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WHYN/WHFM	Springfield, MA
WKRS/WXLC	Waukegan, IL
WJJK/WBIZ	Eau Claire, WI
KRVR (FM)	Davenport, IA
WJJR (FM)	Rutland, VT
WXYQ/WSPT	Stevens Pt., WI
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KIXI/KMGI	Seattle, WA
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RADIO NEWS

July is another radio revenue double-digit gainer 3

Total radio revenues picked up 11% over last July. Again, national business fueled the increase with 16% written in black ink, along with 9% for local.

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Capstar will be giving new hand Mary Quass a superduopoly to run in her home market of Cedar Rapids. Only Jacor can challenge for dominance here.

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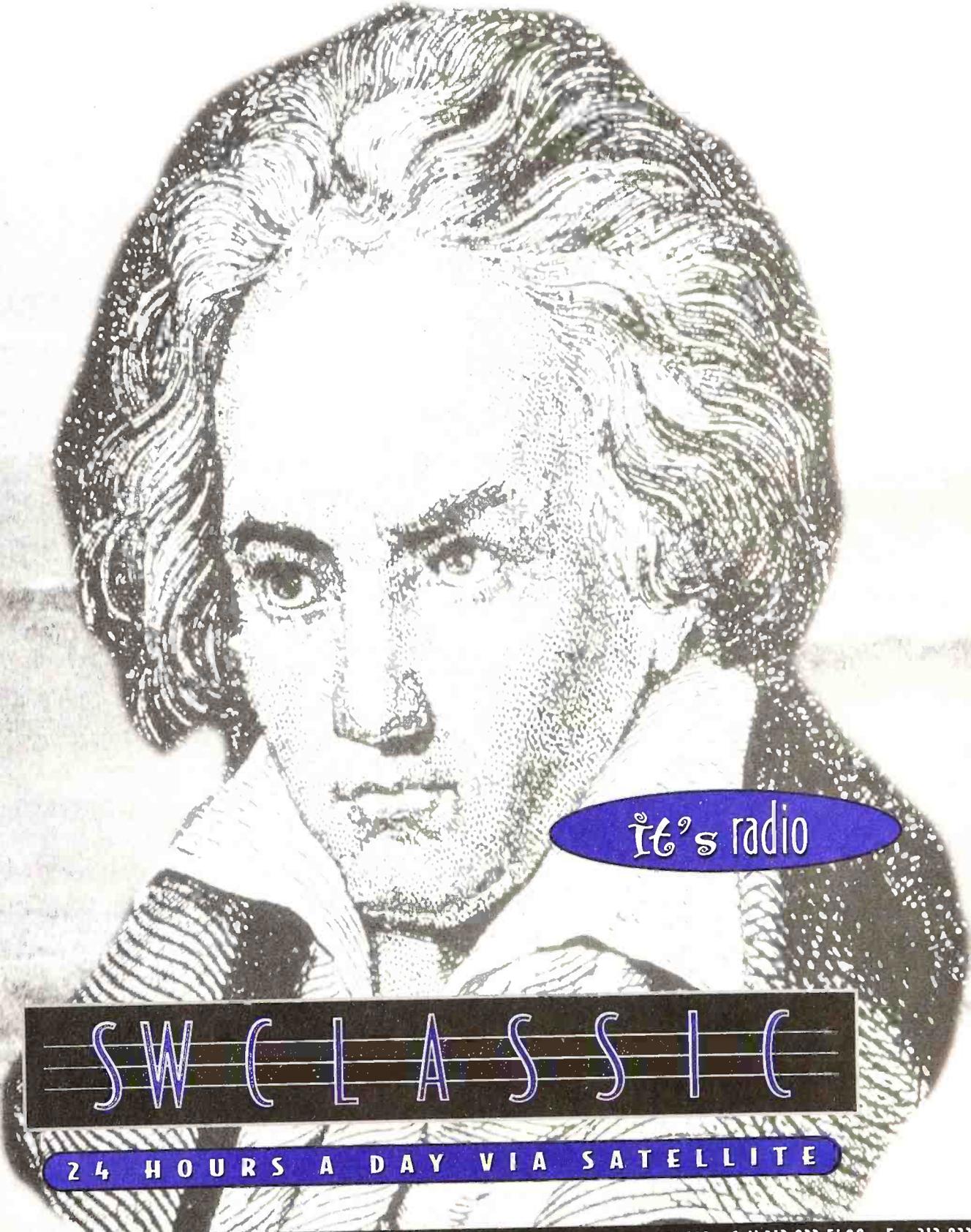
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Radio revs on track for double digit gains; July revenues up 11%

Radio revenues were up 11% in July, holding YTD revenues up 10%, according to the Radio Advertising Bureau (RAB). That news confirms Standard & Poor's **William Donald's** mid-year forecast (*RBR* 7/14, p.2) that radio will end the year up 10%.

National spot is still priming radio's revenue pump, up 16% in July and up 16% YTD. All five regions were up significantly with the West posting the biggest gain at 21%.

Local revenues gained 10% in July for a 9% increase YTD. The Southeast and the Midwest lead the regions with 12% increases.

Radio stocks soaring

Radio stocks held strong during Wall Street's recent correction, drawing strength from the intense bidding for SFX Broadcasting (O:SFXBA) and speculation about the price which might be commanded by American

Radio Systems (O:AFM). Then, when the bulls regained control of the stock market last week, many radio stocks moved up to all-time highs.

Through last Wednesday (9/3), the Dow Jones Industrial Average had gained 22.43% since the beginning of the year. As impressive as that figure is, it pales in comparison to many radio stocks. SFX, with its \$2.1B buyout by Capstar pending, has risen 146.01% this year. Also in triple digits is Heftel Broadcasting (O:HBCCA), up 100.4%.

Five more radio stocks are up more than 80% YTD: Clear Channel (N:CCU) 88.93%; Evergreen Media 86%; Faircom (O:FXCM) 83.53%; ARS 82.34%; and Chancellor Broadcasting 80%. Evergreen and Chancellor have merged and, effective today, trade as Chancellor Media (O:AMFM).

RBR observation: Have radio stocks peaked as suggested in *Business Week* and *The New York Times*? Perhaps, but sell at your own risk. Wall Street analysts have "buy" recommendations on most radio stocks and believe there's lots more growth to come from consoli-

Pacing racing for November

November radio inventory is already more than half sold, according to the latest *RBR/Miller, Kaplan* market sell-out report. Not only that, but Miller, Kaplan's **George Nadel Rivin** notes that last year's November was a four-week month on the standard broadcast calendar, while this year it's a five-week month—a longer period that's already 51.4% sold out. "I see that as a real positive," he said.

September and October pacing is running slightly behind the year-ago pace, but not enough to be considered significant.

RBR/Miller Kaplan Market sell-out percentage report

	1997	1996
Sept. 1	79.4%	80.6%
Oct.	55.9%	59.0%
Nov.	51.4%	46.2%

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dation. Every expert we know of expects ad spending in general to continue strong growth at least through the next presidential election/Olympics year, 2000, with radio's growth rate exceeding all other major media.

RTNDA & NAB file suit

Arguing that the FCC Commissioners are exhibiting "ostrich-like" behavior by failing to repeal the personal attack and political editorial rules, the Radio and Television News Directors Association (RTNDA) and the National Association of Broadcasters (NAB) are asking the courts to throw out the rules. The request was filed in the US Court of Appeals in Washington August 25.

Last month, the FCC gave-up its effort to review the rules after 14 years (RBR 8/18,p 6).

Clear Channel realligns management

Clear Channel Communications (N:CCU) is the latest company to adopt a regional management structure for its rapidly expanding radio group.

Court ruling allows gambling ads

Radio stations in Alaska, Arizona, California, Hawaii, Idaho, Montana, Oregon, and Washington could soon air more detailed casino ads. The US 9th Circuit Court of Appeals in San Francisco has refused a Department of Justice (DOJ) request for review of a lower court ruling lifting the ban on the spots. DOJ has 90 days to appeal to the US Supreme Court. A spokesman says no decision has been made.

FCC regulations barred radio stations from airing commercials which specifically mentioned games of chance, such as slot machines. Ads which discuss such things as hotel rates, meal specials, or entertainment have always been okay.

"We're very enthused with the decision," says **Stan Statham**, executive director of the California Broadcasters Association.

Former Granum Communications honcho **Peter Ferrara** has joined Clear Channel as a Sr. VP to head the largest region, the state of Florida (including 46 new stations from Paxson Communications). An additional management layer will have **Dave Ross** answering to Ferrara as VP/South Florida.

He says broadcasters could stand to gain "mega-advertising" from Nevada resorts.

Since the ruling, Statham has had a "huge rush of calls" from stations looking for guidance—but he is advising them to wait and see whether DOJ appeals, and whether California's state statutes will keep the ban in place. Stratham says so far, "No bureaucrat has had the courage to put anything in writing."

Wayne Mehl, a DC lobbyist for the Nevada Resort Association doubts this will mean a big jump in ad spending, but says it will mean "more piece of mind for properties that are accepting advertising."

The NAB says this ruling could lead to a nationwide repeal of the ban. Other court cases are pending, including in Atlantic City.

The non-peninsular 47 states (Clear Channel has no stations in Alaska or Hawaii—yet) will be divided by three new Sr. VPs as follows: **George Sosson** will handle the East, **Stan Webb** the Central region and **Jim Smith** the West under the new setup.

RBR observation: There's probably nothing magical about regional organization, which is fast becoming the structure of choice for radio groups as they approach or surpass the 100-station mark (Clear Channel is already at 169). It just makes sense to have the manager of a sub-group of stations not more than one time zone away from each station. Capstar, which was created to be a group of hundreds of stations, adopted this approach from the get-go. Unless there are other unique synergies (market size or an unusual format, as examples), we expect to see every group take the regional route as they reach the point where it's not possible for headquarters to deal directly with every GM.

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Hicks, Muse entering tower biz

Add Hicks, Muse, Tate & Furst to the broadcast owners getting into the tower business. At deadline, RBR learned that Hicks, Muse is putting \$100M in equity into the new tower venture. Our sources say former OmniAmerica group honchos **Carl Hirsch** and **Tony Ocepek** are involved.

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by Frank Saxe

Radio Disney— A Goofy idea?

It has been almost one year since Radio Disney took to the air on AM stations in four markets (*RBR* 11/25/96, p. 4). With the official national rollout set for October 1, only one new affiliate has been announced—WPZE-AM Boston—and Disney's (N:DIS) ABC Radio has added two O&Os—KTZN-AM Los Angeles and KKDZ-AM Seattle. Those signals are in addition to the original two O&O's, WKHX-AM Atlanta and KDIZ-AM Minneapolis, and two affiliates, WYDE-AM Birmingham and KCNR-AM Salt Lake City.

Many in the radio industry are waiting to see if even Disney, the best brand name for anything to do with children, can make this project work. Despite the estimated \$100M ABC Radio Networks is planning to sink into Radio Disney, the road to the Magic Kingdom may be pitted with potholes.

The history of children's radio is filled with lots of good feelings, but no profit. Even Children's Broadcasting and its Aahs World Radio, which has managed to amass the largest number of affiliates (30), has yet to turn a profit and recently agreed to sell its owned properties.

In Atlanta, where Radio Disney is an ABC O&O, **Mark Kanov**, GM at competing CHR WSTR-FM, says the Kiddie format has had "no impact whatsoever" on his ratings or billing. He considered flipping his AM to Children's, with the now defunct KidStar service, but scrapped the idea after concluding there is no ad support for the format. Same holds true in Birmingham, where a GM says the revenue impact has been "nonexistent."

Then there's the lack of ratings. "It's a concept sale," said ABC Radio President **Bob Callahan**. "It is a barrier to entry in

this whole field." ABC hired Statistical Research, Inc. (SRI) to do some custom research for its first four stations and will continue that arrangement until it can cut a more permanent deal with either SRI or Arbitron. For now ABC Radio Networks President, **David Kantor** says Radio Disney "is selling with the numbers" that are available twice a year.

So does the Mickey Mouse network have listeners? Yes, but how those listeners stack up with competing stations is anyone's guess. One New York ad buyer says there are probably clients interested in doing kids radio, but they'd prefer Arbitron data to compare stations. "Just having the format isn't good enough if you don't have the listeners," she said.

Moreover, Radio Disney didn't even show in the Atlanta, Birmingham, and Minneapolis Arbitron books—calling into question the assertion that moms and dads are listening with kids. To make the concept sale a little easier, ABC is offering makegoods (*RBR* 6/30, p. 3).

Ratings aside, Radio Disney seems to have the "Seven Dwarfs of signals," airing on mainly low-powered AMs. In the Twin Cities, one GM said Radio Disney's "popcorn popper of a signal" does not even cover the market; "They're taking truly inferior stations and trying to save them."

Underlying the entire premise of Radio Disney is that children ages 5-11 listen to radio and want a kiddie format. Research has shown that radio may not be the best place to reach kids. Arbitron found the average kid listens to radio roughly seven hours a week, compared to 21 hours a week for TV, as determined by Nielsen.

The demo is not known for its long TSLs either. In Salt Lake City, where Radio Disney has its best ratings, TSLs are far lower than even the CHR station—2:45 versus 5:30. And when kids do listen, what do they gravitate to? CHR.

ABC says that could all change now that

they have a format devoted to them. "There was not enough radio product going after children," said Callahan. **Leslie Sturm**, VP/Broadcast Supervisor for The Media Edge agrees. She lists herself as a Radio Disney fan since it helps advertisers get to a hard-to-reach market. "Its giving you an environment you don't have now." Sturm is considering buying the kids net for a major long distance company.

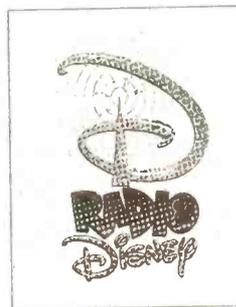
Disney's image is not as Snow White as it once was. The company has been a lightning rod for controversy, even coming under fire from conservative religious broadcasters. What the Disney name does give it, says one radio analyst, is **Michael**

Eisner's deep pockets. That means "more staying power. It gives them the ability to lose money for a longer period of time."

How long ABC Radio and Disney give it remains to be seen. ABC has signed three-year affiliation agreements, but one GM doubts Mickey will see his second on-air birthday, while another says, "It seems to be fading rather than getting brighter."

RBR observation: We don't see Radio Disney working. We don't see why an owner with a half a dozen signals would turn over even its weakest AM to a format that has yet to prove it's a money-maker—unless ABC backs up its commitment with compensation to the affiliates to offset the loss of a signal. With no ratings and an unproven audience, a concept sale can't go too far.

Marketing is also key, beyond the "marketing support" it says it will provide to affiliates in the top markets. How do you market radio to a five-year-old who doesn't listen to radio? You market to the parents, you form ties with the schools, you take an approach that is radically different than the strategy used to garner audiences for a **Tom Joyner**. Lucky for ABC Radio, Disney has other media properties it can leverage for cross-promotion: the TV net, the cable channel.



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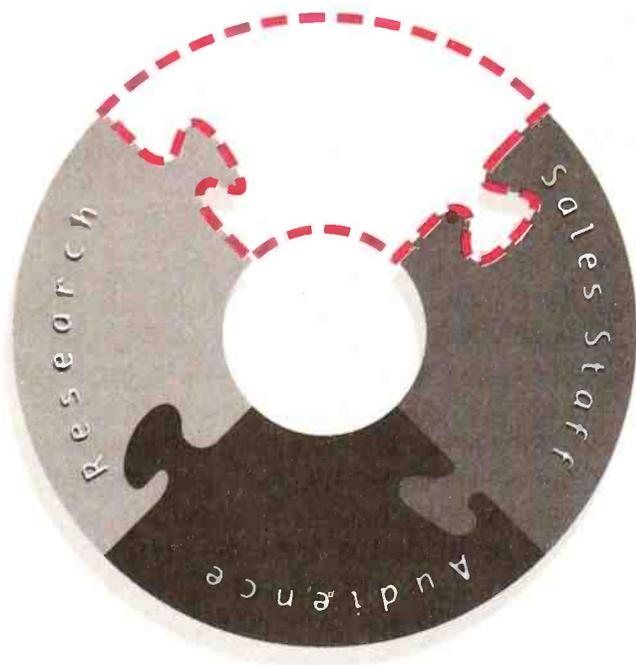
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by Carl Marcucci

High-tech equipment on parade at the NAB Radio Show

For the first time since '93, this show is truly radio and all radio. With equipment manufacturers showcasing cutting-edge digital solutions RBR offers this *Big Easy* guide for prospecting a route through the "Buyers' Bayou" of over 180 exhibitors.

Transmitters

BE unleashes predator

Preparing for DAB? "The Predator" from Broadcast Electronics is completely modular, where stations can purchase the transmitter/exciter unit for analog broadcast, and upgrade to digital later. Other features include GPS signal synchronization and analog backup. **Booth 119.**

Crown celebrates 50 years

Crown International, celebrating its 50th year, is featuring a full line of transmitters, translators, exciters and power amplifiers. Crown's Satellite Network Communications Group offers audio decoding, spot memory and store and forward solutions. **Booth 1042.**

Digital consoles

Audioarts introduces R-5 console
Audioarts Engineering, a division of Wheatstone Corp., offers the R-5 on-air console, which delivers better than 16-bit digital performance for a price less than \$6,000. The R-5 can be used

as a main console for smaller market stations and secondary for medium-markets. **Booth 309.**

PR&E shows its Integrity

Pacific Research & Engineering's "Integrity" digital broadcast console is a 16-channel, 24-bit board with six analog and ten switchable digital/analog inputs with computerized set, save and manual/automatic recall of all settings. **Booth 1019.**



PR&E Integrity

Harris debuts user-friendly console

Probably the first digital console to offer braille controls, the Harris DRC-2000 is user-friendly like traditional consoles, and comes equipped with a quick and easy learning curve. **Booth 819.**

Radio Systems unveils the Millennium

Millennium features new and restyled consoles with soft lighted front panel controls, built-in external audio switching and lighted meters—available in 6, 12, 18 and 24 channel models. **Booth 1027.**

Digital on air & production

BE opens new vault

As part of the new AudioVAULT version 6.5 debuting this Fall, Broadcast Electronics' AV-VoiceTrack is a new software module that allows voice tracks to be recorded right into the playlist. Talent can skip through a day's playlist, previewing segues and inserting their

continued on page 10

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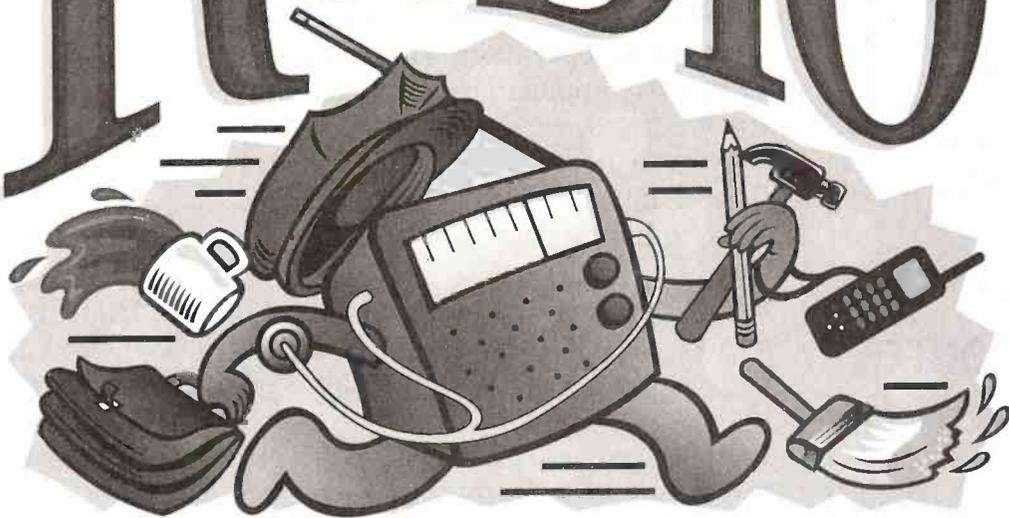
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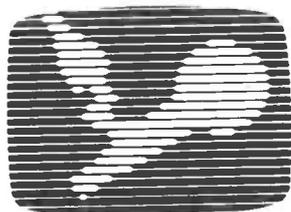
Saturday, September 20
Room 104
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High-tech parade
continued from page 8

voice tracks for the airshift in a fraction of real time. **Booth 119.**

ENCO's DADpro32 system shares the wealth

ENCO's new DADpro32 digital delivery system for the Windows NT OS features a full 32-bit operation, with embedded third party applications such as multi-track editors, wire capture and global wide area networking. It allows multiple facility sharing of audio, scheduling and billing data. **Booth 757.**

Scott Studios' Invincible system

Scott's new "Invincible" redundant digital system offers dependable on-air performance with every component paired with a "hot spare" and automatic self-healing software. "Invincible" is being tested at Power-106 (KPWR-FM) in Los Angeles.

Scott also announced new digital audio players with uncompressed (linear) audio at compressed audio systems pricing. Delivering audio quality superior to MPEG compression is achieved using new 32-bit PCI buss audio cards. **Booth 923.**

Prophet provides quick reference with the "Crystal Ball"

New to the Prophet lineup, the "Crystal Ball" operating system allows instant retrieval of shows, promos, ads or anything else stored. Users need only type in date and time—storage is pulled from hard drives of up to four computers, or from DAT tapes that each can store up to 4.5 weeks of programming. Seven days of programming can be retrieved through the hard drive, and anything previous will be retrieved from DAT. **Booth 667.**

New Dalet software

New to the Dalet software lineup: Dalet's news system provides newswire intake, remote laptop editing, combined audio and text editing and self-operated on-air news shifts. The Dalet 5 is a Sybase client-server database running on Windows NT, allowing hundreds of workstations to be networked. **Booth 642.**

RDS offers "The Replicator" for long form

Register Data Systems' (RDS) solution for managing capture and delay

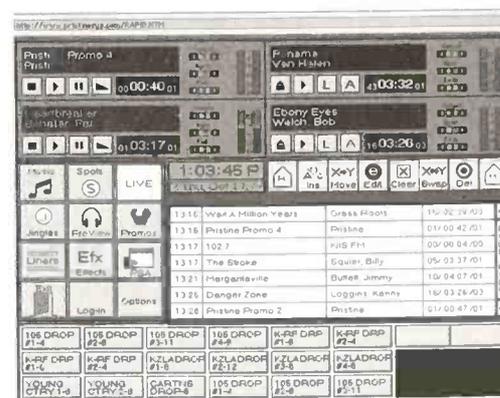
of long form programming: The Replicator. The unit digitally stores all audio feed and control closures attached. Working with source equipment ranging from telephone autocouplers to satellite receivers, the Replicator can receive one program while playing another, and delay-play the same program while feed is still being received. Options include audio switchers which automatically select different program sources for recording, down to selection of transponders and audio channels on sat receivers. **Booth 1154.**

Roland rolls out line of digital equipment

Two products, the VS-880 V-Xpanded studio workstation and the DM-800 audio workstation both offer digital recording, mixing and editing. Roland's VT-1 voice transformer alters the human voice for added "voice appeal" to audio production products—thickening can be increased to a full +1 octave shift. **Booth 260.**

Pristine Systems jazzes the jocks

New from Pristine, the "Rapidfire" system gives on-air talent spontaneity and creativity with a graphical user interface. Each DJ can fill their own drop box with up to 90 custom items. **Booth 1052.**



Pristine Rapidfire

Orban's AirTime manages digital delivery

Orban's AirTime system manages all critical functions in both live-assist and automated broadcasting environments—for single and multiple stations. Using the QNX operating system, moving digital information is done significantly faster than Windows-based. Adding Orban's "SoundExchange," audio quality is maximized with computer noise eliminated. Four system options of user interface are offered:

Sound (touch) Screen; Sound Cube (a digital cart machine); keyboard and mouse; and Sound Slate (instant access to sound libraries). **Booth 143.**

360 Systems takes new Short/cut
New to the Short/cut Personal Editor—Short/cut Version 2.0—are an expansion port for Zip drives, 360's "D-NET" file transfer capability, increased hard disk storage and an "undo" transport command. The 2.0 version also can assign GPI inputs to trigger Hot Keys, providing instant access to frequently used cuts. **Booth 337.**

RCS: Some Real Cool Stuff

Radio Computing Services (RCS) features five new software products: "Selector" for Windows; "RCSnet"—a continuous animated data stream for streaming stations; "RCS Stormcenter"—automated school closings; "Winner"—Manage prize closet, listener databases, on-location talent appearances; "Talkback"—keeps bad/boring callers off the air, includes "Hold Hell." **Booth 411.**

Remote equipment

Comrex features HotLine, Nexus products

Providing wideband audio quality over a standard phone line, The Hotline is convenient for on-the-spot remotes and news gathering and is small enough to fit in a briefcase.

The Nexus unit delivers high quality audio feed over ISDN lines. **Booth 837.**



Comrex Hotline

MARTI improves Cellcast unit

Offering improved battery operation and shedding four pounds in weight, the Cellcast RBS-400 is MARTI's solution for difficult remotes. The unit includes cellular transceiver, frequency extender and 4-channel mixer. **Booth 119.**

STLs

Moseley displays new products in Starlink family

Among its STL, Codec and transmitter control products, Moseley fea-

tures the new Starlink family of products: the SL9003Q all-digital QAM modulated STL with 16-bit linear audio, the SL9003T1 for T1/E1 telco circuits and the SL9001SS 2.4 GHz spread spectrum link. **Booth 864.**

Traffic & Billing

CBSI's Graphical Schedule Planner is traffic accounting

Call it Lotus™ for traffic and production departments. CBSI's Graphical Schedule Planner combines the ease of spreadsheet usage with a calendar-style screen. Allowing up to 16-month advance views of dayparts and schedule info, users can easily reschedule a spot, see totals displayed by units, time schedule and day-to-day adds and drops. Accounts can be displayed by competitive separation, daypart, contract date ranges and more. **Booth 733.**

The Datacount D32 system for group stations

Datacount features the D32 traffic management system, designed for the 32-bit Windows 95/NT platform. Offering multiple-station traffic and billing organization, the D32 handles

multifaceted orders, state of the art log editing/modification and provides multi-level reporting. **Booth 502.**

New from Dalet

Dalet's traffic and billing software is for groups intending to network entire operations, with billing and sales localized or run remotely. **Booth 642.**

Equipment/General

Inovonics offers low-cost digital encoder

The RDS/RBDS "Mini Encoder" enables any FM broadcaster to transmit digital format and service identifiers for radio data systems—priced less than \$400. **Booth 433.**

Harris' HMO plan for digital

Used as a low-cost "health tester" for the quality and status of digital signals, the "Audio Bit Buddy" is well suited for broadcast installations, production studios and signal distribution facilities. Digital or analog program can be listened to on headphones, while LED displays indicate sampling frequency, audio level, emphasis, data error and more. **Booth 819.**

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To The Nth Degree®

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by Jack Messmer

Capstar adds heartland duo

Capstar's smallest and newest regional unit, Central Star, is adding KRNA-FM and KXXM-FM in the Cedar Rapids market for \$10.1M. That will give Central Star President **Mary Quass** five stations in her home market and 25 in her regional group.

The seller of this duo is KRNA Inc., headed by **Elliot Keller**, which put its namesake station on the air in 1974. KXXM was added in 1994 for \$2M.

This pretty much wraps up consolidation in Cedar Rapids, Arbitron market #198. Capstar has four of the market's six FMs and Jacor Communications (O:JCOR) has the other two. Jacor, however, also has the market's senior band powerhouse, WMT-AM. Two standalone AMs remain, including one co-owned with a TV station. **Broker: Gordon Rice**, Gordon Rice

Associates (for KRNA Inc.); **George Otwell** and **Randall Jeffery Sr.**, Media Venture Partners (for Capstar)

Cumulus settles over Ocean City

Cumulus Media is adding another market with a \$9.2M buy of HVS Partners' five stations in the Salisbury-Ocean City, MD market (#154). The superduopoly consists of WTGM-AM, WLBW-FM, WLVW-FM, WQHQ-FM & WRXS-FM.

Cumulus Media LLC is headed by **Richard Weening** and **Lew Dickey Jr.** Its operating subsidiary, Cumulus Broadcasting Inc., is headed by **William Bungeroth** and **Richard Bonick Jr.**

With the latest addition, Cumulus will have 29 radio stations in seven Arbitron markets. It also owns the

Gem Radio group, which has seven English-language stations in the Caribbean.

Trading past \$11B

1997 station trading may not seem nearly as frenzied as the months following the February 1996 passage of the Telcom Act, but trading volume is still on track to beat last year's total. With the \$2.1B sale of SFX Broadcasting (O:SFXBA) to Capstar Broadcasting Partners (RBR 9/1, pp. 3, 10, 12-13), station trading through the first eight months of 1997 surpassed \$11B. If American Radio Systems (N:AFM) brings around \$3B, we'll be within striking distance of topping last year's record of \$14.4B.

Jacor sets sights on ARS

Jacor Communications (O:JCOR) appears to be trying to position itself as the bidder to beat in the auctioning of American Radio Systems (N:AFM). In a most unusual filing with the SEC, the company said:

"Jacor Communications Inc. has confirmed reports that it may be interested in an acquisition transaction involving American Radio Systems. Jacor spokeswoman, **Pam Taylor**, said 'I would certainly include Jacor in the list of names that have an interest in American Radio Systems. We have similar strategies of being in similar clusters. We think very highly of **Steve Dodge** and his people.'

"If any transaction were to be entered into relating to ARS, such transaction would likely be material to Jacor. Jacor continues to pursue its growth strategy and is also engaged in preliminary discussions with owners of numerous other broadcasting businesses. There can be no assurances that Jacor will successfully complete all or any such transactions or what the consequences thereof would be."

RBR observation: Jacor Chairman **Sam Zell** and CEO **Randy Michaels** may be itching to do a mega-deal. After all, they raised hundreds of

Charles Dolan of CV Radio Associates, LP

has agreed to transfer the assets of

WKNR-AM Cleveland, Ohio

for

\$8,400,000

to

Randy Michaels, President of
Jacor Communications

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DOJ approves Paxson-Clear Channel deal

Clear Channel Communications' (N:CCU) revised deal to acquire Paxson Communications' (A:PXN) radio group and some other assets got approval (8/29) from the Department of Justice's (DOJ) Antitrust Division. The reconfigured deal (*RBR* 9/1, p. 10) carries a price tag of \$633M, down from the original \$693M, but also leaves Paxson with some assets to sell off.

DOJ had insisted that Paxson's 178 billboard faces in the Tampa market be removed from the deal because Clear Channel-owned Eller Media is already a major billboard owner in Tampa.

"The original proposed acquisition would have left Tampa outdoor advertisers with fewer choices and higher prices," said **Joel Klein**, Assistant Attorney General in charge of the Antitrust Division. DOJ said the original deal would have given Eller nearly 65% of the \$26M a year billboard ad market in Tampa.

DOJ found no problem with Eller acquiring Paxson's 348 billboards in the Orlando market, so those remain in the deal. All that's needed now is FCC approval of waivers to acquire the Paxson stations in two Florida markets where Clear Channel already owns TV stations. If closing doesn't come first, LMAs will kick in October 1. **Broker: Bill Lisecky, CEA**

RBR observation: Yes, fellow citizens, DOJ has been spending your tax dollars to determine that fair trade would be direly threatened if Clear Channel is permitted to control 8% of total ad spending across all media in the Tampa market, but that everything would be peachy keen so long as that share is held down to 7%.

In either case, Clear Channel's ad market share would have trailed two newspapers (by a huge margin) and five TV stations. It appears, however, that excluding the Paxson billboards will leave Clear Channel slightly behind Jacor Communications (O:JCOR) in total Tampa ad revenues, rather than slightly ahead. Thus, this entire brouhaha was about whether Clear Channel should be in eighth or ninth place for Tampa ad revenues. Who wouldn't find that a prudent use of government funds?

Don't forget—quarterly tax payments to the IRS are due September 15.

millions of dollars through equity and debt offerings, only to lose out in the bidding for Heritage Media's broadcast group and then SFX.

Chancellor-Evergreen closing

Evergreen Media and Chancellor Broadcasting completed their merger (*RBR* 2/24, pp. 2-3, 10-11), after shareholders of both companies last week (9/3) gave overwhelming approval to the corporate marriage. Evergreen was renamed Chancellor Media and former Chancellor Broadcasting shareholders received 17.3M shares of the merged company (0.9091 Chancellor Media shares for each Chancellor Broadcasting share). Trading of Chancellor Media stock was scheduled to begin today (9/8) on the Nasdaq National Market System with the new stock symbol "AMFM."

With a total of 70.6M shares outstanding, including options and convertible preferred stock, total equity is approximately \$3.28B. Long-term debt, including redeemable preferred stock,

is approximately \$2.5B. The company owns 99 radio stations in 21 markets and has a deal pending to acquire Katz Media Group (A:KTZ) for \$373M.

On a pro forma basis, Chancellor Media said 1996 net revenues were approximately \$728M, with broadcast cash flow of \$310M. **Broker: Bill Steding, Star Media Group**

Jacor adds stations in Charleston, Santa Barbara

Confirming our report last issue (*RBR* 9/1, p. 11), Jacor Communications (O:JCOR) said it is buying WRFQ-FM & WSUY-FM Charleston, SC from Regent Communications for \$4.5M. Two existing Jacor stations, WEZL-FM & WXLV-FM, are being dropped from a previous group sale to Regent, leaving Jacor with four FMs in Arbitron market #91.

Jacor is also adding a fourth station to its Santa Barbara, CA cluster, buying KIST-AM for \$850,000 from Engles Enterprises Inc. Jacor already owns KQSB-AM, KTDY-FM & KSBL-FM in the coastal market (#184).

SOLD!

WLRO-FM and WLTO-FM, Lexington-Fayette, Kentucky from Clark Broadcasting Company, Michael Douglass, President, to Regent Communications, Inc., Terry S. Jacobs, Chairman/CEO.

George I. Otwell
and
Charles E. Giddens
Brokers

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GEORGE I. OTWELL
513-769-4477

BRIAN E. COBB
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Sept. 3—RBR Stock Index 1997

Company	Mkt:Symbol	8/27 Close	9/3 Close	Net Chg	Pct Chg	9/3 Vol (00)	Company	Mkt:Symbol	8/27 Close	9/3 Close	Net Chg	Pct Chg	9/3 Vol (00)
Ackerley	A:AK	15.375	14.937	-0.438	-2.85%	89	Hettel Bcg.	O:HBCCA	62.250	63.125	0.875	1.41%	1457
Alliance Bcg.	O:RADO	0.500	1.000	0.500	100.00%	3	Jacor	O:JCOR	43.750	43.750	0.000	0.00%	1773
Am. Radio Sys.	N:AFM	49.375	49.687	0.312	0.63%	1627	Jeff-Pilot	N:JP	70.250	71.500	1.250	1.78%	1862
AMSC	O:SKYC	7.500	7.250	-0.250	-3.33%	133	Jones Intercable	O:JOINA	11.500	11.625	0.125	1.09%	1112
CD Radio	O:CDRD	19.000	18.625	-0.375	-1.97%	914	Katz Media Group	A:KTZ	10.375	10.500	0.125	1.20%	0
Ceridian	N:CEN	37.062	33.312	-3.750	-10.12%	8865	Metro Networks	O:MTNT	29.750	30.125	0.375	1.26%	35
Chancellor	O:CBCA	43.250	42.750	-0.500	-1.16%	1155	New York Times	A:NYTA	48.000	48.562	0.562	1.17%	2169
Childrens Bcg.	O:AAHS	3.375	3.500	0.125	3.70%	621	News Comm.	O:NCOM	1.812	1.875	0.063	3.48%	0
Clear Channel	N:CCU	66.250	68.250	2.000	3.02%	4245	Pacific R&E	A:PXE	3.000	3.062	0.062	2.07%	114
Cox Radio	N:CXR	26.937	26.125	-0.812	-3.01%	144	Paxson Commun.	A:PXN	12.250	12.000	-0.250	-2.04%	1288
DG Systems	O:DGIT	6.750	6.500	-0.250	-3.70%	123	Pulitzer	N:PTZ	52.250	52.750	0.500	0.96%	36
Disney	N:DIS	78.500	79.562	1.062	1.35%	10023	Saga Commun.	A:SGA	21.000	20.687	-0.313	-1.49%	42
Emmis Bcg.	O:EMMS	49.250	47.625	-1.625	-3.30%	318	SFX Bcg.	O:SFXBA	73.937	73.187	-0.750	-1.01%	3199
Evergreen	O:EVGM	47.750	46.500	-1.250	-2.62%	2962	Sinclair	O:SBGI	37.125	36.250	-0.875	-2.36%	1218
Faircom	O:FXCM	0.375	0.312	-0.063	-16.80%	0	TM Century	O:TMCI	0.468	0.468	0.000	0.00%	14
Fisher	O:FSCI	126.250	131.000	4.750	3.76%	72	Triathlon	O:TBCOA	7.875	8.000	0.125	1.59%	181
Gaylord	N:GET	23.250	23.500	0.250	1.08%	6123	Tribune	N:TRB	50.437	50.187	-0.250	-0.50%	2744
Granite	O:GBTVK	11.125	11.000	-0.125	-1.12%	3365	Westinghouse	N:WX	26.312	26.312	0.000	0.00%	13803
Harris Corp.	N:HRS	87.563	89.000	1.438	1.64%	1262	Westwood One	O:WONE	28.000	27.750	-0.250	-0.89%	1656

CD Radio raising \$215M

Satellite DAB license holder CD Radio Inc. (O:CDRD) has filed at the SEC to sell 3.5M new shares, plus \$150M in senior discount notes (due 2007). At current prices, the stock sale would raise about \$65M, so the total to be raised by the two offerings could be in excess of \$215M.

The stock offering's lead underwriters are Merrill Lynch, Lehman Bros. and Unterberg Harris. The lead underwriters for the debt offering are Merrill Lynch and Lehman Bros.

CD Radio currently has 10.3M shares of common stock outstanding and 5.4M shares of preferred stock (5% yield). A check of the company's recent proxy found that 27.5% of the common shares (worth \$52M+) are held by **Darlene Friedland** of Sydney, Australia, 17.9% (\$35M+) by CD Radio President **David Margolese** and 14.2% (\$27M+) by Robertson Stephens & Co. and various affiliates of the San Francisco-based investment group. Six Wall Street investment groups own 54% of the preferred shares.

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Company Profile

News Communications: A publisher expands into radio

One of the newest entrants into the radio business is already a niche player in the newspaper business' big leagues, New York City. News Communications (O:NCOM) owns a string of community newspapers in some of the Big Apple's ritziest communities.

Our Town, a free weekly distributed on Manhattan's Upper East Side, was acquired by the small public company in 1991, but began publication 26 years ago. The company's other free weekly in Manhattan, *Manhattan Spirit*, focuses on the West Side and lower part of the island. There are also two paid-subscription weeklies, *The Chelsea-Clinton News* (a 56-year-old paper which has no relationship to the President's daughter) and *Westsider*. The monthly *Manhattan File* focuses on fashion, arts and entertainment news for the young and wealthy.

Not that News Communications serves only upper-crust neighborhoods. It also owns *The Queens Tribune*, with ten community editions, the *Brooklyn Skyline*, with five editions, and the *Bronx Press Review*, which has added two focused community editions.

Subsidiaries on Long Island publish 14 newspapers and shoppers in Nassau County and *Dan's Papers* in beach areas of Eastern Long Island.

In its annual 10-K report to shareholders and the SEC, News Communications said it seeks to acquire or start other newspapers in the New York market. "In addition to the New York Metro area, the company is also exploring opportunities in resort communities throughout the United States and other niche publishing areas, as well as other media ven-

tures such as electronic publishing on the Internet."

That explains a couple of the company's most recent ventures. In September 1994 News Communications launched *The Hill*, a newspaper covering politics, life and gossip on Capitol Hill.

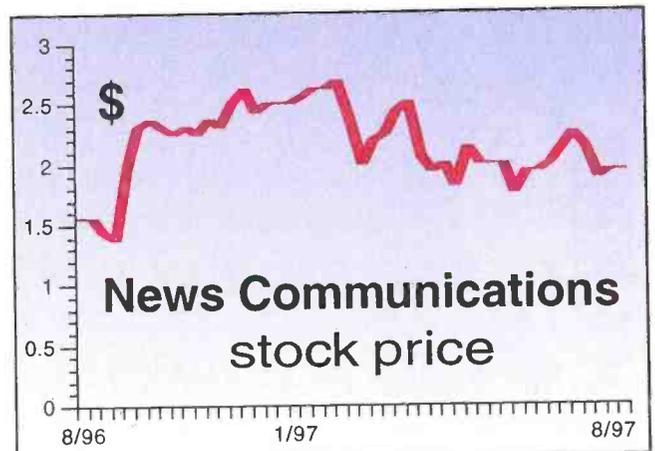
Now News Communications is getting into radio, though only in a small way, with a \$268,500 deal to buy WYRE-AM Annapolis, MD. CEO **Wilbur Ross** said the purchase was a relatively inexpensive way to get an outlet for *The Hill's* daily radio show, "Hill Reporter" (distributed by United Broadcasting), that can be heard on Capitol Hill. The station will soon be switching from R&B Oldies to a community-oriented Talk format.

Ross is looking at possible radio purchases on Long Island to team with the company's news-

papers. "As we get more papers in other markets, we would be interested in possibly acquiring radio stations there as well," he said.

One of the more interesting things to note about News Communications is its board of directors, which reads like a page from *Who's Who* or *The Social Register*. There's former New York Congressman **Gary Ackerman**, reporter/author **Carl Bernstein** of Watergate fame, Broadway theater mogul **Robert Nederlander**, former Manhattan Borough President **Andrew Stein** and clothing chain owner **Sy Syms** (another familiar radio voice).

It'll be interesting to watch what they do in radio.



Saga Communications of New England, Inc.

has agreed to purchase the assets of

WOXF-FM

Bedford (Manchester), New Hampshire

from

Merrimack Valley Broadcasting Corporation

for

\$3.3 Million

Robert J. Maccini and Mitt Younts

of Media Services Group, Inc. initiated the transaction

and acted as consultant to Merrimack Valley Broadcasting Corporation.

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News Communications

Fiscal 1st half ended 5/31

Category	1997	1996
Net revenues	\$8,796,459	\$8,452,588
Operating loss	\$784,110	\$1,305,717
Net loss	\$881,369	\$1,346,035

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AOL's Robert Pittman to Keynote The NAB Radio Show



A pioneer in entertainment programming, Bob Pittman began his career in Radio, first as a disk jockey and then as a program director for top rated stations. Infamous as a brand builder and innovator, Pittman has successfully applied his philosophies to businesses such as MTV, Six Flags Theme Parks and most recently CENTURY 21 and AOL. Come hear his unique perspective on the future of Radio, communications and entertainment.

Group Heads: Succeeding in a New Era of Radio

Hear how some of the biggest players are re-shaping the face of Radio this super session moderated by Herb McCord, President of Granum Communications Corp.



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Triathlon Broadcasting



Steve Hicks
Capstar Broadcasting



Bob Neil
Cox Radio



Jeff Smulyan
Emmis Broadcasting



Randy Michaels
Jacor Communications



Scott Ginsburg
Evergreen Media

Mel Karmazin Receives National Radio Award at NAB Radio Luncheon



Chairman and CEO of CBS Station Group, Karmazin has spent his career not only building his Radio business, but also building the business of Radio. Join us as he is honored at the NAB Radio luncheon.



Plus, hear special remarks from FCC Commissioner Rachelle Chong.

Ron Chapman Emcees NAB Marconi Radio Awards Reception, Dinner & Show



Join the celebration as the suspense ends and the winners are revealed for the NAB Marconi Radio Awards. Former Marconi Award winner Ron Chapman from KVIL-FM in Dallas will host this year's event.

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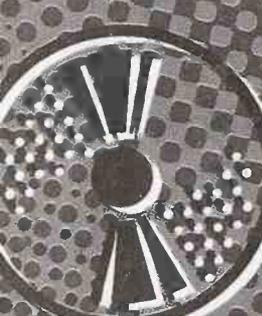
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Transaction Digest continued from page 18

Network Inc. (Scott & Brenda Beigle, Herbert & Lola Sheperd). \$7.5K escrow, balance in cash at closing. Seller retains WGLF-FM in the market. **Broker:** Media Services Group.

\$150,000—WBXR-AM Huntsville (Hazel Green AL) from Low Country Corp. Inc. (Carlton Brady) to New England Communications Inc. (Robert L. Wilkins). \$50K cash, \$100K note.

\$135,000—* WMDC-AM & FM Hazelhurst MS from Green Broadcasting Company (Rebecca S. Green) to The O'Neal Broadcasting Corporation (Marcus Rusty O'Neal). \$5K downpayment, assumption of \$79K note, balance in cash at closing. **Duopoly** with WRQO-FM Monticello MS.

\$100,000—WTBK-FM Manchester KY from Manchester Communications Ltd. (40% Joe W. Burchell, 60% Timothy H. & James E. Finley) to Manchester Communications Inc. (Timothy H. & James E. Finley). The Finleys are exercising their option to purchase Burchell's 40% interest for \$100K and converting ownership from a limited partnership to a corporation.

\$74,300—* FM CP (107.5 MHz) Lake Charles LA (Lake Arthur LA) from G. Dean Pearce to Progressive Communications Inc.

(Houston L. Pearce, Voncile R. Pearce, George A. Swift Jr.). Cash. **Duopoly** with KLCL/KHLA. G. Dean Pearce is the son of Houston and Voncile Pearce.

\$60,000—WPPI-AM Carrollton GA from Radio Carrollton Inc. (William P. Johnson) to International Zenith Inc. (Dallas M. Tarkenton, Michael L. Erwin). \$5K earnest money, balance in cash at closing. **Combo** with WBTR-FM.

\$20,000—WVYE-FM CP (100.5 MHz) Port Gibson MS from Eileen S. Bailey, trustee to R&R Broadcasting Inc. (Kenneth R. Rainey Sr., Russell W. Robinson). Cash. Deal has been approved by bankruptcy court.

\$18,146—* WAKN-FM Winter Harbor ME from Theodore Enfield to R. Scott Hogg Sr. \$3.5K deposit, balance in cash at closing. **Duopoly** with WMDI-FM Bar Harbor ME. Will become **superduopoly** if buyer's application for a new FM in Milbridge ME is approved. WAKN has CP to upgrade to Class B, but has run into problem getting power to isolated transmitter site. Is seeking extension of CP.

N/A—* WIXZ-AM Pittsburgh (McKeesport PA) from Serena Communications Inc. (Alan C. Serena) to Renda Broadcasting Corp. (Anthony F. Renda). Assumption of unspecified remaining portion of two notes originally worth \$1.25M total. **Duopoly** with WJAS/WSHH. LMA since July 1.

September 1997

\$62,000,000

American Radio Systems Corporation

has exchanged

WRFX-FM
(Charlotte)

with

SFX Broadcasting, Inc.

for

WDSY-FM
(Pittsburgh)

and \$20 Million

The undersigned advised both parties.

Dugan Associates Inc.

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RADIO OUTLOOK 1997

- Veronis, Suhler & Associates forecasts total radio advertising to grow 9.3% per year to \$18.3 billion in 2001
- Transaction volume is robust: over \$23 billion worth of radio stations have changed hands in the last 18 months
- Debt and equity financing is readily available
- Financial players and public companies are entering the radio arena
- Valuations for private sale transactions are reaching all-time highs
- Reduction in capital gains tax is likely to spur additional activity

There has never been a more appropriate time for radio station owners to consider their transaction alternatives



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TRANSACTION DIGEST™

by Jack Messmer & Dave Seyler

The deals listed below were taken from FCC filings made public during the week from Wednesday, Aug. 27 through Tuesday, Sept. 2. *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.

\$12,000,000—* KEZQ-AM, KURB-FM & KVLO-FM Little Rock (Little Rock-Sheridan AR) from GHB of Little Rock Inc., a subsidiary of GHB Broadcasting Corp. (George H. Buck Jr.), to Citadel License Inc., a subsidiary of Citadel Communications (Larry Wilson et al). \$800 letter of credit as escrow, \$11.4M in cash at closing, \$600K to **Jacob E. Bogan** under non-compete. **Superduopoly** with KARN-AM, KRNN-AM, KIPR-FM, KYTN-FM & KESR-FM. Note: 49 stations in market. Broker: Michael Bergner, Bergner & Co.

\$11,000,000—* WGSM-AM, WRHD-AM, WMJC-FM & WRCN-FM Nassau-Suffolk (Huntington-Riverhead-Smithtown NY) from Islandwide Broadcasting L.P. (Gary Starr) to IW LLC (Albert Kaneb, various family members and family trusts), part of the Barnstable Broadcasting group. \$11M note. WGSM-AM & WMJC-FM have **duopoly** overlaps with WHLI-AM & WBZO-FM. WRHD-AM & WRCN-FM, a combo at the east end of Long Island, has no contour overlaps with any of the other stations. LMA since April 8. Broker: Barry J. Dickstein

\$4,500,000—* WLTO-FM & WLRO-FM Lexington (Nicholasville-Richmond KY) from Clark Broadcasting Co. (Michael Douglass, pres.) to HMH Broadcasting Inc. (Ralph Hacker et al) via assignment of purchase contract executed by Regent Communications (Terry Jacobs, Bill Stakelin). \$225K escrow, balance in cash at closing. **Superduopoly** with WVLK-AM & FM & WXZZ-FM. Broker: Media Venture Partners

\$1,100,000—WQBN-AM Tampa-St. Petersburg (Temple Terrace FL) from Radio Tropical Inc. (Efrain Archilla-Roig) to Genesis Communications II Inc. (Bruce Maduri, J. Donald Childress). \$55K escrow, balance in cash at closing. Broker: Donald K. Clark

\$650,000—WYXZ-FM Crestline OH from Mid-Ohio Radio Partners Ltd. (Barry F. Gerber, pres) to Elyria-Lorain Broadcasting Co. (Gary Kneisley, pres et al). \$25K escrow, \$475K cash at closing, \$50K non-compete, \$100K consulting agreement. Broker: Burt Sherwood & Assocs.

\$550,000—* WLAT-AM Hartford (Manchester CT) from Latino Broadcasting Corp. (Jeffrey Dressler) to Mega Broadcasting Corp. (Alfredo Alonso et al). \$5K escrow, \$45K cash at closing, \$500K note. **Duopoly** with WNEZ-AM. LMA since June 23.

\$500,000—* WIEL-AM, WKMO-FM Elizabethtown KY/Hodgenville KY from Elizabethtown Broadcasting Co. Inc. (D. Michael Coyle) to Basix Communications L.L.C. (Linda & Ross Becker). \$50K escrow, balance in cash at closing. **Duopoly** with WRZI-FM Vine Grove KY. LMA since July 16. Brokers: Media Services Group (seller), Robin Martin (buyer).

\$400,000—* KZPH-FM Cashmere WA from Big Rock Inc. (Mike Wade) to Sunbrook Communications (Larry Roberts), a subsidiary of Fisher Companies (O:FSCI). \$40K escrow, balance in cash at closing. **Superduopoly** with KWWW-AM, KYSN-FM & KXAA-FM CP, Wenatchee-E. Wenatchee-Rock Island WA.

\$350,000—KVYF-FM Wilson Creek WA from Wilson Creek Communications L.L.C. (David J. Doherty, mgng ptrn) to Pioneer Broadcasting Co. Inc. (Matthew N. Clapp Jr. et al). \$25K escrow, balance in cash at closing. Broker: Miller & Assocs.

\$300,000—KSTA AM-FM Coleman TX from Coleman County Broadcasters Inc. (Ross L. Jones) to Watts Communications Inc. (Phil Watts). \$10K escrow, \$90K cash at closing, \$200K note. **Duopoly** with KXYL AM-FM Brownwood TX if KSTA-FM is successful in application for facility upgrade.

\$265,000—WWPR-AM Sarasota-Bradenton (Bradenton FL) from Skywave Broadcasting Corp. (Osvaldo Onoz) to Greenrose Broadcasting Services Inc. (Raymond F. Green, Victor W. Scarpato Jr., Stephen W. Seeger, Frank H. Altdoerffer II). \$25K escrow, \$100K cash at closing, \$25K due 180 days after closing, \$115K note. Broker: Hadden & Assocs.

\$156,656—* WCXR-FM Williamsport PA (Lewisburg PA) from Diggins Media Inc. (Michele Diggins) to South Williamsport SabreCom Inc., a subsidiary of Sabre Communications Inc. (Paul Rothfuss). \$156,686 cash plus assumption of the remainder of a note originally worth \$200K. **Superduopoly** with WFXX-AM, WZXR-FM, WHTO-FM, WLYQ-AM, WILQ-FM.

\$150,000—WANM-AM Tallahassee from WANM Inc. (Bruce B. Timm) to Faith Radio

continued on page 17

9/8/97 RBR

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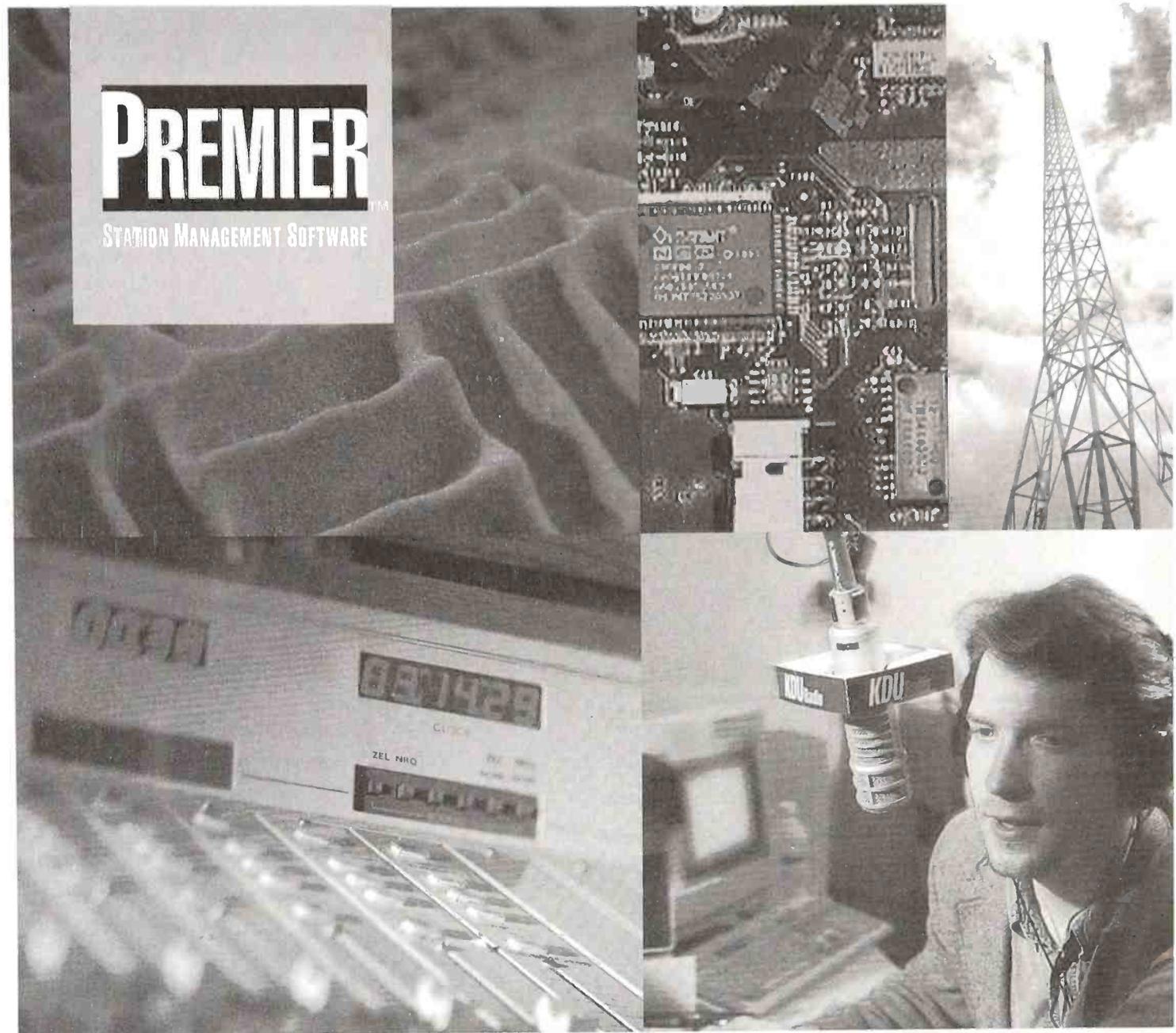
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