

Radio Business Report™

Voice Of The Radio Broadcasting Industry®

October 15, 2001

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The collapse of the World Trade Center and its antenna mast has sent stations scurrying back to an old standby, the Empire State Building. But it's going to be an engineering feat to find room for everyone who needs space atop the mid-town landmark. **Page 5**

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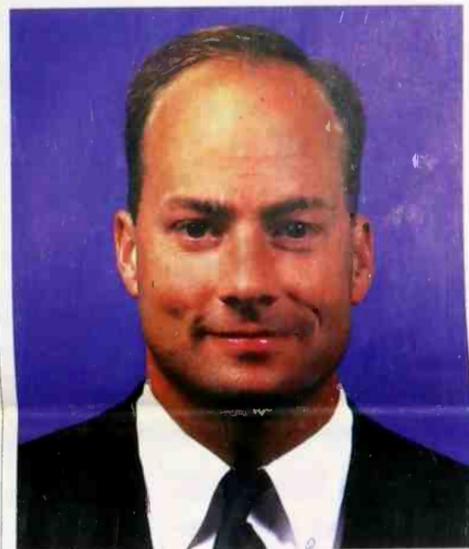
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Clear Channel snares Ackerley for \$800M

Rather than selling off its radio stations to get out of its financial crunch (RBR 10/8, p. 6), The Ackerley Group (N:AK) is selling out lock, stock and barrel. Clear Channel Communications (N:CCU) has a deal to buy the entire company for \$800M. Ackerley shareholders will receive 35% of a Clear Channel share for each Ackerley share in the stock-swap merger. Clear Channel will also be assuming about \$300M in debt from Ackerley.

Although radio is the smallest of Ackerley's three businesses, its five Seattle stations are a prize catch for CCU, since Seattle is the only top 20 US market where it doesn't yet have a radio presence.

"We believe, prospectively, there is a great deal of upside yet to be achieved from



our radio segment once it's joined in to the family of Clear Channel Communications," said president **Chris Ackerley** in a Wall Street conference call. "We're obviously very bullish that with their operating acumen, as a shareholder we should see improvement in those margins."

More of the details of this deal, a market-by-market look at synergy and analysis appear on page 6.—JM

Rush admits near deafness; the show will go on



As **Rush Limbaugh** announced on his show 10/8, he is currently 100% deaf in his left ear and retains only 20-30% of hearing in the right ear. Listeners have noticed a marked change in Limbaugh's speech and tonal qualities, but the issue was never before brought up on the show. The rare and debilitating disease, "Autoimmune Inner Ear Disease" (AIED), began last May. Limbaugh's increasing absences from the show were blamed on golf outings, but in reality, as Rush admitted, these were trips to the doctor for batteries of tests and treatments.

The nation's most listened-to Talk show host said he could no longer hear TV and radio programs and had difficulty carrying on conversations. "I don't hear smoke alarms—you know how loud they are. I've tested the loudest things I can imagine and I don't hear them...I cannot hear myself speak. I have taken two phone calls today and have not heard a word the callers said to me," Limbaugh said on the show 10/8. His staff has worked out ways to communicate to him what callers say, he added, including teleprompting on a computer screen.—CM

RBR observation: From my personal and professional dealings with Rush Limbaugh since 1973 I've found him to be a man who never falters.

Yes, he is opinionated. That's his shtick. But he is a pro! He is one of the very few people I know personally who has the true passion for this radio business.

Whether or not Rush is able to recover his hearing, he will carry on and continue to succeed. As I've told people in the past, "the only way to shut up Rush will be with duct tape."

The hearing problem will not stop Rush from excelling with his daily radio program. Why? Because his success is not due to his hearing, or even his voice. Rush's success is due to his mind. He is constantly thinking about his program and how everything happening in the world impacts this country and his listeners. His life is his show prep and the two cannot be separated.

When I worked with Jeff Christie in Pittsburgh and Kansas City he was a pro, totally devoted to radio and to his audience. The only thing that has changed since then is his name. Rush Limbaugh is still the real deal—a totally devoted radio guy. He won't let his audience down and he won't let his affiliates down.

Affiliates and advertisers should not worry for even a moment that Rush won't continue to deliver. Whether he can hear the applause or not, he will continue to deserve it.—Jim Carnegie, Publisher



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Executive Editor Jack Messmer
Managing Editor Dave Seyler
Senior Editor Carl Marcucci
Production Michael Whalen
VP Administration Cathy Carnegie
FCC Research Consultant Mona Wargo
Administrative Assistant April Olson
Publisher **Jim Carnegie**
VP/GM, Associate Publisher Ken Lee
Senior Account Executive John Neff
Account Executive June Barnes

Editorial/Advertising Offices
6208-B Old Franconia Road
Alexandria, VA 22310
PO Box 782 Springfield, VA 22150

Main Phone: 703/719-9500
Editorial Fax: 703/719-7910
Sales Fax: 703/719-9509
Subscription Phone: 703/719-7721
Subscription Fax: 703/719-7725

Email Addresses

Publisher: JCarnegie@rbr.com
Editorial: RadioNews@rbr.com
Sales: KLee@rbr.com
JNeff@rbr.com

Bradenton, FL Office
Jack Messmer

Phone: 941/792-1631
Fax: 253/541-0070
Email: JMessmer@rbr.com

Nashville, TN Sales Office
June Barnes

Phone: 615/360-7875
Fax: 615/361-6075
Email: JBarnes@rbr.com

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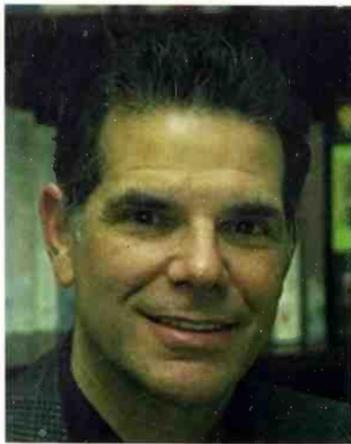
Our publications are read by the best people in radio—even a few who've found themselves "between positions." One of them may be just the pro you're looking for.

Advertisers stick with Limbaugh

With the announcement that Premiere Radio Networks' **Rush Limbaugh** is almost completely deaf and undergoing treatments (see cover), Premiere President/COO **Kraig Kitchin** reassured attendees at a 10/11 press conference that the program's advertisers have been very supportive: "Rush has more than 100 advertisers, nine of which have voice-over talent relationships. We were in touch with all sponsors of the show the Monday before Rush made his announcement and I can tell you that all have been supportive of his condition. His voice-over clients—including Citrical, Bose, Select Comfort and Hotwire—have responded very well. Some have, in fact, extended time to their contracts and Rush has already re-recorded the Bose spots to mention his hearing loss." Limbaugh is heard on more than 600 affiliates.—CM

Myers sees continued pessimism

Jack Myers' monthly survey of advertiser and media buying executives found no great increase in pessimism following the 9/11 terrorist attacks, but also no sign yet of a turnaround in ad spending. 32% of respondents (the survey was conducted the week of 9/24) said they expected their media spending to decrease over the next 12-18 months, only slightly higher than the 27% figure a month earlier. Only 16% planned to increase ad spending, down from 23%.



Virtually no one surveyed (a mere 2%) now expect a media recovery to begin in early 2002, 20% say mid-year, 36% late 2002 and 24% early 2003.

"There is a distinct possibility of more terror attacks in the United States, which would deal another body blow to several advertiser categories," Myers warned in his latest report.

On a media-by-media basis, Myers' survey found advertisers planning to shift slightly toward radio and more heavily toward direct response advertising. "Local radio appears to be especially well positioned for growth, although the primary beneficiary of spending increases will be the direct marketing industry," Myers noted.—JM

Lawyers Guild sends in the cavalry to combat Calvary

National religious organization Calvary Chapel has been very busy

filing applications for low power FMs. Now the National Lawyers Guild Center on Democratic Communications, the Microradio Implementation Project and the Prometheus Radio Project have been just as busy objecting to them. At least 32 proposed Calvary Chapel FMs drew informal objections.

The Guild's (et al) two-part objection claims that Calvary's local licensees are not substantially different from the national organization, and have not demonstrated that in each case the broadcasts will have "a distinct local presence and mission." They note that in most of the Calvary applications, a boilerplate description of local broadcast intent is used. "Despite these generalities," they write, "there is no mention of anything 'distinctly local' in this statement of educational purpose. The applicant does nothing to distinguish its 'distinct local purpose' from that of the national Calvary Chapel, nor does it satisfactorily explain how it intends to distinguish its programming from that of the national Calvary Chapel or the Calvary Satellite Network."

Part two of the objection notes the Commission's prohibition of any entity owning more than one LPFM in the first two years of the service's existence.

Calvary is also subject of a petition to deny filed by Durango, CO-based Proclaiming Christ's Love Ministries Inc. (PCLM). PCLM objects to Calvary's proposal to build an LPFM on 96.1 MHz. PCLM has a translator in town, which rebroadcasts the 42-miles distant signal of KPCL-FM Farmington, NM on 105.9 MHz. That is not the problem. Calvary's 96.1 signal, seven miles from PCLM's translator, is a second-channel adjacency to KPCL on 95.7 MHz, and would effectively prevent the translator from receiving its host signal.—DS

RTNDA holds meeting with FAA about helicopter ban

The Radio-Television News Directors Association (RTNDA), representatives from the TV networks, local stations, the NAB and the news helicopter industry met with the FAA 10/5, stating their case to get news helicopters back in the air in a number of major cities. The FAA has continued its grounding of flights in some cities, after the 9/11 terrorist attacks.

The meeting was held with FAA chief counsel **David Leitch** and other FAA officials. The RTNDA said that news helicopters pose no threat to national security, citing that crop dusters, small planes with student pilots, and other service planes have since been allowed back in the air.

The FAA says while it cannot reverse the ban on its own, it will forward information to the National Security Council and other agencies. They asked the group to supply information about the number of aircraft involved, the names and number of people who fly in the choppers, whether security checks have been done and information about where the aircraft are stored and whether they are locked, monitored and guarded when not in use.



The dAug days of summer: Revenues record still lackluster

The latest revenue report from the Radio Advertising Bureau continues radio's unwanted romance with the red inkwell. Total dollars were down 6%. Local business, which had stemmed the bleeding somewhat in July with a mere 1% loss, reverted to June's uglier minus 4% figure. National, on the other hand, was able to maintain its July level—if you can call a 14% drop encouraging, than the August national performance was encouraging.

YTD, local business is down 3%, which, when a 19% drop in national business is figured in, results in a total business loss of 7%.

RAB also compares current figures to base year 1998, before the abrupt entrance and departure of the dot-coms from the radio advertising landscape. With 1998 equalling 100, August 2001 stands at 123.8 and national at 111.2, for a total of 120.6. YTD, local is 131.0, national is 118.8, combined is 128.4.

Said RAB President/CEO **Gary Fries**, "Radio remains uniquely positioned to fare better than most media during this uncertain economic climate. Small and medium market activity remains healthy on the local level and radio's core categories remain strong."

RBR observation: August 2000 marks the end of the string of months which provide truly tough comps. Last August, business had slowed significantly from its earlier pace which saw five consecutive months of 20% plus growth (January-May). It did, however, maintain radio's string of double-digit gainers, although just barely, with a 10% gain in total business (11% local/6% national).

In September 2001, local was up only 6%—the kind of number you might see in any normal year—and national began its slide into red ink with a 6% loss. Total business was up only 3%.

September 2000 numbers would have given radio a chance to finally return to black ink when it comes to comps. But September 2001 has been anything but a normal month—many radio stations wrote off nearly a week's worth of business, to say nothing of ongoing changes in advertiser behavior. It will be interesting to see how this plays out.—DS

Since 9/11 restrictions on news flights have been completely lifted outside the 30 largest markets. Some larger markets have been allowed to fly news choppers in suburban zones.—CM

AP Radio Network says demand up from music stations

The AP says demand is on the rise for its Network News audio service, among music-intensive stations. In one week 20 more music stations and one news/talk station have added the service in response to the country's increased public demand for news and information. In addition, another 10 stations have added more AP Radio content—primarily AP's 24-hour news text service—to their existing agreements.—CM

XM says the slowing economy means cost-cutting moves

XM Satellite Radio (O:XMSR) CEO **Hugh Panero** told the *Washington Post* 10/9 in response to analyst concerns that XM has moved to cut some costs. "We have a great product in a bad economy," he said. Panero will refocus the company's marketing strategy, making cost reductions and developing added financing deals.

In a recent report, Morgan Stanley said XM and Sirius Satellite Radio (O:SIRI) were operating in a "high-risk sector" where wide-

spread consumer adoption of their product is questionable at this time. Morgan Stanley's **Vijay Jayant** urged both companies to hold down costs. Merrill Lynch downgraded XM's stock rating from accumulate to neutral last week.

XM has spent \$1.5B so far and doesn't expect to make a profit until '04, where it hopes to have 4M subscribers. The company thinks it will need to raise another \$250-\$300M to operate in '02.—CM

NLRB orders Metro Networks to rehire two staffers

The case originated back in January of 1998 when anchors **Randy Brocklehurst** and **Mary Colleen** were fired for working to unionize the Philadelphia Metro/Shadow offices (pre-Westwood One). A federal judge ordered 10/9 Metro in Philadelphia to rehire the two, plus back-pay and interest, based on the National Labor Relations Board (NLRB) upholding AFTRA's submission that Metro cannot force former employees to waive their rights to sue or file charges against Metro or to assist in suits against Metro in exchange for severance checks.

Metro-Philadelphia was ordered to post a notice in the offices that says it has violated the NLRB Act and will now abide by a list of NLRB rules. So far, more than 10 Metro/Shadow offices have opted for AFTRA union representation.—CM

RAB develops sessions for advertising in trying times

The RAB has developed three special sessions at its training Academy to help the radio industry sell and survive after the recent national tragedies, combined with waning consumer confidence and a slow economy. Each session is focused on "Selling During Times of Military Action and Economic Recession," and is designed to address and target the specific needs of SMs and sales professionals. The first session, to be held 10/16-10/18, is an advanced program intended for Academy graduates, SMs and senior AEs.

Upon completion, students will be given an opportunity to earn their CRMC (Certified Radio Marketing Consultant) or CRMS (Certified Radio Marketing Specialist) accreditation.

The second session, scheduled 11/5-9, is geared to sales professionals who are new to the radio industry and provides a foundation in basic radio sales training. At the end of the session, students will be allowed to earn their RMP (Radio Marketing Professional) accreditation.

The third session is developed exclusively for GMs. It will be held 11/27-29. It will offer insight into how to manage and motivate a sales staff in the current turbulent marketplace and focuses on cluster management, recruitment and other management-specific topics.—CM

Wind-up radios being dropped over Afghanistan

Along with food rations, BBC News is reporting US forces have been air-dropping hundreds of small wind-up radios into Afghanistan that are said to automatically tune into information broadcasts issued by the US military.

BBC News says Freeplay, the radio manufacturer, says it has recently had orders for "tens of thousands" of radios for the region.

"Afghans rely on radio more than any other media...Radio is seen as a key weapon in the current conflict, since it is one of the few forms of media available to Afghans. The ruling Taliban forbid television and with high levels of illiteracy, newspapers command only a select audience," said the report.—CM

Preparing proper paperwork

Communications law firm Borsari & Paxson notes that the adoption of new ownership forms by the Commission in September 2000 means that stations filing ownership reports for the year 2001 cannot simply certify that there have been no substantive changes to information already on file. The adoption of the new form means that the new form must be filled out in its entirety. It will no doubt take fine attention to the new form to avoid a fine.—DS

Softer, please: Terrorists affect playlists

A study from Kelly Music Research has detected a trend toward slower and more melodic music in the wake of the terrorist attacks of 9/11. Positive themes are in; aggressive, percussive styles are out.

As with the big Hollywood studios, record companies are tweaking release schedules, rushing more soothing cuts to radio stations, while putting a hold on others of a more jangling nature. In one case, Atlantic recording artist Bush renamed a single, going with "The People We Love" rather than the song's original title, "Speed Kills."

Kelly does not speculate on how long the trend will hold. The firm notes, however, that with military action just beginning to heat up, and with continued flareups and alarms on the home front (such as the Florida anthrax scare), that it could hold sway for some time to come.—DS

Urban/CRL tightening belt in face of economic forecasts

Even companies that are doing well are making staff cuts. After some fantastic consecutive quarters, Urban/CRL (O:CRLI) recently laid off seven people in a cost-cutting move, including Advertising Marketing Manager **Kerrell Paige**.

"It's true we laid off a few people, says CRLI VP/COO **Jim Seemiller**. "And those had been layoffs that we had been planning for the last couple of months. You understand the general state of economy within the radio business. All we did is take a look at where we thought business might be in

Q4-Q1 and Q2 of next year and just began to address things before as opposed to last-minute. As I look over my shoulder, I bet there's 200 companies that have done the same thing."

Seemiller says the cuts were made in sales, marketing and product management.—CM

HBC strikes content deal with MSNBC.com

Hispanic Broadcasting Corp. announced 10/8 a content-sharing agreement where it is providing Spanish-language local news content for the MSNBC.com affiliate network of websites with "netmio.com," HBC's web venture. Netmio will also provide links from its websites to MSNBC.com. HBC will furnish selected local Spanish language news content from Chicago, Dallas, Houston, Los Angeles, McAllen/Brownsville, Texas, Miami, New York, San Antonio, San Diego and San Francisco.—CM

Marshals seize Michigan pirate's equipment

The *Toledo Blade* reports controversial Rev. **Rick Strawcutter**, nationally known for battling the federal government over the pirate radio station he runs from his church in Adrian, MI (between Toledo and Detroit) was pulled off the air 10/7 by Judge **Gerald Rosen** of the US District Court in Detroit.

"Radio Free Lenawee" (Lenawee County) was broadcast on 99.3 MHz from a small room inside the Church of Our Lord Jesus Christ. Marshals seized radio equipment including ampli-

ers and part of a satellite receiver. The judge would not allow marshals to take the church's 100-foot tower and antenna, but warned that it would be taken down if transmissions were attempted before the case is settled. Marshals served Strawcutter papers on 10/4 that ordered the station to stop operations.

Strawcutter has operated the station without a license since '96. Programming had featured nationally known conservative speakers, gun control issues and his own political conspiracy theories.—CM

Should GM be on your Bill of fare?

Detroit Radio Advertising Group President **Bill Burton** notes that General Motors is getting set to spend some money. Importantly, its dealer group money is being consolidated under GM Planworks, and time buying will be handled by LCI. General Motors Executive Director of Media & Marketing Operations **Michael Browner** has signed up 290 dealer groups, and he expects that radio could have a bigger role than previously.

Burton suggests not only conducting business as usual (contacting media planners about possible GM buys), but also pitching the LCI buying group. Burton suggests LCI will be able to pay more attention to local and national opportunities than its client GM at this time.—DS

Scarborough goes national

Syndicated local consumer research firm Scarborough Research is offering new numbers which take a look at consumer patterns on a national basis.

Using data from its 75 measured markets, and additional data from all US states except Alaska, the company can now provide a national overview which puts local consumer behavior into perspective.

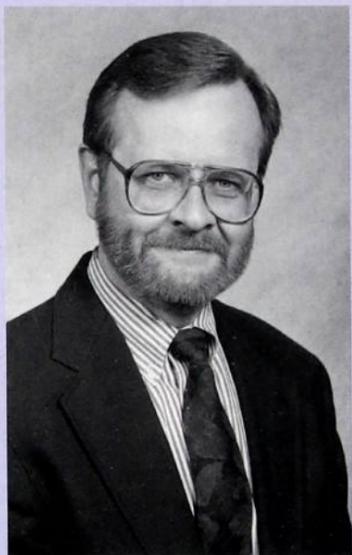
"Our strength has always been local market consumer research," said Scarborough President **Bob Cohen**, "and it has been increasingly crucial to provide our clients with a robust national benchmark for their local and regional data."

The report, based on interviews and product booklets with 100,000 responding adults 18+, is available immediately.—DS

Sirius downplaying lawsuit

Sirius Satellite radio is downplaying a class action suit filed against it in US District Court of Vermont by investor **Paul Sterbenk**. The suit claims the company misinformed shareholders, saying it would launch its commercial service by the end of 2000 or early in 2001, changing key elements of its service, including deviating from a commercial-free dictate, upping subscriber costs, repeatedly delaying the commercial launch date and not originally admitting the service would need ground repeaters. It also claims the receiver chipset production delays were not detailed in a timely manner to investors. The suit asks for remedies under the Securities and Exchange Act of 1934.

Sirius responded 10/8: "These claims are frivolous and without merit, although the complaint was an entertaining piece of fiction. We have fully complied with all SEC disclosure requirements and will vigorously defend ourselves," said **Patrick Donnelly**, Sirius Senior Vice President and General Counsel.—CM



Peacock to assemble data on radio ads

The Board of Directors of the Radio Ad Effectiveness Lab (RAEL) has hired consultant **James Peacock** to coordinate the activities of the RAEL. His first task will be to assemble all past research which can be found, worldwide, on the effectiveness of radio advertising.

Before founding his own firm, Peacock Research Inc. in 1996, Peacock was Vice President of Research for Arbitron. He had also worked in research at Susquehanna Broadcasting.

RAEL, whose formation was announced in September at the NAB Radio Show, is out to work with advertisers, agencies and radio broadcasters to study how radio advertising works and to measure its effectiveness. The RAEL Board of Directors is co-chaired by RAB President & CEO **Gary Fries** and Arbitron President/US Media **Owen Charlebois**.—JM

Superduopoly hits the 60% mark

Superduopoly totals for stations in Arbitron-rated markets went over the 60% mark during the last week of Q3 2001. Total consolidation, adding in stations in a duopoly combination, is on the threshold of 80%—it's half a percent below that level.

A superduopoly cluster has a minimum of three same-service stations, with a maximum of five in one or the other, and is generally limited to eight stations in the largest markets. A duopoly cluster has at least but no more than two stations in the same service, and can be up to four stations (two of each).

The chart below shows the breakdown by market size. It includes all deals filed or announced through 9/24/01.—DS

Markets	Stns	Super	Consol
1-50	1570	57.2%	81.0%
51-100	1155	64.2%	80.6%
101-150	867	56.9%	76.7%
151-200	890	61.7%	78.8%
201-250	693	64.8%	78.6%
251-down	431	56.8%	78.9%
TOTAL	5606	60.2%	79.5%

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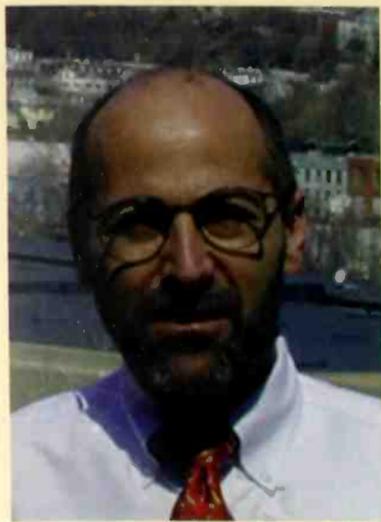
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Rock through my ages

by John Camilleri

When I was considering about what topic to write, NTR and a whole host of other traditional radio topics came to mind. Then I said, "Nah, let's look at radio a little bit differently, how it's affected me and how I grew up with it." So, here we go.

Anyway, my first radio was a white GE transistor (AM only) with a 9-volt battery and scratchy reception whenever you changed the volume. Growing up in the New York area, we listened to one station in the late 60s and you know who it was—77 WABC. Big **Rob Lundy**, **Cousin Brucie** and the WABC Chime Time team with basso profundo voices that would blow out



today's subwoofers. I had a reel-to-reel tape deck and would place the microphone next to the radio's speaker and record Tommy James & the Shondells songs! All in mono.

Then I scrimped and saved and got a cheapo stereo system with an 8-track player. The tapes were expensive and after about 25 or 30 plays — they stretched and sounded like someone was playing them in reverse. *Sly and the Family Stone's Greatest Hits* was the first 8-track I ever bought and I played it to death. Cassettes were next and they actually sounded decent compared to 8-tracks. I grew up in Maspeth, Queens in a room that is smaller than the closet I now use. Like most kids, I had speakers as big as file cabinets that shook our walls (as well as our next door neighbor's!)

We used to "hang out" in the '70s on the service road of the Long Island Expressway not far from 74th Street at the "Triangle." It was a triangular piece of public park, 5 miles from the Empire State Building and nestled up against the LIE, that was all ours. The rumble of the LIE drowned out the noise we made and nobody bothered us.

Nobody bothered us, that is, except lost Brooklynites. If they were nice and didn't have an attitude, we gave them the right directions to LaGuardia airport or Queens

Boulevard or wherever. Otherwise, they got the tour of the Sanitation Department Garage and Queens' many cemeteries. Life lesson—treat everyone as you would like to be treated as rewards or unknown pitfalls could result.

Year round, 20 degrees or 100—our butts were on those Triangle benches. **Louie Pitelli** had the boom box the size of a small suitcase and we all chipped in for batteries (and beer) since this monstrosity went through them every two days. We listened mostly to 'NEW with **Vince Scelsa** and **Scott Muni**—he actually sounded human back then. We all played air guitar, air drums, air bass, air everything. We all went to the Garden for concerts. WPIJ was formatted much as it is now as a CHR, but they played dance/disco. I can still hear the Metalheads yelling "Disco Sucks—Change IT" whenever Z100 or PLJ played **Donna Summer**. 93 WPAT (now a Spanish Adult Contemporary) was the station your parents listened to out of Paterson, NJ. How times change!

In college during the late 70s, it was still 'NEW, but it was more "relationship" radio with The Nightbird, **Alison Steele** coming on at 10PM and playing until 2AM. She would always have this long intro, but she played some great stuff. I always stayed up way too late. First heard **Boston** on her show and albums were always \$3.69 at J & R on Park Row.

In the 80s, **Stern** was actually on in afternoon drive on WNBC (66AM — Now WFAN) and I enjoyed him more then, as you could listen to more of the show. I was disappointed when he went to morning drive as I could only listen for the 45 minutes or hour it took me to get to work on the M train, whereas in afternoon drive, you could listen a lot longer. The cool station, of course, was WLIR ("party out of bounds") out of Garden City; they played the New Wave stuff. They had a weak signal, but generally we put enough tin foil on the antenna to bring it in clear enough. **Donna Donna** was the babe DJ at the time.

Then cassettes and albums changed into CDs and well, you're aware of the recent history. Now I download songs onto an mp3 player the size of a credit card, go to the gym and work out to the greatest rock and roll band in the world - KISS. If you can't break a sweat listening to *Rock 'N Roll All Night*, then you're not trying hard enough.

John is VP, Technology Group, Harmelin Media.

He can be reached at 610-668-7900 x144 or jcamilleri@harmelin.com

Arbitron's Fall market rankings plug in Census 2000

There figures to be more than the usual amount of churn in the population rankings of Arbitron radio markets when a new set of base numbers are utilized. That was certainly the case as Census 2000 cleared out Census 1990 as the foundation for rankings. This data is updated and projected to 1/1/02. As usual, other factors can also affect rankings, most notably changes in the geographical area considered home to a particular market.

The same markets are in the top 10 that were there before, but only the top four are in the same order. Dallas ousted Philadelphia from the #5 slot, Washington jumped from #9 to #7, Boston remained #8, Houston climbed up to #9 and Detroit dropped all the way from #7 to #10.

We noted earlier that two markets figured to make significant moves up the chart (*RBR* 10/1, p.7) based on territorial enhancements. We speculated that #122 Madison WI would catapult into the top 100, and it did, coming in at #97. We also thought that #229 Burlington had a shot at the top 200. Talk about defeating our expectations—it rocketed all the way to #141, with well over twice the 12+ population attributed to it before adding in territory in and around Plattsburgh NY. One final mention—Bangor ME more than doubled ins 12+ population, vaulting from #274 to #213.

Below are the top 200 markets—the rest will be published at a later date.—DS

Rank	Market	12+ pop	Fa00	Rank	Market	12+ pop	Fa00	Rank	Market	12+ pop	Fa00
1	New York	15,281,600	1	79	Syracuse	534,800	78	141	Burlington	295,600	229
2	Los Angeles	10,304,900	2	81	Toledo	509,900	81	142	Peoria	289,500	141
3	Chicago	7,477,700	3	82	Springfield MA	509,600	82	143	Newburgh	281,300	142
4	San Francisco	5,811,300	4	83	Baton Rouge	493,200	84	144	Springfield MO	280,300	147
5	Dallas	4,298,800	6	84	Greenville NC	490,300	83	145	Ann Arbor	279,300	146
6	Philadelphia	4,222,400	5	85	Little Rock	489,900	85	146	Tyler	278,800	143
7	Washington	3,885,300	9	86	Gainesville	459,700	89	147	Montgomery	277,800	145
8	Boston	3,871,700	8	87	Stockton	459,000	87	148	Eugene	275,600	144
9	Houston	3,860,600	10	88	Columbia SC	458,900	93	149	Fayetteville AR	272,300	155
10	Detroit	3,838,600	7	89	Des Moines	453,800	92	150	Salisbury	271,600	152
11	Atlanta	3,529,900	11	90	Bakersfield	453,100	91	151	Huntington	267,800	148
12	Miami	3,386,200	12	91	Mobile	450,500	90	152	Rockford	267,700	150
13	Puerto Rico	3,179,800	13	92	Wichita	449,900	88	153	Macon	260,000	149
14	Seattle	3,013,200	14	93	Charleston SC	446,500	86	154	Killeen	253,100	151
15	Phoenix	2,646,800	15	94	Spokane	444,900	94	155	Evansville	248,100	156
16	Minneapolis	2,453,700	17	95	Daytona Beach	441,000	95	156	Utica	247,700	154
17	San Diego	2,377,500	16	96	Colorado Springs	431,800	96	157	Flagstaff	245,600	158
18	Nassau-Suffolk	2,360,500	18	97	Madison	429,300	122	158	Palm Springs	244,100	153
19	St. Louis	2,155,200	19	98	Johnson City	419,200	99	159	Savannah	242,600	157
20	Baltimore	2,152,400	20	99	Lakeland	416,000	98	160	Poughkeepsie	238,100	159
21	Tampa	2,110,500	21	100	Melbourne	414,900	97	161	Erie	232,800	160
22	Denver	2,036,300	23	101	Ft. Wayne	413,400	103	162	Portland ME	226,600	163
23	Pittsburgh	2,005,100	22	102	Lexington	412,600	106	163	Fredericksburg	226,000	—
24	Portland OR	1,841,900	25	103	Lafayette LA	411,300	102	165	Tallahassee	226,000	162
25	Cleveland	1,792,900	24	104	New Haven	410,600	101	166	New Bedford	223,600	167
26	Cincinnati	1,639,400	26	105	Morristown	409,000	100	167	Hagerstown	222,800	164
27	Sacramento	1,541,000	27	106	Chattanooga	406,900	107	168	South Bend	222,200	165
28	Riverside	1,505,900	29	107	York	404,300	105	169	Wausau	221,500	161
29	Kansas City	1,470,100	30	108	Youngstown	403,000	104	170	Myrtle Beach	219,900	175
30	San Jose	1,431,700	28	109	Roanoke	399,600	109	171	New London	216,000	171
31	San Antonio	1,420,000	32	110	Bridgeport	398,200	115	172	Ft. Smith	215,000	172
32	Milwaukee	1,393,800	31	111	Visalia	394,700	108	173	Charleston WV	213,500	166
33	Middlesex	1,361,900	33	112	Augusta GA	394,100	116	174	San Luis Obispo	213,000	169
34	Salt Lake City	1,355,600	36	113	Lancaster	392,100	112	175	Lincoln	212,700	173
35	Providence	1,342,300	35	114	Santa Rosa	390,200	114	176	Binghamton	209,300	170
36	Columbus OH	1,334,800	34	115	Oxnard	386,900	113	177	Anchorage	207,900	168
37	Charlotte	1,298,800	37	116	Huntsville	385,400	111	178	Wilmington NC	207,600	177
38	Norfolk	1,241,500	38	117	Ft. Pierce	382,800	118	179	Columbus GA	204,000	174
39	Orlando	1,239,500	41	118	Worcester	381,500	110	180	Kalamazoo	200,300	178
				119	Portsmouth	372,300	119	181	Lubbock	199,400	180
				120	Lansing	372,000	117	182	Asheville	198,100	182
				121	Boise	366,600	125	183	Johnstown	197,000	176
				122	Jackson MS	365,200	121	184	Cape Cod	195,600	183
				123	Modesto	360,800	123	185	Tupelo	195,600	181
				124	Flint	357,600	120	186	Green Bay	188,900	185
				125	Pensacola	350,600	124	187	Topeka	187,000	184
				126	Fayetteville NC	345,900	129	188	Odessa	186,700	179
				127	Reno	342,500	128	189	Dothan	185,800	186
				128	Canton	341,200	126	190	Manchester	185,300	187
				129	Ft. Collins	331,700	131	191	Yakima	181,200	194
				129	Saginaw	331,700	127	192	Amarillo	180,500	189
				131	Reading	319,800	133	193	Traverse City	179,600	198
				132	Shreveport	319,000	134	194	Waco	178,700	197
				133	Beaumont	317,400	130	195	Danbury	178,400	191
				134	Corpus Christi	306,800	132	196	Morgantown	177,600	192
				135	Atlantic City	303,900	140	197	Merced	177,000	190
				136	Biloxi	302,000	137	198	Terre Haute	175,800	193
				137	Trenton	300,700	139	199	Clarksville	172,300	199
				138	Stamford	300,000	138	200	Chico	171,700	195
				139	Appleton	298,600	136		Santa Barbara	168,800	188
				140	Quad Cities	296,900	135				
				40	Indianapolis	1,236,900	40				
				41	Las Vegas	1,218,300	39				
				42	Greensboro	1,090,700	43				
				43	Austin	1,071,800	47				
				44	Nashville	1,053,500	44				
				45	New Orleans	1,051,500	42				
				46	Raleigh	1,047,100	48				
				47	West Palm Beach	1,013,200	51				
				48	Memphis	1,006,700	45				
				49	Hartford	993,800	46				
				50	Buffalo	976,500	50				
				51	Monmouth	973,200	49				
				52	Jacksonville	948,400	52				
				53	Rochester NY	911,700	53				
				54	Oklahoma City	904,000	55				
				55	Louisville	895,500	54				
				56	Richmond	847,800	58				
				57	Birmingham	836,500	57				
				58	Dayton	825,400	56				
				59	Westchester	797,800	59				
				60	Greenville SC	783,200	60				
				61	Albany NY	738,000	61				
				62	Honolulu	730,400	63				
				63	McAllen	727,600	65				
				64	Tucson	722,600	62				
				65	Tulsa	704,700	64				
				66	Grand Rapids	666,000	66				
				67	Wilkes Barre	652,100	68				
				68	Fresno	636,600	67				
				69	Allentown	631,700	69				
				70	Ft. Myers	624,200	72				
				71	Knoxville	598,300	70				
				72	Albuquerque	590,700	74				
				73	Akron	586,200	71				
				74	Omaha	571,200	75				
				75	Wilmington DE	551,400	76				
				76	Monterey	546,800	77				
				77	El Paso	545,200	73				
				78	Harrisburg	537,200	79				
				79	Sarasota	534,800	80				

The Empire Strikes Back



Since the fall of the World Trade Center, the Empire State Building (ESB) is, of course, once again the tallest building in New York City. Years ago, ESB was home to all of the city's TV antennas and many of the FMs. The plan now is to make it that home once again. "Unfortunately, under the circumstances, we've sort of become the only ballgame in town. And what we've set out here to do is accommodate as many of the stations as we possibly can. Because of the two sites that were in New York, everything was basically spread between them. Now, we have to try and fit everything onto one site," says **Alex Smirnoff**, Engineer/ESB Director of Communications. "We have to maximize the use of every inch of aperture on that tower. And it's not really going to be that easy, as I've discovered, and as everybody is discovering. One of the criteria that we have tried to get across to everybody is that no one station can enjoy the luxury of a single aperture to themselves. We're going to insist on as much sharing as possible by diplexing, preferably multiplexing such stations as can be multiplexed together on single antennas. That way, hopefully, we can get everybody back up on the air quickly."

Since 9/11, WPAT-FM, WNYC-FM, WNYW-TV5 and WWOR-TV9 have relocated to ESB, all at reduced power. WKCR-FM's antenna is now atop a Columbia University dorm building and WKTU-FM's can be found at 4 Times Square. WCBS-TV2 went almost immediately to its backup site on the ESB. Part of Fox's lease with the building had provisions that allowed them to put up some temporary antennas there for its WNYW and WWOR. As of 9/28, they were up and running. Some of the other TVs including WABC-TV7, WPIX-TV11 and WNBC-TV4 went to the Alpine Park site in New Jersey (The old Armstrong experimental tower) which is up the Hudson River along the Palisades. The broadcasters called Dielectric, got some quick antennas and brought in low-power 1-kw transmitters. The coverage is limited to perhaps 25 miles.



The previous WTC antenna site

Luckily, most of the city's FM transmitting sites were on the ESB—13 in all on the master ERI antenna system and three additional O&O antennas for CBS/WCBS, ABC/WPLJ and Emmis/WQHT-FM. These were the FMs associated with the original ABC, NBC and CBS-TV sites, so they had separate grandfathered deals.

Searching for solutions

All of the NY broadcasters affected have had several meetings that they have included Smirnoff in, discussing what they can do on a long-term basis. "The building has drafted requests for proposals (RFPs) to be sent out to various manufacturers to propose a permanent facility that will get all of the analog stations operating," says **Neil Smith**, partner, DC-based Smith & Fisher. "None of the RFPs have gone out yet. We are sending them to Dielectric, Andrew, Micro Communications, Shively, SWR, Le Blanc and ERI. That's the run-down. They will go out by 10/12 or so." Smith & Fisher are the exclusive engineering consultants for the ESB.



Supplied by ERI President Tom Silliman: The view from atop ESB's antenna mast

Smith & Fisher took over the ESB contract around 1970. Smith gives a little history: "Back in the '50s when the TV stations first put antennas on the ESB, the building hired the firm known as Kear & Kennedy. Dr. **Kear** was essentially responsible for the original installation, which involved five of the TV stations. Subsequently, all of them went on there, but the original was five. Shortly thereafter I came to work for Kear & Kennedy and was involved with ESB work while I was there. And subsequently, I left the firm and formed my own firm. When the firm of Kear & Kennedy dissolved, the ESB folks came to me and asked to continue the relationship."

ESB clients: The new huddled masses

The project Smith & Fisher, the misplaced broadcasters and ESB are embarking on will not be easy. The goal is to get everyone up there, maximize coverage, minimize interference and bring everyone up to FCC contour specs—all while not causing so much RF exposure that visitors to the ESB observation deck glow in the dark upon exiting. Another issue, says Smirnoff, is where to put the added equipment: "The combiner room now is basically maxed out. We would have to make more room. We also have the likes of Port Authority, Nextel and Motorola—there was a myriad of antennas on the Trade

Center and we're going to try and squeeze everybody in as best we can."

"What we're doing right now for practical purposes is trying to get everybody's analog [TV] back up. That's what we're focusing on. Fox and CBS have DTV already. CBS has a panel array on either side of the mast, Fox has two panels lower down on the building. We can put the analogs up, I am confident. CBS analog is already there as the new permanent site. What Neil and I have in mind is to see if there's some way we can come to an agreement with CBS to let the misplaced and current analog UHF's go up there on their UHF DTV antenna. And to then free up the space up at the top to put on the VHF analogs, in a similar fashion to the way it was down on Trade (which in turn, comes back to the configuration we had at this building before 1980). But we are still exploring all of the possibilities." Also located at ESB are WNYE-TV25, WXTV-TV41 and WHSE-TV68.

Probably the most difficult obstacle down the road will be to get all of the DTV signals in the mix. Says Smith: "We don't anticipate any big difficulty with the analog TV stations. Perhaps not exactly the way they might want to, but certainly something that's reasonably state of the art. The difficulty is going to be accommodating digital stuff. I don't have any doubt that it's do-able, but it may be do-able at great expense. There may be some accommodation we can make with the FCC to at least temporarily get out of the DTV schedule. Fox is lucky that their digital is still operating. That is an antenna system that is down lower on the tower. It's not a particularly attractive place to put an antenna, but since it is workable, it may be that other stations may follow their lead in putting antennas lower down on the building. We ultimately want to sign off with the manufacturers and the ESB on a final design and then be involved in implementing it."

Down time may be in the cards

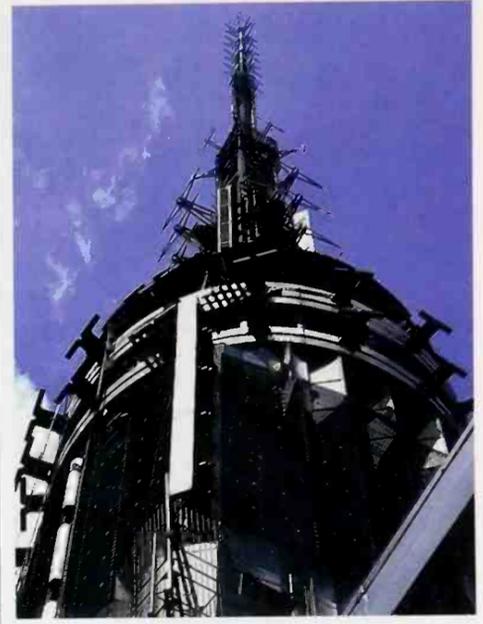
Smith & Fisher will be spending quite a lot of time planning for the new ESB permanent facility. It won't be easy, and complications for FM range may include forcing broadcasters off the air for weeks while the work gets done to re-engineer the combiner system. The O&O antennas mentioned earlier may also have to give up exclusivity to help other broadcasters.

Smirnoff explains, "There's a slight problem here that we're trying to overcome. We have 13 stations in a combiner room with 13 diplexers or filters—combiners. If we were to bring in three additional stations, the system itself would have to be retuned because the stations with different frequencies would have to be put in a frequency order. To do all of that tuning would take two to three weeks, where some stations would end up being totally off the air for that whole time. Fortunately, some of the sites have already built auxiliary sites; four of them are at 4 Times Square/The Durst Building. A couple others have incidental sites in New Jersey. The bottom line is we have our three independents—WCBS, WPLJ and WQHT plus three stations that were left at Trade—WPAT, WKTU and WNYC. That means we have a total of six that we are going to try to fit into the Master FM ERI. Unfortunately, the ERI was built for a max load of 18 stations [IBOC should be a real issue here]. This will take it up to 19. If we don't do this, we may have to build a second master FM."

"It takes really a complete reorganizing of what's up there. We're hoping the manufacturers will give us advice on how this can be done," adds Smith. "Obviously, part of the problem is having people not be off the air for long periods of time while modifications are done. So it takes a lot of logistics. But we've made significant changes there in the past without running into these problems. This is a fairly massive change, so it's not going to be painless by any means."

WPLJ clears room for channel 7

Meanwhile, ABC is in the process of installing an



The ESB's antennas

antenna for Channel 7 in the mast space that its old master antenna for WPLJ-FM occupied (WPLJ shares a triplexer currently with WCBS-FM). The backup WPLJ transmitters will be moved to a NJ site south of NYC for the station's new emergency site, to make room for Channel 7's transmitter.

Says Nautel Manager of Sales and Marketing **Jorgen Jensen**: "We had 20 10kW FMs for ABC in the Empire and they're moving part of the standby system out in order to make room for television. We sold a 20kW Q20 but it was already planned for the emergency site. It's one of our new solid state, single ended FMs. They had planned that for the emergency site, but they just moved up the schedule a little. For us, it's really we're moving equipment out of the building while they're moving TV stuff in. I think all of us, the manufacturers, were pretty responsive and I know some of the individual engineers who basically jumped in a car and drove to New York."

The Chrysler Building, the second tallest in NYC now, apparently doesn't lend itself structurally to supporting a mast at the top, Smirnoff says. Other options include a new 1,000+ ft. tower, but with four airports in the area, a location would be tough to find. Studies have been done. Possibly the best spot to put a tower of this nature would be Central Park, but that is quite unlikely.

The WTC toll on broadcasters

As most of us know, the 9/11 terrorist attacks claimed six NYC TV engineers who were working at One World Trade Center when it was hit: **Steve Jacobson**, WPIX-TV; WCBS-TV's **Bob Pattison** and **Isaias Rivera**; WNBC-TV's **Bill Steckman**; WABC-TV's **Donald DiFranco** and WNET-TV's **Rod Coppola**. The attacks also claimed the transmitting sites for WPAT-FM, WNYC-FM, WKTU-FM, WKCR-FM, WCBS-TV2, WNBC-TV4, WNYW-TV5, WABC-TV7, WWOR-TV9, WPIX-TV11, WNET-TV13, WPXN-TV31 and WNJU-TV47. The local TV dial was basically static for those who didn't have cable.

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Dataworld sold to Dohertys

Long-time owners **Jack and Mabel Neff** have sold Dataworld to **Dave and Patty Doherty**, the owners of Skywaves, Inc. Terms were not disclosed.

30-year-old Dataworld is far and away the dominant provider of engineering data and custom maps for broadcasting and many other FCC-regulated businesses. Skywaves is a leading developer of interactive web applications, including real estate listing sites, e-commerce, and custom web-based solutions for education and business.

"Dataworld is a great foundation on which to build an even greater company," said Dave Doherty, Dataworld's new President. "The Neffs did a great job in positioning the company uniquely in the broadcasting industry with a very unusual set of existing products."

Dougherty said he intends to move Dataworld further into interactive delivery via the Internet.

The Dohertys, who've also been broadcast station co-owners, have owned Skywaves since 1995.

The Neffs bought Dataworld from the engineering firm AD Ring in 1983. Before that, Jack Neff was the founder of Spotmaster and Broadcast Electronics.

Ackerley deal gives CCU long-sought Seattle foothold

Seattle is unique among large American cities in that it doesn't appear anywhere in the corporate structure of Clear Channel Communications (N:CCU). The company doesn't have a radio station, TV station or a billboard in the city. But that's about to change in a big way with CCU's \$800M deal to buy The Ackerley Group (N:AK).

Ackerley is based in Seattle, has nearly all of the local billboard business (2,233 "faces") and owns five local radio stations—KJR-AM, KHHO-AM, KUBE-FM, KBTB-FM and KFNK-FM.

Although the Seattle superduopoly constitutes Ackerley's entire radio operation, the stock-swap and debt assumption deal also includes two other new markets for Clear Channel's Eller Media outdoor division—2,507 billboards in Boston and 1,355 in Portland, OR—plus 18 TV stations in 15 markets, which will double the size of Clear Channel's relatively small TV group.

As reported last issue (*RBR* 10/8, p. 6), Ackerley had been overleveraged, even after selling its NBA team earlier this year. Early this month Moody's Investors Service had lowered Ackerley's debt ratings and warned that another downgrade was likely unless Ackerley took action to im-

prove its financial position.

At CCU, CEO **Lowry Mays** saw synergy as a driving force in this merger. "This transaction allows Clear Channel to enter Boston, Seattle and Portland, Oregon, three of the top 25 US outdoor advertising markets, as well as Seattle, a top 25 US radio market, where we currently have no presence," said Mays. "In addition, this acquisition enables us to offer our advertising customers more cross-platform advertising opportunities, because we have a radio station, outdoor advertising operation or live entertainment venue presence in 15 of their 18 television markets."

A market-by-market analysis of those synergies appears below.

Although it's unlikely that another bidder will emerge, Ackerley is free to negotiate for a better deal from another bidder for the next 30 days. However, if it terminates the merger deal with CCU, Ackerley will have to pay CCU a termination fee of \$17.25M plus up to \$7.5M of CCU's transaction expenses. It would also have an obligation to give CCU 72 hours to try to match or beat any new bid. CEO **Barry Ackerley** has pledged to vote his Ackerley common stock in favor of the CCU merger, but that's only about 6.7% of the total voting power. Also, if anyone besides CCU buys the company, Barry Ackerley will have to turn over

some of the profit from those common shares to CCU. He's kept his options open for his super-voting Class B stock, which has 82% voting power.

Besides Barry and **Ginger Ackerley**, who own 19.9M Ackerley shares, the company's other big shareholders are Gabelli Funds and Gabelli Asset Management, with 5.3M shares, and William S. Blair & Co., with 1.1M shares. The Ackerley Group has slightly over 35M shares outstanding.

The Ackerley Group was advised by CS First Boston and Clear Channel by Salomon Smith Barney.

RBR observation: Putting a value on the radio portion of this deal is difficult, since Ackerley's cash-flow margins are so poor—and that's not just due to the loss of dot-com dollars in Seattle. Clear Channel is buying a mixture of both strong, heritage stations (KJR-AM and KUBE-FM) and others which are turnarounds with lots of work lying ahead. Ackerley gets about 10% of its revenues from radio, but the stations are clearly worth more than \$80M. While Ackerley had previously sought \$150-175M for these stations (and didn't get it), these are clearly damaged goods which will require a lot of rebuilding, so we're calling it \$125M.

It appears DOJ is unlikely to find anything to be concerned about and the divestitures required under FCC rules will be few. In a Wall

Street conference call, Ackerley President **Chris Ackerley** mentioned Syracuse, NY and Bakersfield, CA as markets where CCU executives had indicated that divestitures might be necessary. Based on *RBR's* market-by-market analysis of the deal, it also appears that CCU might be over the radio-TV combined limit in Binghamton, NY, Rochester, NY, Santa Barbara, CA, Fresno, CA and Monterey, CA. However, not all of the radio stations listed as being in an Arbitron market necessarily overlap with each other and with the TV station, so complete engineering maps will be required to determine what divestitures, if any, are required in each market. In any event, the most that could be required anywhere is for CCU to sell off one or two of the least important radio stations from each superduopoly—or swap the TV station for radio stations elsewhere (which CCU has done on occasion in the past).

It will be particularly interesting to see what CCU does with KVOS-TV, Channel 12, in Bellingham, WA—which will be the only independent TV station in the CCU portfolio. Much of the station's audience comes from Vancouver, British Columbia, as does much of its advertising revenue. Should CCU want to swap or sell the property, the only obvious bidder would be Saga Communications (A:SGA), which has a

The Radio Index™

Stocks have been drifting, with investors unsure how long it will take for an economic recovery to take hold. The Radio Index™ Index slipped 0.068 for the week to close 10/10 at 168.155.



Radio waives? CCU surfs into its own markets on Ackerley TVs

How does the Ackerley (N:AK) station portfolio fit into Clear Channel (N:CCU)? Pretty well. In fact, after five and a half years of consolidation, there might be no company left which fits into CCU as well as Ackerley. Thus, it appears spin-offs will be few.

There is no overlap between the Ackerley television station group and the CCU television group. There is no overlap between Ackerley's radio stations and any CCU radio stations—in fact, the Ackerley Seattle cluster fills the most glaring hole in the CCU portfolio.

There is, however, plenty of overlap between Ackerley's TV group and Clear Channel's ubiquitous collection of radio stations. 23 AMs and 46 FMs will be in or around the broadcast areas of Ackerley television stations. Here's the blow-by-blow, market by market.—DS

Ackerley/Clear Channel broadcast overlaps

Market	AK			CCU	
	TVs	chan	net	AMs	FMs
Syracuse NY	1	9	ABC	2	5
Utica NY	1	20	ABC	3	3
Binghamton NY (a)	2	34/5	ABC/NBC	2	4
Rochester NY	1	13	ABC	2	5
Watertown NY	1	50	ABC	0	0
Elmira NY (b)	1	18	NBC	0	0
Bakersfield CA	1	17	NBC	2	4
Fresno CA	1	47	CBS	3	6
Santa B., CA (c)	2	12/11	CBS/FOX	3	4
San Luis O., CA	-	-	-	1	3
Santa Maria CA	-	-	-	1	3
Eureka CA (d)	1	6	CBS	0	0
Santa Rosa CA	1	50	IND	0	0
Eugene OR	1	16	NBC	1	2
Monterey CA (e)	2	46/35	CBS/FOX	2	4
Seattle (f)	1	12	IND	2	3
Fairbanks AK (g)	1	11	NBC	1	3
Total stations	18			25	49

(a) NBC affiliate on ch.5 is a LPTV
 (b) station run in an LMA
 (c) Ch.11 Fox affil is a LPTV; TV markets encompasses three radio markets
 (d) Radio stns here measured by Arbitron Sp01, but mkt already dropped Fa01
 (e) Ch.35 Fox affil is run in an LMA
 (f) Stn, lic to Bellingham WA, is unrated fringe stn in Seattle mkt; radio stns also coming from Ackerley
 (g) not an Arbitron-rated market
 Source: Ackerley, RBR Source Guide Database

C L O S E D

JOYNER RADIO, INC
 A. Thomas Joyner, President

has agreed to acquire

WSHV-FM & WJWS-AM
 South Hill, Virginia

WFXQ-FM **WJLC-FM**
 Chase City, Virginia Clarksville, Virginia

for

\$2,235,000

from

OLD BELT BROADCASTING, CORP.
PATRICIA WAGSTAFF
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Patrick Communications was proud to serve as the broker in this transaction.

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The deals listed below were taken from recent FCC filings.

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

\$17,500,000 WKKJ-FM Chillicothe OH from Secret Communications II LLC (Frank E. Wood) to Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). \$14M cash payment on 1/2/02, balance in cash at closing. \$5K allocated to non-compete. Overlaps six AMS and five FMs, forming eight distinct markets. Chillicothe stations include WCHI-AM, WBEX-AM & WFCB-FM. If CPs are granted, station will move closer to Columbus OH market; overlap stations there include (or will include) WTVN-AM, WZNW-AM, WCOL-FM & WNCI-FM. Additional overlap with WLW-AM Cincinnati, WCHO AM & FM Washington Court House OH and WSRZ-FM Hillsboro OH. Seller has applied to change city of license to Ashville OH and may be contemplating application to modify CP request to change city of license to Williamsport OH. Buyer will pay all expenses for prosecuting CP requests. LMA since 8/31/99 with Concord Media assumed by buyer 9/11.

\$10,250,000 KPIG-FM, KCDU-FM, KBTU-FM, KMBY-FM & KHIP-FM Monterey-Salinas -Santa Cruz (Freedom, Hollister, Carmel, Gonzales & Felton, all CA) from New Wave Broadcasting LP (Charles Cohn et al) to Mapleton Communications LLC (Michael Menerey). \$1.02M escrow, balance in cash at closing. Existing **superduopoly** LMA since 9/21. Brokers: Kalil & Co. (seller), Media Venture Partners (buyer).

\$2,400,000 WHTR-FM Albany-Schenectady-Troy (Corinth NY) from Vox New York LLC (Bruce Danziger, Jeff Shapiro) to Galaxy Communications LP (Edward F. Levine). \$150K purchase option payment, balance in cash at closing. **Combo** with WABY-AM if CP is granted and built (see below); Galaxy also owns WKLI-FM in the market, but neither technical configurations will result in FM overlap. Station is the former WZZM-FM. Vox has applied to move station from 93.5 MHz (Class A, 1.35 kw @ 420') to 93.7 MHz (Class A, 1.15 kw @ 735') with new city of license Scotia NY. Either party may terminate agreement if CP is not granted. Broker: York Street Partners (buyer).

\$900,000 KCHK AM & FM New Prague MN from Northland Radio LLC (Kingsley H. Murphy Jr., mgr) to Radio Southern Minnesota LLC (James D. Ingstad, James S. Lowe). Cash. Broker: Johnson Communications Properties (seller).

\$775,000 KGNT-FM Logan UT (Smithfield UT) from KGNT Inc. (E. Morgan Skinner) to M. Kent Frandsen. \$150K deposit, \$100K into contingent liability escrow account, balance in cash at closing. **Superduopoly** with KVFX-FM, KBLQ-FM, KVNU-AM & KLGK-AM, all Logan UT; KKEX-FM Preston ID; KLZX-FM Westoin ID. Broker: Media Services Group (buyer).

\$750,000 KGUY-AM Portland OR (Milwaukie) from KGUY LLC (Richard C. Eads, Jeannine Jolicouer Wells) to Northwest Radio Broadcasting Co. (William Sizemore). \$10K escrow, \$500K debt payment/assumption, \$32.5K cash and \$87.5K note in favor of Eads, \$32.5K cash and \$87.5K note in favor of Wells. **Duopoly** with KKGK-AM. LMA since 8/1.

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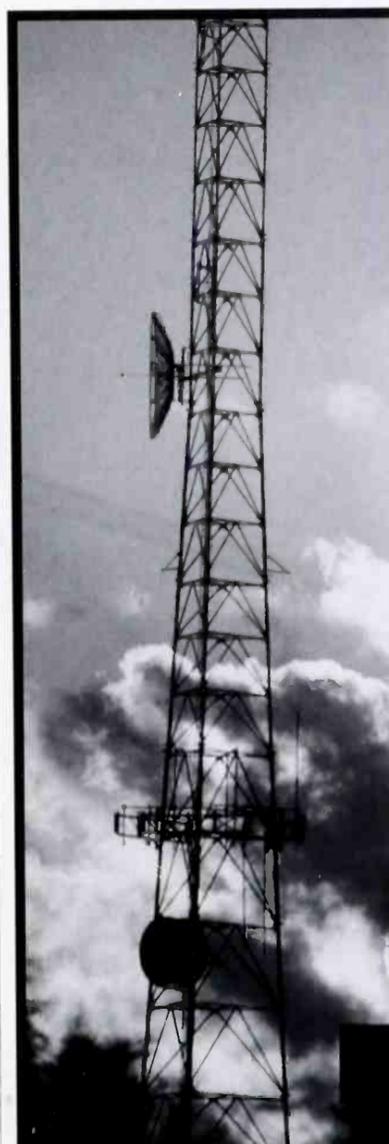
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Millcreek Broadcasting, LLC
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from

**Community Wireless
of Park City, Inc.**

for

\$2.26 Million Cash*

Greg Merrill of Media Services Group
represented Millcreek Broadcasting, LLC
in this transaction.

Greg Merrill
Tel: (435) 753-8090
Fax: (435) 753-2980
ggm@cache.net

* Pending FCC Approval

Media Services Group

www.mediaservicesgroup.com

five-station radio superduopoly in the unrated Bellingham market and is also quite familiar with the cross-border Vancouver market.

Analysts give CCU/AK merger thumbs up

What's not to like about a troubled company with some underperforming assets being acquired by a strong company—and with virtually no divestitures to worry about? Wall Street analysts were universal in applauding Clear Channel's deal to buy Ackerley.

At First Union Securities, analyst **Jim Boyle** called the deal both a good buy for Clear Channel and a good sell for Ackerley. "Both can claim so, and rightly so, due to different operating margins in the three segments for both sides," he noted.

In addition, Boyle figures **Barry Ackerley** may do well to throw in his lot with Clear Channel. "If **Sam**

seen an equally harsh decline in business. We estimate BCF margins could decline from 31% in 2000 to the low-teens in 2001. As a result, we believe the company [CCU] could experience impressive BCF growth once the assets are integrated into the company's portfolio."

On an asset basis, analyst **Gordon Hodge** of Thomas Weisel Partners figures that the pieces of Ackerley would be worth nearly \$1B if sold off separately. He figures that the radio stations have a value of \$146M—based on last year's \$8.6M in cash flow, rather than this year's depressed levels. Hodge puts a breakup value of \$680M on Ackerley's outdoor assets and \$150M on its TV group. That would put the value of the entire company at \$976M.

"We believe that this is a great deal," Hodge said. "In our view, Clear Channel is getting about \$1B in assets for only \$800M."

K-Love flits into Flint

The Educational Media Foundation, operators of the non-profit Contemporary Christian K-Love Network and an extensive string of O&O radio stations, is continuing its eastward expansion from its California base. It is buying WGRI-FM in Flint, MI from **Jon Yinger's** Gospel Radio Inc. for \$450K. K-LOVE has been programming the station since the first of the month. Yinger retains WSNL-AM in the market. Broker: **John Pierce**, John Pierce & Company LLC—DS

Pearce family enters South Carolina

Houston, Voncile and **Dean Pearce** have found a place to redeploy some of the \$10M from their sale of five stations in Meridian, MS to Clear Channel (RBR 2/19, p. 11). The Pearce family's Radio South group, in this case operating as Apex Broadcasting, is buying WJZX-FM Port Royal, SC from **Pegram Harrison's** Barnacle Broadcasting Company. This 100kw station, on 99.7 MHz, is located halfway between Charleston, SC and Savannah, GA and shows up, but only slightly, in both Arbitron books.

Monterey price is \$10.25

The contract filed with the FCC shows that Mapleton Communications is paying \$10.25M for New Wave Broadcasting's five Monterey FMs (RBR 10/1, p. 6).

Salem cuts Q3 outlook

Religious specialist Salem Communications (O:SALM) may not have been hit as hard as many other media companies by ad cancellations following the 9/11 terrorist attacks, but it wasn't spared completely.

The company told Wall Street (10/5) to expect Q3 revenues to come in at \$33.8M, rather than the previously-projected \$35M. Salem reduced its broadcast cash flow target to \$12M, rather than \$13.3M.

Beasley lowers estimates

Beasley Broadcast Group (O:BBG) says its actual results for Q3 may produce revenues as much as 5% below the company's previous guidance to Wall Street and broadcast cash flow as much as 10% lower. Prior to September 11th, Beasley had told The Street to expect Q3 revenues of \$29.5M and BCF of \$7.9M.



Jim Boyle

Zell, Tom Hicks and **Bob Sillerman** took **Lowry's** paper in a tax efficient manner, why shouldn't **Barry**...especially when CCU is trading near its five year low?" While there's no guarantee, Boyle suggested that there's potential upside for the CCU shares that the Ackerley family will be receiving.

"We believe the acquisition of the Ackerley radio, outdoor and TV assets was done at a fair price," **James Marsh** of Robertson Stephens wrote in a note to investors. "In our opinion, the company [CCU] should boost the margins of underperforming properties."

The analyst sees a lot of potential upside in the Seattle radio stations that CCU is acquiring. "Though we estimate radio accounts for only 6% of consolidated BCF [broadcast cash flow], we believe the company could see impressive margin improvement over the next several years. Seattle has been hit especially hard by the slowdown in the economy this year and Ackerley's stations, deriving approximately 20% of the market's revenue, have



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