Watt’s up, Doc? FCC considering microstations
The FCC is looking at the establishment of one watt AM and FM stations in all markets to give voice to the "little people." RBR wonders—will batteries be included?

Revenues: Uptrend rotates into ’98

Tribune’s Miami TV/paper combo waiver extended

Dingell accuses Kennard of even more of more of the same. ..but Clinton applauds Kennard’s political airtime end around

Kasem point: Superstar bolts WW1 for AMFM

...but WW1 sends out lawyer posse to head him off

Decline in PUR causes some to meow

Radio goes to work, making it the medium of choice for daytime

Cumulus rains on Maine, and mainly on the Plains
Radio’s fastest-growing group will pick up four more stations Down East (in the Augusta market), plus a covered-wagon full of MN-IA stations from Ingstad.

Pulitzer prize: Radio and TV stations are on the block
New Bay for Blaya: Radio Unica gets frisky in Frisco
Marathon Media pockets Pocatello foursome
Boston U. makes a Providential move
Mouse on the move: Ya gotta have Hart(ford)
Haber is the pivot as Susquehanna enters NC

Gray line? Group takes the Busse out of TV biz
Paxson’s TV net doing something constructive

Y&R ventures from Madison Ave. to Wall St.
Big City’s debt maneuver will also build acquisition warchest
VS&A goes from company to crowd with third partner
24 hour-a-day music monitoring for the next millennium.

From Mediabase Research, the reliable airplay monitored every major music format monitored. More accurate and comprehensive information than any other service 24 hours-a-day, 7 days-a-week. Recognized leader in accurate, monitoring.

900 radio stations monitored constantly. Far faster turnaround than any other service. Available exclusively on a barter basis by Premiere Radio Networks.

For more information, call your Premiere Radio Networks representative at (818) 377-5300.
Low power, high anxiety
by Frank Saxe

Members of all 50 state broadcasting associations knocked on doors and met with their congressional representatives last week. But the hot topic was not what Congress or the President have been up to, but rather, word the FCC is considering licensing low-powered stations.

The proposed rule making would allow one AM and FM one-watt station in each market, and many broadcasters view it as new competition. "We already have 120 stations, we don't need anymore," says Jose Ribas Dominicci, executive director, Radio Broadcasters Assoc. of Puerto Rico.

Licensing microbroadcasters is seen by many as a legalization of pirate radio stations. The FCC shut down 97 pirate radio stations in 1997, although it is estimated there are more than 200 still on the air.

"People just want to speak to their community. We ought to figure out what our options are," says FCC Chair Bill Kennard (D). But he adds, "I am not ready to support it."

Mass Media Bureau Chief Roy Stewart says the Commission is hoping to reverse some of consolidation's impact. "So it's just not just the big people that get to speak, it's the little people that get to speak in America too."

Distribution and policing must still be worked out. One consideration is last year's Balanced Budget Act which dictates available broadcast spectrum be auctioned.

While micros took center stage, the battle cry for 1998 was public service, "People just want to speak to their community, Fritts thinks radio could stave off a call for free time."

Revving up the revenues: 1998 picks up where 1997 left off
by Dave Seyler

Radio stations in RAB's 100 measured markets hauled in $407.8M in January, besting 1997's total by more than $30M for the month, an 8% improvement. Local was up 7%, while national continued its run of double-digit increases with a gain of 12%.

Regionally, the trend of across-the-board increases continued, although there were a couple of potholes in the results. The Southeast registered a mere 1% increase in local revenue, and the Southwest bumped up its national total by a paltry 2%. Still, these results are improvements on what was a record revenue year, and are more than offset by more robust increases elsewhere.

RBR observation: RAB for the first time released monthly dollar figures for its measured markets, rather than just the percentages, we feel in part due to persistent begging and whining from your friends at RBR.
More Hill heat for FCC
by Frank Saxe

More battle lines are being drawn between Congress and the new FCC. This time it is Rep. John Dingell (D-MI) giving the verbal spanking to new Chair Bill Kennard (D).

"In terms of substance, the current Chairman may be a few affiliates short of a network," cracked Dingell at last week's NAB State Leadership Conference. He thinks the Commission has squandered an opportunity to clean up a mess left by former Chair Reed Hundt. "The Commission has chosen not only perpetuate, but actually increase bureaucracy in virtually every area the Congress had intended to eliminate it."

Dingell, a member of the House Commerce Committee, points to Kennard's backing of free or reduced-price air time for candidates as an example. "It appears that, like his predecessor, Chairman Kennard has an extremely expansive view of the FCC's power, so long as it comports with his view of the public interest."

Clinton craves radio & TV time
by Frank Saxe

The McCain-Feingold Bill may be dead, but that is not stopping President Clinton from trying an end run around Congress to get radio and TV stations to give free or reduced price air time to candidates.

"I applaud your previous decision to take the next steps toward providing such free and reduced rate time," Clinton wrote to FCC Chair Bill Kennard (D) Feb. 27, just one day after the McCain-Feingold bill died. Kennard is proposing the FCC look at using the public interest standard to pass such requirements onto broadcasters.

Kennard defended his support during an NAB speech last week. "Congress and the courts have made it clear the FCC has the authority," said Kennard, who has heard from more than 80 congressmen backing free time.

"Try to ignore those letters because they have a conflict of interest," responds Stan Statham, executive director, California Broadcasters Association.

AMFM tops the charts with Casey Kasem
by Katy Bachman and Carl Marcucci

Casey Kasem's exit from Westwood One (O:WONE) to Chancellor's (O:AMFM) AMFM Radio Nets proves that consolidation is rewriting the rules of syndication. Ready-made distribution of stations can attract major talent, such as Kasem, who had been with Westwood since founder Norm Pattiz lured him away from ABC in 1988.

"Anybody who knows about radio, knows about Chancellor. It's appealing to be with an organization like that," said Kasem about why he jumped to AMFM. "Chancellor has a plethora of stations in the top 20 markets and that's really exciting. With that, you're on your way to being number one already."

By signing with AMFM, Kasem instantly adds affiliates in the top 20 markets including WBIX-FM New York, KBIG-FM Los Angeles and KIOI-FM San Francisco. No doubt more Chancellor stations are in line, not to mention Capstar.

This is the first syndicated programming AMFM has announced since it signed on as a network Jan. 5 (RBR 1/12, p. 3-4)"This is a great first show. It makes the statement we want to make," said David Kantor, SVP, Chancellor, AMFM Radio Networks. "We plan to be the major player in personality-driven radio."

Kasem's three long form programs and three short form features will all be going to AMFM in the seven-year contract.

Kasem is expected to debut with more than 300 stations the weekend of March 28-29. His M-F (5 min.) strip, "America's Top Hits," is expected to debut the following week. AMFM will be reviving Kasem's brand name, "American Top 40." The name was once held by ABC, and has returned to Kasem following two years of inactivity. In addition to AT40 for CHR (4 hours), "The American Top 20" (3 hours) continues with AC and Hot AC versions.

Some Chancellor stations already carried Kasem through WW1. AMFM is offering existing affiliates the chance to sign with AMFM "if they move quickly," said Kantor. "We want the very best affiliates in every market for Casey. If he has a good affiliate that's not Chancellor, and that affiliate wants to sign up, we're going to take that station."

RBR observation: When AMFM can instantly add Chancellor affiliates in three top 20 markets, it doesn't say a lot for Westwood One's distribution of this longstanding American icon of a show. With over 150 products it's hard to effectively market them all.

This is the second blow to WW1 in days. Greg Batusic, president, announced his resignation at the end of February.

Lawsuit throws cold water on AMFM
by Carl Marcucci

Practically stealing AMFM's thunder, Westwood One (O:WONE), the day after Chancellor's AMFM Radio Networks announced it had signed countdown king Casey Kasem, filed suit against Chancellor Media (O:AMFM), Kasem, and former WW1 attorney-turned-Kasem consultant Eric Weiss.

WW1 claims Kasem bolted before his $18M seven-year contract with WW1 was up Jan. 1, 2000. Chancellor and Weiss are being sued for breach of fiduciary duty, tortious interference with contract and unfair competition. WW1 seeks $10M and a permanent injunction against the show airing with AMFM until the contract lapses.

Kasem and Weiss say not so, citing a clause in Kasem's WW1 contract that said Kasem may exercise his right to terminate his contract if the network's performance [read revenues] fell below an agreed-upon benchmark.

"This lawsuit is ridiculous. His rights were crystal clear and he acted well within them," said Weiss. "The entire case, including the charges against me, reflect nothing more than Westwood One's desperation over losing their most popular radio personality on account of their own failings and shortcomings."

Kasem has retained Daniel Petrocelli and Robert Welsh of law firm Mitchell, Silberberg & Knupp. You may remember Petrocelli as the attorney who represented the Goldmans in the civil suit against O.J. Simpson.

RBR observation: RBR sources say the suit is unlikely to disrupt AMFM's schedule to put Kasem on the air. AMFM is proceeding with cutting liners and jingles, and the production staff is in place. However, with litigation in the picture, some affiliates may be reluctant to sign with AMFM until the Superior Court of LA County rules.
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Should you worry about PUR trends?

by Katy Bachman

PURs (Persons Using Radio) are decreasing and that has some worried radio may be heading down the same path as network TV.

The first sign that PURs were on a downward turn was in 1996. At that time, a Katz Radio study found that in Spring 1996, PURs were down only 4% in 12 years (RBR 9/9/96, p. 13).

That slight loss has grown, setting off alarm bells in some broadcast circles. According to Duncan's American Radio, PURs have dropped eight years out of nine—a 9% loss. (See graph, below). According to Duncan's, the trend seems to be continuing, dropping 1.3% in Fall 97 from Fall 96.

Are listeners leaving the medium in droves? Not really. It all depends on how you look at it and where you start the trend line. Start it at 1981 and PURs are up.

Keep it in perspective
Over time, one could make the argument that PURs have remained relatively steady. "Declining 8% over 10 years is not a lot, considering that most has occurred in age cells that radio stations no longer target," said Gerry Boehme, SVP, Katz Media. Katz's analysis shows total US PURs at 16.3 in Fall 97, down from 16.5 in Fall 84.

Yet radio—a mature medium—has lost less of its audience than TV or newspapers. And unlike other media, radio has already suffered its fragmentation growing pains.

"Radio is a more sophisticated business, focusing on programming and marketing to its P1s," said Boehme. As groups develop station synergies within a market, stations are targeting well-defined audiences. "Stations could be delivering audiences better than ever," said Boehme.

But the pressures of consolidation financing have also pointed stations towards the 25-54 money demo, the overwhelming choice of advertisers and agencies. "Radio has essentially decided that it will be a 'mid-range demo' medium," said J.T. Anderton, VP/Managing Director, Duncan's American Radio. Stations are less interested in teens and 65+, PUR demos that are down.

Good news for prime demos
Other demos, such as Men, are up. Women demos are holding steady. And they're listening longer. Katz found that from Fall 84 to Fall 97, M25-34 TSL increased from 23.3 to 24.1; M35-44 jumped from 21.6 to 23.8; and M45-54 improved 20.6 to 22.9.

Instead of frequency hopping, listeners are more loyal to their favorite stations. What radio might be missing, suggests Boehme, is incidental listening. That may not be necessarily bad for advertisers looking for more efficient schedules.

Listening in certain locations is also up. With more Women in the workplace than ever before, at-work listening has increased by 4% from 1988-1996, according to Arbitron.

Methodology matters
Methodology also effects the PUR trend line. Arbitron has said that as it improves the measurement tool, PURs go up, as they did when Arbitron introduced in-car and Working Women in 1982 and added the at-work location box in 1988. Another upturn is expected when Arbitron adds the at-work zip code box in 1999 (See related story, p. 7).

One change in methodology actually depressed PURs. Arbitron Radio GM Pierre Bouvard warned broadcasters that PURs would take as much as a one point hit with the Qualitative Diary, added Fall 1995.

"Right now we're in a transition phase; groups are still putting superduopolies together," says Boehme. That, coupled with some upcoming methodology changes, and PURs could very well be ready to reverse the trend.

We've Got What You're Listening For!

JONES RADIO NETWORK
24 Hour Programming • Syndicated Programs • Specials
Call Michael Henderson Director of Affiliate Sales 303-784-8700
Radio brings home at-work listeners

“At work listening—I live and die by it everyday,” says one GM expressing just how important it is for radio stations to nab ears between 9A and 5P. From faxes to computer software applications, stations are hoping to entice listeners to tune them in while at work.

Ever since Arbitron added the at-work check box to its diary in 1988, at-work listening has been part of station marketing. Now, Arbitron is preparing to add an at-work ZIP code box to its diaries, to better track listening habits. (see diary page, below) A study last Summer found 90% of people knew their office’s ZIP code. Arbitron General Manager Pierre Bouvard says they also determined that whenever they asked for a diarykeeper’s at-work ZIP, daytime listening PURs went up. “It prompted people to remember they listen at work,” says Bouvard. The question is expected to become part of the diary in early 1999.

“Where is your best growth opportunity? To work the cume you already have, and through marketing to try to get them to listen longer,” says Reg Johns, president, Fairwest Direct. He believes Arbitron’s “Radio Goes to Work” study, released last October, has let out the secret of how important the 9-to-5 daypart is—which will lead to more stations fighting for in-office ears.(see sidebar, p. 10)

There are nearly a dozen marketing and research companies helping stations reach at-work listeners. Still, the Arbitron study indicates few radio stations have yet to go after the at-work listener. 95% of those reinterviewed said they had not been called at work to participate in a radio contest, 92% had not received a radio station fax at work, 88% had not received mail. In fact, 91% had not been contacted by a radio station regarding at-work listening.

We asked some of the big players in the at-work marketing field to describe some of their more popular at-work marketing programs.

**Take radio to work & win**
Impact Target Marketing has had to change with the times, says its President, Eric Corwin. Its initial focus was at-work telemarketing with direct mail following up those calls. “With all the competition for those AQH in the workplace, it’s more critical that you do more than telemarketing,” says Corwin, adding Impact sends mailings to listeners at work and at home, since home is where the diary is.

But Impact’s latest and most successful push has been for its “Take radio to work and win” campaign which does not focus on recruiting new listeners, but on taking cume and driving TSL. (See picture, p. 10)

Here is how it works. A station promotes an 800 number to get game pieces by fax-on-demand. Then the station calls out the winning numbers four or five times during the day at preannounced times. “We get listeners to recruit co-workers,” says Corwin. “What occurs with this kind of campaign is you have people in the workplace helping each other out, and we end up penetrating that office.”

Chancellor’s WASH-FM Washington, DC has been running the promotion for more than two years during Fall and Spring books, and has more than 110,000 people playing in the DC metro. Has the contest helped? GM Mark O’Brien says WASH-FM had a 2.5 share before they used it, and now they average a 5.5 share. As an AC station, O’Brien says at-work listening is key. “The best way for me to drive ratings is to dominate the people at work, that’s what we do at an AC station, so I concentrate most of my efforts at the 9-to-5 period.”

Continued on page 8

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**Quick questions**

1. What is your age? [ ] years
2. Are you male or female? Mark (x) one.
   - Male
   - Female
3. Where do you live?
   - City
   - County
   - State
   - Zip
4. Are you employed, either full time or part time? Mark (x) one.
   - Yes
   - No
   - Less than 35 hours
   - 35 or more

What is the zip code at your usual place of work? [ ]

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Arbitron is adding the at work ZIP code box to its diaries by early 1999, which could lead to a jump in reported at work listening.

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Your opinion counts

Use this space to make any comments you like about specific stations, announcers or programs.

© Arbitron, 1998
The DMR mix

"Since Arbitron’s At-Work study came out, there has been an increased interest in at-work marketing," says Jay Williams, Jr., CEO, Direct Marketing Results (DMR), whose company averages 65-75 stations during any given rating period. "People's perception of at-work listening is invariably in an office environment. People think offices are 30, 40 or 50 people. The reality is that the basic at-work office location is a retail store, a service station, a fast food restaurant—where people are racking up huge TSL at work," says Williams. "We’ve gone through a total revolution of where people work. We still have that mentality of tall office buildings, but the average office has fewer than seven people in it." Williams says research has shown which offices lean toward which formats. For example, Oldies formats do better in blue-collar work environments.

Williams thinks direct mail pieces can be an effective tool for increasing at-work listening. "Mail is personal by definition, so it has advantages over faxes," says Williams. He says mailings give color and graphics plus the ability to insert anything inside the envelope, like a bounce back card, a magnet or a CD. "Mail is perceived, not as an invasion, but as an event."

DMR also has a fax program, but Williams concedes its effectiveness is less than telemarketing and mailers. "Faxes work to maintain a relationship with an established listener, as long as that subsequent fax contains new information. So if you’re going to send faxes, you better have something new to say," says Williams. There are drawbacks to faxes. They can be seen as work by some, and can even create stress instead of being welcome. DMR has conducted studies and found some people react very negatively to receiving a radio station fax.

TheRewards program

What is Fairwest’s trump card? Technology. After spending 20 months designing and writing software, the company has recently launched its screen saver with a brain called "The Listen-At-Work Rewards Program."

Fairwest Direct's Rewards program turns listeners workplace computer into a "virtual TV spot" and also can be sold to advertisers for non-traditional revenue.

Continued on page 10

The Arbitron study's key findings

Arbitron’s “Radio Goes to Work” study, released last October (RBR 9/29/97, p.6), shows at work listening rose 4% from 1988 to 1996, with at-work listening the place where people hear the most radio, even above in-car listening. Since Fall 1988, at-work listening has grown from comprising 25% of quarter-hour listening to 29% in Fall 1996. And 65% of respondents said they listen to the radio at their primary job.

In re-interviews with 1,123 Spring 1997 diary keepers Arbitron found just 42% of the labor force works in an office, although most workers are in white-collar jobs. It also finds “9 to 5” is fiction, only four percent of workers start and stop at these times.

As for radio in the workplace—65% listen while at work, 63% deciding for themselves what station to listen to and 61% leave the radio tuned to one station, with only five percent frequently changing the station.

Despite the perception AC is king of at-work formats, that does not always hold true. The study shows more than 70% of people pick a station because of the kind of music played, but Classic Rock, AOR and Oldies also score well with at-work listening. Religious, News/Talk and Urban stations fare the poorest.
Want to Reach People At-Work? Call Them.

The Arbitron At-Work study* confirms the power of radio At-Work. The At-Work audience is not only big, it's growing. And generating At-Work listening is a "major opportunity for all formats," not just soft AC's. Perhaps that's because most people choose for themselves what station to listen to At-Work.

Since 1987, DMR has been helping stations get to work. We find listeners At-Work no matter where they work. A retail store, a fast food restaurant, a small office or a large corporation. We call them, we mail them, we fax them. We even develop listener cards, pre-paid phone cards and other programs to reward their listening and keep them loyal.

Businesses make a living by answering the phone, but unbelievably only 5% of people At-Work have ever been called by a radio station!

Get to work. Make your first call today.

DMR DIRECT MARKETING RESULTS
Telemarketing, Direct Mail, Listener Cards, Database Management, Pre-paid Phone Cards, Card Machines.
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*Spring 1997 Arbitron At-Work Reinterview Study
Continued from page 8

you never get more than five percent of the workplace," says Reg Johns, CEO, Fairwest Direct.

"There are more computers at the workplace than receptionists and fax machines, plus it's ongoing. It is a one year program that is already built-out," says Johns. Fairwest research has found that only one-in-three telemarketing calls are accepted, while fax machines are quickly becoming junk mail sources, as companies such as AT&T and Minolta have begun sending sales pitches via fax.

The Rewards program is distributed at computer store displays, by mail or via a station's Internet site. Once it has been installed, it encourages listening at certain times to get points, which are saved in a cyberbank account, and can be traded in for prizes—such as free movie tickets at a participating theater. During key ratings periods, prizes can be stepped up. "We want to reward these people for listening and for their participation in sales and station events," says Johns. He believes the biggest feature is copy-of-copy, where listeners are encouraged to make copies for coworkers and get more Rewards points. "It finds your super P1's and motivates them to become sales people for the station in their office."

Another key ingredient is the ability to sell sponsorships to help defray the program's seemingly high price tag. American Express has paid $1M to be a co-sponsor in the top ten markets, and has expressed interest in expanding into the top 50.

WRMF-FM West Palm Beach has been the test station for the Rewards program. Chris Gould, AE/New Business Development, says American Express' sponsorship has also been tied into cash giveaways. "Anytime we give away a cash prize tied to the Rewards program, it's an Amex gift check." A permanent place on a listener's computer screen is also a value-added selling tool to an advertiser or created inventory, says Gould.

Dear Maggie:

WASH-FM's "Take Soft Rock to Work and Win" Contest is back! Because you're a WASH-FM loyal listener, you're receiving this game piece before we make this contest available to the general public.

The winning number on this page is worth at least $1,000 and as much as $10,000 in cash!

Bill & Kim in the morning will start calling out numbers on the radio March 9th!

DON'T THROW AWAY YOUR CHANCE TO WIN $10,000! Here's what to do:

1. REGISTER THIS GAME PIECE NOW. Follow the directions below. If you still have a game piece from the last time we played, please discard it. This new game piece is good for the entire contest period from March '98 to May '98.

2. LISTEN TO WASH at 97.1 FM. Starting March 9th WASH-FM will announce winning numbers on the radio. If we announce your winning number, call us back within 30 minutes at (202) 432-0097 and claim your cash!

3. DON'T MISS YOUR NUMBER. Listen to the WASH-FM Morning Show each weekday at around 7:30-8:00 and don't miss your number to hear the winning numbers. Also listen to the WASH-FM Noon Buzz, 12:30-1:00.

WASH-FM enrolled more than 110,000 people in its at work fax-based contest. GM Mark O'Brien says it helped them grow from a 2.5 share to a 5.5 share.

At work doesn't work: One view

Focusing on at work listening may be a waste of time, says Mark Heiden, president, Eagle Marketing. "We're not huge believers because it's difficult to penetrate the marketplace and find the right people to talk to," says Heiden, adding, "We would rather find the right people in their homes, those people with diaries, and convince them to take us to work."

Heiden points out that Arbitron's study found 27% of listening comes at work, so 73% of station listening comes from somewhere else, such as at home or in the car. In fact, at-work has the lowest listening AQH by location. The Arbitron recall study also found that only 5% of diarykeepers were contacted at work, or remember being called—a pitiful number says Heiden, considering the millions of dollars that have been spent on at-work telemarketing.

The larger the metro area, the more likely at-work marketing is ineffective says Heiden, because many people travel from outside the DMA and won't even get a diary. "You could end up spending a lot of money marketing to people who never return diaries to Arbitron, and with the shrinking bottom line you need to be sure you're being as effective as you can and hitting the right people," says Heiden.
We’re not nuts!

We offer the same great products, service and support to customers of all sizes.

Prophet Systems has enjoyed phenomenal growth in recent years. We hear the competition may be hinting that we don’t offer the same great service to small and midsize organizations that is enjoyed by our large super groups. It’s simply not true. Could it be they are jealous of our great product line, tech support and WAN?

Radio is our life. Your business is important. Give us a call. You won’t regret it.

’nuff said!!
Cumulus expanding on the plains and coastal Maine

Cumulus Media is continuing to gobble up superduopolies and create new ones. In the latest deals, Cumulus is adding 25 stations and six new markets in Minnesota and Iowa from Jim Ingstad's group (and likely another four stations) and expanding it's Augusta-Waterville, ME holdings with Tryon-Seacoast Communications' four stations.

In the Ingstad deal, Cumulus is picking up stations outside Arbitron-rated markets. Four are in Rochester, MN, which recently ceased being an Arbitron market. The chart, at right, shows how the other 21 stations match up as a superduopoly, two double duopolies and two FM duopolies.

Cumulus already owns one Augusta-Waterville station, WTOP-FM, and one of its two Bangor stations, WJCB-FM, also puts a signal into the market. Now the fast-growing group has snared Tryon-Seacoast's WFAU-AM, WABK-FM, WIGY-FM & WCME-FM for $3.75M. Tryon-Seacoast's superduopoly was created by the merger of Jeff Fisher's Kennebec-Tryon Communications and William Devine's Seacoast Broadcasting.

For anyone who's somehow missed our repeated listings of Cumulus' principals: Cumulus Media is headed by Richard Weening and Lew Dickey Jr.; its operating unit, Cumulus Broadcasting, is headed by William Bungeroth and Richard Bonick Jr.

The Ingstad deal was brokered by Elliot Evers and George Otwell of Media Venture Partners and the Tryon-Seacoast sale by George Silverman of George Silverman & Associates.

RBR observation: Look for Ingstad's Bismarck, ND stations to also go to Cumulus soon, taking the total price tag to around $50M. We hear it's an 11-times multiple.

Capstar Broadcasting Corporation
has agreed to transfer the following stations
to
Chancellor Media Corporation

KODA-FM, KQUE-AM and KKRW-FM Houston
KTXQ-FM and KBFB-FM Dallas
KPLN-FM and KYXY-FM San Diego
WDVE-FM, WXDX-FM, WJJI-FM and WVTV-FM Pittsburgh

Approximate Value
$637,500,000

Star Media Group, Inc.
“Radio’s Full Service Financial Specialists”

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3/9/98 RBR
Gray cashes out Busse
Gray Communications Systems (N:GCS) has a $112M deal to acquire all of the stock of Lawrence Busse’s Busse Broadcasting Corp. Busse owns KOLN-TV (Ch. 10, CBS) Lincoln, NE, its satellite station KGIN-TV (Ch. 11, CBS) Grand Island, NE and WEAU-TV (Ch. 13, NBC) La Crosse -Eau Claire, WI. Once the deal closes, Albany, GA-based Gray will own 11 TV stations.

Paxson on CP binge
Paxson Communications (A:PAX) is not only working to build a new nationwide TV network, Pax Net, for launch this August, it's also going to be building some new TV stations. Paxson announced that it has deals to buy construction permits for new stations in Albuquerque, NM; Syracuse, NY; Davenport, IA; Spokane, WA; Des Moines, IA, Mobile, AL and Shreveport, LA.

The Syracuse deal was brokered by Larry Patrick of Patrick Communications. Seller Herbert Washington’s Syracuse Minority TV Inc. will be paid $5.75M in a two-step buyout.

Meanwhile, Paxson also acquired WFHL-TV (Ch. 23) Champaign-Decatur, IL, a station which is already on the air, for $9.25M from a local Religious programmer, Decatur Foursquare Broadcasting Inc. Broker: Randy George, Sterling Associates.

According to Paxson, Pax Net is now set to launch with 74 O&Os and affiliates covering more than 72% of US TV households.

Spartan adds Mobile
The Brown Family’s Spartan Communications is adding its sixth TV station (plus four full-power satellites) with an $84M deal to buy WKRG-TV (Ch. 5, CBS) Mobile, AL.

Pulitzer stations on the block
Pulitzer Publishing Company’s (N:PTZ) stock price soared (see page 14) after the company announced that it had hired Huntleigh Securities Corp. and Goldman, Sachs & Co. to shop its radio and TV stations. Pulitzer recently reported (RBR 2/16, p. 13) that its broadcast division had cash flow of $105.6M in 1997 on revenues of $227M. A multiple of 15 would put the potential sale price a bit over $1.5B.

The company’s only standalone radio operation is KTAR-AM, KMVP-AM & KKLT-FM Phoenix. It recently added All News AMs to its TV stations in Louisville and Winston-Salem and owns standalone TV stations in seven other cities.

Unica adds Bay signal
Joaquin Blaya’s Radio Unica is gaining another O&O for its Spanish News/Talk network with a deal to buy KQKI-AM San Francisco. The 10kw station has been programming to Bay area Hispanics for years and is being sold by Oro Spanish Broadcasting Inc.

Marathon into Idaho
Chris Devine’s and Bruce Buzil’s Marathon Media is acquiring Kent Frandsen’s double duopoly in the Pocatello-Idaho Falls market. Marathon will pay $4.5M for the stock of Western Communications, licensee of KECN-AM, KICN-AM, KJCLE-FM & KCVI-FM.

Long-time GM Jim Burgoyne will have an equity stake in the new owner and stay on to run the operation. Broker: Greg Merrill, Media Services Group.

BU buys into Providence
Boston University is expanding its New England radio empire with a $1.975M deal to buy WRPC-AM Providence, RI. BU already owns WBUR-FM Boston and WBUR-AM on Cape Cod.

RBR’s Deal Digest
Mike Craven’s and Jim Thompson’s Hibernia group is buying WRDM-AM Hartford for $1.5M as another Radio Disney affiliate. Broker: Biernacki Brokerage. James Haber’s JC Acquisition LLC is acquiring WABZ-FM Charlotte-Albemarle, NC in a $1.275M stock deal with William and Linda Norman. Broker: Doyle Hadden, Hadden & Associates; Larry Patrick, Patrick Communications... But that’s not all! Haber is then selling WABZ to Susquehanna Radio for $1.65M, cash for assets. Broker: Larry Patrick, Patrick Communications...

Scott Parker’s Alpine Broadcasting is duping in Sun Valley–Ketchum, ID by purchasing KSK1-FM for $900,000. Broker: Greg Merrill, Media Services Group...

Vermont Broadcast Associates is buying Northeast Kingdom Broadcasting’s WSTJ-AM & WNKV-FM St. Johnsbury, VT for $630,000. Broker: Kevin Cox, Media Services Group...

Alliance Broadcasting (O:RADO) is buying WOTS-AM Kissimmee, FL for $450,000...

Journal Broadcast Group is adding Desert West Air Ranchers’ KLOQ-FM as its fourth Tucson signal. Broker: Kall & Co.
Young & Rubicam Inc., the world’s fifth largest advertising and marketing company, has filed to sell $350M of stock to the public. The shares will be traded on the New York Stock Exchange with the symbol “YNR.”

In addition to its full-service ad agency, Y&R, the company owns Wunderman Cato Johnson, a direct marketing and sales promotion firm; Burson-Marsteller, specializing in public relations and “perception management”; Landor Associates, branding consultation and design; and Sudler & Hennessey, a healthcare communications firm.

Employee-owned for its first 73 years, Y&R recapitalized in 1996, with Hellman & Friedman Capital Partners and senior Y&R managers investing $242M in new capital. They also took on a $72M WWDC-AM & FM DC acquisition (RBR 3/2, p. 12), and senior Y&R managers invested $242M in new capital.

With stations being bought, sold and swapped so frequently, it’s hard to keep up to date on the financial picture for major radio groups. An update on Chancellor Media (O:AMFM) appeared in its recent filing to sell 16M additional shares (RBR 3/2, p. 12).

On a pro forma basis, including all announced transactions through the $724.4M for the first three quarters of 1997, with broadcast cash flow of $303.5M. Full year figures including the pending acquisitions aren’t yet available, although Chancellor has already reported 1997 results for its existing station line-up (RBR 2/23, p. 13).
The deals listed below were taken from FCC filings made public during the week from Wednesday, Feb. 25 through Tuesday, March. 3. RBR’s Transaction Digest reports on all deals that involve assignment of a station license (FCC Form 314) and substantial transfers of control of a licensee via a stock sale (FCC Form 315), but not internal corporate restructurings (FCC Form 316). All deals are listed in descending order of sales price.

**$17,812,000—** KJRM-AM & FM & KUBE-FM Seattle, redemption of general partnership interest of Century Management (George Krutse, Lance Anderson, Michael "O'Shea" Williams) in New Century Seattle Partners LP and transfer to new licensee KJR Radio Inc. (Barry Ackerley), a subsidiary of The Ackerley Group (N.AK). $16,962M cash, cancellation of $260K debt owed by New Century Arizona LLC, plus transfer of Ackerley's 14.4% equity interest in New Century Arizona LLC (owner of four stations in the Phoenix market). Double dupopoly with KHHO-AM. Note: Although Ackerley owns KVOS-TV (Ch. 12, Ind.) Seattle, the station is licensed to Bellingham, WA, and does not cover Seattle with its Grade A contour, thus no cross-ownership waiver is required.

**$900,000—** KSKL-FM Sun Valley ID from E-DA-HOE Inc. (W. Clint Stennett) to Alpine Broadcasting LP (Scott Parker). $75K escrow, balance in cash at closing. Duopoly with KECH-FM Sun Valley ID. Broker: Greg Merrill, Merrill Media Services Group.

**$850,000—** WVIV-FM Jackson (Pearl MS) from Rainey Day Broadcasting Inc. (Bobbie Imbragulio) to Proteus Investments Inc. (Michael T. McRee, John H. Williams). $18K downpayment, balance in cash at closing. Duopoly with WTVX-FM. JSA since 11/1/97.

**$737,000—** KGFY-FM Stillwater OK from Rainey Day Broadcasting Inc. (Bobbie Imbragulio) to Alpine Broadcasting LP (Scott Parker). $75K escrow, balance in cash at closing. Duopoly with KECH-FM Sun Valley ID.

**$630,000—** WSTJ-AM & WNKV-FM St. Johnsbury VT from Northeast Kingdom Broadcasting Inc. (Eric H. Johnson) to Vermont Broadcast Associates Inc. (Bruce A. James). $31.5K escrow, balance in cash at closing. Duopoly with WGMT-FM Lyndon VT. Broker: Kevin Cox, Media Services Group.

**$500,000—** KLKL-AM Jefferson City MO from Zimmer Radio of Mid-Missouri Inc. (Jerome, John, James & Donald Zimmer) to MVP Radio Inc. (David & Thomas Zimmer).

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$500K cash. Creates combo with KATI-FM California MO.


**$400,000—** KINN-AM & KZZX-FM Alamagordo NM from KINN Inc. (Howard & Mary Ann Jacob) to KZZX Inc. (Vera Vaughn, David Nicholson). $400K cash for real estate, license and seller's 70% interest in partnership which operates this combo. The other 30% is already owned by Vera Vaughn.

**$350,000—** WPGM-AM Brunswick GA from JUW Broadcasting Inc. to Marsel Communications LLC (Gary Marmett, Sharon McKeand). $10K downpayment, additional $153K in cash at closing, $187K note. LMA since 2/6/98.

**$275,000—** WSSC-AM & WCQL-FM Glens Falls NY from Normandy Broadcasting Corp. (Christopher P. Lynch) to Entertronics Inc. (David Covey, William H. Walker III). $275K cash. LMA since 10/30/91. Note: An FCC administrative law judge ruled in 1992 that Normandy's 1991 license renewal application should be denied. The FCC's Review Board reversed that decision in 1996 and a final ruling by the full Commission is pending.

**$162,000—** WLTCA-AM Charlotte (Gaston NC) from Ford Broadcasting Inc. (Carl Ford) to Frank Neely. $10K downpayment, $5K credit for construction of building, additional $73.5K in cash at closing. $73.5K note.

**$125,000—** KBEM-AM & FM Birch Tree MO from Jack G. Hunt to Scenic Rivers Broadcasting Inc. (Gerald & Lucie Staack). $20K downpayment, balance in cash at closing. LMA since 12/1/98.

**$120,000—** WTAN-AM Tampa (Clearwater FL) from George Bouris and Virginia Charagis to Wagenwoord Advertising Group Inc. (David & Lola Wagenwoord). $40K escrow, balance in cash at closing.

**$50,000—** KCCF-AM from YES Broadcasting to Arizona Public Radio (Larry Crook). $10K escrow, balance in cash at closing.
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