

Radio Business Report™

Voice Of The Radio Broadcasting Industry®

May 28, 2001

Volume 18, Issue 22

AMERICAN URBAN RADIO NETWORKS

#1

THE URBAN RADIO LEADER



NEW YORK

655 THIRD AVE. • 24TH FLOOR
NEW YORK, NY 10017
(212) 883-2100 • FAX: (212) 297-2571

CHICAGO

30 NORTH MICHIGAN AVE., SUITE 1218
CHICAGO, IL 60602
(312) 558-9090 • FAX: (312) 558-9280

DETROIT

1133 WHITTIER ROAD
GROSSE POINTE PARK, MI 48230
(313) 885-4243 • FAX: (313) 885-2192

RADIO NEWS

- Corner turned? SSB sees better times ahead** 2
A survey by Salomon Smith Barney shows Q2 radio revenues, if not rebounding, outperforming Q1, and pacing picking up.
- Supremes back broadcasters in 3rd party tape case** 2
- Is Tennessee hatching plot to tax advertising?** 2
- Powell asks Congress to beef up FCC budget** 4
- CPs allow Anchorage FMs to muscle up** 4

RADIO ADBIZ

- Agency perspective: A call for cross-industry standards** 6

RADIO OPERATIONS

- A walk through the small markets with Cary Simpson** 7

FEATURE

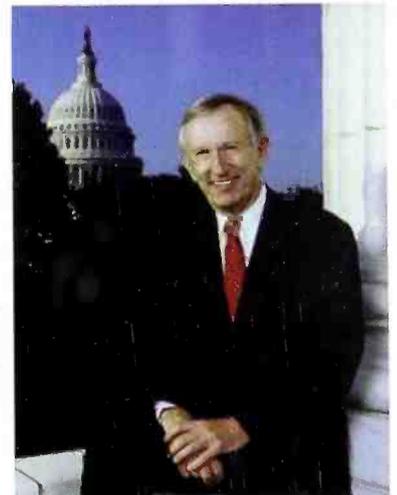
- Mapping the moguls: Radio's big earners** 8-11

MEDIA MARKETS & MONEY

- Bottom feeding: Groups look for turnaround** 12
Several of radio's heavy hitters spoke at the BAS confab in New York, with no consensus as to when business would boom again.
- Tribune forced to break out the red ink** 12
- Citadel buyback well under way** 13
- BAS public companies outperforming peers** 13

Jeffords' declaration of Independence

Senator **Jim Jeffords** (VT-R) became Senator Jim Jeffords (VT-I) at 9:40 AM ET 5/24. Speaking from a hotel in Burlington in his home state, Jeffords cited a litany of issues upon which he increasingly found himself at odds with the agenda of President **George W. Bush**, including choice, judiciary appointments, taxing and spending issues, missiles, energy, the environment, and—singled out for special mention—education.



Jeffords

With a Democratic president in office, Jeffords said he had a voice within the Republican party. However, with a conservative Republican president operating in

Guild speaks at Media Sales Institute

The 10-day event drew the biggest and best in the industry

Page 15



Small Market Advocate: Cary Simpson

The RAB Small Market Advisory Committee leader discusses their latest achievements and how radio has evolved to meet the challenges of today's local markets.

Page 7



May 28 2001, Volume 18, Issue 22

BPA International membership
applied for September 2000

Executive EditorJack Messmer
 Managing EditorDave Seyler
 Senior EditorCarl Marcucci
 ProductionMichael Whalen
 VP AdministrationCathy Carnegie
 FCC Research ConsultantMona Wargo
 Administrative AssistantApril Olson

Publisher.....**Jim Carnegie**
 VP/GM, Associate PublisherKen Lee
 Senior Account ExecutiveJohn Neff
 Account ExecutiveJune Barnes

Editorial/Advertising Offices

6208-B Old Franconia Road
 Alexandria, VA 22310
 PO Box 782 Springfield, VA 22150

Main Phone:703/719-9500
 Editorial Fax:703/719-7910
 Sales Fax:703/719-9509
 Subscription Phone:703/719-7721
 Subscription Fax:703/719-7725

Email Addresses

Publisher:.....JCarnegie@rbr.com
 Editorial:.....RadioNews@rbr.com
 Sales:KLee@rbr.com
 JNeff@rbr.com

Nashville Sales Office

June Barnes

Phone:615/360-7875
 Fax:208/445-8774
 Email:JBarnes@rbr.com

©2001 Radio Business Report, Inc. Material may not be reproduced without permission. All content may not be reproduced, photocopied and/or transmitted without written prior consent. Any violations will be dealt with legally.
 Printed in USA.

Radio Business Report is published weekly by Radio Business Report, Inc. Publishers of Radio Business Report, MBR - Manager's Business Report, The Source Guide, www.rbr.com and the Information Services Group database.

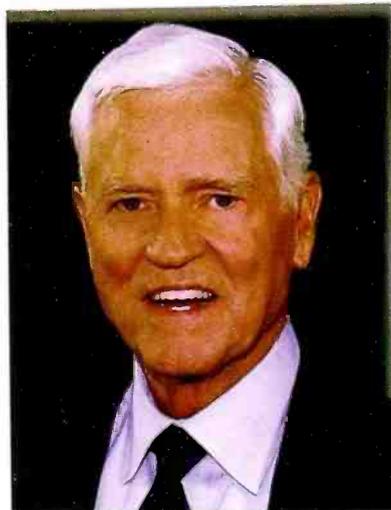
Subscription rate: One year \$220.

RBR Family of Productswww.rbr.com

RBR RADIO

RBR's Daily Email

Source Guide
 and Directory
 The All-Radio Yearbook

*Hollings*

concert with most of the Republican Congress, he had difficulty having any influence. He declared himself to be an Independent, a move which tips the balance of the heretofore 50-50 Senate to the Democrats, 50-49-1.

Tom Daschle (D-SD) will become majority leader, replacing **Trent Lott** (R-MS). Of concern to broadcasters, chairmanship of the Committee on Commerce, Science & Transportation will shift away from **John McCain** (R-AZ) to a Democrat. More than likely that will be **Ernest F. Hollings** (D-SC).

RBR observation: There are still two deregulatory issues on the table for broadcasters. One, the 35% national audience cap for television station groups, is not a big radio issue. The second, relaxation of the broadcast/newspaper crossownership rules, is of interest. Hollings, at the confirmation hearings of proposed FCC Chairman Michael Powell, mentioned a general mistrust of deregulation. Indeed, we recall hearing him declare back in the early 90s that he was a "born-again regulator." With Hollings running the committee, it could mean tougher sledding for these issues.—DS

SSB sees light at the end of the tunnel

Although Q2 is expected to come in below 2000 levels, Salomon Smith Barney expects the public and private radio companies it surveys to easily outperform Q1 results. "While Q2 revenue pascings remain down year-to-year and economic conditions remain fragile, business has firmed considerably in May..."

Advertising is expected to make a gradual recovery through Q3 and Q4. Coupled with vastly easier comparables to contend with, it bodes well for the industry. "Given the robust recent performance of the mid-cap radio stocks, we continue to find the best overall value in large cap radio."—DS

Talker off the hook in Supreme case

The Supreme Court ruled 6-3 that a radio station and its host can't be sued for airing a phone conversation that was illegally taped by a third party, saying the First Amendment takes precedent over wiretap laws. The case involved Entercom's WGBI-AM and WILK-AM Wilkes Barre, PA talker **Fred Williams** (Frederick Vopper), who aired a tape of a conversation between a teachers' union president and the union's negotiator. He had received the tape from the head of a taxpayers' organization, who had in turn received it anonymously. The court's decision upheld a lower court ruling.

The case was based on a dispute between the Wyoming Valley West High School in Wyoming, PA and the teachers' union there. Someone had intercepted and recorded a 1993 cell phone call between

the union president and a teachers' union negotiator. The inflammatory conversation was mailed to the head of the local taxpayers group that opposed the union.

The suit claimed Vopper and the stations broke federal and state wiretapping laws by broadcasting the conversation. Justice **John Paul Stevens** wrote that both the radio host and the station played no part in the illegal interception; Vopper obtained the information legally; and the subject matter was of public concern.

Chief Justice **William Rehnquist** wrote the dissenting opinion, noting the decision "diminishes, rather than enhances, the purposes of the First Amendment, chilling the speech of the millions of Americans who rely upon electronic technology to communicate each day."—CM

Will Tennessee see its way to add an ad tax?

The State of Tennessee seems to be a little short as it looks ahead to its next budget cycle, which begins 7/1. \$800M short. There are a number of proposals on the table to deal with the deficit, and among them is a new tax on services, including advertising.

The state does not have an income tax. Although there is support for establishing one, including the Senate Speaker Pro Tem, there is also serious opposition, including the House Speaker, who favors the service tax.

As the Association of National Advertisers points out, "A tax on advertising would increase the cost of doing business in the state and thereby result in higher prices for consumers. It would hurt small businesses and local media,

Under new, improved ownership

Radio's leading research firm is back!

Radio was a **great** industry to be in just a few years ago: Listeners enjoyed listening to it. Advertisers got good value advertising on it. And we all enjoyed working in the industry.

Today, however, many stations are in the hands of owners who think they can "save their way to success." And they're denying their best PDs one of the most important tools of all -- quality research on their target audience's tastes.

But the best broadcasters know that **listeners**

still matter -- and if you're working for one of them, Strategic can help you satisfy listeners' needs.

Strategic Media Research has been **leading the radio research industry** for over two decades: For example, we built the industry's first major, quality-controlled phone center. And we invented the very **concept** of professional callout research![]

To learn more, visit our new and improved website at www.Strategic.fm or call Kurt Hanson, Amy Vokes, or Dave Kerr at 1-312-726-8300.

STAR callout research

Perceptual studies

Format searches

Auditorium music tests

Touch Direct Marketing

AccuTrack



Radio's leading research firm

180 N. Wabash, Chicago, IL 60601 | 1-312-726-8300 | www.Strategic.fm

since advertising dollars currently spent in Tennessee would likely be shifted...outside of the state."

RBR observation: The latter is no small threat—Tennessee is bordered by eight states, including (starting east and going clockwise) Virginia, North Carolina, Georgia, Alabama, Mississippi, Arkansas, Missouri and Kentucky. The Memphis, Johnson City-Bristol-Kingsport and Chattanooga markets would be particularly vulnerable to state line hopping.—DS

Powell to Congress: Back Bush on FCC budget increase

FCC chairman-in-waiting **Michael Powell** has asked Congress to support President **George W. Bush's** funding increase for the FCC. The agency is requesting an \$18.5M increase, from \$230M to \$248.5M (*RBR* 4/16, p.4). The extra cash is earmarked for mandatory salary increases, inflation allowances for contracted services and installation of a new computer system.

Powell noted that the FCC, facing the imminent retirement of 30-40% of its engineering staff, needed to compete effectively with private companies which generally can offer superior compensation packages.

Meanwhile, the confirmation vote of Powell and three Commission nominees by the Senate Commerce Committee was postponed from 5/24.—DS

Alaska pas de deux upgrades pair of FMs

Two FMs will be able to anchor a bit more deeply in Anchorage. **Chester Coleman's** KADX-FM Houston AK and Ubik Corp.'s KNIK-FM will both be going from C2 to C1 status with the 5/18 blessing of the FCC.

Enabling the dual upgrades is Ubik's move from 105.1 MHz to 105.3. It seemed that the stations were short-spaced, not on the dial, but physically, according to

Radio News®

RBR News Analysis



Churn:

The Achilles heel of satellite radio



What is it which we understand about satellite radio that Wall Street is missing? The fatal flaw in the business plans of both Sirius Satellite Radio (O:SIRI) and XM Satellite Radio (O:XMSR) is really quite simple and obvious—churn.

At this month's Banc of America Securities conference in New York, we asked both companies what they expect their churn rate (annual subscriber loss which has to be replaced) to be after the first few years (when it should be near zero, with all subscribers under their initial contracts). Both offered the same churn projection for their mature service: 15%.

An interesting projection, since the churn rate for cable TV is twice that—and has remained around 30% for many years. Which do most people do more often—change their residence or change their car? Which are destroyed more often by fire or accident—houses or automobiles? We know quite a few people who live in houses more than 100 years old—we even lived in one ourselves for a time. Do you know anyone who drives a 100-year-old car?

The satellite radio guys latched onto the 15% figure because that's the churn rate for satellite TV (and because they wanted to use the best comparable possible). Their business, however, more closely resembles cable TV than it does satellite TV. Satellite TV is used almost exclusively by homeowners, including a large rural contingent who are among the least likely Americans to move. Cable TV, like satellite radio, targets a broad cross-section of the population, including renters and highly mobile urbanites. This broad cross-section will include people who change cars frequently (and have to be re-sold), bargain-conscious folks who buy formerly-leased luxury cars and will say no to any gadget that carries a monthly fee, people who max-out their credit cards (a problem if that's how they are paying their monthly satellite radio subscription) and some who will be constantly shopping for the cheapest deal from a satellite radio provider (just as they now do with wireless telephone providers).

No one knows what the churn rate will be for satellite radio, but it is illogical to assume that it will be any less than cable TV—and simply ludicrous to project that it will be half that of cable. More likely, it will be considerably higher than cable's churn rate. Cable, with monthly fees four or five times that of satellite radio, can handle the staff and marketing costs associated with a 30% churn rate. A 30% churn rate, and the costs associated with it, would push the break-even point for satellite radio companies well beyond the 4M subscriber mark that's now in their business plans. A rate well above 30% might make profitability impossible to achieve.

Meanwhile, the low-hanging fruit for satellite radio is advertising dollars—but the only way to compete with network and national spot radio (and all other national media, for that matter) for those dollars is to build audience numbers. Rather than have audience growth held back by the costly subscription model, we continue to believe that the satellite radio companies will be forced to compete head-to-head with terrestrial radio as a free-to-consumer, advertising-supported service. Either that, or sell their satellites to **Craig McCaw** for some other use, as the much-touted Iridium global phone service did when it went bankrupt.—JM

Coleman. The towers were 0.6 kilometers too close for Coleman to upgrade his station. By making the move to accommodate Coleman, Ubik itself will enjoy an upgrade which, according to the FCC document on the matter, will upgrade its coverage from 8,558 km to 16,417 km.

RBR observation: Nearly doubling the coverage of one's station cannot be a bad thing. In this case, however,

the new coverage will bring only 2,123 more people within hearing range, to 264,240. Hmmmm...we wonder if grizzly bears listen to the radio?—DS

Moody's destabilizes SBS

Both Spanish Broadcasting Systems (O:SBSA) \$100M in add-on 9 5/8% senior subordinated notes and existing \$235M senior subordinated

notes have been given a B3 rating by Moody's Investor Service. The company's stable rating has been downgraded to negative.

The ratings reflect uncertainties facing the company in many of its radio markets which are experiencing heightened competition in the Hispanic niche, and hard times for radio in general. Even more to the point are the marketing, development, LMA and eventual acquisition costs that

SBS faces with its LMA/purchase agreement for KPSG-FM Los Angeles. While the company's upside is considerable, so is its risk.—DS

Radio News®

GlobalMedia CEO addresses bankruptcy

GlobalMedia CEO **Michael Metcalfe** responded to *RBR*'s inquiry about the company's recent bankruptcy filing (*RBR.com* 5/23). Was the filing declared because the deal with Radly requires it or because the deal fell through and Global is throwing in the towel? "Neither. We are exhausted as a company with no real cash to settle the payables. The company will seek all ways to try and re-org in some way with the trustees understanding and help but for now it is the trustees hands to find a recovery plan with all of our help and assistance," responded Metcalfe.—CM

Furchtgott-Roth gets Institutionalized

Outgoing FCC Commissioner **Harold Furchtgott-Roth** has found a spot for a soft landing upon his exit. He is on his way to the American Enterprise Institute as a visiting fellow. He plans to, among other things, write a book on telecommunications policy.—DS

Beck in the saddle again?

A new station has hit the airwaves in central Virginia, just in time to be included in the first-ever Arbitron book for the region. Fredericksburg is even now undergoing its first survey, and WGRX-FM will be part of it. PD **Jeff Beck** and his boss, President of licensee Telemedia Broadcasting Inc. **Carl Hurlbaas**, unveiled the station for Fredericksburg Mayor **Bill Beck**, as well as other local dignitaries.

The station plays a hybrid blend of upbeat current Country mixed with Classic Country, Classic Rock and Blues called "Country That Rocks" from its perch at 104.5 on the dial. The station goes by the name Thunder, and is available to the 275K population of what has become Arbitron's #162 market.—DS

KPIG does humorous ads for AFTRA solution

KPIG-FM Santa Cruz is now doing funny fake ads, to replace the AFTRA ads on its stream: a spot for the "Jehovah's Witness Protection Plan;" "The Swiss Army

Remote Control," and the "Gargantuan Mall," which features stores like Melinda's body stapling, and the Second Hand Food Shop. For years, the independent-and-proud-of-it station has been buying comedy commercials from two companies that produce them nationally.—CM

Enriching the Richmond AM band

The FCC has authorized a pair of CPs which will strengthen the presence of 4M Communications on the AM band in Richmond. First, WLEE-AM, which has been running at 1kW day with negligible nighttime power on 990 kHz, has been granted a CP for 4.4kW-D and 1.5kW-N.

The second CP is even more radical, giving 4M the right to build a brand new station at 1480 kHz. It will be competitively powered as well, with 5kW-D and 1.8kW-N.

The company also owns three other AMs in the market, WREJ 1540, WVNZ 1320 and WHAP 1340. When all of the screwdrivers are put away, 4M will be

running a rare 5-Am superduopoly cluster. The stations run a mixture of Talk and Religious programming.—DS

RBR Radio's latest partner: LPB

RBR Radio goes "fuzzy." LPB has become RBR Radio's latest partner, donating its "Silent Boom" (*RBR.com* 5/8) recently unveiled at NAB 2001. Some may call it the "fuzzy boom," only because of the design. Possibly the world's first absolutely silent mic boom, it alleviates the typical "twanging" sound of springs and the echo sometimes produced from a hollow boom. The boom's quiet nature is provided by a soft, felt-like coating over the springs and solid aluminum construction with an extruded channel for the mic cable to run on the outside.—CM



More LPFMs

The FCC has granted licenses to another handful of LPFM applicants, bringing the total to 35. The first list of grants appeared in *RBR* last month (*RBR* 4/30, p.4). Included with this chart is an updated list of station grants by licensee type (representing our best guess based solely on the licensee name).

Here are the lucky winners:

COL	Freq	Market/locale	Licensee
Dos Palos CA	102.9	25m SW—Merced	Dos Palos Radio
Frogtown GA	100.5	n/a	Frogtown Community Radio
St. Simons Isl. GA	94.7	Brunswick	St. Simons Radio
Marion IN	94.3	Ft. Wayne	College Wesleyan Church
Gore OK	92.5	60m SE—Tulsa	Cherokee Comm Council
Hennessey OK	97.7	50m NW—OKC	Hennessey Church of Christ
Monticello UT	103.5	SW corner—UT	First Baptist Church
Morrison OK	103.7	60m N—OKC	Morrison Unmited Methodist
Newport RI	105.9	Providence	Newport Musical Arts Assn
McAlester OK	93.3	50m S—Tulsa	JR Ministries Educl Assn

LPFM grants to date

Type of Org.	Grants
Religious	17
Assn/Citizens	10
Educational	4
Government	4
Total	35

Arbitron February Webcast ratings out; RadioWave joins rankers

RadioWave has joined the Arbitron Webcast Ratings and is ranked among the top ten for the month of February. The most listened to CHR channel in February, RadioWave's "Hits Happen" ranked eighth with 198,400 aggregate tuning hours (ATH). Seven RadioWave channels, in fact, ranked in the top 75.

In February, two classical streaming audio webcast channels remained among the top 10. For the third consecutive month, Beethoven.com ranked number one with 741,500 ATH. Seattle-based KING-FM ranked fourth with 287,800 ATH. Continuing its popularity, WABC-AM ranked second with 310,900 ATH. Internet-only webcaster, NetRadio had two channels in the top 10: 80s Hits ranked third with 292,900, and Smooth Jazz ranked seventh with 199,800 ATH.

Arbitron Webcast Ratings currently measures 2,300 webcasters, representing more than 17M total hours of tuning in February.—CM

Arbitron to reissue El Paso book

Arbitron says it will reissue the El Paso Winter 2001 book, due to ratings irregularities (including one man filling out six diaries) discovered by Clear Channel after intense scrutiny. The new Winter results should be published today.

The letter Arbitron sent to El Paso market subscribers: "Arbitron has learned that five Winter 2001 El Paso metro diaries originally included in the in-tab sample did not appropriately reflect the composition or radio listening of the household from which they were returned. (The household, which does

Radio AdBiz[®]



Standards for Radio

By Kathy Crawford

Technology is upon us in a big way. Our listeners are spending their lives on their PCs, talking on their cell phones and downloading data from the Internet onto their PDA's. Very soon all these listeners will be watching only digital TV through their satellite dishes or their cable companies. And Tivo along with UltimateTV will allow them to watch TV when they want to, not when we want them to. But this is only our listener.

What does this mean to us in the business? Our communication is changing. Our way of doing business is changing. And we must be ready together for this

change. This is not just about electronic invoicing. This is about electronic commerce. On both sides of the fence we are using outdated technology. The traffic systems you use and the buy/bill pay systems we use do not allow us to communicate in an open architecture. We are forced to write code to allow us to communicate to one system at a time. If we could communicate electronically openly, we could all cut down the discrepancies that beleaguer our business and hold up payments. If we could have a communication vehicle by which you could use your software package of choice (for traffic, as well as contracting) and we could use our software package of choice for buying and bill/pay, then we could communicate with audit trails, eliminate the major discreps and get you paid faster.

How do we do that? The first step is to identify the "standards" by which we do business together. For example, what are the data elements in a contract? How many characters do we need for these data elements. What about the invoice? Are the data elements "Client, Product, Estimate, Agency Code (which identifies the address) and the Day, Time, Date and Cost" – and how many characters for each do we need, and are they alpha, numeric or both? And the next step is to agree on the "vehicle" we might use to transmit this data back and forth (such as XML). But, first things first. We need each other's help. These standards must be done for all media in order for us to have a mutual agreement to "write to". In that way, we can move ahead with our individual needs while we know that our communication vehicles are facilitated. We hope that we can encourage all station groups to form a task force for the radio business along with your agency partners to develop these standards for the radio business. Our friends in the television business have already started. Don't let the software companies do it for us. If we can do this together, we can control the destiny of our business.

Kathy is Media Director for Initiative Media, NA.
She can be reached at 323-370-8400 or kathyc@wimc.com

not appear to be media-affiliated, misreported demographic and listening information in the diaries.)

A revised Winter 2001 market report, based on an in-tab sample that excludes these diaries, will mail on Monday, June 4. Revised Winter 2001 MaximiSer and Media Professional estimates will be available to Arbitron Data Express subscribers on Thursday, May

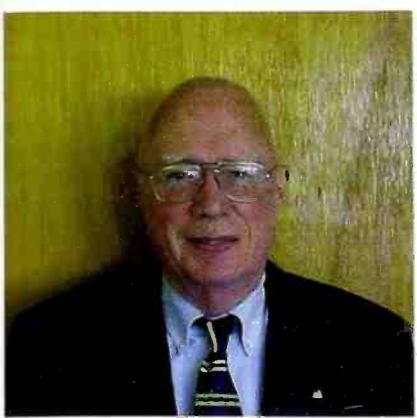
24 at 2:00 PM Mountain Daylight Time. Revised quarterly Arbitrends estimates and revised Winter 2001 TAPSCAN data will be available Thursday, May 24 at 2 PM Mountain Time as well. A revised Client CD, and revised MaximiSer and Media Professional diskettes, will also mail on Thursday, May 24 to all original recipients.

Estimates for stations

that received substantial listening in the deleted diaries may be significantly affected. As a result of sample balancing and re-processing procedures, however, estimates may be slightly affected for all stations in the report.

We regret any inconvenience this has caused. Questions may be directed to your Arbitron representative.—CM

Radio Operations



Small Market Advisory Committee's Cary Simpson

The RAB has recently expanded its Small Market Advisory Committee. Led by Allegheny Mountain Radio Network President Cary Simpson for 12 years now, the committee's size has grown from 20 to 28 members, each who serves one-, two- or three-year terms. The committee also meets twice a year as opposed to one—at the RAB Sales and Management Conference and the NAB Radio Show.

Simpson spoke with *RBR* on the committee's achievements and the state of small market radio.—CM

What does it mean for small market radio to be represented in committee twice a year now and to have a larger committee?

The more formal structure of the committee beginning this year should make it possible for other small market broadcasters to have 28 "friends at the factory" who can carry their concerns direct to the paid staff who devote all of their time to the RAB and much of it to the concerns of small market broadcasters.

At that point, I will reiterate that the Number 23 radio station in any metropolitan market is a small market radio station. Often they are an AM right in the center city that doesn't get much agency business and has to do direct selling, has to try to develop cop and try to do NTR.

What small market issues is your committee addressing?

At the last meeting, we spent a lot of time on the importance of recruiting, training and retaining sales staffers; helping new reps to succeed during the two year pe-

riod before they can begin to make a really good living; helping sales managers to increase their skills (Training the trainer) etc. One of the sales recruiting ideas discussed was job sharing where two women might work alternate days splitting a list.

Most small market stations haven't really thought about yield management, and really don't ever get to a sold-out situation because there just aren't enough advertisers spending enough money to buy enough ads to sell out. Major market stations solved that by doing as the airlines do, selling out a limited number of cheap seats well in advance, and saving the rest.

How has this latest economic downturn affected the small market?

I think it's the old story, if the downturn affects your family, it's a crisis. If it affects the family down the street, gee that's a shame. And if it affects somebody in another city, "oh, yeah, I've heard of that."

People think nothing of commuting an hour to work, and not just in the cities. So the layoff of 500 jobs, such as has happened five miles up the road from here will impact 50 people here in this town; 30 people in another town, etc. Because people drive so far to their jobs, the impact has been lessened.

I had a really interesting conversation with a retired newspaper publisher and he said back maybe two or three downturns ago, he noticed his lineage for practically every retailer was down. Except JC Penney was way up. And he talked to the Penney's manager and the guy said, "What I am doing right now is increasing my market share. Because everybody else is not advertising. And when the economy turns around, my market share will still be increased."

The pied piper is still effective—advertising still works whether it's in good times or bad. It's an old story, but with so much national advertising being affected by myopic bean-counters of so many public companies, it is truly an opportunity for those with the trust that radio can drive people to buy, especially things they like and want, and simply need reminded and convinced to go and get.

How are stations in the small markets keeping afloat? What's the strategy now that times are getting tougher?

Times have always been tough in the smaller markets, because of the disappearance of the retailers and the malls in nearby cities. Ten or fifteen years ago, almost every small radio station depended for 80% of its revenue on retailing, automotive and local banking. A lot of this stuff is not there now. But radio is so creative. When the banks began merging, the retail community began consolidating, the eating out industry began consolidating, radio was creative. And so now they're selling the plumber, the pizza shops, stuff they may not have bothered with before. And they're selling the non-traditional revenue like "brought to you bys" "Don't forget, the mother's club is holding a festival... this announcement is brought to you by."

This is something those small stations in the cities should go into because they also have churches and YMCAs and neighborhoods.

What about rate integrity? Are small market stations dropping their rates in this downturn?

The beer companies today seem more interested in using our promotional skills than in a certain schedule of spots. Call it NTR if you wish. But, they buy the spots, and they're really in-

terested in the value added; they realize how good radio is in any sized market at creating excitement and tying their product to it. And that's where they see radio as such a great buy.

We must never forget that we are in Show Business. This is such a great position to hold in the minds of our audience, and smart advertisers realize it. In the old days, people wanted bonus spots, or merchandising, to chisel a lower rate. These days, it's totally different. They respect us for the ability we have to move audiences to play a game, or go to an event. Radio is so good at this. And advertisers respect us for it.

Spot rates should not be important. Instead of saying, "this is going to be \$12 an ad," you say, "This is a \$500 campaign." Because you don't buy a can of beans and say, "each of the beans is going to cost me two cents." I don't know of anything else where we buy it by the unit and yet everybody is like "what's your spot rate?" I think that it is so good, though, to talk about excitement and you can convey the image to them. They will usually smile and say it's a good idea.

Tell us about small markets and station websites.

I'm not sure that we yet have the best way to get results from people. I think there's an awful lot to be learned there. We're trying to build website traffic before selling space (it is a visual medium) on the site. In other words, we want to build an audience before we go out and sell it. People trust us, and so we're not going to go out and say, "Hey, how about spending a lot of money and help us to develop our product?" Trust is a very fragile thing. Advertisers need to be able to have an expectation that you're not going to be sold a bill of goods.

The list: Radio's biggest moguls 2001



Sumner Redstone



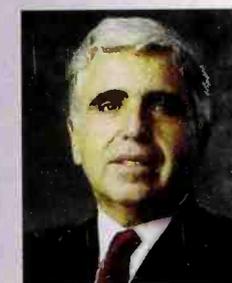
Lowry Mays



Roy E. Disney



Joe Fields



Mel Karmazin



Rob Glaser



Michael Eisner

Where have all the billionaires gone? Last year we found eight billionaires among the radio industry's moguls (*RBR* 5/22/00, p. 10-16), but this year only five. What happened?

Only one really saw his wealth decline dramatically. As dot-com stock prices collapsed, RealNetworks (O:RNWK) CEO **Rob Glaser** watched his company's stock price plunge as well. His personal holdings dropped dramatically—from \$2.47B a year ago to \$492M in this, *RBR*'s fifth annual listing of radio's richest.

We presume that Infinity Outdoor founders (the company was originally Outdoor Systems) **William Levine** and **Arturo Moreno** are still billionaires, but with Infinity no longer a separately traded stock company, they are no longer "reporting persons" in SEC parlance for parent company Viacom (N:VIA & VIAb). In fact, no one at Infinity has their holdings disclosed in Viacom's proxy. Infinity Radio President **Dan Mason** certainly has more now than the \$29.5M in stock and options reported last year, but we don't have any way to get the figures (unless, Dan, you want to send us the information). We know that **Farid Suleman** has \$32M in stock and options from his sideline position as CFO of Westwood One (N:WON), but nothing about his much greater holdings as President of Infinity.

Of course, the former stockholders of AMFM have disappeared from our list following the company's merger with Clear Channel (N:CCU), except for **Tom Hicks**, whose \$240M stake was reported because he became a member of Clear Channel's board of directors.

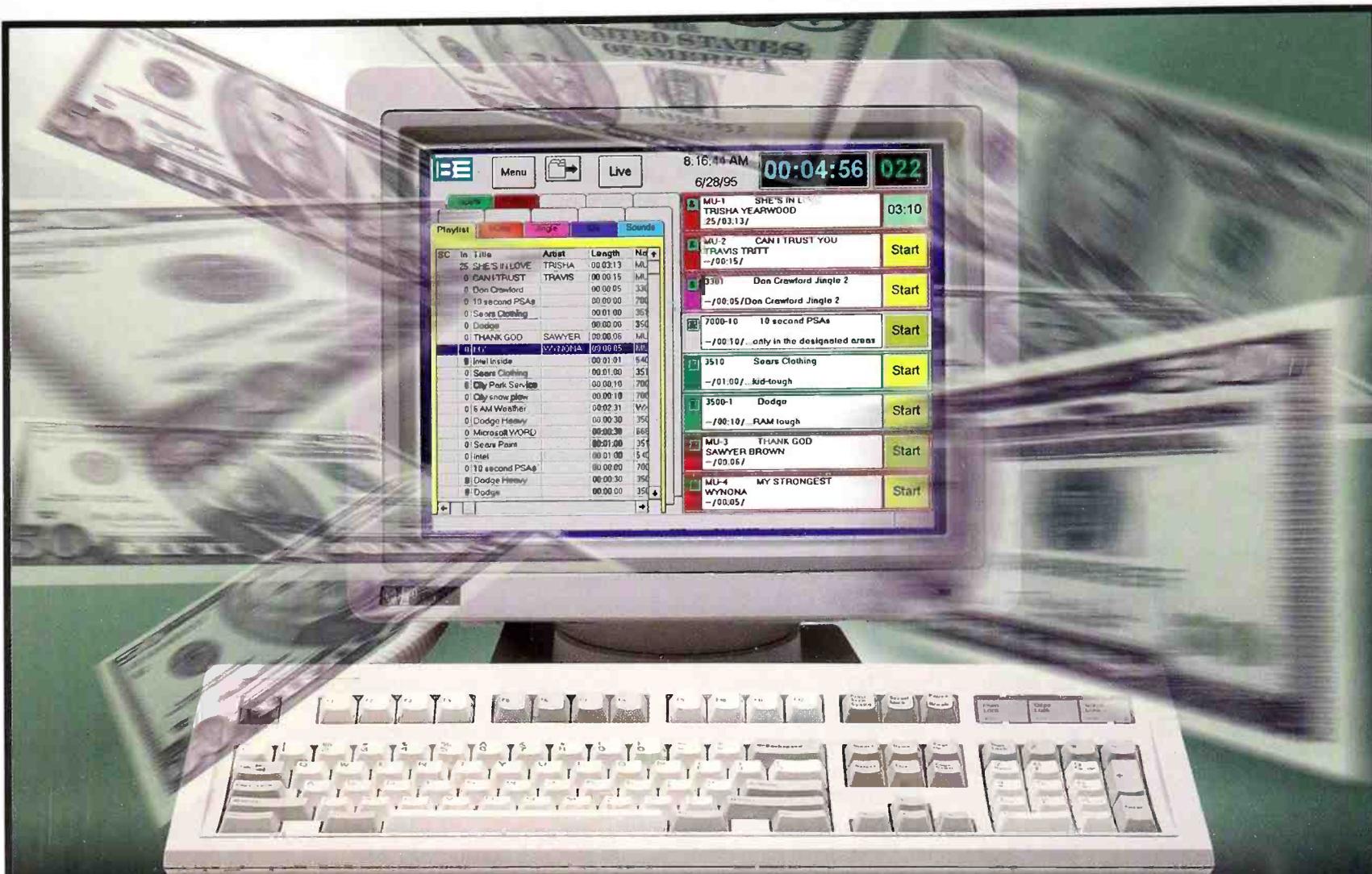
On a percentage basis, the dubious distinction of having the biggest one year decline in personal wealth has to belong to Winstar Communications (O:WCIEQ) CEO **William Rouhana Jr.** His company's rapid descent into Chapter 11 bankruptcy took the value of his stake from nearly \$92M to about \$92K.

Perhaps that will be some small solace for others who've seen their net worth drop over the past year, but not by that 1,000-to-one ratio.

Here, then, based on 4/30/01 closing stock prices and each company's report to the SEC on the stock and options held by their corporate officers and principal stockholders, is *RBR*'s listing of the moguls (\$10M and up) of publicly traded radio and radio-related US companies.

The Billionaires

Individual, title, company	Shares owned	Options	Total Value
Sumner Redstone, CEO, Viacom, total			\$10,504,956,345
*Viacom Class A stock	93,658,988	—	\$4,917,096,870
*Viacom Class B stock	104,334,988	3,000,000	\$5,587,859,475
Lowry Mays, CEO, Clear Channel Communications	31,032,838	—	\$1,731,632,360
Hearst Family Trust & family members, Hearst—Argyle	60,530,677	—	\$1,392,205,571
McCombs Family, total			\$1,353,174,496
*B.J. "Red" McCombs, Dir., Clear Channel	14,445,986	6,000	\$806,420,819
*McCombs Family Trusts, Clear Channel	9,798,453	—	\$546,753,677
Rigas Family, total			\$1,240,106,922
*Rigas Family partnerships, Adelphia Communications	32,987,751	—	\$1,199,434,626
*John Rigas, CEO, Adelphia Communications	538,100	—	\$19,565,316
*Michael Rigas, EVP, Adelphia Communications	193,500	—	\$7,035,660
*Timothy Rigas, EVP, Adelphia Communications	193,500	—	\$7,035,660
*James Rigas, EVP, Adelphia Communications	193,500	—	\$7,035,660
*Peter Venetis, Dir., & wife, Ellen Rigas, Adelphia Comm.	4,100	—	\$149,076
Ochs/Sulzberger Family, total			\$1,233,145,900
*Ochs/Sulzberger Family 1997 Trust	2,877,620	—	\$118,068,749
*Arthur Ochs Sulzberger, Chair—Emeritus, NY Times Co.	6,352,489	752,956	\$291,536,408
*Judith Sulzberger, former dir., New York Times Co.	6,778,817	20,000	\$278,955,462
*Ruth Holmberg, New York Times Co. (Ochs/Sulz fam.)	6,662,632	12,000	\$273,860,151
*Marian Heiskell, New York Times Co. (Ochs/Sulz fam.)	5,368,071	8,000	\$220,580,193
*Jacqueline Dryfoos, Dir., NY Times Co. (Ochs/Sulz fam.)	557,125	4,000	\$23,022,959
*Arthur Sulzberger Jr., Chairman, New York Times Co.	46,938	366,460	\$16,961,720
*Michael Golden, Vice Chair., NY Times Co. (Ochs/Sulz)	36,235	198,401	\$9,627,115
*Lynn Dolnick, New York Times Co. (Ochs/Sulz fam.)	12,994	—	\$533,144



VAULT²: The Media Mogul Maker

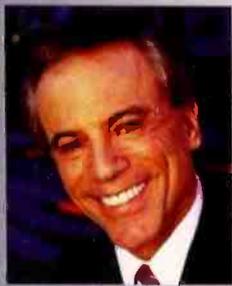
Broadcasting over \$3 Billion in ad revenues each year

What does it take to generate increased ad revenues like the big media moguls? Flexibility, scalability, and power. That's what the top media moguls have already discovered with VAULT²™, the new digital audio system from Broadcast Electronics. VAULT² sets the world renowned AudioVAULT[®] technology free as the first completely open system and off-the-shelf hardware compatible audio solution for today's radio operation. Whether for Wide Area Networking, Automation, Voice Tracking, even Internet streaming, VAULT² has the power and the flexibility to move your operation, and your ad billings, to the top.

VAULT² provides the ultimate in radio operation and digital studio management by providing technology that enables you to use hardware and software of your choice. Build your system around your existing operation, not vice versa.

To learn more about becoming the next big media mogul with VAULT², contact Broadcast Electronics at 888-232-3268, or visit us on the web at www.audiovault.com





David Saperstein



Mac Tichenor



Alfred Liggins



Jeff Smulyan



David Field



Larry Wilson



Mark Mays

\$250M to \$999M

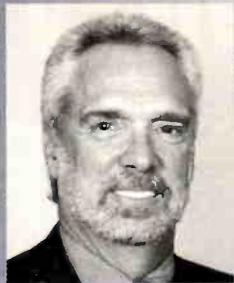
Roy E. Disney, Vice Chairman, Disney	17,674,166	600,000	\$552,793,522
Joe & Marie Field, CEO & Dir., Entercom	11,368,018	148,612	\$525,388,661
Mel Karmazin, total			\$545,356,042
*President/COO, Viacom (Class B)	4,464,963	5,001,964	\$492,848,220
*Dir., Westwood One	404,298	1,596,000	\$52,507,823
Rob Glaser, CEO, Real Networks	53,516,789	—	\$492,354,459
Barbara Cox Anthony (via Cox Enterprises), Cox Radio	18,011,916	—	\$464,707,433
Anne Cox Chambers (via Cox Enterprises), Cox Radio	18,011,916	—	\$464,707,433
Michael Eisner, CEO, Disney	13,329,990	—	\$403,232,198
Gaylord Family trusts & corporations, Gaylord Entertainment	11,905,207	500,987	\$359,655,564
David Saperstein, Dir., Westwood One	12,740,516	803,998	\$355,543,493
Tichenor Family Voting Trust, Hispanic Broadcasting	13,084,030	—	\$313,624,199
*Warren Tichenor, Hispanic Broadcasting	4,465,054	—	\$107,027,344
*Mac Tichenor Jr., CEO, Hispanic Broadcasting	3,155,873	26,666	\$76,285,460
*McHenry T. Tichenor, Dir., Hispanic Broadcasting	136,690	3,333	\$3,356,351
Alfred Liggins, CEO, Radio One, total			\$272,966,286
*Radio One, Class A, B & C stock	5,169,391	—	\$97,132,857
*Radio One, Class D stock	10,163,782	—	\$175,833,429

\$50M to \$249M

Jeff Smulyan, CEO, Emmis	5,421,035	600,000	\$153,656,813
Robert Decherd, CEO, Belo Corp.	7,489,739	591,950	\$142,560,994
David Field, Pres./COO, Entercom	2,818,524	97,917	\$133,048,038
Karl Eller, CEO/Eller Media, Clear Channel	1,243,053	998,112	\$125,057,007
Les Moonves, Pres./CBS TV, Viacom	41,390	2,341,667	\$124,061,947
Ted Miller Jr., CEO, Crown Castle	195,654	4,712,341	\$120,196,798
Ed Atsinger III, CEO, Salem Communications	7,322,378	—	\$118,622,524
Walter Ulloa, CEO, Entravision	11,489,790	—	\$116,046,879
Philip Wilkinson, Pres./COO, Entravision	11,489,365	—	\$116,042,587
Stuart & Nancy Epperson, Chairman/none, Salem Comm.	7,039,877	—	\$114,046,007
David Stonecipher, CEO, Jefferson—Pilot	182,340	2,165,625	\$109,556,047
John Madigan, CEO, Tribune Co.	1,383,352	921,925	\$97,144,373
Michael Pulitzer, Dir., Hearst—Argyle	4,123,892	4,000	\$94,941,516
Tom Murphy, Dir., Disney	3,012,682	12,000	\$91,496,631
Dealey Hearndon, Dir., Belo Corp.	4,643,354	69,172	\$83,128,959
David Moore, Hearst—Argyle	3,597,662	—	\$82,746,226
J. Michael Gearon Jr., Pres., American Tower Intl.	2,792,597	200,671	\$80,219,582
Scott Ginsburg, Chairman, DG Systems	27,648,728	4,251,557	\$74,646,667
Larry Wilson, CEO, Citadel Communications	1,894,546	653,254	\$64,994,378
Mitchell Kapur, Dir., Real Networks	6,590,140	60,000	\$61,181,288
Mark Mays, COO, Clear Channel Communications	971,720	62,380	\$57,702,780
Randy Michaels, Pres./Radio, Clear Channel	440,942	532,135	\$54,297,697
Bob Iger, Pres., Disney	42,320	1,700,000	\$52,705,180

\$10M to \$49M

David Margolese, CEO, Sirius Satellite Radio	1,601,375	2,850,000	\$45,893,676
James Breyer, Dir., Real Networks	4,905,936	60,000	\$45,686,611
Ed Christian, CEO, Saga Communications	1,888,458	328,305	\$42,894,364
Sidney Harman, Chairman, Harman International	737,997	582,250	\$41,917,842
David Ivy, Vice Chairman, Crown Castle	—	1,610,479	\$39,440,631
Sanford Litvack, Vice Chairman, Disney	34,435	1,230,000	\$38,249,159
Alan Box, EVP, American Tower	1,018,550	392,623	\$37,819,436
Randall Mays, total			\$36,971,957
*CFO, Clear Channel Communications	589,836	66,980	\$36,650,333
*Dir., XM Satellite Radio	36,757	—	\$321,624
Herbert Kean, Dir., Entercom	809,107	—	\$36,911,461
Bob Marbut, Chairman, Hearst—Argyle	1,305,461	250,000	\$35,775,603
Norman Pattiz, Chairman, Westwood One	535,680	748,000	\$33,696,600
Thomas Ginley, Dir., Entercom	729,493	—	\$33,279,471
Tom Stoner, Chrm. Exec. Cmte., American Tower	1,170,419	57,432	\$32,906,407
Kristie Miller, Dir., Tribune Co.	750,911	24,000	\$32,654,750
Farid Suleman, CFO, Westwood One	100,000	1,120,000	\$32,025,000
Charles Green III, EVP, Crown Castle	—	1,272,469	\$31,162,766
George Reese, EVP, Crown Castle	180,000	1,039,202	\$29,858,257
Richard Weening, Dir., Cumulus Media	1,990,835	1,586,702	\$29,657,782
Dennis FitzSimons, Pres./Broadcasting, Tribune Co.	383,520	301,334	\$28,859,748



Norm Pattiz



Ed Atsinger



Ed Christian

Fred Lummis, Dir., American Tower	324,853	537,042	\$23,098,786
Kenneth Mlekush, Pres./J—P Life Insurance, Jefferson—Pilot	17,159	459,686	\$22,249,588
Ward Huey Jr., Retired Pres./Broadcast, Belo Corp.	140,872	1,098,300	\$21,858,994
Alan Rees, EVP, Crown Castle	—	858,229	\$21,018,028
Calvin Payne, EVP, SpectraSite Holdings	1,966,454	125,000	\$20,956,369
Scott Royster, CFO, Radio One, total			\$20,725,071
*Radio One, Class A stock	367,718	13,985	\$7,172,199
*Radio One, Class D stock	755,434	27,969	\$13,552,872
Darlene Friedland, Sirius Satellite Radio	2,000,000	—	\$20,620,000
Edward Dallin Bagley, Dir., Gentner	1,721,618	—	\$20,383,957
Stephen Clark, CEO, SpectraSite Holsings	1,715,685	307,500	\$20,272,314
Stuart & Anita Subotnick, CEO/Dir., Big City Radio	8,200,458	—	\$20,091,122
Bruce Beasley, Pres., Beasley Broadcast Group	1,256,754	162,500	\$19,656,668
Caroline Beasley, CFO, Beasley Broadcast Group	1,256,254	162,500	\$19,649,743
Amador Bustos, Dir., Entravision	1,526,731	418,659	\$19,648,439
Fredric Reynolds, Pres./CBS Stns., Viacom	97,671	275,500	\$19,427,282
Donald Grenesko, SVP/Finance, Tribune Co.	206,323	254,123	\$19,403,194
Jack Fuller, Pres./Publishing, Tribune Co.	239,421	214,013	\$19,107,709
Thomas Staggs, CFO, Disney	13,478	600,500	\$18,572,835
Marcos & Sonja Rodriguez Family Trust, SBS	2,958,844	—	\$18,108,125
John Bassett Jr., Dir., Belo Corp.	954,983	69,172	\$18,066,094
Bruce Jacobsen, Dir., Real Networks	110,600	1,771,824	\$17,318,301
Dennis Glass, EVP, Jefferson—Pilot	25,480	331,562	\$16,659,580
David Hiller, SVP, Tribune Co.	210,125	173,110	\$16,149,523
Joe Winn, CFO, American Tower	85,457	511,956	\$16,010,668
Peter Murphy, Sr. EVP, Disney	6,034	517,700	\$15,842,954
John Kelly, COO, Crown Castle	1,010	622,598	\$15,272,160
Phillip Farmer, CEO, Harris Corp.	209,731	316,722	\$15,135,524
William Roskin, SVP, Viacom, total			\$13,885,120
*Viacom Class A stock	565	—	\$29,663
*Viacom Class B stock	2,144	264,000	\$13,855,457
Burl Osborne, Pres./Publishing, Belo Corp.	92,783	663,880	\$13,347,535
Theodore Strauss, Dir., Clear Channel	102,606	124,500	\$12,672,515
Lew Dickey Jr., CEO, Cumulus Media	581,282	819,428	\$11,611,886
Bradley Beasley, Beasley Broadcast Group	741,462	33,334	\$10,730,925
Stephen Hamblett, Dir., Belo Corp.	449,958	152,110	\$10,620,480
Russell Lewis, CEO, New York Times Co.	22,637	225,934	\$10,198,868
Mary Catherine Sneed, COO, Radio One, total			\$10,166,425
*Radio One, Class A stock	230,922	—	\$4,339,024
*Radio One, Class D stock	336,844	—	\$5,827,401
Ralph Guild, CEO, Interep	559,276	2,601,426	\$10,051,032

PROPHET SYSTEMS INNOVATIONS

Every 96 Hours...

NexGen DIGITAL™

Own a
Prophet
for under
\$20,000

Another NexGen Digital System is Installed.

What do Clear Channel, CBS/Infinity, Sirius Satellite Radio, and the largest private group of stations in Mexico have in common?

NexGen Digital.

What sets Prophet Systems apart from our competitors? Our attitude towards service and support!

NexGen Digital, the latest generation in a long line of cutting-edge digital audio systems.

PSI
PROPHET SYSTEMS
innovations
877/774-1010
www.prophetsys.com
sales@prophetsys.com

ONCE YOU GO PROPHET, YOU'LL NEVER GO BACK.

Tribune revenues down 5% YTD

Tribune Company (N:TRB) reported 5/18 that pro forma revenues (including Times Mirror) were off 11% in April at \$410M. Year-to-date, Tribune's revenues are trailing last year by 5% at \$1.7B. The company's newspaper and TV units were hardest hit in April, with ad revenues off 14% for each. April radio revenues dropped 7% to \$4.7M. For the year to date (four months), Tribune radio revenues are down 6% at \$17M.—JM

Media Markets & Money™

by Jack Messmer

Where is the bottom?

Has advertising demand begun to recover? That was the question investors asked time and again at this month's (5/15-17) Banc of America Securities Growth Telecommunications Media & Entertainment Conference in New York. As you might expect, radio executives were unable to provide a definitive answer.

"We just don't know where the trough is," said **Lew Dickey Jr.**, CEO of Cumulus Media (O:CMLS). "We're really going up and down with the tide of the advertising market right now. Dickey was happy to de-

scribe how Cumulus has changed its corporate leadership and gotten its financial house in order. Only one of Cumulus' 46 markets is in danger of losing money this year, and it could yet make positive cash flow, he noted proudly.

Now that Cumulus has closed nearly all of its long-pending station purchases, which had been held up by the "red-flagging" of former FCC Chairman **Bill Kennard**, Dickey is ready to start thinking about selling some non-strategic assets, including markets not geographically contingent to the rest of the group. Dickey didn't mention any markets by name, but

the company's most far-flung stations are in California.

"With each economic cycle, radio seems to rebound and come back as a stronger industry than ever before," said **George Beasley**, CEO of Beasley Broadcast Group (O:CMLS). Although his company only went public last year, George himself is now in his fifth decade as a station owner, so he may know what he's talking about. The veteran broadcaster said he's seeing a bit of strengthening in demand on inventory for June and beyond, but it's too early to be sure that a recovery has begun. He said he won't be convinced until he sees four successive weeks of year-over-year sales improvement.

Beasley also gave the first hit that his company may not be around for many more decades. Prices are soft now, of course, but as the market recovers and consolidation picks up again, he said he expects that someday another group owner will offer "what we believe the company is worth"—obviously more than the current stock price. "When that day comes, there may very well be an exit," Beasley told the conference.

Asked about current ad market conditions, ClearChannel (N:CCU) CEO **Lowry Mays** said "visibility has never been shorter" and that ad buyers are putting off decisions as long as possible. "We're selling next week-maybe today," he noted. Mays said he hoped the market turn back upward has come, but he's withholding judgment. He said demand for advertising will pick up when consumer confidence recovers from the decline it suffered in April.

As the only radio company with a direct ownership stake in satellite radio, Mays was asked if he was hedging his bets by investing in XM Satellite Radio



Simmons Media Group, Inc.

David Simmons, President

has closed on its purchase of

KFTZ-FM and KOSZ-FM

Idaho Falls, Idaho

along with the stock of Western Communications,

Chris Devine & Bruce Buzil, General Partners

which includes radio stations

KLCE-FM, KCVI-FM, KECN-AM, KICN-AM and KBLI-AM

Blackfoot-Idaho Falls, Idaho

from **Marathon Media**

for **\$13.0 Million Cash**

G. Gregory Merrill
of **Media Services Group**

represented the parties in this transaction.

Tel: (435) 753-8090 Fax: (435) 753-2980
ggm@cache.net

Media Services Group

www.mediaservicesgroup.com

(O:XMSR). "We certainly didn't make that investment as any kind of insurance policy," he insisted, saying that he expects satellite radio to be a niche player in national media, while radio will remain primarily a local business. "We don't see it as any remote kind of threat to our radio business," he said.—JM

Citadel clears the way for Forstmann Little & Co.

The holders of well over 90% of the outstanding stakes in Citadel Communications have committed to sell back to the company, clearing the way for the merger of the radio group with FLCC Holdings Inc., a subsidiary of Forstmann Little & Co.

Consents for 99.5% of 10 1/4% Senior Subordinated notes due in 2007 have been received. 98.8% are in for 9 1/4% Senior Subordinated notes due 2008. And consents for nearly 98% of Citadel's 13 1/4% Series B Exchangeable Preferred Stock are in.

The buyback offer is set to expire 6/26/01. The name Citadel Communications will survive the merger.—DS

Simmons done simmering in Idaho Falls

Simmons Media Group has added six Idaho radio stations to its portfolio. The group, located in Idaho Falls and Blackfoot, cost \$13M. The seller was Marathon Media.—DS

BAS banking on public companies

According to figures assembled by Banc of American Securities (BAS), the radio industry same station revenue for Q1 2001 was 7% less than the previous year. However, for eight publicly-traded companies covered by BAS, results were only -0.6. Four of the companies actually managed some growth, led by Beasley (O:BBGI) with a 5.2% gain and Radio One (O:ROAIK) with 4.7% growth. The biggest loser of the eight was the one with the most large-market (hence dot-com influenced) stations—Clear Channel (N:CCU), which at -8% growth was the only one of the companies to underperform the industry as a whole.

The other covered companies on the chart are Citadel (O:CITC), Cox Radio (N:CXR), Emmis (O:EMMS), Entercom (N:ETM) and HBC (N:HSP). Stats are provided for two others: Infinity (N:INF), which is not currently under BAS coverage, and Cumulus (O:CMLS), which was not included in averages due to its recent restructuring.—DS

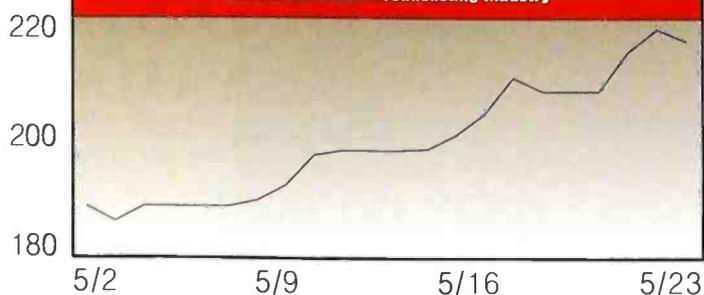
Same-station radio revenue growth

	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00	1Q01
CCU	10.0	12.0	15.0	17.0	10.0	5.0	-8.0
*INF	16.0	20.0	23.0	18.0	12.0	6.0	na
BBGI	na	20.0	11.0	14.0	9.1	9.0	5.2
CITC	17.4	25.3	18.7	14.9	1.0	5.2	-0.7
CXR	14.9	12.6	22.7	17.5	11.8	13.0	0.2
**CMLS	19.0	11.1	7.3	-3.5	-4.7	0.4	-2.0
EMMS	13.0	15.0	15.4	17.6	14.0	2.0	-3.0
ETM	22.2	19.3	19.0	17.0	8.0	9.0	-4.0
HSP	16.9	17.5	17.6	18.6	19.3	8.4	0.7
ROAIK	23.5	35.0	29.0	25.0	13.0	8.0	4.7
All BAS	16.7	19.6	19.0	17.7	10.9	7.3	-0.6
All radio	14.4	17.7	21.0	20.3	8.0	1.0	-7.0

* INF not currently under BAS coverage; ** CMLS not included in averages
Source: BAnc of America Securities.

The Radio Index™

The Radio Index™ climbed higher yet again reaching a new year-to-date high of 216.185 on 5/23, up 12.288 from a week earlier.



For Sale!

**3 Texas Gulf Coast
Class C FM's
for \$6 Million**

**2 West Texas
Class C FM's
for \$3.5 Million**

**Class C FM in Medium
West Texas market
for \$600,000**

**Class C FM in
University Town
for \$1 Million**

For More Information Contact:

Norman & Terrill Fischer
Southwest
(512) 476-9457

Bernie Fuhrmann
East Coast
(610) 317-2424

**STATION BROKERAGE
APPRAISALS
EXPERT WITNESS
TESTIMONY**

**Norman Fischer &
Associates, Inc.**

2520 Longview St, Ste. 313
Austin, TX 78705
(512) 476-9457

www.nfainc.com

Closed
KAVC/KOSS/KTPI
Lancaster/Palmdale
\$13,465,000

Jorgenson
Broadcast  Brokerage

Mark Jorgenson **Peter Mieuli**
(813) 926-9260 (408) 996-0496
Tampa San Jose

HAMMETT & EDISON, INC.
CONSULTING ENGINEERS
RADIO AND TELEVISION

Serving the broadcast industry since 1952...
Box 280068 • San Francisco • 94128



707/996-5200
202/396-5200
engr@h-e.com
www.h-e.com

APPRAISALS

Radio and Television
Every type of appraisal
Expert witness services

Art Holt or Chris Borger
1-610-814-2821

HOLT
Media Group

Read about these
transactions and more
at our website
rbr.com
The place for
leading industry
news and information

Transaction Digest®

by Dave Seyler & Jack Messmer

The deals listed below were taken from recent FCC filings.

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

\$79,680,000 WMTR-AM, WDHA-FM & WWTR-AM Morristown NJ (Morristown, Dover, Bridgewater); **WRAT-FM** Monmouth-Ocean NJ (Point Pleasant) from New Jersey Radio LP (Stephen Scola, EVP et al) to The Sentinel Publishing Co., a subsidiary of Greater Media Inc. (Estate of Peter A. Bordes). \$8M escrow, balance in cash at closing. **Duopoly** overlap between WWTR-AM and buyer's WCTC-AM & WMGQ-FM Brunswick NJ. LMA since 5/8.

\$1,405,000 KUNC-FM Ft. Collins (Greeley CO) from Board of Trustees of the University of Northern Colorado to Community Radio for Northern Colorado. \$100K deposit, balance in cash at closing. Buyer will also contribute not less than \$510K to the University of Northern Colorado University Foundation, a quasi-endowment fund established for the benefit of the station and considered a station asset. Buyer is basically paying for cash value of fund, but will not pay less than \$510K regardless of its actual value. Buyer will also, for a period of three years, provide seller with airtime

for a minimum of 900 announcements, \$16K for production costs and provide at least 10 hours per month studio time.

\$735,000 WVBB-AM Richmond from Cox Radio Inc. (N:CXR, Bob Neil, CEO) to SCA License Corp. (Stuart Epperson, Ed Atsinger), a subsidiary of Salem Communications (O:SALM). \$36,750 escrow, balance in cash at closing.

\$325,000 WELL-FM Dadeville AL from Winds of Change Inc. (Philip Williams) to Tiger Communications Educational Foundation Inc. (Debbie Baldwin, Elizabeth S. Hayley, Tom Hayley). \$25K escrow, balance in cash at closing. Station is noncommercial.

\$250,000 WHGR-AM Houghton Lake MI from Coltrace Communications Inc. (John M. Salov) to Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). Cash. No contour overlap with Grand Rapids or Muskegon stations. Clear Channel is replacing Concord Media Group as buyer.



THE EXLINE COMPANY

MEDIA BROKERS • CONSULTANTS

NORTHWEST DUOPOLIES AVAILABLE

ANDY McCLURE **DEAN LeGRAS**

4340 Redwood Highway • Suite F-230 • San Rafael, CA 94903
Telephone • 415-479-3484 Fax • 415-479-1574

Impressions from the Media Sales Institute

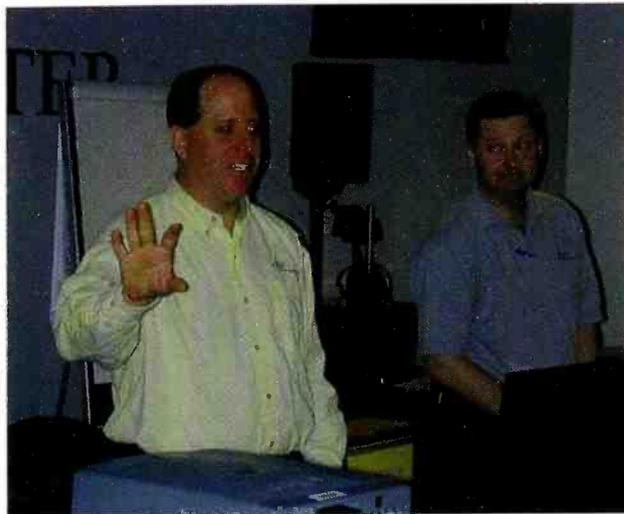
After attending the recent NABEF-funded Media Sales Institute held at Howard University in Washington (*RBR* 5/21, p.6), a few of the speakers and organizer **Jeffrey Myers** gave us their take on this, the first-ever event of its kind. Companies in attendance for both hiring and recruiting were: Sinclair, Comcast, Hearst-Argyle TV, UPN, Nielsen Ratings, Interep, Belo TV, Clear Channel, Citadel, Arbitron, Barnstable Communications, ABC Radio, Cox Radio, Radio One, Bonneville, Infinity, Warner Brothers, Fox and Susquehanna.—CM

Program Co-Organizer: Personal Selling Principles (PSP) President Jeffrey Myers

It exceeded me and my partner **Bartt Horton's** wildest expectations. We knew there was a need, but this is affirmation, which has motivated us now on developing the program out for each media, as well as each region of the country. We're just excited. The mission was to bring business and education together for mutual benefit, and we know that this we accomplished. The program was made up of graduating seniors that are immediately available for employment. They were able to present to the industry and make an impact. I posed a question, at the end of the day's session to 18 companies, "How many of them saw someone they liked?" All 18 said they did. And the second question, "How many of you planned to make offers to students and 16 of them said they planned to make offers."

After the students went through the 10-day intense training course by the leaders in all three respective industries, there were 15 students on day 8 that gave presentations to 21 companies, and day 10, the other 16 students did presentations in

Sales



Larry Julius with Chuck Dickemann

front of 18 companies. They were scheduled 15 minutes per student. We wrote six different scenarios—one would attack that scenario as the radio seller, one as a TV seller and one as a cable seller, giving us 18 different scenarios to present to the companies. We asked them to judge the kids on their desire ability, aptitude and attitude.

AURN CEO Jay Williams

The Howard University Media Sales Institute was the first of its kind to focus on the media sales effort of students in communications and other fields. It's exceptional in that it brought together a broad range of nationally recognized leaders in all media and provided an opportunity for students to meet the leaders of the industry, up close and personal. I found their questions to be just brilliant; their interest in the medium and the opportunity to work in it was just ex-

hilarating. It shows that there are a lot of bright young kids who can come into this medium, make an impact and help to grow companies in the future. I only wish that even more kids would get exposed to media sales so as to provide an even stronger

base of educated media salespeople who would be able to come into our industry and make significant growth and change happen even quicker. I'm looking at trying to create a position here and I am interviewing a couple of them.

Larry Julius, VP Sales, Lightningcast.com

(with **Chuck Dickemann**, Director of Product Management) It was an incredibly bright group of kids who asked questions better than most advertisers ask about our medium. They were very intuitive and it's clear that the education in media that they have received clearly paid off. The questions were right on target—good and bad—they exposed the pros



Ralph Guild

as well as recognized the cons. I only wish I knew as much as they did when I was their age.

I think that Jeffrey Myers, [PSP] VP Bartt Horton and [Howard U. Professor and Moderator of the program] **Ernie Fears** did a great job of putting this together.

Ralph Guild, Interep CEO

I was very impressed with the quality of the students and I would say it was one of the brightest groups of students that I've been with in any of the college visits I've made. It was a very spirited Q&A session. The questions were very much on target, they really know what's going on in the industry. It was a good experience.

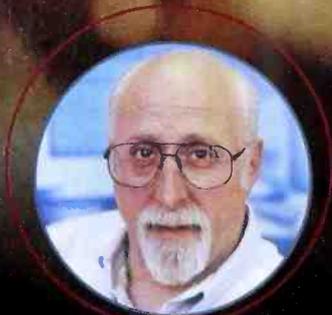
We're actively trying to recruit as many as are interested in our industry and our business. We have had a lot of Howard recruits over the years—at least one or two every year, but these students were from all over America as well.

I think the Communications professor down there, Ernie Fears...anybody who can associate with him, even if its for a short seminar like this is very fortunate. He's one of the most inspiring people I have ever worked with.

Clear Channel Washington EVP Bennett Zier

It was certainly worthwhile for me, I hope it was as well for the students. I enjoyed sharing with them our vision at Clear Channel. And certainly, we are actively recruiting right now. I'm hoping that a couple of the students have an opportunity to join Clear Channel.

It was a lot of fun. The students engaged in the discussion, it was a great give and take of ideas and I thought they had terrific questions.



Walter Mossberg
Columnist
The Wall Street Journal



Larry Wilson
President and CEO
Citadel Communications
Corporation

Radio. hear and now.

Find Out Where Radio Is Heading

Tune into the hear and now. The NAB Radio Show® – the largest event focused exclusively on Radio – delivers the expertise you rely on combined with the technology you can't afford to miss.

Exciting and information-packed sessions. Leading-edge exhibitors. Unlimited one-on-one networking opportunities. Visionary speakers. At The NAB Radio Show, you'll discover real-world solutions for the challenges facing today's radio professionals.

Don't miss your chance to hear from the industry's best, including the Keynote Address by award-winning technology guru and *Wall Street Journal* columnist, Walter Mossberg. Presentation of the coveted National Radio award will also be made to Larry Wilson at the Radio Luncheon.

Register Now for The NAB Radio Show, and Position Yourself Where You Need to Be – on the Leading Edge

THE NAB
RADIO
SHOW®

September 5–7, 2001
New Orleans, LA USA

NAB Xstream
Broadcasting on the Internet

New From NAB, a Show Focused on Streaming Technologies

Where can you go to discover what streaming can do for your business? NAB Xstream – where sessions, keynotes and exhibits will show you how to reach your audience on the Web and boost your bottom line. Held in conjunction with The NAB Radio Show, NAB Xstream offers two shows in one expo hall – giving you unprecedented networking opportunities and exposure to a broad range of education and exhibits.

For more details, or to register, visit www.nab.org/conventions. Questions? Call 1-800-342-2460.