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Forecasting gurus see 1999 gaining, 2000 soaring

by Jack Messmer

Look for 1999 to start off slow for ad spending, then build a head of steam for a stronger second half, setting the stage for explosive growth in 2000. That's the story of the future told last week by the crystal ball gazers at The 26th Annual PaineWebber Media Conference in New York.

"Early year comparisons look to be horrible," said **Robert Coen**, Sr. VP and Director of Forecasting for McCann-Erickson, who expects total ad spending (and TV in particular) to lag in early 1999, compared to '98, because of the lack of Winter Olympics spending that boosted the previous year. But once that weak early period passes, Coen is projecting decent gains in ad spending for the full year, with Q4 particularly strong. Radio will be leading the pack again in 1999, according to Coen.

The closely watched forecaster sees total US ad spending going up 5.5% next year to \$212B. Coen expects radio to show the strongest growth in local advertising, 6%. Among the major national media, Coen's forecast of 7.5% growth for radio is second only to cable TV's 12%. (See chart, right.) Coen's forecasts in recent years have tended to be a bit conservative and he admitted that he underestimated the strength of the US economy this year. "Just about every medium has done as well or

better than we thought possible a year ago," he noted.

Rather than the 6.5% growth that Coen predicted a year ago, national radio (spot and network) is now expected to finish 1998 with a 9% gain. Local radio will beat his 6.5% forecast with 8%. Coen now expects network TV to grow 7% this year, well above his forecast of 5.5%, syndication TV will far outpace his 5.5% forecast at 8%, but spot TV will fall short of his 6.5% forecast at 6.2%. Local TV is finishing a full point ahead of his 6.5% forecast at 7.5%.

Newspapers also did better than the 6% gain that Coen expected for national business, growing 8%, but he was right on the money for local at 6%. He also got national cable TV growth correct at 13%. Might Coen be underestimating the coming year's ad market again? "All of the economic forecasts were a lot lower than things turned out," he noted in explaining why this year's ad spending outpaced his expectations. "Maybe we're in the same frame of mind now."

Shoot for the stars in 2000

While '99 looks like a decent growth year, many analysts believe it will merely set the stage for explosive growth in 2000. Coen told *RBR* that he expects the millennium impact to be much like 1976 US Bicentennial, when total ad growth topped 20%. He

isn't yet committing to double-digit growth, since inflation was a much bigger economic factor in the '70s.

"Every marketing manager worth a nickel today is working on a product to be a new 2000 product," noted

Coen's 1999 forecast

Here's what McCann-Erickson forecaster **Robert Coen** expects in ad growth for the major US media in 1999:

National	Gain	\$M
Cable TV	12.0%	6,905
Radio	7.5%	3,530
Syndication TV	7.0%	2,820
Newspapers	6.5%	5,765
Magazines	5.5%	10,930
Big 4 TV nets	4.0%	14,485
Spot TV	4.0%	11,045
Consumer media	5.9%	55,480
Yellow pages	7.0%	1,980
Direct mail	6.0%	42,035
Other national	6.0%	26,030
Total national	6.0%	125,525
Local	Gain	\$M
Radio	6.0%	11,995
TV	5.0%	12,910
Newspapers	4.5%	40,605
Yellow pages	4.0%	10,545
Other local	6.8%	10,430
Total local	5.0%	86,485
Grand Total	5.5%	212,010

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Sinclair Broadcast Group (O:SBGI) CEO-designate **Barry Baker**. Those new products will all have to be introduced and supported with advertising, so he expects to see a gangbusters Q4 in 1999, leading into a super 2000.

CBS' (N:CBS) in-house guru is already predicting double-digit growth for network TV in the millennium year. "I believe that the arrival of the 21st Century will provide the same form of marketing stimulus that the Bicentennial provided in 1976, the television industry's best year ever," said **David Poltrack**, Exec. VP, Planning & Research, CBS Television Network.

Since the key event of the Bicentennial came in mid-year—July 4th—Poltrack expects millennium advertising to take off in Q4 1999, leading up to the big celebration on January 1, 2000.

Radio up 15% in Oct.

Overall radio ad sales surged 15% in October, pushing radio toward possible double-digit gains for 1998. Local sales rose 12%, while national shot up 23%, according to the Radio Advertising Bureau.

Year-to-date through 10 months of '98, total radio revenues were up 12%. Local was ahead 11%, with national up 15%.—JM

NAB sees black ink, red flag

Thanks to a better than expected turnout at the NAB Spring Show in Las Vegas, the National Association of Broadcasters' books are in good shape heading to the new year. NAB made \$21.5M, nearly \$800K more than expected, it was reported at its Executive Committee meeting in November. When the tallying is done, the NAB Radio Show in Seattle is also expected to exceed projections.

Overall, NAB was running \$1.9M ahead of budget for the first half, CFO **Ken Almgren** reported.

The Committee has also agreed to set-up a Radio Spectrum Integrity Task Force, that will examine the implications of microradio and satellite DARS. Radio Board Chair **Bill McElveen** will select a dozen broadcasters to sit on the task force. The group's budget will be \$40K, according to NAB sources.

On again, off again ownership rulemaking

by Jim Allen

Political and industry reaction to FCC Chairman **Bill Kennard's** (D) plans to tighten ownership rules which could include further restricting radio and TV same-market ownership, eliminating TV LMAs, and generally changing the way broadcast ownership is measured may have prompted him to keep the item off of this week's meeting agenda.

It has been widely reported that the ownership item will not appear on the December 17 agenda and some insiders are saying, by putting it out there for possible review, Kennard was simply "floating a trial balloon" to gauge reaction. Well, the reaction was, at least publicly, fast and furious in opposition.

"The commissioner is in a listening mode now, he felt more time was necessary to discuss these issues with all parties involved," according to FCC spokesman **David Fiske**. "Four very comprehensive, serious proposals were presented to the commission and it is very common for there to be policy issues, questions and changes. The chairman's goal is to balance competition and diversity," Fiske added.

In a tersely worded letter to Kennard, Senate Commerce Chairman **John McCain** (R-AZ) wrote, "The proposals to make the...rules more restrictive are further examples of the Commission's failure to accurately perceive the highly competitive nature of the electronic media marketplace and revise its rules accordingly." McCain further admonished the commission, writing, "its actions to date have not evidenced either understanding of the marketplace or compliance with the task specifically assigned to it by Congress in 1996."

However, Kennard has time and again fallen back on the '96 Telcom Act as his defense. He has invited reporters to "take a look at the statute," saying it gives the FCC the power to revise ownership rules as it deems necessary. He has said on more than one occasion that the FCC always has to "interpret" the statute.

Sen. McCain argues the statute "unambiguously" directs the FCC to review broadcast ownership rules biennially "with an eye

toward lessening them, not increasing them." And added, "the national ownership cap is part of an antiquated regulatory regime born of a time when ABC, CBS and NBC commanded a 95% share of the viewers."

Commissioner **Harold Furchtgott-Roth's** (R) spokesperson told *RBR*, "on the specific rulemaking, we have yet to issue a statement because we have yet to make up our minds. But, on the general question, with so many communications options available now, we are not sure the spectrum scarcity argument holds up."

"We need a little bit more time to work on this pretty substantial issue, to think it through and work everything out," noted a spokesperson for Commissioner **Michael Powell** (R).

Commissioner **Susan Ness'** (D) spokesperson said, "It's evident that many broadcasters and others wish to talk to us about the various issues raised in the four proceedings. We would like to have a little more time to be able to consider all viewpoints."

Commissioner **Gloria Tristani** (D) apparently was the only one who "would have proceeded with the review of the proposals. Now we don't know when that review will happen," according to her spokesperson.

Sources inside the FCC told *RBR* that over a dozen broadcasters held audience with commissioners last week alone.

"What would the FCC accomplish by ending dual-TV operations when it'll become legal for TV stations to buy a second channel five years from now when analog channels are auctioned off after the transition to digital?" asked Sinclair (O:SBGI) CEO-designate **Barry Baker**, speaking at the PaineWebber Media Conference in New York.

Defending radio/TV combinations he added, "You can't stop this...you need radio and TV to compete against multi-channel [cable] providers." Baker also insisted that the 1996 Telcom Act grandfathered in all existing LMAs and threatened a court battle if Kennard carries through on "sunsetting" grandfathered LMAs.

FCC promoting internships

FCC chair **Bill Kennard**, with broadcaster backing, has pledged to expand women and minority student summer internships in partnership with the the **Emma L. Bowen** Foundation for Minority Interest in Media. The FCC recently proposed new rules that would require licensees to inform women and minorities of job vacancies.

Finley becomes consultant

American Urban Radio Networks CEO **Skip Finley** will be leaving his post at the end of the year to launch Washington, DC-based "Answers, Solutions," a management consultancy offering a six-week executive development and success course via e-mail, phone and fax. He offers courses for PDs, GMs and GSMs.

Power outage in Frisco left some stations newsless

by Carl Marcucci

Pacific Gas & Electric's San Mateo substation went down at 8:16A last Tuesday and tripped other substations to go out in the regional power grid. It caused many problems for morning commuters in the MUNI metro and BART subway systems. 375,000 customers were out of power between San Jose and Napa/Santa Rosa.

Erick Steinberg, CE, Susquehanna's KNBR, KTCT-AM, KFOG, KFFG, KSAN-FM says the superduopoly came through the outage rather seamless: "All our generators started after 30 seconds, we were just fine. And our studios have UPS battery backup. The biggest problem was the elevators didn't work and we had to walk up 10 flights of stairs." He found only two stations that were

off-air—KSFO-AM and KZSF-FM.

American Radio Brokers president **Chester Coleman** works downtown and was shocked at local radio's lack of coverage: "Going up and down the dial at 9AM this morning, of all the 54 stations in the market, only two of them were giving information about this power outage—KGO-AM and KCBS-AM. Many of these 54 stations don't have any news department and have farmed it out to Metro or Shadow, and of course, they had no backup generators in their buildings, so they were out of business."

Coleman says the news was worse for TV. "Half of the TV transmitters went down on San Bruno Mountain and the Sutro tower. Some of them didn't have backup, some of them couldn't get their generators up."

The FCC's New Year's Compliance Resolution

by Jim Allen

The FCC says it is going to get tougher next year following less than satisfactory results of a recent survey of broadcasters' Emergency Alert System (EAS) compliance, in addition to discovering a slew of unregistered towers.

After surveying 653 AM, FM & TV stations, the FCC says stations have improved, but must do a better job of compliance with EAS requirements. The agency also says compliance levels were "below expectations" in: EAS equipment installation and operation (87% compliance), other source EAS monitoring (83%), EAS log maintenance (77%), EAS handbook availability (85%), and sending and receiving EAS tests (76%).

"We have strongly urged and will continue to urge our members to have EAS equipment in order and working properly. This is a serious matter for the FCC and it's important that stations come into compliance," said NAB spokesman **Dennis Wharton**.

Looking to move stations to its goal of 100% compliance and giving them a couple of months to get their houses in order, beginning February 1, 1999, the FCC will again dispatch inspectors from its field offices to check for EAS compliance.

On the tower side, certain structures that may pose a hazard to air

navigation must be registered with the FCC. In a separate survey of 1,331 existing antenna structures (including radio), its Compliance and Information Bureau (CIB) found that 368 or 28% were not registered.

An FCC compliance official told *RBR*, "There will be another registration audit sometime during FY '99. We were hoping there wouldn't be such a large number and we don't have a breakdown by tower type—TV, PCS, radio—but we want to raise awareness, hopefully to bring owners on board to register as soon as possible."

Site owners and not the tenants are the "primary responsible entity" for antenna registration as well as tower painting and lighting, "but, permittees do retain a secondary responsibility, if the owner stays out of compliance and the permittee is aware of it," according to that official.

CIB Bureau Chief **Richard D. Lee** served notice that, "We consider the antenna structure registration program an essential part of air traffic safety. We will, therefore, step up our efforts to audit antenna structures for proper registration."

Penalties in either situation are assessed on a case-by-case basis and could range from a simple warning to a notice of apparent liability for forfeiture.

WorldSpace unveils receivers; signs deal with CNN

by Carl Marcucci

Last week (12/9), Washington-DC-based WorldSpace Corporation and its manufacturing partners Panasonic, JVC, Sanyo and Hitachi unveiled their premier direct-from-satellite receivers that will be marketed to vast underserved listening areas in Africa, the Middle East, Asia and Latin America. "One month ago we watched as our satellite rose majestically from its launch pad [10/28] and roared into space over Africa. Today we unveil the final element of our system," said **Noah Samara**, WorldSpace Chairman/CEO.

R&D and chipset design for the receivers was done as a cooperative venture between German-based Fraunhofer, Micronas-Intermetall, Rohde & Schwartz; and ST Microelectronics of Italy.

\$1B has been raised in private investment for the venture that, by 2000, will reach "80% of humanity." Programming to Africa and the Middle East will begin in April or May '99. Samara said WorldSpace will produce revenues from leasing channel capacity to broadcasters, advertising/spots, subscription revenues (i.e. pay-per-listen sporting events) and data service in the future that can plug into PC's data ports. "We say 60-80 channel capacity now, because we're not sure yet what final content broadcasters will provide. A Talk format needs a lower bit rate than music—if it were all talk, we could provide 90 channels or more," said WorldSpace Spokesman **Adam Anthony**.

It was also announced (WorldSpace's 16th content deal) that CNN International will take a channel, providing international news and entertainment with its 24-hour pan-European audio service.

RBR observation: While we know WorldSpace owns 20% of U.S. satellite DARS proponent XM Satellite Radio, the \$1B private investment in WorldSpace is just that—private. Anthony told *RBR* WorldSpace will not identify its investors, but they are from "every region of their service."

Television Business Report™

Ackerley adds three TVs

The Ackerley Group (N:AK) is expanding its TV group to a baker's dozen (13) with a deal to buy three Oregon stations from Wicks Broadcasting for \$26M. The stations, all NBC affiliates, are KMTR-TV Eugene, KMTZ-TV Coos Bay and KMTX-TV Roseburg. LMAs took effect early this month.

Sinclair divestitures near

Sinclair Broadcast Group (O:SBGI) CEO-designate **Barry Baker** told the PaineWebber Media Conference in New York (12/7) that the company is close to finalizing contracts for some of the \$500M in "non-strategic" assets that it's pledged to divest. Baker wouldn't divulge what stations were being sold, but he did offer some insight into what is not for sale. Baker said Sinclair won't sell stations in markets where it has two TVs (one owned/one LMA'd) or where it owns both TV and radio. He also said he won't sell in radio-only markets where the company has "dominant" stations. "We're already looking for TV to go with them," he noted.

Allen invests in Wink

Continuing his recent series of broadcast/cable media investments, Microsoft (O:MSFT) co-founder **Paul Allen** has made a \$10M investment in Wink Communications Inc. via his Vulcan Ventures investment firm. Wink, which provides interactive TV services, recently shelved a \$75M IPO because of the weak market for new stocks. Allen plans to implement Wink's interactive services on his recently acquired Marcus Cable and Charter Communications cable TV systems.

CBS, Time Warner ink deal

CBS (N:CBS) and Time Warner Cable have reached a deal that will allow the signals of CBS' O&O TV stations to be carried on Time Warner cable systems in CBS markets. It is the first such agreement between a major

cable operator and a TV broadcaster and it provides a framework under which local cable systems will carry the digital signals of CBS affiliates which are not owned by the network, should they so desire. Time Warner has also promised to carry the CBS 6 mHz digital signal unaltered.

"If digital television is to flourish, broadcast television and cable companies must work together to make sure that the signal makes it to the people who really count—our viewers," said **Jonathan Klein**, president, CBS Television Stations.

TV Biz Briefs

- WB President **Garth Ancier**, who helped launch the network in Jan. 1995, will leave the network when his current contract expires in May. Ancier will work as a consultant until then, to assist incoming chief **Susanne Daniels**—who is tapped from her job as EVP/Programming at WB. Industry sources are quoted as saying Ancier plans to join NBC.

- A University of Miami survey of TV news directors found 20% believe their station has pulled a news story out of fear of a lawsuit. 28% said information had been removed from a story, also from fear of legal action. The number of stations involved in lawsuits jumped 8% to 38%, compared to the 1995 study. The number of stations using consultants also rose 19%

to 59%. The survey also found more stations are using hidden microphones and cameras to gather material.

- CBS (N:CBS) cost cutting has cost 20 "Up to the Minute" staffers their jobs. The CBS News overnight staff lost the employees two weeks ago, as the network began to integrate the overnight staff with the "CBS This Morning" staff. In Oct., CEO **Mel Karmazin** cut another 125 newsroom employees.

- DG Systems (O:DGIT) said its TV ad distribution network has become the most widely used distribution net in the nation. By year's end, it is expected to serve 700 stations. "We now have 85% of the big four network affiliates," said CEO **Hank Donaldson**. DG Systems also services 7,500 radio stations in the US and Canada.

C L O S E D

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Kaneohe (Honolulu), Hawaii

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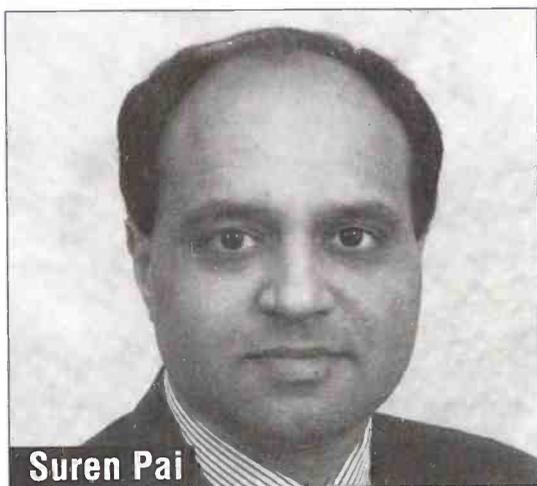
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by Carl Marcucci

LDR: a business model to IBOC

“Lucent Technologies/Bell Labs Innovations”—we all know the technological dynamo that was spun off from AT&T in 1996. Lucent is unquestionably one of the world’s leaders in communications advances—and has the patents to prove it. After 30 years of separation from broadcasting, this powerhouse is back in it with Lucent Digital Radio (LDR), a division of Lucent New Ventures Group.



Suren Pai

Because IBOC development is well in line with digital wireless communications technologies, Lucent first got involved with USA Digital Radio’s work through a nine-month joint development agreement that offered to integrate its PAC compression technology. Perhaps seeing how much more than a codec it could offer to make an IBOC system work, Lucent decided to go it alone May 11.

As gifted as Lucent’s engineers are, competitors USADR and Digital Radio Express have been in development much longer. LDR claims competition is key to getting IBOC finished soon—at least around the time satellite DARS launches—and will be field testing both AM and FM systems next year.

RBR talked with LDR President **Suren Pai** and Director of Technology Planning **Alan Pate** in its first in-

depth look at Lucent’s *new venture* in radio.

What is LDR’s business model?

Pai: Lucent Digital Radio’s objective is to see IBOC technology implemented as products in the market in a very timely manner. We have to have products whose performance ensures commercial viability. Broadcasters must believe this is something worth paying for, consumers must have the same belief and manufacturers have to be convinced their products will sell in a market.

Our business model is one of an intellectual property company. We will license the technology openly to equipment manufacturers—both the transmission site and radio receiver equipment. The business model is one where we ensure open access to this technology for all equipment manufacturers. We get the technology adopted as quickly as possible through a high level of competition, encouraging innovation in the products based on technology features and capabilities. Ensuring that we have competitive forces in the product marketplace ensures a rapid time to market and delivery of product.

What we want is not only to develop products, but develop a business model that creates new revenue opportunities for broadcasters. This requires a very integrated systems approach to the whole technology design and development. And it requires development of a market-oriented standard that has binds from all constituencies. All of these things must come together—the business model, the technology-design approach, and the development of consensus amongst all constituencies that this is the right thing to do. That’s when they will adopt it.

All of this has to be done in a timely manner, because satellite DARS is

around the corner. We need to ensure that broadcasters have this technology in their hands to provide the right comparative response, as based on whatever capabilities they can generate with this technology and with their own existing strengths around local programming.

How do you think satellite DARS is going to affect the radio industry, and therefore the effectiveness of getting IBOC accepted?

Pai: My own perception is that satellite DARS is a very different business model than commercial radio as we know it. Just by the virtue of the fact they are going to charge fees to consumers for a service positions them offering or targeting a consumer segment that is very likely different from current radio listeners. There will be some overlap, obviously. I don’t believe that it’s a huge overlap. I don’t believe that someone who enjoys listening to free radio today is likely to switch to satellite-delivered service paying a subscription fee for it.

What about new revenue opportunities—you’ve mentioned (at NAB Seattle) program-associated data and datacasting, from stock quotes to intelligent navigation. Is LDR looking at any user-interactive features or other new services to be incorporated in to the system?

Pai: We are talking about transitioning the entire national infrastructure from an analog system to a digital system. This could take years, if not decades. The approach we are following is one where we design a system or a platform that will allow for continued innovation over time—capable of accepting further enhancement and further innovation over the next 3, 5, 7, 10 years. A system that could, at some future point in time, be linked to a return channel via some other

kind of infrastructure, be it cellular, PCS or CDPD (cellular digital packet data—wireless data transmission protocol) or whatever. Clearly the market will determine whether the demand exists for such an application.

What we call the listener today, in the future is really going to be a consumer of information, not just a listener to audio. You don't know which way or how rapidly convergence will take place in this industry. The point is that we have to take into account the possibility that new trends could develop in the marketplace, as well as technological discontinuities, which will allow you to do things that you never imagined possible. We have to take a systems approach, a platform approach, a methodical approach to designing these systems so that you leave open the possibilities. And try to incorporate as many features and capabilities into the system without driving up the cost.

What is "multi-streaming," and how does this coding technique differentiate LDR's system from DRE and USADR?

Pate: Multi-streaming is a technique by which we take the coded audio and break it up into smaller building blocks. Those smaller building blocks are then broken up and transmitted in the two side bands in a particular way, then transmitted over the air link to the receiver and the receiver can then combine those building blocks back together.

Now the importance of this technique, which is one of our main differentiators, lies in the fact that it allows the receiver to make a selection amongst various levels of quality of delivered audio, depending on the particular channel conditions. Here's an example: suppose we have two users within the same coverage area of the same broadcast station, one of them is in an area that has poor channel conditions, such as poor first adjacent signal reception, another is in an area that has very good quality within the protected contour. The receiver in the impaired user's radio is able to then select perhaps two or three (I'm just using some example numbers as these are not the real numbers) building blocks out of the five possible that were transmitted over the channel, the other blocks

being impaired. Those are then assembled together to provide a certain level of received audio quality. The user in an unimpaired situation within the radio coverage area is able to assemble all the building blocks together to get the full audio quality.

So impaired reception zones might hear a little bit of a drop in audio quality, but are not going to have complete digital dropouts.

Pate: Yes, multi-streaming allows you to emulate the gradual degradation that you would experience with analog at a higher quality level and in a fully digital way. Although one can, in our system, use a technique of reverting back to the analog host [like USADR's] signal, you do not need to. This technique essentially emulates the gradual degradation that an analog user would experience at the edge of coverage.

What was the reason Lucent broke off its joint development agreement with USADR and decided to go it alone? (answered by New Ventures Group Media Manager Chris Pfaff)

I think that at the end of the day, we wanted to take things further for our own business purposes, as well as for the industry. What we personally learned among many other things, was the fact that there was a great opportunity here for Lucent to extend its technical expertise into a market space that didn't necessarily know the company and that it was too good an opportunity for us to not create a discreet business venture. IBOC DAB is enough of a opportunity that really, the more players, the more competition, the more innovation. Twelve months ago, the landscape was much different. In less than a year, you see what this kind of opportunity-seeking can yield.

What do you think about USADR filing the petition for rule-making? Could you meet the deadlines if it were adopted? How will you be responding?

Pai: Will we be responding to the petition? Absolutely. Will we meet [its] December 15 [1999] deadline? There's no question about it. Will others be filing? I expect that there will be several other interests regarding filing responses to that petition. Yes, there will be comments and there

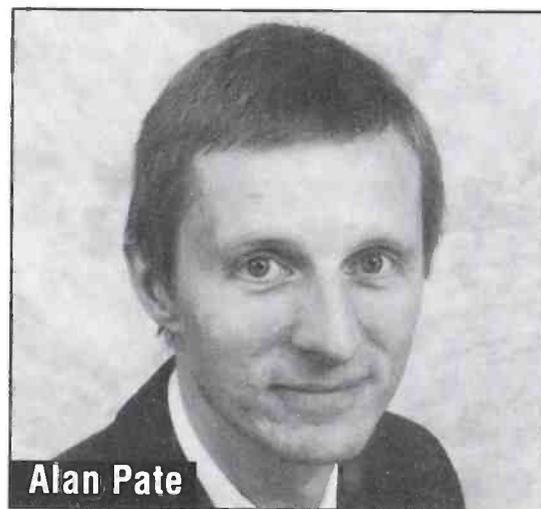
will be responses to the petition. Those will become public on December 23. That is when everyone will find out what everyone else is thinking.

Do you think you'll be filing your own petition?

Pai: We will have to see how this whole regulatory filing process unfolds. We will be prepared to do what is necessary to protect our business interests.

Do you know what markets and stations you will be using for field testing?

Pai: We are going to start field-testing, beginning the first quarter of '99 with FM. We will start testing our AM solutions closer to middle of '99. And turning in the results of the field and lab testing to the NRSC by the end of the year. Clearly, our initial focus will be something in the mid-Atlantic area, just driven by the proximity.



Alan Pate

I've heard you are contemplating slowing down the FM system's bit rate from the fixed 96 to 64kbps—if so, why?

Pate: In general, when you have a very difficult radio channel over which you wish to transmit good quality audio, for a given audio quality level, the lower the source bit rate that you can generate, the more protection in the form of channel coding one can apply to the signal. Therefore, the more robust.

However, you want to keep the audio quality high. So the overall design objective then is for a given audio quality level, how low a bit rate can you produce and still maintain that audio quality? There are a number of techniques that can be used—multi-streaming is an example of one, and a basic improvement in

source coding, whereas you can reduce the bit rate at the same high audio quality level.

DRE's system will allow the broadcaster to adjust the bit rate for the particular terrain in his or her market. Do you think LDR's system will offer that?

Pate: In order for the system to be commercially viable, it is clear to Lucent that there are a number of options that the technology could offer the broadcaster that they may wish to tailor to their particular business or radio station environment. We plan to provide those capabilities.

Some have been disappointed in the fact that the IBOC excitors presented by USADR and DRE require a separate amplifier and combiner unit. Is LDR looking to design its system for easier air chain-integration?

Pate: In order for this to be commercially viable, there has to be a coherent transmitter integration approach for IBOC. We have a number of transmitter integration approaches. Clearly, the minimum amount of infrastructure upgrades that are required, the better the solution—that is fundamental to the way we are approaching the engineering design of this system.

What is LDR's engineering design approach to this project?

Pate: The LDR system uses a variety of radio modulation, channel coding, and audio source coding techniques, all of which essentially have been developed by Bell Labs here. Our engineering design approach is to link these engineering designs together. In other words, not to design the system separately, but de-

sign it in an integrated fashion, which gives us a significant performance advantage. The various schemes you've seen us represent are schemes that Bell Labs over the years has developed, invented, and those schemes and others are part of our engineering design tool kit [see chart, right] for this system.

We have access to an entire range of technologies from Lucent. Lucent obviously has a whole range of wireless technologies that may or may not have some applicability to IBOC. LDR is in the enviable position of being able to integrate those technologies together and focus them on the IBOC problem.

Pai: We have several tricks in our bag that we will pull out as part of the field-testing. As we figure out which is the more optimal technique from the design standpoint, or if [one] doesn't work as well as we expected it to, we can modify it or pull out some other technique that wouldn't have been ideal from a processing and cost standpoint, but does better from the performance standpoint.

If there is anything else that you want to comment on that makes LDR's system unique?

Pai: We are a communications company, and although we have not played in the broadcasting industry for the last 15-20-30 years, what we are talking about now are communications technologies. Broadcast technology is communications technology, it just so happens that it hasn't changed over the last 30 years. That doesn't mean that we cannot bring our bag of tricks to the table and try to solve problems that might appear very difficult or impossible for others.

Some of Lucent's technological "tool kit"

While it can't mention the entire tool kit just yet, Lucent supplied some of the technologies it has to choose from to apply to the final design of its AM and FM IBOC systems.

• **List Viterbi Algorithm:** An enhanced Viterbi algorithm optimized for broadcast environments that aids in error concealment. Allows the receiver to address multiple bit patterns transmitted over the DAB signal, whereby the List Viterbi decoder will choose the best, undamaged information from each pattern.

• **Multi-streaming:** Allows for multiple digital streams, e.g. in each sideband. [see description in story]

• **Error Concealment:** Minimization of impact of errors in the audio bit stream, in conjunction with List Viterbi.

• **Convolutional Punctured Pair Codes:** Enhanced convolutional coding applied to each sideband that improves robustness in the presence of poor channel conditions.

• **Unequal Error Protection:** Prioritization of coded bits according to their impact on audio quality.

• **Time and Frequency Interleaving:** Two mechanisms to introduce diversity into the signal to improve robustness in the presence of poor channel conditions.

• **Adaptive Bit Rate PAC:** Feature of PAC that allows for the optimal bit rate allocation based on source material.

• **Multi-Descriptive Coding:** Integrates audio and channel coding designs to allow for controlled, graceful degradation of quality of the digital signal under poor channel conditions, improving robustness and/or coverage of the digital signal (in hybrid mode).

Source: Lucent

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*Russ Mundschenk, Chief Engineer,
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Mail carriers are secret army in Ft. Myers radio war

What can you do when a crosstown stations flips to your format, and brings in **Howard Stern** to compete against your established morning show? Fight back, says a Ft. Myers station. The Sunshine State is the stage for a classic war—a Classic Rock war, to be exact. It is being waged between Meridian Broadcasting's WARO-FM and Beasley Broadcasting's WRXK-FM. But WARO, "The Arrow," had a secret weapon courtesy of Uncle Sam—the US Postal Service. It mailed out 50,000 station pieces, reminding listeners its morning guys were local, while at the same time it played up Stern's biggest weakness: He never shuts up.

"We have a big battle between us. The only thing K-Rock has going for them is Howard Stern," said PD **Mike Alan**.

Of course, Stern can be a tough opponent. But that doesn't mean he is without an Achilles heel, noted Broadcast Direct Marketing (BDM) Regional Manager **Scotty Morache**. "Howard can't be local—and these guys are. So we built a campaign that not only played that up, but also stressed the music."

Here's how it worked. Alan and McVay Media program consultant **Greg Gillespie** developed what they wanted to say in their mailer, then BDM stepped in. The result was an oversized mailer designed to get the attention of Men 25-40. On the cover was a photo of the morning team holding wads of cash. Joining Alan were sidekicks **Waddy** and **Donna**—wearing a skimpy blue satin dress. "It definitely shows her attributes," joked Morache, noting again that the demo is guys.

Inside the mailer was a postage-paid ballot for the "Classic Rock Awards," asking listeners to name their favorite Classic Rock album, song, band, artist and guitarist. It helped weed out the contest-pigs. BDM

mailed out 50,000 cards and nearly 2,000 listeners responded with their votes. Alan and his AM crew worked off of the returned ballots. They'd call a listener and play his picks. At the end of the eight week campaign, the station gave away its dial position in cash: \$9,450.

Said Morache: "They had a lot of fun with it and it gave them a lot of room to move—and it talked about the music and who the station played, so it was totally format focused."

The results were phenomenal when Arbitron's Spring book arrived. The Arrow's cume jumped 36% for Men 25-44, while P1 Men 25-44's cume increased 84%. WARO scored another big win in the 35-44 cells with a gain of 2.2 hours a week in TSL.

What makes the gains so noteworthy is that WARO was coming off substantial gains in its Fall 1997 book. "Without this piece, they probably would have fallen back from where their Fall numbers were," says Morache.

The pricetag? \$30,000—and worth every penny, said Alan. "We had huge ratings, and obviously, the direct mail piece had a lot to with it. It also recycled people into other dayparts."

Meridian Broadcasting also owns WINK-TV, channel 11, in Ft. Myers, and WARO could have easily relied on cross-promotional announcements with its TV sister. But, the station stuck with its mailbox promotion. "When you use newspaper or TV, your message gets out there but it doesn't always hit the people that you need to reach," said PD Mike Alan.

The Ratings Rise

"We're catching up," assessed WARO-FM PD Mike Alan—in comparing his book to that of his direct competitor. Despite WRXK-FM's Howard Stern advantage, the gap between the two is closing. Alan credited the direct mail piece for his success in the Spring book.

MEN 25-49

	SP 98	FA 97
WARO-FM	15.6	12.4
WRXK-FM	18.3	15.1

ADULTS 12+

	SP 98	FA 97
WARO-FM	14.2	11.3
WRXK-FM	16.5	14.1

Source: Arbitron

BROADCAST INVESTMENTS™

Dec. 9—RBR Stock Index 1998

Company	Mkt:Symbol	12/2 Close	12/9 Close	Net Chg	Pct Chg	12/9 Vol (00)	Company	Mkt:Symbol	12/2 Close	12/9 Close	Net Chg	Pct Chg	12/9 Vol (00)
Ackerley	N:AK	18.188	19.812	1.624	8.93%	60	Harris Corp.	N:HRS	37.438	39.000	1.562	4.17%	2011
Alliance Bcg.	O:RADO	1.125	1.125	0.000	0.00%	224	Heftel Bcg.	O:HBCCA	46.500	48.500	2.000	4.30%	1441
Am. Tower	N:AMT	24.000	25.750	1.750	7.29%	875	Jacor	O:JCOR	59.875	61.000	1.125	1.88%	5228
AMSC	O:SKYC	4.688	4.437	-0.251	-5.35%	453	Jeff-Pilot	N:JP	68.188	70.625	2.437	3.57%	1006
Belo Corp.	N:BLC	19.375	18.687	-0.688	-3.55%	3380	Jones Intercable	O:JOINA	32.438	32.000	-0.438	-1.35%	1274
Big City Radio	A:YFM	4.750	4.750	0.000	0.00%	32	Metro Networks	O:MTNT	38.750	41.500	2.750	7.10%	25
Broadcast.com	O:BCST	61.625	69.750	8.125	13.18%	26743	NBG Radio Nets	O:NSBD	1.062	1.062	0.000	0.00%	10
Capstar	N:CRB	18.312	20.062	1.750	9.56%	1153	New York Times	N:NYT	31.062	33.937	2.875	9.26%	4447
CBS Corp.	N:CBS	31.375	30.000	-1.375	-4.38%	24441	News Comm.	O:NCOME	0.656	0.656	0.000	0.00%	0
CD Radio	O:CDRD	38.250	37.750	-0.500	-1.31%	1463	OmniAmerica	O:XMIT	25.875	27.312	1.437	5.55%	815
Ceridian	N:CEN	67.438	67.000	-0.438	-0.65%	1130	Otter Tail Power	O:OTTR	39.781	40.750	0.969	2.44%	236
Chancellor	O:AMFM	39.000	43.062	4.062	10.42%	50594	Pacific R&E	A:PXE	1.500	1.312	-0.188	-12.53%	135
Childrens Bcg.	O:AAHS	3.062	3.000	-0.062	-2.02%	127	Pulitzer	N:PTZ	80.562	80.625	0.063	0.08%	903
Citadel	O:CITC	25.000	24.875	-0.125	-0.50%	64	RealNetworks	O:RNWK	35.938	38.625	2.687	7.48%	7318
Clear Channel	N:CCU	48.750	49.562	0.812	1.67%	11799	Regent Pfd.	O:RGCI	6.000	6.000	0.000	0.00%	25
Cox Radio	N:CXR	38.188	40.375	2.187	5.73%	131	Saga Commun.	A:SGA	18.875	18.500	-0.375	-1.99%	35
Crown Castle	O:TWRS	13.312	17.625	4.313	32.40%	4105	Sinclair	O:SBGI	12.875	15.312	2.437	18.93%	6034
Cumulus	O:CMLS	12.750	13.000	0.250	1.96%	908	SportsLine USA	O:SPLN	17.000	17.500	0.500	2.94%	8800
DG Systems	O:DGIT	3.750	3.250	-0.500	-13.33%	168	TM Century	O:TMCI	0.437	0.520	0.083	18.99%	0
Disney	N:DIS	31.250	33.750	2.500	8.00%	70246	Triangle	O:GAAY	0.033	0.030	-0.003	-9.09%	3520
Emmis	O:EMMS	35.938	41.812	5.874	16.34%	2890	Triathlon	O:TBCOA	11.375	11.250	-0.125	-1.10%	10
Fisher	O:FSCI	69.000	68.000	-1.000	-1.45%	0	Tribune	N:TRB	61.688	63.687	1.999	3.24%	1604
Gaylord	N:GET	29.938	30.250	0.312	1.04%	159	Westover	A:WTW	25.250	25.125	-0.125	-0.50%	93
Granite	O:GBTVK	5.875	5.687	-0.188	-3.20%	796	Westwood One	O:WONE	26.188	25.750	-0.438	-1.67%	1060
							WinStar Comm.	O:WCII	26.375	33.250	6.875	26.07%	9768

Crown Castle gets contract

Crown Castle International (O:TWRS) announced a major contract with a regional wireless telephone company, Triton PCS Inc., to build 125 towers in North Carolina, Virginia and Tennessee. The companies wouldn't disclose financial terms, but the deal gave a big boost to Crown Castle's stock.

Hearst-Pulitzer closing next month

Hearst-Argyle Television (N:HTV) Chair **Bob Marbut** says the pending merger with the Pulitzer (N:PTZ) broadcast group is expected to close in late January. Once the deal closes, Hearst Corp. and top management will own 48% of the merged company and Pulitzer insiders will own 27%, with the rest held by public shareholders. Marbut is still calling Hearst-Argyle Wall Street's "largest pure-play television group," although the company will have radio in three markets after the merger, plus its existing management of Hearst Corp's Baltimore combo. Financial figures presented at the PaineWebber conference showed only 5% of pro forma revenues coming from "radio/other."

12/14/98 RBR

CLOSED

November 1998

Nassau Broadcasting Partners, L.P.
Louis F. Mercatanti, Jr., Chairman

has sold the assets of

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Stroudsburg, Pennsylvania

to

Multicultural Radio Broadcasting, Inc.
Arthur Liu, President

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by Jack Messmer

Infinity: Third time charms Wall Street

Mel Karmazin once again proved himself the darling of Wall Street, raising \$2.87B dollars by spinning off 17% of CBS' (N:CBS) radio and outdoor operations as the third incarnation of Infinity Broadcasting (N:INF). It's the first time that any company in any industry has gone public three times—Infinity went public in 1986, private in 1988, public again in 1992 and merged with CBS in 1996.

The \$2.87B price tag made Infinity the largest media IPO ever, beating Fox Entertainment's (N:FOX) \$2.8B (*RBR* 11/16, p. 11), and the third largest IPO ever for all industries.

At the last minute, Karmazin increased the Infinity offering by 5M shares, to 140M, and the offering was priced at \$20.50—in the middle of the anticipated range of \$19-22. The anxiously-awaited stock shot up to \$24.125 early in the session on its first day of trading (12/10) and was a lock to be the day's most active issue on the New York stock exchange.

At the IPO price of \$22.50, the 700M share stake of Infinity retained by CBS was worth \$15.75B. In other words, each CBS share (lately trading just above \$30) included about \$22.30 worth of Infinity. CBS' stock was up only slightly in early trading last Thursday (12/10). Lead underwriter: Merrill Lynch & Co.



We're still radio companies!

Both Clear Channel Communications (N:CCU) and Chancellor Media (O:AMFM) were emphasizing their radio roots at last week's PaineWebber Media Conference in New York. Nearly identical charts in each company's presentation illustrated how CPMs for radio and outdoor, which happen to be their largest divisions, are lower than other media and, the reasoning goes, have the most potential for major gains as consolidators drive sales. A similar chart was reportedly featured in the road show for Infinity's IPO, which wrapped up with a closed door (no reporters, due to SEC quiet period restrictions) at the PaineWebber confab.

Jacor ups Clear Channel %

With its pending \$4.4B Jacor (O:JCOR) acquisition, Clear Channel will again have radio as its largest division. Outdoor had briefly eclipsed radio, due to Clear Channel's rapid acquisition of Eller, Universal and More Group. Pro forma for the Jacor merger, CEO **Lowry Mays** said Clear Channel will get 51% of its revenues from US radio, 36% from outdoor (2/3 domestic, 1/3 overseas) and only 8% from US TV. The remainder is attributed to smaller operations, including foreign radio investments.

Mays sees no end to the rapid growth of its radio and outdoor operations: "It just gets better every day because consolidation economics work so well in these two businesses."

Clear Channel filed last week to sell \$15M new shares—about \$750M—with the proceeds to be used to pay down debt.

"Cluster selling works"

Chancellor CEO **Jeff Marcus** told the PaineWebber audience that it will take time to build the company's cross-media selling for its radio-outdoor-TV multimedia platform, but one thing is already clear for radio superduopolies: "Cluster selling works." Marcus said 88% of Chancellor's broadcast cash flow now comes from its multi-station clusters.

Despite this year's spate of outdoor and TV acquisitions, Marcus

Arch Broadcasting

has agreed to transfer the assets of

WFUN-FM Bethalto, Illinois

to

Alfred Liggins of Radio One, Inc.

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stated emphatically that Chancellor is "primarily a very fast-growing radio company." Pro forma for pending acquisitions, he said Chancellor will get 73% of its revenues and cash flow from radio. Outdoor will provide 9% of revenues, but 11% of cash flow; TV 11% of revenues and 10% of cash flow; and the Katz/Petry rep firms 7% of revenues and 6% of cash flow.

Radio thinking drives TV

Emmis (O:EMMS) CEO **Jeff Smulyan** likewise emphasized his company's roots in the entrepreneurial radio industry in explaining this year's move into TV by acquiring underperforming VHF network affiliates. "The biggest success in American television in the past decade has come from radio operators—like Mel [Karmazin], like Lowry [Mays], like the people at Sinclair—who have understood that the television dynamics are changing dramatically," said Smulyan.

Mega adds DC stick

The days of boss jock Top 40 on AM in Washington, DC will soon come to an end. **Bill Parris'** Radio Broadcast Communications has agreed to sell WINX-AM to Mega Communications for \$600K. An LMA is set to begin tomorrow (12/15), when a Spanish ballad-based format will debut. While the 1600 kHz signal only covers DC's

northwestern suburbs, Mega CEO **Alfredo Alonso** said it has potential for an upgrade. Mega already covers DC and its Virginia suburbs with two AMs that simulcast a Tropical format. **Broker: Barry King**, Norman Fischer & Assoc.

Jacor gets Defiance

Randy Michaels' Jacor Communications (O:JCOR) has picked up another FM and its second TV station (albeit a low-power one), in a \$3.95M deal with Lankenau Small Media Network, Inc.—which will sell WDFM-FM and WDFM-TV in Defiance, OH. The FM does not have any overlap with Jacor signals in nearby Lima, Findlay or Toledo. "It's just another spoke to the hub," said a Jacor spokeswoman.

Fayetteville more "super" for Cumulus

Cumulus Media (O:CMLS) will expand its Fayetteville, AR superdupoly with the purchase of Demaree Media's KFAY-AM/FM and KKEG-FM for \$5.8M. In October, Cumulus agreed to buy Hochman Communications' superduop for \$6.5M (RBR 10/19, p.21). Now, though, Cumulus will buy only three of the six Hochman stations. **Broker: Robert Maccini** and **Stephan Sloan**, Media Services Group.

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KCWW(AM)
Phoenix, Arizona
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Owens
Broadcasting
Company, LLC
to
ABC, Inc.
for
\$5,850,000.

Elliot B. Evers
and
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represented ABC.

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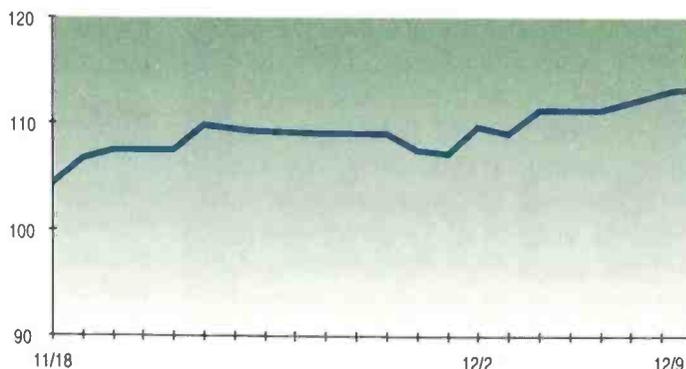
RBR's deal digest

Clay Holladay's Gulf South Communications is buying WESP-FM Dothan, AL for \$1.4M from **Charles Chapman's** and **J. McDavid Flowers'** Signal Enterprises. **Broker:** Bergner & Co... Innovative Broadcasting will pay Great Scott Communications \$800K for KSOK-AM & FM & KAZY-FM Arkansas City-Winfield, KS. **Broker: Bill Whitley**, Media Services Group

The Radio Index™



Enthusiasm for Infinity's IPO helped boost The Radio Index™ to its highest level since 7/30. The Index closed 12/9 at 113.33, up 3.62 from a week earlier. The barometer of radio stocks is now within striking distance of its 7/20 record of 118.67.



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TRANSACTION DIGEST

by Jack Messmer

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

\$6,300,000—* WLAY-AM & FM & WKGL-FM Muscle Shoals-Russellville AL from US South Broadcasting Company Inc. (Thomas H. Griffith, R. Parker Griffith, Larry A. Crim) to Cumulus Licensing Corp. (Richard Weening, Lew Dickey Jr.), a subsidiary of Cumulus Media (O:CMLS). \$315K letter of credit as escrow, \$6.3M in cash at closing. Existing **duopoly**. Broker: Don Sailors, Sailors & Associates

\$5,960,000—WJBD-AM & FM Salem IL, **WCMY-AM & WRKX-FM** Ottawa IL and **KLPW-AM & FM** Union MO from Virginia Broadcasting Corp. (Richard E. & Virginia M. Fister) to Marathon Media Midwest LP (Aaron P. Shainis, Bruce Buzil). \$100K escrow, balance in cash at closing. Broker: Ed Walters & Associates

\$4,600,000—* WBKO-AM & KSPE-FM Santa Barbara (Santa Barbara-Ellwood CA) from Spectacular Broadcasting Inc. (Richard C. Marsh) to Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR). \$300K escrow, balance in cash at closing. **Superduopoly** with KBKO-AM, KTMS-AM, KXXT-AM, KIST-FM, KTYD-FM & KSBL-FM in the Santa Barbara market and KLYF-AM Thousand Oaks CA. LMA since 11/1. Note: No more than eight stations overlap at any point. Broker: Jorgenson Broadcast Brokerage

\$2,200,000—* WLHN-FM & WERK-FM Elwood-Muncie IN from Dream Weaver Broadcasting Inc. (Wade & Dawn Weaver) to Indiana Radio Partners Inc. (Michael Schwartz, Bill Burns, Monte & Lillian Lang, Aaron Daniels, Abe Moss, Edward Argow). \$200K escrow, \$1.7M (less escrow) in cash at closing, \$500K under non-compete agreement. **Superduopoly** with WHBU-AM, WAXT-FM & WWWO-FM (below). LMA since 11/1. Note: WERK-AM, which is dark, is not included in this transaction. Broker: Bergner & Co.

\$2,200,000—* KHBG-FM Healdsburg CA 100% stock sale of Deas Communications Inc. from Batista S. Vieira and David Hernandez to Mary F. Constant. \$600K in pre-payments to buy out other voting and preferred shareholders, balance in cash at closing. **Superduopoly** with KRSH-FM Middletown CA and KGRP-FM Calistoga CA.

\$2,000,000—* WHBU-AM & WAXT-FM Anderson-Alexandria IN from Clearwater Enterprises Ltd. (Thomas Hayth) to Indiana Radio Partners Inc. (Michael Schwartz, Bill Burns, Monte & Lillian Lang, Aaron Daniels, Abe Moss, Edward Argow). \$100K escrow, \$1.75M (less escrow) in cash at closing, \$250K under non-compete agreement. **Superduopoly** with WLHN-FM, WERK-FM & WWWO-FM (above & below). LMA since 11/1. Broker: Bergner & Co.

\$1,450,000—* WWWO-FM Hartford City IN from Viking Communications Inc. (Judy Kvale, Louis Lauch Jr.) to Indiana Radio Partners Inc. (Michael Schwartz, Bill Burns, Monte & Lillian Lang, Aaron Daniels, Abe Moss, Edward Argow). \$60K escrow, \$950K (less escrow) in cash at closing, \$250K under non-compete agreement. **Superduopoly** with WHBU-AM, WAXT-FM, WLHN-FM & WERK-FM (above). LMA since 11/1. Broker: Bernger & Co.

\$1,499,000—WSYB-AM & WZRT-FM Rutland VT and **WMNM-FM** Port Henry NY transfer of 50% stock interest in Excalibur Media Inc. from Joel M. Hartstone (50% thereafter) to Martin F. Beck (25%) and James E. Champlin (25%). Stock sale for cash.

\$1,265,000—WKYI-FM Lexington (Stamping Ground KY) from Scott County Broadcasting Inc. (James P. Gray) to Blue Chip Broadcasting Ltd., a subsidiary of Blue Chip Broadcast Co. (L. Ross Love Jr., Lovie L. Ross, J. Kenneth Blackwell, Calvin D. Buford, Thomas Revelly III). \$63.25K escrow, balance in cash at closing. Note: This station has a CP to change its tower site to Georgetown KY and increase power to 6kw. Broker: The Crisler Co.; Dave Garland Media Brokerage

\$800,000—WBYS-AM & FM Canton IL 100% stock sale of Fulton County Broadcasting Co. from Charles E. Wright to Sharp Broadcasting Inc., a subsidiary of WPW Broadcasting Inc. (David T. Madison, Wayne W. Whalen). \$630K cash for stock at closing, assumption of \$170K corporate debt owed to Wright.

\$775,000—WNNO-AM & FM Wisconsin Dells WI from Armada Broadcasting Inc. (L. Robert Van Genderen) to Magnum Communications Inc. (Lynn E. & David R. Magnum). \$26.25K escrow, additional \$498.75K in cash at closing, \$250K note.

\$750,000—KBZK-FM Morro Bay CA and **KBZX-FM** Paso Robles CA from Sarape Communications Inc. (Isabelle Drake) to Moon Broadcasting Paso Robles LLC (Abel & Arelia de Luna and their children, Abel A., Krystina, Alejandro & Yesenia de Luna). \$40K escrow, balance in cash at closing. Broker: Satterfield & Perry

\$575,000—KBVI-AM Denver (Boulder CO) from Unicorn Productions LLC (R.A. Blumenhein) to Working Assets Funding Service Inc. (Laura Scher, Drummond Pike, Frances Hall Kieschnick, Michael Kieschnick & others). \$50K escrow to transfer at closing, \$525K note.

\$550,000—WIKI-FM Carrollton KY from WIKI Inc. (George A. Freeman) to Star Media Inc. (Marty Pieratt). \$5K downpayment, additional \$50K escrow, balance in cash at closing. LMA since 10/1.

\$500,000—* KDAE-AM Corpus Christi (Sinton TX) from Nueces Radio Partners LP (Willis Jay Harpole) to The Worship Center of Kingsville (Rufino Sendejo Jr.). \$10K downpayment, additional \$40K in cash at closing, \$450K note. **duopoly** with KGLF-AM.

\$485,000—WZRZ-FM Williamsport PA from Big Mountain Broadcasting Inc. (Sabatino Cupelli) to Forever Broadcasting LLC (Kerby Confer, Donald Alt, Carol O'Leary, Lynn Deppen). Assumption of \$485K note owed to John A. Kennedy Jr. Note: No contour overlap with Forever's other Williamsport market stations.

\$425,000—KXAL-FM Tyler (Pittsburg TX) from Ron & Diane Gray d/b/a Gray Communications to E.W. Communications LLC (Jerry Williams Jr., Quenn Echols). \$25K escrow, additional \$80K in cash at closing, \$320K note. Broker: Norman Fischer & Assoc.

\$400,000—WRRZ-AM Fayetteville (Clinton NC), 50% stock sale of WRRZ Radio Company Inc. from Delma P. Dixon to Clarence D. Denton (100% thereafter). \$400K cash for stock.

\$200,000—WLGO-AM Lexington SC from AARC Broadcast Properties Inc. (Leonard DeVille) to PowerNomics Telecom Corp. (Brant Anderson, Tom Pope, Joel Fernebok). \$10K escrow, additional \$90K in cash at closing, \$100K note.

\$140,000—WOAP-AM Flint (Owosso MI) from Connoisseur Communications of Flint LP (Jeff Warshaw) to William J. Janego. \$7K escrow, balance in cash at closing.

\$117,425—KKRS-FM Davenport WA from Blue River Broadcasting Co. (51% Ted L. Hite Jr., 49% CSN International) to CSN International (Charles W. Smith, Jeffrey W. Smith, John A. Laudadio, Michael R. Kestler). \$111,425 cash to Hite, additional \$6K to Media Services Group. Broker: Media Services Group

\$85,000—WCRO-AM Johnstown PA from Eagle Broadcasting Group Inc. (Jane Allison Austin) to Greater Johnstown School District (Dr. Sue Ellen Hogan & others). \$10K escrow, balance in cash at closing.

\$51,000—* WLRT-FM Mount Sterling IL from STARadio Corporation (Jack Whitley) to Larry K. Price and Cathy M. Price, joint tenants with right of survivorship. \$51K cash. **Duopoly** with WKXQ-FM Rushville IL.

\$20,000—WNBX-AM Springfield VT from Robert J. Wolf and Shirley P. Wolf, a partnership, to Spirit Broadcasting LLC (David F. Reeder). \$50K escrow, balance in cash at closing.

\$12,465—KTHU-FM Los Molinos CA 51% stock sale of Los Molinos FM Inc. from Broad Spectrum Communications Inc. (Paul Eric Dausman) and Redwood MicroCap Fund Inc. (John E. Power) to Phoenix Broadcasting Inc. (Gary Katz, Jerrie Rindahl-Katz, Edward Abramson, Keith Bussman,

Paul Eric Dausman, Elizabeth Folger Dausman, Arthur Calvin Dausman), which will own 100% thereafter. \$10K to Broad Spectrum for 50% and \$2,465 to Redwood for 1%. **Superduopoly** with KCEZ-FM Corning CA and KRQR-FM Orland CA.

N/A—WWFN-FM Lake City SC transfer of 60% stock interest in Florence County Broadcasting Co. from Robert R. Hilker to William R. Rollins. Transfer as part of like-kind exchange totalling approximately \$1.3M on each side involving numerous real estate and broadcast holdings. The application is inconsistent, in that it states at one point that Hilker will end up with 0% ownership of this licensee and at another point 60%, but it appears that the intent is for Rollins to end up with 100%.

N/A—* KEFX-FM Twin Falls ID from Calvary Chapel of Costa Mesa Inc. (Charles W. Smith & others) to Calvary Chapel of Twin Falls Inc. (Michael R. Kestler, Jeffrey W. Smith, Brent Heuther, Charles W. Smith). Donation. **Duopoly** with KAWZ-FM Twin Falls ID.

For the record

John Lauer of Force Communications was a co-broker on the sale of WROD-AM Daytona Beach (RBR 11/30, p. 14).

CARIBOU BROADCASTING

has acquired

KORL-FM

Honolulu, Hawaii

from

LOEW BROADCASTING

for

\$1,600,000

The undersigned acted as exclusive broker in this transaction and assisted in the negotiations.



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For years, Scott Studios' client stations have been successfully pre-recording great 4-hour shows in 15-20 minutes.

Now, thanks to Scott Studios' new free Voice Trax Via Internet (VTVI) software, free-lance announcers can record timely localized shows from anywhere. All they need is a good microphone, an Internet connection, any Windows computer, and Scott Studios' free VTVI software!

After the station's music has been scheduled, one touch of a button automatically e-mails the log and the latest live copy to the distant announcer. Scott's VTVI works seamlessly with all music schedulers and traffic/billing programs.

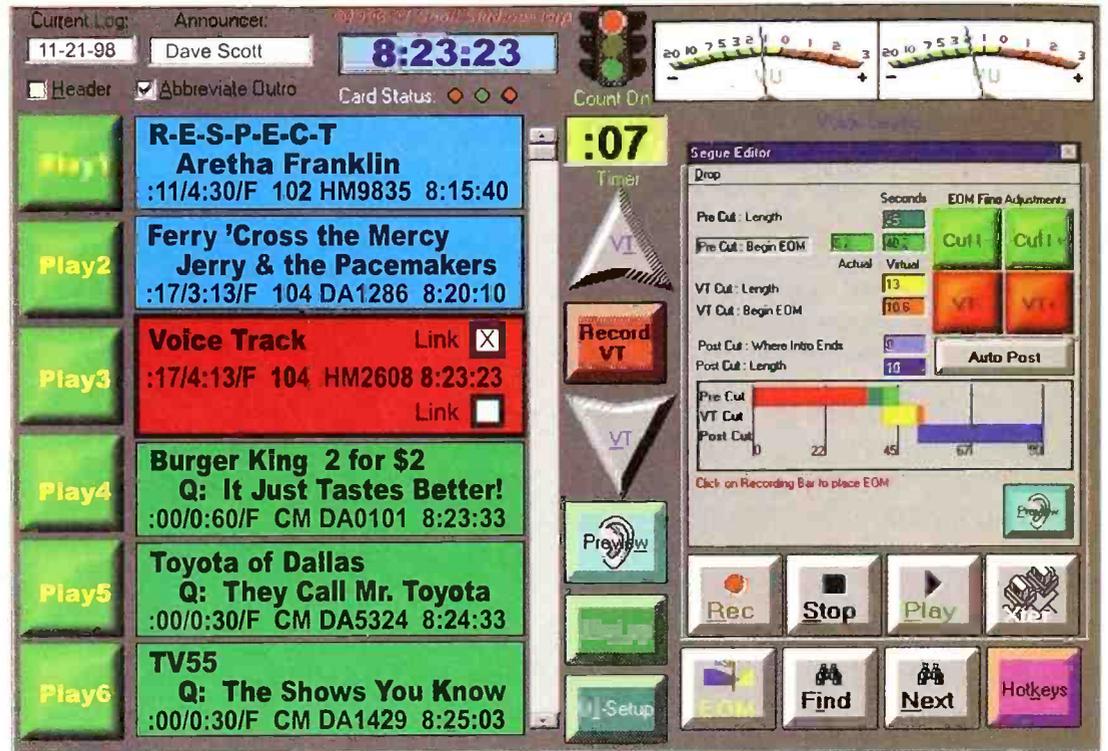
Scott's Voice Trax Via Internet software is *very* easy for your announcers to use. Scheduled live tags, trivia and copy display automatically on the right side of the screen. There's no fumbling with a copy book or even a mouse. When you're recording a song ending, simply press the space bar on the VTVI keyboard to start the next song or spot. Release the space bar after you stop talking. VTVI then moves ahead to the next place to talk.

All Voice Trax are recorded with the computer's ordinary sound card with impressive digital fidelity. Depending on your format, a microphone processor may be helpful to punch up the announcer's voice, but no console is needed.

If all the station's spots have been produced when the log is sent, Scott's Voice Trax software automatically computes and displays accurate time checks the announcer can include if desired in any Voice Trax.

After recording, any or all of the show can be reviewed and changed. Scott's VTVI Segue Editor even lets your jock fine-tune timing without any need to re-record any thing.

When done, a click on the VTVI Auto-Send button dials the Internet and moves the entire show to the distant Scott digital audio system automatically. Transfer speeds vary based on your Internet Service Provider, but with a dial-up phone line a shift can upload to the Internet in 40-50



Here's Scott's Voice Trax Via Internet (VTVI) software, shown with the optional Segue Editor. VTVI allows a distant announcer to pre-record a 4 hour show in about 15-20 minutes with nothing more than a Windows computer, an Internet connection and a good microphone.

minutes. With ISDN, transfer time can be 20-25 minutes.

Your announcer can be answering e-mail, writing copy, editing promos or doing a number of other things on the VTVI computer while your show is being transferred.

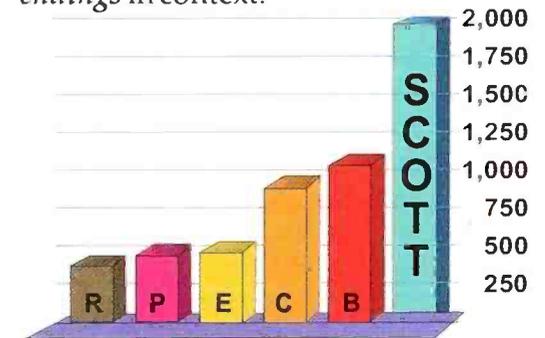
Scott Studios VTVI also includes our exclusive Voice/Music Synchronizer. When any Voice Trax mentions song titles or artists, your jock turns on the link so the Trax plays only with the correct song. No operator attention is needed at the station for Voice Trax to play seamlessly. If the announcer forgets to record something, or songs or spots get changed at the last minute the Scott Voice/Music Synchronizer automatically substitutes generic Voice Trax for each day and hour for each announcer.

Nothing could be easier or less expensive, yet still sound so good as good talent with Scott's VTVI! Of course, the free Voice Trax Via Internet does require Internet connections on both ends, a \$29 per month FTP transfer site, and the Scott NT System plus a \$2,500 Scott Remote Recording Router back at the station.

We also offer a \$500 VTVI Deluxe that lets the announcer download telescoped song intros and endings from the Internet, then fine-tune timing of talk-ups and backsells in the context of the music and spots with little or no need for re-recording. With the VTVI Deluxe, a telescoped aircheck can be previewed with the beginnings and

ends of the songs and spots.

Or, the \$1,000 Super Deluxe VTVI lets your distant announcers record *while listening to song and spot intros and endings* in context!



It's a fact: More U.S. stations use Scott Studios than *any* other major digital audio system. 1,950 radio stations have 4,300 Scott digital work-stations, including *major* groups like CBS, Chancellor, Disney/ABC, Clear Channel, Emmis, Citadel and many more. In the US' top 10 markets, 45 stations and 5 networks use 155 of our digital workstations

Call Scott Studios to see how the Voice Trax Via Internet digital system can greatly improve *your* bottom line.

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