

## RADIO NEWS

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## FCC unleashes LPFM

Bending to thousands of letters it has received requesting the creation of a new radio service, the Federal Communications Commission has opened the airwaves to community groups, churches, schools and others by approving a new class of LPFM stations last week (1/20).

In a 4-1 vote, the Commission has stated that it hopes to bring new voices throughout the band, 88-108 MHz, that have been lacking since Congress relaxed ownership restrictions in the 1996 Telecom Act.

The new, non-commercial stations will operate on the FM band only. The agency had said earlier in the week that the AM band was too congested to shoehorn-in thousands of low-watt stations. There will be two classes: LP100 (50-100 watts) and LP10 (1-10 watts).

Critics of LPFM have complained that the FM band is too full to accommodate the new service without interference, but the FCC has opted to relax 3rd-adjacent channel protections for LPFM (but not full-power stations) to make room for LPFM stations.

The original Rulemaking for LPFM had proposed eliminating 2nd-adjacent channel protections.

What was not approved during last week's vote was the creation of a third class of stations: 1,000 watts. Full-

power stations currently run between 6,000 and 100,000 watts.

But this is not merely "a miniature replica of a full-powered station," said Commissioner **Susan Ness**, referring to the "special characteristics" of the service. The LPFM stations will be non-commercial and licenses will be non-transferable. Local ownership is required for the first two years, and during that time, the licensee cannot own another LPFM station. After the initial two-year period, the licensee may own up to five stations nationwide, and after three years, up to 10 nationwide. Unlike a license for a full-power station, the LPFM license will be good for eight years and will be awarded by a point system.

The plan has received criticism from full-power broadcasters who fear that the LPFM service will cause interference to their existing signals. But Chairman **Bill Kennard** said that he feels confident that the service would not harm full-power stations. In fact, the plan allows LPFM stations to receive interference from full-power stations.

The NAB, which conducted its own study last year and found LPFM would indeed cause interference, blasted the FCC for choosing the advancement of "social engineering" over spectrum integrity. The NAB plans to "review every option to undo the damage

### Demand heating up

January is pacing only slightly ahead of last year, but demand for February and March is already far ahead of last year's torrid pace, according to **George Nadel Rivin** of Miller, Kaplan, Arase & Co.—JM

### RBR/Miller Kaplan Market sell-out percentage report

|                | 2000         | 1999         |
|----------------|--------------|--------------|
| <b>Jan. 15</b> | <b>73.6%</b> | <b>73.2%</b> |
| <b>Feb.</b>    | <b>61.3%</b> | <b>54.1%</b> |
| <b>Mar.</b>    | <b>45.3%</b> | <b>37.1%</b> |

caused by low-power radio," said CEO **Eddie Fritts** in a statement.

The only no vote on Thursday came from Commissioner **Harold Furchtgott-Roth** who decried the action as "entirely irresponsible" and a rush to judgment.

"Perhaps there is a demand for lower power non-commercial stations," he said during the open meeting. "Theoretically, however, any such demand could be met by the dispensation of licenses within our existing rules—i.e., by giving out 101-watt licenses consistent with the 100 watt minimum requirement."

Commissioner **Michael Powell**, who voted yes but dissented in part, also called the plan rushed and sug-

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gested that the FCC started with an experimental period first. He said the Mass Media Bureau should have licensed a few LPFM stations on a temporary basis and then analyzed those stations for "real world impact of signal interference."

Low-power FM received mixed reviews from Capitol Hill with Rep. **David Boinor** (D-MI) lauding the service as a way to "to ensure that diverse interests have opportunities to express themselves at different levels, and that they are not locked out in a monopolistic fashion by large media conglomerates. It is as fundamental as free speech."

Montana Senator **Conrad Burns** (R) announced that he was disappointed "at both the substance and the timing of the FCC's reckless decision...The fact of the matter is that this initiative basically legalizes pirate radio stations.

According to FCC officials, the new LPFM plan allows pirate radio operators to apply for an LPFM license as long as they stopped broadcasting at the time that they were informed by the Enforcement Bureau that the broadcasts were illegal. If they continued broadcasting, but did eventually stop after FCC action, they may apply for an LPFM license 10 years after their last broadcast.

FCC officials said last week that they plan to accept applications for LPFM stations sometime in May. In the meantime, the Mass Media Bureau will be putting together a handbook to help new entrants understand the qualifications for a license and what to expect once awarded a license.

But all may not go as planned because there is still one item looming over the FCC's head: legislation drafted earlier this year by Rep. **Mike Oxley** (R-OH) would void any LPFM license that the Commission has issued (H.R. 3439) and would bar any future licenses.

NAB's Spectrum Integrity Task Force is planning a conference early this week in order to discuss LPFM, **Bruce Reese**, Bonneville CEO and the Task Force's Chairman, informed *RBR*. "I think this is a bad decision. I think it ignores the weight of the evidence that's been introduced. It could have been a lot worse decision, but it's still a bad decision," he said.—TS

## Religious broadcasting battle escalates

FCC Chairman **Bill Kennard** (D) is facing more heat from Capitol Hill for the Commission's recent decision which established a new standard for educational content on Religious stations operating on reserved non-commercial channels (*RBR* 1/17, p. 4). Rep. **Billy Tauzin** (R-LA) sent Kennard a letter asking for the Chairman's response to 33 questions on the decision to require at least 50% of programming to deal with educational topics. Tauzin, Chairman of the House Telecommunications Subcommittee also wants answers from the other four FCC Commissioners.

"Frankly, I do not understand how the new policy can possibly be squared with our nation's traditional commitment to freedom of religious expression," Tauzin wrote.

Meanwhile, the deal which led to the new standard has been derailed by the FCC decision. The Pittsburgh *Tribune-Review* reports that Cornerstone Television has cancelled the deal which would have had it purchase an educational TV station for its Religious programming and sell its current commercial channel to Paxson Communications (A:PAX).—JM

## EEO: Round two

Also last Thursday (1/20), the FCC adopted revised rules to help minorities receive an opportunity to be interviewed for positions in the broadcasting industry.

The original EEO rules were struck down by a federal court in 1998, which ruled that the 30-year-old policy did not serve a compelling interest by requiring broadcasters to keep race-related statistics in order to qualify for a license renewal (*RBR* 4/20/98, p. 3).

The revised rules, adopted in a 4-1 vote with Commissioner **Harold Furchtgott-Roth** dissenting, still require record-keeping of such statistics but will not become a factor in a license renewal decision. The Order also announced a Commission goal of zero tolerance by prohibiting discrimination on the basis of race, religion, color, gender or national origin.

The new rules offer broadcasters two options to inform the public about job openings: 1.) Send job vacancy announcements to recruitment organizations that request them and select from a menu of non-vacancy-specific outreach approaches, such as job fairs, internships and interaction with local groups; 2.) Design their own outreach program and maintain records concerning the recruitment sources, race, ethnicity and gender of applicants so they can monitor the effectiveness of the outreach efforts.

Commissioner **Gloria Tristani** dissented from part of the order, criticizing the fact that the Commission will only require statistics on the applications that broadcasters receive and not about the group of applicants that they actually interviewed. The original rules had required employers to submit statistics on those that had applied, interviewed and then got hired for the job.

The Order also allows religious broadcasters to establish religious belief or affiliation as a job qualification for all station employees. Stations with fewer than five full-time employees will not be required to keep EEO records.

Chairman **Bill Kennard** applauded the Order, saying that it advances his top priorities: prohibiting discrimination in hiring and promoting diversity on the airwaves. "And while I am pleased that we are moving ahead, I had hoped we could do more...Simply tracking who applies for a job only gives you part of the picture," he said, echoing Tristani's sentiment.

**David Honig**, Executive Director of the Minority Media and Telecommunications Council, held a separate press conference after the Commission's meeting to voice his organization's pleasure with the reinstated EEO rules: "Today the Chairman has delivered and shown that we were right in believing that he was up to this very difficult job of turning around an agency on this most important issue of public policy."—TS

## LPFM: A fraud on the nation

**Bill Kennard** and his Democratic allies on the FCC have the votes to pass any regulation they wish, so why did Kennard feel compelled to lie to get his way on low-power FM?

First he ordered up a phony technical study from the FCC's engineers to prove that LPFM wouldn't cause additional interference—a study carefully crafted to avoid testing receivers similar to the vast majority of those in use by the public.

Then the Chairman insisted time and again that he would never do anything which would jeopardize the technical integrity of the FM band.

Perhaps most shocking, though, is the lie that came from Kennard in a Reuters interview just a day before the LPFM vote: "The NAB wants to rewrite the laws of physics. They want to have one set of rules for the incumbent commercial broadcasters and another for the low-power FM crowd."

Kennard wouldn't have dared to

make such a statement to a reporter familiar with the LPFM dispute, since it so obviously stated the precise opposite of the truth.

From the beginning, broadcasters have sought to preserve the existing technical rules—for themselves, for translators and for any LPFM service, however unneeded, that the FCC might institute. It has been Kennard and his cohorts who have consistently put politics ahead of physics to force through their agenda. It is now LPFM which has special technical dispensation—freedom to cause unlimited interference to stations on the 3<sup>rd</sup>-adjacent channel.

At least Commissioner **Gloria Tristani** has been honest about her view on the technical impact of LPFM: She just doesn't care. Interference be damned, just create more stations so every church, community group, ethnic/racial minority or woman who wants one can have a

radio station. (We can only be thankful that she isn't running the FAA!)

It's not likely that Kennard will suffer any penalty for his lies and misrepresentations—and may in fact be put in line for a higher position in an **Al Gore** administration. Rather, those who will pay the price are likely to be those he purports to be helping—local non-profit organizations and the listening public. As the Corporation for Public Broadcasting (which had no stake in the outcome of the LPFM decision) pointed out in its comments, non-commercial LPFMs are likely to fail because the small audiences they serve will not be able to support them financially. Meanwhile, the public at large will have fewer listening options, because the interference area of each LPFM will be greater than its service area.

The only winners may be the satellite radio services which plan to begin operating in about a year. Kennard's attempts to destroy FM may drive listeners away from local radio (both full- and low-power) and into the arms of the new national services.—JM

## Big Apple booked big bucks in '99

Ad revenues for the New York radio market rose 19.5% in 1999 to a record \$693M, according to New York Market Radio (NYMRAD) and Miller, Kaplan, Arase & Co. Local sales rose 17.9% to \$563.9M and national business gained 26.9% to \$129.1M.

Even before the final numbers were in, there was plenty of celebrating at NYMRAD's 16<sup>th</sup> annual holiday party. Whooping it up were (l-r) **Jim Condran**, Marketing Dir., WLTW-FM; **Maureen Manion**, Associate Broadcast Dir., Bates USA; **Lisa Kleinman**, Associate Media Dir., Hill Holliday; and **Adam Schorr**, Account Exec., WTJM-FM.—JM



## FCC database corrupted?

The FCC's new AM and FM databases—the Consolidated Database System—are having problems, say engineers and tech companies that use the website.

"The database may be corrupted. **Bill Ball** [Engineer at the Audio Services Division] at the FCC was telling me, 'It's like 1956—we're going into the paper files for information right now,'" **Peter Moncure**, President, RadioSoft, told *RBR* 1/19.

"I'm working on a conversion program, but there's been some things here," Ball told *RBR*.—CM

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# BuyMedia.com Performance Review

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### McCain tax plan targets ads

A little-noticed provision of GOP Presidential hopeful Sen. **John McCain's** (R-AZ) tax reform plan would re-ignite a battle over tax deductibility of advertising expenses. Under current law, ad spending is deductible as a business expense for the year in which the spending occurred. Under McCain's plan (page 32 of his 33-page "21st Century Family Security Plan"), advertisers would be required to depreciate the cost of advertising over an unspecified number of years. That same idea was floated several years ago by the **Clinton** White House, but died under a heavy barrage of criticism from advertisers, ad agencies and ad-supported media.

The reduction in ad deductibility is included in a section in which McCain vows to "eliminate the numerous inequitable and unnecessary corporate and special interest loopholes, subsidies and set-asides that make the tax code a 44,000-page catalogue of favors for special interests and a chamber of horrors for the rest of America."—JM

### BE launches "eSTREAM"

Broadcast Electronics (BE) announced (1/18) "eSTREAM," a streaming audio hardware/software processor. eSTREAM's simultaneous integration with several streaming media servers at one time allows live webcasts without sacrificing sound quality. The PCI audio processing card removes the burden of analog to digital processing from the computer's CPU.—CM

### Two in a row for Disney

It's not an honor the company will brag about, though. *BusinessWeek* magazine has again named the board of directors of The Walt Disney Co. (N:DIS) as "worst in America." The publication says CEO **Michael Eisner** is under pressure from large institutional investors to add independent directors on the board.

Disney has been criticized for years for filling its board with Eisner's buddies, rather than outsiders who might question some of his decisions.

No other radio owners made BW's list of the 25 best and worst boards, although NBC-TV owner General Electric (N:GE) was numero uno on the best list.—JM

### Former chairman defends McCain

The 1/7 *Washington Post* editorial criticizing Arizona Senator and GOP presidential hopeful **John McCain's** letters to the FCC requesting that the agency take prompt action on a Pittsburgh television deal (see page 3) was "way off base," says **Reed Hundt**, a former Democratic chairman of the FCC (1993-1997).

Hundt sent his letter to *The Post* last week, indicating that he also received numerous letters and phone calls from McCain and other members of Congress during his tenure as FCC boss but found nothing objectionable in those communications.

"What is wrong is for an elected official to adopt a point of view about a matter because of financial contributions," he writes, adding, "If you think John McCain's opinions and actions can be bought, your opinion flies in the face of all my experience of the man."—TS

### Belo files against Viacom/CBS merger; CBS to return the volley

Brought up at the latest NAB board meeting in Palm Springs earlier this month, Belo Corp. (N:BLC) has filed a letter 1/6 with the FCC against the CBS-Viacom divestiture period. "We filed an informal letter objecting to the breadth of the divestiture period that CBS-Viacom has asked for—a two year period to meet the dual network and national ownership cap rules," **Michael McCarthy**, Belo's EVP/General Counsel, tells *RBR*.

The CBS-Viacom merger needs to bring the 41% market ownership that would occur down to 35% (*RBR* 9/13/99, p.2; 9/27/99, p.2), and the combined company could only own one national network. "It's our belief that it is overly long period and the Commission should not wait the two years," added McCarthy. "It's beyond what the Commission has granted in these sort of situations and our letter describes other situations where the Commission will accommodate a larger transaction by a six, nine or 12 month period. Our lawyers couldn't find any precedent in support of this and in our

view, the Commission should not create any groundbreaking precedents."

McCarthy speculates that the two years was asked for in order for a change in the rules or waiver to be issued: "We've specifically said they shouldn't allow them to seek a change in the rules, probably with Congress [i.e. The **McCain** Bill—*RBR* 9/20/99, p.2]. Our view is this is a job for the Commission to do and if the rules are going to be changed, it should be done by rulemaking, not by permitting waivers that gut the rules."

Belo CEO **Robert Decherd** personally signed the letter.

CBS will soon be issuing its own filing that "will be responsive to some of the issues...raised," an industry source told *RBR*. Stay tuned.—CM

### Westwood One about to announce streaming deal

The first sign of **Mel Karmazin** easing the no-streaming edict? Industry sources close to Westwood One (N:WON) have confirmed that a streaming partnership for "some" of the network's programming has been shopped around and is close to being signed. "[They] don't have anything done yet. It could be Q1, it could be two weeks, it could be six months," the source said. WebRadio.com was named as one of the potential contractors.—CM

### Kennard announces goals for 2000

Implementing low-power FM and EEO rules are at the top of Chairman **Bill Kennard's** priority list for 2000, he announced last week (1/19) during a news conference at the Portals Building.

"[B]oth of (these) will increase the access of Americans to the airwaves," he said. Kennard has made known that his main goal as chairman is to promote diversity in the telecommunications industry.

But reporters at the meeting were more interested in hearing his thoughts about industry consolidation as a result of the 1996 Telecom Act.

"Congress made a decision in 1996 to dramatically deregulate the own-

ership restrictions in this [industry]," stated Kennard, "And that is the decision Congress made and we are duty-bound to implement it." He added that his agency is using other methods, such as LPFM, to bring more voices to the airwaves and ease the effect of media consolidation.

The Chairman also said that his agency is exercising caution in terms of relaxing more ownership rules because "we cannot over react and deregulate everything...rules have been put in place by Congress, the Supreme Court and this agency because they preserve long cherished values about the multiplicity of voices in the media."

The Commission is working on the possibility of a new Licensing Bureau, Kennard announced near the end of his speech. "It's part of my vision that we need to organize the FCC along functional lines...if we can create a licensing bureau to consolidate all of the licensing functions, we can truly make this one stop shopping."—TS

### Top media executives' short term outlook

Interep's latest survey of top media executives nationwide found that three factors will continue to drive change in the business of buying and selling media, at least in the next two to three years. The first is consolidation, both within the advertising industry and the broadcast industry. The second is the continuing fragmentation of media outlets and lastly, the Internet.

These three factors combined create an environment in which media buyers and sellers must become increasingly well-informed and well-connected to deal with the complexities of these changes. 73% of those surveyed believe that media departments must expand and 33% say there is a greater need for point-persons such as a national rep for negotiating multiple properties.

Despite identifying consolidation as one of the key factors influencing the media landscape, few are expecting many multi-media sales deals. Those interviewed cited that buyers and sellers are simply not

equipped at this time to handle total media packages.

Most executives believe that network TV and newspapers will continue to lose share in the coming years. But other media including the Internet, cable TV, outdoor and radio—will continue to gain share. For the Internet, executives see three areas that could influence the media landscape. First, the Internet as an advertising medium; second, the Internet as a source of additional revenue for media through dot-com advertising; and lastly, the Internet as an electronic communication medium.

Despite executives welcoming the use of the Internet as a way to buy and sell media, many believe the rep firms will still play an important role. As one respondent says, "I want to see the technology improve without sacrificing the human side of the business in the negotiation and sales process."—KM

### GM sells Hughes Satellite to Boeing; Hughes keeping XM stake

In a deal worth \$3.75B, Boeing (N:BA) announced (1/13) it is acquiring the satellite portion of Hughes Electronics (N:GMH)—Hughes Space and Communications—from GM (N:GM), as part of its ongoing plan to diversify into the space industry—it already makes satellite launch rockets. This deal, expected to close by June, launches Boeing into first place for global commercial satellite production.

How will this affect XM Satellite Radio (O:XMSR)? Not much. XM's satellite construction contract is with Hughes and won't be affected when Boeing Satellite delivers the payload. GM, which has a deal to put XM receivers in its vehicles (*RBR* 6/14/99, p.2), is keeping its 26.9% investment in XM. DirecTV, owned by Hughes Electronics, keeps its 15.5% stake (part of GM's 26.9%). Hughes Electronics will keep 27% of American Mobile Satellite Corp. (O:SKYC), which owns 37.4% of XM Satellite Radio. The last of XM's big investors: Clear Channel (NCCU), with 27.4%.—CM

## RBR News Briefs

### Jim Rome invades Tampa

Premiere's #1 national Sports personality **Jim Rome** made Tampa Bay his "Tour Stop #19," arriving at the Ice Palace Saturday, 1/22. His live appearance in front of thousands of fans was joined by **Ray Buchanan** of the Atlanta Falcons, **Fred McGriff** of the Devil Rays, **Rick Dudley** of the Tampa Bay Lightning and **Terrell Buckley** of the Miami Dolphins. The free event was sponsored by affiliate WDAE-AM and Budweiser. Tour Stop #20 hits Sacramento on 2/19.—CM

### Premiere opens Atlanta office

**Mary Beth Cardoni**, former Weather Channel account exec. and Metro Networks National Director of Sales, has been named Sales Manager for Premiere's new Atlanta office. Reporting to Premiere Southern Region Sales Manager **Scot Herd**, Cardoni covers Tennessee, Georgia, North Carolina, South Carolina, Mississippi and Alabama.—CM

### WAGG-AM fined for no consent

**Frank Matthews**, talk show host on Birmingham, AL's WAGG-AM, called the home of city council member Dr. **Jimmy Blake**. Blake was not home but his wife was and answered the phone. Matthews informed **Mary Anne Blake** that he wanted "to talk to her live on the radio" and proceeded to ask her a question about her marriage. Mrs. Blake learned a week later that the conversation aired without her consent. The FCC has levied a \$4,000 fine against the station, stating that the rule says you must notify the party *before* recording a conversation.—TS

### OneOnOne to present award at March of Dimes 2000

The official radio partner and new sponsor of the March of Dimes 2000 National Athletic Awards, OneOnOne Sports will present the inaugural Socrates Award at this year's ceremony 1/31 at Detroit's Fox Theater. The Socrates award, picked by OneOnOne listeners and hosts, goes to the college athlete who best embodies "mens sana in corpore sano," or "strong mind in a strong body." **Drew Brees** of Purdue University gets the honor.—CM

### NBG opens LA office

NBG Radio Network announced the opening of its LA sales office 1/13, to handle increased network business and sales for its integrated kiosk (*RBR* 9/27/99 p.3) and Internet operations. Former Z-Five-O Radio President **Judd NeSmith** heads the office.—CM

## Radio stocks ended 1999 at record heights

THE WALL STREET JOURNAL

RADIO NETWORK

By Jack Messmer

What began with expectations of being no more than a good year for radio stocks—and, for that matter, for stocks in general—turned into a red-hot year for Wall Street in general and for radio stocks in particular.

The reason? One word: Internet.

Internet stocks skyrocketed, posting triple-digit percentage gains as dot-com company after dot-com company priced IPOs and watched as their stock prices shot skyward. Never mind that most of these companies had little revenues, no cash flow and rapidly inflating quarterly losses. The web was hot and every millionaire, cab driver and college student was opening an E\*Trade account to join in the national obsession with Internet stocks.

Radio got a windfall from the euphoria (in cash, without the risk of buying the dot-com stocks) because the newbie web stocks (and IPOs in waiting) had to draw eyeballs to their Internet sites. Some of the dot-com advertising went to TV, cable, outdoor and even the most overpriced and ineffective media of them all—newspapers. But the biggest shares of the dot-com ad buys went to the most targeted media—magazines and radio.

Meanwhile, the economics of consolidation were making the quarterly reports from radio groups ever more attractive—particularly in contrast to the sorry story being told by TV groups. The dot-com business was just icing on the cake—more upward pressure on rates being driven higher by strong demand from traditional radio advertisers.

### Triple-digit gains

Even without the 300%+ one-day gains of some of the hottest Internet stocks, the performance of radio stocks was impressive by any measuring stick.

Quarterly Stocks Continued on p. 10

### 1999 radio stock performance by category

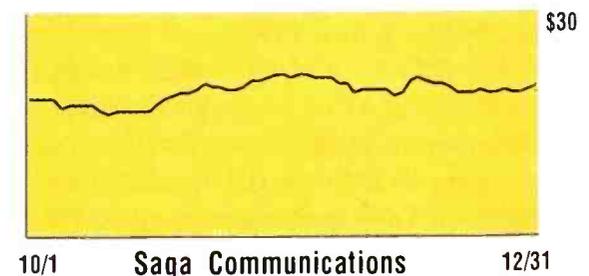
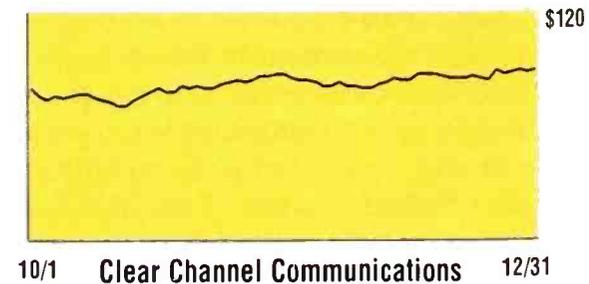
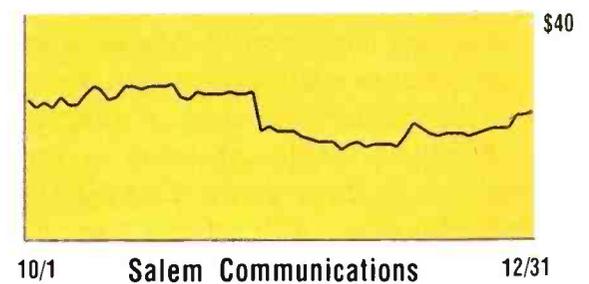
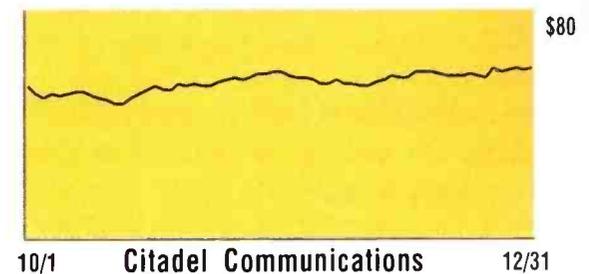
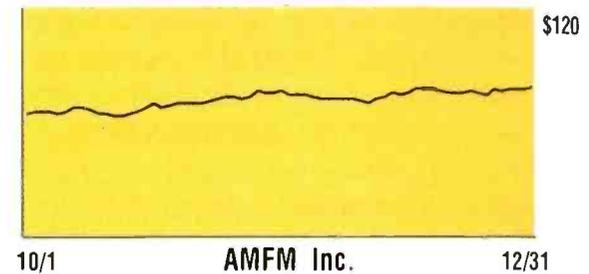
|                 | 12/31/99 | 1999    | 1999    |
|-----------------|----------|---------|---------|
| Radio Companies | Close    | Net Chg | Pct Chg |
| Cumulus         | 50.750   | 34.125  | 205.26% |
| Citadel         | 64.875   | 39.000  | 150.72% |
| Cox Radio       | 99.750   | 57.500  | 136.09% |
| Hispanic Bcg.   | 92.219   | 42.969  | 87.25%  |
| Regent Pfd.     | 12.500   | 5.500   | 78.57%  |
| AMFM Inc.       | 78.250   | 30.375  | 63.45%  |
| Infinity        | 36.188   | 8.813   | 32.19%  |
| Saga Commun.    | 20.250   | 3.850   | 23.48%  |
| Big City Radio  | 4.750    | 0.688   | 16.92%  |
| Alliance Bcg.   | 0.250    | -0.750  | -75.00% |

|                   | 12/31/99 | 1999    | 1999    |
|-------------------|----------|---------|---------|
| Radio IPOs        | Close    | Net Chg | Pct Chg |
| Am. Comm. Ent.    | 1.875    | 1.625   | 650.00% |
| Radio One         | 92.000   | 68.000  | 283.33% |
| Entercom          | 66.250   | 43.750  | 194.44% |
| Spanish Bcg. Sys. | 40.250   | 20.250  | 101.25% |
| Radio Unica       | 28.875   | 12.875  | 80.47%  |
| Salem Comm.       | 22.625   | 0.125   | 0.56%   |

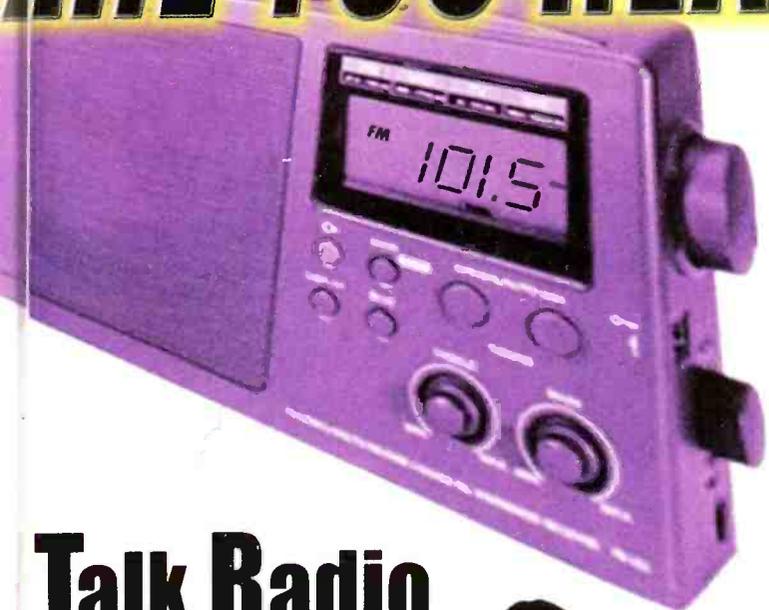
|                       | 12/31/99 | 1999    | 1999    |
|-----------------------|----------|---------|---------|
| Radio Rep Company IPO | Close    | Net Chg | Pct Chg |
| Interep               | 13.375   | 1.375   | 11.46%  |

|                    | 12/31/99 | 1999    | 1999    |
|--------------------|----------|---------|---------|
| Radio Networks     | Close    | Net Chg | Pct Chg |
| Westwood One       | 76.000   | 45.500  | 149.18% |
| NBG Radio Networks | 3.094    | 0.969   | 45.59%  |
| Triangle           | 0.020    | -0.012  | -37.50% |

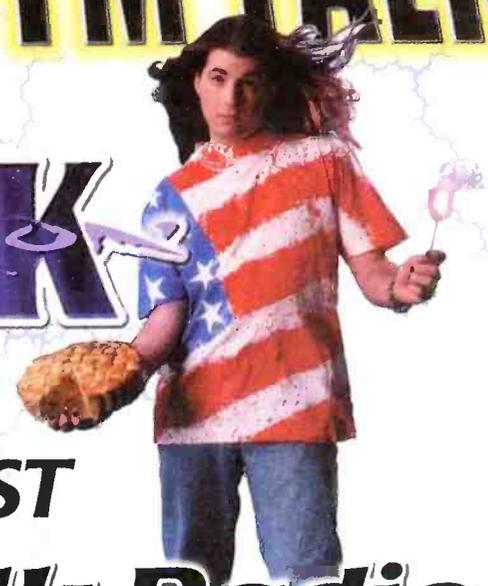
|                   | 12/31/99 | 1999    | 1999    |
|-------------------|----------|---------|---------|
| Radio Network IPO | Close    | Net Chg | Pct Chg |
| Launch Media      | 18.938   | -3.063  | -13.92% |



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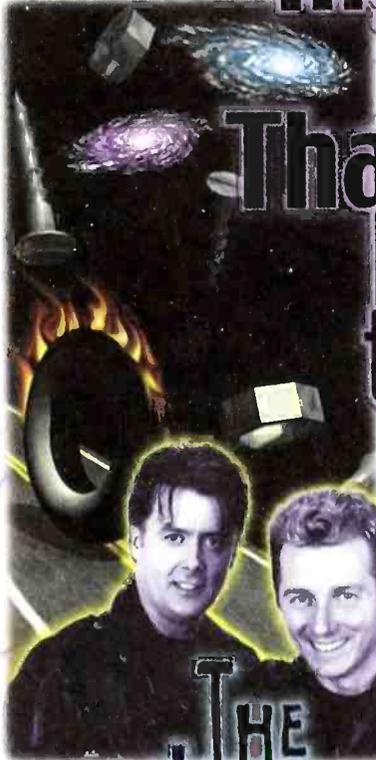
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Quarterly Stocks Continued from p. 8

Among companies already public as the year began, Cumulus Media (O:CMLS) led the parade with a 205% stock price gain as the company proved that it could deliver on its claims that consolidation economics would work in small markets as well as large ones. No longer "that new guy in Milwaukee," **Richard Weening** and his partner, second-generation broadcaster **Lew Dickey Jr.**, made believers of fellow group owners and Wall Street analysts.

Also turning in triple-digit gains were **Larry Wilson's** Citadel Communications (O:CITC), up 151%, and Cox Radio (N:CXR), headed by **Bob Neil**, which gained 136%.

Three more radio companies made their initial public offerings in Q4. Shooting skyward like one of the dot-com stocks was **Dain Schult's** American Communications Enterprises (O:ACEN), which has proclaimed that it will become the "Radio Wal-Mart" with 400 stations in tiny markets. The company is 1% of the way to that goal with four stations, but its stock is already up 650% from November when it began trading at 25 cents.

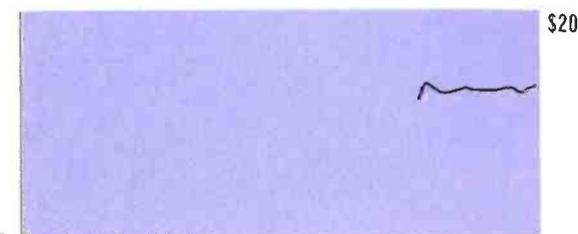
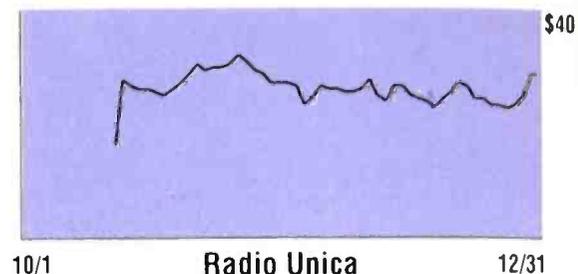
Long-established Hispanic group owner **Raul Alarcon Jr.** finally took his company public and the stock of Spanish Broadcasting System (O:SBSA) shot up 101%. Also doing well was Spanish Talk specialist Radio Unica (O:UNCA), headed by former TV executive **Joaquin Blaya**, whose stock rose 80%.

Two IPOs from earlier in the year continued to advance. **Cathy Hughes' and Al Liggins' Urban specialist Radio One (O:ROIA)** rose 283% by year's end. **Joe and David Field's Entercom (N:ETM)**, which had kicked off the year's IPOs, ended 1999 with a gain of 194%.

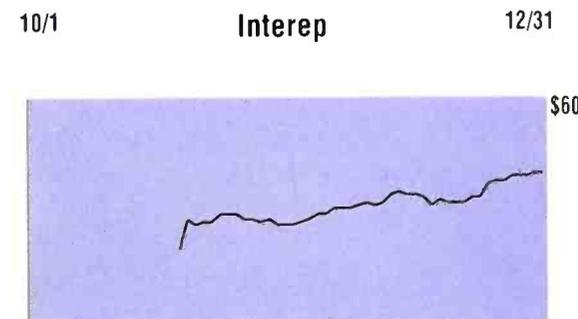
The only IPO disappointment was Salem Communications (O:SALM), the nation's largest Religious radio group. After selling their IPO 6/30/99 at \$22.50, **Ed Atsinger and Stuart Epperson** saw their stock price rise as high as \$31.125. But when the company surprised analysts with higher than expected Q3 spending on its Internet operations, the stock plunged as low as \$16.125 before recovering to \$22.625 as the year ended.

As its component stocks shot upward, so did The Radio Index™, the barometer of radio stocks compiled daily by Dow Jones Indexes for RBR

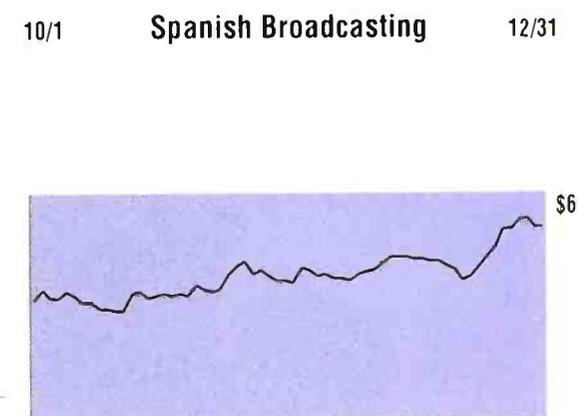
| Media Companies | 12/31/99<br>Close | 1999<br>Net Chg | 1999<br>Pct Chg |
|-----------------|-------------------|-----------------|-----------------|
| Emmis           | 124.641           | 81.266          | 187.36%         |
| CBS Corp.       | 63.938            | 31.125          | 94.86%          |
| Tribune         | 55.063            | 22.063          | 66.86%          |
| Clear Channel   | 89.250            | 34.750          | 63.76%          |
| New York Times  | 49.125            | 14.438          | 41.62%          |
| Gaylord         | 29.938            | -0.188          | -0.62%          |
| Ackerley        | 18.125            | -0.125          | -0.68%          |
| Disney          | 29.250            | -0.750          | -2.50%          |
| Belo Corp.      | 19.063            | -0.875          | -4.39%          |
| Hearst-Argyle   | 26.625            | -6.375          | -19.32%         |
| Sinclair        | 12.203            | -7.359          | -37.62%         |



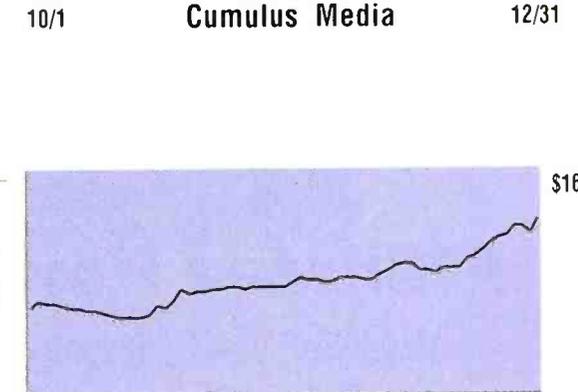
| Radio-related Companies | 12/31/99<br>Close | 1999<br>Net Chg | 1999<br>Pct Chg |
|-------------------------|-------------------|-----------------|-----------------|
| RealNetworks            | 120.313           | 84.438          | 235.37%         |
| SportsLine USA          | 50.125            | 34.563          | 222.09%         |
| Pinnacle Holdings       | 42.375            | 28.375          | 202.68%         |
| FTM Media               | 12.750            | 7.250           | 131.82%         |
| TM Century              | 0.625             | 0.313           | 100.00%         |
| WinStar Comm.           | 75.250            | 36.250          | 92.95%          |
| Crown Castle            | 32.125            | 8.625           | 36.70%          |
| DG Systems              | 7.125             | 1.563           | 28.09%          |
| Am. Tower               | 30.375            | 0.813           | 2.75%           |
| Fisher                  | 61.750            | -4.250          | -6.44%          |
| Jeff-Pilot              | 68.250            | -6.750          | -9.00%          |
| Harris Corp.            | 26.688            | -9.938          | -27.13%         |
| Ceridian                | 21.563            | -13.344         | -38.23%         |
| SpectraSite Hldgs.      | 10.875            | -18.690         | -63.22%         |



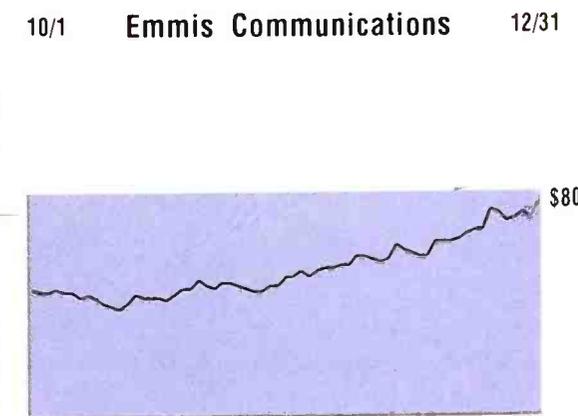
| Radio-related Company IPO | 12/31/99<br>Close | 1999<br>Net Chg | 1999<br>Pct Chg |
|---------------------------|-------------------|-----------------|-----------------|
| WarpRadio.com             | 4.625             | 1.750           | 60.87%          |



| Satellite Radio Company | 12/31/99<br>Close | 1999<br>Net Chg | 1999<br>Pct Chg |
|-------------------------|-------------------|-----------------|-----------------|
| Sirius Sat. Radio       | 44.500            | 10.250          | 29.93%          |



| Satellite Radio Company IPO | 12/31/99<br>Close | 1999<br>Net Chg | 1999<br>Pct Chg |
|-----------------------------|-------------------|-----------------|-----------------|
| XM Satellite Radio          | 38.125            | 26.125          | 217.71%         |



| Major Stock Market Indices | 12/31/99<br>Close | 1999<br>Net Chg | 1999<br>Pct Chg |
|----------------------------|-------------------|-----------------|-----------------|
| The Radio Index™           | 256.060           | 135.400         | 112.22%         |
| Dow Industrials            | 11497.120         | 2315.690        | 25.22%          |
| Nasdaq comp.               | 4069.310          | 1876.620        | 85.59%          |
| S&P 500                    | 1469.250          | 240.020         | 19.53%          |

and the Wall Street Journal Radio Network. The Radio Index gained 112% in 1999, more than five times the gain of the Dow Jones Industrial average and beating even the tech-heavy Nasdaq composite. Charts for all 16 current component stocks are presented on pages 8-11.

### Mixed results elsewhere

The second rep company IPO ever did not excite Wall Street, nor did it disappoint. **Ralph Guild's** Interep (O:IREP) did manage to post a gain of 11% by year's end.

Is it a radio network or an Internet company? In any case, Launch Media

(O:LAUN) managed to run counter to the up trend in both industries and lost 14% from its IPO price.

Among existing radio networks, Westwood One (N:WON) posted a triple digit gain with **Joel Hollander** at the helm, rising 149%. **John Holmes'** NBG gained a respectable 46% (which would have been terrific in a normal year). Penny stock Triangle Broadcasting (O:GAAY), whose gay/lesbian network may well have more people listening on the Internet than to its few radio affiliates, continued to founder as it prepared to merge with a former healthcare company, now Triangle Multi-Media (O:QBID), and fo-

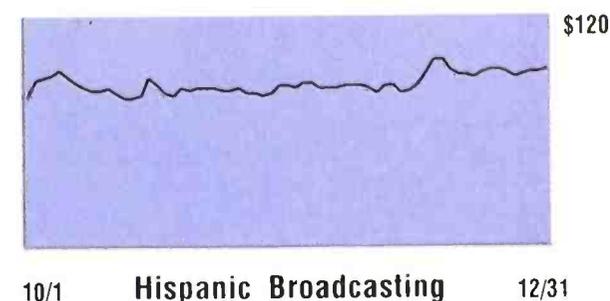
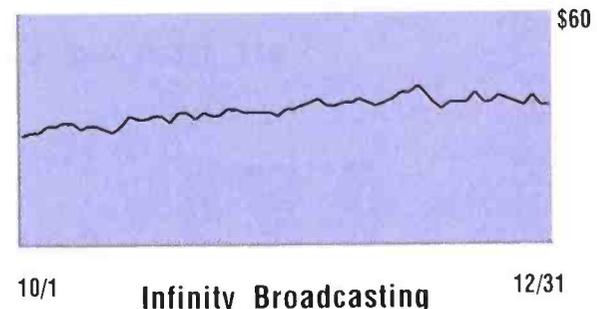
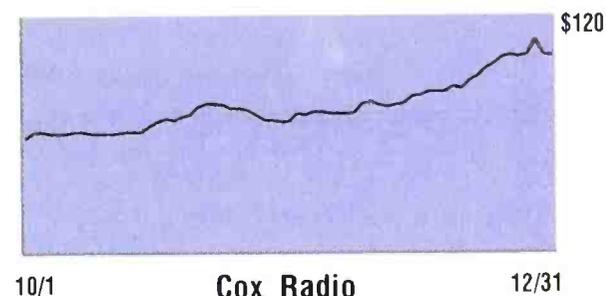
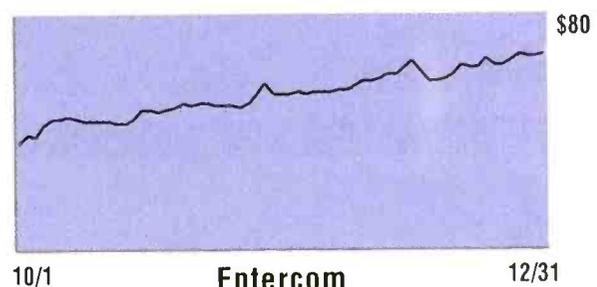
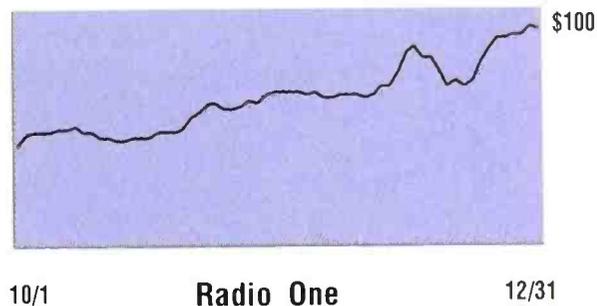
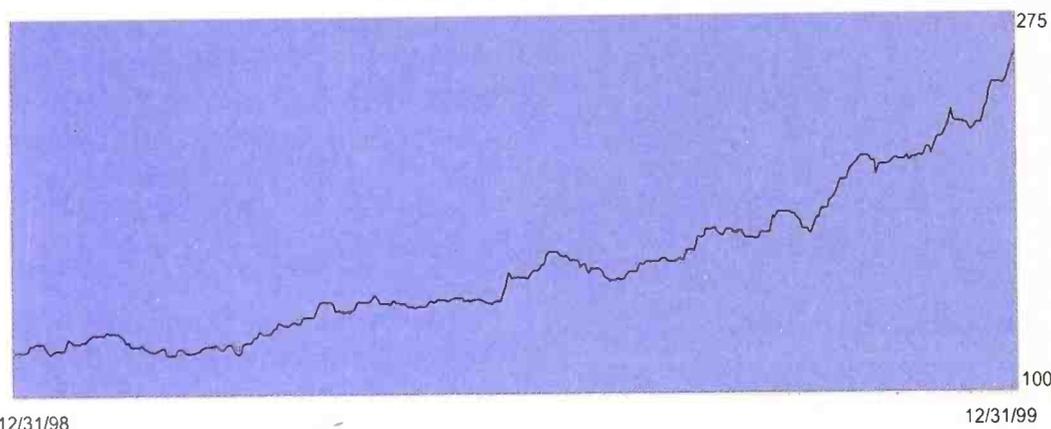
cus on Internet and TV projects.

### Haves and have-nots

Among media companies there was a clear trend in 1999: The "haves" did well and the "have-nots" did poorly.

The thing to have was either 1) a strong radio group, or 2) a stable of WB TV stations. Thus, radio-heavy Emmis Communications (O:EMMS), CBS Corp. (N:CBS) and Clear Channel Communications (N:CCU) had happy shareholders, as did WB powerhouse Tribune Co. (N:TRB). Most other media companies, for whom radio was a small sector, did not have a happy 1999, with the exception of the New York Times Co. (N:NYT).

## The Radio Index™ 1999



## Clouds forming over Internet stocks?

*Wall Street Journal*—Even as they counted their winnings from the market's robust 1999, some investors were seeing signs that the bloom could be coming off the rose for many Internet stocks.

Such skepticism was sometimes lost amid the hoopla over 1999's blowout year for stocks, culminated by the Nasdaq Composite Index closing above 4,000. Technology stocks were the major driver for 1999's rally and many analysts expect the high demand for technology issues in general to continue in the new year. Also, the smooth year-2000 transition could give a nice kick-off to the stock market.

However, some uncomfortable issues exist. Investors are reassessing large swaths of the Internet sector, sending down shares in many companies. The scrutiny could grow as the Christmas retail-sales numbers emerge and Internet companies issue more stock this year.

This past year was truly a historic one for stocks—at least for the market averages. The Dow Jones Industrial Average rose 2,315.69 points, or 25.22%, finishing at a record 11,497.12. For the decade, the average was up 317.59%.

That pales in comparison with the 167.3% gain for 1999 in the Dow Jones Internet Index. But a subset that measures consumer-tiered Web firms, the Dow Jones Internet Commerce Index, was down 12% since 12/13.

While Internet companies in the booming business-to-business sector are hot, all kinds of companies that cater to retail consumers are cold. The median Internet stock in the consumer-services Internet sector was down more than 2% from 11/3 despite the Nasdaq's 1,069-point advance, according to Prudential Securities.

"You can't just put a dot-com at the end of your name and coin money anymore," said **Laszlo Birinyi**, a global-trading strategist for Deutsche Bank Securities.

©2000, Dow Jones & Co.

by Jack Messmer

## Lawsuits fly over St. Louis stations

Despite completing an appraisal process that set the price at \$366.5M (RBR 11/29/99, p. 13), Emmis Communications (O:EMMS) has been unable to come to terms with Sinclair Broadcast Group (O:SBGI) on a final contract to buy Sinclair's St. Louis Radio and TV stations. Now Sinclair has sued Emmis in a Baltimore court, calling the lawsuit "an attempt to bring finality to lengthy negotiations between the parties." Sinclair is also claiming that former CEO **Barry Baker's** sale of his option to buy the stations was invalid and that Baker's option itself is "unenforceable due to vagueness."

Meanwhile in Indianapolis, Emmis is preparing its counter-claim in an attempt to force Sinclair to go through with the station sale.

"Sinclair's complaint is without merit and Emmis will vigorously prosecute its claims and enforce our rights," said CEO **Jeff Smulyan**.

Although Sinclair sold the rest of its radio group to Entercom for \$824.5M, Sinclair Chairman **David Smith** never wanted to sell the St. Louis TV station and resented being forced to sell to Emmis.

According to Emmis, it proposed last Monday (1/17) to Sinclair that "all unresolved issues be settled by arbitration." Emmis claims that Sinclair agreed to respond in writing Tuesday (1/18), but instead filed its lawsuit. Sinclair announced the litigation before the stock market opened Wednesday (1/19).

## 1999 deals totaled \$43.55B

RBR's final tally shows that 1999 station trading totaled \$43.55B—nearly three times the old record of \$15.29B set in 1997. In all, station trading since the 1996 Telecommunications Act adds up to \$86.65B.

1999 station trading had been well off the record pace until late in Q3, when CBS (N:CBS) announced that it had agreed to merge with Viacom (N:VIA). That deal totaled \$34.45B, but RBR valued the radio portion, Infinity Broadcasting (N:INF), at \$14.945B.

That stood as the all-time record radio deal for about a month, until Clear Channel (N:CCU) announced a \$23.5B stock-swap deal to acquire AMFM Inc. (N:AFM). That deal alone eclipsed any previous year of station trading.

Here's how the four years of post-Telecommunications Act trading stack up:

|    |       |          |
|----|-------|----------|
| 1. | 1999: | \$43.55B |
| 2. | 1997: | \$15.29B |
| 3. | 1996: | \$14.40B |
| 4. | 1998: | \$13.41B |

## Blue Chip hooks a KARP

**Ross Love's** Blue Chip and **Thomas Ross' KANDU** have teamed up to pay \$20M for **John Linder's** KARP-FM. The Class C1 rimshotter will be the first Black-owned station in the Minneapolis-St. Paul market. Broker: Jim Wychor Communications

## Do you believe in Majac?

Clear Channel (N:CCU) is adding another Upstate New York market with a \$20M buy of WENE-AM, WKGB-FM, WMXW-FM, WMVR-FM & WBBI-FM. The superduopoly was assembled by **Marc** and **Jack Steenbarger's** Majac of Michigan. They no longer have any stations in Michigan and this deal will cash them out of radio. Broker: Kalil & Co.



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## Brill radio revenues flat

Brill Media (public bonds) reported a 2.4% increase in revenues, to \$11.1M, for its fiscal Q3, which ended 11/30/99. Revenues from the company's 16-station radio group remained flat with a year earlier at \$4.1M. Newspaper revenues rose 4.2% to \$7M, largely due to acquisitions. Radio operating expenses rose slightly, \$100K, and newspaper operating expenses rose 7.8%, \$500K, for an overall increase of 6.4% to \$9.8M. As a result, operating income decreased 21% to \$1.3M.

"From a radio cash flow point, while revenues were flat, we also had, as we forecasted last quarter, substantial unplanned promotional expenditures for tactical reasons in certain markets, which expenditures more than accounted for the cash flow decline," said CEO **Alan Brill**. "In addition, with new facilities and make-shift operations on a storm-damaged tower, we incurred additional facility expenses—some of which will be recurring."

For the first three quarters of its fiscal year, Brill Media's revenues increased 5.1% to \$33.1M. Operating income was flat at \$4.6M and media cash flow was also flat at \$10.8M. Radio cash flow was up 6%, but newspaper cash flow down 8%.

Brill Media and all of its subsidiaries are owned by Alan Brill. The company's publicly traded bonds are \$130M worth of 12% senior notes due 2007.

## Gentner profits up double digits

Gentner Communications Corp. (O:GTNR) posted record results for its fiscal Q2, which ended 12/31/99. Sales rose 41% to \$7.4M and net income shot up 103% to \$1.1M.

For the first half of its fiscal year, Gentner saw sales rise 35% to \$14.5M and net income rose 108% to \$2.1M.

"Demand for our conferencing products remains strong," said CEO **Fran Flood**, "and we are beginning to reap the benefits of increasing our sales force on the services side."

Conferencing product sales for Q2 were up 56% to \$4.3M, sales of conferencing services increased 69% to \$1.3M and sales of remote facilities management gained 7% to \$1.8M.

Gentner, based in Salt Lake City, UT, makes a variety of products for broadcasting, including telephone interfaces and remote transmitter monitoring equipment. It also makes assistive listening transmitters and receivers (for such places as auditoriums and museums) and equipment for teleconferencing, as well as providing teleconferencing services.

## Launch buys Tourdates.com

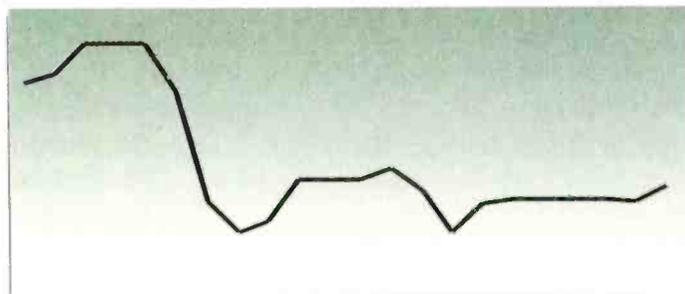
The name is self-explanatory: Atlanta-based Tourdates.com is an Internet guide to local and national concert information. Launch Media (O:LAUN) will pay \$11.6M in Launch stock for Tourdates.com and its 85K registered users. Also 1/18, Launch announced that it had completed its previously announced acquisition of NVS, a company that produces video compilations for restaurants, hotels, airlines and other businesses

### The Radio Index™

RADIO BUSINESS REPORT  
VOICE OF THE RADIO BROADCASTING INDUSTRY

THE WALL STREET JOURNAL  
RADIO NETWORK

The Radio Index™ recovered 6.53 for the week, closing 1/19 at 235.85. That's still well below the record of 256.06 set 12/31/99.



12/29/99

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1/12/00

1/19/00

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# TRANSACTION DIGEST™

by Jack Messmer & Dave Seyler

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

**\$8,500,000 KDYS-AM, KVOL-AM & FM & KSMB-FM** Lafayette LA (Lafayette-Opelousas LA) from KVOL Radio Broadcasting Company, a subsidiary of Powell Broadcasting Company (Nanette Kelley, John Spain), to Citadel License Inc. (Larry Wilson), a subsidiary of Citadel Communications (O:CITC). \$425K letter of credit as escrow, \$8.5M in cash at closing. **Superduopoly** with KNEK-AM & FM, KFXZ-FM, KRRQ-FM & KOOJ-FM. Broker: Bergner & Co.

**\$4,400,000 WAUR-AM** Sandwich IL from CRN Licenses LLC, a subsidiary of Catholic Radio Network (Gary McCausland, CEO) to Saul Acquisition Co. (Richard Saul). \$4.4M cash. Note: CRN will have the right to purchase block time on WAUR daily from 3:00 to 7:00 pm until 3/31/00 and from 7:00 pm to midnight for one year after closing. Broker: Media Services Group

**\$4,250,000 KOEZ-FM** Wichita KS (Newton KS) from Kansas Radio Assets I LLC (Michael Oesterle, Woody Stover) to Journal Broadcast Corp. (Kristine Foate, Steven Smith, Douglas Kiel), a subsidiary of Journal Communications (Journal Employees Stock Trust Agreement, Meissner family members). \$150K escrow, additional \$3.6M in cash at closing, assume \$500K obligation to pay none-compete to former owners Gordon & Daisyann Anderson. **Superduopoly** with KFDI-AM & FM, KICT-FM, KLLS-FM & KYQQ-FM. LMA since 11/17/99. Broker: Bergner & Co.

**\$4,000,000 KLHB-FM** Corpus Christi TX (Odem TX) from Coastal Digital Broadcasting LP (Amanda Orrick) to Rodriguez Communications LLC (Marcos Rodriguez). \$400K escrow, balance in cash at closing.

**\$3,250,000 WLKD-AM, WMQA-FM & WHDG-FM** Minocqua-Rhineland WI. 100% stock sale of Raven Broadcasting Corp. from David Ewaskowitz, Gene Anderson Trust, N.F. Knellhauser Trust, John Kraft, David Scholfield and North Hill Co. of Wausau Ltd. to Marathon Media LP, controlled by Marathon Media Inc. (Bruce Buzil, Christopher F. Devine 1998 Irrevocable Trust). \$100K escrow, balance in cash at closing. **Superduopoly** with WATK-AM, WACD-FM & WRLO-FM Antigo WI and WOBT-AM & WRHN-FM Rhineland WI. Note: No more than five stations overlap at any point.

**\$3,100,000 WVRY-FM & WBOZ-FM** Nashville (Waverly-Woodbury TN), 100% stock sale of Reach Satellite Network Inc. from James Cumbee, Claude Hopper, Carroll McGruder, Jimmy Rivers, Maurice & Phyllis Templeton, Larry Davis and Charlie Burke to Salem Communications Corp. (O:SALM, Ed Atsinger, Stuart Epperson). \$3.1M cash for stock. Note: The city-grade contours of these stations do not overlap.

**\$1,600,000 WDMG-AM & FM** Douglas GA from Jumbo Thing Inc. (Raymond Firment) to Southern Broadcast Group LLC (Michael Oesterle, G. Woodward Stover II). \$1.6M cash. Broker: Media Services Group

**\$1,000,000 WZMQ-FM** Key Largo FL and **WVMQ-FM** Key West FL from Spanish Broadcasting System of Florida Inc. (Raul Alarcon Jr.), a subsidiary of Spanish Broadcasting System (O:SBSA), to South Broadcasting System Inc. (Pablo Raul Alarcon Sr.). \$50K escrow, balance in cash at closing. LMA since 10/25/99.

**\$575,000 KVRH-AM & FM** Salida CO from All-Heart Radio Inc. (William & Mary Murphy) to Three Eagles Communications LLC (Rolland & Paula Johnson). \$30K escrow, balance in cash at closing. Broker: McCoy Broadcast Brokerage

**\$400,000 KBAL-AM & FM** San Saba TX and **KULM-FM** Columbus TX from Equicom Inc. (W. Bennett Springer) to Roy E. Henderson. Cancellation of \$600K note. However, Henderson must deliver to Equicom the \$200K payment which KBAL-FM is to receive for a pending change from 97.1 MHz to 106.1 MHz.

# BROADCAST INVESTMENTS™

January 19—RBR Stock Index 2000

| Company          | Mkt:Symbol | 1/12/00<br>Close | 1/19/00<br>Close | Net<br>Chg | Pct<br>Chg | 1/19/00<br>Vol | Company           | Mkt:Symbol | 1/12/00<br>Close | 1/19/00<br>Close | Net<br>Chg | Pct<br>Chg | 1/19/00<br>Vol |
|------------------|------------|------------------|------------------|------------|------------|----------------|-------------------|------------|------------------|------------------|------------|------------|----------------|
| Ackerley         | N:AK       | 17.875           | 18.938           | 1.063      | 5.95%      | 157300         | Hearst-Argyle     | N:HTV      | 26.938           | 26.375           | -0.563     | -2.09%     | 34700          |
| Alliance Bcg.    | O:RADO     | 0.250            | 0.156            | -0.094     | -37.60%    | 0              | Hispanic Bcg.     | O:HBCCA    | 96.406           | 101.688          | 5.282      | 5.48%      | 303600         |
| Am. Comm. Ent.   | O:ACEN     | 2.750            | 2.500            | -0.250     | -9.09%     | 29700          | Infinity          | N:INF      | 35.625           | 36.313           | 0.688      | 1.93%      | 1357800        |
| Am. Tower        | N:AMT      | 38.000           | 39.000           | 1.000      | 2.63%      | 469400         | Interep           | O:IREP     | 11.125           | 12.563           | 1.438      | 12.93%     | 83200          |
| AMFM Inc.        | N:AFM      | 77.750           | 81.313           | 3.563      | 4.58%      | 637000         | Jeff-Pilot        | N:JP       | 64.500           | 62.875           | -1.625     | -2.52%     | 215700         |
| Belo Corp.       | N:BLC      | 17.375           | 17.188           | -0.187     | -1.08%     | 207900         | Launch Media      | O:LAUN     | 18.000           | 16.125           | -1.875     | -10.42%    | 151100         |
| Big City Radio   | A:YFM      | 6.875            | 8.375            | 1.500      | 21.82%     | 40300          | NBG Radio Nets    | O:NSBD     | 2.875            | 2.813            | -0.062     | -2.16%     | 54700          |
| CBS Corp.        | N:CBS      | 59.813           | 60.625           | 0.812      | 1.36%      | 2109300        | New York Times    | N:NYT      | 46.500           | 44.813           | -1.687     | -3.63%     | 908900         |
| Ceridian         | N:CEN      | 19.688           | 17.438           | -2.250     | -11.43%    | 574800         | Pinnacle Hldgs.   | O:BIGT     | 40.984           | 42.875           | 1.891      | 4.61%      | 4809300        |
| Cir.Rsch.Labs    | O:CRLI     | 2.625            | 2.375            | -0.250     | -9.52%     | 0              | PopMail.com       | O:POPM     | 3.938            | 4.250            | 0.312      | 7.92%      | 475500         |
| Citadel          | O:CITC     | 49.750           | 54.250           | 4.500      | 9.05%      | 72400          | Radio One         | O:ROIA     | 91.000           | 87.000           | -4.000     | -4.40%     | 45000          |
| Clear Channel    | N:CCU      | 88.063           | 91.938           | 3.875      | 4.40%      | 1010000        | Radio Unica       | O:UNCA     | 26.875           | 27.000           | 0.125      | 0.47%      | 5200           |
| Cox Radio        | N:CXR      | 90.625           | 90.250           | -0.375     | -0.41%     | 15500          | RealNetworks      | O:RNWK     | 126.250          | 153.813          | 27.563     | 21.83%     | 962200         |
| Crown Castle     | O:TWRS     | 30.000           | 30.000           | 0.000      | 0.00%      | 1027100        | Regent Pfd.       | O:RGCIP    | 11.500           | 12.000           | 0.500      | 4.35%      | 6600           |
| Cumulus          | O:CMLS     | 45.375           | 47.625           | 2.250      | 4.96%      | 349600         | Saga Commun.      | A:SGA      | 19.250           | 19.063           | -0.187     | -0.97%     | 7000           |
| DG Systems       | O:DGIT     | 6.531            | 7.938            | 1.407      | 21.54%     | 254400         | Salem Comm.       | O:SALM     | 20.000           | 18.500           | -1.500     | -7.50%     | 8700           |
| Disney           | N:DIS      | 33.688           | 34.750           | 1.062      | 3.15%      | 6442900        | Sirius Sat. Radio | O:CDRD     | 40.750           | 46.750           | 6.000      | 14.72%     | 674100         |
| Emmis            | O:EMMS     | 96.813           | 106.000          | 9.187      | 9.49%      | 216500         | Spanish Bcg.      | O:SBSA     | 34.250           | 34.125           | -0.125     | -0.36%     | 124200         |
| Entercom         | N:ETM      | 57.313           | 63.563           | 6.250      | 10.91%     | 226400         | SpectraSite       | O:SITE     | 16.625           | 18.313           | 1.688      | 10.15%     | 649400         |
| First Entertain. | O:FTET     | 0.775            | 1.040            | 0.265      | 34.19%     | 34900          | SportsLine USA    | O:SPLN     | 39.438           | 40.188           | 0.750      | 1.90%      | 320600         |
| Fisher           | O:FSCI     | 60.125           | 58.000           | -2.125     | -3.53%     | 1900           | TM Century        | O:TMCI     | 0.750            | 0.750            | 0.000      | 0.00%      | 0              |
| FTM Media        | O:FTMM     | 13.000           | 11.500           | -1.500     | -11.54%    | 12700          | Triangle          | O:GAAY     | 0.026            | 0.034            | 0.008      | 30.77%     | 150000         |
| Gaylord          | N:GET      | 29.750           | 30.375           | 0.625      | 2.10%      | 15000          | Tribune           | N:TRB      | 51.250           | 50.125           | -1.125     | -2.20%     | 643600         |
| Gentner          | O:GTNR     | 12.625           | 14.438           | 1.813      | 14.36%     | 288700         | WarpRadio.com     | O:WRPR     | 4.625            | 3.500            | -1.125     | -24.32%    | 1800           |
| Global Media     | O:GLMC     | 5.313            | 5.188            | -0.125     | -2.35%     | 50800          | Westwood One      | N:WON      | 75.813           | 71.438           | -4.375     | -5.77%     | 260600         |
| Harman Intl.     | N:HAR      | 55.500           | 56.125           | 0.625      | 1.13%      | 48400          | WinStar Comm.     | O:WCII     | 75.500           | 81.875           | 6.375      | 8.44%      | 657300         |
| Harris Corp.     | N:HRS      | 25.063           | 27.750           | 2.687      | 10.72%     | 411700         | XM Satellite      | O:XMSR     | 38.375           | 35.500           | -2.875     | -7.49%     | 135400         |

## Another Net deal for Citadel

FirstLook.com Inc. announced a "strategic partnership" with Citadel Communications (O:CITC) to display genre-specific new music charts on the Internet sites of Citadel's radio stations. FirstLook's charts allow users to sample new songs via Internet streaming and record companies pay a small "cost-per-click" fee each time their song is sampled. FirstLook and Citadel will split those revenues.

FirstLook said the deal covered 48 Citadel stations in 21 markets.

The latest Net deal came just a few days after musicmusicmusic.com announced a \$400K deal to swap services for promotion by Citadel's stations. musicmusicmusic operates a user-programmed MP3 music site, RadioMoi.com.

Although musicmusicmusic is incorporated in the US, and most of its operations are in Canada, its stock trades only on the Frankfurt, Germany Neuer Markt.

## Board chairs shuffled at FTM Media

FTM Media (O:FTMM) Chairman **Frank Wood** announced that former record company executive **Bob Buziak** (who headed RCA Records and Sony's Tri-Star Music Group) has joined FTM's board of directors. Also getting a board seat is **David Kendrick**, who's been upped from Sr. VP to President and COO of FTM.

Those board seats are being made available by the departure of **Jeff Pollack**, who'll continue as a consultant to FTM, and **Vickie Ocheltree-Collier**, who's resigned as GM/Operations.

## Pinnacle raises \$369M

Pinnacle Holdings (O:BIGT) priced an offering of 9M shares of new common stock at \$41 last week (1/18). The tower company plans to use the cash to pay down debt, leaving borrowing capacity for future acquisitions. Underwriters: Deutsche Banc Alex. Brown, Goldman Sachs & Co., Merrill Lynch, Raymond James & Associates, Salomon Smith Barney, Banc of America Securities

## Allied adds investment group

Allied Capital Corp. (O:ALLC), a long-time lender to radio and other media industries, has formed a new investment group to focus on telecommunications and "new media." The new group is being headed by **Scott Binder**, a principal of Allied Capital.

The telecommunications/new media group will offer an array of private financing options, including preferred stock and subordinated debt.

## Beasley finds FindWhat.com

Beasley Broadcast Group, whose IPO is expected to be priced next week (1/31-2/4), announced a deal to swap \$3M in advertising and promotion for 600K restricted shares of FindWhat.com (O:FVHT), worth just over \$4M at current prices.

FindWhat.com is the developer and operator of a pay-for-position Internet search engine. FindWhat.com said it will immediately begin heavy advertising schedules on Beasley's stations. "Our advertising will be directed to both consumers and to website owners who want to drive qualified traffic to their sites," said Chairman **Courtney Phillips Jones**.

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