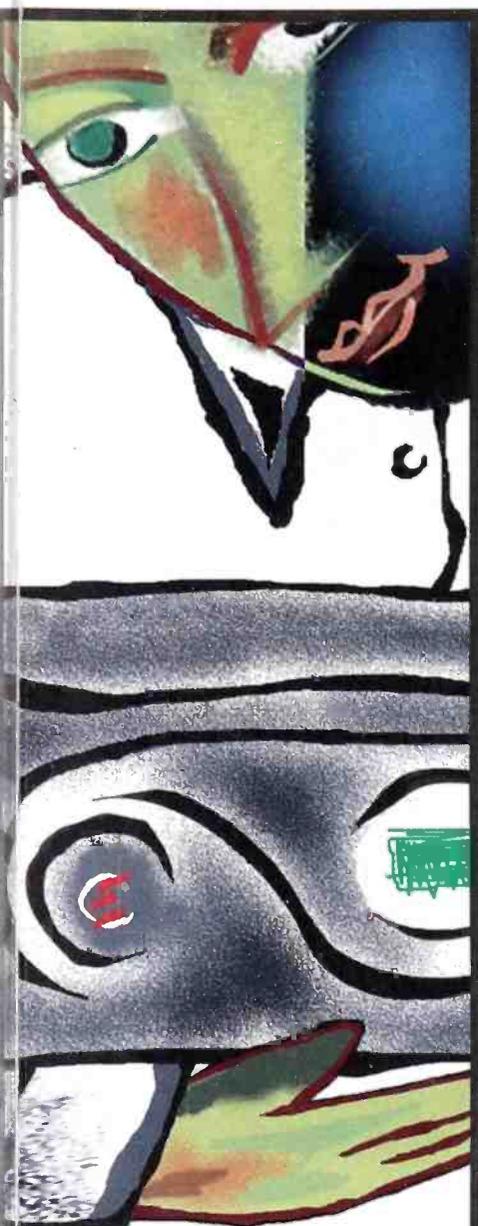


RADIO BUSINESS REPORT™

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 Phone: 678-966-9900 • Fax: 678-966-9903

Ken Lee Associate Publisher/GM
Jack Messmer Executive Editor
Dave Seyler Senior Editor
Carl Marcucci Associate Editor
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Mona Wargo FCC Research Consultant

Jim Carnegie Publisher
Cathy Carnegie VP Administration
Ronald Greene Executive Director of Production
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Beth Dell'Isola Account Executive
April Olson Admin. Assistant

USADR gets major investment from top 10 groups

This was a rare opportunity for radio groups to come together for the good of the industry and they took it. Nine of the top 10 radio groups have invested in the now-incorporated IBOC developer USA Digital Radio.

In deals worth "tens of millions of dollars," according to USADR President **Bob Struble**, the ownership group now encompasses 192 of the 267 Arbitron-rated markets. "These are some of the best business people in the country. They are not folks that part with money easily. Trust me, they went through our business plan, our technology, our people in great, great detail. What has come out of it is that they are making a very strong statement that they believe radio is going digital, and they believe we've got the right technology and plan to do it."

The list of equity owners, including original investors CBS Corp. (N:CBS) and Gannett (N:GCI): Chancellor Media (O:AMFM), Citadel (O:CITC), Clear Channel (N:CCU), Cox (N:CXR), Cumulus (O:CMS), Emmis (O:EMMS), Entercom (N:EMT, IPO pending), Heftel (O:HBCCA), Jacor (O:JCOR), Radio One, Sinclair (O:SBGI) and Chase Capital Partners. BT Alex. Brown handled the negotiations and private placements.

Now a part owner of USADR, Cumulus Executive Chairman **Richard Weening** explains how this all came about: "I used to be a venture

capitalist. I think this thing is very well conceived. We concluded that the technology is solid, and this particular organization has what it takes to actually make it happen. So, that's why we're involved. They've got the right people in place, and **Mel [Karmazin]** is a strong backer. We had a chance to get a uniform exposure to it all out at the [Seattle] NAB convention in a series of private presentations from [USADR], which were very impressive."

"I just look at this as another thing, just like the filing [RBR 10/12, p. 4]. We're snowballing here, and this is just more layers on the snowball. All along it's been for broadcasters, by broadcasters. We always wanted to grow the coal-

1999 pacing off to a strong start

Forward pacing looks strong for the first quarter of the New Year in the latest RBR/Miller Kaplan Market Sell-Out percentage report. "It's always encouraging to see January start out over 50% sold," noted Miller, Kaplan's **George Nadel Rivin**.

RBR/Miller Kaplan Market sell-out percentage report

	1999	1998
Jan 1	56.9%	55.6%
Feb.	36.6%	36.8%
Mar.	27.2%	25.0%

DRE cries foul; claims patent infringement by USADR

Digital Radio Express President **Norman Miller** told *RBR* at deadline there's a lot of issues the investors didn't consider before signing on the dotted line.

"I think this raises a lot of questions. 1) If an IBOC system other than USADR's demonstrates superior performance, will the 12 broadcasters be unwilling to implement that system?—my concern is related to protecting one's investment. 2) If the broadcasters did do a due diligence study, DRE was not contacted, so I don't know how they could have done a comparison in any detail. 3) Were the 12 investors made aware of the fact that USADR's current IBOC implementation will infringe on DRE's key patents? I guarantee you with 100% certainty that our patent is being infringed upon by the way they designed and presented it at the NAB show. There's no doubt—it's a key part of making IBOC work. Our patent is not pending—it has been allowed. I don't think they did due diligence properly. I don't think this is technically based, I think this is political. I think some of these guys have probably been hoodwinked into this [deal]." Miller would not specify which patent he was referring to.—CM

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

Advertising sales information: Ken Lee 703-719-9500 • Fax 703-719-9509

Email the Publisher: JCRBR@aol.com • Email Editorial: radiobiz@aol.com

Email Sales: KenLeeRBR@aol.com • BethRBR@aol.com • MaggieRBR@aol.com • JohnNRBR@aol.com

tion," said USADR VP Broadcast Engineering **Glynn Walden**.

We questioned whether Mel was instrumental in "lining up the troops" for this monumental deal, but apparently he was not banging the phones. "Mel had nothing to do with it. It was **Jeff Amling**, [partner at BT Alex.] and the guys from BT Alex. Brown," said Chancellor Radio President **Jimmy de Castro**.

Seemingly unfazed by the deal, Lucent Digital Radio President **Suren Pai** is banking on his system's technology to gain the standard. "We have stated very clearly in our filing [comments on USADR's petition], and it has also been agreed to both by USADR as well as most others commenting, that the FCC will very likely be required to mandate the standards for digital radio and the technology must be field tested before any decisions can be made. Clearly, the decision about a standard will be based on actual results of field testing and the best technology for the public good. This announcement by USADR does not affect any of our plans."

Weening agrees this move shows that radio can work together when needed, and the time was now: "Industry-wide, technology advances like this really require that people who are otherwise competitors work very closely together. This isn't really a competitive issue among radio broadcasters, it's a competitive issue of

radio vs. all the other media. It's potentially a huge advance, the second big paradigm shift after deregulation. This is going to further enhance radio's competitive capabilities substantially, adding quality and sustainability over time."

VP Strategic Development **Bill Suffa** aided in the final investment decision-making process at Jacor. "I think that of all the companies that have come forward with IBOC proposals, I think this one is the furthest along. The radio broadcast industry has to move in the direction of digital. We are the only major communications system that is not either digital or trying it out."

de Castro indicated the decision at Chancellor came from the top. "We did a bunch of due diligence on it, and our investment partners came to us and suggested it was a good investment, so we did it. I very much think there needs to be a standard for the industry, and we're looking forward to participating with the other major broadcasters."

"We strongly believe that the technology advancement represented by [IBOC] broadcasting will be extremely beneficial to our industry and our listeners, both in terms of improved audio quality as well as enhanced services such as data streaming," added Chancellor SVP/Chief Strategic Officer **Rick Neuman**.

So now with all this investment, what is the board going to look like? "It's not decided yet. You can assume that certainly some of the new investors will be on the board, but as to the who and who's got what, we're still working on that," said Struble. Ownership percentages and dollar figures from each group were not given, however, De Castro indicated everyone who has invested a significant amount will be on the board.

With the "snowballing effect" Walden described, is an IPO next? Said Struble: "We have a ways to go obviously before we get any revenue, but that's clearly down the road. We're a regular business now. We're going to do what we need to do give our investors a good return."

RBR observation: With close to half of radio's revenue representatives investing in USADR, it presents a huge problem for the other IBOC proponents, DRE and Lucent—if these groups believe in USADR's system enough to invest in the company, they will in essence, lobby for their investment. Lucent and DRE's AM and/or FM IBOC systems will have to perform better than USADR in field testing for them to gather the kind of steam that USADR has now. Said Suffa: "This certainly makes USADR the lead horse. When you have the greatest percentage of stations behind you, then you stand the best chance of getting there."—CM

Kennard's new year, new digs, same battle lines

FCC Chairman **Bill Kennard** (D) laid out a rather broad overview of his telecommunications agenda for 1999 at a special press briefing last week, the first at the FCC's shiny new home at The Portals II. The chairman's second-year agenda presentation was heavy on common carrier, light on mass media, stressed speed on and access to the Internet, with not much at all to say about radio.

Sooner or later, Kennard's 1999 meeting agenda will include an in-depth and possibly contentious exploration of tightening broadcast ownership rules and devising some broadly acceptable means of spurring competition in the broadcasting industry, particularly radio.

"Right now, I personally feel we need to do more outreach on that and

I want to hear more from interested parties", said Kennard. He would give no more than "early '99" as a target date for ownership discussions. Indications are, it will not be substantially taken up at the first FCC public meeting scheduled for January 28, although opening low-power FM frequencies for local use might be.

Ownership battle lines drawn

Senate Commerce Committee Chairman **John McCain** (R-AZ), who has been a thorn in Kennard's side regarding increasing ownership restrictions (*RBR* 12/14 p.3), is now exploring presidential possibilities. Even so, there is no shortage of powerful defenders of deregulation and FCC reform on the Hill.

Newly sworn-in House Speaker

Dennis Hastert (R-IL), recently said on the House floor, "At every juncture, the FCC's approach has been to adopt more rules and regulations." Hastert is likely to continue to provide even higher profile support of the deregulatory efforts of Rep. **Billy Tauzin** (R-LA), the House Telecommunications Subcommittee chairman who has promised to hold hearings on ownership rules and review FCC operations with an eye toward agency reform.

House Commerce Committee Chair Rep. **Tom Bliley** (R-VA) gets two new Republican members on his committee. One will fill the seat Hastert would have occupied had he not ascended to the Speakership; the other is the majority's half of a two-seat committee expansion.

The ranking Democrat on the House

continued on p. 6



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Kennard continued from p. 3

Commerce Committee, Rep. **John Dingell** of Michigan, ensures a bipartisan lack of support for Kennard's ownership restriction initiatives and has in so many words called for Kennard's premature departure.

Conrad Burns (R-MT) chairs the Senate Telecommunications subcommittee and generally favors deregulation.

Kennard's '99 agenda presentation was rife with deregulatory overtones and laced with words like "streamline," "flexibility," "simplify," "cut," and "eliminate."

So much pressure from the Hill and industry has been brought to bear in opposition to stricter ownership restrictions that the NAB is considering reversing its earlier strong support for group ownership caps for TV, which could impact radio duopolies and LMAs, in favor of neutrality.

FCC ad agency bias report expected this week

The FCC report on possible ad agency bias toward black and Hispanic

broadcasters, drafted and largely conducted by the DC-based Civil Rights Forum, is scheduled to be made public this week. "I think we will be able to demonstrate some substantial impact," Forum Executive Director **Mark Lloyd** told *RBR*.

Lloyd also said that he thought it was "a little bit odd" that he had not been invited to Rev. **Jesse Jackson's** Rainbow/PUSH Coalition's second annual Wall Street Project conference this week (*RBR* 1/4, p.2) whose focus is attracting capital to expand minority business ownership. Scheduled speakers include President **Clinton** and Kennard. "Maybe Kennard and [Rev. **Al**] **Sharpton** make bigger headlines than the Civil Rights Forum", Lloyd opined.

Lloyd found his lack of invitation particularly interesting, because Kennard will most likely refer to his group's ad agency bias report in his remarks at Jackson's conference. "I do expect the advertising report to be released within the week, but I have not written my remarks for Rev. Jackson's event, so I'm not sure what I am going to say yet," a smiling Kennard told *RBR*. Insiders tell *RBR* it's more than likely that he will bring up the report.—JA

RBR News Briefs

Chancellor shuffles

Chancellor Media (O:AMFM) CEO **Jeff Marcus** is continuing to put his mark on the company, bringing in **Thomas McMillan** as CFO to replace **Matt Devine**. McMillan had previously worked with Marcus as CFO of Marcus Cable.—JM

WinStar Global Media to buy SW?

While SW Networks announced switching national reps from MediaAmerica (recently bought in October by Jones Radio Networks) to WinStar Radio Networks' WinStar Global Media, *RBR* sources tell us WinStar is buying SW in a \$10M cash and stock purchase. Closure of the deal is imminent. Sources also said MediaAmerica had the first shot to buy SW, but passed on the offer.

Said WinStar Radio Networks President **Michael Ewing**: "We have a rep agreement in place, and we're exploring other opportunities. Obviously we're looking at them. We don't have a target date in mind."—CM

NBA prayers answered

Now that NBA players and owners have decided to play ball, NBA radio flagships and affiliates can start to recoup whatever losses, if any, suffered during the 191-day lockout. **Betty Kourek**, GM at San Antonio Spurs and Clear Channel (N:CCU) flagship WOAI-AM prayed that, "come January this thing is over (*RBR* 11/30 p.9)." It's too soon for a final tally, but Kourek projected a probable 10% loss of revenue.

"I was yelling Hallelujah at the news," said Chicago's WMVP-AM, ESPN Radio 1000 GM **Zemira Jones**. "We actually made our first projected quarterly budget [with an all-sports format] of the station, with Bulls Revenue factored in, without the Bulls." Jones cited his "distinct advantage of ESPN brand preference with listeners and advertisers."—JA

XM Signs with OneOnOne

The first Sports programming channel to join XM Satellite Radio's growing lineup: OneOnOne Sports. The 24-hour SportsTalk net will occupy one channel, using the same direct feed to affiliates. Also using the same feed, and also airing on CD Radio (O:CDRD) are Bloomberg and C-Span.—CM

Wilson Casey attempts Guinness record

Daily (noon-1P) WKDY-AM Spartanburg, SC "Trivia Guy" host **Wilson Casey** attempted to set a new Guinness world record for the longest running radio broadcast and set a record for longest running trivia broadcast last week (a new category). The current record is 29 hours 38 minutes. He tried for 30 hours, beginning midnight Friday and ending 6A Sunday.—CM

KFAN's last and next big venture: Ventura

How many radio stations would you say have ever lost a marquee-quality, highly rated midday talk show host in a hotly contested state governor's race? Minneapolis' Sports talker KFAN-AM is the only one we could come up with.

Folks on the ground at the Chancellor (O:AMFM)-owned station say word has come down from as high up as Chancellor Sr. EVP **George Toulas** to basically do whatever it takes to get newly-sworn-in Minnesota Governor **Jesse Ventura** (Reform) back on its airwaves.

His 10A-1P weekday show debuted in August 1997 and ran until mid July 1998 when he came off the air because of the campaign. "It was a situation where we didn't want to test the waters in terms of equal time and certainly not break any election laws," according to KFAN PD **Doug Westerman**.

Now Westerman and his boss, KFAN VP GM **Mick Anselmo**, are working to get Ventura back on the air, "for an hour or two a week when he gets his routine down. Negotiations look pretty good," according to Westerman.

"He put up great numbers and it was great having him at personal appearances. We were always guaranteed a huge following wherever Jesse went," KFAN Promotions Director **John Nelson** told *RBR*.

RBR checked. Arbitron numbers for the 10A-3P daypart that contained Ventura's show went from a 1.4 share persons 12+ in Su97 when Ventura started, to a 3.6 by Su98, with a high of 3.6 in Wi 98. What's more, with men 25-54, that daypart went from a 3.5 share Su97 to a 7.4 Su98 with a high of 8.2 in the Wi98 book. With Jesse in the lineup, KFAN overall hovered in the 2.2 share range with persons 12+ M-F 6A-Mid, with a 2.6 high in Fa97, up from a 1.4 12+ share when he began.—JA & DS

Superduopoly consolidation poised to break 50% in 1999

The number of stations in Arbitron markets which are part of a superduopoly cluster is 2,410 (48.3%). When duopoly stations are added in with the superduops, the result is 3,606 (72.3%).

Superduop penetration reached 48.0% in early September, and has barely increased since. Despite this slowdown, we are confident that by the time the new millennium arrives, over half of all Arbitron-market stations will be in superduop clusters, and over three-quarters will be part of a consolidated operation.

The bulk of the increase will come from market sizes 100 and smaller. Although these markets have seen plenty of dealing in the last two years, there are still plenty of stations which can be bought for the right price, as well as several markets where even duopoly consolidation has yet to take hold.

Additionally, the potential remains for dealing in the top 100 markets, although we expect to see most further consolidation in the form of smaller, underutilized stations going to niche broadcasters such as the recent AM-AM duopoly formed in Philadelphia by Hispanic group Mega Media.

The AM-FM combo, the cornerstone of the radio business a few short years ago, is not yet ready to join the dinosaurs, but it is on life support. This is particularly true in the larger markets, where it

claims less than 10% of all stations.

The accompanying charts show the breakdown of stations by cluster type and by market size. The column headings are self-explanatory with the exception of "weight." The numbers contained therein are designed to give a rough idea of the relative strength of stations in each cluster type. For example, if the average share of all stations combined is 4.0, a weight of 100 would be equal to 4.0, 125 would translate to a 5.0 share while a weight of 75 would translate to a 3.0 share.

RBR observation: The weights for each cluster type are remarkably uniform regardless of market size. Superduopoly operations, not surprisingly, are stronger than the others, but not overwhelmingly so. At the same time, the weights for combo and standalone operations are artificially lowered by niche operators for whom ratings are but a small part of the business equation.

In short, the gloom and doom predicted by many with the advent of ownership deregulation just refuses to show up in the numbers. Subtract the many combos and standalones programming supertargeted formats and pulling an 0.5 or lower and the weight of the others would skyrocket. It is very possible for a full-signal standalone to compete for ratings with a superduop.

Ownership consolidation by cluster type and market size

Markets 1-50

Cluster type	Owners	Stations	Pct.	Weight
Superduop	147	770	52.8	125
Duop	130	356	24.4	86
Combo	68	136	9.3	66
Standalone	196	196	13.4	51
Consolidated	277	1126	77.2	113

Markets 51-100

Cluster type	Owners	Stations	Pct.	Weight
Superduop	98	548	51.0	125
Duop	86	238	22.2	99
Combo	64	128	11.9	59
Standalone	160	160	14.9	50
Consolidated	184	786	73.2	117

Markets 101-150

Cluster type	Owners	Stations	Pct.	Weight
Superduop	73	371	45.6	121
Duop	65	183	22.5	98
Combo	62	124	15.2	80
Standalone	136	136	16.7	65
Consolidated	138	554	68.1	113

Markets 151-200

Cluster type	Owners	Stations	Pct.	Weight
Superduop	67	355	42.9	121
Duop	83	224	27.1	99
Combo	62	124	15.0	67
Standalone	124	124	15.0	74
Consolidated	150	579	70.0	113

Markets 201-268

Cluster type	Owners	Stations	Pct.	Weight
Superduop	75	366	45.0	113
Duop	66	195	24.0	116
Combo	74	148	18.2	73
Standalone	103	103	12.7	66
Consolidated	141	561	68.9	114

Markets 1-268

Cluster type	Owners	Stations	Pct.	Weight
Superduop	460	2410	48.3	119
Duop	430	1196	24.0	101
Combo	331	662	13.3	73
Standalone	719	719	14.4	61
Consolidated	890	3606	72.3	113

Source: RBR Source Guide database, Arbitron

Gurus foresee strong 1999, even better 2000



by Jack Messmer

Pity poor 1999. No matter how well radio and other advertising-supported media do this year, it already appears certain that this last year of the millennium is destined to be merely the set-up for a year of tremendous growth—2000.

Forecasters are much more upbeat about prospects for this year, particularly for radio, than they were a year ago. Expectations of an economic slowdown in 1998 evaporated as the US economy overcame domestic political turmoil (history's second impeachment of a president), international economic upheaval (throughout Asia and in Russia), a temporary mini-crash by the stock market and even the warnings of Federal Reserve Board Chairman **Alan Greenspan** against "irrational exuberance."

In the end, the Dow Jones Industrial Average managed to gain 16%, in a year when few had expected a 10% rise, and other major indices posted even larger gains.

Radio industry insiders were looking for growth of 9-10% a year ago (*RBR* 12/15/97, p. 2), and it appears the final figure may be even a point or two higher. With one month yet to be tallied, the Radio Advertising Bureau (RAB) pegged growth at 12% through November 1998. By contrast, closely followed forecaster **Robert Coen**, Sr. VP and Director of Forecasting, McCann-Erickson, was expecting a gain of only 6.5%. As the chart, right, shows, Coen's prediction was well short of the mark.

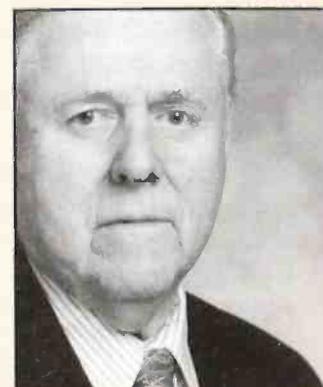
"Just about every medium has done as well or better than we thought possible a year ago," Coen recently noted. He attributed his failure to foresee the robustness of the 1998 US advertising market to pessimistic forecasts for the overall economy (by government forecasters and others), which were repeatedly revised upward over the course of the past year.

Coen is a little more optimistic about 1999. He's predicting 7.5% growth for national spot and network advertising, but only 6% for local. Those predictions could be overly conservative, though, if the economy continues to outperform expectations and advertising associated with the new millennium spills backward into 1999 more than he is expecting.

Even Coen, whose forecasts have been marked by conservatism in recent years, is projecting a gangbuster year for 2000. He recently told *RBR* (12/14/98, p. 2) that Y2K should have an impact on advertising much like the 1976 US Bicentennial, when total ad growth topped 20%. Coen hasn't yet committed to a growth rate forecast for 2000, noting that inflation was a much greater factor in the mid-70s than now.

Coen forecast sees continued growth

McCann-Erickson Worldwide's Bob Coen may well be the most closely watched forecaster for U.S. advertising. But the guru admits that he's been surprised in recent years by the growth of advertising spending, although that's partly due to the unexpected strength of the U.S. economy. Here's Coen's forecast for 1999, along with his '98 forecast and the actual results (based on data available by early Dec.):



Bob Coen

Ad spending	1998	1998	1999
National	forecast	actual	forecast
Big 4 TV nets	+5.5%	+7.0%	+4.0%
Spot TV	+6.5%	+6.2%	+4.0%
Cable TV	+13.0%	+13.0%	+12.0%
Syndication TV	+5.5%	+8.0%	+7.0%
Radio (net & spot)	+6.5%	+9.0%	+7.5%
Magazines	+5.5%	+5.5%	+5.5%
Newspapers	+6.0%	+8.0%	+6.5%
Direct mail	+6.0%	+7.5%	+6.0%
Yellow pages	+6.5%	+8.0%	+7.0%
Other national media	+6.3%	+7.3%	+6.0%
Total national	+6.3%	+7.5%	+6.0%
Local			
Newspapers	+6.0%	+6.0%	+4.5%
TV	+6.5%	+7.5%	+5.0%
Radio	+6.5%	+8.0%	+6.0%
Yellow pages	+5.5%	+4.4%	+4.0%
Other local media	+6.1%	+6.6%	+6.8%
Total local	+6.1%	+6.6%	+5.0%
Combined total	+6.2%	+7.1%	+5.5%

Source: McCann-Erickson Worldwide

"A new age in radio advertising"

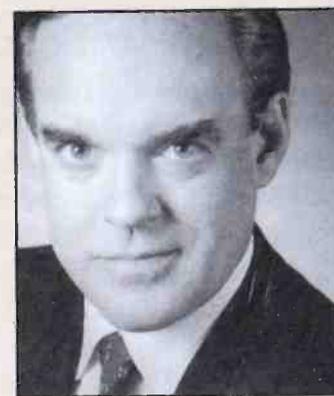
Heeding industry insiders claims that radio was "on a roll" after Telcom Act deregulation, **William Donald**, Standard & Poor's broadcast analyst had predicted 9% growth for radio in 1998. He's now more convinced than ever that deregulation brought permanent changes to radio, so he's projecting that growth will average 10.3% annually through 2003. In his latest "Broadcast Media Industry Survey," Donald said that larger groups and larger in-market clusters have made radio buying easier for advertisers and agencies. "Consolidation in radio saved advertisers time, trouble, money and headaches," he noted. "Larger radio groups also made it economically feasible to boost the marketing/sales departments."

Even before Telcom passage, Donald noted that radio was outpacing other media for ad revenue growth, which he attributed to efforts by the RAB and individual broadcasters to better market the medium and target major advertisers who used little or no radio.

continued on page 10

Veronis, Suhler & Associates forecast

Veronis, Suhler & Associates, a New York-based investment bank that specializes in the communications industry, issues its "Communications Industry Forecast" each October. The latest forecast projects that combined revenues for the industries it tracks will rise at a compound annual rate of 7.7% over the five-year period ending in 2002, compared to a rate of 7.2% for the five years that ended in 1997. Here is VS&A's tabulation of actual spending on communications sectors through 1997 and its projections for 1998 (which was not yet complete when the report was issued) through 2002:



Francis L'Esperance

Actual % growth 1993-1997, forecast % growth 1998-2002

(five year figures are compound annual growth)

Industry	93	94	95	96	97	93-97	98	99	00	01	02	98-02
Television	2.2	11.2	4.7	10.5	2.1	6.1	7.1	4.3	10.1	1.8	7.2	6.1
Radio	9.3	11.3	7.7	8.2	10.0	9.3	9.5	9.0	13.0	8.2	6.9	9.3
Subscription video	9.7	11.3	7.7	8.2	10.0	11.1	13.3	11.5	11.8	11.2	10.0	11.6
Entertainment	8.6	9.4	3.5	6.0	4.6	6.4	5.8	5.8	6.5	6.4	5.6	6.0
Newspapers	3.5	6.4	5.3	5.1	7.1	5.4	6.9	6.4	7.9	5.6	6.0	6.6
Consumer books	6.5	7.7	3.0	3.1	-2.7	3.5	6.2	4.6	4.5	4.9	5.0	5.0
Consumer magazines	4.5	5.9	4.6	4.0	6.4	5.1	5.9	5.7	7.9	5.5	6.2	6.2
Consumer online	23.0	17.0	88.7	58.0	67.4	48.3	36.6	30.6	22.0	18.3	14.1	24.0
Biz-to-biz pub.	2.9	9.8	9.3	9.1	10.6	8.3	9.7	8.8	9.7	8.1	8.2	8.9
Prof./educ. pub.	7.0	4.4	6.1	11.2	7.7	7.3	7.2	8.5	7.7	6.8	6.8	7.4
Biz info. services	6.0	6.2	6.6	7.7	7.1	6.7	7.5	8.0	8.5	8.3	8.0	8.1
Yellow pages	2.1	3.2	4.2	6.0	5.3	4.2	6.2	5.5	5.1	4.5	5.0	5.2
Outdoor	6.0	8.0	8.2	7.3	8.8	7.6	7.7	8.7	8.8	8.8	8.1	8.4
Consumer promo.	3.9	6.6	5.3	1.1	4.2	4.2	2.7	1.6	6.2	5.8	5.6	4.4
Biz-to-biz promo.	9.8	5.3	7.9	5.5	22.7	10.1	13.8	11.7	10.0	6.3	5.3	9.4
Direct mail	7.4	8.7	10.9	5.0	6.9	7.8	7.2	6.7	6.6	5.6	5.1	6.2
Event sponsorships	32.1	14.9	10.6	14.9	9.3	16.1	15.3	8.8	12.2	9.6	14.3	12.0
Total	6.3	7.4	7.0	7.3	8.2	7.2	8.4	7.7	8.8	6.8	7.0	7.7

Source: Veronis, Suhler & Associates, Wilkofsky Gruen Associates

continued from page 9

"Revitalized by marketing initiatives, radio ad spending has seen healthy advances in recent years," Donald said. "A gain of 8.7% was realized in 1997, on top of 8.2% growth in 1996, 7.7% in 1994 and 10% in 1993. Coming out of the 1990-91 recession and the sluggish rebound of 1992, those gains were impressive because they represented more than a normal recovery from a recession. They suggested the beginning of what many in the industry hoped was a new age in radio advertising, marked by advertiser awareness of radio as a powerful marketing tool. That hope was well founded, as radio has continued to post strong advertising growth."

Donald's latest forecast (see chart, below) has radio growing at a rate of 13% in each of the next two years, before cooling to a still-robust 9% in 2001. He too is a believer in the power of Y2K.

"Broadcast television, radio and cable will receive additional mileage from advertising and marketing programs related to the millennium, both in 1999 and in 2000. Although the official millennium comes at the end of the year 2000, the event will be celebrated at the end of 1999 as well," Donald said. "The leisure and entertainment industries will be at the forefront of this marketing opportunity, but we expect all marketers will take as much advantage as possible of this once-in-a-lifetime occurrence."

Don't forget, Donald added, the year 2000 will also bring the Olympics and federal elections, including a US presidential race with no incumbent.

The best is yet to come

Among the earliest forecasts for each year is the "Communications Industry Forecast" issued each October by

Veronis, Suhler & Associates (VS&A), a New York-based investment banking company that focuses on communications industries. As reported, (*RBR* 10/26/98, p. 5), VS&A Managing Director **Francis L'Esperance** and his team of broadcast industry specialists are expecting radio revenues to break the \$20B barrier in 2002. Specifically, VS&A is projecting total radio revenues of \$21.1B in 2002, compared to \$13.5B five years earlier in 1997.

VS&A's analysts and investment bankers are also convinced that deregulation made radio stronger both locally and nationally.

"In-market consolidation gave owners greater flexibility in packaging their advertising inventory, making it more appealing to advertisers. Across-market consolidation enabled owners to offer national advertisers a more extensive reach in a single buy, making it easier for national advertisers to incorporate radio in their media plans," VS&A stated.

As the chart, page 9, shows, VS&A is also projecting heavy Y2K ad spending, giving boosts to radio, TV and even the lackluster newspaper industry in 2000. Overall spending on communications industries—which includes not only advertising, but such things as movies and professional/educational publishing—is expected to rise 8.8% in Y2K, stronger growth than any other year in the 10-year chart.

RBR observation: Since no one is yet getting a commission check based on 2000 ad sales, we doubt that anyone will be inclined to sleep through 1999 just waiting for Y2K to arrive with its basket of gold. It is encouraging though, to know that however good it gets this year—and all signs point to a stellar year—the experts believe that the best is yet to come.

S&P's broadcast/cable outlook

Here's what Standard and Poor's analyst William Donald is forecasting for the broadcast and cable industries for the next five years, along with historical figures for the past four years (1998 figures were estimated as of late December).

William Donald



S&P revenue trends and forecasts

(Billions of dollars)

Category	1995	1996	1997	1998	1999	2000	2001	2002	2003
Broadcast TV ad sales	\$27.9	\$31.3	\$32.5	\$34.8	\$37.2	\$41.4	\$43.6	\$46.2	\$50.2
Radio ad sales	11.5	12.4	13.5	15.1	17.0	19.2	20.9	22.9	24.8
Broadcast total	39.4	43.7	46.0	49.8	54.2	60.4	64.3	68.7	74.8
Cable basic subscriptions	15.2	17.0	18.4	20.3	22.0	23.7	26.0	28.7	31.9
Cable ad sales	5.1	6.4	7.5	8.7	10.4	12.7	15.0	17.7	20.0
Other cable revenues	9.1	9.9	11.1	12.3	13.7	16.8	19.4	22.5	27.5
Cable total	29.4	33.3	37.0	41.3	46.1	53.2	60.4	68.9	79.4
Direct broadcast satellite subscription revenues	1.5	3.3	4.8	6.8	8.2	9.7	11.2	12.1	14.3
Wireless cable revenues	0.4	0.6	0.5	0.5	0.5	0.5	0.5	0.6	0.6
Satellite master antenna revenues	0.4	0.3	0.5	0.6	0.6	0.7	0.8	0.9	1.0
Satellite dish (C-Band & KU-Band) revenues	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8

Source: Standard & Poor's

BROADCAST INVESTMENTS™

January 6—RBR Stock Index 1999

Company	Mkt:Symbol	12/28/98 Close	1/6/99 Close	Net Chg	Pct Chg	1/6/99 Vol (00)	Company	Mkt:Symbol	12/28/98 Close	1/6/99 Close	Net Chg	Pct Chg	1/6/99 Vol (00)
Ackerley	N:AK	18.000	19.125	1.125	6.25%	756	Heftel Bcg.	O:HBCCA	46.750	46.562	-0.188	-0.40%	1120
Alliance Bcg.	O:RADO	0.781	1.000	0.219	28.04%	875	Infinity	N:INF	26.125	26.375	0.250	0.96%	22760
Am. Tower	N:AMT	28.500	28.812	0.312	1.09%	3437	Jacor	O:JCOR	63.000	69.625	6.625	10.52%	8670
AMSC	O:SKYC	4.312	6.000	1.688	39.15%	1632	Jeff-Pilot	N:JP	75.062	75.000	-0.062	-0.08%	1740
Belo Corp.	N:BLC	18.437	18.937	0.500	2.71%	6770	Jones Intercable	O:JOINA	34.125	34.500	0.375	1.10%	1040
Big City Radio	A:YFM	4.000	5.000	1.000	25.00%	244	Metro Networks	O:MTNT	42.375	43.250	0.875	2.06%	334
Broadcast.com	O:BCST	95.875	91.562	-4.313	-4.50%	2570	NBG Radio Nets	O:NSBD	2.125	2.187	0.062	2.92%	424
Capstar	N:CRB	20.937	23.500	2.563	12.24%	2116	New York Times	N:NYT	34.625	34.437	-0.188	-0.54%	5992
CBS Corp.	N:CBS	30.937	32.625	1.688	5.46%	41542	News Comm.	O:NCOMC	0.500	0.437	-0.063	-12.60%	10
CD Radio	O:CDRD	34.750	38.375	3.625	10.43%	2840	OmniAmerica	O:XMIT	30.250	30.625	0.375	1.24%	2303
Ceridian	N:CEN	71.687	72.062	0.375	0.52%	5430	Otter Tail Power	O:OTTR	39.062	39.500	0.438	1.12%	132
Chancellor	O:AMFM	44.750	49.750	5.000	11.17%	20642	Pacific R&E	A:PXE	1.437	1.375	-0.062	-4.31%	85
Childrens Bcg.	O:AAHS	2.843	3.000	0.157	5.52%	160	Pulitzer	N:PTZ	86.000	85.937	-0.063	-0.07%	493
Citadel	O:CITC	26.000	25.125	-0.875	-3.37%	216	RealNetworks	O:RNWK	43.000	39.750	-3.250	-7.56%	10006
Clear Channel	N:CCU	52.687	59.812	7.125	13.52%	20015	Regent Pfd.	O:RGCP	6.000	7.500	1.500	25.00%	17
Cox Radio	N:CXR	43.687	40.812	-2.875	-6.58%	272	Saga Commun.	A:SGA	19.125	20.000	0.875	4.58%	64
Crown Castle	O:TWRS	20.000	20.750	0.750	3.75%	1603	Sinclair	O:SBGI	16.250	17.500	1.250	7.69%	6749
Cumulus	O:CMLS	15.250	16.875	1.625	10.66%	655	SportsLine USA	O:SPLN	17.062	20.875	3.813	22.35%	28016
DG Systems	O:DGIT	5.312	5.687	0.375	7.06%	918	TM Century	O:TMCI	0.625	0.281	-0.344	-55.04%	100
Disney	N:DIS	30.500	31.000	0.500	1.64%	104206	Triangle	O:GAAY	0.020	0.023	0.003	15.00%	200
Emmis	O:EMMS	43.500	46.250	2.750	6.32%	6055	Triathlon	O:TBCOA	11.562	11.500	-0.062	-0.54%	129
Fisher	O:FSCI	66.000	66.500	0.500	0.76%	20	Tribune	N:TRB	66.187	66.625	0.438	0.66%	2704
Gaylord	N:GET	30.250	30.375	0.125	0.41%	846	Westower	A:WTW	33.000	34.625	1.625	4.92%	408
Granite	O:GBTVK	5.875	6.625	0.750	12.77%	892	Westwood One	N:WON	29.812	29.812	0.000	0.00%	290
Harris Corp.	N:HRS	36.250	39.250	3.000	8.28%	5571	WinStar Comm.	O:WCII	37.000	39.500	2.500	6.76%	11882

Disney cuts Eisner bonus

Wall Street Journal—Walt Disney Co. (N:DIS) Chairman/CEO **Michael Eisner's** bonus was cut nearly 50% in fiscal 1998 as Disney endured a mediocre year that Eisner compared with 1991 both for its "languishing earnings" and heavy investment in the company's future, including Radio Disney.

The reduction still left Eisner with a 1998 bonus of \$5M, according to the company's proxy filing with the SEC. But that was down from the \$9.9M he received in 1997 and \$7.9M in 1996. Eisner continues to receive the same base salary of \$750,000 a year.

Eisner wasn't the only Disney executive whose bonus was cut. Disney officials say privately that executive bonuses were cut almost companywide. Indeed, according to the proxy, Disney's corporate operations chief, **Sanford Litvack**, took a 25% bonus cut, to \$1.1 million, and Vice Chairman **Roy E. Disney's** bonus dropped 41% to \$410,000.

Disney's earnings for the fiscal year which ended 9/30/98 declined about 6% to \$1.85B, and the company's share price dropped 5.5%.

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1/11/99 RBR

CLOSED
December 29, 1998

WSSJ Broadcasting, L.P.

has transferred the assets of

WSSJ AM Philadelphia, PA

(Camden, New Jersey)

to **Mega Broadcasting**
for **\$2,000,000.**

John L. Pierce represented the
buyer in this transaction.

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by Jack Messmer

Bulls celebrate New Year on Wall Street; Radio stocks break record

It took radio stocks over five months to get back to their highs of last summer, but a final day push sent The Radio Index™ to a record close of 120.66 on December 31, breaking the record of 118.67 which had been set July 20, 1998.

Records are made to be broken though, and the mark set on New Year's Eve was eclipsed twice last week before *RBR* went to press. The Radio Index, which is compiled daily by Dow Jones Indexes for *RBR* and the Wall Street Journal Radio Network, pushed to a record high of 121.38 last Wednesday (1/5). Just 24 hours later that was bested by a close of 123.81.

Radio stocks were led by Clear Channel (N:CCU), which shot up \$4.875 on Tuesday and \$1.812 on Wednesday to \$59.812, apparently

driven by a favorable mention from Morgan Stanley Dean Witter. Jacor Communications (O:JCOR), which is trading in tandem with Clear Channel pending their merger, gained \$5.75 for the two day period to close at \$68.187.

The components of The Radio Index were listed in last week's issue (*RBR* 1/4, p. 7).

Let the records fall!

The radio sector's return to record heights came one day before the Dow Jones Industrial Average posted a new record, soaring 233.78 points to close at 9,544.97—breaking through the 9,400 and 9,500 barriers in the same day. The Dow's previous record had been 9,374.27 on November 23, 1998.

Broader indices, including the Standard & Poor's 500 and Nasdaq Com-

posite, hit record highs both Tuesday and Wednesday.

RBR observation: Even at these heights, Clear Channel is below its record high of \$62.313. That shows that the entire radio sector is attracting investors, not just the marquee names, Clear Channel and Infinity (N:INF).

1998 trading: Close, but no cigar

Deregulation-inspired station trading fueled two years of record-setting station trading, following passage of the 1996 Telcom Act. But the string of records came to an end as 1998 trading fell short—but not by much.

The year just past finished with \$13.41B worth of stations changing hands. That was good enough only for third place in annual trading, but still far more transaction volume than had been expected by industry pundits who believed that "everything had already been bought."

Here's how the post-Telcom years stack up:

1. 1997 \$15.29B
2. 1996 \$14.40B
3. 1998 \$13.41B

Cumulus fills out Bismarck

Veteran broadcaster **Andy Anderson** is selling KBMR-AM & KSSS-FM, which he put on the air in 1958 and '68 respectively, along with a CP for a new 50kw AM on 710 kHz, for \$4.5M. The acquisition will round out Cumulus Media's (O:CMLS) superduopoly in Bismarck, ND.

RBR observation: No word yet on what happens to KQDY-FM, which Anderson bought for \$250K in 1995. We note though, that Jacor is the market's other big player.

Jacor buys more Georgia peaches

Jacor (O:JCOR) already has stations in Atlanta proper and on the north side. Now it's paying \$4.4M for four signals south of the city: WCOH-AM, WMXY-AM, WMKJ-FM & WZLG-FM Newnan-Hogansville-Peachtree City.

Eric H. Halvorson, Vice President of
Oasis Radio, Inc.

has agreed to transfer the assets of

**KAVC-FM
Lancaster, California**

for

\$1,600,000

to

Terry S. Jacobs, Chairman, and William L. Stakelin, President, of
Regent Communications, Inc.

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Broker: **Scott Knoblauch & George Reed**, Media Services Group

Picks up option in Lexington

Jacor is also exercising its option to acquire the remaining 80% of WAHY-FM, which is already part of its Lexington, KY superduopoly. Jacor will pay **Herbert Regenstreif** and **Lennie and Vicki House** \$1.375M for their shares of WAHY-FM Inc. The new 6kw FM on 107.9 MHz is licensed to Midway, KY.

Entercom IPO on deck

Joe and David Field's Entercom Communications is primed for its Wall Street debut, after updating the IPO it filed last August (RBR 8/17/98, p. 13). Although the exact date of the stock offering won't be decided until the last minute, the company, which will trade on the NYSE as ETM, is on the IPO calendar for the last week of this month.

Entercom is proposing to sell 10.9M shares, with pricing expected to fall in a range of \$18-\$21. That would raise \$196.2M to \$228.9M in new equity (before subtracting offering expenses) for the fast-growing group. That would put Entercom's total capitalization between \$652M and \$760M. Lead underwriter: CS First Boston

Expanding in expanded band

Entercom is picking up its seventh station and third AM in the Kansas City market with a \$2.75M buy of WREN-AM and its new expanded band signal on 1660 kHz. **Jack Mortenson**, who'll still own KGGN-AM in the market, bought WREN for \$500K in 1997 and changed its city of license from Topeka, KS (market #180) to Kansas City, KS (#26). Broker: **John Pierce**, Force Communications

More 'FUN for Radio One

Radio One's upgrade of WFUN-FM, which it is buying for \$13.6M (RBR 12/21/98, p. 12 & 12/7/98, p. 6), will give the 95.5 MHz signal city grade coverage of the entire city of St. Louis. The proposed upgrade of the Class A to Class C3 would move the station's suburban Illinois transmitter to a new site across the Mississippi River in Bellefontaine Neighbors, MO. The city of license would remain Bethalto, IL, which is 20 miles northeast of the new tower site.

Radio One's engineering studies, prepared by D.L. Markley & Associates, show the proposed upgrade giving WFUN city grade coverage from Godfrey, IL in the north to Cahokia, MO in the south. St. Louis proper lies between the two.

The proposed upgrade is slightly shortspaced to KWWR-FM Mexico, MO. That station has applied to move its tower a few miles to the west, which would eliminate the shortspacing, in return for an undisclosed payment.

RBR's deal digest

Amador Bustos' Z Spanish Media is growing again in its home state, California, with a \$4.5M deal to buy KCTY-AM, KRAY-FM & KLXM-FM Monterey-Salinas from Radio Supreme, headed by **Bob Williams** and **Robert Dahlstrom**. An LMA has now teamed the trio with Z's KTGE-AM & KLFA-FM. Broker: **Elliot Evers**, Media Venture Partners... **Michael O'Shea's** and **Ivan Braiker's** New Northwest Broadcasters is taking its Klamath Falls, OR operation to two AMs and three FM's with a \$1.6M buy of KAGO-AM & FM from **Bill Garrard**... Sunburst Media, headed by **John Borders**, is buying KVPA-FM Padre Island, TX from **Matt** and **Charles Trub** for \$800,000. Broker: Norman Fischer & Associates

CLOSED!

WBHJ-FM and WBHK-FM
Birmingham, Alabama

from
H & P Radio, LLC
Carl Parmer, President

to
Cox Radio, Inc.
Robert Neil
President and CEO

Charles E. Giddens
Broker

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GEORGE I. OTWELL
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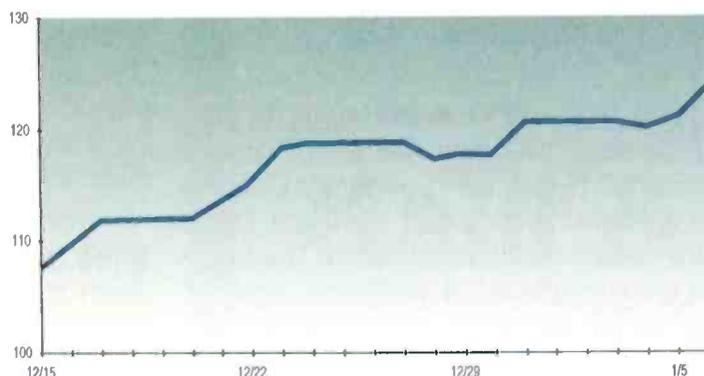
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PARTNERS**

The Radio Index™

RADIO BUSINESS REPORT
Voice of the Radio Broadcasting Industry

THE WALL STREET JOURNAL
RADIO NETWORK

Radio stocks began the New Year with a strong advance. After finishing 1998 (12/31) with its first record high since July, The Radio Index™ posted back-to-back records January 5 and 6. The January 6 close of 117.84 was up 5.97 from a week earlier.



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TRANSACTION DIGEST

by Jack Messmer & Dave Seyler

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.

\$2,500,000—* WABY-AM & FM Albany (Albany-Ravena NY), 100% stock sale of DOT Communications Inc. from William P. Hunt and Bendat Communications (Paul N. Bendat) to Tele-Media Company of Eastern New York LLC, a subsidiary of Tele-Media Communications Holding LLC, owned 53.51% by Pacesetter Growth Fund LP, (Thomas Geron, Divakar Kamath, Donald Lawhorne) and 46.49% by Tele-Media Broadcasting LLC (Robert Tudek, Everett Mundy, Frank Vincente, Douglas Best, Ira Rosenblatt). \$1.55M in cash for stock, \$950K for repayment of seller's debt. **Duopoly** with WKLI-FM Albany. Broker: Biernacki Brokerage

\$1,375,000—* WAHY-FM Lexington (Midway KY), 80% stock sale of WAHY-FM Inc. from Herbert Regenstreif (40%), Vicki S. Bell House (30%) and Lennie G. House (10%) to Jacor Communications Co. (Randy Michaels), a subsidiary of Jacor Communications Inc. (O:JCOR), which will increase its ownership from 20% to 100%. Stock sale for agreed fair market value of \$1.508M, less outstanding loan balance of \$133K (Jacor had loaned WAHY-FM Inc. \$200K for construction of this new station on 107.9 mHz). LMA since 10/16/98. **Superduopoly** with WLAP-AM, WTKT-AM, WMXL-FM, WBUL-FM, WKQQ-FM & WLKT-FM in the Lexington market, plus a contour overlap with WKRC-AM Cincinnati. Note: This station has applied to change its call letters to WBTF.

\$1,100,000—WYNA-FM Myrtle Beach SC (Calabash NC) from Pamplico Broadcasting LP (Edward F. Seeger) to Coastline Communications of Carolina Inc. (Jerome Bresson, David Hafler). The parties are reinstating a 1995 sale agreement which had been put on hold while

they negotiated with another potential buyer. They have now agreed to close the sale for \$1.1M, but Pamplico will retain a right to one-third of the proceeds from any cash sale for \$2.5M or more for the first year after closing or for \$2.75M or more during the second year.

\$1,000,000—WEEZ-FM Laurel-Hattiesburg (Heidelberg MS) from Pine Belt Broadcasting Inc. (Gerald Williams) to Cumulus Licensing Corp. (Richard Weening, Lew Dickey Jr.), a subsidiary of Cumulus Media (O:CMLS). \$50K letter of credit as escrow, \$1M in cash at closing. **Duopoly** with WFOR-AM & WHER-FM. Broker: Media Services Group

\$750,000—* KCBR-AM Colorado Springs (Monument CO) from Chip Lusko & Kent Bagdasar, Partners, to KLZ Radio Inc. (Donald Crawford), part of the Crawford Broadcasting Group. \$75K escrow, balance in cash at closing. **Superduopoly** with KCMN-AM in the Colorado Springs market and KLZ-AM & KLTT-AM in the Denver market. Broker: McCoy Broadcast Brokerage

\$600,000—* WINX-AM Washington DC (Rockville MD) from Radio Broadcast Communication Inc. (William B. Parris) to Mega Communications of Rockville Licensee LLC, a subsidiary of Mega Communications Inc. (George L. Lindemann Sr., Adam Lindemann, Alfredo Alonso). \$60K escrow, balance in cash at closing. **Duopoly** with WKDL-AM, but no overlap with WKDV-AM. LMA since 12/15/98. Broker: Norman Fischer & Associates

\$545,000—KTIL-FM Tillamook OR from Oregon Eagle Inc. (Van & Joyce Moe) to Thunderegg Wireless LLC, which will be owned 85% by Bedrock Associates LLC (George V. Kriste, Lance W. Anderson, Robert Case, Ernie Hopseker) and 15% by Brian J. Lord. Exchange for KJUN-FM Tillamook OR (below) and \$400K cash. Based on the consideration being paid for KJUN, the value of this deal is at least \$545K. Note: KTIL is Class C1, KJUN is Class A.

\$440,000—WGRM-FM Greenwood MS from F. Clay Ewing to Willis Broadcasting Corp. (Bishop L.E. Willis). \$25K

downpayment, additional \$155K in cash at closing, \$260K note. Combo with WGRM-AM (below).

\$400,000—* KWSH-AM & FM Wewoka OK from The Five Bells Inc. (Jean & Jerry Spencer) and Jean Bell Spencer to One Ten Broadcasting Group Inc. (Herman L. & Linda D. Jones). \$6K escrow, balance in cash at closing. **Duopoly** with KIRC-FM Seminole OK.

\$200,000—WJSJ-FM Sumrall MS from Larry Rogers Scott to TeleSouth Communications Inc. (Stephen C. Davenport, William, H.B., John, Charles, rose & James Henley). \$40K escrow, balance in cash at closing.

\$175,000—* WHKN-FM Millen GA from Radio Millen Broadcasting Company Inc. (Jerry Kiefer) to Multi-Service Corp. (James Popwell Sr.). \$10K escrow, balance in cash at closing. **Duopoly** with WPMX-FM Statesboro GA. LMA since 11/10/98.

\$145,000—KJUN-FM Tillamook OR from Brian J. Lord to Thunderegg Wireless LLC, which after closing will be owned 85% by Bedrock Associates LLC (George V. Kriste, Lance W. Anderson, Robert Case, Ernie Hopseker) and 15% by Brian J. Lord. Asset sale for forgiveness of \$100K loan, a \$45K preferred equity interest in the buyer and a 15% common equity interest in the buyer (the value of which is not stated). Note: In simultaneous closings, Thunderegg will acquire this Class A station and swap it to Oregon Eagle Inc. for a Class C1, KTIL-FM Tillamook OR (above and below).

\$145,000—KJUN-FM Tillamook OR from Thunderegg Wireless LLC, which will be owned 85% by Bedrock Associates LLC (George V. Kriste, Lance W. Anderson, Robert Case, Ernie Hopseker) and 15% by Brian J. Lord, to Oregon Eagle Inc. (Van & Joyce Moe). Transfer as partial payment for \$545K acquisition of KTIL-FM Tillamook OR (above). Based on the consideration being paid to Lord (preceeding transaction), the value of this station is at least \$145K. Combo with KMBD-AM Tillamook OR.

\$60,000—WGRM-AM Greenwood MS from Twelve-Forty Inc. (F. Clay Ewing) to Willis Broadcasting Corp. (Bishop L.E. Willis). \$20K in cash at closing, \$40K note. Combo with WGRM-FM above. Note: Willis also has an option to buy the associated real estate for \$135K.

\$50,000—WHAP-AM Richmond (Hopewell VA) from Kelmckar Communications Inc. (Howard H. Keller) to China Cat Communications Inc. (Charles & Gary Milkis, Michael Mazursky), part of the 4M group. Cash and debt assumption totaling approx. \$50K. LMA since 11/4/98. Note: No contour overlap with WVNZ-AM Richmond.

\$45,000—WHLF-AM South Boston VA from JLC Properties Inc. (John L. Cole III) to Willis Broadcasting Corp. (Bishop L.E. Willis). \$4.5K escrow, balance in cash at closing.

\$41,000—* WBKX-FM Yankeetown FL from Nature Coast Communications Corp. (51% David M. Zepowitz, 49% WGUL-FM Inc.) to WGUL-FM Inc. (Carl J., Betty Lou, Sharon K., David A. & Russell A. Marcocci, Stephen Schurdell). WGUL-FM Inc. is exercising its option to buy Zepowitz's stock for \$41K. **Duopoly** with WXOF-FM Beverly Hills FL.

\$32,000—FM CP (98.9 mHz) Chama NM from Tony Gonzales to KNXX Inc.

(Don & Dorothy Davis). \$15K downpayment, balance in cash at closing.

\$10—* KKYC-FM Clovis NM from Karen Ann Mainieri to Broadcast Entertainment Corp. (Thomas J. Crane, Rick Keefer, Ronald W. Pierson). \$10 cash. The buyer will also assume all off the station's debt and past operating losses. **Duopoly** with KICA-AM Clovis NM & KICA-FM Farwell TX.

N/A—* WCVP-AM & FM & WCNG-FM Murphy-Robbinsville NC, 100% stock transfer of Cherokee Broadcasting Company Inc. from Max M. Blakemore Trust to Dennis, Janet, Jane & Allen Blakemore. Max Blakemore is distributing a 25% stock interest to each of his children as a gift.

N/A—WKTM-FM Soperton GA from Augusta Radio Fellowship Institute Inc. (C.T., Sylvia & Mark Barinowski) to C.T. Barinowski, a sole proprietor. Transfer for no consideration. Note: This station will convert from non-commercial to commercial operation.

CURTIS SQUIRE, INC.

has acquired

KDDS-AM/KQDS-FM

KNLD-TV

Duluth, Minnesota

from

FANT BROADCASTING

for

\$5,500,000

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



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