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### Media Transactions
**9/1/97-6/30/98**

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<tr>
<th>Number of Transactions</th>
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*Includes U.S. M&A, private and public debt advisory. Industry sectors include Radio & TV (includes Cable) Broadcasting, Outdoor Advertising. List compiled using data reported to Securities Data Company and may not include all transactions. CEA transactions reported internally.*
FCC seeks glasnost through microradio

"We want to open the airwaves to more voices," said FCC Chair Bill Kennard (D) to RBR just after the Commission voted 4-1, with Commissioner Harold Furchtgott-Roth (R) dissenting in absentia, to adopt a Notice of Proposed Rulemaking (NPRM) to license new low-power FM (LPFM) radio stations.

The NPRM proposes licensing new 1,000 watt and 100 watt LPFMs and seeks comment on creating a third microradio class from 1 to 10 watts for use by community groups, schools, churches, and/or ordinary citizens.

"We believe very few, if any, [LPFMs] will be authorized in the major urban areas," said the FCC staffer presenting the NPRM for consideration.

The FCC turned aside objections from broadcasters that LPFMs will clutter the FM band and may hinder implementation of IBOC digital radio. Commissioners Gloria Tristani (D), Susan Ness (D), and Michael Powell (R) all pointed out that the NPRM includes interference protection criteria and specifically seeks comments on possible negative impacts on digital radio evolution and implementation.

WorldSpace comes forth with investors

WorldSpace, the US-based satellite broadcaster aiming its upcoming service to underdeveloped nations, has publicly named its private investors to dispel rumors from its detractors of "mystery and Arab money" surrounding its ownership.

Indeed, major investors Mohammed Al Amoudi and Khalid Bin Mahfouz are of Saudi origin and are of sterling reputation according to background information supplied by WorldSpace. In fact, Al Amoudi has been honored by the World Bank and US State Department for his contributions to development in Africa.

Al Amoudi has been named by the World Bank and US State Department for his contributions to development in Africa. All investors, one only could have been a problem for WorldSpace.

Saudi Idris, an original investor, was rumored to have owned the pharmaceutical (or chemical weapons) plant the US bombed last Summer when going after terrorist Osama Bin Laden. Because of the controversy, WorldSpace CEO Noah Samara told RBR Idris' investment was converted into a convertible debenture.

"We weren't sure exactly where this was going, so we decided to make sure that we sequestered his holdings into this debt instrument."

Almost all of WorldSpace Inc.'s investors are of US origin. However, to pass muster with FCC foreign ownership laws, Al Amoudi's and other foreign monies go into WorldSpace International Network (WSIN), a British Virgin Islands company. "It is a funding mechanism for the entire global effort," Samara explained. "WSIN bought a satellite which it leases to AfriStar, the U.S. company that has the license [with WorldSpace Inc.]."

WorldSpace will make the bulk of its revenues from foreign governments and their commercial broadcasters buying channel space. So far, governments and/or commercial broadcasters from the following countries have signed: Ghana, Liberia, Burkina Faso, Mali, Senegal, Egypt, Lebanon, Kenya and South Africa.—CM

Waiting with baited breath

Chancellor Media (O:AMFM) got some bad press last week (1/27) in a Wall Street Journal story on the fees Hicks, Muse is collecting to merge two companies it controls, Capstar (N:CRB) and LIN TV, into Chancellor, which it also controls. Nevertheless, shareholders are still waiting for the big news—who will buy Chancellor? As we reported (RBR 1/25, p. 3), the odds-on favorite is Clear Channel (N:CCC). Even though the companies are a good fit, we've done a superduopoly data crunch and determined that 101 stations (give or take a couple) would have to be spun off to make such a merger work. RBR's exclusive shoppers guide appears on pages 6-8.
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HARRIS Communications
The big what-if sale: Clear Channel/Chancellor divestitures

by Dave Seyler

Do you have a couple of billion dollars sitting around, along with the ambition to instantly become one of America's top ten radio group owners? Then this is the sale for you, if it ever comes about. If Clear Channel, which is already buying Jacor, buys Chancellor, which is buying Capstar, it will have overlap in 35 markets ranging in size from #2 to #201. It would involve 316 stations (97 AMs, 219 FMs). Of these, we figure that a minimum of 101 stations (25 AM, 76 FM) will have to be divested. Buy these stations in one piece, and you'll become an instant member of the top ten club. Or maybe you're interested only in particular markets. This catalog will help guide either purchasing strategy.

We have checked our own credit limit, and will keep our humble sights on a new clothes dryer (there will be no driving up prices from this corner). However, if you have piles of cash, or access to it, here is a market-by-market look at what would likely shake loose in the event of a Clear Channel/Chancellor merger.

### Los Angeles (2)
- **Clear Chan (Jac)**: 2 AM, 4 FM
- **Chancellor**: 1 AM, 4 FM

Of the six stations coming from Jacor, only two are full-market signals, KXTA-AM/KIIS-FM. The others most likely will go back to the block from whence they recently came.

### San Francisco (4)
- **Clear Chan (Jac)**: 0 AM, 2 FM
- **Chancellor**: 2 AM, 5 FM

Jacor's two little suburban FM sticks, recently acquired from Z Spanish, are almost certain to be spin-off candidates.

### Dallas (7)
- **Clear Chan (Jac)**: 0 AM, 2 FM
- **Chancellor**: 1 AM, 5 FM

Two solid FMs will go on the block. In-market, ABC, Susquehanna, Heftel and Z Spanish (not to mention a few local operators) all have room for them.

### Houston (10)
- **Clear Chan/Jacor**: 3 AM, 7 FM
- **Chancellor**: 3 AM, 5 FM

Clear Channel/Jacor have already more than buried the needle on the superdupometer (due to non-overlapping FMs): CBS (2 AM, 2 FM), El Dorado (1 AM, 2 FM) and Susquehanna (1 FM) will have an excellent opportunity to bolster their position in the market.

### Miami (11)
- **Clear Channel**: 2 AM, 5 FM
- **Chancellor**: 1 AM, 1 FM

Possible in-market buyers for an FM abound: Heftel, Beasley, Cox, Jefferson-Pilot, Martin and numerous local operators have plenty of room under the ownership cap.

### Atlanta (12)
- **Clear Chan (Jac)**#: 1 AM, 3 FM
- **Chancellor**: 0 AM, 1 FM

Chancellor's lone FM easily assimilated into Jacor's cluster

### Phoenix (15)
- **Clear Chan (Jac)**: 0 AM, 2 FM
- **Chancellor**: 3 AM, 5 FM

Chancellor's cluster is market dominant. Possible in-market buyers for Jacor FM duo include Buck Owens, Sandusky, Hearst, New Century, Z Spanish and Midwest TV.

### San Diego (16)
- **Clear Chan (Jac)**: 4 AM, 7 FM
- **Chancellor**: 0 AM, 2 FM

Jacor, by virtue of being on the Mexican (W-Oohnh) radio, has been able to build beyond the ownership caps. Jefferson-Pilot, Heftel, Astor and Lotus are in-market operators which may be interested in a pair of viable FMs.

### Pittsburgh (21)
- **Clear Chan (Jac)**: 1 AM, 0 FM
- **Chancellor**: 1 AM, 5 FM

Jacor's lone AM could easily be assimilated into Chancellor's cluster, except that the DOJ forced Capstar to sell it due to its proximity of the Chancellor stations. Hard to believe that this little AM, which has fallen on hard times, could suddenly free Chancellor (which currently plays second fiddle to CBS and its dominant AM, KDKA) to indulge in monopolistic practices! Anyway, anyone in the entire Pittsburgh ownership lineup could add Jacor's AM.

### Denver (23)
- **Clear Chan (Jac)**: 3 AM, 5 FM
- **Chancellor**: 1 AM, 5 FM

Jacor cluster is market-dominant and full-sized. Chancellor's 5 FMs could theoretically be split between the market's other two major players: Jefferson-Pilot and Tribune (1 AM, 2 FM). Also, ABC is in town playing its Radio Disney on a low-impact AM/expanded band duop.

### Cleveland (24)
- **Clear Chan (Jac)**: 1 AM, 5 FM
- **Clear Chan sale pending**: 1 AM, 2 FM

Chancellor's 3 AM, 4 FM Clear Channel has already announced that it's selling its 1 AM, 2 FM duop. Once all deals close, Chancellor would have a superior superdup to the one Jacor is turning over to Clear Channel. Other than ABC, with an unrated Disney station, there are no other major groups currently in the market.

### Continued on page 8
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Clear Channel/Chancellor continued from page 6

Austin (49)
Clear Channel 1 AM, 3 FM
Chancellor (Cap) 1 AM, 3 FM

Clear Channel will be able to assimilate part of Chancellor's cluster, but two FMs will likely have to be sold. Lubin/Sinclair is at four FMs via a JSA, leaving CBS (1 AM, 3 FM) and Shamrock (1 FM) as in-market candidates.

Jacksonville (52)
Clear Channel 3 AM, 6 FM
Clear Channel sale pends 1 AM, 1 FM
Chancellor (Cap) 2 AM, 4 FM

Clear Channel will already go over the five FM limit after the J&J closing due to non-overlapping FMs. Renda, with two FMs, could only take part of the Chancellor cluster. Another possibility is Florida-based group owner Cliff Burnstein, who has established a beachhead in the area.

Richmond (57)
Clear Channel 3 AM, 3 FM
Chancellor (Cap)# 1 AM, 4 FM

Clear Channel has room for no more than one FM. The only other group in town is Sinclair Telecable. Local operator Bell/Cummings has already siphoned off one Capstar station. Perhaps they can afford a couple more. Otherwise, buyer will probably be a new entrant to the market.

Greenville SC (58)
Clear Channel 1 AM, 3 FM
Chancellor (Cap) 1 AM, 3 FM

One of several markets where, ironically, Clear Channel bought stations from Capstar to enable closing of Capstar's purchase of SFX. More than likely, two FMs will need to be sold, and the only other national group in the market, Sinclair, is already maxed out.

Albany NY (59)
Clear Channel 2 AM, 5 FM
Chancellor (Cap) 2 AM, 4 FM

These are both strong superduos. Tele-Media recently sprang back to life with some deals here, and could probably add at least two FMs to its pending cluster. But even if Tele-Media strikes a deal, either one of several small local operators will have to step up or an out-of-market buyer will need to be found.

Grand Rapids (66)
Clear Channel 2 AM, 4 FM
Chancellor (Cap) 1 AM, 3 FM

Clear Channel has the dominant market cluster. Bloomington, already with a strong duop (1 AM, 2 FM) could achieve parity with the Chancellor stations (it may only be able to buy two of the FMs). Goodrich has a 2 AM, 4 FM cluster, but some of its stations are in Muskegon, so there may be room for an extra station of two. And Connoisseur has a Muskegon AM-FM combo which draws ratings in Grand Rapids.

Allentown (67)
Clear Channel 1 AM, 1 FM
Chancellor (Cap) 2 AM, 2 FM

On the face of it, this would appear to be a legal combination, but Capstar was the seller of Clear Channel's cluster in an effort to placate the DOJ. Citadel could take the Chancellor combo to build a 2 AM, 3 FM superduo with roughly equal 12+ ratings to the Capstar full-bore duop.

Harrisburg (76)
Clear Channel 3 AM, 3 FM
Chancellor (Cap) 1 AM, 1 FM

Clear Channel already has the dominant cluster, and it’s unlikely it’ll be able to add to it since itsYLON-FM Lancaster also draws respectable ratings in the state capital. Citadel would probably love to pick up the Chancellor combo, and should be able to despite its own below-the-line FM, WQXA-FM York. Even counting WQXA, it would only have four FMs.

Springfield MA (80)
Clear Channel 2 AM, 1 FM
Chancellor (Cap) 1 AM, 2 FM

Shouldn’t be a problem to combine operations.

Columbia SC (88)
Clear Channel 1 AM, 3 FM
Chancellor (Cap) 2 AM, 4 FM

Groups have nearly equal ratings and are by themselves atop the market. At least an AM and three FMs must be sold. Bloomington (1 AM, 2 FM) and GHB (1 FM) are the only other national players in town.

Des Moines (90)
Clear Channel (Jac) 1 AM, 2 FM
Chancellor (Cap) 1 AM, 2 FM

Should be a go. This would equal Saga’s 2 AM, 4 FM superduo and be nearly even in terms of ratings. If for some reason there is a problem, Barnstable (1 AM, 2 FM) is a potential buyer.

New Haven (100)
Clear Channel 2 AM, 1 FM

See Hartford comment above.

Fort Pierce (118)
Clear Channel 2 AM, 0 FM
Chancellor (Cap) 1 AM, 4 FM

Clear Channel’s ability to keep any Chancellor stations is shown in doubt by its extensive holdings in neighboring West Palm Beach. Small groups Centennial and Sandab are already in the market.

Jackson MS (119)
Clear Channel 3 AM, 2 FM
Chancellor (Cap) 2 AM, 4 FM

Another market where Clear Channel bought from Capstar to enable Capstar’s purchase of SFX. New South (1 AM, 3 FM) has room for an AM and an FM. Will need to find a local buyer or attract new blood to the market.

Pensacola (121)
Clear Channel 0 AM, 1 FM
Chancellor (Cap) 0 AM, 4 FM

Clear Channel is already maxed out here with its one FM, due to its stable of stations across the border in Mobile AL. No obvious group buyers in the market, but Cumulus and Root have been active in the area.

Shreveport (129)
Clear Channel (Jac) 2 AM, 3 FM
Chancellor (Cap) 1 AM, 2 FM

Jacor and Capstar are the only two national groups in the market. At best, Clear Channel will be able to keep one FM. Local Cary Camp (1 AM, 2 FM) is by far the strongest contender out of several local owners.

Cedar Rapids (201)
Clear Channel (Jac) 2 AM, 2 FM
Chancellor (Cap) 1 AM, 3 FM

It must take a lot of spinach for this town’s three little Popeye operations to keep up with this brace of battling Blutos. In fact, Capstar has already had to unbend one FM to keep the DOJ happy. If one of the three locals can’t buy, someone will have to enter the market.

# = one or more stations LMA’d; (Jac) = currently owned by Jacor; (Cap) = currently owned by Capstar

Source: RBR Source Guide database
Uncompressed Audio
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Many missing the boat in Hispanic radio:
an interview with Rio Grande Media

To what do you attribute such huge ratings successes?
An incredible hunger amongst the Hispanic listeners for something new, something a lot more relevant to their lifestyles as a whole as opposed to just a particular segment. In Laredo—I say this and it probably doesn't make a whole heck of a lot of sense—but its crossover potential into the Anglo population is huge. Music is universal. You like music, you don't have to understand what the words are. I think in markets like San Antonio, Houston and Dallas, the potential is not only the Hispanic listeners, but the crossover to the general market.

What is the history of KNEX?
We put [then] KZTQ on the air December 28, 1992. It was an Oldies format for about a year and a half, marginally successful. We also had KDOS-AM, which was a Spanish Traditional station.

We had realized that the future of the big advertising dollars regionally and nationally was from the Spanish side and not from the Anglo side. In our market, being 94% Hispanic, we knew that we need to make a change from Oldies to something else and decided to go into the Tejano realm. However, there was already a Tejano station in town, which still exists. We found out that not only were we going up against the leader, but we were dealing with the Mexican-American segment of the population which is incredibly loyal to what they do. They saw us not as an alternative to the other one, but more so like somebody trying to rain on their parade.

Now, something very interesting—We, meaning the Villarreal family, are Mexican-Americans, but we are not

Miguel Villarreal and his brother Luis came into radio ownership in 1990 with KDOS-AM (now KLNT) Laredo, TX, and KTZQ-FM Laredo in 1992. The Villarreal Brothers' Rio Grande Media is becoming more and more known by the phenomenon they created flipping KTZQ (Tejano) to KNEX “Rock en Espanol” (Spanish-language Rock) August, '97. With P12+ (AQH Mon-Sun 6A-Mid.) jumping from 4.3 Sp'97 to 21.3 Fa'97 and 18-34 moving 1.2 to a whopping 29.3, it's obvious these guys are filling a huge hole in the market (P12+ Sp'98 was 20.1). RBR talked with Miguel at the Washington law offices of Fisher, Wayland, Cooper, Leader & Zaragoza on the success of KNEX and how Hispanic radio is often misunderstood.

Miguel and Luis Villarreal
Expanding NTR Opportunities for Radio

The growth of e-commerce on the Web exceeded all expectations during Christmas 1998. Analysts predict even more growth in 1999. How can your station claim a share of this revenue? Arbitron’s soon-to-be-released study on the types of e-commerce radio listeners are interested in will help you answer:

- What do listeners want to buy on the Web?
- How likely are listeners to click on advertising on station Web sites?
- What do listeners want from your Web site that can make you money?

Come see our presentation of the study at the RAB convention in Atlanta on Friday, February 5 at 11AM in the Cairo/Hong Kong Room. Or check out the study at www.arbitron.com. The Arbitron E-Commerce Study is presented in conjunction with Edison Media Research.
Tejano. It is really difficult to understand—we are culturally a lot more Mexican than the Tejano-Mexican-American segment of the population. They feel they are more acculturated into the general market, so to speak. We don't. And so, when were putting our faces on the Tejano format, the Tejano listener had us identified previously as Mexican, not Tejano. And so it's like we didn't belong in that genre. We were not welcomed into that genre. A lot of dynamics in the Hispanic culture are that way. It is very segmented.

**What made you decide to go with Rock en Español?**

As I was telling you, different types of Hispanics, different types of Mexican-Americans prefer different music and have different cultural values. The differences are very subtle. They are not huge, but they are there nonetheless. I do not like Tejano music. And like me, there are a lot of other Mexican-Americans who don't like it. Why? We did not grow up with it. We do not identify with it. And it is not tied to our culture.

I and my brother, Luis, had grown incredibly frustrated with owning radio stations that programmed music that we didn't like. So, one morning, we got together and figured out what was going on before the rest of the staff got in. I said, 'there are a lot of people like you and I that are Mexican-American, proud of our Hispanic heritage, proud to be Americans, who have got to be targeted by something other than Tejano, Ranchero, Regional and all that stuff.' He and one of the production directors, Dave Gonzales, went into the control room and put together a demo tape for me. They came back the next day and I listened to it. We decided right there and then that we were going to do some form of this. We called it "Next." It is like an alternative Rock-type. The genre varies from Soft Rock to House in Spanish, including some Swing. We started crafting the format, and within two weeks, switched it. It has been fantastic!

**Where did they find the music?**

In the clubs. This is what the kids are dancing to. We went to the clubs, found out what was there and that was our first source of music. There are also groups like Mana. It is a terribly talented Rock group that has been around for probably fifteen years in Mexico. Their music, their Rock elements are so present there.

**MBR (Oct. '98) did a story on KSSE-FM in Riverside, another Rock en Español station. How do the stations differ?**

You will never hear a romantic ballad on our station. And you will never hear house music on his station. That's the major difference. We've actually produced a couple of CDs. I tell you what makes our format incredibly different from what is being done elsewhere—the music is in Spanish, the jock delivery is in English.

**Why in English?**

Because there is a certain level of credibility in the mind of the listener when you talk to him in English. Hispanic-Americans, and I would tend to think any kind of immigrant, wants to be perceived as belonging to the general population and being integrated into the general population of the U.S. What is the single largest thing that allows you to belong? Being able to speak the language.

**IsNuevo Laredo (just over the US-Mexico border) important to you for sales?**

Very important, although we cannot get meaningful measurement. It's got a population in excess of 500,000, three times bigger than Laredo. Our problem with marketing to advertisers on the Mexico side is that market is over-saturated with radio stations. They have 18 and we have 6.

In Mexico, because they have over-saturated markets, broadcasters can't even consider doing one of these 9-12 units of commercials per hour deals. They start at 30 and go higher than that. They are all very low cost.

Our on-the-street rate is seven to 10 times higher than what the Nuevo Laredo stations get, so it's really hard to go and compete for the advertisers. But it happens from time to time, we will get a buy from them.

We have a station (XHGTS 107.3 FM) in Mexico that we manage, program and sell [Rio Grande also owns KSAH-AM San Antonio and LMAs KOYE-FM Laredo]. Through that station, we have started to make some significant penetration into the Nuevo Laredo advertisers—because they feel it's there, that it is a Mexican side station. Now we're getting the ability to sit down in front of people and tell our story. Tell about the dynamics of nine units per hour. Why it's so much more expensive, why it is so much more effective. Why you need less frequency.

**Are you thinking about consulting this format out?**

I would love to consult the format out. Actually we contacted SW, and then we backed off, because the format was still being developed. Beyond the possibility of making money with the format outside of our market is the possibility of giving Spanish language radio a new look, a new feel in the industry as a whole. We would like to do that. HefTel and SBS have ex-
pressed an interest in the format for the San Antonio market. I'm kind of making a pitch to see who comes to the table first. I've spoken with both Jeff Hinson and Mac Tichenor at Heftel, and with Raul Alarcon and Louis Albertini at SBS about the possibility. I really hope that we are given that opportunity.

What I would really like to do is form an alliance with a large group that is in large markets to create a minority-interest division which I would like to head, and to expand into small markets not with Spanish-language radio, with Hispanic-targeted radio. I think we are missing the boat, as an industry, as Hispanics out there are not being targeted by Hispanic radio.

Arbitron has no format listings for Rock en Espanol, or many other Spanish subformats.

How do you feel about that?
It serves as an incredible frustration. To them there is Spanish Contemporary, Spanish Traditional and that's it. That doesn't say anything about the different formats. It is incredibly irresponsible, I believe, on their part to just bunch everybody together in those two categories. Let's face it, the agency buyers community is incredibly stupid for the most part because they don't look at things outside of ratings. They very rarely consider things that are qualitative. And a lot of this is driven by the advertiser. The buyer should be familiar with the markets. The buyers should be making market trips so they can understand what is happening. They don't do that because it is budget-driven—they can't afford to do so. But that doesn't give them the right to judge based on just the ratings. And then, when Arbitron is providing that tool, and that tool basically lumps everybody into two areas, they don't do anything to further educate the buyer. That's not right.

I talk to Arbitron often, through David Lykes, who used to be one of the VPs for Heftel, and directly through Tony Belzer, who is our rep, a very aggressive man at Arbitron. Prior to that, I had spoken with some other folks about our displeasure. I think they are going to try to do something, but they obviously want to make sure they do it right.

How were your demos other than the target 18-34?
In our book, we were No. 1 in every demo at every hour in any age cell break. Arbitron calls me and says, What are you doing? Are you giving away [something good] on the air, or what? There was an age cell of Sunday night listeners, where our share was 50.

What did you do promotionally at launch?
What we came out with was some spots on TV. We don't know really how successful those were. We did some billboards—very simple. They didn't say anything, just 106.1 -Next. We did a lot of the typical stuff: giveaways, a lot of remote exposure, and that kind of stuff. We bought some 1973 VW bugs and turned them into Next and we called them 'the dots.'

What are some national buys that you've gotten because of this format? How did local change?
I have not gotten a new advertiser because of the format. Investment into our station has been a lot larger, but we haven't brought anybody new in because of it. Coca-Cola, Dillard's, Pepsi, McDonald's are big, not as much as we'd like. About 30% of our business is national.

When you change a format, you lose a lot of revenue, especially if you make a drastic change. When we went from Oldies to Tejano, we lost at that time a third of our total revenue for the year. Just because there was a change in format, the advertisers were like, 'See you later!' When we went from Tejano to this format, we increased our revenue by 7% within the first two weeks, and did not lose a single advertiser.

Do you have any message for agencies that buy Hispanic?
I think they need to have a lot more people that look at alternative formats. In addition to that, we need to have a lot more that look again at Hispanic-targeted radio as opposed to Spanish-language radio. It's a little tricky there, because advertising agencies that specialize in Spanish-language radio don't want to give the slightest hint to the general market counterparts that we are targeting Hispanics with Anglo formats.

Pardon my French, but who the hell cares? If you are going to deliver for the client, then you need to use whatever medium is available and whatever format is available. I offered a client who has a national profile the opportunity to get some merchandising on our Country station [KOYE] because it had a good fit. The response was, "Don't you even talk to me about that. This is the Hispanic effort, we're not going to place those dollars on another station." Why? "94%+ Hispanic population in Laredo." Who cares? I'm targeting it with a Country station that is successful. That means that there are Hispanics in Laredo that prefer to listen to Country. If you are going to sell them trucks or jeans or beer or whatever, why not use that station?

I really believe that there will be a mind shift at the way we look at things. We consider immigration the greatest source of the growth for the Hispanic market. I think when we start looking at all those people that are already here, those more assimilated, when we start targeting them specifically, we will really cross the bridge. That is my opinion.
Marriott returns to radio

The Marriott Family is returning to radio, a dozen years after selling their First Media radio group.

First Media Ventures, an investment vehicle of the hotel magnate family, is taking a stake in New Northwest Broadcasters, joining Key Equity Capital and Northwest Capital Appreciation as financial backers of the Seattle-based group. In all, Michael O'Shea’s and Ivan Braiker’s new group now has nearly $80 million committed in growth capital.

The Marriott connection is hardly coincidental, since First Media CEO Richard Marriott gave O'Shea his first GM job, at KUBE-FM Seattle, in 1981. “I owe a lot to him and I’m just delighted that he has elected to join our new radio venture,” O'Shea said of his old boss.

Although Marriott International (N:MAR) is also controlled by the Marriott Family, First Media Ventures and its parent company, First Media Corp., are separate from the publicly traded hotel chain.
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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.

$4,400,000—* WCOH-AM & WMKJ-FM Newman-Peachtree City GA and WMXY-AM & WZLG-FM Hogansville GA from City of Holmes Radio LLC, MetroSouth Communications LLC & RadioLaGrange LLC (Michael Easterly, Brian Sadler, Edward Michelson, Roderick Hennek, Legacy Investment Group) to Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications (C:JCOR). $220K escrow, balance in cash at closing. Multiple duopolies and superduopolies among these stations and with WGST-AM, WKLS-FM & WPCH-FM Atlanta. Broker: Media Services Group

$2,750,000—* WREN-AM Kansas City (Kansas City KS) from Mortenson Broadcasting Company of Canton LLC (Jack Mortenson) to ECI License Company LP (Joe & David Field), a subsidiary of Entercom Communications (N:ETM). $100K escrow, balance in cash at closing. Superduopoly with KMBZ-AM, WDAF-AM, KCMO-AM & FM & KYYS-FM. Note: Includes expanded band CP for 1660 kHz. Broker: Force Communications

$2,400,000—* WCOH-AM & WMKJ-FM Newman-Peachtree City GA and WMXY-AM & WZLG-FM Hogansville GA from City of Holmes Radio LLC, MetroSouth Communications LLC & RadioLaGrange LLC (Michael Easterly, Brian Sadler, Edward Michelson, Roderick Hennek, Legacy Investment Group) to Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications (C:JCOR). $220K escrow, balance in cash at closing. Multiple duopolies and superduopolies among these stations and with WGST-AM, WKLS-FM & WPCH-FM Atlanta. Broker: Media Services Group

$2,100,000—* KRHT-AM San Francisco (Concord CA) from Concord Area Broadcasters Inc. (Chester Coleman and Joe Buerry) to Immaculate Heart Radio (Douglas & Janet Sherman, Charles & Margaret Day). $250K in cash at closing, $950K note. Broker: American Radio Brokers/SFO

$893,000—* WNPL-FM Nashville (Belle Meade TN), 100% stock sale of Mt. Juliet Broadcasting Inc. from Jamal Broadcasting LP (Michael Grant) to DBBC LLC (Lew Dickey Jr., David, John & Michael Dickey). DBBC currently owns 139 non-voting shares and is exercising its option to acquire all 61 voting shares for $893K. Duopoly with WVOL-AM & WQQK-FM. LMA in place. Broker: Hickman Associates

$360,000—* WABS-FM Brockport NY from David Wolfe to Canandaigua Broadcasting Inc. (George W. Kimble). Exchange of this FM for WRSB-AM Canandaigua NY (p.19) and consulting payments totaling $360K over 10 years. RBR has not attempted to estimate the value of the AM.

$340,000—* KYCM-FM Austin (Bastrop TX) from American Broadcasting Educational Foundation (Barton Prideaux, pres.) to Queen of Peace Radio Inc. (J. Christopher Williams, Peter Cagle, Raymond E. Makowski, Richard

by Jack Messmer

$2,000,000—*KSC-AM & KSIQ-FM Brawley CA from Stodelle Broadcasting Corp. (Steven Stodelle) to Commonwealth License Subsidiary LLC, a subsidiary of Commonwealth Communications LLC (C.L. Turner a/k/a Dex Allen, Alta Communications VII). $100K escrow, additional $1.65M in cash at closing, $250K under non-compete. Broker: Media Services Group


$1,200,000—* KKSC-AM & KSIQ-FM Brawley CA from Stodelle Broadcasting Corp. (Steven Stodelle) to Commonwealth License Subsidiary LLC, a subsidiary of Commonwealth Communications LLC (C.L. Turner a/k/a Dex Allen, Alta Communications VII). $100K escrow, additional $1.65M in cash at closing, $250K under non-compete. Broker: Media Services Group

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Does Outdoor Systems have what it takes?

You may have seen Outdoor Systems (O:OSI) listed elsewhere as a likely bidder for Chancellor Media. Yes, Arthur Moreno’s fast-growing company is the largest billboard company in the U.S. and second-largest in the world, behind Clear Channel (O:CCU)—but can it really play in a poker game where the opening bid is in excess of $20B?

To date, Outdoor Systems’ largest acquisition has been its 1996 purchase of Gannett’s (O:GCI) billboard division for $690M (RBR 7/15/96, p. 13)—a fraction of what it would cost to buy Chancellor. In fact, Chancellor is larger than Outdoor Systems and while it’s not unheard of for a company to acquire a larger competitor, it requires that the buyer raise lots of new equity and debt on Wall Street.

Given that Moreno has no track record in radio (by far Chancellor’s largest operation) or TV and would likely have to spin off a good chunk of Chancellor’s outdoor division to satisfy the DOJ, this deal sounds like anything but an easy sell on Wall Street. After all, Chancellor management’s complaint with Wall Street has been that its stock has been unfairly valued because the company is young and highly leveraged. Combining those assets with Outdoor Systems, another young and highly leveraged company, would not seem to alleviate the valuation problem.

That said, we’re not not saying that Moreno won’t bid, only that he’ll have some hurdles to clear that don’t exist for Clear Channel, Disney (O:DIS) or other potential bidders who’ve been mentioned.

Stranger things have happened. Imagine if you’d been asked ten years ago to name the people who would be the heads of the biggest radio group and the biggest concert promotion company in 1999. Would anyone have named Tom Hicks and Bob Sillerman?—JM

Memo to circulation dept.: Please send a sample copy of RBR and subscription form to Mr. Moreno in Phoenix.


$150,000—* KKAL-AM San Luis Obispo (Arroyo Grande CA) from American General Media - Texas Inc. (Anthony & Rogers Brandon) to F&L Broadcast Development Corp. (Jerry & Catherine Collins). $10K escrow, balance in cash at closing. Duopoly with AM CP (890 kHz) Arroyo Grande CA. Broker: Miller & Associates

$100,000—* KBII-FM CP (104.1 mHz) Haltfiled AR and KBIJ-FM CP (105.3 mHz) Mena AR from Bobby Caldwell, individually, to Ouachita Broadcasting Inc. (50% Jay W. Bunyard, 50% Bobby Caldwell) $100K for 50% interest. Superduopoly with pending purchase of KENA-AM & FM Mena AR by Ouachita Broadcasting and with KDQN-AM & FM DeQueen AR, owned by Jay Bunyard and his mother, Anne Bunyard.

$50,000—WODZ-AM Utica-Rome (Rome NY) from Forever of NY LLC (Kerby Confer, Donald Alt, Carol O’Leary, Lynn Deppen) to Bible Broadcasting Network Inc. (Lowell & Georgeanna Davey, R. Lindsay Poteat, Joseph Mast, Joy Raley, Barbara Redemann, H. Ron White). $50K cash. N/A—WRSB-AM Canandaigua NY from Canandaigua Broadcasting Inc. (George W. Kimble) to David Wolfe. Exchange as partial payment for WASB-FM Brockport NY (p. 18).

N/A—WBID-FM CP (89.7 mHz) Wilmington NC from The Moody Bible Institute of Chicago (Joseph Stowell, pres.) to Praise Broadcasting Network Inc. (Dennis W. Anderson, Michael P. Escalante). Transfer from one non-profit organization to another for no consideration. Combo with WMYT-AM.

N/A—FM CP (102.1 mHz) Albion NY from Cilicasters Co. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR) to CSM International (Charles Smith, Jeffrey Smith, John Laudadio, Michael Kestler). Transfer for no consideration as a condition of Jacor’s previous $575K purchase of KRSS-FM Chubbuck ID from CSM.
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