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Kathleen Abernathy and Michael Copps are now officially seated at the FCC; Kevin Martin will wait a little longer.

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RBR seeks shutdown of electronic filing

Following months of frustration with incomplete and inaccessible filings (RBR 6/4, p. 4 & 15), Radio Business Report has filed an Emergency Petition for Reconsideration with the Federal Communications Commission, asking that the FCC immediately shut down electronic filings via the Mass Media Bureau's Consolidated Database System (CDBS).

"While the Commission's intent was to streamline application processing and improve public access to public documents, the reality has been quite the opposite," RBR said in its petition, which included a detailed list of 52 incomplete electronic filings of station sales, including six which had already been granted. "In short, CDBS has failed and should be shut down until its problems are corrected or it can be replaced by a new electronic filing system which actually works," RBR stated.
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RBR observation: After months of fruitless attempts to secure some missing public documents and watching the list of incomplete applications grow much faster than the FCC was able to resolve problems, RBR's editors have determined that the CDBS is so badly flawed that no fix is possible. It must be shut down.

Yes, it should be possible to file station license transfers electronically, and for the public to access those filings on the Internet, but that will never be possible using the current system. A new system will have to be designed from the ground up.

As RBR went to press, there had been no official response from the Commission, but (is it just amazing coincidence?) two of the station sale contracts which had been missing for the longest time suddenly showed up in CDBS right after our petition showed up at the FCC. The technical glitches remain though, and the list of problem filings continues to grow.

What's needed now is for other users—particularly law firms and consulting engineers—to file supporting comments telling their own horror stories of dealing with CDBS. RBR has taken the lead and we'll take the heat for calling for a shutdown.

Now we need your help to convince Chairman Michael Powell and the other Commissioners that the problems are too severe to be glossed over.

RBR's petition was sent to the FCC and individually to each Commissioner 6/1 and is now posted in the Commission's Electronic Comment Filing System (ECFS) under Docket Numbers 98-43 and 94-149.

The petition has also been posted on RBR's website, RBR.com, along with instructions on how to file statements of support at the FCC.—JM

Eminem creates a mess for Pueblo FM

Citadel's KKMG-FM Pueblo CO has been hit with a Notice of Apparent Liability (NAL) for airing rapper Eminem's "The Real Slim Shady" over a three month period from 5/00 through 7/00. This despite the fact that the station aired an edited-for-radio version of the song. The fact it was aired repeatedly outside of the "safe harbor" hours of 10P-6A is not in dispute.

The fine is for $7K. The FCC contends that "the edited version of the song contains unmistakable offensive sexual references...portions of

Abernathy, Copps take office

Michael J. Copps (D) took and Kathleen Q. Abernathy (R) took their oaths 5/31 and became the newest FCC Commissioners. Abernathy, who is finishing out the term of Susan Ness, is scheduled to remain in office until 6/30/04; Copps, who has the former slot of Harold Furchgott-Roth, carries on until 6/30/05.

For whatever reason, the nomination of Kevin J. Martin was approved as an intact, full term beginning 1/1/01 and running until 6/30/06, and the vacated chair of former chairman William Kennard was left vacant. The White House and Senate can take steps to get him in earlier, or simply wait out the month before his term begins.

"I am enormously excited at the opportunity to serve as an FCC Commissioner," said Copps. "To be an active participant in the deliberations of the FCC as the telecommunications revolution transforms our lives and reshapes our world is a real privilege. I look forward to working with my colleagues on the Commission, with the Congress, with industry and government and all the many other stakeholders to make sure that our nation continues to lead and prosper in this telecommunications revolution."

Said Abernathy, "I am humbled and honored that the President and Congress have selected me to serve the American people as an FCC Commissioner. Having worked at the FCC as a legal advisor to two commissioners, I feel a particular sense of pride and responsibility in following in the footsteps of such fine public servants. I look forward to working with Chairman Powell, my fellow commissioners, and the talented and dedicated Commission staff to make the best, most prompt decisions possible for the American people."—DS
Radio One may go alone on network

Having previously disclosed that Radio One (OROA) was in talks with Westwood One (NWON) and Disney’s (DIS) ABC about a joint venture to create a radio network targeting African-Americans, Alfred Liggins says his company may go it alone. "We’re moving now with the idea of building out our own network infrastructure," Liggins told last week’s Deutsche Bank Alex Brown Media Conference. RBR recently learned that former American Urban Radio Networks executive Skip Finley has been retained by Radio One to work on the network project.—JM

RTNDA backs open courtroom law

If Chief Justice William Rehnquist won’t open federal courts to microphones and cameras, maybe Congress will. RTNDA is welcoming legislation introduced 6/5 by Senators Charles Grassley (R-IA) and Charles Schumer (D-NY) which would allow federal trial and appellate judges to permit journalists to bring mics and TV cameras into their courtrooms—access much like that already permitted in many state courts.

Similar legislation has been introduced before on Capitol Hill before, but RTNDA is hoping for a boost this time from last fall’s audio broadcasts of Supreme Court arguments over the Florida presidential election results. In an unprecedented move, the high court had permitted same-day access to the court’s own audio recordings. The Bush vs Gore arguments were widely broadcast on radio, TV and the Internet.—JM

Another step ahead for IBOC

Ibiquity’s in-hand, on-channel (IBOC) digital radio broadcast technology is slated for its initial roll-out in time for the NAB Spring Convention in April of next year. At the request of receiver manufacturers, the first markets will include New York, Los Angeles, Chicago, San Francisco, Miami and Seattle.

“We’re trying to solve the chicken-egg thing by finding out where the receiver manufacturers need us to be to put receivers on the market,” said Ibiquity Broadcast Technical Manager Jeff Detweiler.

Besides allowing Ibiquity and receiver makers to focus their resources, the targeted opening act will provide the same opportunity for stations and group owners. It will give groups a road map to follow as they determine where to add IBOC capability.

It is likely, said Detweiler, that other markets will be added to the list. Washington, Atlanta and Boston are desirable, but station owners can influence this by adding IBOC capability wherever they desire.

Ibiquity’s target criteria to add a market is 50% 12+ penetration—that is, at least half of the available 12+ Arbitron shares in the market go to IBOC-ready stations.—DS

Two in a row for DDB Chicago

Top prize at last Wednesday's (6/6) Radio-Mercury Awards was a repeat, with DDB Chicago taking the $100K check for the second year in a row.

John Immesoete (2nd from left), Vice President/Group Creative Director, DDB Chicago, who was the writer on last year’s Grand Prize winner, served as both writer and creative director on this year's best radio commercial, "Heroes/Mr. Pickled Pigs Feet Eater," a spot developed for Anheuser-Busch's Bud Light. Pictured with Immesoete at the presentation were (l-r) Gary Fries, President & CEO, RAB, Bill Cimino and Mark Gross of the winning DDB team and Jim Thompson, President & CEO, Craven-Thompson Communications. Fries and Thompson are Co-Chairmen of the Radio Creative Fund.

The $5K prize and Mercury Trophy for the best Radio Station-Produced spot was presented to NextMedia’s WZRS-FM Crystal Lake, IL, for a Pirro Brothers Pizza commercial. A complete list of this year's winners plus audio of the #1 commercial is available at RBR.com.—JM

24 fall off the Hiwire

Streaming advertising solutions provider Hiwire Inc. announced a staff reduction 6/1, letting go 24. The reduction was seen as necessary cost-cutting measure as the company closes in on an additional round of funding. CEO Warren Schlichting promised undisrupted service for current and future clients, saying "...our core team remains intact, ensuring that engineering, sales, marketing and business development will continue to function normally."—DS
What’s the view from street level as the growing Hispanic market is front page news? RBR sought out the reaction of three GMs who run Hispanic radio stations in various sizes of markets.

Miguel Villarreal, GM, Rodriguez Communications’ KNX-FM, KLNT-FM, KQUR-FM, Laredo, TX

We eliminate one more excuse for those who ignore the market. Even in this softer year the census numbers are helping us outperform the market. When the census 2000 numbers are first incorporated in the Fall Arbitron 2001 we expect more good news in programming and sales. Ratings + Rates = Revenue.

Castro We have become more aggressive in promoting the census data to the local business community and we’re actually planning a series of seminars for the local business community to educate them using the census data. We’ve seen, I think, some additional interest as a result of the census data. The Houston Chronicle, the daily paper here, has run a series of front page stories on the dramatic growth of the Hispanic population in Houston. So that’s increased the awareness quite a bit. We’ve seen some positive benefits, but the numbers came out just recently and so it’s a little too early to tell, plus I think the fact that the economy is unsettled has led to lesser of a response that it would have been if the economy had been going gangbusters. Once the economy strengthens, I think you will see much more aggressiveness of the local business community going after this big opportunity.

What percentage of your buys are straight Hispanic vs. general market? Villarreal The national business is very, very down for us. National business is about 80% down for us. And so the number that I could give you with respect to 2001 is not going to be reflective of what it used to be before 2001, when business was healthy. The percentage of Hispanic buys right now vs. general market buys on a national level is 20/80. Whereas it used to be, for our stations at least, about 50/50. I mean I’m not even getting avail requests. It’s down significantly.

Carey Davis, GM, SBS’s WSKQ-FM, WPAT-FM NYC

We no longer use the term “general market” as the census clearly puts Hispanics as part of the mainstream. That being said approximately 35% of our business comes from “Anglo” agencies. There are rich advertising categories tailor made for Spanish language radio including automotive, supermarket, food, entertainment and clients who want to reach families.

Castro Probably 80% of our business are people who specifically set out to buy media to reach Hispanics; probably 20% are people who are general market players who we’re competing against the English stations for the dollars and we’re trying to get them to spend some of their money with us. I think over time in the big cities like Houston that that percentage will change. Like in LA, I think the Hispanic stations have good ratings there, it’s probably moving more in the direction of 70/30. You just can’t buy radio in big cities today without targeting Hispanics. And if you do, you are really doing your client a disservice.

Villarreal None at all. The nature of our business is tight Hispanic vs. general market. They’re going to do their best to keep their budgets, if not growing vs. last year, at least stable. So that means that tricking down. Hispanic national dollars are going to be down.

We are up in local, but when national is 30% of your business, and you lose 80% of it, that hurts. So we’re scrambling, but we’ll come out alright.

Davis We no longer use the term “general market” as the census clearly puts Hispanics as part of the mainstream. That being said approximately 35% of our business comes from “Anglo” agencies. There are rich advertising categories tailor made for Spanish language radio including automotive, supermarket, food, entertainment and clients who want to reach families.

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Are you having any perception problems with local advertisers about targeting the Hispanic community (i.e. “they don’t spend money”)? What do you do to combat any misperceptions? Villarreal None at all. The nature of our market is we are largely Hispanic-based. Davis Our responsibility of education never ends. There are many tools we use to show the power of Spanish language radio and the economic vitality of the Hispanic community. “Ladrillo por ladrillo” (brick by brick) we will prevail.

Castro It’s an ongoing project to educate businesspeople about the value of the Hispanic market. So the new census numbers have not erased that challenge. That challenge remains. I’ve been doing this for 20

Tom Castro, GM, El Dorado Broadcasting’s KQQK-FM, KXTJ-FM, KEYH-AM Houston

How has it changed for local sales since the 2000 census numbers came out? Villarreal It has had no effect whatsoever. Our market is bought locally as a homogeneous market. The advertisers buy English and Spanish-language media in the same way. We did not grow percentage-wise in our Spanish composition. Depending on who you ask, we are 94% Hispanic density. It hasn’t had any effect and I don’t foresee it will have any effect.

Davis It starts emotionally and internally here at the stations and within SBS with the anticipation and excitement of our dream coming true. It ends with higher revenue and more value for our shareholders. We’re not simply radio stations. We’re both a beacon and lifeline to New York’s HUGE Spanish-speaking community. With every Hispanic counted

by Carl Marcuccio
years now. 20 years ago, it was very difficult; 10 years ago, it was a challenge; and today, it's still not a walk in the park, but it's getting easier all the time. But nonetheless, there's still many, many advertisers that we'll see in the X-Ray reports which are put out by Miller, Kaplan for our market, where you see page after page of advertisers who are not spending money in Hispanic markets and their products are very well suited for the Hispanic market.

If somebody were selling skiing packages to the Swiss Alps, well, there are some Hispanics who would be interested in that, but the majority are not. But anybody who is selling something that has to do with family, whether it's a service or a product, they absolutely need to be targeting Hispanics as well as others and yet, we have lots of advertisers who do not. Or if they do, it's a token buy. They do their general market buy and then they've all got to do something with the Hispanic market, so 5% of their budget might go to the Hispanic market, 95% would go to the general market, and yet probably 40% of their customers are Hispanic.

So, yes it's still a challenge. And the best way to deal with that is not to yell and scream and get upset about it, but you just have to show these people how it's in their own selfish, best interest to target their money to go after the Hispanic consumer. Those who have, have gotten a big payoff.

How did you get into radio?

**Villarreal** I got into radio mainly as a family business. My family has been in the business since the 50s and I kind of have it in my bloodline. I got into radio in an ownership way in 1990 as the result of being urged by my family to return to the family trade. [Editor’s note: Miguel and his brother, Luis sold Rio Grande Comm. to Rodriguez Comm. 5/25/00. Both now work for Rodriguez as GMs.]

**Davis** My father owned and operated radio stations. My mother was a radio actress here in New York and a travel writer for talk radio. My brother is Lindsay Wood Davis, VP/Radio Advertising Bureau. I have a niece and nephew both in radio. Para mi, la radio está en mi sangre y es una bendición. (For me, radio is both in my blood and a blessing).

**Castro** A total fluke. I never thought I would be doing this. A friend of mine in 1979 had purchased this radio station in Phoenix. I knew this fellow casually. He wasn’t my best friend, but I knew him. And he needed money to close the deal on this $350K Hispanic AM he was buying. So he approached me, and I was in the oil equipment export business at the time. I and another friend together invested $50K to help this guy. We got to understand the business. I'm Hispanic, so I understood the opportunity—the Hispanic population was growing very quickly—and just like today, I knew that the census numbers had come out after the 1980 census were going to show a big increase. I figured that would help the station's business and Phoenix was a growing city. It turned out my grandfather, who was deceased, had been involved with that station years before, I had found out from my mother. So I kind of had an emotional tie in to it. We invested $50K and three years later we took out $250K after the guy decided he wanted to sell. And that’s what got me hooked on radio—a business where you can serve the public, have fun and make good money. What else could you want? And then we went and bought more stations after that.
Hot Hispanic market enjoys Census boost

It's not just buzz anymore. The US Hispanic market is really growing. In fact, it's growing faster than anyone knew. Actual numbers from the 2000 US Census show that the nation's Hispanic population grew faster than previously estimated in the past decade. Those Census results have been front page news—good news for Hispanic media companies which have been working for years to convince many major advertisers that Hispanic consumers shouldn't be ignored.

"It's been hard to get out of the way of the publicity that's been generated by these new census numbers and we couldn't have bought it [the publicity] if we'd spent our entire year's cash flow on it. Every day in every newspaper in this country there's an article talking about the Hispanic population growth and the social and economic effects that will have," Hispanic Broadcasting Corp. Mac Tichenor said 5/4 in a presentation to the Deutsche Banc Alex. Brown 9th Annual Media Conference in New York. "What that's meant is we're starting to see from advertisers and potential advertisers a renewed emphasis from the highest levels of those companies on addressing this market—so that where there may have been more of a lukewarm effort in the past, today out of the boardroom are coming questions to potential customers of ours of, "how are we going to address this market?"

"Many clients were not aware of the size and scope and importance of a market that has been growing so rapidly that most people were just caught unawares," Doug Alligood, EVP, Special Markets, BBDO, told RBR.

"You're looking now at a population that is growing rapidly at 2M people per year," said Joaquin Blaya, CEO of Radio Unica, who suggested that growth rate was more surprising than the Y2K population count. "By the end of the decade Hispanics will be 50M people in this country."

Hispanic radio has been expanding rapidly in recent years and there are now nine sizeable US radio groups exclusively (or nearly so) targeting Spanish-speaking listeners, including five with publicly traded stock. Big City Radio (A: YFM), Entravision (N: EVC), Hispanic Broadcasting Corp. (N: HSP), Liberman Broadcasting, Lotus Communications, Mega Communications, Radio Unica (O: UNCA), Rodriguez Communications and Spanish Broadcasting System (O: SBSA), not to mention numerous companies with multiple stations in only one or two markets. Of those Spanish radio groups, only two have major non-radio holdings (Liberman has TV, Entravision TV, print and billboards), but there are plenty of other fast-growing companies in other types of Spanish media.

Those Hispanic media companies have been telling Madison Avenue (and Wall Street) for years that the US Hispanic market is growing by leaps and bounds, but even they were surprised by the Census outcome.

"We expected good growth. What we got was an explosion," said Bill Tanner, Executive VP of Programming for SBS.

Within the next few months, we should all know exactly how those higher Hispanic population numbers will translate into bigger Arbitron shares and, if all goes as the Spanish radio groups expect, more revenues. Arbitron is in the midst of re-weighting its market-by-market samples, based on the new Census data, and declined to comment until all of the number-crunching is completed. According to Tanner, the Census data will show up in the next two ratings books: general market percentage of

Many companies in other types of media feel the Hispanic market's heat, particularly ethnic groups in Fall 2001 and detailed demographic information in Winter 2002. "I think you're going to see big increases," Tanner said, in the biggest markets—including LA, Miami and Chicago.

Tichenor warned, however, that the degree of change will vary by market. "Census numbers for the year 2000 revealed an underestimation by the Census Bureau of about 8%, 7-8%, in their running estimates of the Hispanic population for this country. That 7-8% is not equally distributed, though, across markets," he said. "Some markets, in fact, they overestimated the Hispanic population—markets like new York and San Antonio, where there was roughly a 2% overestimation. But a number of markets they had significantly missed on the low side, particularly Dallas, where they were about 42% under, markets like Chicago and Las Vegas and Phoenix, where they were 20-30% under, and the most important market in Hispanic America, which is Los Angeles, where they were about 6.5% under."

That Los Angeles market. Everybody wants to be there and seven of the nine big Spanish radio groups are. RBR's Source Guide & Directory shows 20 signals in the LA market carrying Spanish programming 24/7, including multi-signal simulcasts. Heck, even Salem (O: SALM) is a Spanish player in LA with one of its Religious AMs.

"Recently we've encountered questions about the Los Angeles market being over-Spanish-radioed," Entravision CEO Walter Ulloa noted in his DB Alex. Brown presenta-
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Our unique format attracts an audience that is much younger than the age skew traditionally associated with Spanish AM talk radio. In fact, our L.A. station is the #1 Spanish AM P18-34 in the country, delivering almost twice as many P18-34 than any other Spanish AM Station.

Our listeners are passionate about sports so we assembled an unmatched team of sportscasters and a superb portfolio of major soccer tournaments and other sports events that are important to U.S. Hispanics. Our national platform stands alone in U.S. Spanish-language radio.

To ensure that our programming reaches a substantial percentage of Hispanic USA, we created an O&O station group that covers 70% of U.S. Hispanics; together with our affiliate group, we cover 80%.

The list of major national, regional and local brands that advertise on Radio Unica is growing every week. Clearly our brand strategy of providing compelling radio programming as a high quality environment for advertising messages, combined with powerful turnkey and professionally executed promotional support, has made a positive impression on advertisers who want to strengthen their brand image with Hispanic USA.

For more information, contact our president, José Cancela, at (305) 463-5055.
Management, Sales & Marketing

Tanner

First of all, Los Angeles continues to be the most important radio market in the United States, with approximately $900M in radio ad sales estimated this year. In fact, the Los Angeles Spanish radio market is underserved, with only 11 Spanish-language radio stations (apparently referring to separate FM formats) serving approximately 7M Hispanics. In comparison, San Francisco, which has a population of about 7M people, has 65 radio stations serving its market. Yes, Los Angeles is competitive, but it's a growing, vibrant, fantastic market and we continue to deliver strong ratings and revenue growth with our Pop/Rock Spanish radio format.

Ulloa added that while Spanish radio accounts for about 25% of LA's audience, it currently claims only about 17% of the market's radio revenues.

At the agency level, activity in Spanish radio has been growing right along with the rapid expansion of the US Hispanic population and the Spanish radio groups. While the unexpectedly large size of the US Hispanic population in the Census numbers has corporate executives sitting up and taking notice, translating that into new advertising business won't come overnight.

"I think it's a little early yet from a client standpoint for perceptual change," said Jim Dregumis, Group Head, TN Media. "Basically, Hispanic has been treated as a specialized portion of the population, and you had to deal with them through a specialized agency. So it doesn't have quite the same excitement you would have with say, the African American community. There isn't quite that sense of urgency. But I think as the census data comes in, it's the clients' part to input that into their systems and reconfigure things, and I suspect there will be a heightened interest in that category."

Planning and executing a Spanish media buy isn't a cake walk for an advertiser who's never dealt with the Hispanic marketplace. Dregumis says that's why the increased spending on Spanish media in recent years hasn't come through general market ad agencies, and likely won't in the future either. "I would suspect again that the bulk of this activity has gone through Hispanic agencies. One of the things that very few people hear, but it's true, is that the Hispanic community is not a single entity, even in terms of language. The nuances between the Hispanic community that is in New York—basically Puerto Rican, Columbian vs. the Hispanic community in Miami which is Cuban, vs. the community in San Antonio and California which is Mexican—are significant.

Hispanic population stats

The 2000 Census revealed that there are now 35.3M people of Hispanic or Latino origin in the United States, which is 12.5% of the total population. This surpasses the number of individuals listed as Black or African American, which at 34.7M accounts for 12.3% of the total population. (Note: Since Hispanic is an ethnic rather than a racial designation, a Black Hispanic would be counted in each group).

The following statistics are from the US Census Bureau and reflect data from the current survey. The Hispanic population is much younger than the general population, less well-educated, and is heavily concentrated in the South and West, particularly California, Texas and Florida. On the charts, NHW stands for non-Hispanic white.—DS
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You've got to be careful because it's not one dimensional. There's certain idiosyncrasies that exist in one community don't exist in another. Even idioms within the language may be different. You can get in trouble," he warned. That's why TN has a specialty agency within its operation, Diversified, which handles marketing to Hispanics as one of its ethnic advertising specialties.

Because the US Hispanic population is regionally clustered, making a Spanish radio buy is somewhat different from a general market buy.

"Hispanic radio is bought differently than general media because the Hispanic markets I'm buying basically are New York, Miami, Texas, Los Angeles and Chicago," explained Kathy Crawford, Media Director, Initiative Media, NA. "When you are buying Hispanic radio, you are buying it against their population base in those markets. I'm not buying it against the whole US. There aren't giant Hispanic populations in Utah or Montana, so what we're doing is buying it against the Hispanic population base in the markets that they're in. So we buy it based on the ratings against their population in those markets. And we recognize that and we evaluate it based on that. If we competed against the whole US, they'd be doing a .00 something."

While the Census numbers are good news for all types of Hispanic media, they appear to be especially good for the Spanish radio groups, who are perceived as the medium with the greatest reach in the Hispanic population.

"Hispanics, I think, are radio listeners," said Crawford. "I know they have cable stations that are targeted to them and we certainly have radio stations targeted to them." But in her view, network TV (there are two major US network programming in Spanish) isn't as effective.

Crawford suggests, though, that Spanish radio stations need to do more of what they ask advertisers to do—spend money to promote their brand. "As a Hispanic buyer, I don't see it in magazines or billboards. And I live in New York where there's a huge Hispanic community. I think [Spanish radio] could be promoted better in print or another medium to reach out to them and say 'You can tune into the station and listen to baseball and all the things that are important to you.' I'm in the middle right now of some huge Hispanic buys—The Latin Grammys and the soccer season. I don't think it's promoted well enough."

That may be a case of which came first, the chicken or the egg. Until just a few years ago, no Spanish radio group had its stock trading on Wall Street and most Spanish radio stations were weak-signalled AMs. After spending hundreds of millions of dollars to acquire full-market FM signals in major markets, the two big players—HBC and SBS—have been increasing promotional budgets and fighting for market share.

Increased awareness from the Census hullaballoo can only help the Spanish radio groups attract new advertisers and boost revenues. All of the CEOs talk of the hundreds of millions in annual ad dollars which can be added to the total for radio ad spending targeted at Hispanics which can be gained just by making their piece of the radio revenue pie equal their audience share. That day may be coming.

"Buying strategies have changed to the point where Hispanic media is always now a part of a planning conversation," said Alligood. "Whether it makes the final cut usually depends upon client dictates in terms of the relative importance of the Hispanic population on its product category. A client may perceive that 'I'm doing OK with whatever I'm doing right now so I'm not going to change anything.' That, to me is a little bit putting your head in the sand because the marketplace changes every single day. While you might be top dog today, you may not be in five years."

The surprising Census numbers may be a wake up call for some advertisers, in Alligood's view. "I think it's made a lot of clients look further out in terms of where we're headed in the future."
U.S. Hispanic population grows by 58%

Number of Hispanics Ballooned in '90s; Group Is About to Become Biggest Minority

Latinos May Exceed Blacks in U.S.

Hispanics become Dallas' largest ethnic group

Hispanics fuel N. Carolina's growth

The state's Hispanic population grows nearly 400% in 10 years. 8A.

But, we are still excited.

With our top-rated stations, HBC is the market leader across the U.S. Our 47 owned and operated stations and Netmio.com, stand ready to be an effective and efficient media vehicle to reach the Hispanic market. So, give us a call. It's a whole "new" ballgame.
The Wright stuff for Shockley

We now know where the Shockley radio group will end up. Northern Communications, which bought Shockley Communications for its TV station group, is now spinning the six Duluth, MN-Superior, WI radio stations—WDSP-AM, KXTP-AM, KDAL-AM & FM, KTCO-FM & KRBR-FM (Hey, great calls!)—to Duke Wright's Mid-West Communications.

The price wasn't immediately disclosed and the paperwork hasn't yet been filed with the FCC. The broker, Kalil & Co., says an LMA is planned prior to closing.

Millennium becomes a group

Charlie Banta's new Millennium Radio Group is entering two more markets with a $110M deal to buy three of Press Communications' five stations. Millennium already has a deal pending to buy three Atlantic City stations (plus an LMA) from Citadel (O-CITC) and will add Press' WBSS-FM to that cluster. The deal also includes WBUD-AM & WKXY-FM, both licensed to Trenton, NJ. WKXY, "New Jersey 101.5," has a signal which blankets much of the state and has it showing up in numerous Arbitron books. Officially, it is above the line in the Middlesex-Somerset-Union, NJ market.

New Jersey 101.5, whose much-heralded regional Talk format is simulcast on WBSS, is a major force in a state which gets much of its media from the out-of-state New York and Philadelphia markets. "It's been a very under-served state by the media—TV, newspaper and radio," said Banta. "New Jersey 101.5 has done a very innovative job in terms of meeting that need."

No LMA is planned. Press will remain in radio with WHTG-AM & FM in the Monmouth-Ocean Counties, NJ market. The sale was brokered by Kalil & Co. for Press and Peter Handy of Star Media Group for Millennium.

RBR observation: Banta's latest group is strictly a New Jersey operation thus far, but look for more deals which will take Millennium into other states. The company has plenty of cash available for acquisitions. After selling his Mercury Radio group, Banta took cash from his happy investors to create Mercury Capital Partners. His other partner in Millennium is UBS Capital Americas.

Mid-West Family expands La Crosse team

Mid-West Family Broadcasting has filed to expand its four-station cluster in the La Crosse, WI-Winona, MN area to seven stations, which will in turn reduce Marathon Media from six stations to three. Mid-West Family is buying KHME-FM, KSFF-FM and KQYB-FM from Marathon for $3.9M.

RBR observation: Maps filed with this deal show a nice fit with Mid-West Family's existing four stations in the La Crosse, WI-Winona, MN area, with the new acquisitions enhancing coverage to the west toward Rochester, MN. Two of the FMs being acquired from Marathon don't overlap, KHME and KSFF, so no more than the market maximum of four FMs overlap at any point.

Miller buys on home turf

Otto Miller will soon have a station that he can hear at the Stamford, CT headquarters of his People's Broadcast Network LLC. He's paying Candido Carrelo $425K. for WDJZ-AM Bridgeport, CT. People's Broadcast Network currently owns WJSS-AM Havre De Grace-Baltimore, MD and KTTA-AM Pineville-Alexandria, LA.

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Receiver seeks control of Willis station

Acting on an order from the Chancery Court of the Second District of Jasper County, MS, Receiver Daniel Scott Wilson has filed with the FCC to take control of Willis Broadcasting's WIZK-AM Bay Springs, MS, in the Laurel-Hattiesburg market. According to the receiver's filing, Willis Broadcasting "is a debtor either unwilling or unable to pay a lawful creditor."

The lawsuit seeking appointment of the receiver was brought by former owner Jerome Hughey, who sold the station to Willis in 1998 for $25K in cash and a note for $29,402 (RBR 9/14/98, p. 19). Bishop L.E. Willis did not cooperate in the receiver's FCC filing. His office told RBR that the group owner is aware of the receivership action, but Willis did not return our call seeking comment.

RBR observation: It shouldn't take long for the attorneys' fees to exceed the dollars being fought over in this case!

Dickey sees long battle against newspapers

"Buying habits are not going to change overnight," Cumulus (O:CMLS) CEO Lew Dickey told Deutsche Banc Alex. Brown's 9th Annual Media Conference in New York (6/4-6). "I wish I could snap my fingers or wave a magic wand and the market would become efficient—however, it's becoming increasingly more difficult for these newspapers to continue to command a disproportionate share of advertising dollars. They're taking on average 50 cents on the dollar in our markets with one-fifth of the reach that we have in radio—and they're charging four or five times our cost per thousand basis. So, because old habits die hard, it is taking time, but we look at it as a trend line and over the next three-to-five years I think you're going to see some real movement."

Although Cumulus has seen its stock price improve dramatically (up more than 200%) from last year's disaster-plagued performance, Dickey isn't claiming yet that the radio group is where he wants it to be. "I would not say this company is fixed. I would not say our work is done," he told the investment conference. Right now Dickey said, he would give Cumulus' sales organization a C+ (from a D-), and the rest of the organization a B-. "I expect to have this business in line, pretty much where we want it, by the end of the year," Dickey added.

Radio execs remain generally upbeat

Radio remains an area for acquisition, Clear Channel (O:CCU) CEO Lowry Mays and CFO Randall Mays told the investment confab. Asked where the company would look to invest now, Lowry Mays said that the company would expand where ever it found the best opportunities, regardless of what media that might be, or where in the world it operates. Acquisitions will likely include additional "tuck-in" radio buys in the US, Randall Mays noted, but he added, "I would expect a slower pace during the second quarter."

At one point, the CCU executives were asked whether it was even possible to manage such a large platform. Lowry Mays insisted that size is not a problem, since the company has such a deep management team across all of its units and those executives are familiar with their own markets. "We don't make any Singapore decisions in San Antonio," he explained.

While the current advertising environment "ain't great," Entercom (O:ETM) President & COO David Field said Q2 is looking better than Q1. He's expecting even better results as the radio industry gets past the Radio industry mourns Kevin Cox

Media broker Kevin Cox died 6/5 at his home in Berwyn, PA, following a long battle with Amyotrophic Lateral Sclerosis, also known as Lou Gehing's Disease. Cox was a partner in Media Services Group, the media brokerage firm that he helped found in 1990. He'd previously been a broker with Chapman Associates after a radio career as an executive with the NBC Radio Network, RKO Radio Representatives, Metro Radio Sales and WIP-AM Philadelphia.—JM

The Radio Index™

The Radio Index™ gained 5.795 for the week to close 6/6 at 213.936.

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WVBB-AM, Richmond, Virginia from Cox Radio, Inc. to Salem Communications Corp. for $735,000. Charles Giddens and Elliot Evers represented Cox.

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tough dot-com comps, which end this month, and the US economy improves. "Clearly the [Federal Reserve's] rate cuts and the [Bush Administration's] tax cuts are going to enhance that," Field added.

Mel Karmazin made no apology for taking dot-com money last year, despite the impact it's having this year by creating tough comps for broadcast companies. The Viacom (N:VIA) President said the advertising business is still pretty good, compared to 1999 or any other time. As for the current softness, he said the advertisers are just getting even for last year and are enjoying a buyers' market.

Despite recent changes on Capitol Hill, Karmazin said he still expects a general move toward more deregulation. Noting that Viacom currently has only about 5% of total media revenues, Karmazin said deregulation should go far enough that Viacom could eventually be allowed to buy Disney (N:DIS) or GE's (N:GE) NBC, if it wanted to.

Clear Channel and Viacom's Infinity may have the top two slots locked up, but it seems like every other big group owner is telling investors of expansion plans that will make them the third big radio consolidator. "There will be an opportunity for another company or two to aggregate in the largest markets," Emmis (O:EMMS) CEO Jeff Smulyan told the DB Alex. Brown conference. Smulyan noted that Emmis is already a player in many of the largest markets, including all of the top three, while Clear Channel and Infinity are already at the legal limit in most big markets.

RBR observation: Don't think, however, that Emmis will be the only one ready to bid whenever a station comes on the market in one of those big markets. Entercom has also been quoted of late as touting plans to become the third big group owner. And then there's the current number three, Disney's ABC, which has also been encouraging talk of major radio expansion—after mostly sitting on the sidelines through the first wave of consolidation. If Michael Eisner were to open Disney's wallet for radio acquisitions—and that's a big "if"—the company's investment grade credit rating and access to tons of cash would make it difficult for anyone else to claim that number three slot.

SBS sells $100M in bonds
Spanish Broadcasting System (O:SBSA) has sold $100M in new bonds in a private placement. The securities are an add-on to SBS's existing $235M issue of senior subordinated notes paying interest of 9.625%. The original issue of 10-year notes was sold in 1999, so these add-on notes will run for about eight years.

Emmis files $500M shelf
When a good acquisition opportunity comes along, Jeff Smulyan will be ready. Emmis Communications (O:EMMS) has filed a $500M shelf registration with the SEC. That will allow Emmis to quickly sell new stock, bonds or more exotic securities, as market conditions allow, whenever it wants to raise more cash.

Clear Channel sells more Lamar shares
Clear Channel Communications (N:CCU) has shed 8K more of the Lamar Advertising (O:LAMR) shares that it inherited from the merger with AMFM. The latest sale, worth roughly $336M, cut Clear Channel's remaining Lamar stake to under 10.4M shares. Under an agreement with the US Department of Justice's Antitrust Division, Clear Channel has until 12/31/02 to divest all of its Lamar shares. DOJ sought the divestiture because Clear Channel owns Eller Media, one of Lamar's biggest competitors in the outdoor advertising business.

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