant #9.—DS

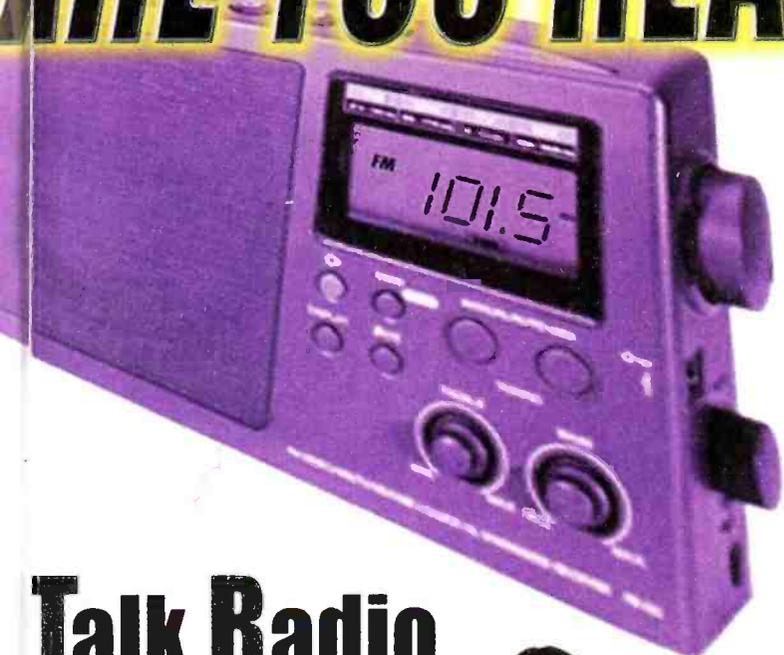
Rank	Market size	Stns	Listeners	Pct.	Chng	Index
1	Markets 1-267	691	21,423,945	15.4	+0.1	100
1	Markets 1-50	212	16,706,600	17.2	-0.1	112
3	Markets 51-100	156	2,354,428	11.5	+0.5	75
3	Markets 101-150	114	1,087,080	11.1	—	72
4	Markets 151-200	108	744,561	11.1	+1.0	72
3	Markets 201-267	101	531,276	10.0	+0.2	65

Rank	Region	Stns	Listeners	Pct.	Chng	Index
1	Northeast	67	4,009,214	18.5	-0.6	120
2	Mid-Atlantic	115	3,287,097	14.6	-0.3	95
4	South	168	2,659,846	10.5	+0.6	68
1	Midwest	148	4,463,872	18.7	+0.5	121
3	Southwest-Rockies	102	2,562,416	12.5	—	81
1	Pacific	91	4,441,500	17.5	+0.2	114

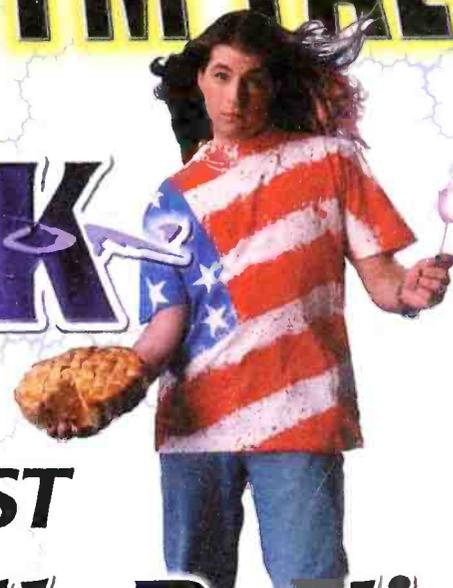
Rank	Demo	Stns	Listeners	Pct.	Chng	Index
9	18-34	541	2,733,943	6.5	+0.1	42
2	25-54	667	9,570,618	12.6	+0.3	82
1	35-64	678	10,956,409	17.2	+0.2	112

Sources: Arbitron, RBR Information Services Group

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RICK



3-7pm EST

Talk Radio for Younger Demos

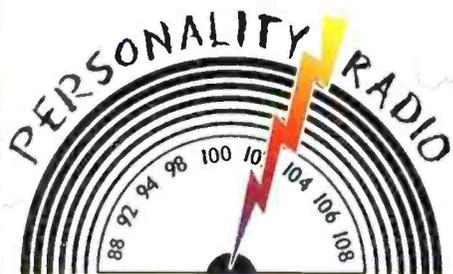
Talk Radio that's Mass Appeal



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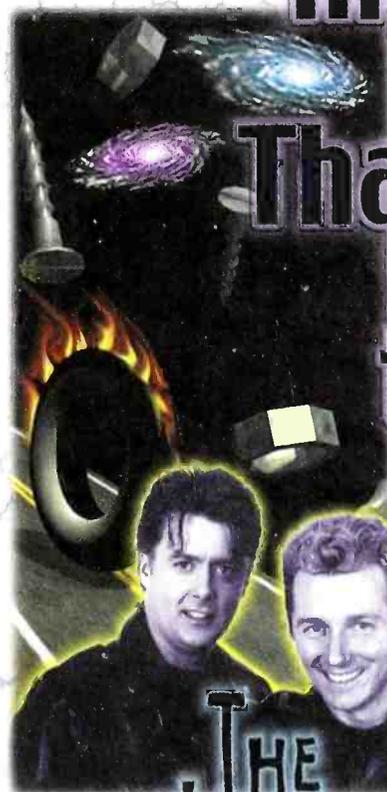
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teners are tuning into the FM shows because they have the younger host. But if an AM station can put on a similar host, there's no reason why a younger person cannot tune into AM," explains **Ken Christensen**, GM of KFI-AM Los Angeles. "The key to success on any dial is programming and the host. Here at KFI we have **Bill Handel**, Rush Limbaugh, Dr. Laura, **Clark Howard** and **Phil Hendrie**. They each stimulate listeners in a different way."

Other AM stations have been cashing in on the big names hosts as well. For instance, **Art Bell**. "The paranormals are big on AM," says Star. "[Bell] is on more than 400 radio stations across the country. We have someone who is younger than Bell and is starting to make some waves as well: **Sean David Morton**. Why? Because people are looking to get something different than what the normal radio programs offer."

Most importantly, AM program directors are more willing to approve a Talk show than an FM PD, adds Dr. McBarron, whose show airs on both AM and FM stations. "Traditionally FM is music so it does not lend itself to Talk radio very well, but there always is the possibility to hear Talk shows on FM."

Good-bye localism

"When I turn on the radio and I can't tell whether I'm in Orlando or Washington, I think we've gone too far," FCC Commissioner **Gloria Tristani** once complained about the radio industry. While it is true that a majority of Talk shows are losing their localism, listeners really do not seem to mind.

"People in general are the same," says Dr. McBarron who fields calls from all over the country during her one-hour morning health show. "They have the same concerns and appreciations. Our listeners, in fact, enjoy hearing from people outside of their backyard. It gives another perspective."

Glenn Fisher of Fisher Entertainment calls the concept "universal issues." He says, "The bottom line is that the local things that people talk about are generally of a political nature, such as there are too many potholes on Elm Street. National shows like 'Don & Mike' and 'John & Jeff' are dealing with issues that everyone can relate—what do you do when you cannot stand your boss? Everyone can

relate to a situation like that."

According to Christensen, KFI-AM has promised to keep a balance of local and national talk shows by airing Rush Limbaugh (national), Dr. Laura (national), Bill Handel (local) and Phil Hendrie (which is still a local show but is now being syndicated). "It seemed early on that localism was a programming concern," he says, "but I think it's proved that entertainment and informative hosts are what listeners really want no matter where they are broadcasting from."

WKRK is also remaining "sensitive to localism," stresses Sinicropi. "We have a number of shows done right here in our own studios—**Ed Tyll** and **Deminsky & Doyle**. It's tough to get a talent as good as Howard Stern locally in every market. I think when you use a powerful, national personality like Stern, it is a good idea to also put on some local guys. Then they can go out and press the flesh with the public on a regular basis."

As much as localism is important, syndicated shows will definitely continue to be a pattern in the industry where Howard Stern and **Don Imus** were the first to break the molds, adds Burkhart. "Stern is loved from all over. Localism is not going to matter in the future as the Internet will be an alternative."

Nationally syndicated Talk shows themselves are becoming interested in the Internet, not by simulcasting but by talking about them, such as "The **Kim Komando Show**" which offers advice on computer equipment and software and answers Internet questions. Similar shows—"Computer Daze" and "Log-on USA"—are also becoming popular. Says Star, head of Talk America. "These shows are becoming an appeal to consumers even though they're not local programming. Listeners want to learn more about how to use their computers and they don't care if the speaker is next door or across the country. It's all the same info."

Talking advertisers

As much as Talk radio's format has changed over the years and will continue to transform, one thing will remain a constant: the advertisers. For the most part, Talk radio has the most active and attentive audiences that the advertisers want to target.

"It's true," says Star. "They pay more attention to what commercials are saying rather than during ads

that are played between musical segments. When it's just music, people are more inclined to switch stations during commercials. But listeners of talk shows stay because they want to hear what is going to be talked about next. That's something that advertisers take into consideration when deciding which format to advertise with."

Star also admits that advertisers are looking for Talk shows that are more than an hour long: "It's easier to sell. At one time, radio stations were playing one hour of this and then one hour of that. But Talk shows are now broadcasting two and three hours daily. Fragmentation is on the way out and advertisers want to be able to run more than one commercial a show."

Advertisers on Talk shows are looking for results, too. The rating of a show may not be as high as expected, explains Burkhart, but the targeted audience is an exact match for the product.

"Our advertisers tell us that they like the responsiveness of the format," says KFI's Christensen. "When you're listening to a Talk show host and respond to what he or she has to say, then we're setting the stage for the same responsiveness to happen with the advertisers during the break."

WKRK's Sinicropi agrees, adding that his station uses creativity to make the commercials stand out. "We do live reads and the advertisers tell us again and again how effective the station is. I don't think that commercials on an FM Talk station are perceived as an interruption as they are on music stations. We also use the personalities to do commercials. It makes the ads that much more compelling and actionable."

Dot-com commercials, one of the fastest growing categories in the industry, are popping up in Talk formats as well and are "growing all the time," says Sinicropi. "It's a great category for us. Talk reaches the type of market that dot-coms are looking for—they can get a quick response from our listeners." Are Talk shows becoming dependent on this new category for additional revenue? "Not at all," he says. "We are getting a meaningful amount of the ads but it certainly is not going to change the way we do business. People have been talking on the radio—that's how it started out—and we're going to continue to talk with or without the dot-coms."

Thanks

**Dr. Laura
Schlessinger**

Rush Limbaugh

for

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Art Bell

talking

Phil Hendrie

Jim Rome

with

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Lionel

PREMIERE
RADIO NETWORKS



by Jack Messmer

Lytle training company becomes Cumulus subsidiary

With more than 1,000 salespeople and an array of different training programs spread across its newly consolidated medium and small markets, Cumulus Media (O:CMLS) had been talking with various vendors about a group-wide sales training program. In the end, though, the winner went a step further and became a wholly owned subsidiary.

What had been known as The Lytle Organization and The AdVisory Board is now The Cumulus AdVisory Board. The sales training company, founded in 1982 by **Chris Lytle** and partner/spouse **Sarah McCann** will remain headquartered in Madison, WI—an easy drive from both Cumulus Media's corporate HQ in Milwaukee and the Radio Division HQ in Chicago. Lytle and McCann were in Atlanta over the weekend (2/5-6) to meet fellow Cumulus execs at a group-wide GM meeting.

"People are hungry for good training," Cumulus Vice Chairman **Lew Dickey Jr.** told *RBR*. He said the addition of Lytle's sales training would help Cumulus recruit and retain good salespeople. A key focus of the training program will be going beyond existing radio advertisers to take ad dollars from the broader media market.

The Cumulus AdVisory Board will continue to serve clients besides Cumulus, although Dickey acknowledged that a few would be lost due to market conflicts with Cumulus.

Financial details weren't released, but we hear that the acquisition exchanged Cumulus stock for Lytle's assets, with a total value of \$3.5M-\$4M. Broker: The Jeffrey Group

Reno gets NextMedia superduop

NextMedia is picking up two more FMs in the Reno, NV market for a total of four. In the latest move, it'll take a two-step deal to get the two signals into the NextMedia corral. **Bruce Buzil's** Mag Mile Media has deals to buy KSRN-FM from Comstock Communications for \$1.175M and KHWG-FM from Hilltop Church for \$1.3M. But Buzil is assigning both contracts to NextMedia.

Meanwhile, NextMedia's deal to buy KRZQ-FM & KTHX-FM Reno, NV (*RBR* 12/20/99, p. 13) has finally been filed with the FCC. The complicated deal will pay licensee Salt Broadcasting LLC, headed by **Scott Seidenstricker**, \$3.55M, Americom Las Vegas LP \$1M for an outstanding option and Century Media Partners \$2.45M for assignment of an outstanding note—a total of \$7M. The two latter partnerships are both headed by **Tom Gammon**.

These deals will let NextMedia President **Steve Dinetz** keep an ear on four of his stations from his home in tax-friendly Nevada. So far, though, none of the group's acquisitions have been within earshot of Chairman **Carl Hirsch's** Palm Beach, FL digs or corporate headquarters, Denver, where President/Radio **Skip Weller** resides. Broker: (KRZQ/KTHX) Media Venture Partners; (KSRN/KHWG) The Mahlman Co.

Dolly Parton sells her pair

Singing star **Dolly Parton** is getting out of radio, selling her two stations, WSEV-AM & WDLY-FM Knoxville, TN, to **Paul Fink** and **Bert Watts** for an as-yet-undisclosed price. Although some of WDLY's programming originates from a remote studio on the grounds of Parton's Dollywood amusement park, the main studios are five miles away in Sevierville, TN. And yes, the new owners have to give up the FM's "Dolly" call letters.



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Harman to acquire Crown International audio sector

Not long after selling its Orban division to Circuit Research Labs (*RBR* 1/3, p.4), Harman Pro Group, a division of Harman International Industries (N:HAR), announced (1/24) a preliminary agreement to buy part of Crown International. Crown, with \$70M in revenues last year, began operations in 1947 and offers professional audio equipment to the recording and broadcasting markets. The deal is expected to close late this month.

In keeping with Harman's desire to shed its broadcast offerings and focus on the consumer market, The broadcast unit of Crown will remain under the control and ownership of the original owners, and may eventually be eventually spun off to another suitor. "What we are selling to Harman are the net assets of the audio and medical businesses. So the remaining assets of Crown, which is primarily the broadcast business, will stay in the old Crown company," Crown CFO **John Bolstepter** tells *RBR*. "And then that company will be owned by some of the existing shareholders, but there will probably be some other change in ownership down the line." Both the audio and broadcast sectors are planned to remain under the same management, with the same staff.—CM

Dame adds as Devine divests

Chris Devine's Marathon Media is selling off two Pennsylvania markets to **Al Dame's** new company, Dame Broadcasting. Dame is paying \$7.5M for WRSC-AM, WBLF-FM, WQWK-FM & WNCL-FM State College and WGLU-FM & WQKK-FM Johnstown. **Broker: Barry King**, Norman Fischer & Associates

Salem doubles in Dallas

Salem Communications (O:SALM) has a deal to add a second AM in Dallas by trading for AMFM Inc.'s (N:AFM) KSKY-AM, which already carries a Gospel format. Salem will swap KPRZ-FM, giving AMFM a third FM in Colorado Springs, CO, and pay AMFM \$7.5M cash. *RBR* values KPRZ at \$4M. **Broker: Gary Stevens**

RBR observation: This deal was already in the talking stage when AMFM agreed to merge into Clear Channel (N:CCU) and is not a merger-related spin-off. Still, folks in San Antonio/Cincinnati did have to give it an OK.

Jones 1999 cash flow up 178.8%

That's the sort of figure you like to put out while talking up a pending IPO. Jones International Networks is expected to price its \$86.3M stock offering in mid-March.

Jones had revenues of \$64.4M for 1999, up 68.4% from '98 and cash flow (EBITDA) of \$12M, a gain of 178.8%. The gains were primarily attributed to the company's acquisition of MediaAmerica and Broadcast Programming, along with increased revenues from its programming operations, both radio and cable TV.

Radio programming revenues rose 92.2% in Q4 to \$7M and cash flow gained 559.9% to \$1.9M. Cable revenues gained 65.6% to \$8.1M and cash flow increased 370.3% to \$600K. Ad sales operations, including radio, cable and Internet, saw revenues rise 3% to \$2.6M and cash flow gain 11.5% to \$600K. Overall, Q4 revenues gained 49.2% to \$19.8M and cash flow increased 78.3% to \$4.1M.

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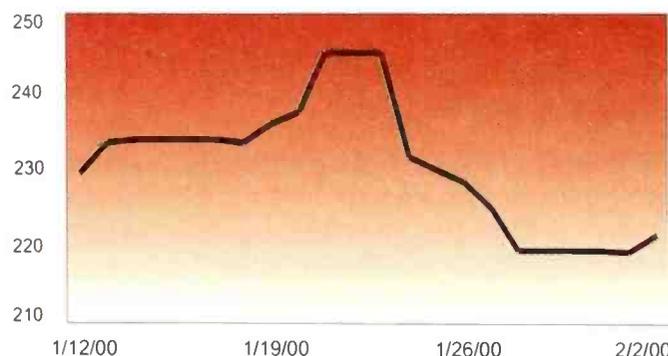
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TRANSACTION DIGEST™

by Jack Messmer & Dave Seyler

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

\$17,700,000 KCCN-AM & FM & KINE-FM Honolulu from KHUY Inc. (Howard Anderson) to CXR Holdings (Bob Neil), a subsidiary of Cox Radio (N:CXR). \$17.7M cash. **Superduopoly** with KGMZ-AM, KXME-FM & KRTR-FM. Note: Cox is spinning off KGMZ-FM (below).

\$7,400,000 KXKS-AM, KABQ-AM & KEXT-FM Albuquerque (Albuquerque-Bosque Farms NM) from Continental Broadcasting Corp. of New Mexico Inc. (Jose Molina) to Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). \$75K escrow, balance in cash at closing. **Superduopoly** with KPEK-FM, KTEG-FM, KZRR-FM, KSYU-FM & KLSK-FM. Notes: No more than five FMs overlap at any point. This deal also includes an LPTV on Ch. 59.

\$6,600,000 KGMZ-FM Honolulu (Aiea HI) from CXR Holdings (Bob Neil), a subsidiary of Cox Radio (N:CXR), to Honolulu Broadcasting Inc. (Charles Giddens). \$25K cash, \$6.675M note. Note: The buyer is entering into a JSA with the seller.

\$2,200,000 KBGY-FM CP (107.5 MHz) **Faribault MN** from James D. Ingstad to Milestone Radio II LLC (Daniel Peters). \$110K escrow, balance in cash at closing. **Broker:** Media Venture Partners

\$1,800,000 WADU-FM New Orleans (Reserve LA) from Virgie Hare du Treil to Styles Broadcasting of New Orleans LLC (Kim Styles, Thomas DiBacco, Grantly Payne, Sherman Hill Jr., 32 others). \$90K escrow, additional \$910K in cash at closing, \$800K note. Note: No contour overlap with WJLA-FM & WYLK-FM. LMA since 4/28/99. **Broker:** John Saunders

\$1,300,000 WZZI-FM Roanoke-Lynchburg VA (Vinton VA) from Carousel Entertainment LLC (H. Edward Hale) to Travis Media LLC (Karen & Robert Travis). \$100K option paid in 1998, balance of \$1.2M (less LMA payments) due in cash at closing. LMA since 12/31/98.

\$1,200,000 KKAY-FM Baton Rouge LA (Donaldsonville LA) from Lafourche Valley Enterprises Inc. (Kay LeBlanc, Estate of M. Paul LeBlanc, Joseph Costello, Peter Russo) to Guaranty Broadcasting Company of Baton Rouge LLC, a subsidiary of Guaranty Corp. (George Foster Jr., Marjorie Malone, A. Bridger Eglin, Fran Foster, Ben Ogletree, Thomas Givvens, H. Guy Riche, Claudia Balfour, Tweedy Brown & Knapp). \$100K escrow, balance in cash at closing. **Superduopoly** with WDGL-FM & WXCT-FM. Note: An additional \$300K is due if the seller is able to obtain government approvals, specifically the withdrawal of FAA objections, for full 6kw at 328 ft. operation.

\$900,000 WTRI-AM Washington DC (Brunswick MD) from Capital Broadcasting Corp. (Alfred Hammond) to JMK Communications Inc. (Je Min, Hyunjoo, Grant, Nicholas, Michael & Marrian Chang). \$45K escrow, \$600K (less escrow) in cash at closing, \$300K note. Notes: No contour overlap with WPWC-AM. Jae Min Chang, a 20% owner of JMK, is a citizen of Korea. **Broker:** Blackburn & Co.

\$750,000 KZXR-FM Tri Cities WA (Prosser WA) from Bogart-Funk Enterprises Inc. (Mike & KarLynn Funk) to Moon Broadcasting Prosser LLC (Abel, Abel A., Arelia, Krystina, Alejandro & Yesenia de Luna). \$62.5K escrow, balance in cash at closing. Combo with KZXR-AM (see below). **Broker:** The Exline Co.

\$742,500 WOCA-AM Gainesville-Ocala FL (Ocala FL) from Greater Ocala Broadcasting Corp. (Robert Hauck) to Westshore Broadcasting Inc. (Ronald & Ed Roseman). \$25K escrow, balance in cash at closing. **Broker:** Hadden & Associates

\$600,000 WQAK-FM & WYVY-FM Union City TN, 75% stock sale of Twin States Broadcasting Inc. from Gary Eckert, Wayne Barker & Mickey Smith to Rodney Taylor (100% thereafter). Three notes for \$200K each. Existing **duopoly**.

\$500,000 KZXR-AM Tri Cities WA (Prosser WA) from Mike & KarLynn Funk to Moon Broadcasting Prosser LLC (Abel, Abel A., Arelia, Krystina, Alejandro & Yesenia de Luna). \$62.5K escrow, balance in cash at closing. Combo with KZXR-FM (see above). **Broker:** The Exline Co.

BROADCAST INVESTMENTS™

Feb 2—RBR Stock Index 2000

Company	Mkt:Symbol	1/26/00 Close	2/2/00 Close	Net Chg	Pct Chg	2/2/00 Vol	Company	Mkt:Symbol	1/26/00 Close	2/2/00 Close	Net Chg	Pct Chg	2/2/00 Vol
Ackerley	N:AK	17.000	16.375	-0.625	-3.68%	13200	Hearst-Argyle	N:HTV	25.438	24.188	-1.250	-4.91%	20600
Alliance Bcg.	O:RADO	0.200	0.188	-0.012	-6.00%	0	Hispanic Bcg.	O:HBCCA	106.375	98.500	-7.875	-7.40%	164000
Am. Comm. Ent.	O:ACEN	2.938	2.875	-0.063	-2.14%	6800	Infinity	N:INF	35.313	34.250	-1.063	-3.01%	1275600
Am. Tower	N:AMT	39.750	39.250	-0.500	-1.26%	1703500	Interrep	O:IREP	14.250	13.125	-1.125	-7.89%	74000
AMFM Inc.	N:AFM	79.313	79.438	0.125	0.16%	821100	Jeff-Pilot	N:JP	60.313	59.063	-1.250	-2.07%	205800
Belo Corp.	N:BLC	15.938	15.938	0.000	0.00%	423100	Launch Media	O:LAUN	21.000	18.250	-2.750	-13.10%	39600
Big City Radio	A:YFM	8.125	7.625	-0.500	-6.15%	9500	NBG Radio Nets	O:NSBD	2.750	2.375	-0.375	-13.64%	18200
CBS Corp.	N:CBS	62.250	58.750	-3.500	-5.62%	2065900	New York Times	N:NYT	46.625	45.875	-0.750	-1.61%	565400
Ceridian	N:CEN	16.000	15.875	-0.125	-0.78%	891100	Pinnacle Hldgs.	O:BIGT	43.750	46.375	2.625	6.00%	360300
Cir.Rsch.Labs	O:CRLI	2.375	3.125	0.750	31.58%	0	PopMail.com	O:POPM	4.125	4.125	0.000	0.00%	658900
Citadel	O:CITC	52.438	50.875	-1.563	-2.98%	208400	Radio One	O:ROIA	81.250	75.000	-6.250	-7.69%	174800
Clear Channel	N:CCU	88.625	88.813	0.188	0.21%	1004100	Radio Unica	O:UNCA	25.000	22.625	-2.375	-9.50%	179600
Cox Radio	N:CXR	91.750	84.000	-7.750	-8.45%	10700	RealNetworks	O:RNWK	169.875	161.438	-8.437	-4.97%	1590500
Crown Castle	O:TWRS	34.000	33.250	-0.750	-2.21%	1175200	Regent	O:RGCI	12.000	11.813	-0.187	-1.56%	1192900
Cumulus	O:CMLS	48.250	40.875	-7.375	-15.28%	491200	Saga Commun.	A:SGA	21.875	21.500	-0.375	-1.71%	41800
DG Systems	O:DGIT	7.875	7.750	-0.125	-1.59%	115500	Salem Comm.	O:SALM	18.000	17.875	-0.125	-0.69%	49700
Disney	N:DIS	36.500	37.250	0.750	2.05%	9284300	Sirius Sat. Radio	O:CDRD	47.250	45.875	-1.375	-2.91%	477500
Emmis	O:EMMS	104.984	92.625	-12.359	-11.77%	390100	Spanish Bcg.	O:SBSA	34.000	33.750	-0.250	-0.74%	261500
Entercom	N:ETM	62.000	58.875	-3.125	-5.04%	271300	SpectraSite	O:SITE	19.500	21.563	2.063	10.58%	14503600
First Entertain.	O:FTET	1.656	1.600	-0.056	-3.38%	134700	SportsLine USA	O:SPLN	39.313	33.375	-5.938	-15.10%	199200
Fisher	O:FSCI	57.000	57.000	0.000	0.00%	1800	TM Century	O:TMCI	0.750	0.750	0.000	0.00%	0
FTM Media	O:FTMM	11.000	10.500	-0.500	-4.55%	2700	Triangle	O:GAAY	0.034	0.030	-0.004	-11.76%	41000
Gaylord	N:GET	28.375	28.000	-0.375	-1.32%	6000	Tribune	N:TRB	43.563	44.813	1.250	2.87%	1159800
Gentner	O:GTNR	13.563	12.563	-1.000	-7.37%	43100	WarpRadio.com	O:WRPR	4.500	4.125	-0.375	-8.33%	0
Global Media	O:GLMC	7.125	8.250	1.125	15.79%	210600	Westwood One	N:WON	69.125	60.938	-8.187	-11.84%	376500
Harman Intl.	N:HAR	61.813	57.250	-4.563	-7.38%	51400	WinStar Comm.	O:WCII	74.500	70.719	-3.781	-5.08%	559700
Harris Corp.	N:HRS	32.000	30.813	-1.187	-3.71%	343600	XM Satellite	O:XMSR	32.375	29.813	-2.562	-7.91%	453000

CBS's Talks With Chris-Craft Industries Intensify

Wall Street Journal—CBS Corp.'s (N:CBS) negotiations to acquire TV station group Chris-Craft Industries (N:CCN) are heating up again, according to people familiar with the matter.

Representatives of CBS and Chris-Craft have been meeting to hammer out a deal, which could be valued at as much as \$3.5B. CBS, which has agreed to be acquired by Viacom (N:VIA), is pursuing the deal on behalf of both companies.

Talks pursued by New York-based Chris-Craft with News Corp. (N:NWS), another potential buyer, have ended, people familiar with the matter said. Tribune Co. (N:TRB), another potential buyer, isn't expected to pursue a deal with Chris-Craft.

An agreement with CBS, also based in New York, faces obstacles, however. Chris-Craft has shown little urgency in its desire to finalize a deal, and its talks with CBS have dragged on for months. As a result, people familiar with the matter stressed that the negotiations could still break down.

Chris-Craft owns 10 TV stations and has \$1.4B in cash on hand. The value of the TV stations has soared since the federal government announced new ownership rules in August allowing broadcasters to own two TV stations in a market. The company is particularly valuable to a merged Viacom-CBS, because Chris-Craft is a partner with Viacom in the UPN TV network. Viacom requires regulatory approval to retain an interest in UPN after acquiring CBS, whether or not a deal with Chris-Craft is also completed.

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Westwood splitting stock

Westwood One (N:WON) announced plans for a two-for-one stock split for both its common and Class B stock. First though, shareholders will have to approve an increase in the company's authorized shares. Shareholders of record on 2/8 will be eligible to vote on increasing the number of shares WW1 is authorized to issue.

Ceridian posted gains

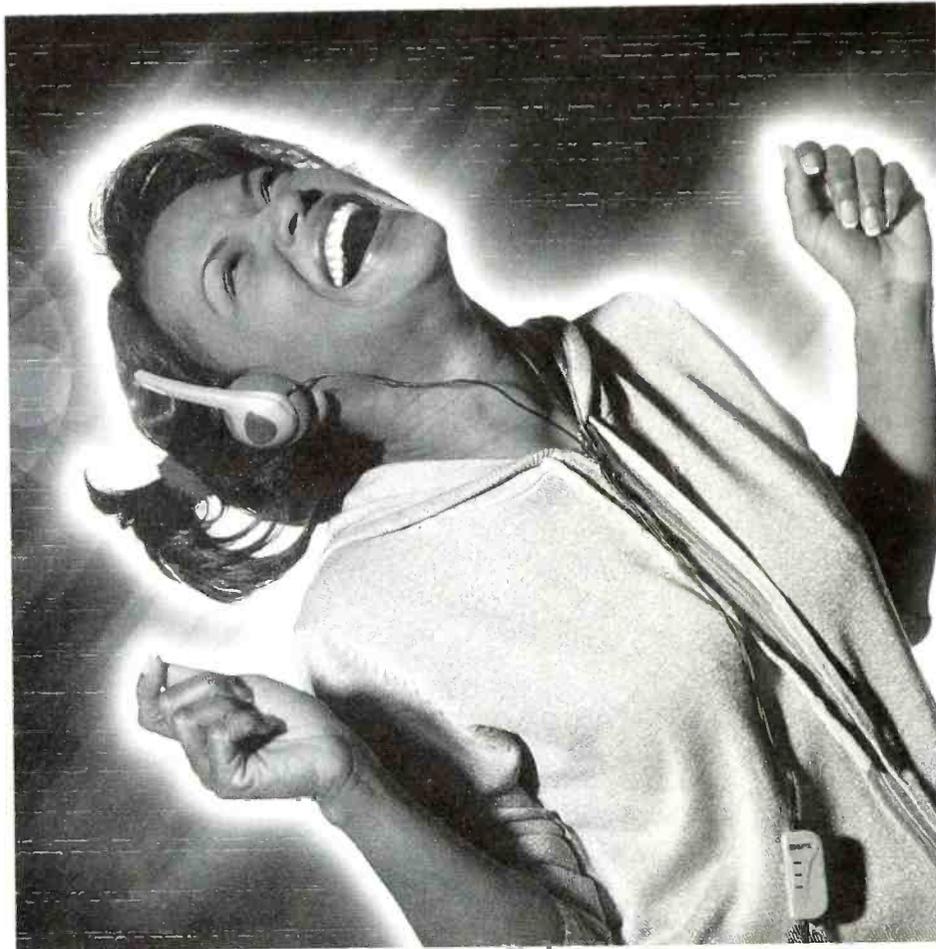
Full year 1999 revenues and earnings were up modestly for Ceridian (N:CEN), as well as for its Arbitron subsidiary. For the entire company, revenues rose to \$1.34B from \$1.16B and net earnings increased to \$148.9M from \$140.1M.

For Arbitron, 1999 revenues increased to \$215.4M from \$194.5M in 1998.

Harris sales up 6%

Harris Corp. (N:HRS) reported a 6% increase in sales, to \$441M, for its fiscal Q2, which ended 12/31/99. Income from continuing operations declined, however, to \$22.9M from \$24.6M a year earlier. The company noted that the quarter's earnings per share of 18 cents beat the consensus of Wall Street analysts, who had been expecting two cents less.

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