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WorldSpace sells XM interest; XM gets new investors, including Clear Channel

Returning XM Satellite Radio to a wholly-owned subsidiary, American Mobile Satellite Corp. (O:SKYC), announced (6/8) it will purchase the equity interest held by WorldSpace for 8.6M shares of AMSC common stock, following the retirement of \$75M of WorldSpace debt by XM. This, six months after WorldSpace filed with the FCC to increase its ownership in XM from 20% to 82% (RBR 12/21/98, p. 6).

Adding the investment dollars it needs to continue towards commercial launch in early 2001, a \$250M convertible debt commitment was pledged by Clear Channel Communications (N:CCU-\$75M), DirecTV (for \$50M), General Motors (\$50M), Telcom Ventures LLC, Columbia Capital and Madison Dearborn Partners (all three \$75M). Assuming all of the convertible debt is converted into XM shares (\$250M plus the \$21.5M Baring Capital investment in January), American Mobile's interest would be reduced to 40%, but retains 60% of the voting power. After the \$250M, an additional \$672M is needed for launch.

"During the past few months, I've talked quite a bit about XM's 'best of brands' philosophy. This theme could not have been played out more powerfully than with the announcement of this quarter billion dollar funding commitment from what is truly a dream team of strategic investors,"

said AMSC and XM Chairman **Gary Parsons** in XM's investor conference last week.

GM owns Hughes; Hughes owns DirecTV, is building XM's satellites

The synergistic, "dream team" investments supply more than money. DirecTV and Clear Channel will work with XM to provide "powerful and differentiated" programming, DirecTV (which is owned by GM Hughes, the company building XM's satellites) will assist XM with its customer service, billing, distribution and conditional access expertise and Telecom Ventures, with its relationship with LCC International (LCC is building a terrestrial repeater network for XM) and

Buyers locking in summer

Radio sales continue to outpace last year. "Summer buys are being placed a bit more upfront. That's certainly a good sign because it shows that advertisers are reading demand as strong," says Miller Kaplan's **George Nadel Rivin**.

RBR/Miller Kaplan Market sell-out percentage report

	1999	1998
June 1	83.3%	82.4%
July	62.2%	59.4%
Aug.	49.3%	46.7%

Radio's revenue streak hits 80

The RAB's April revenue results are in, and the overall gain of 6% over the same period a year ago constitutes the 80th consecutive month in which the number has been written in black ink. April did feature a brief (and of late, rare) visit to the red inkwell, as national sales dipped 1%. This was offset by an 8% gain in local revenue. The Southeast set the pace locally with a 10% gain. The slump in national business was general, with no region doing better than a 1% gain and none worse than a 2% loss.—DS

April 1999	Local	National
All markets	8%	-1%
East	8%	0%
Southeast	10%	-2%
Midwest	4%	1%
Southwest	8%	1%
West	9%	-2%
Local & Nat'l revenue April 1999		
All markets		6%

Jan.-Apr. 1999	Local	National
All markets	13%	9%
East	13%	15%
Southeast	16%	6%
Midwest	11%	8%
Southwest	11%	8%
West	14%	8%
Local & Nat'l revenue Jan-Apr. 1998		
All markets		12%

Source: RAB

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Subscription Cost \$220.00

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experience with wireless communications.

Clear Channel, with 459 stations worth of talent and Premiere Radio Networks, is sure to get distribution when the birds launch. "At the end of the day, once this service is in front of consumers, it is the compelling programming that will drive subscribership and revenues," said Parsons. "For Clear Channel, this strategic partnership also provides a truly unique national platform, with which they can complement their other local media assets."

And, as predicted in CD Radio's (O:CDRD) 8-K filing over a month ago (*RBR* 4/26, p.15), GM has entered into a long term distribution agreement with XM to exclusively distribute, market and factory install AM/FM/XM receivers beginning with its 2002 model year cars and trucks. As stated above, GM Hughes has XM's half billion dollar satellite contract, so CD's prediction was a likely one. "We do agree with CD Radio's basic assessment that this action on the part of GM is clearly a positive validation of the satellite radio industry," said Parsons. "I think there's a reasonable expectation that other car manufacturers will follow along and make this move as well—either on an exclusive basis or with both CD Radio and XM."

Antitrust Merger Review Act floating around the Senate

At press time, Sen. **Michael DeWine's** (R-OH) bill (S. 467, *RBR* 5/10, p.2), which would finally place time limits on FCC review of mergers, had not yet hit the Senate floor.

The Judiciary Committee is expected to discuss changes made by the Antitrust Subcommittee: the removal of the document request provision and the division of merger applications into two categories with \$15M as the cut off point. For larger deals over \$15M, the FCC would have 180 days to decide or vote for an extension of 60 days. Smaller mergers: 90 days to decide, extension of 30 days. If no decision is made at the end of the time limit, the merger would be automatically approved. But if the Committee passes the bill, don't expect the FCC to keep voting for extensions. It's a one-time deal per review.—TS

Again (*RBR* 4/12, p.3; 1/4, p. 3; 10/19/98, p. 6), the FCC rules require that any DARS receiver manufactured must pick up both satellite DARS licenses—by a common or two different chip sets if necessary. Unfortunately, the two chip sets are vastly different, and two chip sets in one receiver could be quite costly. In the CD Radio press conference (see story, POSITION), CD Radio CEO **David Margolese** brought the issue up: "The deployment of [DARS] radios in automobiles in any way, shape or form is always good news for both XM and CD Radio, given that our licenses mandate interoperability. So radios in cars mean availability to satellite radio, and availability to satellite radio means availability to CD Radio." He added that CD is "extensively involved" in negotiations with Ford and other automakers.

"There is nothing in the agreements that we have signed or in our plans for the future that will inhibit bringing interoperable radios to the marketplace. The precise questions of timing and how you blend the technologies together in order to achieve that is one that I don't think any of us can very accurately identify for you today," Parsons told *RBR* from the conference. "But I do believe it is the likely progression of the technologies on a going forward basis."—CM

IBOC "Grand Alliance" getting close?

A very reliable source has told *RBR* a merger is likely with two IBOC proponents, possibly all three: "This is the delicate thing. Suffice it to say there are probably going to be announcements...and there are some discussions underway with respect to a consortium...Some of the IBOC proponents are getting together, possibly all."

While DRE President **Norm Miller**, USADR CEO **Bob Struble** and LDR President **Suren Pai** wouldn't comment on the issue, none would deny the possibility, either.

RBR observation: The FCC announced 5/20 it is issuing an NPRM for digital radio sometime this summer, upping the timing for a standard. Readers will recall Harris (N:HRS) has made a call for an IBOC "Grand Alliance" (*RBR* 5/3, p. 3) to expedite the standard and is "prepared to play a role in trying to pull everybody together."—CM

CD Radio and NPR reach programming deal

NPR announced (6/8) an exclusive four-channel programming deal with CD Radio (O:CDRD). Content will include nationally-produced NPR programs, sans "Morning Edition" because of existing market-exclusive agreements, along with local NPR-station productions and others specifically produced for CD Radio. One channel will provide entertainment and cultural features, another, News, Talk and information programming. CD Radio and NPR will co-develop programming for two additional channels, to be determined.

"The FCC didn't legislate a set-aside for public radio when it auctioned off the satellite radio spectrum. Therefore, this alliance marks a very significant commitment by CD Radio to NPR and public radio, and also is a statement defining the value and quality of our public radio programming nationally," said **Kevin Klose**, NPR CEO.—CM

BIA study says good times ahead

What's the driving force behind today's radio? The answers are all in BIA's 4th annual State of the Radio Industry 1999 Study. But to be exact, satellite delivered national programming, digital radio and the Internet all have broadcasters scrambling to rack up those advertising revenues. The study also addresses the impact that low-power FM and microradio will have on existing regulations.

Now the good news: BIA estimates radio station revenues at \$13.8B for 1998, up 12.6% from \$12.3B in 1997. BIA also predicts radio revenue to grow 8.7% in 1999, 9.3% in 2000 and 8.0% in 2001. The top three billers alone (Chancellor Media/Capstar, CBS Radio/Infinity Broadcasting and Clear Channel/Jacor Communications combined) accounted for almost 35% of total industry revenues for 1998.

BIA says consolidation has led to more efficient revenue generation and cost cutting measures, thus increasing cash flow margins to the 35%-45% range. According to the study, even higher cash flow margins are conceivable for in-market consolidators operating more efficiently.—TS

Fox pulls its NAB membership

"It's not an unexpected development," says NAB spokesman Dennis Wharton. "Fox sent the signals they were looking to leave and they finally did." The network is reportedly upset because the NAB has shown support for a cap on the number of TV stations a company may own. Current law has the cap set at 35%, but according to Wharton, Fox and the other three major networks were asking for the cap to be reset at 50%. "There was no actual vote on the issue by the NAB," said Wharton, "but the networks understood our position."

The consequences for the NAB? No more money from Fox and its 22 dues-paying O & Os. But Wharton says the withdrawal will be "minimally" felt at the association. Less than 4% of the NAB's annual revenue comes from the four major networks. "NAB's conventions are a huge success financially. That's really where we find the profit and money producer," said Wharton. He also added that ABC pulled its membership in the early 1990s over a different dispute, but was back on board within 18 months.—TS

FCC Commissioner to keynote conference

Harold Furchgott-Roth will discuss the role satellite communications can play in allowing individuals and cor-

The Lizard is big winner at the Radio Mercury Awards

Goodby, Silverstein & Partners bagged the grand prize of \$100K at the 8th Annual Radio-Mercury Awards 6/10 in New York. Their winning entry for the Best Radio Commercial category was "Selling Out," developed for Anheuser-Busch as part of "Louie The Lizard" campaign. The second time grand prize winner also picked up an additional \$10K in the general category for a Hewlett Packard spot.

A total of \$210K in cash prizes was awarded to winners in the general, Hispanic and station-produced categories in the richest competition in advertising. Non-cash prize winner for the Best Public Announcement went to Lowe & Partners for The President's Council on Physical Fitness & Sports and The Ad Council.

The event also honored **Charles Osgood**, CBS Radio and TV news anchor with the 1999 Lifetime Achievement Award.—KM

porations to take full advantage of the Internet during the Satellite and Internet '99 Third International Conference.

Other speakers will include **Pradman Kaul**, Corporate Senior VP Of Hughes Electronics Corp./Pres. and COO of Hughes Network Systems; **Nicholas Negroponte**, Dir. and co-founder of the MIT Media Laboratory and **Gerry Parker**, Exec. VP for Intel Corp. The conference will be held 7/21-23 in at the Sheraton National Hotel in Arlington, VA.—TS

Cox's latest investment: MP3.com

Digital music is on its way, and it's receiving a boost from Cox Interactive Media. The company announced last week that it is investing \$45M into MP3.com, a web site that features thousands of songs that visitors can

download onto their PCs.

Cox Interactive Media, Inc. (a division of Cox Enterprises) also said it would get about a 10% stake in MP3.com. Other investors include Sequoia Capital and idealab!, which invested \$11M in January. The dot-com company also plans to go public soon, in hopes of raising \$115M.

The joint venture would create and operate music-related web sites and allow the two companies to share advertising and sales revenue. Recording artists post songs on the web site (www.mps.com) and MP3.com only takes a 50% cut, as opposed to the typical 85-90% cut taken by major record labels. The only drawback? There's no copyright protection.—TS

WebRadio signs with Get Media

Launching late this Summer, WebRadio.com has signed with GetMedia (*RBR* 5/10, p.4) to provide the exclusive e-commerce vehicle to its client stations' broadcast pages. GetMedia allows one-click buys of CDs as they are played on-air/streamed over the station site. WebRadio will share 50% of the revenues, after expenses, with clients. WebRadio President **Michael Weiss** tells *RBR* the site may launch with "200 or 2,000" stations, pending current negotiations.—CM

SW Nets now "Launch Radio Network"

Show prep and music news provider SW Networks has a new name, since Launch Media bought it in April (*RBR* 4/5, p. 4). "Launch Radio Networks" will continue to provide multiple-format music and entertainment news to 1,000 station clients, and add editorial content available on Launch.com. SW's **Dan Forth** becomes VP/GM Launch Radio Networks.—CM

April showers bring clothing buyers?

Who wants a job when spring is just around the corner? How about a new wardrobe instead? You can't fight the flow, so just go with it. That would explain why Recruiting fell off dramatically in April as a source of non-traditional revenue for radio stations, but the seasonal Clothing segment picked up some of the slack.—JM

Non-Traditional Revenue Track % of Vendor/New Business by Category (April 1999)

	Nov	Dec	1998	Jan	Feb	Mar	Apr	YTD
Automotive	10.91	18.77	15.63	10.36	17.84	12.16	9.42	11.42
Food/Grocery	46.52	31.55	33.80	22.48	42.19	21.06	18.83	23.89
Leisure/Electronic	18.63	32.85	22.35	33.56	35.61	34.46	40.67	34.19
H&BC	3.99	7.64	9.00	7.62	4.24	9.37	6.94	6.62
Home Improvement	7.39	3.16	8.07	7.26	5.39	8.02	9.08	7.11
Office	7.92	4.37	8.63	2.42	2.22	4.49	0.07	2.00
Clothing	4.63	1.66	2.51	3.28	0.15	1.41	12.35	4.64
Recruiting	—	—	—	23.39	10.21	9.03	2.65	10.13

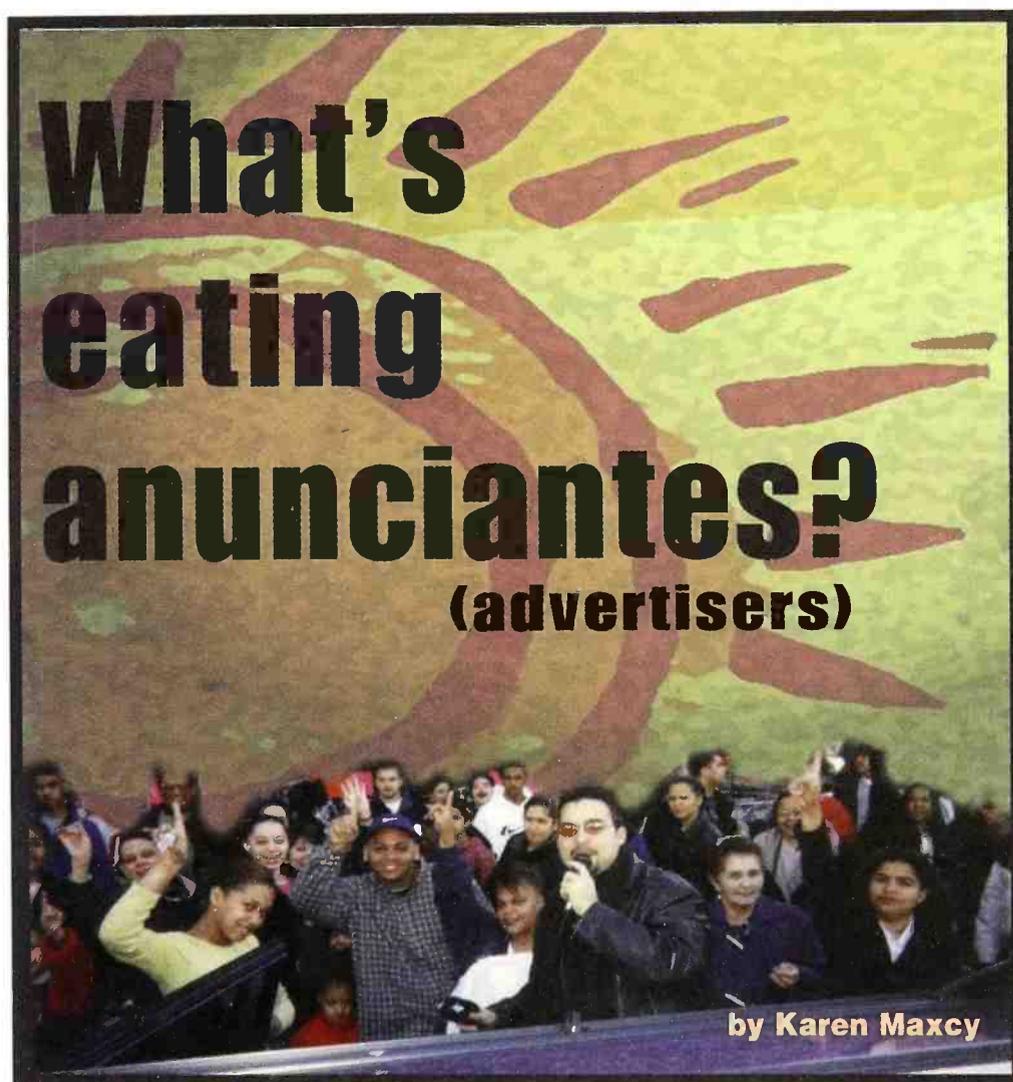
Source: Revenue Development Systems; based on revenues from 76 stations in 32 markets.

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Volume 3, Issue 6 June 1999



What's eating anunciantes? (advertisers)

by Karen Maxcy

It is undeniable that Hispanic radio, together with other minority-owned and minority-formatted radio, has been getting the short end of the stick. But why is there still so much (and much publicized) ad bias when the numbers associated with the Hispanic population should send advertisers into a spending frenzy to get to this burgeoning group?

Here are some clear and stark facts. According to the US Census Bureau, Hispanics numbered 30.7M in November 1998. That is about 11.4% of the total population. They are the fastest growing minority group, or any group in the US for that matter. In fact, by 2009, Hispanics will supersede Blacks as the largest minority group in the US.

Sure the numbers are impressive, you say. But are these people spending? According to Hispanic Business Inc.'s Media Market Reports, in 1998 Hispanic

continued on AB2

MediaIndex

Radio's share of ad spending rises again.

Page AB13

SyndicationNews

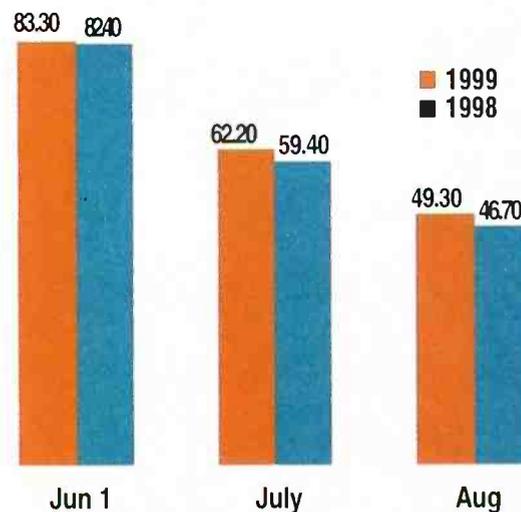
Westwood In the Huddle; Rat Pack debut

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RBR/Miller Kaplan Market Sell Out percentage report

Buyers locking in summer

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June 1999, Volume 3, Issue 6

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continued from cover

purchasing power stood at an impressive \$273.4B. The group spent \$205.8B in 1993. In just five years, purchasing power had jumped 33%. That's a lot of Hispanics spending a lot of dollars.

"When being number one is not enough"

But these numbers are evidently registering a big zero for many advertisers. In an FCC sponsored study conducted by the Civil Rights Forum, aptly named "When Being No. 1 is Not Enough," 91% of minority broadcasters said they experienced "no Urban" and/or "no Spanish" dictates from advertisers. Such dictates and lower rates accorded to these stations when buys were made accounted for an estimated 63% loss in advertising revenue for the stations.

The study acknowledges that it is "normal business practice" for advertisers to specify what groups they want to hear their messages and to attract to their products. But reasons other than these normal business predilections have also been popping up. It was not uncommon for some advertisers to avoid Urban/Spanish stations or ask for discounts because of inaccurate stereotypes such as ethnic minority consumers are unsuitable for certain luxury products or services.

More blatantly, some advertisers plain do not want to be associated with minority consumers. US Rep. **Bob Menendez** (D-NJ) expressed his outrage, "Here you have this incredible growth market—in many ways the marketplace of the future (referring to the Hispanic population)—with more and more disposable income, and greater economic clout, but many advertisers and media buyers are apparently not just ignoring this growth market, but by some charges actively discriminating against it."

Ad bias co-existing with record revenue growth?

According to the Senior Broadcasting and Publishing Analyst of Prudential Securities, **James Marsh**, the radio industry should see a

growth rate of 9-10% this year. Marsh expects the growth to continue in what he calls a "five year phenomenon for radio" with an average of 5% growth per year. Consolidation and radio's unique status of "no direct competitors" will fuel that five year bull run.

If grumblings of ad bias ring true, then Hispanic radio should be lagging behind those robust general market growth figures. But that is not the case. The numbers for Hispanic radio could not be healthier. According to Hispanic Business estimates, revenue from Spanish-language stations is expected to grow by 19.7% over the next five years. Others are predicting an even rosier outlook. **Carey Davis**, General Manager of Spanish Broadcasting System's WSKQ-FM in New York expects Hispanic radio ad revenue to outstrip that of Anglo radio three to one in the next five years.

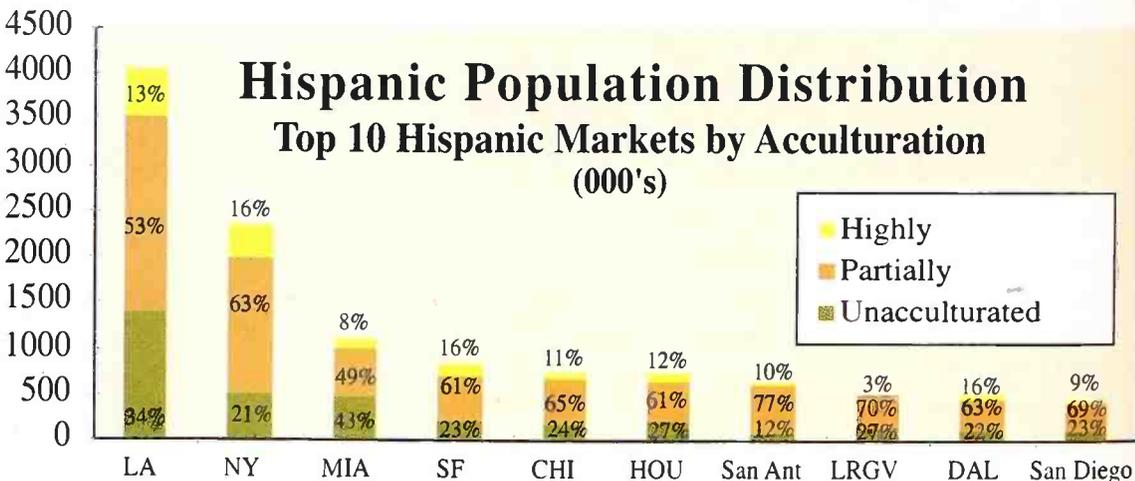
But Carey's WSKQ, which is the most listened-to radio station in the country, is still number seven in terms of billings in its home market of New York. And therein lies the paradox for Hispanic radio. On one side, you have people saying ad bias is eating into Hispanic radio stations' revenue. On the flip side, others are saying Hispanic radio is trending ahead and leaving its English-language counterparts behind.

What's going on?

The paradox of robust growth accompanied by ad bias can be a dangerous one for Hispanic radio. It could be tempting to conclude that because of outstanding growth, the problem of ad bias is a fading or non-existent problem.

"The Hispanic population is exploding!" exclaimed **Alfred Schreiber**, Managing Partner of New America Strategies Group. The NASG was formed by True North Communications in April to help advertisers effectively reach multicultural groups and combat ad bias. Hispanic radio is moving ahead, piggy-backing on a bigger phenomenon—the ex-

continued on AB13

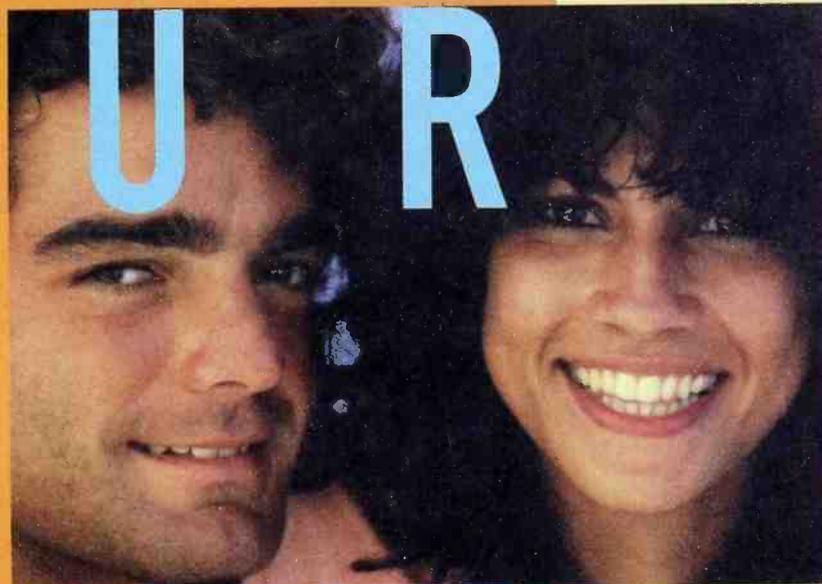


This graph clearly shows that only a minority of Hispanics in the top ten markets in the US are actually highly acculturated. Instead of assimilation into the general population, the majority of them are actually more inclined toward their own culture and language.

Source: Strategy Research Corporation

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ploding Hispanic population—instead of equitable advertising rates or practices.

Davis echoes Schreiber's sentiment and points out that corporate America had been ignoring the Hispanic market for so long and the surge in revenue is because of all those years of neglect.

"A business solution for a business problem"

That doesn't mean that advertisers are more sensitive to the needs of the Hispanic population and the enormous potential of tapping into that market. According to Schreiber, the advertising industry is innately conservative and unwilling to take risks. For years, advertisers have grown accustomed to targeting the White majority via the general market. Inertia and a lack of understanding have made the industry slow to jump on to the Hispanic bandwagon.

So is it or isn't it racial discrimination? **Heide Gardner**, VP of Diversity and Strategic Programs, American Advertising Federation, believes that a combination of factors come into play in this very complex issue. "What radio sales reps frequently run into is the old 'I'm already reaching that audience (Hispanic audience) with my general markets buys,' which means that some advertisers and agencies still don't distinguish between reach and effective reach when it comes to Latinos," Gardner states.

But the advertising industry is already taking steps to educate itself. In April, FCC Chairman **Bill Kennard** commended the industry for launching several new initiatives, (*RBR* 5/10/99 p.3, *AdBiz* 5/5/99 AB4) claiming "that the best way to deal with a business problem is to develop a business solution."

And perhaps that is the best way to deal with the paradox of Hispanic radio. Instead of examining the rationale behind ad bias, why not just focus on the benefits of targeting the Hispanic market? Gardner says, "I think that for many kinds of products, rather than relying on a macro view of the US marketplace, it helps to zoom in for a more focused micro view of the individual markets it comprises. For many, many markets Spanish radio buys ought to be a no-brainer."

There is hope on the horizon though. **Felix Perez**, President of Katz Hispanic Media, is optimistic that Hispanic radio will enjoy parity with its Anglo counterparts in time. How long it's going to take is anyone's guess but his opinion is that the size, spending habits, income and clout of the Hispanic population "cannot be ignored." His group of reps (responsible for garnering 50% of all Hispanic radio revenue) has seen improvement over the years on this matter.

Schreiber concludes, "If you always do what you always did, you'll always get what you always got." Advertisers, you have been warned.

Media Index

Radio's share of ad spending rising

by Jack Messmer

Radio's strong growth, which has been outpacing all other major media, means that radio's share of total ad dollars is creeping higher. With our second year-to-year comparison of figures from the RBR/Miller Kaplan Total Media Index, we can see some evidence of where the gains are coming from.

Overall, radio's share of spending in the top 25 ad categories rose to 16.04% in February, up slightly more than a half percentage point from 15.5% a year earlier. Two categories actually saw radio's share of ad dollars fall sharply—Specialty Retail to 18.02% from 30.7% and Publications to 7.38% from 33.8%.

Those declines were more than offset by gains in two much larger categories—Television to 68.91% from 60.9% and Automotive, the granddaddy of all ad categories, to 8.59% from 7.7%. Radio also gained significantly with Restaurants, to 21.2% from 10.4%.

RBR/Miller Kaplan Total Media Index

February 1999 (Expenditures in 000)

Category	Newspaper	TV	Radio	Total Media	Radio % of Total
Automotive	161,303	113,033	25,764	300,100	8.59%
Restaurants	3,550	30,967	9,289	43,806	21.20%
Department Stores	56,832	10,171	6,335	73,338	8.64%
Foods	1,300	30,486	5,268	37,054	14.22%
Communications/Cellular	34,524	26,767	13,976	75,267	18.57%
Furniture	25,300	16,587	5,946	47,833	12.43%
Financial Services	29,956	14,537	10,773	55,266	19.49%
Movies/Theater/Concerts	20,756	16,863	6,098	43,717	13.95%
Grocery Stores	12,420	6,388	5,965	24,773	24.08%
Appliances & Electronics	26,519	6,410	2,625	35,554	7.38%
Hotel/Resorts/Tours	33,380	7,975	3,522	44,877	7.85%
Drug Stores/Products	6,958	12,513	3,376	22,847	14.78%
Computers/Office Equipment	18,392	4,426	4,156	26,974	15.41%
Specialty Retail	22,178	10,857	7,259	40,294	18.02%
Health Care	9,133	12,801	6,189	28,123	22.01%
Auto Parts/Service	4,789	5,266	2,960	13,015	22.74%
Music Stores/CDs/Videos	3,656	6,714	3,310	13,680	24.20%
Transportation	9,234	5,612	3,858	18,704	20.63%
Entertainment-Other/Lottery	2,553	5,199	5,135	12,888	39.84%
Home Improvement	9,512	4,907	2,491	16,910	14.73%
Professional Services	7,332	7,862	5,259	20,453	25.71%
Beverages	1,650	6,781	5,461	13,892	39.31%
Television	8,927	2,730	25,834	37,491	68.91%
Personal Fitness&Weight Ctrs.	1,176	5,852	1,005	8,033	12.51%
Publications	25,007	2,715	2,201	29,923	7.36%
TOTAL	536,337	374,419	174,055	1,084,812	16.04%

*Based on Media Market X-Ray composite data for 10 markets (Atlanta, Dallas, Hartford, Minneapolis-St. Paul, Pittsburgh, Portland, OR, Providence, Sacramento, San Diego, Seattle). Newspaper and television data compiled by Competitive Media Reporting and radio data compiled by Miller, Kaplan, Arase & Co., CPAs. For further information contact George Nadel Rivin at (818) 769-2010.

by Carl Marcucci

WSJ Radio Network launches "Work & Family Minute"

Spinning off from the Saturday 10A-Noon ET "Work & Family from The Wall Street Journal," "The Work & Family Minute" launches early July. The host is one of *Talkers Magazine* "Top 100," **Jan Wilson**. She shares common-sense, entertaining info and tips on a wide range of work/life concerns. WSJRN is handling sales and clearances.



Jan Wilson

Fisher launches Rick Emerson

Fisher Entertainment has replaced **John & Ken**, who left 5/21 for a morning show on KABC-AM L.A. Emerson debuted on 5/24 with 50 affiliates including the legendary 50kW WGR-AM Buffalo. In eight months, ratings climbed 177% on KOTK-AM Portland. "Ratings growth like that makes you turn your head and pay attention to what this guy is doing," said **Glenn Fisher**, President of Fisher Entertainment.

Rick is a new breed of young Talk show hosts that are hot-button, topic-driven and caller-intensive, doing "issues with an attitude" without pushing a political agenda. Emerson airs live 3-7P ET with a re-feed 7-10P ET. NBG Radio Network is handling sales.

"Rat Pack Weekends" from MannGroup

Hosted by WKQI-FM Detroit morning host **Steve Cochran**, MannGroup launched "Rat Pack Weekends" to 12 affiliates 6/12. The two hour barter feature appeals to a broad age cell, considering the rebirth of swing. Featured artists include Big Bad Voodoo Daddy, **Sammy Davis, Jr.**, The **Brian Setzer** Orchestra and, of course, **Sinatra**. Global Media is handling national sales.



WW1 presenting "In the Huddle"

For this year's NFL season, CBS Radio Sports and Westwood One will debut two-hour "In the Huddle" with **Boomer Esiason** and **Chris "Mad Dog" Russo** 9/10 to 1/28/00 Friday evenings. Russo and Esiason will take a look at the upcoming weekends' NFL games, breaking down the schedule, talking to key players and coaches, and providing opinions and predictions with sports reporters from around the nation. Russo, for 10 years and counting, co-hosts "Mike & The Mad Dog" with **Mike Francesa** on WFAN-AM N.Y.

Minyard & Minyard on TRN

Launched 5/17 to 17 affiliates, Talk Radio Network's "Minyard and Minyard" features a liberal father (**Ken**) and conservative son (**Rick**) providing perspective on "every topic imaginable" in the scope of lifestyle, politics, athletics and show biz from flagship KRLA-AM L.A. Ken spent 28 years at KABC-AM L.A.; Rick hails from the KFIV/KJAX Modesto/Stockton simulcast. TRN is handling clearances and sales for this daily 4-7P PT barter offering. Syndicated solutions is assisting in clearances in the the top 125 markets.

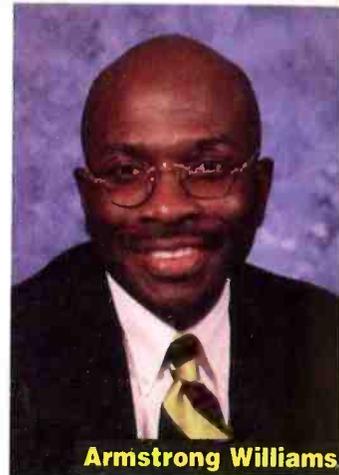
United Stations debuts "The Rock of the Century"

Kicked off Memorial Day weekend, United Stations' "The Rock of the Century" is a two-hour, 15-week Classic Rock Summer showcase series by **Denny Somach** Productions. Hosted by WLUP-FM Chicago's **Eddie Webb**, the weekly feature offers a two-hour retrospective of an artist/group or specific music style (ie. "The Great Guitarists," "Progressive Rock,"

"California Rock") using rare interviews, influential events and music to bring listeners back to the period.

Jackie Mason, Armstrong Williams on Talk America

Premiered 4/11 9-10P ET, "The **Jackie Mason** Show" is now heard on 40 affiliates Sundays. Known for his Broadway comedy, Mason uses his talent to provide humorous insights on current events, with high-profile guests of political, entertainment and sports backgrounds.



Armstrong Williams

Back on Talk America, syndicated *L.A. Times* columnist and author **Armstrong Williams** launched "The Right Side with Armstrong Williams" 4/28 to 25 affiliates. His show features personality-driven interviews and insightful social commentary with a conservative twist on current events, family and community. Airtime is Fridays Noon-2P.

SportsFan adds Pendola to lineup

SportsFan launched "The **Rocco Pendola** Show" 6/7 to 30 affiliates. He joins SportsFan from KTCK-AM Dallas, scoring 7.7 ratings M25-54 in Fall '98. The barter show airs daily 10A-2P ET. Sales and Clearances are both done by SportsFan.

Premiere debuts "Heart to Heart with Naomi Judd"

Live from her Nashville home, Country star **Naomi Judd** and Premiere Radio Networks debuted Big KMart's "Heart to Heart with Naomi Judd" 5/2 to 35-40 affiliates. The program, positioned as a light-hearted "Delilah" solution for Country stations, features music, celebrity interviews, audience participation, advice, humor and insights on relationships, life and success. "Naomi brings such a wealth of talent and insights to radio that I believe this program will become a Sunday night appointment for friends and family across the country," said **Tim Kelly**, Premiere EVP. Air time is 8P-midnight.

Heart to Heart adds another Country offering from Premiere, which also airs "After Mid Nite with **Blair Garner**," "Club Country Live with **Tony Chris**," "Country Plain Wrap Countdown" and four Country comedy show prep services.



Naomi Judd

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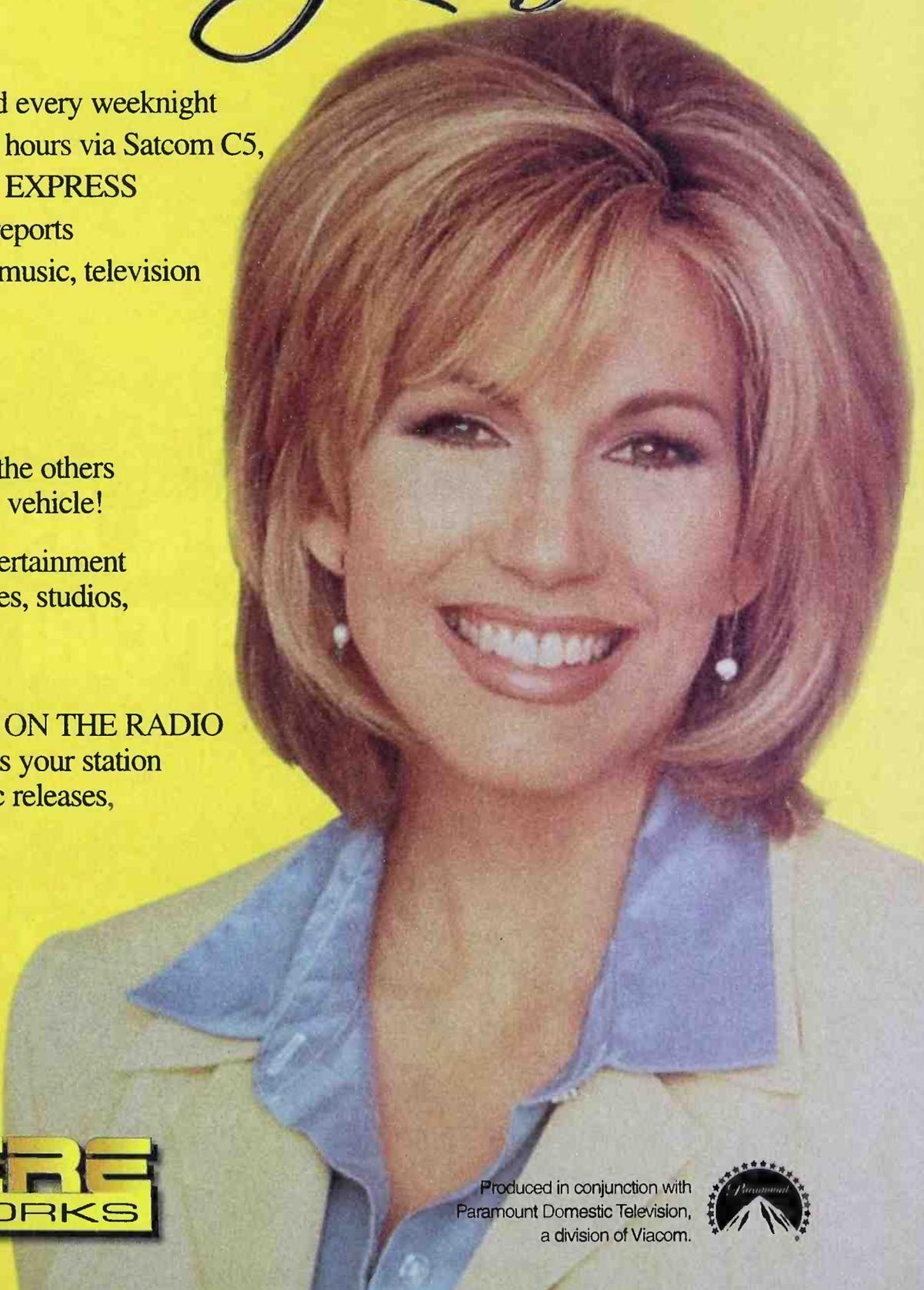
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*Percentage based on station clearance data submitted on Weekly Affiliate Certificate of Performance Affidavits. Commercials not aired due to advertiser requests, affiliate product unacceptable categories and technical problems are not included in the clearance percentage calculation.

June 9—RBR Stock Index 1999

Company	Mkt:Symbol	6/2 Close	6/9 Close	Net Chg	Pct Chg	6/9 Vol (00)	Company	Mkt:Symbol	6/2 Close	6/9 Close	Net Chg	Pct Chg	6/9 Vol (00)
Ackerley	N:AK	20.000	19.750	-0.250	-1.25%	3	Hearst-Argyle	N:HTV	26.000	28.750	2.750	10.58%	149
Alliance Bcg.	O:RADO	0.531	0.437	-0.094	-17.70%	100	Hispanic Bcg.	O:HBCCA	60.625	63.625	3.000	4.95%	167
Am. Tower	N:AMT	22.625	24.375	1.750	7.73%	833	Infinity	N:INF	24.937	25.437	0.500	2.01%	3371
AMSC	O:SKYC	14.937	19.500	4.563	30.55%	425	Jeff-Pilot	N:JP	66.937	65.625	-1.312	-1.96%	1194
Belo Corp.	N:BLC	22.062	21.687	-0.375	-1.70%	111	Jones Intercable	O:JOINA	53.000	47.375	-5.625	-10.61%	532
Big City Radio	A:YFM	3.875	3.750	-0.125	-3.23%	20	Metro Networks	O:MTNT	49.750	51.875	2.125	4.27%	33
Broadcast.com	O:BCST	106.187	109.078	2.891	2.72%	1135	NBG Radio Nets	O:NSBD	2.750	2.000	-0.750	-27.27%	62
Capstar	N:CRB	25.625	27.562	1.937	7.56%	126	New York Times	N:NYT	34.687	34.875	0.188	0.54%	306
CBS Corp.	N:CBS	42.750	42.750	0.000	0.00%	6037	Otter Tail Power	O:OTTR	38.750	39.812	1.062	2.74%	38
CD Radio	O:CDRD	23.375	25.000	1.625	6.95%	369	Pacific R&E	A:PXE	62.625	68.062	5.437	8.68%	4402
Ceridian	N:CEN	31.750	31.125	-0.625	-1.97%	1418	Pinnacle Hldgs.	O:BIGT	1.062	1.000	-0.062	-5.84%	6
Chancellor	O:AMFM	52.812	56.500	3.688	6.98%	5937	Radio One	O:ROIA	17.875	17.937	0.062	0.35%	13
Citadel	O:CITC	29.500	30.250	0.750	2.54%	113	RealNetworks	O:RNWK	45.625	39.500	-6.125	-13.42%	42
Clear Channel	N:CCU	65.375	65.937	0.562	0.86%	2518	Redwood Bcg.	O:RWBD	11.250	9.250	-2.000	-17.78%	0
Cox Radio	N:CXR	55.937	55.187	-0.750	-1.34%	7	Regent Pfd.	O:RGCP	6.125	5.500	-0.625	-10.20%	0
Crown Castle	O:TWRS	17.875	19.000	1.125	6.29%	501	Saga Commun.	A:SGA	19.875	19.437	-0.438	-2.20%	12
Cumulus	O:CMLS	17.875	17.406	-0.469	-2.62%	41	Sinclair	O:SBGI	14.125	16.125	2.000	14.16%	274
DG Systems	O:DGIT	5.468	5.562	0.094	1.72%	48	SportsLine USA	O:SPLN	35.625	33.375	-2.250	-6.32%	770
Disney	N:DIS	29.125	29.312	0.187	0.64%	12689	TM Century	O:TMCI	0.625	0.437	-0.188	-30.08%	0
Emmis	O:EMMS	47.500	48.250	0.750	1.58%	23	Triangle	O:GAAY	0.170	0.150	-0.020	-11.76%	3973
Entercom	N:ETM	33.000	34.000	1.000	3.03%	31	Tribune	N:TRB	78.750	78.812	0.062	0.08%	621
Fisher	O:FSCI	60.750	62.000	1.250	2.06%	2	WestTower	A:WTW	23.625	23.687	0.062	0.26%	24
Gaylord	N:GET	31.125	30.312	-0.813	-2.61%	8	Westwood One	N:WON	34.875	35.687	0.812	2.33%	72
Granite	O:GBTVK	6.562	7.500	0.938	14.29%	433	WinStar Comm.	O:WCII	54.500	55.000	0.500	0.92%	2343
Harris Corp.	N:HRS	38.687	38.875	0.188	0.49%	243							

Salem sets terms for initial IPO

Religious radio broadcaster Salem Communications Corporation has set its pending IPO at 7.5M shares of Class A common stock at a price of \$19-\$21 per share. The company had filed with the Securities and Exchange Commission 4/20 but did not provide details of the IPO. Salem is expected to trade on the Nasdaq under the ticker symbol "SALM." If approved, the IPO will bring in an estimated \$111.3M in net proceeds of which Salem plans to use to redeem a portion of its senior subordinated notes, repay all outstanding debt under a credit facility and for general corporate purposes. The underwriters are BT Alex. Brown, ING Baring Furman Selz and Salomon Smith Barney.—KM

Sinclair: to sell or not to sell?

Diversified broadcasting company Sinclair Broadcast Group, Inc. (O:SBGI) is weighing its options in an effort to pay down its outstanding loans. One is an IPO of a newly created subsidiary holding only its radio assets or the other, an outright sale of its entire radio group.

The public offering is expected to raise between \$175-\$200M. The com-

pany is still only exploring its options and has yet to appoint underwriters for this deal. Sinclair radio group owns or operates 51 stations in 10 markets.—KM

WinStar reduces long-term debt by \$120M

WinStar Communications (O:WCII) announced 6/2 \$120M of its long-term debt—14% convertible senior subordinated discount notes due 2005—had

automatically converted into shares of its common stock. The notes were originally sold 10/18/95 with an aggregate accreted value of \$120M. They converted into a total of 5.9M shares at a fixed conversion rate of \$20.625 per share.

The conversion strengthens WinStar's balance sheet and significantly reduces its interest expense—shareholders are expected to benefit \$100M through 2005 with that reduction.—CM

E4L/Clear Channel Pact—2: E4L To Own 51.5% Of New Firm

Wall Street Journal—E4L Inc. (ETV), Buyitnow Inc. and Clear Channel Communications Inc. (CCU) signed an agreement to form Buyitnow.com LLC.

In a press release 6/8, the companies said e4L said it will own 51.5% of the new company, Buyitnow will own 43.7%, and Clear Channel will own 4.7% in return for its contribution of \$12.5 million in media. Clear Channel will contribute various media for branding and promoting Buyitnow.com, a Web Plaza of product-focused Internet stores.

E4L will promote Buyitnow.com through its direct response programming. The company also plans to leverage its existing infrastructure in Europe, Asia, Australia and New Zealand to launch and build Buyitnow.com as a leading Internet superstore.

Buyitnow.com is in negotiation with additional partners to contribute cash or assets in exchange for ownership in the new entity. The company will consider making shares available through an initial public offering at a later date, provided market conditions remain favorable.

Members of e4L's management will participate on the board of directors and management committee of Buyitnow.com, and Clear Channel Communications will hold a board of directors seat.

E4L produces infomercials and sells products through television, radio and the Internet. Clear Channel, San Antonio, operates radio and television stations and outdoor advertising displays.

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SportsLine USA: Much to celebrate and to mourn

The celebration: A new Internet record and promotion company partnered with SportsSound. The two companies formed a union in which SportsSound will produce musical compilations to be available exclusively over the Internet through The Sports Store (www.thesportsstore.com). The Sports Store is SportsLine's primary e-commerce area.

"Sports fans are music fans and music fans are sports fans, so this alliance seemed like a natural for both SportsLine and SportsSound," said **Jerry Brenner**, who helped to form SportsSound. The first musical compilation to be available at the web site is "The Perfect Swing", a tribute to Boston Red Sox great **Ted Williams**.

SportsLine also announced last week its acquisition of Golf Club Trader, Inc., an Internet retailer

specializing in the buying, selling and trading of used, pro-line golf equipment. SportsLine acquired the dot-com company in exchange for \$7M of SportsLine common stock. Golf Club Trader will be integrated into SportsLine's wholly owned subsidiary, International Golf Outlet (IGO). Golf enthusiasts may visit either www.thesportsstore.com or www.igogolf.com to purchase new or used golf clubs.

The mourning: Traffic figures released by Media Metrix report SportsLine lost a million visitors in April (3.4M total visitors). That's a 25% fall off from the 4.6M visitors the previous month. That drop is the largest of any of the top 50 web properties Media Metrix measures.

The culprit? Could be the drop-off after the completion of "March Mad-

ness", the annual college basketball tournament. Once the event ended, fans stopped hitting the web site.—TS

Harris to sell semiconductor business

As part of its effort to operate as one company, focused on the worldwide communications equipment market, Harris Corporation (N:HRS) announced 6/2 it is selling its semiconductor unit to a subsidiary of Sterling Holding Company, LLC, part of the Citicorp Venture Capital portfolio company, affiliates of the Credit Suisse First Boston Corp., and individual investors. Harris keeps 10% ownership, and receives \$700M in cash in the deal.

The company employs 6,200 people and generated \$530M in sales in the last year. Facilities are located in PA, FL, OH and Kuala Lumpur, Malaysia. The current president of Harris' semiconductor sector, Gregory Williams, will stay to run the independent company. Clients include the space, defense and communications industries.—CM

Domino Domini: Monaghan deal means Religion to go

Tom Monaghan has delivered a lot of pizzas right to the homes of his customers. Now he will be delivering Catholic programming there via WWCM-AM Ypsilanti MI. Unlike his ubiquitous pizza outlets, the radio station will serve the Ann Arbor area and will also penetrate into a large part of nearby Detroit. The station is being bought under the name Ave Maria Foundation. The seller is Word Broadcasters; the price is \$2.5M. WWCM, which was already using a Christian format, is expected to make the relatively short flip to Catholic-specific programming.

Ave Maria has been running its programming under an LMA with Cumulus Media on WDEO-AM, also in the Ann Arbor market but with a much weaker signal than WWCM.

Paul Toberty, President, of
Interstate Broadcasting Corporation

has agreed to transfer the assets of

KMYL-FM
Wickenburg, Arizona

for

\$5,600,000

to

Mike Kakoyiannis of
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Who's missing?

Did you catch what was missing from the list of radio's Top 50 group owners, ranked by 1998 revenues, which was spelled out in a previous issue (*RBR* 5/31, p. 5)?

The Top 50 (actually 51, due to a tie) were based on rankings by BIA's Media Access Pro. One name, though, appeared to be missing. Nowhere to be found was Salem Communications.

The nation's largest Religious broadcaster has had public bonds for many months now and has a stock IPO pending, so it's been making regular SEC filings and it's no longer a closely held secret what its billings are. The company's 1998 revenues were \$77.9M (*RBR* 4/26, p. 12). That would place Salem in 19th place, just ahead of Saga Communications (A:SGA) and behind Beasley Broadcast Group.

Just knowing Salem's total revenues isn't much help to the companies which market station-by-station databases. Neither BIA nor Duncan's American Radio knows how to divide up Salem's revenues among its stations. Few of the ad buys come from the sources that buy time on other radio stations, so agency buyers and other in-market GMs and GSMs don't have any idea what share of ad spending is going to the local Salem station(s). They have even less of a clue what Salem is getting for block program time sales.

If you plan to keep the top 50 chart at your desk for future reference, you might want to make a note in the margin: "#18A, Salem Communications, \$77.9M." That way you'll be able to remember that Salem is a top 20 radio group, without taking that honor away from Journal Broadcast Group.—JM

Programming chores for WDEO are expected to revert back to its owner. **Broker: Michael Bergner**, Bergner & Co.—DS

SFX moves to NYSE

Former NASDAQ stock SFX Entertainment, Inc. has moved to the New York Stock Exchange and began trading 6/7 under the ticker symbol "SFX." **Robert Sillerman**, Executive Chairman of SFX, and rock artist **Rod Stewart** rang the opening bell at the NYSE to commemorate the occasion.

The world's largest promoter, producer and venue operator for live entertainment events has received a warm reception so far from investors. Since it started in 1997, it has issued \$550M of notes and \$600M common stock in multiple offerings. The stock closed 6/9 at \$58.—KM

Clear Channel to acquire Charlottesville group of stations for \$6.3M

Chairman and CEO of Clear Channel (N:CCU) **Lowry Mays** announced 6/3 that it will acquire Clark Broadcasting Company's WCYK-FM, WVAO-FM and WVSF-FM in Charlottesville, VA. **Broker: Media Services Group, Inc.** Separately, Clear Channel also plans to buy KWMT-AM and KKEZ-FM in Fort Dodge, IA for \$7.5M. The stations belong to KWMT Radio, Inc. Both transactions are pending FCC approval. **Broker: Jorgenson Broadcast Brokerage.**—KM

Emmis buys WB affil in Orlando

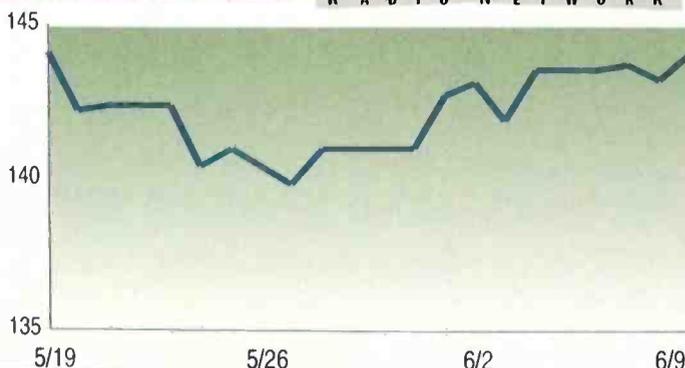
Adding to its six TV station stable, Emmis Communication (O:EMMS) announced 6/3 it is purchasing WKCF-TV Orlando from Press Communications for \$191.5M cash. **Broker: H.B. LaRue.**—CM

The Radio Index™

RADIO BUSINESS REPORT

THE WALL STREET JOURNAL
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The Radio Index™ was up 0.97 points to close 6/9 at 144.04.



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TVBIZ SECTION

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.

\$117,400,000—* KSCA-FM Los Angeles (Glendale CA) from Golden West Broadcasters (Jacqueline Autry) to HBC License Corp. (Mac Tichenor), a subsidiary of Hispanic Broadcasting Corp. (O:HBMCA). \$13M in option payments to date, total of \$105M plus \$13,698.63 per day since 2/5/97 (less option payments) due at closing. HBC has stated that if the sale closes 8/1, the total price will be approximately \$117.4M. **Duopoly** with KTNQ-AM & KLVE-FM. LMA since 2/5/97.

\$6,000,000—KCBQ-AM San Diego from Regent Licensee of San Diego Inc. (Terry Jacobs), a subsidiary of Regent Communications (O:RGCI), to Concord Media Group of California Inc. (Mark Jorgenson). Transfer for assumption of \$6M note owed to Citicasters, now owned by Clear Channel (N:CCU).

\$1,250,000—KZMM-FM St. Louis (Troy MO) from James C. Magee to Simulcast LLC, a subsidiary of Missouri Sports Radio LLC (Gregory Maracek, Jerry Clinton & 18 others). \$50K escrow, additional \$550K in cash at closing, \$650K note. Combo with KFNS-AM. Note: Clinton also has an attributable interest in KTRS-AM. **Broker:** Sunbelt Media

\$1,112,500—* KBBQ-FM Fort Smith AR from Hernreich Radio Stations Inc. (Johnnie Hernreich) to Cumulus Licensing Corp. (Richard Weening, Lew Dickey Jr.), a subsidiary of Cumulus Media (O:CMLS). \$55,625 letter of credit as escrow, \$1,112,500 in cash at closing. **Superduopoly** with KLSZ-FM & KOMS-FM.

\$875,000—* WLKK-AM Erie PA from KDC Inc. (Timothy & Kathleen DeCapua) to Rambaldo AM Communications Inc. (Richard Rambaldo). \$25K escrow, \$180K debt assumption, \$300K note for

consulting/non-compete agreement, balance one half in cash (less escrow) and one half in a note. **Duopoly** with WFLP-AM (below), WRKT-FM & WRTS-FM.

\$840,118—* WFLP-AM Erie PA from Heart Broadcasting (Chris Hagerty) to Rambaldo AM Broadcasting Co. (Richard Rambaldo). \$5K escrow, additional \$45K in cash at closing, \$100K note for non-compete agreement, balance in debt assumption and note. **Duopoly** with WLKK-AM (above), WRKT-FM & WRTS-FM.

\$700,000—* WVJP-AM & FM San Juan (Caguas PR), 12.5% stock transfer of Borinquen Broadcasting Co. from Hector Manuel Pereira Esteves to HQ 103 Inc. (Isabel Ruiz Rodriguez, Bienvenido Rodriguez Duran). \$40K downpayment, additional \$160K in cash at closing, \$500K note. **Superduopoly** with WDIN-FM and LMA of WVOZ-FM. Note: HQ 103 had previously purchased stock interests totaling 37.5% and this 12.5% transfer will result in a 50% ownership which required the filing of FCC Form 315.

\$450,000—* KBED-FM CP (102.9 MHz) Shreveport LA from Port City Communications LP (Larry English) to Capstar Royalty I Corp. (Tom Hicks, Jimmy de Castro), a subsidiary of Chancellor Media (O:AMFM). \$100K option payment 4/7/98, additional \$350K in cash at closing. **Superduopoly** with KMJJ-FM & KRMD-FM.

\$170,000—KQLO-AM Reno from Universal Broadcasting Inc. (Flordelisa Liriano) to Thomas Aquinas School (Douglas & Janet Sherman, Charles & Margaret Day). \$170K note. In addition, at the time the note is paid in full, Universal will have the right to purchase KIHM-AM from Thomas Aquinas School for \$1. Since 4/1 Universal has LMA'd KIHM and Thomas Aquinas School has LMA'd KQLO. **Duopoly** with KIHM-AM.

\$150,000—WELP-AM Greenville-Spartanburg (Easley SC) from Associated Broadcasting Corp. (Thomas Churchill Lewis) to Upstate Radio Inc. (Robert Wilkins). \$150K cash. LMA since 3/11.