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AMFM reconfigures management

The outcome of AMFM Inc.'s (N:AFM) regional meetings last week: As part of its regional management restructuring after joining Chancellor and Capstar, three regional EVPs were named (under COO Ken O'Keefe): David Lebow (overseeing LA, Philadelphia, Detroit, Boston, Dallas and Chicago), John Fullam (NY/L.I., DC, Philadelphia, Chicago, Denver, SF, Sacramento and Phoenix) and John Fullam (NY/L.I., DC, Philadelphia, Detroit, Boston, Dallas and Houston).

John King (Sea Star), Jim Shea (Atlantic Star, Central Star) and Jim Donohoe (Gulf Pac) all stay in their current positions overseeing the former Capstar divisions. Matt Hanlon was also named VP National Sales and Garry Regional Sales VP.

"When we had six GMs in NY, or five in Chicago or eight in LA all calling, you had so many people and so much infrastructure. The new structure is leaner, in terms of getting to our customers and our listeners and more aligned to a total market strategy as opposed to individual stations," AMFM Inc. Vice Chairman and Radio CEO Jimmy de Castro tells RBR.

The next tier of management encompasses AMFM's "Cluster VP" strategy for the market level. Most recently, the following Market EVPs were appointed: John Fullam-NY; Cathy Stinehour-Chicago; Bennett and the Information Services Group database. Material may not be reproduced without permission.

RADAR 63: continued audience growth

The RADAR 63 book for Fall 1999 saw a modest 2.6% overall audience gain (see chart, p. 3). Despite a dip in audience of 6% in Adults 25-54, Westwood One's CNN Max continues to be the number one network in that category and Persons 12+. But in Adults 18-49, CNN Max was edged out by AMFM Sapphire which stole the number one spot with a 7% audience increase in that demo. WW1 is still the number one network in terms of audience share.

RADAR 62 newcomers AMFM Ruby and Sapphire fared better in RADAR63. Sapphire also ranked number one in Adults 18-34, number two in Adults 25-54 and number three in Persons 12+. Ruby was ranked 13 in Adults 25-54 but showed a big jump in audience—32%. Premiere AM Drive is still number two and three in Persons 12+ and Adults 25-54 respectively, despite a slight decline in audience. But Core and Focus up significantly with both networks registering double-digit percentage gains.

ABC Prime held on as the highest rated full-inventory network in Adults 25-54 and Persons 12+. That network gained 7.8% in the former demo.

American Urban Radio Networks slipped from 19 to 20 in Adults 25-54 but held steady at number 20 for Persons 12+.—KM

Soft landing for Turner

Clear Channel’s (N:CCU) decision to consolidate its national representation at Katz (RBR 12/13, p. 5) will mean merely new desks across town, for most employees of what had been Interep’s (O:IREP) Clear Channel Radio Sales have relocated to Katz’s new Clear Channel Radio Sales (gee, the name should be easy to remember).

Bob Turner continues as president of Clear Channel Radio Sales. only now he reports to Stu Olds. For his part, Olds called the 225 stations and $120M in billings "a meaningful addition to Katz Radio Group’s number one national sales position."—JM

Ken Lee VP/GM Associate Publisher
Cathy Carnegie VP Administration
Ronald Greene Executive Director of Production
John Nell General Sales Manager
Sean Drasher Account Executive
Sussanna Pritchett Account Executive
April Olson Admin. Assistant

Zack - DC; Mick Anselmo - Minneapolis; Brian Bieler - Sacramento; Jake Karger - Boston; Chris McMurray - Houston; Doug Sterne - SF and Clancy Woods - Phoenix.

In addition, four SVPs Regional Ops opted for parachutes of the gold kind officially on 1/2: John Madison, George Toulas, Dick Kelley and Charles Warfield. Sorry to see them go, de Castro lamented, "These guys were like the Apollo 13 astronauts. It was like, 'however we've got to get it done, we're going to get it done.' And we built the greatest radio company that's ever been built and they were the founding fathers. So I wish them the absolute greatest luck. I love them, I'll miss them, they get to call in rich instead of call in sick."—CM
## Networks Rankings

**All Broadcasts Monday-Sunday 6AM-12-Mid**  
**Includes Limited Inventory Networks**  
**Average Quarter Hour Adults 25-54**

<table>
<thead>
<tr>
<th>Radio Network</th>
<th>RADAR62 (Summer 1999)</th>
<th>RADAR63 (Fall 1999)</th>
<th>% Change in Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(000)</td>
<td>Rtg</td>
<td>Rank</td>
</tr>
<tr>
<td>WW CNN Max (L)</td>
<td>3,547</td>
<td>3.0</td>
<td>1</td>
</tr>
<tr>
<td>AMFM Sapphire (L)</td>
<td>2,655</td>
<td>2.2</td>
<td>2</td>
</tr>
<tr>
<td>Premiere AM Drive (L)</td>
<td>2,184</td>
<td>1.8</td>
<td>3</td>
</tr>
<tr>
<td>ABC Prime</td>
<td>1,664</td>
<td>1.4</td>
<td>5</td>
</tr>
<tr>
<td>WW Source Max (L)</td>
<td>1,809</td>
<td>1.5</td>
<td>4</td>
</tr>
<tr>
<td>AMFM Diamond</td>
<td>1,638</td>
<td>1.4</td>
<td>6</td>
</tr>
<tr>
<td>Premiere Axis (L)</td>
<td>1,633</td>
<td>1.4</td>
<td>7</td>
</tr>
<tr>
<td>ABC Advantage (L)</td>
<td>1,466</td>
<td>1.2</td>
<td>8</td>
</tr>
<tr>
<td>Premiere Focus (L)</td>
<td>1,217</td>
<td>1.0</td>
<td>9</td>
</tr>
<tr>
<td>AMFM Emerald</td>
<td>1,016</td>
<td>0.9</td>
<td>12</td>
</tr>
<tr>
<td>WW NBC</td>
<td>1,116</td>
<td>0.9</td>
<td>10</td>
</tr>
<tr>
<td>ABC Genesis</td>
<td>1,082</td>
<td>0.9</td>
<td>11</td>
</tr>
<tr>
<td>AMFM Ruby (L)</td>
<td>744</td>
<td>0.6</td>
<td>17</td>
</tr>
<tr>
<td>WW NeXt</td>
<td>908</td>
<td>0.8</td>
<td>14</td>
</tr>
<tr>
<td>WW CBS Radio</td>
<td>918</td>
<td>0.8</td>
<td>13</td>
</tr>
<tr>
<td>ABC Platinum</td>
<td>873</td>
<td>0.7</td>
<td>15</td>
</tr>
<tr>
<td>Dr. Laura Show (L)</td>
<td>802</td>
<td>0.7</td>
<td>16</td>
</tr>
<tr>
<td>WW Edge (L)</td>
<td>528</td>
<td>0.4</td>
<td>18</td>
</tr>
<tr>
<td>Premiere Core (L)</td>
<td>324</td>
<td>0.3</td>
<td>22</td>
</tr>
<tr>
<td>American Urban</td>
<td>487</td>
<td>0.4</td>
<td>19</td>
</tr>
<tr>
<td>WW WONE</td>
<td>460</td>
<td>0.4</td>
<td>20</td>
</tr>
<tr>
<td>ABC Galaxy</td>
<td>425</td>
<td>0.4</td>
<td>21</td>
</tr>
</tbody>
</table>

Total Radio Networks: 27,496 (23.1%)  
Total Radio Networks: 28,199 (23.6%)  
% Change in Audience: 2.6%

(L) = Limited Inventory Network  
"T" denotes tie.

**SOURCE:** RADAR 62, Summer 1999; RADAR 63, Fall 1999; Volume 2, Network Audiences to All Commercials; Daypart Averages, All Broadcasts, Monday-Sunday 6AM-12Midnight, AMFM Radio Networks Research Analysis.

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The trends were obvious, but Veronis, Suhler & Associates has put numbers to the dramatic growth of publicly traded radio companies since deregulation by the 1996 Telecommunications Act. VS&A’s annual Communications Industry Report, due out late this month, documents double-digit growth for pretty much every barometer anyone might prefer.

Revenues for the public companies rose 31.8% last year. As impressive as that number is, it is actually down from 1997’s rise of 52.5%. The first year of de-reg, 1996, had growth of 42.8%. Of course, the entire industry has enjoyed double-digit growth under de-reg, but the public companies, with access to Wall Street cash for a mind-boggling string of acquisitions and mergers, have far outpaced the overall industry’s growth rate.

Revenues for the public groups more than tripled from $2.1B in 1994 to $6.8B in 1998. At the same time, however, operating cash flow more than quadrupled to $2.5B—highlighting the financial benefits of combining stations in market and building ever larger national platforms.—JM

### Revenue growth rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Public radio</th>
<th>Total radio</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>13.6%</td>
<td>7.7%</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>42.8%</td>
<td>8.2%</td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>52.5%</td>
<td>10.0%</td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>31.8%</td>
<td>11.7%</td>
<td></td>
</tr>
</tbody>
</table>

**Compound growth rates**

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995-1998</td>
<td>34.4%</td>
</tr>
</tbody>
</table>

**Source:** Veronis, Suhler & Associates, Wilkofsky Gruen Associates, McCann-Erickson

DRE allies with USADR; announces investors

IBOC proponent Digital Radio Express has formed an alliance with USA Digital Radio to supply data applications development, and has garnered two new investors for its IBOC data services channel technology. Italy-based chip maker ST Microelectronics and LA-based data services provider CUE Corporation (CUE Page). CUE Corp.’s “Sky Speed,” a high speed data network throughout North America, already provides real-time traffic and e-mail messaging generated by Microsoft’s AutoPC platform.

“We’re supporting USADR in IBOC. Our field testing program is now in conjunction with USADR—we no longer will have our independent test program. Clearly, our system brings some value into current system that they’re demonstrating,” DRE President *Norman Miller* tells *RBR*.

“We think it’s very important,” said USADR CEO *Bob Struble*. “It’s a strategic alliance—they’re still a separate company. They are essentially going to move forward and try to do data applications development for IBOC. We’ve said all along that a broad coalition is going to be necessary to make this happen.”

DRE brings a wealth of IBOC expertise in VP Engineering *Derek Kumar*. Kumar originally worked with USADR four years ago as a subcontract engineer. “You have to remember—if it weren’t for Derek, we probably wouldn’t have IBOC today. He was the first person to ever successfully build a system that actually was able to deliver digital reception in a car,” USADR VP Broadcast Engineering *Glynn Walden* tells *RBR*.

ST Microelectronics will manufacture AM and FM digital data services chip sets for DRE and Cue Corp., in an ongoing joint development agreement (*RBR* 8/30, p.8). “That chip is already the foundation for an IBOC chip,” Miller said. “Just remember, our digital data system using the subcarrier uses the same basic platform as one would use in IBOC.”

**December 15 NRSC deadline**

With DRE working with USADR, thereby not submitting test data, and Lucent delaying its Phase I data submission (*RBR* 12/13, p.4), USADR was the only proponent which submitted data to the NRSC on the 12/15 deadline as promised. However, not all of the original stations (*RBR* 8/9, p.4) slated for testing will have data submitted. WPOC-FM Baltimore, WETA-FM Washington and USADR’s experimental AM station in Cincinnati will have data submissions—WETA for coverage testing and WPOC for compatibility testing (with WMMR-FM Philadelphia and WFLS-FM Frederickburg, VA). WNEW-FM NY, WMMO-FM Orlando and WJFK-FM Washington are currently being tested, but a full set of field tests won’t be finished until next year. “We intend to follow through. We’re going to be testing all through 2000—we need the information,” explains Walden.

Struble adds: “We have not yet gotten to San Francisco—logistically it was [impossible in the time frame]. The other issue is we’re being careful about what we submit because with Lucent submitting nothing, we don’t want to reveal anything that we don’t have to.”—CM

JRN to air “Sex, Lies and Audiotape”

Maybe they should have aired it years ago: Jones Radio Network is offering “Sex, Lies and Audiotape” late this month, a new three-hour feature analyzing the recorded voices of such famous/infamous characters as Lee Harvey Oswald, Michael Jackson, O.J. Simpson, John and Patsy Ramsey, President Bill Clinton and Monica Lewinsky as they made historic statements. 20 voice tapes will be analyzed with a new lie detector technology called “Truster,” used by the FBI and immigration offices around the world. WABC-AM New York City, KABC-AM and WLS-AM Chicago are among the signed affils so far.

Sex, Lies and Audiotape is hosted by WLS personalities Garry Meier and Roe Conn, with Truster analyst Dean Mauro.—CM

**RealNewsNet.com launches**

RealNewsNet.com recently launched (10/1) as the “world’s first” on-demand digital news audio and video clip service, allowing broadcast-quality video and audio to be downloaded from the net for immediate airing. It leverages independent news and stranger services around the country, with many of the clips offered free. RealNewsNet.com is an affiliate of e-Realtbiz, a turnkey e-commerce solutions company.

The service is positioned to eliminate time delays dictated by scheduled satellite feeds and tape shipments. “The concept provides broadcasters with access to an incredibly large library of current and archival footage, both video and audio in a fully-searchable database,” said Scott Barbour, President. “We are also a distribution system for syndicators and/or producers that want to bypass the syndicators—any station can come and download shows a la carte, as needed.”

RealNewsNet.com’s clipping service offers several categories, including: “Caught On Camera,” events captured on videotape; “Clip of the Day,” “Celebrity Sightings” and pre-produced video segments including “Entertainment Minute with Doug Bruckner,” “Gossip Minute with Janet Charlton” and “Urban Beat with JJ Johnson.” Some pre-produced radio segments include: “Hollywood Hard-Edge with Doug Bruckner” and Urban Beat.—CM
NBC on verge of leaving NAB

GE's (N:GE) NBC is threatening once again to pull its membership from the NAB over differing opinions of lifting the national TV audience reach cap, NAB spokesperson Dennis Wharton tells RBR. NBC supports raising the 35% cap. "We're disappointed that NBC is considering this," says Wharton. "It's obviously a spill over of the tension between the networks and the affiliates...we like to have all networks as members because it's a unifying perception that we present to Capitol Hill."

Fox (N:FOX) withdrew from the NAB earlier this year over the same issue.

Meanwhile, Ted Turner, Vice Chairman of Time Warner (N:TWX) announced during a trade show that he would like to buy NBC, "assuming we could get it."-TS

Mel merger boosts bond rating

Moody's Investors Service upgraded its bond rating for Outdoor Systems Inc. from B1 to Ba3 after the giant billboard company completed its merger with Infinity Broadcasting (N:INF), which is controlled by CBS (N:CBS).

Moody's says its rating on the Outdoor System bonds remains under review for another possible upgrade when Mel Karmazin's CBS completes its pending merger into Sumner Redstone's Viacom (N:VIaA, VIAb).—JM

LPTV: A class "A" act

Low-power television stations have just been given congressional permission to upgrade from current secondary status to new Class A status.

The Community Broadcasters Protection Act of 1999, which was signed into law 11/29, allows LPTV station owners to apply for the new status as long as the station: 1.) broadcasts at least 18 hours a day; 2.) broadcasts a minimum of three hours per week of locally produced programming; and 3.) has been in compliance with the FCC's LPTV regulations. All requirements must have been met during the 90-day period that ended 11/28.

Requests must be submitted by 11/28/2000.—TS

FCC seeks comments on DTV obligations

The FCC last week (12/15) began asking for comments on what public interest standards it should adopt for digital television. While similar rules for digital radio are a long way off, the inquiry should give us some clues as to what radio can expect.

Suggestions already proposed by public interest groups: expanding weekly children programming from three hours to seven; giving political candidates free airtime 30 days prior to an election; and upgrading emergency warnings to target specific neighborhoods where a storm is likely to hit. Digital TV is expected to be in place around 2006.—TS

Wilson primes Wall Street pump

Citadel Communications (O:CITC) filed with the SEC to sell up to $1B in new securities, without specifying whether they'll be stock, bonds or whatever. The shelf filing will allow CEO Larry Wilson to go back to Wall Street as needed (and as market conditions warrant) to pick up cash to close his ongoing string of acquisitions.—JM

Clarion joins XM's list of manufacturers

Car audio manufacturer Clarion Corp. is the latest to join the list of companies that will develop, manufacture and market AM/FM/XM radios. Clarion will offer the receivers to OEM clients including Nissan, Honda, GM Saab, Subaru and Ford. Other XM Satellite receiver deals include Alpine, Delphi-Delco (for GM OEM), Mitsubishi, Motorola, Pioneer and Sharp.—CM

Citadel promoting $2M Y2K giveaway

Citadel Communications (O:CITC) has teamed up with Avaterra.com Inc. (O:AVAR) for an end-of-millennium contest with $2M as the top prize. Citadel is airing 42K spots on 112 stations to promote the contest on Avaterra.com's www.vzones.com site, where web surfers interact in "virtual world communities." Contestants compete to win the prize by trying to correctly answer 10 questions.—JM

Geode to launch SurferNetwork.com

Beginning next Spring, Geode Electronics is launching "SurferNetwork.com," a globally aggregated site with a "large array of radio content organized by format, language and country." A new technology will be leveraged (12 patent applications have been filed) that "virtually eliminates" dropouts from net congestion. Advertising and revenue opportunities will also be available to subscribing stations.—CM
Redstone seems serious about Chris Craft

Seemingly oblivious to the firestorm he would ignite at the FCC and on Capitol Hill, Viacom (N:VIA) CEO Sumner Redstone appears willing, even anxious, to push the envelope by trying to acquire Chris-Craft (N:CCN).

“The new Viacom is entering the strongest period of growth in its entire history,” Redstone declared at this month’s (12/6-10) PaineWebber Media Conference in New York (RBR 12/13, p. 2). Redstone expressed optimism that his stock -swap acquisition of CBS (N:CBS) will win regulatory approval and hinted broadly that another big acquisition is likely—comments that clearly referred to Chris-Craft. Although such a deal would put Viacom even further over the FCC’s 35% TV audience cap than the CBS merger, Redstone insisted under questioning by reporters afterward that “there is no public policy reason” to reject such a combination.—JM

Lilly launches in Elmira

Look for second-generation broadcaster Kevin Lilly to build his own small market TV group as his dad, George Lilly, continues to run SJL Communications. The son’s Lilly Broadcasting LLC has signed a $4.8M deal to buy WENY-TV (Ch. 36, ABC) Elmira, NY from Howard Green’s The Green Group. Negotiations are underway to complete a contract (now just a letter of intent) to have Lilly buy co-located WENY-AM & FM as well.

Broker: Dick Kozacko. Kozacko Media Services—JM

“Politically Incorrect” a real news source?

No matter what you may call ABC’s “Politically Incorrect with Bill Maher,” the FCC has ruled that it is a bona fide news interview program and is thus exempt from the equal opportunities requirement.

Under FCC rules, if a broadcaster allows a qualified candidate for public office to use its airwaves, that broadcaster must give equal usage to all qualified opponents running for the same position unless that show is a bona fide newscast, news interview, news documentary or on-the-spot coverage of a bona fide news event. Since 1984, when it ruled that “Donahue” was a bona fide news program, the FCC has recognized that broadcasts other than hard news qualify for the exemption because of Congress’ intent to increase coverage of political campaigns.—TS

Short, shorter, shortest

Even if you were around back then, you may not even remember that some TV shows in the 1950s ran only 15 minutes, not the 30 or 60 minutes which are the standard today. According to an Associated Press report, the struggling UPN network is thinking of going back to the old ways in an attempt to capture younger demos, particularly young males, who tend to “channel surf.”

RBR observation: Why not? If spots can deliver a complete message in 30 to 60 seconds and songs can tell a story in 2:30 to 3:00, surely there are video stories which can be told in 12 minutes (assuming three minutes of spots). It won’t be “War and Peace,” it could at least be an interesting piece of a war.—JM

Broadcasters threaten web streamer

Canadian broadcasters are threatening legal action against a Toronto-based company which is streaming their video signals (and those of several Buffalo, NY stations as well) on the Internet. A “cease and desist” letter demanding that TVRadioNow Corp.’s www.iCraveTV.com site stop streaming the signals by 12/6 was ignored. RBR editors were able to watch several Canadian and US networks on the site last week. Although the web site claims that it is legally rebroadcasting the signals for reception by Internet users within Canada, the only way it identifies where the user is located is by having them enter their telephone area code. (Alexandria, VA is in the 416 area code, isn’t it?)—JM
Radio IT: Installing the digital backbone

Thinking outside the analog box

Is your plant digital yet? Many would quickly say yes, while in reality, they may be running digital equipment connected with analog pipelines. We’re talking tons and tons of wires and cables. With some stations undergoing consolidation projects almost as fast as new ownership, cutting time and labor costs are becoming more and more important. So too is the ability to make changes on the fly to the entire plant. A digital backbone for the whole local market plant can provide the answers. Here we look at two companies pioneering that revolution: the Klotz Vadis 3d platform and Radio Systems’ StudioHub wiring solution.

One of the largest consolidation projects ever undertaken was Clear Channel Denver (RBR 6/21, p.8). Al Kenyon, Clear Channel’s VP Technology, first flew to Buffalo to see Mercury’s Klotz backbone before deciding on doing it in the mile-high city. As you’ll read later, the time savings going with digital are significant. “Obviously, this is one of the reasons why they used the equipment in Denver. It has a lot to do with people looking outside the box.” People have been sort of stuck in these four walls, using what I refer to as the ‘analog’ model,” Ray Esparolini, VP, Sales and Marketing, Klotz Digital, tells RBR. “I know people who have put in Brand X digital audio consoles and ran tons of 110 ohm AES cabling all over the plant. Distribution amplifiers, AES routers and all these sample rate conversions from one format to the other. If that isn’t the identical way of doing an analog system in digital, I can’t think of another. Even if all the equipment that they are talking about is digital, the fact of the matter is the way that it works is analog. When they actually step outside the box, and look at a platform and the implementation of IT (information technology) hardware like Ethernet and fiber-optic cable, they realize that they can have this huge, completely integrated system without pulling one single cable.”

“It changes the way you think about things. To change your thinking from consoles, which are islands in a group or cluster of islands called studios, to a network of audio distribution. This is what it really replaces—all your distribution amplifiers,” explains Dave Halik, CE, Mercury Buffalo. “It replaces your routing switcher. It replaces all that massive amount of wiring coming off your routing switcher to some simple, thin fiber optics.”

With a Klotz Digital system there are three cables for each node, or Vadis DC mixing console, in a Vadis 3d network platform. A fiber optic line in to and out from each Vadis frame (the central rack room’s engine/brain box) and a CAT-5/Ethernet line for control to both the Vadis frame and Vadis DC consoles. “Each node only requires this: its local sources tied in there, the fiber from that studio to the central Vadis frame and Vadis DC-because the fibers are one-way streets,” says Halik. “So you’ve got 64 audio cables going into the studio and 64 coming out: 128 pairs total on two fiber lines. And one CAT-5 to tell everybody else what everybody else is doing. At the central Vadis, that goes to a switching hub with as many ports as are required for the number of studios you have. And you’re done.”

The switching hub at the central

Jeff Depolo, a contract engineer, puts the finishing touches on studio interconnect wiring at the Radio Systems/Capstar Roanoke project.
Vadis unit allows instantaneous source switching. "With this digital backbone, you simply push a button and another studio is now doing exactly what the studio you are in is doing. It's all ready to rock. Because, remember, you are not moving the equipment, you are just moving the sources and they are all on the fiber," said Halik. "It all happens on the Ethernet. The control is all there. When a source comes up on another console, it comes complete. That is what is slick about it. Sure it was easy to get a source available on multiple consoles before, but how do you turn on and off that source from different places? That was the tough part."

The Vadis platform is powered by "DIAN," Klotz's trademarked fiber-optic transmit-receive technology for audio. Says Esparolini: "You can do thousands of signals. You can connect to the platform any kind of an audio format. That audio format would be SPDIF, or AES, or Yamaha Y2, or MADI, or ADAT, or microphones, or analog line-ins. Any kind of audio source can be connected anywhere or in any one of the boxes, or anywhere in the DIAN network."

Radio Systems' StudioHub wiring solution leverages integration hardware with widely available CAT-5 wiring, used throughout the IT and telecom industries, linking up computers. The StudioHub is really an intelligent, IT hardware integration tool. "It allows you to use IT hardware to do any integration. StudioHub can intermix analog and digital signals in a broadcast facility. It's all the infrastructure components that allow you to get studios wired into a build-out. I mean, if you take all the stuff that you would buy off the shelf—consoles and CD machines, etc.—unpack it all and fill a couple of dumpsters with packing materials, now what? The stuff has got to all talk to each other," said AMFM Regional Engineering Chief Frank McCoy. "Then you start putting on connectors. Then you order about 500 XLRs and start to put them on. That then is awful. As time goes on, you just get more and more distracted and mistakes are made—it's better to have somebody just knock these things out at an assembly table all day long. They have all the time in the world with no distractions. They can listen to rock 'n' roll music on the radio, eat bon-bons and put on connectors. Then they go into little plastic bags and you get a box full of them with your installation. You open them up and then plug in all your devices. Then you turn it all on."

Two projects
To help illustrate the reasoning behind building a digital backbone, we look at two digital installations: Capstar/AMFM's Roanoke/Lynchburg, VA Radio Systems project and Mercury/Broadcasting Partners' Buffalo Klotz Digital project.

In Roanoke, the full consolidation project began in early July and ended in mid-October, joining nine stations (see chart) with two buildings; four studios in Lynchburg, six studios in Roanoke. "Lynchburg originally had three stations operating. We moved one of the stations to Roanoke under the new rules. One of the studios was moved to Roanoke and then Roanoke had six stations. Some of them were simulcasts, because the cities have a mountain range between them," said Ben Brinitzer, Regional Engineering Chief, AMFM Inc. "We successfully installed nine studios in a period of a week and a half, but that doesn't mean the stations moved in a week and a half. The RF side of it took a lot longer than anticipated—we actually ended up with complete studios and were not able to move into them."

There were substantial time savings gained from installing the StudioHub, especially considering they had one engineer for the nine stations. "My first goal was to hire an engineering firm to come in and buildout the plant," adds Brinitzer. "Dan Braverman [President] at Radio Systems said, 'Yes, we'll do it and I want your input on this.' Admittedly, the installation went well and very quickly. The performance has been excellent."

Braverman brought four people with him for the project: "We installed it. It was a full-turnkey radio system, which frankly is not something that we do much anymore, but we did it there because it was the first StudioHub. The entire [then] Capstar brass came down there just to evaluate it. They brought Audio Precision System IIs (digital analysis) to make sure that the stuff works, since we converted midway and saved the day with it. They gave it their blessing."

The Klotz Buffalo project began roughly two years ago in a small way, replacing a production studio. "We saw the virtual capabilities. At that time, we set our focus towards the future, saying that if we start now with one, then we will move slowly into this. The nice thing about it is that you can do that. You don't have to go full tilt right off the bat," Halik recalls.

Citadel is purchasing the group of stations (see chart, above) and has announced it will be consolidating all studios into one building. The group is now spread out in four buildings. "We plan to move to a new facility and when we do that, it is my hope that we go with all Klotz throughout. We are not entirely digital yet. We looked forward to installing the studios, as opposed to all the laborious wiring. We just saw it as a great savings. We are so anxious to use these consoles, be-
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tion project made up of two, three or more previous different owners with all of their varied equipment can be a monumental task. "God pity the facilities planner today," complains Braverman. "He has to take out his crystal ball and try to figure out how much of his new facility is digital today, analog today, and how much of it is it going to be analog tomorrow? It is impossible. He has to allocate the number of cables he needs for analog, for SPDIF, AES/EBU, for LANs, for telephones, for digital audio...it is impossible. With properly implemented StudioHub type product, all he has to say is 'Look, I'll run all the same cable. I'll run a uniform platform and whatever happens will happen.'"

And that uniform platform can easily be Vadis. Says Braverman: "Klotz and Radio Systems are already cooperating on large projects that are going to use exactly our architecture. They actually compliment each other."

The changing role of the CE

As more and more software and IT jobs become available, less and less RF-enabled engineers seem to be in the job market. That's why the easily accessible IT installers used by local phone companies can thankfully substitute for the traditional engineer for everything but RF.

"We are outsourcing quite a bit. Not because we necessarily want to, but because we have to. The number of engineers that we have available, we need to have them concentrated on doing things that only engineers can do," said AMFM VP Engineering Jeff Littlejohn. "IT is an easy thing to outsource. It's something we are going to have to be doing more of in the future, unless somebody comes up with some big pot load of broadcast engineers that nobody knows about."

"We got raided five to 10 years ago by other forms of wireless transport. We had a cadre of individuals who understood the basics of transmission systems, such as transmission lines, antennas, transmitters, control systems and the necessary environment to make them work," McCoy preaches. "Well, we haven't done a very good job of replacing those people because there is no easy access to formal training to do so. In contrast, the IT world has many, many portals for advanced training: The Novell, MCSC certification tracks, Cisco offers certification. Just about every adult education program at every two- and four-year college in America has some MIS training program."

So what do engineering execs look for when recruiting these days? "I do ask during the hiring process for IT certification at the same time I ask for SBE certification. But it is also dependent upon the needs of the individual market and what the resource pool is in that market. My ideal engineer is a five- or 10-year broadcasting engineering veteran that has IT experience and/or MCSE/CNE," says Brinitzer. "As it stands right now, there is a dire need in broadcast for IT departments to develop on a local level. Now what that means is that it is dependent upon what the market influences can support. Many AMFM markets are splitting the departments, which means that they are dedicating IT people and engineering, but they are still under direction of the chief engineer, if you will. In terms of the hiring procedure or process, most definitely if a broadcast engineer is not at least investigating IT, then he is very shortsighted in the big scheme of things."
Stop 26 Riverbend gets green light for growth

While Wall Street and the radio industry have been focused on Radio One (O:ROIA), Blue Chip and Spanish Broadcasting System (O:SBUSA) as acquisition-minded, minority-controlled radio groups, a little-known minority owner has scooped up a $20M group buy. Stop 26 Riverbend Inc. (S26R) is acquiring all five stations owned by Associated Radio Inc., a subsidiary of Associated Group Inc. (O:AGRPA, AGRPB), which is being acquired by Liberty Media (N:LMGa, LMGb).

S26R is owned by Frank Halfacre (41.75%), Percy Squire (41.75%) and Robert Douglas (9%), all of whom are African-American, along with Adrian Roe (7.5%), who is White. Prior to this deal, S26R owned WBTJ-FM Hubbard-Youngstown, OH (which is being sold to Clear Channel, N:CCU for $2.7M) and WSMZ-FM Johnstown-Columbus, OH. A separate company owned by Squire, ESQ Communications Inc., owns WRBP-AM & WGFT-AM Warren-Youngstown, OH and WDLR-AM Delaware-Columbus, OH.

The Associated acquisition will give S26R a second FM in the Columbus market, WXST-FM Delaware, OH—an Urban AC which will fit nicely with its current Urban FM. The cash-for-stock deal also includes two other combos, WOMP-AM & FM Belleria, OH-Wheeling, WV and WSTV-AM & WRKY-FM Steubenville, OH. Squire told RBR that those four stations will likely be sold or swapped so he and his partner can stay focused on their markets—Squire in Columbus and Halfacre in Youngstown—and seek to expand their clusters.

Southern Broadcast Group, LLC

has agreed to purchase the assets of radio stations

WQHL-AM/FM

Live Oak, Florida

from

Day Communications, Inc.

for

$2.375 Million Cash*

Scott M. Knoblauch and George R. Reed of Media Services Group, Inc. initiated this transaction and assisted Southern Broadcast Group, LLC in the negotiations.

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*Pending FCC Approval

Y2K LMA brings Waitt to Sorenson

“I got into this business to play the tunes and read the news,” Dean Sorenson told RBR last week. “I just got sidetracked into ownership.”

28 years, 17 stations, two Marconi awards (including one just this year) and three Crystal awards later, Sorenson is exiting with an $18M sale to Norman Waitt’s Waitt Radio. LMAs will begin as the New Millennium dawns 1/1/2000. Sorenson says he doesn’t yet have any plans for what he’ll do once the sale closes.

Sorenson isn’t the only one who’ll take a big check to the bank. Some 150 employees also own stock in the radio group through an employee stock ownership plan. Sorenson noted that a few employees were disappointed to
learn, however, that Gateway Computer doesn't have a discount program for Waitt Radio employees. Brothers Norman and Ted Waitt co-founded the computer company which made them both billionaires. Although none of the Sorenson stations are in Arbitron-rated markets, they'll fit well into Waitt's group, which includes a radio/TV cluster in Sioux City, IA—where South Dakota, Iowa and Nebraska meet. Broker: Dick Chapin, Chapin Enterprises

Liu lightens LA load

Arthur Liu's Multicultural Broadcasting is shedding one of its seven stations (six of them AMs) in the Los Angeles market. Howard Kalmenson's Lotus Communications Corp. will pay $750K for KWPA-AM Pomona, CA. The 1220 kHz facility is located in the hills west of downtown LA and doesn't have a city-grade contour overlap with either of Lotus' LA stations, KWKW-AM & KIRN-AM.

Those pennies add up

In conjunction with Regent Communications' pending IPO (RBR 12/6, p. 6), RBR had reported that current holders of Regent's publicly traded preferred stock (O:RGCIP) would receive accumulated dividends of 19 cents per share when their preferred shares are converted to common stock. As it turns out, that figure represented the accumulated but unpaid dividends as of 12/31/98. As of the end of this month, the accumulated dividends will total 54 cents and approximately 2.9 cents will accrue monthly until the IPO takes place.

RBR's deal digest

Grant Chang's JMK Communications, which recently bought WPWC-AM south of Washington, DC. is now paying $900K to add WTRI-AM Brunswick, MD northwest of DC. The seller is Alfred Hammond's Capital Broadcasting Corp. Broker: Bruce Houston, Blackburn & Co.... In order to clear the way for its purchase of KFXJ-FM (RBR 12/6, p. 14), Journal Broadcast Group is selling off two of its Boise market stations, KSRV-AM & FM Ontario, OR, to Horizon Broadcasting Group, a new company formed by Bill Ackerley, Keith Shipman and Dan Walker. Broker: Kalil & Co... Brad Olson's G.O. Broadcasting is selling KLRX-FM Ames, IA to James McBride's LifeStyle Communications Corp. for $1.5M. Broker: Jerry Johnson, Johnson Communication Properties... Steve Dinetz's, Carl Hirsch's and Skip Weller's NextMedia is adding Salt Broadcasting's KTHX-FM & KRZQ-FM Reno.

Sorenson Broadcasting

Pierre, SD
KCCR-AM & KLXS-FM
Yankton, SD
KYNT-AM & KKYA-FM
Watertown-Milbank, SD
KWAT-AM, KIXX-FM, KDLO-FM & KKSD-FM
Volga-Clear Lake, SD
KJUQ-AM, KKQQ-FM & KDBX-FM
Mitchell, SD
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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.

$189,600,000 36 stations in 11 markets (RBR 11/1, p. 14) from Broadcasting Partners Holdings and its various subsidiaries and affiliates (VSA Communications Partners, Jeffrey Stevenson, Lee Simonson) to Citadel License Inc. (Larry Wilson), a subsidiary of Citadel Communications (O:CITC). $12M letter of credit as escrow, $185M in cash at closing. Additional $3.85M if BPH has completed its acquisition of WVVE-FM Stonington-New London CT prior to closing and $750K if BPH has completed its acquisition of WHLD-AM Niagara Falls-Buffalo NY prior to closing. Numerous superduopolies.

$6,100,000 WRTK-AM, WBBG-FM, WICT-FM & WTNX-FM Youngstown OH (Youngstown OH-Grove City-Shapsville PA) from Youngstown Radio License LLC, a subsidiary of GOCOM Communications (Bain Capital, Richard Gorman) to Citicasters Co. (Randy Michaels), a subsidiary of Clear Channel Communications (O:CCU). $125M letter of credit as escrow, $185M in cash at closing. Additional $3.85M if BPH has completed its acquisition of WVEE-FM Stonebridge-New London CT prior to closing and $750K if BPH has completed its acquisition of WHLD-AM Niagara Falls-Buffalo NY prior to closing. Multiple daisy chain superduopolies with Clear Channel stations in the Youngstown and Cleveland markets. LMA since 9/20.

$4,700,000 WILN-FM & WYYX-FM Panama City FL (Panama City-Bonifay FL) from Jack Messmer & Dave Seyler from Empire Broadcasting System LLP (Donald Cavaleri, Steven Kushner, Burt Baumgartner) to NextMedia Group LLC (Steven Dinetz, Carl Hirsch, Samuel Weller). $4.7M cash. Superduopoly with WDLP-FM, WPCF-FM & WYOO-FM. LMA since 11/1. Broker: Media Services Group.


$162,400 KKSI-FM & KRKN-FM Eddyville-Eldon IA, 26% stock sale of 0-Town Communications Inc. from Donald Linder (25% thereafter) to Bruce Linder (35% thereafter). $162.4K cash. Note: The remaining 40% is owned by Greg List. Existing duopoly.

$51,000 WWZQ-AM Aberdeen MS from J.D. Buffington to Stanford Communications Inc. (Ed & Theresa Stanford). $51K cash. Note: No contour overlap with the buyer's WAMY-AM Amory MS, although it does overlap WAFM-FM Amory MS.

N/A KKJM-FM St. Cloud MN from DeNovo Partners LP (Andrew Hilger & family) to Gabriel Communications Company, St. Cloud (Monsignor David Taufen, CEO), wholly owned by The Diocese of St. Cloud. Donation.

N/A WAMQ-AM Laurel, Mississippi from Pine Belt Broadcasting Inc. (Gerald Williams) to Walking by Faith Ministries Inc. (James L. Black, pres.). Donation to non-profit organization.

N/A KBBG-FM CP (89.4 mHz) Montevideo MN from Southpoint Educational Radio Inc. (Rusty Benson, sec.) to American Family Association (Donald Wildmon, pres.). Transfer for non consideration.
PopMail.com tops 1M mark

PopMail.com Inc. (O:POPM) announced that its e-mail marketing operation had topped 1M members. "We are extremely pleased that this significant milestone has been achieved ahead of schedule," said CEO Stephen King.

PopMail operates affinity- and permission-based e-mail marketing efforts for some 650 affiliates—radio and TV stations, professional sports teams and leagues, newspapers, syndicated TV shows and Madison Square Garden. Radio affiliates include stations from the ABC, Emmis, Sunburst and AMFM groups. Also, veteran broadcaster Frank Wood recently joined PopMail.com's board of directors.

PopMail announced net sales of $3.5M for its latest fiscal quarter, the 13 weeks ended 10/3/99, a gain of 41% from net sales of $2.5M a year earlier. The company reported a loss attributable to common shareholders of $6.3M, or 51 cents per share, compared to a loss of $986K, or 12 cents per share, in the same period of the prior year.

12/20/99 RBR
Citadel Selects Scott Studios as “the Best” Digital System

Citadel Communications Corp., one of America’s top 10 radio groups in 1998 revenues, selects Scott Studios Corp. as its sole supplier of on-air digital audio delivery systems for its 124 radio stations and future acquisitions.

“We thoroughly investigated all of the competitive digital air studio systems and decided upon the best one,” says Larry Wilson, CEO of Citadel Communications. “Our regional Presidents and Vice Presidents of engineering and programming spent nearly a year analyzing different options. While no system or manufacturer is 100% flawless, it became obvious to us that Scott Studios is the very best. Their long history of excellent service commitment, the quality of their digital studio products and competitive pricing were our primary reasons for selecting Scott Studios.”

Dave Scott, CEO of Scott Studios Corp. says, “It’s an honor to be Citadel’s sole digital audio vendor and take their other brands as trade-ins on our new equipment. Our systems are designed by announcers, for announcers.”

“Of Scott’s 61 employees, 43 are former jocks and PDs with 700 years collective radio experience. Competitors work more from the engineer’s perspective, although we have 20 former chief engineers on staff also. Scott Studios’ digital fits DJs like a glove.”

After adding five Oklahoma City stations and other pending purchases, Citadel will own or operate 124 radio stations in 23 mid-sized markets such as Providence, Salt Lake City and Albuquerque.

Citadel is well known across the country for attaining topnotch competitive programming success, and the addition of Scott Studios announcer friendly technology will help Citadel announcers deliver superior information, entertainment and service to their 8,000,000 + weekly listeners.

Citadel’s stations are not the only ones who choose Scott: More U.S. radio stations use Scott Studios’ than any other digital system, with 5,046 Scott digital workstations in 2,202 U.S. stations. Nine of the ten top-billing groups have Scott Systems.

Scott Systems are the easiest to use! They’re intuitive, straightforward, simple, yet the most powerful!

Scott Studios is famous for our uncompressed digital systems at a compressed price, (but we work equally well in MPEG and MP3). Scott Studios’ audio quality is the very best and plays on laptops or PCs with ordinary sound cards. We pre-dub your startup music library free. Your PD can auto-transfer songs digitally in seconds with a CD-ROM deck in his or her office.

Scott gives you industrial quality 19” rack computers, but nothing is proprietary: functional equivalents are available at computer stores. You also get 24 hour toll-free tech support! Scott also lets you choose your operating system: Linux, Novell, NT, Windows, DOS or any combination. You also choose from three systems: Good, Better, Best. One’s right for you!

The Scott System 32 (pictured at the upper right) is radio’s most powerful digital system. Your log is on the left side of the LCD touch screen. Instant access Hot Keys or spur-of-the-moment “Cart Walls” are on the right with lightning-quick access to any recording. Phone calls record automatically and can be edited to air quickly. You can also record and edit spots or voice tracks in the air studio or go on the air from production.

Options include seamless redundancy, self-healing fail-saives, newsrooms, 16-track editors, time and temperature announce, and auto-transfer of spots and voicers to distant stations over WAN or Internet. Check our web site and call us toll-free.

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