

Jacobs

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Jacobs pointed out that, as an online poll of station-database members, this poll "cannot replicate all radio listeners, or even Rock radio listeners," and the results reflect only those who chose to participate.

Retailers Debut HD Radio Campaign

Retailers Tweeter, Crutchfield and ABC Warehouse this week debuted aggressive campaigns to promote HD Radio, including in-store and point-of-purchase marketing, staff training and customized commercials running on HD Digital Radio Alliance member radio stations.

The retail effort coincides with the second wave of the HD Digital Radio Alliance's \$200 million on-air advertising campaign, which will prominently feature the three retailers. The commercials can be heard at www.hdradio.com/press_room.php.

Tweeter is carrying HD receivers in all of its markets, while ABC Warehouse, which has stores in Michigan, Indiana and Ohio, will carry HD products in multiple markets, including Detroit.

The receivers will continue to be available through the Crutchfield catalog and website as Crutchfield expands its commitment to the format with Spanish-language information on HD and added sales training.

Clear Channel's Creative Services Group has introduced a series of radio spots promoting HD Radio with the tagline "Are you def yet?" All HD Digital Radio Alliance member companies can access the spots, which are ready to air on Rock, CHR, News/Talk, AC and Urban

stations. Sample spots can be heard at www.areyoudefyet.com.

The HD Digital Radio Alliance is a joint initiative of radio broadcasters designed to accelerate the rollout of HD Radio. Members include ABC Radio (in Los Angeles and Minneapolis), Beasley Broadcast Group, Bonneville International, CBS Radio, Citadel Broadcasting, Clear Channel Radio, Cumulus, Emmis Communications, Entercom, Greater Media and Susquehanna.

Study: Options Cutting Into XM, Sirius TSL

According to the latest findings of a multiyear study from Bridge Ratings, AM and FM radio stations continue to see time spent listening declines year-over-year. However, a multitude of entertainment options are now affecting satellite radio's weekly TSL, the research company has found.

"For the first time, we are seeing satellite radio consumers who have been subscribers for longer than six months actually spending less time than they were six months ago with their satellite service of choice," Bridge Ratings President Dave Van Dyke said.

Among Bridge panelists, satellite radio TSL in Q2 2005 was 16 hours per week. During Q1 2006, weekly TSL for satellite radio dipped to 12.6 hours.

Bridge panelists' weekly TSL to traditional radio in Q1 2006 was 18 hours, 45 minutes, down from 19 hours, 15 minutes in Q2 2005. Internet radio weekly TSL in Q1 2006 was 17 hours, down 30 minutes from Q2 2005.

Weekly TSL to music over a personal MP3 player in Q1 2006 was 12 hours, 45 minutes, up 30 minutes from Q2 2005, leading Bridge to conclude that use of other media is eroding not only AM and FM TSL, but also that of XM and Sirius.

"Terrestrial audience erosion to alternative audio entertainment continues to occur in young demographics," Bridge said in its report, issued April 6. "Podcasting is beginning to siphon listening, and MP3-device usage can consume as much as 80% of a radio user's audio entertainment during initial ownership weeks and months."

But, as happens for any new technology, the "novelty" phase of owning an MP3 player has been shown to wear off between six and eight months of ownership as "fatigue" sets in and usage levels moderate.

Bridge surveyed 6,000 people 12 years of age and older in Los Angeles, Phoenix, Chicago, Nashville, Boston and West Palm Beach.

Additional reporting by Adam Jacobson.

Spitzer

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turned over thousands of pages of documents.

The FCC's investigation was launched after FCC Commissioner Jonathan Adelstein became alarmed

by the size of the payola probe being conducted by Spitzer. Adelstein is reportedly unhappy with the amounts the radio companies are offering to pay and wants to up the ante.

Additional reporting by Kevin Carter.

BUSINESS BRIEFS

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greater onus on growth solidifying in March," he said. "For that reason, we affirm our cautionary investment stance, encourage investors to remain on the sidelines and anticipate 10%-15% further downside in radio-sector equity."

Although Clear Channel reduced commercial time by 6.2% — "unnervingly" more than Westerfield had anticipated, he said — Westerfield believes the company will repeat the performance it saw in Q4 2005. CC's 15-second and shorter spots are not factored in to the "Radio Airtime Monitor," but the "Monitor" showed 30-second spots up 16.4% and accounting for 17.1% of CC's total time in March — consistent with results seen for the last five months. Morning drivetime inventory was down 6.4%, and afternoon drivetime was off 5.8% — "a positive sign that operators aren't cheating," Westerfield noted.

Westerfield also called Salem a "standout company." He pointed out that heritage Christian AC KLTY/Dallas, which accounts for 7%-8% of Salem's overall revenue, now seems to be turning the corner fiscally. "A year ago in March KLTY cut back nearly 20% of commercial time, resulting in short-term revenue-forecast reductions," he said. "In March of this year Dallas commercial time was off 3%, setting the stage for 4%-6% growth as early as a March-June time frame."

Could 'Hyde' Period For Radio Stocks End In May?

Bear Stearns analyst Victor Miller last week compared broadcasting share prices' roller-coaster ride on the stock market to Dr. Jekyll and Mr. Hyde. As of April 5, he said, the most recent down period had lasted "nearly 131 days, nearly triple the average length of a typical cycle." He said it may be a few more weeks "until we get a sense of whether May 2006 is firming up, which seems to be the case."

Miller said both the New York and Los Angeles markets were down during Q1 — a rare occurrence — but said he suspects former WXRK/New York-based syndicated morning host Howard Stern's January departure for Sirius Satellite Radio may have had a large impact on New York's revenues.

On the upside, Miller said, "May looks stronger" because Clear Channel revenue could be up 3.5% in Q1, and political advertising should be picking up in the second half of the year. Also, he said, "Three companies — Radio One, Citadel and Cumulus — should be cycling through changes they made to their representation firms in 2005."

Other factors bolstering radio's near future: Citadel and Entercom are paying 5% dividends, and several companies are using cash flow to repurchase approximately \$5.2 billion in stock, or 17% of all shares outstanding since 2003.

Miller said Clear Channel and Cumulus are good stocks to pick up because of their "smaller market exposure." As for Citadel, he said he will continue to monitor the company because "given their small-market

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TRANSACTIONS AT A GLANCE

All transaction information provided by BIA's MEDIA Access Pro, Chantilly, VA.

- AM CP/Juneau, AK \$150,000
- KTME-AM/Lompoc and KUHL-AM/Santa Maria, CA Undisclosed
- WBRT-AM/Bardstown, KY \$240,000
- WTSZ-AM/Eminence, KY \$100,000
- WJMM-FM/Keene and WCGW-AM & WWFT-AM/Nicholasville (Lexington-Fayette), KY \$4.5 million
- WTIX-AM/Florence and WHYM-AM/Lake City (Florence), SC \$500,000
- KSQB-FM/Dell Rapids, KWSF-FM/Flandreau and KSQB-AM/Sioux Falls, SD Undisclosed
- WLSQ-FM/Dyer (Jackson) and WHMT-AM & WLSZ-FM/Humboldt (Jackson), TN \$2.1 million
- WKTS-FM/Kingston, TN \$225,000
- KAQQ-FM (CP)/Midland (Odessa), TX Undisclosed

Full transaction listings, posted daily, can be found at www.radioandrecords.com.

DEAL OF THE WEEK

● WLIE-AM/Isip (Nassau-Suffolk), NY

PRICE: \$14 million

TERMS: Asset sale for cash and note. A payment of \$12.9 million will be made for the facilities, and an additional \$1.1 million will be paid to Deer Park Properties for the studio and premises, bringing the total purchase price to \$14 million.

BUYER: Starboard Media Foundation, headed by President Mark Follett. Phone: 312-588-0167. It owns 18 other stations. This represents its entry into the market.

SELLER: Long Island Multi-Media, headed by Managing Member Stuart Henry. Phone: 631-243-5400

FREQUENCY: 540 kHz

POWER: 4kw day/175 watts night

FORMAT: Business News

BROKER: Harold Bausemer of the Sales Group

COMMENT: A \$10,000 nonrefundable deposit has been paid into an escrow account. This deal also calls for a \$740,000 escrow deposit plus a \$4.25 million cash payment at closing. Additionally, a \$9 million promissory note will be paid by Starboard.

2006 DEALS TO DATE

Dollars to Date:	\$3,121,483,312 (Last Year: \$2,831,603,805)
Dollars This Quarter:	\$25,565,000 (Last Year: \$408,352,003)
Stations Traded This Year:	274 (Last Year: 889)
Stations Traded This Quarter:	25 (Last Year: 250)

FCC ACTIONS

KALW/San Francisco Wins Two-Year License Renewal

After nine years of FCC litigation regarding its public file, the San Francisco Unified School District's noncommercial KALW-FM/San Francisco has been granted a two-year license renewal and a reduced fine for public-file violations, from \$300,000 to just \$10,000.

FCC Chief Administrative Law Judge Richard Sippel made the ruling on April 7, saying that the NPR member station also falsified information on its license-renewal application in 1997. This explains the decision to renew KALW's license for a period that is six years shorter than the normal length. However, station management sees the FCC's decision as a victory in a case that has dragged on and led the FCC's Enforcement Bureau to recommend that KALW's license not be renewed.

The case involving KALW began when management at the station failed to keep an updated public file and then falsely claimed that no gaps existed in the files when the station's license-renewal application was filed eight years ago. New management then came in to KALW and corrected the problem after acknowledging the mistake.

In its defense to the FCC, KALW management showed evidence of its meritorious service to the community. The school district also argued for a hardship case, saying it was incapable of paying the \$10,000 fine, citing budget cuts. The judge disagreed with that assertion, however, and SFUSD has two years to pay the fine.

Sources close to the case told R&R that Sippel recognized that the station has a close relationship with its community and that license revocation was not in the best interests of the Bay Area. KALW has more than 13,000 paid members and is currently in the midst of a fundraising drive.

KALW has 30 days to appeal the case, but sources told R&R that it is unlikely such an appeal will be filed.