

Radio Business Report™

Voice Of The Radio Broadcasting Industry®

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Special Issue

THE NAB RADIO SHOW

AMERICAN URBAN RADIO NETWORKS

#1

THE URBAN RADIO LEADER



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RADIO NEWS

Clear Channel restructures station management	2
Eight CCU execs have been assigned regions of the US which they will administer at the SVP level—with 20 RVPs reporting to them.	
Satellite repeaters take flak from wireless companies	2
Great Scott! 4everradio sues	2
Is a bird-bound Clinton in radio's future?	2
RBR announces a pair of partnerships	2

GM TALKBACK

How to survive this ad nauseum environment	7
--	---

FEATURE

Does RIAA's Hilary Rosen come with thorns?	10-11
--	-------

SALES

An RBR roundup of radio's unsung heroes	12-13
---	-------

MEDIA MARKETS & MONEY

Lafayette complete: Regent scores in Louisiana	14
Regent Communications is buying an intact seven-station superduopoly in Lafayette from ComCorp. for \$39.6M.	
Michael Menerey's Mapleton moves into Merced	14
Maverick trumps wizard after Robinson's exit	14
Small towns in Georgia engulfed by Small Town	14
What does Eisner have up his sleeve?	14

Tristani sets departure date



FCC Commissioner **Gloria Tristani** has set September 7th as the date for her departure from the Federal Communications Commission. In a brief announcement issued late Monday (8/27), Tristani said: "It has been a great honor to serve as a member of the FCC during this period. I am proud to have advocated for the E-rate and better access to telecommunications for all Americans. After nearly four years, however, I believe it is time for me to move on. I plan to return home to New Mexico in the near future. I would like to thank my past and present colleagues and the staff at the agency for their commitment to public service and their dedication to this institution. The FCC is entrusted with enhancing communications for all Americans, and I will always value the agency's core mission: to serve the public interest."

Tristani did not mention the reason why her departure had been widely anticipated for months—her expected bid for the Democratic nomination to challenge Sen. Pete Domenici (R-NM) for his US Senate seat.

Tristani, a Democrat, was appointed by President **Bill Clinton** and took office on November 3, 1997. Previously, she had been elected to the New Mexico State

Marsh says radio still in the bayou



Broadcast financial analyst **James Marsh** of Robinson Stephens is not expecting a dramatic turnaround in the radio industry's fortunes. Instead, he thinks a trend began in May, when the RAB reported total revenue loss to be 9%, followed by June losing 8%, will continue. He's expecting a pattern of diminishing losses—down 7% for July and down 6% for August.

Marsh cited a possible 4-6% loss for September, but declared conditions too volatile at this point to make a reliable prediction.

As everyone connected with the radio industry already knows, national business is where the most gruesome numbers reside. Local is showing signs of at least pulling even with 2000 levels.

As for 2001, fuggedaboutit. There is no sign that there will be enough of a business surge to make up for all the red ink spilled thus far. It's time to work on making a 2002 rebound come to pass.—DS

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Corporation Commission (SCC) in 1994 and served as SCC Chairman in 1996. Her exit from the FCC will occur during the NAB Radio Show, but she had not been scheduled to attend anyway.

Now that Tristani has announced her intentions to return to New Mexico, President **George W. Bush** has the opportunity to pick yet another Commissioner. The Commission will truly have a Bush look—he promoted one Commissioner—**Michael Powell** (R) to Chairman, and selected three others.

This will be his fourth pick. It must be another Democrat. And although the Bush administration may have some people in mind—Tristani's exit was not a surprise, though its timing may have been—there are still obstacles to overcome before the empty seat can be filled.

For starters, nobody is in town. Bush just wound up his stay in Texas, and members of the House and Senate have fanned out throughout the country. Nobody is in Washington to get the ball rolling. Then there are background checks, interviews with concerned individuals in both the administrative and legislative branches, hearings...in other words, this isn't going to happen tomorrow.

RBR observation: The lack of the guest of honor shouldn't stop broadcasters from celebrating! We at *RBR* will miss her, if only because we could depend on her to come up with wacky pronouncements that made headlines. That's not a trait of a good commissioner, but it did make for good copy.—JM, DS

Clear Channel unveils new management structure

Clear Channel Radio is unveiling its much-anticipated senior management structure, under new COO **John Hogan**. Hogan says the company is dividing management control into eight regions, all managed by SVPs. Five current SVPs have been re-assigned and three new SVPs have been named. **Jim Donahoe**—California; **Dave Crowl**—Midwest; **Peter Ferrara**—Southeast; **John Cullen**—Southwest Central; **Jim Shea**—Mid-Atlantic; **Jay Meyers**—Plains Northwest; **JD Freeman**—Southwest and **Rob Williams**—Northeast. Hogan will also be managing the New York and LA markets. Each of the eight divisions is then subdivided into regions or "trading areas"—some 20 nationwide.

"This geographic alignment links every Clear Channel market so we can more efficiently operate and sell our radio stations, while reinforcing our commitment to local radio," said Hogan.

The trading areas will be overseen by regional vice presidents. The RVPs will each report to one of the eight SVPs. Clear Channel will package stations, market clusters and geographic regions along the same lines as advertisers' trade areas. Clear Channel says the RVPs will be announced soon. We know of one already—**Dusty Walker** (see p.8).—CM

Wireless companies file objections to XM and Sirius

According to a report in the *Washington Post*, Bell South and AT&T Wireless have filed comments with the FCC stating that XM Satellite Radio's (O:XRMR) and Sirius Satellite Radio's (O:SIRI) terrestrial repeaters will interfere with transmissions on the Wireless Communications Services (WCS) band. The companies say they paid \$13.6M (total) for WCS frequency rights. The wireless companies are essentially seconding the motion of the NAB. NAB President/CEO **Eddie Fritts** has also come out slugging in an attempt to block regulatory approval of the repeaters (*RBR* 8/27, p.2).

Without the repeaters, subscribers would definitely travel through areas where the radio signal would fade. XM company officials claim the repeaters are important in obtaining high-quality audio. XM Satellite's applications to install the terrestrial repeaters are pending before the FCC.—CM

4everadio Partners files suit against Scott Studios

4everadio Partners has filed suit against Scott Studios and its CEO **Dave Scott** for \$8M, claiming the company "voided a contract with a Florida FM affiliate and interrupted a relationship with a major programming producer and marketer" for the "Forever Young" Oldies format it had been trying to launch since 9/00.

"We had been marketing the product with the belief that Mr. Scott's equipment was compatible or could be easily made compatible with other automation systems—that was really the basis of how we proceeded in business," said 4everadio President/COO **Charlie Whitaker**. "And when we got to our first affiliate, WQJM-FM Panama City, FL, we discovered—Mr. Scott himself told us—that his Voice Trax program was not compatible with any other computer system. We were absolutely blindsided by it. This is the fundamental issue: It's not that we claim incompatibility, it's that Mr. Scott claims incompatibility. The computer that we were incompatible with in Florida was a Computer Concepts system—and that's a company that Mr. Scott owns."

Dave Scott's response: "Scott Studios adheres to the Audio Engineering Society's (AES) 'Cart Chunk' industry standard for compatibility between different digital systems. The www.cartchunk.org/particip.htm website shows compatibility with Broadcast Electronics' Audio Vault, BSI, Enco, Orban, Prophet Systems, RCS, Scott, and 10 others. Scott outsells most of the others and is compatible with other big selling systems. 4everadio's claim is based on incompatibility with Maestro from Computer Concepts, which is a wholly owned subsidiary of Scott Studios. I offered 4everadio a Maestro but they only had nine days to deliver a 24/7 format. They didn't have any music typed into

their music scheduler or songs copied to CD ROMs for shipment. 4everadio could have loaned the client their Scott System, but 4everadio had failed to plan, so they planned to fail."

4everadio also said in a recent press release it will likely switch to Media Touch for its new automation partner and repackage as a six-day nighttime show, from its previous 24/7 format plans. The new product will be titled "Easy Oldies," featuring Pop/Non-rock hits of the '60s and '70s.—CM

Clinton syndication?: not Westwood; not Premiere

With the wild rumors flying about that a "major" syndicator is about to sign **Bill Clinton** for a short-form daily show, we discovered that syndicator will not be Premiere Radio Networks, nor Westwood One. "The Premiere Radio Networks is the home of the **Rush Limbaugh Show**, The Dr. **Laura** Program. It will not be the home of a Bill Clinton Radio program," Premiere President/COO **Kraig Kitchin** tells *RBR*.

Thinking that Westwood One Chairman **Norm Pattiz** is a big member of the Democratic Party, we thought possibly the former president may be gravitating in



that direction. "Not true, [I'm] positive," confirmed Westwood One CEO **Joel Hollander**.

At United Stations, VP Programming **Andy Denmark** also denied they were the syndicator.

Could it be ABC Radio Networks? ABCRN President **Traug Keller** is currently on vacation; his assistant says she hasn't heard anything on the subject.—CM

Clear Channel brings back streaming

After months of net silence from the AFTRA ads dictate (*RBR* 4/16, p.1), Clear Channel (N:CCU) has brought back streaming of its stations as part of the deal with Hiwire (*RBR* 6/25, p.4) for tar-



BE expands partnership with RBR Radio

Adding to the WebVault online automation system used by *Radio Business Report's* RBR Radio, Broadcast Electronics' new

SoniXstream has also been selected as the exclusive streaming provider for the 24/7 webcast (replacing WebRadio.com).

"Not only are we going to be streaming with BE, but the player will also have 55 side format channels of music for our listeners to enjoy," said *RBR* VP/Associate Publisher **Ken Lee**. "Part of the reason we chose BE is because they have been around since 1959—we have a pretty good sense they are going to be around for a while. We also liked the fact that this product provides some very cool solutions."

SoniXstream was developed from the recent licensing deal with Everstream (*RBR* 7/30, p.15). "Many of our customers were frustrated that no one really had a viable audio streaming platform and they shared with us their frustrations in getting their signal on the Internet. We did the acquisition with Everstream because now we can provide the full streaming services necessary to really take advantage of Internet audio broadcasting," explains BE Director of Studio Systems **Ray Miklius**. "That includes reliable streaming infrastructure, an ad insertion system that actually works and a full host of management tools from a single provider that allows someone to really take advantage of the streaming aspect. The other thing that positions broadcasters is to begin to delve into rich media broadcasting—using visuals as well as audio. *RBR* Radio will soon be using visuals on its player to coincide with the audio."

The SoniXstream package includes an encoder; a custom player with integration to digital audio storage systems; title and artist presentation with album art; e-commerce options; targeted audio ad insertion; on demand listener data; 55 side format channel offerings and a "My Mixes" personalization option.—CM

Powergold 2002 latest RBR Radio partner

Micropower Corporation, showing off the release of its latest Windows-based scheduling software—Powergold 2002—recently became an *RBR* Radio partner, donating the system.

Says **Dave Ferraro**, Micropower President: "We're all very happy that *RBR* Radio has chosen the new Powergold 2002. "Using Powergold 2002, the station plays a more balanced variety of music, in a better mix. This will increase the listenability of the station."

"For a non-radio user, we were able to get it up and running in a short amount of time," commented *RBR* VP/Associate Publisher **Ken Lee**. "It has taken the station to a whole dimension of webcasting—we're now able to weight content, get full reports of what aired and when, and are spending a lot less time doing it ourselves!"—CM

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geted ad insertion. The first stations to come back up were the broadcaster's Los Angeles FM stations—KHS-FM, KHHT-FM, KBIG-FM, KOST-FM and KYSR-FM.

Says an *RBR* source: "Because they have weird-timed spots (like seven and 13 second spots) and most of the streaming advertisers have 15s and 30s, until they get those spots timed similarly, the AFTRA non-compliant ads will be stripped out and there may be more music or 'please stand by' or whatever. So initially, it's not going to be this beautiful, seamless insertion where everybody is getting targeted ads. However, it's going to be proof that they can selectively remove AFTRA non-compliant ads, just like Clear Channel wants, and get them back up streaming, which is [Clear Channel Interactive CEO] **Kevin Mayer's** prime concern."

Two advertisers are already on board for campaigns: AT&T and Council Travel. "And people that do hit that demographic that they are going for will get ads from them," the source confirms.

The next Clear Channel markets to follow: "The plan is an accelerated rollout over the next several months—numerous markets. Each time they roll out, there will be more and more stations."

Meanwhile, Hiwire is very close to closing its third round of funding.—CM

No translator necessary to understand \$140K fine

The FCC has fined Alaska broadcaster Peninsula Communications a whopping \$140K. Peninsula was ordered to cease operations on seven translators located in various Alaskan communities. Not only was the order to cease ignored and operations continued, said the FCC, the violations were found to be intentional, which bumped the fine upward. Technically, the fines were for operating without a broadcast license.

Peninsula must also file an affidavit within 10 days showing that the translators in question have gone off the air, of face termination of other translator and full power station licenses in its possession.—DS

RTNDA: No need to take a new look at leaks

The Radio-Television News Directors Association has taken a stand against legislation proposed by Senator **Richard Shelby** (R-AL) which would impose criminal penalties on current or former federal employees who disclose "properly classified" information. Penalties of up to three years in prison are possible under the provisions of the bill, and would be applicable even if the revealed information brought to light illegal or inappropriate government activity.

"The language of [this] legislation is sweeping, and its potential impact on the public's right to

know is disastrous," said RTNDA President **Barbara Cochran**. Not only will the provision subject the news media to more subpoenas as prosecutors seek to identify 'leakers,' but the law also will lead to the practice of classifying more information as 'secret' than is legitimately necessary."

She continued, "Particularly troubling to journalists is the fact that 'leaks' legislation would result in news entities being forced to act as government enforcement agents. In a significant number of cases, the source of classified information could only be identified through the journalist to whom the information was provided; zealous prosecutors naturally would be inclined toward subpoenas, search warrants and even wiretaps of reporters...the proposed measure will serve only to thwart the ability of journalists to fulfill their essential role as government watchdog."

Similar legislation was vetoed by President **Bill Clinton** almost a year ago.—DS

Sean Hannity joins ABC Radio Networks



Sean Hannity, the conservative side of Fox News Channel's "Hannity And Colmes," will be syndicated nationally (3-6P ET) by ABC Radio Networks, in a five-year deal that begins 9/10. Hannity has had an afternoon show on WABC-AM NY, following **Rush Limbaugh**, since 1997. He will initially be placed on other ABC Radio Talk stations, including KABC-AM LA, KSFO-AM San Francisco, WMAL-AM Washington and WBAP-AM Dallas.

RBR observation: With the constant possibility that Clear Channel's (N:CCU) Premiere Radio Networks may not renew expiring Rush Limbaugh contracts with ABC Radio stations nationwide (to put Rush on CCU stations), it's no surprise that ABC signed right-winger Hannity. He is well known with Rush listeners—he's been a regular substitute on the show for years.—CM

News-Talk remains king in largest markets

Interop (O:IREP) has released its latest format number crunch for Arbitron's 93 continuously-measured markets based on Spring 2001 12+ numbers. What it shows is pretty much what it showed after Spring 2000. The biggest gainer was the Classic Rock category, picking up 0.8—we attribute this to a groundswell of stations moving to some form of 80s/Classic Hits format. News-Talk solidified its hold on the top spot with an 0.5 gain, and Contemporary Christian has an impressive 0.3 gain—a doubling of listeners for this niche format.

The Standards format dropped 0.4 over the year—continuing declines should be in the future as the audience for the oldest of the Oldies formats dwindles. Most other formats experiences mild ratings slips. (On the chart, YtoY means year-to-year.)—DS

Format	Sp00	Su00	Fa00	Wi01	Sp01	YtoY
News-Talk	13.1	13.3	14.3	13.6	13.6	+0.5
Urban	11.5	11.8	11.4	11.2	11.3	-0.2
Spanish	8.5	8.2	8.5	8.9	8.3	-0.2
CHR	8.0	7.9	7.3	7.7	8.0	—
Country	7.6	7.9	7.5	7.4	7.3	-0.3
AC	7.5	7.4	7.6	7.2	7.2	-0.3
Classic Rock	4.6	4.7	4.6	5.2	5.4	+0.8
Rock	4.7	4.7	4.3	4.3	4.4	-0.3
Oldies	4.4	4.4	4.4	4.3	4.3	-0.1
New Rock	3.2	3.3	3.0	3.0	3.1	-0.1
Smooth Jazz	2.3	2.3	2.3	2.4	2.4	+0.1
Standards	2.6	2.3	2.3	2.4	2.2	-0.4
Hot AC	2.4	2.4	2.3	2.2	2.2	-0.2
Classical	1.3	1.4	1.4	1.4	1.2	-0.1
Black Gospel	1.0	1.0	1.1	1.0	1.0	—
Adult Alternative	0.9	1.0	0.9	0.8	0.9	—
Contemp Christian	0.3	0.4	0.5	0.5	0.6	+0.3
Religious	0.5	0.5	0.6	0.6	0.5	—
Ethnic	0.2	0.2	0.3	0.3	0.3	+0.1
Children's	0.1	0.1	0.1	0.1	0.1	—
Christian Ctry	0.1	0.0	0.1	0.1	0.1	—
Easy	0.1	0.1	0.0	0.1	0.1	—
Variety/Other	0.0	0.0	0.0	0.0	0.0	—

Sources: Interop, Arbitron

RADIO DEALS:

A Step by Step Guide

Erwin G. Krasnow & Eric T. Werner

A safety guide for station buyers

Radio Deals: A Step by Step Guide, the new book by communications attorneys **Erwin Krasnow** and **Eric Werner**, won't tell you which radio station to buy, but it will help you make the buying process easier—and the same is true for sellers.

Contracts, letters of intent and closing documents aren't nearly as much fun as planning format changes—or even calculating cash flow multiples—but they are an important part of buying or selling a station. By planning ahead and agreeing in writing on how every aspect of the transaction will be dealt with, including how unforeseen problems will be resolved, you can avoid costly litigation and additional stress. Better to pay a lawyer a little bit up front than a lot down the road.

What Krasnow and Werner have done is put together a step-by-step guide to the process of getting a radio transaction from the tire-kicking stage to closing. They take you through the (optional) letter of intent, contract, due diligence, required FCC filings and approvals and the actual closing. Along the way, though, they also point out potential pitfalls that you should be aware of—and explain how to deal with them. Many of the examples are drawn from "Contract Closeup," the series of articles which Krasnow and Werner have written for *RBR* for many years.

For first time buyers, the book provides a wealth of information about how to CYA in a deal which will likely put your entire life savings on the line. It will also give you tips about how to negotiate some things that you may not have even thought of.

In a section titled "Creative Uses of Accounts Receivable," the authors cite cases where accounts receivable have been used in various ways to protect the buyer and/or give the seller an incentive to keep ratings, sales and morale high right up to the day of closing. You won't be able to use all of them on one deal, but you might find one which is particularly well suited to your transaction.

For old hands, this new book may prove to be more than just a refresher, especially if it's been a while since you bought or sold a station. After all, these things tend to become more complicated each year.

Radio Deals: A Step by Step Guide is published by Radio Business Report's RBR Books.—JM

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Cancer claims Norman Fischer

Veteran media broker **Norman Fischer** died 8/26 at his home in Texas after undergoing treatment for cancer. He was 77. The company he founded in 1974, Norman Fischer & Associates Inc., will continue to operate under his son, **Terrill Fischer**.

In addition to his son, Fischer is survived by his wife, **Cecile**. In lieu of flowers, the family is requesting that donations be made in his memory to SafePlace, Attn: Development Dept., P.O. Box 19454, Austin, TX 78760.—JM

NYMRAD tells the tale of retail

New York area radio stations are raked in more from retailers in the first half of 2001 than they did in the same period the previous year. Of the top 25 retail radio advertisers, 19 increased their expenditures on the medium. Toys R Us, Pathmark, General Nutrition Center, Today's Man, Home Depot, IKEA Furniture, Tower Records & Video, Kmart and Genovese Drug all had significant increases.

J.C. Penney and Macy's picked up the pace in June, helping the retail category to a 25.6% gain over its June 2000 total. Restaurants were also doing well, with bigger buys from Burger King and Romano's Macaroni Grill.—DS

Interep extols automotive advertisers

In its newly-released study, "Radio Works for Automotive Advertisers." Interep says automotive advertisers would do well to increase spending in radio because car buyers spend 33% of their time listening to the radio, not too far behind their 52% of time spent watching TV; magazines and newspapers.

While the auto industry spends \$289M on national radio advertising yearly, that figure only accounts for 2.5% of the sector's total annual ad spending. Automotive spends 66% for national, spot and cable TV and more than 30% for newspaper and magazines, part of a total \$11B ad category according to Competitive Media Reporting (CMR).

Says **Debbie Durben**, President of Interep's Marketing Group: "We see a tremendous growth opportunity for radio within the automotive industry, and are aggressively targeting these companies. Our challenge is not to introduce auto advertisers to the medium, since most are already using radio to some degree. Rather, we must show them the additional opportunities in radio that can be tapped into with a relatively low additional investment. Every 1% of automotive dollars that we can redirect toward radio brings an additional \$100 million to the medium."—CM

RAB training course hits the road

So far, most of the graduates of Radio Advertising Bureau's Sales Training Academy have matriculated at the association's Dallas campus. That is no longer

the only option. A session taught in Brazil last year proved that, with computers and the Internet, the intensive three-day course can be taught anywhere.

The Ohio Broadcasters Association has set up an offering in Columbus; likewise, the Pennsylvania Broadcasters Association has invited the RAB to Hershey to run the program.

There are certain minimum standards to spur the RAB to take its show on the road, chief among them at least 15 registered students. For more info, contact the RAB's **Kippie Romero** at 1-800-232-3131.—DS

Katz Dimensions up on Urban

A new study of the African-American audience and the family of Urban formats has been released by Katz Dimen-

sions. Entitled "City of Dreams: The growth and importance of Urban Radio," it is available at katz-media.com. Among its highlights:

Radio beats out all other media when it comes to reaching African-American consumers, who spend about three hours per week with the medium above the average for the general population.

Like general market radio, an array of Urban-related formats allow precise targeting of demographic groups within the African-American community. Also, they provide a healthier chunk of the prized younger demos.

The African-American population is 35M strong, and it has \$540B to spend.—DS

Staying in Potts: FCC refuses to pass the Saltillo

Olvie Sisk's WCNA-FM is staying in Potts Camp, MS. The FCC, which previously denied its application to relocate some 40 miles southeast down US78 to the town of Saltillo, MS, denied it again upon Sisk's request for reconsideration. Arguments that the population of Potts Camp was in decline, and with only 483 residents, was not large enough to support a commercial radio station.

The FCC noticed that there were, in fact, others able to pick up the station beyond those who reside within the city limits of Potts Camp. Since the Potts Camp area would not be able to pick up the station

any longer should it move to Saltillo, the FCC continued to deny the move. Saltillo may have won out had the proceedings concerned an allotment, but the FCC did not give it preference at the expense of taking away existing service from the Potts Camp area.

RBR observation: The real issue goes beyond a tug of war between the little towns of Potts Camp and Saltillo. Potts Camp is located on US78, not particularly near any population center. Saltillo is five miles due north of Arbitron-rated Tupelo, MS.

Sisk may well be having a hard time keeping this station's head above water, and in his arguments, he mentioned the real possibility that it may be forced to go dark. Time will tell if the FCC made the right call or not.—DS

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Any signs of life?

We asked a few buyers for their quick-take on the retail category and the state of Q4.—CM

The participants:

Irene Katsnelson, VP/Director of Network Radio, MediaVest
Reyn Leutz, SVP/Director of Radio Negotiations, Mindshare USA
Doug Alligood, SVP, Special Markets, BBDO
Mike Robertson, President/CO, LA-based Ocean Media
Karen Petrillo, Director of Retail Services, Harmelin Media

Are rumors that the retail category is starting to pick up true? Why?

Katsnelson I couldn't really comment on that because I don't have any retail clients, but it's not surprising that they may be picking up. Retail is very active in the back to school season, which we're upon right now.

My clients are tune-in and package goods. I have a couple of the big ones and they're done for the year.

Leutz I expect the market to be soft or flat all through next year. I don't see any category that is suddenly going to begin spending more money. Retail has been locked and loaded since Summer. Everyone has put that money down already. If you are a retailer, you've fulfilled your requirements. You wouldn't hold back, because retailers have special positions and special nights and special time frames. And that's all been locked and loaded. There's no sudden surge in spending. I don't see it. Maybe local sees it differently, but not for national.

Alligood I have no way to judge that right now...only what I read. We don't do any retail right now.

Robertson I don't see any evidence of that, nor have I heard anything. Our advertisers continue to be very cautious and slow moving.

Petrillo Basically, even in a down economy, retailers still have to be out there promoting. I don't see, on any of the clients that we deal with (we have quite a few retail clients) decreasing their expenditures or taking money out of radio. Their mix of TV and radio is basically the same as last year. Retail, I believe is going to be the one steady category. They are going into Q4 right now, the back to school, Fall selling period, then it goes right into Christmas which starts up in October, and they have to promote. They are going to chase dollars. Are they going to spend more? I would say no, but they are not going to decrease it because they can't afford to. They have to still go out there with the urgency that they are going to sell their product, they have bought product, and they need to sell it and turn the merchandise.

Are accounts looking more positive for Q4 and the holiday season?

Katsnelson Not right now, to be honest with you. There's been some demand for back to school, September has been very active. But we have not really seen anything significant yet for end of year. I know that there are some significant advertisers who are coming in, negotiating next year's upfront.

So, nothing outrageous for end of year. Usually, network radio's third quarter is extremely active, as opposed to Q4. There does not seem to be a lot of pressure. The Christmas week is not really that heavily advertised in network radio. The perception is a lot of people are away, so advertisers are not really spending a lot of money at that particular time. A lot of stations also switch to holiday music for one or two days also.

At this point, there definitely has not

Radio AdBiz®



My Mom's The Coolest

By Matt Feinberg

Well, it's that time again when **Carl Marcucci** grants me the honor of contributing my thoughts on the radio industry to Radio Biz Report. So what to write? I could always expound on the shortcomings of the industry, or slam a particular vendor, or target the latest bad practice by a sales organization. But why bother. I mean I was at the little summit Premiere Radio had a few months ago where they gathered all the big New York network radio buyers to discuss how they heard our plea for better controls, turnaround time etc., etc. They told us they heard our plea and felt our pain. On the direction of **Mark Mays**, President of Clear Channel Communications, they were going to remedy it. **Kenny O'Keefe** talked about how multi-platform opportunities and quick decision making were their new charge. What happened? Kenny O'Keefe retired from his

position and besides that nothing else. Besides, if you want to know what needs changed in the industry, read the August 13th issue of *RBR*. My friend, and associate of many years, **Natalie Swed Stone** said it all very succinctly, if not eloquently.

Three points in particular made by Natalie really hit a nerve with me. In the context of talking about how no matter how great a station/network's selling technique is it won't overcome a broadcast company's decision to:

“Impose no limits on commercial clutter”

“Bore the listener with sameness and copycat programming”

“Contract song playlists rather than expand them”

So why is my mom the coolest?, because she listened to KDKA (Pittsburgh) as a kid growing up in the farmlands of the Ohio River Valley. She mentioned it a few weekends ago when I was visiting them at my sister and brother-in-law's house. During the course of the after dinner talks my parents got to the usual question “how is work going” (this question usually follows the inevitable “are you seeing anyone?” Parent-speak for “should we postpone our cruise plans for a spring wedding?”). Anyway, I told them everything was basically OK, and I was just getting to the end of an extremely busy period and I needed a vacation blah, blah, blah. This segued nicely to road trips, of which I have taken many, and likewise my parents do quite a bit of traveling by car in the post 9-5 phase of their lives. My father talked about how he loved listening to **Garrison Keillor's** “A Prairie Home Companion” on CD while in the car. My mother agreed and we all laughed (we're a Garrison Keillor-type family) but noted how it was the radio show that did it for her more so than his books. I feel the same about **Howard Stern**—my parents don't. They hate him regardless.

I then proceeded to say to my brother-in-law how when I come to his suburban Philadelphia home one of my favorite things is listening to WXPN, in my not-so-humble opinion, one of the best radios stations in the world. My sister nodded and then proceeded to ask me why other radio stations do not play a wider variety of music. My music loving, Birkenstock-wearing brother-in-law **Tom** sanctimoniously agreed with a nod of the head. At this point my dad contributed what could easily have turned into a two-hour self-assigned homily: “There are so many dang commercials on I'd rather listen to nothing”. That sentiment also applies to how the Feinberg children feel about my father's spur of the moment sermons on any particular subject (he's well read and uses lots of big words which make my head hurt). So now after meandering through the topics of Garrison Keillor, Howard Stern, WXPN, evil broadcast companies born of deregulation, **Michael Powell's** feeble leadership of the FCC, we get to KDKA.

I interjected into dad's filibuster something about how the FCC came about and its charter to protect the general population from the evils of corporate controls over the media: “Too much power in the hands of the few” (really, **Mel** enough is enough) and how Michael Powell, the new head of the FCC is basically milktoast doing the bidding of the big communications concerns. I delve back into broadcast history (trying to prove I actually remembered something from college) and begin to say: the first radio station was...”. And here my **Martha Stewart**-watching, L.L. Bean-buying, Allman Brothers-listening? (really!) mom jumps in with “KDKA!”. She then began to talk about listening to the heritage station out of Pittsburgh and programs like “Our Gal Sunday”, “The Lone Ranger”, **Jack Armstrong** All-American Boy”, “Inner Sanctum” and how her grandmother would knit in the front of the house and listen to “Stella Dallas”, and “Lux Radio Theatre”. She also began to sing the Cream of Wheat Jingle “Cream of Wheat is good to eat, we have everyday...” (how's that for commercial recall). I was stunned. I started to feel kind of warm and fuzzy inside thinking of great grandma Dixon sitting in the family house knitting away while checking out the first radio station in this country. History being made and now 65 years later I can experience it albeit through my mom's remembrances. It made me realize that I love radio, really love radio. I listen to it. The business aspect of it is, well let's not get into that. But listening to good radio still holds the same magic it did for me 30 plus years ago when I discovered **Mark Goodman** on WFIL (on my great grandfather's AM tube radio). I am not alone. There are many in this industry that also really love radio. Today it's how we make our living, and sometimes we do things that are “anti” good radio, and stand side-by-side in this industry with the philistines who would, and do, destroy the beauty we “see” in the airwaves. But when we're driving in our cars, lying on the beach, or just sitting in our living rooms listening we are swept away...and that's cool.

Matt is VP/Manager of Radio, National Broadcast Group at Zenith Media Services. He can be reached at 212-859-5196 or Matt.Feinberg@zenithmedia-na.com

been any influx of holiday money coming in. But again, it's kind of early because this year, everything is starting very, very late. You know, the network TV upfront finished months later than it has historically. So, radio could potentially see some of those dollars invested. But the general prognosis is it's been quiet.

Leutz No, I don't see any change from the beginning of the year. It's going to be a flat, if not down market all through next year. I see no uptick at all. None. I'm sure of it. The market has been soft all year. They anticipate that it will continue to be soft in radio all through next year. There are no indications that it will be any different. We would have seen it by now. There's no indication that there will be any more spending.

Alligood My work is limited to the special markets (Asian, Latino, African-American) area. I have no evidence of this, I just have a feeling that is probably

a very good time for radio, for the special markets area. More and more clients are becoming interested in what we call this Urban marketing phenomenon. And radio and local media are vitally important when you really get into looking at markets on a regional or local basis. I know that this goes beyond race, but at the same time, the special markets are a very important part of this Urban mix. And not the total part of it, by the way. A lot of people think Urban means Black or Latino—it doesn't. I means everybody in the area.

So I've got to think Q4 and Q1 of next year, probably for broadcast radio media, is probably going to be a little better than a lot of us think. I think more and more clients are interested in it, and I think this is going to happen. We're seeing more and more interest from clients in terms of finding out more about the Urban marketplace, and they are paying more attention to

it than I can recall in a long time.

Robertson There has not been a breakout mentality of any of our advertisers yet. It's been a very much wait-and-see, as we're still dealing with upfronts for next year. If there were any optimism, we would have seen it weeks ago.

As for Q1, we have begun to work with new advertisers that recognize the opportunity that now exists in the market place, and feel it's time to get started. Ad dollars are going much further which lowers their risk. Most of our advertisers are of the direct response variety and their return on investment perspective is resilient to economic conditions. And that's really where we stand. We're doing a little bit more business locally with regards to retail, but don't see anything on the retail accounts nationally getting bigger.

We sincerely believe, if we didn't really go after new business as aggres-

sively as we are, we would be paying the price for it in the middle of next year. Established advertisers are just waiting for a turnaround on their sales. Without predicting, it looks to be a very difficult market throughout next year. I hate to say that, but it's a gut feeling based on what people are doing, and most importantly, what people are not doing.

Petrillo I would say it's status quo. I've been in retail my whole career. There will be people who will be hurt in this kind of economy, but they are still going to go out there with a positive attitude, hoping that the sales are going to come. Now, will some people promote more to chase them? Yes, but retailers are smarter and smarter every year. Some retailers will say, “Look, if they are not coming, we are not going to spend more.” They look at their ROI. More and more retailers are doing that. They are not just out there chasing sales. If the ROI is there, maybe they will spend more.



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We asked a few General Managers from around the country to share with us, and you, their views of the industry. This time we quizzed:

Bruce Biette, GM, Atlantic Coast Radio's WRFD-FM, WJAE-AM, WJJB-A/FM, WLOB-A/FM Portland, ME



John Columbus, GM, Cumulus' WHBX-FM, WWLD-FM, WBZE-FM, WGLF-FM, WHBT-AM, Tallahassee, FL



Daryl O'Neal, Simmons Media Group's KTND-FM Austin, TX



Blaise Howard, GM, WEAZ-FM Radio Inc. Philadelphia, PA



Dusty Black, RVP/Market Manager, Clear Channel's KASE-FM, KVET-A/FM, KFMK-FM, KHFI-FM, KPEZ-FM, Austin, TX



GM Talkback

By Carl Marcucci

How do you handle objections to schedule costs in this ad environment?

Biette Price objections are bound to confront sellers regardless of economic conditions. They should be handled no differently now than when times are robust. First, the seller needs to ask good questions in an effort to clarify the client's objection. Next, the seller must shift the focus to the value of the schedule (investment). If the seller positions value properly then the cost becomes justified. It's all about making the client understand that they are getting their money's worth and more.

Columbus First and foremost we role play every week the efficiency of our radio cluster. Radio is still the most efficient advertising medium in reaching targeted consumers and our sellers have to be equipped to tell our story. Look let's compare a 1/2 page or fullpage newspaper ad to the reach and frequency of a radio cluster. It is imperative that our sellers understand the other mediums in the market, so we role play with one seller selling for the local TV station, the local paper, etc. They must know what they are up against when dealing with a client. We sell the value of our entire cluster and once we know what a client's budget is we design a plan that maximizes their budget without lower our rates. The climb back to the top will be that much higher when the economy turns if we are dealing with lower rates across the board. Therefore it is imperative to use the strength of our cluster to give the client the most bang for their buck. We also use testimonials and references from clients that have had great success using our cluster. Success sells! My philosophy is get your rates, know the efficiency of your cluster and know how the competitive mediums sell.

O'Neal It's a supply and demand business. What's wrong with a station that is giving away its inventory? In a slumping economy wouldn't you rather advertise on a radio station that is in demand by both advertisers and listeners? A waste of money is a waste of money and can you afford to throw extra dollars away on cheaper stations who might be cheaper because they have a lack of advertisers. If they were getting results, they wouldn't have a lack of advertisers.

Howard No matter what you're pricing at, it costs too much. I mean there's an objection on everything that you do. And if you're submitting on agency business, I don't think there's been any of them that we would submit on that they would accept. Everybody's coming back and grinding and grinding and grinding. Most of the business is being placed later than it's ever been placed. The week before, days before, where that same client was placing a month or two in advance a year, and years ago.

The question is how do you handle this? You learn how to dance, you really do. It's a delicate balance, particularly being an independent station, because you don't have any other stations to look to to give you feedback. Once you get your final negotiation, you may get knocked off because somebody else has given a much better deal at the last moment. That's what's happening—everything is so last-minute. I know there has been cases where we have lost business that we thought we were going to get that we've priced aggressively for. The account managers today have just really got to keep their head and their face in front of the client, in front of the buyer. And hold them through to a closure on every piece of business. It's tough nationally, when an avail comes down, you give it to your rep, your rep gives it to the buyer and the buyer sits on it for a week. You don't know what's going to happen during that week. A lot of times, we're getting stuff in on Thursdays and Fridays that start on Mondays.

It's a very big negotiation—people calling in at the last minute and saying "OK, we're going to give you the buy, but we want this exact type of promotion." And it may not even fit your format, the kind of promotion they want. I used

to think there was a lot of promotions tied to everything, it's unbelievable now. We have avails that come up and say, "Do this promotion and we'll think about buying you." No thanks—I like to know when I'm being screwed, not to know when it's coming.

Black The Austin market has been hit hard with Tech layoffs and lack of .com business this year. We've seen our local retailers cutting back on spending this year in a pretty significant way. With this in mind, we first have to find out what the client is trying to achieve in terms of sales and what they're expecting as a return on their investment. *We cannot just sell an ad schedule anymore without accountability.* There are just too many choices, and everyone is "watching the bottom line". We expect our sellers to determine what the client is comparing our cost to and then probe to discover the real objection and go from there to satisfy the customer that we're the right answer for them.

How do you handle clients that want to cancel out of a schedule?

Biette Once again good questioning skills are critical. The seller must determine the real reason that the client is considering cancelling their schedule. Often times the client has lost sight of the value of the schedule and is viewing the cost as an expense rather than an investment. From a marketing standpoint client's (and sellers) need to understand that advertising is even more important during a softer economy. We know that radio works and can drive traffic through their doors...that's what we need to be selling. If we focus on price (which too many radio salespeople constantly do) then so will our clients. If they focus on price, we must re-focus on value and results.

Columbus The very first rule here at Cumulus of Tallahassee is that we must be told by the AE immediately if a client is canceling. The respective Sales Manager then must place a personal call to the client to determine if we have a problem or not. Then I am apprised of the situation and I call the client to tell them how much we appreciate their business and "to inquire" when we need to get back together to resume our business relationship. This sets the tone for the upcoming dialogue when that client is ready to get back on the air. They know by the end of this process that we care about their business. We have a two week cancellation clause in our contracts that can only be waived by the Market Manager. (me)

O'Neal Every situation is different. We try to determine why they would like to get out of a contract and then react appropriately. If it's a lack of results I try to determine if we set realistic expectations going into the sale. I will personally meet with each client who tries to cancel to see if there is something I can do to change their mind.

What did we do wrong? Sometimes this means running a free schedule or pumping up the frequency to speed up the results process. Sometimes it means a payment plan and lowering the monthly contract for financial reasons. Sometimes it means bringing in the whole team in order to create a campaign which might produce "realistic" results. Sometimes you just have to "cut hair" and move on. You can't save them all but if it is our fault I ask for a chance to redeem ourselves. Attrition happens! I am more concerned with how it affects the station or the salesperson if he or she is not prepared to handle cancellations because "the funnel" is empty.

Howard Our cancellation is two weeks' notice. We did have for a while there during the heyday of the dot-com business, that we gave them four weeks' cancellation. Because it was coming in just as fast as it was going out! You're really at the mercy of what the market's doing. If other stations are letting people out and they are maybe a large group, what are you going to do? Sit there and make an enemy while everybody else is letting them out? So we try to hold a two

week notice. We've even called up other stations and have asked them if they are actually doing this, and they say yes.

Black We have a two week cancellation policy. If we have a client that has sold out of a product, or has been loyal and needs to pull back sooner than two weeks, then we will work with them.

How did you get into radio?

Biette I started on the air when I was 14 years old. When I was 23 I crossed over to the dark side, got into radio sales and never looked back. I worked my way up into sales management, general management and 15 years ago entered the radio sales training business with Ken Greenwood's Greenwood Performance Systems. I've been alternating my time between training/consulting and specializing in station turnaround situations and have worked extensively in Canada and the United Kingdom. I recently spent 3 years as the East Coast Regional Manager for Cumulus Broadcasting overseeing 13 markets from Maine to Florida. Since January I've been back in private practice working with several radio companies in New England. That includes serving as acting Market Manager for the Atlantic Coast Radio properties here in Portland, Maine.

Columbus Well I was born into it. My Dad owned two small radio stations in Va. and I was going to remotes when I was 3 years of age. Growing up in this environment gave me first hand knowledge of how every department in a radio station operates. When I graduated from college I went back for what I call my apprenticeship and then left and became the youngest GM in Baltimore at the time (29). I became the VP of Sales for that company and was named to the Board of Directors. The I started my own group and owned 10 radio stations so I know what meeting a payroll, making bank covenants mean, and I have seen first hand how the business has changed. Radio is like life—it is one big roller coaster ride, and you have to change with the times.

O'Neal I was in retail (working for my family's business) and was a client of radio. I was sold properly and taught how to advertise correctly and got great results. Needless to say the family business was not for me and when an opportunity to get into radio became available I jumped at it.

Howard Back in 1977, my sister-in-law was the traffic manager for a radio station in Pittsburgh, WKTQ-AM, "13-Q". I was working in the ad business for a small agency and she told me that she thought I would be good selling air time. She got me an interview, and I got hired, quit my job right away. The two gentlemen I interviewed with, who always remain close to me, were **Steve Berger** and **Mickey Franco**, whom I worked for a couple of years as I got into the business.

Now I work for one of the brightest men in the business, **Jerry Lee**. I tell you what, If Jerry Lee had the reins of a large radio group in this country, the whole landscape would look completely different from what's going on. We resist adding inventory. We don't do it. And we still run on an average of about 11 units an hour, a little more in morning drive and less in afternoon. We do counts on radio stations here that have similar formats—16-18 spots an hour.

Black I was a Radio/TV/Film Major at Texas Christian University (TCU). Initially I wanted to be a play-by-play guy, but reality and a lack of talent changed all of that. As a college graduate with no discernable skills I started looking for a sales job in Dallas in 1972. I got one at KBOX-FM. I was the first person they'd ever hired to sell their FM station as a stand-alone product. Heretofore, it had been sold as an adjunct to their great Modern Country station KBOX-AM (for 10%, or less of the AM's rate). I'm pretty sure I was the only guy they could find to take the job. But...I worked hard and FM started to become a factor in the market and I stayed with the group for 14 years.

UPPED & TAPPED

Clear Channel staffers are now Hogan's heroes: Clear Channel (N:CCU) Senior VP **John Hogan** has been named President and COO of Clear Channel Radio. This is the second-in-command slot vacated by **Kenny O'Keefe**, who retired 6/30. He will move into the office next to CEO **Randy Michaels**, overseeing the 1,200+ radio stations in the Clear Channel portfolio.



John Hogan

Another Senior VP is adding responsibilities. **Jerry Kersting** has been named Chief Financial Officer. Kersting, who aided in Clear Channel's acquisitions of Jacor and AMFM, will also continue his role in corporate development.

Kersting comes with a side dish of Rice: Just a day after announcing the appointment of Jerry Kersting as CFO, Clear Channel (N:CCU) has promoted a pair of company insiders to fill out his executive staff. Moving up from Controller will be **Jeff Rice**, taking the title VP/Finance. Moving into Rice's vacated slot will be **Jane Stephens**, who moves over from Clear Channel Internet division.

Citadel realigns regional management: Citadel Eastern Region President **Stu Stanek** has resigned, and Citadel has realigned its regional management staff in response. Stanek, a veteran Citadel exec, had overseen Allentown, Buffalo, Harrisburg, Ithaca, Providence, Wilkes-Barre/Scranton and Worcester, MA. The new structure:

- **Wayne Leland**, Northeast: Augusta ME, Binghamton, New Bedford, New London, Portland ME, Portsmouth, Providence and Worcester.
- **Ken Maness**, East: Allentown, Birmingham, Charleston SC, Harrisburg, Knoxville, Nashville, Johnson City
- **Bill McElveen**, Southeast: Baton Rouge, Columbia SC, Chattanooga, Lafayette
- **Tom Garry**, Midwest: Buffalo, Flint, Grand Rapids, Ithaca, Kokomo, Lansing, Muncie, Saginaw and Syracuse.
- **Larry Bastida**, Central: Bloomington IN, Little Rock.
- **Pete Benedetti**, West: Boise, Colorado Springs, Salt Lake City, Spokane, Tucson
- **Jerry McKenna**, Far West: Modesto, Reno

Ryan gets his first WIND; HBC fields lie Faló in Phoenix: Hispanic Broadcasting (N:HSP) has named **Jerry Ryan** GM for its WIND-AM, WOJO-FM, WLXX-AM in Chicago, and **Michelle Faló** GM for its KHOT-FM Phoenix.

Prior to this new position, Ryan was KHOT's GM since '99. Faló was previously GSM for KSOL-FM and KZOL-FM in SF, since '96.

A Boyd in hand is worth...: Fisher Communications (O:FSCI) has raided the ranks of the newspaper industry to find its latest member of its Executive Management Team. **Laura J. Boyd** will handle the company's human resources and recruitment needs. She exits the *Seattle Times*.

A Burke in hand is worth...: **David Burke** has been named SVP of Northeast Broadcasting, overseeing ops for the company's 13 stations in Vermont, New Hampshire and Massachusetts. The 16-year radio veteran was previously VP/GM for AMFM's Denver cluster and Infinity in San Jose.

Emmis inclines toward Klein: **Alan Klein** is the new President of *Los Angeles Magazine*, one of the many regional

periodicals in the portfolio of Emmis Communications (O:EMMS). Among his prior stops was the publisher slot at *Boston Magazine*.

DMR bags a VP as Buckley Clears out: **Debbie Buckley** is exiting the GSM slot at Clear Channel's (N:CCU) WKSC-FM Chicago to take on a new role as VP/Marketing Strategy for Direct Marketing Results. In addition to working with President **Tripp Eldridge**, she will be reporting to SVP/Marketing Strategy **Mark Panetta**.



Debbie Buckley

Richmond cluster is now Walden's pond: Radio One (O:ROIA) has brought in **Bob Walden** as NSM for its cluster of Bob FMs in the Richmond market. He will oversee national sales at WKJS-FM, WJMO-FM, WCDX-FM and WRHH-FM. He's worked for Clear Channel, and the rest of his resume is a primer in what radio ownership used to be, including stops with Nationwide, Edens, Park and Harte Hanks.

Viacom fills up with Philips: Susquehanna's KPLX-FM PD in Dallas/Director of FM Programming **Brian Philips** has been tapped as Viacom's (N:VIA) Country Music Channel SVP/GM. He will be responsible for the cable network's day-to-day management. He remains a consultant for Susquehanna's Atlanta and Dallas stations.

LatinWorks Marketing brings in a pair: **Ana Franco-Aguilera** has been named Director of Account Management, and **Linda Hernandez** has been named Senior Manager of Strategic Planning for LatinWorks

Marketing. The firm specializes in marketing various brands to the US Hispanic community.



Hernandez & Aguilera

Copps takes the ini out of interim: FCC Commissioner **Michael Copps** (D) has upped three staffers from temp to permanent positions. **Carolyn Conyers** was named Copps' Confidential Assistant; **Jordan Goldstein** moves from interim Sr. Legal Advisor to Sr. Legal Advisor. He will also serve as Legal Advisor for Competition & Universal Service; Interim Legal Advisor **Susanna Zwerling** becomes Media & Consumer Protection Legal Advisor, advising Copps on media issues.

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For details: Call 888 GET SCOTT

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The RIAA's Hilary Rosen

Hilary Rosen, the Recording Industry Association of America's President and CEO, enters the NAB Radio Show spotlight this year with the event's XStream keynote speech. Under her leadership, the RIAA has focused much of its energies on standardizing the delivery of music over new media platforms while protecting the rights of its artists and copyright owners. In that process, the organization has made numerous radio industry headlines over streaming licensing issues for broadcasters, webcasters, and of course, Napster. Currently in a six-month arbitration process that began 7/30 over web royalties, the RIAA/Music Industry and streaming broadcasters are trying to come to terms on rates—a battle that's been waging since the passage of the Digital Millennium Copyright Act of '98.

Here, Rosen speaks about those arbitration hearings and where the RIAA stands on a number of issues.

Why is the RIAA against the recently-introduced Music Online Competition Act?

As a general matter, the legislation, I think, is just a very complex and specific intrusion into the free marketplace. It tries to create winners and losers based on technologies that exist today. It suggests regulation is needed in areas where it's not. I think that these issues and these businesses really need to be able to operate in the marketplace without government intrusion on the Internet.

Would it create a lot of bureaucracy and controls?

It creates a lot of controls for the industry and it tries to sort

of wreak havoc with various rights that copyright owners take very seriously.

Why does the RIAA believe that Internet streaming of on-air programming should have a royalty scheme when the on-air signal remains exempt?

I've long viewed the digital world as the start of entirely new businesses and new opportunities for everybody. I think the Internet and its successor entities/technologies represent new potential revenue streams for broadcasters, new potential audience-getters; a whole new series of outlets for their programming. Similarly, the music community—artists and record companies—think that just because the old rules applied for a static technology, as new businesses are created, it's appropriate to have the supplies and the music that's used to help create those new businesses be fairly compensated.

What are you planning on telling broadcasters at the NAB Radio Show about the recent US District Court decision (RBR 8/6, p.4) upholding that radio broadcasters must pay royalties for online streams? As you know, the NAB was very disappointed with the ruling.

I think my message is going to be, "Get over it, and let's move on." We want broadcast to succeed. We do have a good relationship with the broadcast industry. There are important, targeted promotional and marketing opportunities that we pursue together, but that doesn't negate the fact that

artists and record companies are entitled to see some compensation from these new businesses as well. So, my message is going to be that these numbers are not as great as you fear, that you should find ways to sort of pay it and let's get on with building these businesses together.

Will broadcasters find they aren't going to be as bad as anticipated?

We historically have sought very reasonable deals and individual deals with broadcasters on this issue. But people didn't want to engage. Now we're in an arbitration proceeding, which allows much less flexible rate schedules. And the rate schedules that have been submitted on our behalf to the arbitration proceeding are .4 cents per performance, or the alternative is about 15% of the broadcasters' online webcasting revenue.

Now, if the online revenues were very low, 15% would not be a very big amount of money, right?

Well, I think arguing that these business aren't making a lot of money is sort of irrelevant, because then that means that their obligation wouldn't be very high. So I think that's exactly right—that what we're saying is it's in our mutual interest to have these businesses grow, and we want to support that.

So it's not just about fees, it's about supporting the industry, just like you do on the terrestrial signal side.

Feature

By Carl Marcucci



We totally think that there should be consistently good relationships, consistently good business opportunities for broadcasters and record companies to work together. This, in my view, is entirely consistent with that outlook.

What could the retroactive streaming fees be set at? A lot of broadcasters are especially nervous about this. How can you determine what the fees will be? By what means can you prove airplay—old logs or airplay monitoring services?

The law does require that they be retroactive, and I think people should have anticipated that. I think the NAB did know that the law said that they would be retroactive. But we are flexible, understanding that for these simulcasts there might not be separate digital logs. I think we would be flexible in how we would determine airplay logs and try and work with broadcasters to make sure that this wasn't a burdensome process—that wouldn't serve anyone's interest.

What about fees for non-profit or college radio stations that stream music?

There are a whole series of sort of non-profit uses that we'd like to be considering separately and we're looking at various ways to do that.

Are streaming companies like SurferNetwork liable for these streaming fees? What about streaming technology providers like Activate?

If they are retransmitters, in other words, like Yahoo! Broadcast, where they're taking an existing stream and retransmitting it through their own service, they are clearly liable. If you are talking about a technology facilitator, if the broadcasters themselves control the actual signal, then I think that the liability lies with the broadcaster.

It should be clear we're not looking to play games, we're not looking for entertainment, and we're not trying to tax things every which way. We're perfectly prepared to determine the one party that's liable and have the system work that way.

We recently did a quick interview with Jack Swarbrick, the CEO of broadcast industry web conglomerate LMiV. He made a claim that these fees are really going to hurt the artists, because the streaming was one way to really them exposed across the country in markets that they might have never been heard. Do the labels see the value in radio station streaming to further extend exposure to their artists? Do they see the possible harm if everyone turns off their streams?

I just think that's a red herring. I've been getting emails...I think some stations are turning off their streams and giving people a direct link to my email site. And I get these emails saying, "I want Internet radio." I'm certain that the fees that we're talking about are less than the cost of

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these people's office furniture rentals. We're not talking about burdensome scenarios here.

I think that the artists are on our side on this, they're testifying together with us in the arbitration proceeding, and there's no question that people see these businesses as opportunities. But I don't think the broadcasters think they're in it for the artists' sake—they're in it to make money for themselves. So no one should pretend that this is sort of a gift to the artists or to us. This is a mutual business opportunity.

What is the RIAA's stance as it relates to radio station side channels/formats?

Yes, that would be even more like a webcast.

Is it the goal of the labels to own the Internet space and go direct to the listeners without needing the stations? The labels are currently forming their own Internet stations/subscription services like MusicNet and Pressplay. How do they get charged for streaming?

Is it the goal of Clear Channel to own the Internet space? Actually, that's a good question, because there's a lot of misinformation out there about what's happening in these spaces and what people's intentions are. There are multiple services that are essentially B2B, that are getting licenses from copyright owners that will then offer as sort of a central repository to different online sites and music products. So for instance, MusicNet is essentially getting licenses from multiple record companies and publishers. And MusicNet will then sign deals with online sites to be the music provider on their site. And so, there's not, in essence, a determination by the major record companies or anybody else to actually own all the sites. This is about how does everybody cross-license enough material to have multiple outlets for music. So in addition to Pressplay and MusicNet, which do have equity investment and ownership from major record companies, there are six or seven other companies that also have record company licenses and are likely to be out there as strong competitors in the marketplace. That's in terms of furnishing subscription services. To the extent that any one of those services is in addition to offering the downloadable subscription, if they have webcasts, they will be paying the webcasting

rate. If they've got Interactive streaming, that's an individual license deal.

So, there is every obligation whether a webcaster, a broadcast signal, is being run by a record company, a third party site, an Internet company—it doesn't matter who it is—the payment obligations are the same.

Tell us about the request for summary judgment you had filed on August 7 against Napster—it asks for copyright violation fees to be paid for each instance of violation, which would shut down Napster forever.

I think the Ninth Circuit decision has already made quite clear that Napster engaged in significant willful copyright violations. But the policy is clear—what we've essentially been arguing about since is the technical compliance issues of how Napster can operate without infringement. And what we did in seeking summary judgment is to have, essentially,

the court affirm the policy issue so that we can then move on to the compliance and other matters of this issuance—to actually put what we think has already been decided behind us in an official way.

Napster has every opportunity, and has for the last two years, to be a legitimate service by seeking licenses. Obviously, they are liable for significant damages and I think everybody in the music community believes that significant damages should be paid.

Do you think Napster's latest appeals victory will stick for long? Is this a blip on the screen?

I think that's a temporary glitch and I think Napster believes it too. They still haven't gone back up, but I think they are making progress at this point.

What is your history in the music industry and with the RIAA?

I've been at the RIAA almost 15 years now, and my history in the music business—all of the expertise I've developed—was when I was in high school, working at Sam Goody's record store! Everything since then has been a learning curve.

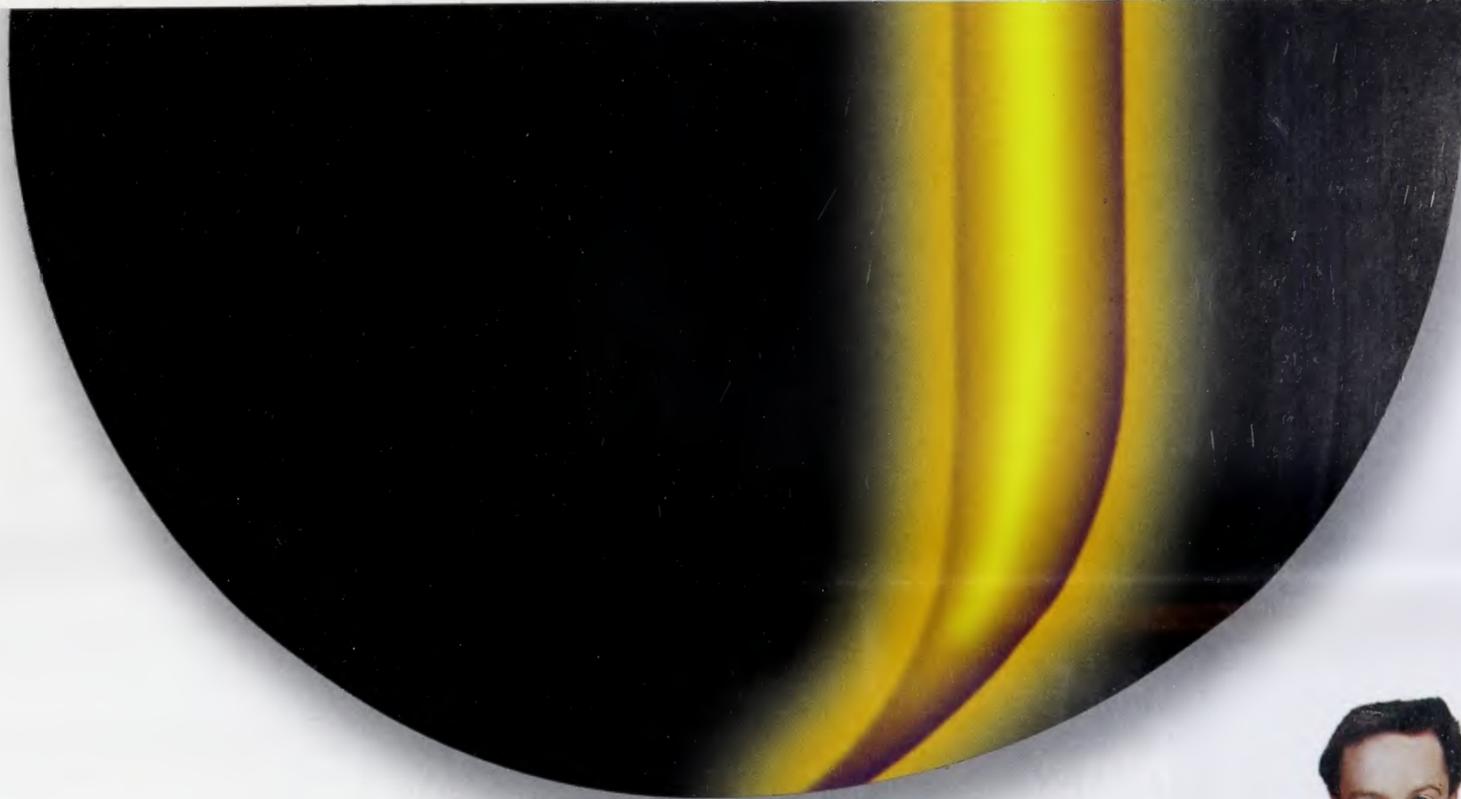
What are some of the RIAA's biggest goals and achievements?

The one issue that has been consistently driving us for the past three or four years and will continue to drive us for a while is to do everything we can from a public policy standpoint, from an enforcement standpoint and from a public education standpoint, is to help develop a legitimate online music market. I think that the technology that's available to consumers and businesses alike is astounding and it's so important that we be able to take

advantage of this technological revolution. It's important also that the heart or the passion and the investment that goes into creating new music doesn't get left behind in the technology revolution, and I'm confident that people don't want it to.

What do you see as the future relationship between the labels, radio and the Internet?

I think we're still in the entry stages of this entire marketplace, but I think that we have begun to see a shift where consumers are not just getting their music by buying it in record stores. They are consuming it in multiple ways and the relationship between record companies and artists and radio, I think is just going to continue to grow. I think radio will always be important to the recording industry and hopefully we will always be important to radio.



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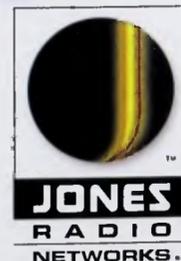
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Local sales heroes keep companies on track

The dollars may look big on Madison Avenue, but even for the largest radio stations, national sales have never surpassed local sales. This year, in particular, it's strong local sales efforts that are easing the suffering at major market stations and allowing smaller stations, which never had that much national business anyway, to continue to show growth in a year when their larger brethren have had to break out the red ink.

With thousands of radio stations coast-to-coast, there are tens of thousands of local sales heroes—those talented Account Executives, General Sales Managers and General Managers who know their local retail accounts and know how to use their local stations to drive business to their advertising clients. We asked a trio of top group executives (selected to reflect both large and small companies) to recommend one "Local Sales hero" each for the salute to the unsung heroes who are working behind the scenes to keep radio strong in a tough year.

Cumulus Media's Gary Pizzati



Gary Pizzati is General Manager of the Cumulus Media (O:CMLS) clusters in both Mobile, AL and Pensacola, FL—meaning that he has two offices 77 miles apart. He oversees Gospel WGOK-AM, CNN headline News WDLT-AM, Urban WBLX-FM, Urban/AC WDLT-FM & AC WYOK-FM in the Mobile market and News/Talk WCOA-AM, CHR WJLQ-FM & Active Rock WRRX-FM in Pensacola. "Out of the eight, three are 100kw and have city-grade signals in both markets," Pizzati noted, so WBLX, WYOK and WJLQ pull Arbitron numbers and ad sales in both markets. In speaking with *RBR*, he proudly produced numbers showing that WBLX is not only the top-ranked station 18-34 in its home market, Mobile, but also number one 18-34 in Pensacola.

"So, what do you do?" he asked rhetorically, "Well, you drive it like a big old ship."

As market #90, Mobile gets more national buys than #124 Pensacola, so the larger of the two markets hasn't been completely untouched by this year's Madison Avenue pullback. "It's hitting Mobile, but it's hitting Mobile for the people who don't understand good cluster management that can drive local

Sales

sales," Pizzati said. "We outperform the market every month. We do that by driving local direct sales. We have our sales reps so focused on local direct sales, that nothing else right now is important."

Drawing on Miller, Kaplan reports for Pensacola, the Cumulus GM said the local market was up 7.2% in July for Pensacola. "Our cluster was up 32.7%," he stated proudly. And while national spot revenues were never as important in Pensacola as in Mobile, that national business has all but dried up in the smaller of the two markets. "We don't rely on national business at all," Pizzati said of his Pensacola stations.

"Our rep firm, [Interep's] Allied, does a great job driving revenues to our market," Pizzati said in praise of the rep, which has a special Cumulus Radio Sales unit, but that hasn't overcome a soft year for national ad dollars in Mobile.

What are you doing differently this year in local sales? "Nothing," Pizzati replied. "We're doing the same thing that we've done since I started working for Cumulus Media. We go out there and we have a criterion of local direct business. There is a new business development requirement for agency and local direct each month that each seller has to achieve. As we move forward in 2001, there's new criteria that I have my salespeople and sales managers focused on and that's, number one, hitting their individual goals, number two, developing a certain amount of new local direct business each month and [number three], keeping their accounts receivable in line with the Cumulus standards. I tell them all of the time it takes a high volume of prospecting, excellent proposals that suit the needs of our local direct customers—using our internal information—and driving those local direct companies to our company, away from newspaper, coupon magazines, cable and everything else.

"I don't just want a piece of the radio ad dollars. I want a piece of all of the ad dollars. I think a lot of market managers and a lot of sales managers focus on getting the radio dollars. I don't care about the radio dollars—I want the newspaper dollars. I want the cable money. I want the TV money. If I'm going to go fishing, I'm going to go fishing where there's a lot of big fish. There are a lot of big newspaper fish out there." Pizzati says his sales staff is working to get those local newspaper advertisers to try Cumulus' radio stations, or at least lower their print ad size and supplement it with radio.

"They're renewal kings," Pizzati says of his newspaper competitors. While the newspaper reps are calling clients on the phone to renew fat, an-

nual contracts, his people are pitching new ideas to divert those ever increasing (and increasingly less effective) print dollars into radio ad buys.

Don't look for any of those "renewal kings" on Pizzati's sales staffs.

"We do a very strategic analysis of all of our sales reps' performance in all of our markets," he explained. "Our sales managers look at their agency versus direct business, the number of new clients they manage and develop each month and we do not allow our sellers to sit on fat lists in our marketplaces. We redistribute accounts so we can get the maximum amount of money from these potential advertisers. That analysis is delivered to me on a monthly basis. Sellers will lose large agency accounts if they're just sitting on a big, fat list in their office, managing business. That's not what radio is about today."

Rather than having all reps carrying all stations or each rep carrying only a single station, Pizzati takes a hybrid approach. "We have sales reps who are senior sellers in our cluster who are allowed to sell advertisers across the platform. We have sellers in Pensacola selling our two FMs. We have sellers who sell just the AM. We have a 75-year heritage News/Talker, WCOA, that's been around the Gulf Coast for years. And in Mobile we have sellers who sell all three properties," Pizzati said, adding that WGOK-AM is a major biller with its Gospel format.

"We always never want to leave any money on the table," the GM noted. "If they bring in a piece of business for a radio station that they do not represent, we allow them to earn the commission on the amount that's collected."

Like all sales organizations, Cumulus has turnover in its Mobile and Pensacola sales forces. Pizzati says the goal is always to retain good people, so the company is constantly training both new and old hands.

"We look for people who are passionate about making money," Pizzati said of his recruiting philosophy. "We look for people who are not afraid to sit in front of us and explain to us what they really want in life and where they really want to be. And we look for people who don't have bad habits. The interview process today in our company is pretty strict—we don't like turnover. We look for people who are good quality people who have a tremendous career focus and want to make a lot of money."

In all, Cumulus has about 30 people on the street selling local advertising for its Mobile and Pensacola stations. That's about the right number right now, Pizzati says, but that doesn't stop him from keeping his eyes open for quality additions.

Greater Media's Tom Bender



Tom Bender is Senior Vice President and Regional General Manager for Greater Media's three FM stations in market #7, Detroit. He oversees Classic Rock WCSX-FM, AOR WLIF-FM & recently reformatted AC WMGC-FM.

After 15 years in the same job with the same company (but a growing portfolio of stations), Bender's longevity alone makes him unusual in today's radio business. "It has eras attached to it," he joked.

But while Detroit is far removed from Mobile/Pensacola by both market size and miles, we got much the same answer when we asked him what he's been doing differently this year.

"I certainly can't say that we've done anything differently," Bender replied. "What we have done is continued a focus that we put considerable resources behind for the last three years—in terms of ongoing new business development at a number of different levels. At that time, we made sure that each radio station had a new business development manager attached to it. They were recruited for their skill in being able to go out and tap non-traditional sources of revenues. So, we have been committed to that for some time. Fortunately, as luck would have it, we've had enough time and the philosophy has become inculcated in the sales department so that's really been a lifesaver for us this year."

Where do you find people like that?

"We found one in radio sales and everybody else came either from a different department in radio or a different field. There was a process where we had a couple of people who started great, but didn't quite make the grade and didn't quite have the passion for it," Bender recalled. "When you're doing that type of business, you're virtually six months out on a calendar and making a whole different type of sale. It takes a very specific type of person, with a really good understanding of selling as a process—the entire marketing process—to be able to have both the vision and the patience to see it through."

National year-to-date is off

16% in Detroit. "That's significant dollars," Bender notes, "but certainly not the type of crushing numbers that some other markets have seen this year." Having not gotten as much of the dot-com spending last year, Detroit didn't soar as high last year—and hasn't fallen as much this year.

So Bender is sticking to business—local business, with a focus on building new business. He says each new hire is told up front what their client list will be, but they're also told about the company's requirement that they will be responsible, individually, for new business flow. Each salesperson then has some leeway in deciding how to execute that responsibility. Greater Media offers special in-house support for some areas, including a specialist in recruitment advertising. The individual sales rep can also work with their station's new business development manager to build proposals, or they can use the station's pre-packed NTR events to pitch new advertisers.

"There is always a menu of tools available to the salespeople. The one thing that is not optional is their commitment to participate in new business development," Bender stressed. "They're given specific goals for that and they're not let off that hook. They are reviewed one-on-one on at least a monthly basis, if not more often."

Each salesperson at Greater Media's Detroit operation is assigned to a specific station, but Bender says the company has been flexible in responding to clients who want to deal with only a single rep for the group. "What we have not done is get into a mandatory group selling. It's been all informal—and with 40-some salespeople, there are those entrepreneurs who've figured out how to work with their counterparts at the other stations for a given account—and it's worked very well." Bender's not leaving that to take care of itself, though. He recently hired a group sales manager—a former sales manager from a crosstown competitor—to take a more structured approach to selling the entire three-station package.



Bikers turn out for the Greater Media 2001 Harley Fest event

**Nassau Broadcasting's
Glenn Jones**



markets to build local business, but Jones and his staff of six at Nassau Radio Network have their own mission.

"Unlike most companies, where they define 'national' as anything that their rep develops, we did it differently," Jones explained. "We wanted our national people to focus on all business that's outside

the state of New Jersey, whether it's with a client, with an agency or with the rep firm. That left our 80 reps to focus on the backyard marketing—the advertisers within that fiefdom, if you will. Anything that went cross-cluster was also under the domain of NRN. We ultimately built this division to not only handle the national rep, but to handle the regional business. We also incorporated an Internet division and then we incorporated an NTR division. Ultimately we were in a position to put a comprehensive marketing plan on the table, along with critical mass, to anyone."

New business prospects for NRN can come from the central office or from the National Sales Manager in each of the three clusters. "If it is new business, each one of those NSMs in each cluster has the ability to sell

that cluster, but also drive it to the other two clusters. That's their task," Jones said. "Their first responsibility is to their own cluster of radio stations, but their secondary responsibility is to find a way to expand that. They are in constant communication."

How does NRN coordinate its efforts with its rep and keep from stepping on each others toes, we wondered?

"The bottom line is that from day one, we wanted to build a really strong relationship with our rep," Jones said. By having all business outside New Jersey handled by NRN, rather than some in the hands of individual account executives at the station level, it is up to the NSM of each cluster, and ultimately by Glenn Jones, to decide whether an account will be handled by Katz Radio or internally by NRN. Each NSM



A recent WPST remote.

deals with two columns of business, he explained—one called "National-Direct" and the other "National-Katz." "They are responsible for keeping their quotas up in those columns," Jones said of the NSMs. The end result is that Nassau, even in this down year for national business, is still getting about 25% of its total business through NSM—a hefty "national" figure for a middle-market group—with that split about 60% from Katz and 40% from NRN's direct efforts

it local or is it national? The sales effort at **Glenn Jones** heads Nassau Broadcasting is something in between. He Senior Vice President of Nassau Radio Network (NRN)—a new division which sells the group's 6 radio stations in three clusters to advertisers who do regional business throughout New Jersey.

"It is the national sales division of Nassau Broadcasting," Jones explained, comparing it to the regional sales operation that the Knight Quality Stations used to have in New England. In fact, Jones says he and Nassau's **Joan Berberding** spent about a week with **Scott Knight** back in 1996 to study what KQS had been doing with its regional sales. (The KQS group was subsequently sold to Capstar and today is part of Clear Channel.)

"New Jersey still suffers from an identity crisis," Jones noted. "When we started out on this task we needed to put a face on New Jersey—specifically on the critical mass that we were representing." Using Arbitron data, Jones and his staff prepared presentations to explain to advertisers why they needed to buy Nassau's New Jersey stations, at the very least as a supplement to their big market buys in New York and/or Philadelphia.

"More importantly, what we set out to do from day one was to try to reverse the process," he explained. "Traditionally, to buy New Jersey you would buy New York, buy Philadelphia and then fill in the cracks. We went to the advertisers directly—we had vertical penetration at all of the agencies, along with our national rep, Katz Radio—trying to come up with the concept to reverse the process. Why not create a budget for New Jersey on the front end and then fill in with the New York and Philadelphia stations?"

What Nassau offers advertisers is critical mass, Jones explained. Although Nassau owner **Lou Mercantanti** had to scale back after the market turned sour just before his planned IPO, Nassau still has two powerhouse clusters in the Monmouth-Ocean (which Nassau calls its "Shore" cluster) and Trenton ("Central"), plus a third cluster just across the line in Allentown-Bethlehem, PA and a standalone AM in nearby Wilkes Barre-Scranton, PA.

Nassau has some 80 sales reps pounding the pavement in its three

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If they are retransmitters, in other words, like Yahoo! Broadcast, where they're taking an existing stream and retransmitting it through their own service, they are clearly liable. If you are talking about a technology facilitator, if the broadcasters themselves control the actual signal, then I think that the liability lies with the broadcaster.

It should be clear we're not looking to play games, we're not looking for entertainment, and we're not trying to tax things every which way. We're perfectly prepared to determine the one party that's liable and have the system work that way.

We recently did a quick interview with Jack Swarbrick, the CEO of broadcast industry web conglomerate LMiV. He made a claim that these fees are really going to hurt the artists, because the streaming was one way to really them exposed across the country in markets that they might have never been heard. Do the labels see the value in radio station streaming to further extend exposure to their artists? Do they see the possible harm if everyone turns off their streams?

I just think that's a red herring. I've been getting emails...I think some stations are turning off their streams and giving people a direct link to my email site. And I get these emails saying, "I want Internet radio." I'm certain that the fees that we're talking about are less than the cost of

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these people's office furniture rentals. We're not talking about burdensome scenarios here.

I think that the artists are on our side on this, they're testifying together with us in the arbitration proceeding, and there's no question that people see these businesses as opportunities. But I don't think the broadcasters think they're in it for the artists' sake—they're in it to make money for themselves. So no one should pretend that this is sort of a gift to the artists or to us. This is a mutual business opportunity.

What is the RIAA's stance as it relates to radio station side channels/formats?

Yes, that would be even more like a webcast.

Is it the goal of the labels to own the Internet space and go direct to the listeners without needing the stations? The labels are currently forming their own Internet stations/subscription services like MusicNet and Pressplay. How do they get charged for streaming?

Is it the goal of Clear Channel to own the Internet space? Actually, that's a good question, because there's a lot of misinformation out there about what's happening in these spaces and what people's intentions are. There are multiple services that are essentially B2B, that are getting licenses from copyright owners that will then offer as sort of a central repository to different online sites and music products. So for instance, MusicNet is essentially getting licenses from multiple record companies and publishers. And MusicNet will then sign deals with online sites to be the music provider on their site. And so, there's not, in essence, a determination by the major record companies or anybody else to actually own all the sites. This is about how does everybody cross-license enough material to have multiple outlets for music. So in addition to Pressplay and MusicNet, which do have equity investment and ownership from major record companies, there are six or seven other companies that also have record company licenses and are likely to be out there as strong competitors in the marketplace. That's in terms of furnishing subscription services. To the extent that any one of those services is in addition to offering the downloadable subscription, if they have webcasts, they will be paying the webcasting

rate. If they've got Interactive streaming, that's an individual license deal.

So, there is every obligation whether a webcaster, a broadcast signal, is being run by a record company, a third party site, an Internet company—it doesn't matter who it is—the payment obligations are the same.

Tell us about the request for summary judgment you had filed on August 7 against Napster—it asks for copyright violation fees to be paid for each instance of violation, which would shut down Napster forever.

I think the Ninth Circuit decision has already made quite clear that Napster engaged in significant willful copyright violations. But the policy is clear—what we've essentially been arguing about since is the technical compliance issues of how Napster can operate without infringement. And what we did in seeking summary judgment is to have, essentially,

the court affirm the policy issue so that we can then move on to the compliance and other matters of this issuance—to actually put what we think has already been decided behind us in an official way.

Napster has every opportunity, and has for the last two years, to be a legitimate service by seeking licenses. Obviously, they are liable for significant damages and I think everybody in the music community believes that significant damages should be paid.

Do you think Napster's latest appeals victory will stick for long? Is this a blip on the screen?

I think that's a temporary glitch and I think Napster believes it too. They still haven't gone back up, but I think they are making progress at this point.

What is your history in the music industry and with the RIAA?

I've been at the RIAA almost 15 years now, and my history in the music business—all of the expertise I've developed—was when I was in high school, working at Sam Goody's record store! Everything since then has been a learning curve.

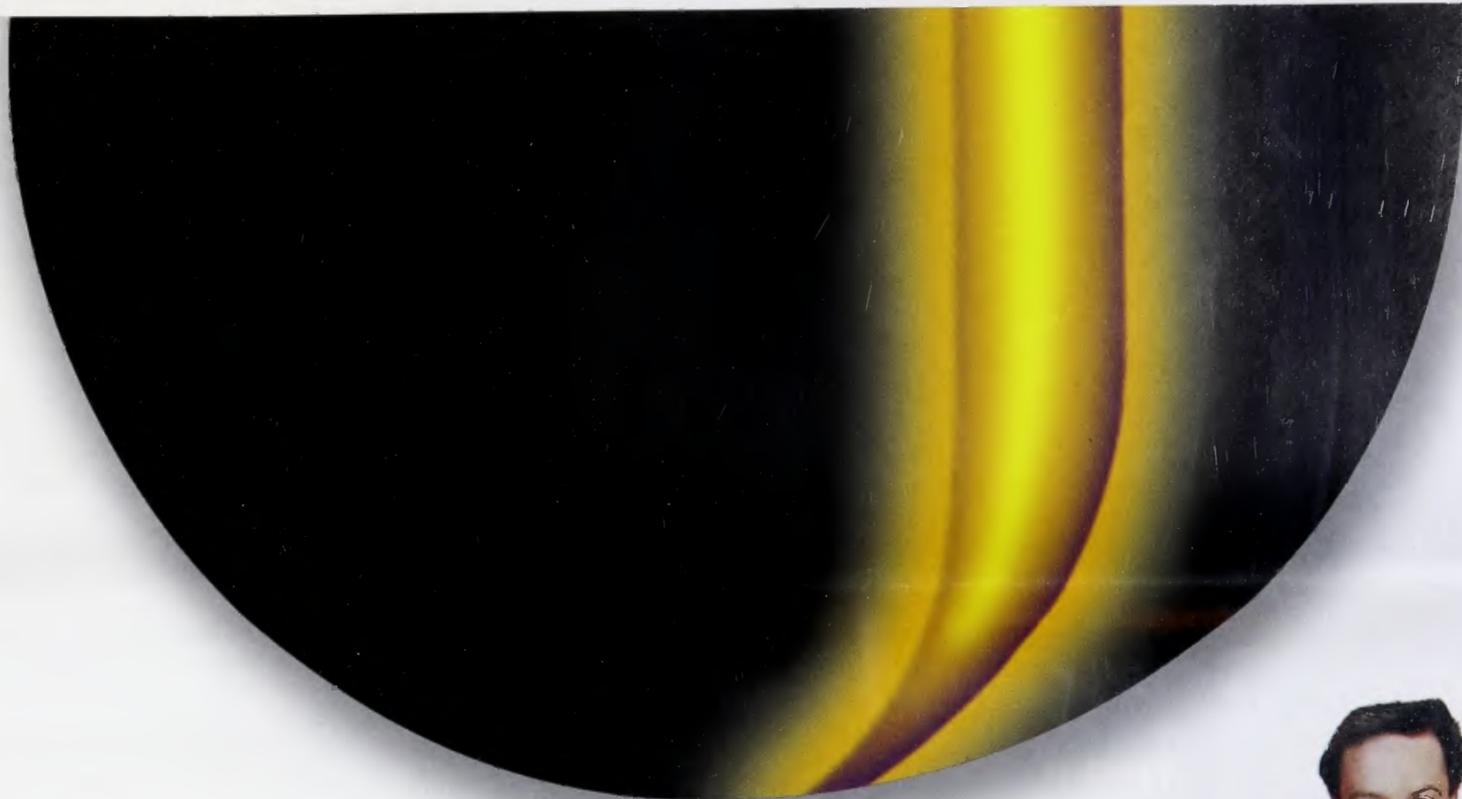
What are some of the RIAA's biggest goals and achievements?

The one issue that has been consistently driving us for the past three or four years and will continue to drive us for a while is to do everything we can from a public policy standpoint, from an enforcement standpoint and from a public education standpoint, is to help develop a legitimate online music market. I think that the technology that's available to consumers and businesses alike is astounding and it's so important that we be able to take

advantage of this technological revolution. It's important also that the heart or the passion and the investment that goes into creating new music doesn't get left behind in the technology revolution, and I'm confident that people don't want it to.

What do you see as the future relationship between the labels, radio and the Internet?

I think we're still in the entry stages of this entire marketplace, but I think that we have begun to see a shift where consumers are not just getting their music by buying it in record stores. They are consuming it in multiple ways and the relationship between record companies and artists and radio, I think is just going to continue to grow. I think radio will always be important to the recording industry and hopefully we will always be important to radio.



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Local sales heroes keep companies on track

The dollars may look big on Madison Avenue, but even for the largest radio stations, national sales have never surpassed local sales. This year, in particular, it's strong local sales efforts that are easing the suffering at major market stations and allowing smaller stations, which never had that much national business anyway, to continue to show growth in a year when their larger brethren have had to break out the red ink.

With thousands of radio stations coast-to-coast, there are tens of thousands of local sales heroes—those talented Account Executives, General Sales Managers and General Managers who know their local retail accounts and know how to use their local stations to drive business to their advertising clients. We asked a trio of top group executives (selected to reflect both large and small companies) to recommend one "Local Sales hero" each for the salute to the unsung heroes who are working behind the scenes to keep radio strong in a tough year.

Cumulus Media's Gary Pizzati



Gary Pizzati is General Manager of the Cumulus Media (O:CMSL) clusters in both Mobile, AL and Pensacola, FL—meaning that he has two offices 77 miles apart. He oversees Gospel WGOK-AM, CNN headline News WDLT-AM, Urban WBLX-FM, Urban/AC WDLT-FM & AC WYOK-FM in the Mobile market and News/Talk WCOA-AM, CHR WJLQ-FM & Active Rock WRRX-FM in Pensacola. "Out of the eight, three are 100kw and have city-grade signals in both markets," Pizzati noted, so WBLX, WYOK and WJLQ pull Arbitron numbers and ad sales in both markets. In speaking with *RBR*, he proudly produced numbers showing that WBLX is not only the top-ranked station 18-34 in its home market, Mobile, but also number one 18-34 in Pensacola.

"So, what do you do?" he asked rhetorically, "Well, you drive it like a big old ship."

As market #90, Mobile gets more national buys than #124 Pensacola, so the larger of the two markets hasn't been completely untouched by this year's Madison Avenue pullback. "It's hitting Mobile, but it's hitting Mobile for the people who don't understand good cluster management that can drive local

Sales

sales," Pizzati said. "We outperform the market every month. We do that by driving local direct sales. We have our sales reps so focused on local direct sales, that nothing else right now is important."

Drawing on Miller, Kaplan reports for Pensacola, the Cumulus GM said the local market was up 7.2% in July for Pensacola. "Our cluster was up 32.7%," he stated proudly. And while national spot revenues were never as important in Pensacola as in Mobile, that national business has all but dried up in the smaller of the two markets. "We don't rely on national business at all," Pizzati said of his Pensacola stations.

"Our rep firm, [Interep's] Allied, does a great job driving revenues to our market," Pizzati said in praise of the rep, which has a special Cumulus Radio Sales unit, but that hasn't overcome a soft year for national ad dollars in Mobile.

What are you doing differently this year in local sales? "Nothing," Pizzati replied. "We're doing the same thing that we've done since I started working for Cumulus Media. We go out there and we have a criterion of local direct business. There is a new business development requirement for agency and local direct each month that each seller has to achieve. As we move forward in 2001, there's new criteria that I have my salespeople and sales managers focused on and that's, number one, hitting their individual goals, number two, developing a certain amount of new local direct business each month and [number three], keeping their accounts receivable in line with the Cumulus standards. I tell them all of the time it takes a high volume of prospecting, excellent proposals that suit the needs of our local direct customers—using our internal information—and driving those local direct companies to our company, away from newspaper, coupon magazines, cable and everything else.

"I don't just want a piece of the radio ad dollars. I want a piece of all of the ad dollars. I think a lot of market managers and a lot of sales managers focus on getting the radio dollars. I don't care about the radio dollars—I want the newspaper dollars. I want the cable money. I want the TV money. If I'm going to go fishing, I'm going to go fishing where there's a lot of big fish. There are a lot of big newspaper fish out there." Pizzati says his sales staff is working to get those local newspaper advertisers to try Cumulus' radio stations, or at least lower their print ad size and supplement it with radio.

"They're renewal kings," Pizzati says of his newspaper competitors. While the newspaper reps are calling clients on the phone to renew fat, an-

nual contracts, his people are pitching new ideas to divert those ever increasing (and increasingly less effective) print dollars into radio ad buys.

Don't look for any of those "renewal kings" on Pizzati's sales staffs.

"We do a very strategic analysis of all of our sales reps' performance in all of our markets," he explained. "Our sales managers look at their agency versus direct business, the number of new clients they manage and develop each month and we do not allow our sellers to sit on fat lists in our marketplaces. We redistribute accounts so we can get the maximum amount of money from these potential advertisers. That analysis is delivered to me on a monthly basis. Sellers will lose large agency accounts if they're just sitting on a big, fat list in their office, managing business. That's not what radio is about today."

Rather than having all reps carrying all stations or each rep carrying only a single station, Pizzati takes a hybrid approach. "We have sales reps who are senior sellers in our cluster who are allowed to sell advertisers across the platform. We have sellers in Pensacola selling our two FMs. We have sellers who sell just the AM. We have a 75-year heritage News/Talker, WCOA, that's been around the Gulf Coast for years. And in Mobile we have sellers who sell all three properties," Pizzati said, adding that WGOK-AM is a major biller with its Gospel format.

"We always never want to leave any money on the table," the GM noted. "If they bring in a piece of business for a radio station that they do not represent, we allow them to earn the commission on the amount that's collected."

Like all sales organizations, Cumulus has turnover in its Mobile and Pensacola sales forces. Pizzati says the goal is always to retain good people, so the company is constantly training both new and old hands.

"We look for people who are passionate about making money," Pizzati said of his recruiting philosophy. "We look for people who are not afraid to sit in front of us and explain to us what they really want in life and where they really want to be. And we look for people who don't have bad habits. The interview process today in our company is pretty strict—we don't like turnover. We look for people who are good quality people who have a tremendous career focus and want to make a lot of money."

In all, Cumulus has about 30 people on the street selling local advertising for its Mobile and Pensacola stations. That's about the right number right now, Pizzati says, but that doesn't stop him from keeping his eyes open for quality additions.

Greater Media's Tom Bender



Tom Bender is Senior Vice President and Regional General Manager for Greater Media's three FM stations in market #7, Detroit. He oversees Classic Rock WCSX-FM, AOR WLIF-FM & recently reformatted AC WMGC-FM.

After 15 years in the same job with the same company (but a growing portfolio of stations), Bender's longevity alone makes him unusual in today's radio business. "It has eras attached to it," he joked.

But while Detroit is far removed from Mobile/Pensacola by both market size and miles, we got much the same answer when we asked him what he's been doing differently this year.

"I certainly can't say that we've done anything differently," Bender replied. "What we have done is continued a focus that we put considerable resources behind for the last three years—in terms of ongoing new business development at a number of different levels. At that time, we made sure that each radio station had a new business development manager attached to it. They were recruited for their skill in being able to go out and tap non-traditional sources of revenues. So, we have been committed to that for some time. Fortunately, as luck would have it, we've had enough time and the philosophy has become inculcated in the sales department so that's really been a lifesaver for us this year."

Where do you find people like that?

"We found one in radio sales and everybody else came either from a different department in radio or a different field. There was a process where we had a couple of people who started great, but didn't quite make the grade and didn't quite have the passion for it," Bender recalled. "When you're doing that type of business, you're virtually six months out on a calendar and making a whole different type of sale. It takes a very specific type of person, with a really good understanding of selling as a process—the entire marketing process—to be able to have both the vision and the patience to see it through."

National year-to-date is off

16% in Detroit. "That's significant dollars," Bender notes, "but certainly not the type of crushing numbers that some other markets have seen this year." Having not gotten as much of the dot-com spending last year, Detroit didn't soar as high last year—and hasn't fallen as much this year.

So Bender is sticking to business—local business, with a focus on building new business. He says each new hire is told up front what their client list will be, but they're also told about the company's requirement that they will be responsible, individually, for new business flow. Each salesperson then has some leeway in deciding how to execute that responsibility. Greater Media offers special in-house support for some areas, including a specialist in recruitment advertising. The individual sales rep can also work with their station's new business development manager to build proposals, or they can use the station's pre-packed NTR events to pitch new advertisers.

"There is always a menu of tools available to the salespeople. The one thing that is not optional is their commitment to participate in new business development," Bender stressed. "They're given specific goals for that and they're not let off that hook. They are reviewed one-on-one on at least a monthly basis, if not more often."

Each salesperson at Greater Media's Detroit operation is assigned to a specific station, but Bender says the company has been flexible in responding to clients who want to deal with only a single rep for the group. "What we have not done is get into a mandatory group selling. It's been all informal—and with 40-some salespeople, there are those entrepreneurs who've figured out how to work with their counterparts at the other stations for a given account—and it's worked very well." Bender's not leaving that to take care of itself, though. He recently hired a group sales manager—a former sales manager from a crosstown competitor—to take a more structured approach to selling the entire three-station package.



Bikers turn out for the Greater Media 2001 Harley Fest event

**Nassau Broadcasting's
Glenn Jones**



the state of New Jersey, whether it's with a client, with an agency or with the rep firm. That left our 80 reps to focus on the backyard marketing—the advertisers within that fiefdom, if you will. Anything that went cross-cluster was also under the domain of NRN. We ultimately built this division to not only handle the national rep, but to handle the regional business. We also incorporated an Internet division and then we incorporated an NTR division. Ultimately we were in a position to put a comprehensive marketing plan on the table, along with critical mass, to anyone."

New business prospects for NRN can come from the central office or from the National Sales Manager in each of the three clusters. "If it is new business, each one of those NSMs in each cluster has the ability to sell

that cluster, but also drive it to the other two clusters. That's their task," Jones said. "Their first responsibility is to their own cluster of radio stations, but their secondary responsibility is to find a way to expand that. They are in constant communication."

How does NRN coordinate its efforts with its rep and keep from stepping on each others toes, we wondered?

"The bottom line is that from day one, we wanted to build a really strong relationship with our rep," Jones said. By having all business outside New Jersey handled by NRN, rather than some in the hands of individual account executives at the station level, it is up to the NSM of each cluster, and ultimately by Glenn Jones, to decide whether an account will be handled by Katz Radio or internally by NRN. Each NSM



A recent WPST remote.

deals with two columns of business, he explained—one called "National-Direct" and the other "National-Katz." "They are responsible for keeping their quotas up in those columns," Jones said of the NSMs. The end result is that Nassau, even in this down year for national business, is still getting about 25% of its total business through NSM—a hefty "national" figure for a middle-market group—with that split about 60% from Katz and 40% from NRN's direct efforts

Is it local or is it national? The sales effort that **Glenn Jones** heads at Nassau Broadcasting is something in between. He is Senior Vice President of Nassau Radio Network (NRN)—a new division which sells the group's 16 radio stations in three clusters to advertisers who do regional business throughout New Jersey.

"It is the national sales division of Nassau Broadcasting," Jones explained, comparing it to the regional sales operation that the Knight Quality Stations used to have in New England. In fact, Jones says he and Nassau's **Joan Gerberding** spent about a week with **Scott Knight** back in 1996 to study what KQS had been doing with its regional sales. (The KQS group was subsequently sold to Capstar and today is part of Clear Channel.)

"New Jersey still suffers from an identity crisis," Jones noted. "When we started out on this task we needed to put a face on New Jersey—specifically on the critical mass that we were representing." Using Arbitron data, Jones and his staff prepared presentations to explain to advertisers why they needed to buy Nassau's New Jersey stations, at the very least as a supplement to their big market buys in New York and/or Philadelphia.

"More importantly, what we set out to do from day one was to try to reverse the process," he explained. "Traditionally, to buy New Jersey you would buy New York, buy Philadelphia and then fill in the cracks. We went to the advertisers directly—we had vertical penetration at all of the agencies, along with our national rep, Katz Radio—trying to come up with the concept to reverse the process. Why not create a budget for New Jersey on the front end and then fill in with the New York and Philadelphia stations?"

What Nassau offers advertisers is critical mass, Jones explained. Although Nassau owner **Lou Mercantanti** had to scale back after the market turned sour just before his planned IPO, Nassau still has two powerhouse clusters in the Monmouth-Ocean (which Nassau calls its "Shore" cluster) and Trenton ("Central"), plus a third cluster just across the line in Allentown-Bethlehem, PA and a standalone AM in nearby Wilkes Barre-Scranton, PA.

Nassau has some 80 sales reps pounding the pavement in its three

markets to build local business, but Jones and his staff of six at Nassau Radio Network have their own mission.

"Unlike most companies, where they define 'national' as anything that their rep develops, we did it differently," Jones explained. "We wanted our national people to focus on all business that's outside

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What's Eisner up to?

The Walt Disney Co. (N:DIS) has filed with the SEC to sell up to \$7.5B in new bonds, igniting speculation that CEO **Michael Eisner** may have his eye on a major acquisition. It appears that \$2B of the anticipated take will be used to pay down short-term debt used for Disney's recent purchase of the Fox Family Channel. But that still leaves a potential \$5.5B to spend, if Disney uses the entire registration. What else might Eisner be after?

As is customary, the SEC filing is vague in the "use of proceeds" section. Disney says only that the cash will be used for general corporate purposes. "These general corporate purposes may include, among others: to reduce our short-term indebtedness; to fund investments in, or extensions of credit or contributions to, our subsidiaries; and to fund acquisitions." That last part, "and to fund acquisitions," is, of course, what interests Wall Street.

There's been talk that Eisner might want to be a part of the buyout of AT&T's (N:T) broadband cable subsidiary, but without any experience in the field, no one expects an outright purchase by Disney. Otherwise, the betting is on letting **Bob Iger** and **Bob Callahan** buy more O&O TV stations, since ABC-TV is far behind its peers in national coverage and duopolies (it has none of the latter). Less likely, but always the source of speculation among those we hang out with, is an ABC Radio purchase of a major radio group. That's not likely, but it is always fun to gossip about such things—particularly this week as everyone gets together at the bars in New Orleans.

Media Markets & Money™

Regent heads south for new market

Tom Galloway's ComCorp is selling off its only stations—a seven station superduopoly that will be cashed out to Regent Communications (O:RGCI) for \$39.6M. The acquisition of KROF-AM, KPEL-AM & FM, KMDL-FM, KRKA-FM, KPTE-FM & KTDY-FM will make Regent one of the two big players in the Lafayette, AR market, along with Citadel Communications which has one more station in its cluster (also five FMs, but a third AM).

"We are already well positioned to create value as this seven-station cluster is already consolidated, providing us with the opportunity to focus our efforts on growing revenues and cash flow via programming and sales improvements," Regent CEO **Terry Jacobs** said in announcing Regent's first Arkansas acquisition. He told Wall Street that the transaction should be accretive to shareholders in its first year.

Regent also announced that it had closed its \$20M cash/stock purchase of six stations from **Bud Walters'** Cromwell Group, providing Regent its entry into the Peoria, IL market.

RBR observation: It's difficult to figure exactly how much profit ComCorp is making on this sale, but it is substantial. As a small player in an industry with rapidly growing giants, Galloway played his cards just right. He sold off a standalone FM in the Fayetteville, AR market to GulfStar (which merged into Capstar, which merged into AMFM, which merged into Clear Channel) and focused on his strongest market. Starting with one AM and two FMs prior to the 1996 Telecommunications Act, ComCorp grew through a series of small acquisitions (it bought four stations in two deals for under \$5.3M total) and signal upgrades.

Hoyt hoisted from Merced

Michael Menerey's new Mapleton Communications LLC is entering its second market with a \$4.3M deal to buy three of **Ed Hoyt's** four-pack of stations in Merced, CA. Mapleton is buying KYOS-AM, KIBG-FM & KABX-FM, but leaving behind KAJZ-FM. It's the second deal for Menerey's new company, which recently bought Marathon media's six-station cluster in Medford, OR. **Broker:** **Larry Patrick & Greg Guy**, Patrick Communications (seller); **Elliott Evers**, Media Venture Partners (buyer)

RBR observation: Hoyt has applied to move KAJZ to 107.9 MHz (from 107.7) and change its city of license to North Fork, CA. That will put the station in the Fresno market, so look for a separate sale soon with a nice price tag.

Maverick takes over Oz

When **Paul Robinson** parted company with his radio group partners, he took the rights to the Emerald City name with him. Henceforth, the Yellow Brick Road will lead to Maverick Media LLC, the new name for the group headed by President and COO **Gary Rozynek**. According to his announcement, naming the 12-station group Maverick Media "both represents and encourages a new way of thinking, collaborating and approaching business every day with the objective of delivering a difference, performing to potential and creating value for its stakeholders."

"Clearly," he added, "this is not just a name change."

Small Town announces small town buys

Small Town Radio Inc. (O:MOLY) has announced its first station purchases and, true to its name, the company is buying in small towns. Small Town Radio, headed by President **Don Boyd**, is buying WBBK-AM & FM Blakely, GA and WSEM-AM & WGMK-FM Donaldsonville, GA. All are currently owned by Merchant's Broadcasting System and related companies. The deals have not yet been filed with the FCC and the terms not yet disclosed.

Bad Lands superduop gets souped-up

The **William Duhamel** family is adding another radio station to its local broadcasting empire in Rapid City, SD. Duhamel Broadcasting Enterprises is buying a CP for a full 100kw Class C on 92.3 MHz from **Greg Gentling Jr.** for \$1.31M. Duhamel Broadcasting already owns KOTA-TV (Ch. 3, ABC), KOTA-AM and KDDX-FM in Rapid City, along with LMAing KZZI-FM.

SiteShell on the block

SiteShell Corporation has announced that it is "in discussions with several companies regarding a possible strategic transaction." A statement by Chairman **Joel Hartstone** says the end result could be either an acquisition by a larger company or new investors for a "major financing." The creator of customized Internet sites for radio stations says it currently has about 165 sites in operation.

RBR observation: RBR sources say SiteShell had talked recently with at least two large group owners about a possible deal, but neither discussion reached the contract stage.

Publishers grab classified ad competitor

The Tribune Co. (N:TRB) and Knight Ridder (N:KRI) have made on-line job recruiting a two-company battleground. The newspaper giants already own CareerBuilder.com and are now paying about \$200M to acquire HeadHunter.net Inc. (O:HHNT). HeadHunter shareholders are being offered \$9.25 for each share. That will set the stage for an Internet showdown with Monster.com, owned by TMP Worldwide (O:TMPW).

Economic news still supports stagnation

Recent economic news offers more support to the view of economists such as **Jack Myers** (RBR 8/20, p. 1) that the US economic malaise is going to continue for quite a while yet.

Radio stocks took a beating most of last week, along with the rest of the market, as The Street saw more gloom and doom in the monthly Consumer Confidence Index issued 8/28 by The Conference Board. The index, based on a survey of 5K US households, fell to 114.3 from last month's 116.3 (the base of 100 was set in 1985).

"The deteriorating US job market dampened consumer spirits this month," said **Lynn Franco**, Director of The Conference Board's Consumer Research Center. "This suggests rising unemployment ahead. The nation's unemployment and unemployment numbers now bear watching, since continued weakness in the job market could translate into slower consumer spending."

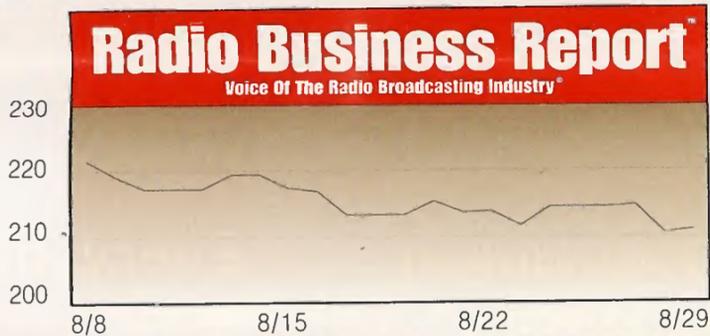
There was little solace two days later (8/30) as the government reported a tiny decrease in new filings for unemployment benefits. The decline of 1K people to 400K new jobless benefits applications was, obviously, insignificant. Also, the total number of people receiving unemployment benefits continued to rise, indicating that people who lose their jobs are finding it more difficult to find new ones.

The good news heard last week (8/29) from Washington was that the US economy grew in Q2. It didn't grow by much, only at an annual rate of 0.2%, but economists are cheered that it grew at all and the economy continued to resist falling into a full-blown recession. That's hardly reassurance for industries, such as radio and other media, which are already clearly in a recession, and it also doesn't appear to have ignited any enthusiasm among Wall Street investors, who appear to be determined to keep the bears in control this week.

Another government report out last week (8/30) indicated that consumer spending rose 0.1% in July—an anemic gain, but once again, any gain is looked on favorably in the current climate. It was, however, even slower spending growth than most analysts had been expecting.

The Radio Index™

Where will the slide end? The Radio Index™ moved down 1.995 for the week to close 8/29 at 211.025.

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MEDIA VENTURE PARTNERS

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. Broker credits are based on contracts filed with the FCC.

\$16,000,000 KPXC-FM Las Vegas (Indian Springs NV) from Claire Benzera to HBC License Corp. (Mac Tichenor), a subsidiary of Hispanic Broadcasting Corp. (N:HSP). Cash. **Duopoly** with KLSQ-AM & KISF-FM. KPXC-FM currently operates on 99.3 MHz Class A with 100 w @ -420'. It holds a construction permit which will upgrade to Class C with 33 kw @ 3,140', providing coverage of northwest portions of the Las Vegas market. It has applied for a modification of the CP to 31 kw @ 2,264' with a different transmitter location which will provide full coverage of Las Vegas. **Broker:** Kalil & Co. (seller).

\$1,500,000 WKBH-AM & WFBZ-FM La Crosse WI (Holmen, Trempeleau WI) from Riverview Communications Inc. (Pat Delaney, sec) to Faith Sound Inc. (Raymond Logan, Paul Logan, Timoth Logan, Dean Baumann). \$5K escrow, \$495K cash at closing, \$1M note. Stations are currently in an LMA with Mississippi Valley Broadcasters Ltd., which holds a 30-day right of first refusal to acquire them.

\$1,310,000 FM CP Rapid City SD from Gregory D. Gentling Jr. to New Generation Broadcasting LLC, related to Duhamel Broadcasting Enterprises (William F. Duhamel et al). Cash. Target date for closing is 11/3/01. If closing takes place on an earlier date, buyer receives a credit against to total purchase price of \$286.30 per day for each day in advance of 11/3. If closing occurs on a later date, seller receives an additional \$286.30 per day for each day past 11/3. **Superduopoly** with KOTA-AM, KDDX-FM and JSA of KZZI-FM, owned by Western South Dakota Broadcasting. Duhamel also owns KOTA-TV. CP is for 92.3 MHz.

\$450,000 WBRJ-AM Parkersburg-Marietta (Marietta OH) from Daugherty Broadcasting Co. LLC (Teresa L. Daugherty et al) to Clear Channel Broadcasting Licenses (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). Cash. Includes non-compete. **Superduopoly** with WLTP-AM, WDMX-FM, WNUS-FM, WRVB-FM, WRZZ-FM. LMA since 8/16.

\$405,000 KTLS-FM & KLIS-FM Holdenville OK (Holdenville, Coalgate) from AM & PM Radio LLC (Richard E. Witkovski) to Woodstone Broadcasting Inc. (Rick Woodward, Patrick L. Stone, Howard Stone). \$35K escrow, balance in cash at closing. Existing **duopoly**. LMA since 8/14. Seller retains KCNB-AM Holdenville.

\$375,000 KSRX-AM El Dorado KS from Reunion Broadcasting LLC (D. Stanley Tacker, mgr) to T&T Communications LLC (Francis Trevino, Luis Tineo, Reece Morrell Jr.). \$37.5K escrow, balance in cash at closing.

\$250,000 KANA-AM, KGLM-FM & KDRG-AM Anaconda MT (Anaconda, Deer Lodge) from Aire Ink Inc. (Edith Fransen) to Jimmy Ray Carroll. \$10K escrow, additional \$65K placed in escrow, \$175K note. Existing **duopoly**. **Broker:** Media Services Group (seller).

\$156,221.80 WRLB-FM Rainelle WV from Faith Broadcasting Corp. (Tom L. Holbrook et al) to Faith Communications Network Inc. (Tom L. Holbrook et al). Transfer from one related entity to another.

\$150,000 WEAV-AM Burlington VT (Plattsburgh NY) from Plattsburgh Broadcasting Corp. (George Bissesll, VP/GM) to Clear Channel Broadcasting Licenses (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). \$75K cash at closing, \$75K note. **Superduopoly** with WEZF-FM, WCPV-FM, WXPS-FM. LMA since 7/3/97. Clear Channel is exercising purchase option.

\$114,850 KLFN-FM CP Willmar MN (Sunburg MN) from Lynn C. Ketelsen to Lakeland Broadcasting Co. (Stephen W. Linder, Paul R. Linder). \$15K earnest money, balance in cash at closing. **Superduopoly** with KWLM-AM/KQIC-FM Willmar MN & KOLV-FM Olivia MN, the latter of which Stephen Linder holds 33.3% interest in and which is being run by Lakeland in an LMA. CP is for 106.5 MHz.

\$105,000 KVPI AM & FM Ville Platte LA. 35% of the stock of Ville Platte Broadcasting Inc. from Paul DeClouet Jr. (20% to 0%), Lionel B. DeVille Jr. et al (15% to 0%) to Roland Fink (15% to 50%). Rhonda F. Moser & Cynthia F. Ardoin continue with 25% stake apiece. \$10K escrow paid as cash at

closing, and \$50K note to DeClouet; \$5K escrow paid as cash at closing, additional \$40K cash at closing for DeVille et al.

\$100,000 WBMI-FM West Branch MI from Northern Radio Network Corp. (Robert Currier) to Independent Television Productions of Michigan Inc. (Richard Senninger, Richard Neff, Janice Lawton, Peg Warren). Cash. LMA since 8/1.

\$80,000 WHIJ-FM & WAQV-FM Gainesville-Ocala FL (Ocala, Crystal River) from Ocala Word of Faith Church (Timothy L. Gilligan Sr.) to Radio Training Network Inc. (Michael Watkins, James L. Campbell, Lee Freeman, George Ready, Dan McBride, Larry Maxwell). Cash. Existing **duopoly**. Stations are noncommercial.

\$75,000 WBZR-AM Fort Walton Beach (Destin FL) from Willie J. Martin to Destiny Communications Corp. (Robert E. & Kelly M. Piits). \$10K payment upon commencement of LMA (which was 8/5/99), \$15K by 10/20/99, \$500/mo. during LMA, balance in cash at closing. Includes non-compete.

\$10 WIBF-FM CP Atlantic City-Cape May (Port Republic NJ) from In His Sign Network Inc. (Dominic R. Lettieri) to In His Name Network Inc. (Vincent J. Klepac, Laurie B. Klepac, Dominic R. Lettieri). Cash.

BAS banking on public companies

According to figures assembled by analyst **Tim Wallace** at Banc of American Securities (BAS), the radio industry same station revenue for Q2 2001 was 8% less than the previous year. However, for eight publicly-traded companies covered by BAS, results were only -2.9. Two of the companies, both ethnic specialists, actually managed some growth, led by Radio One (O:ROAIK) with a gain of 4.3%. HBC (N:HSP) also posted a gain, picking up 1.6%. The biggest loser of the eight was Emmis (O:EMMS) with an 8.3% decline. Emmis was the only one to underperform the industry as a whole.

The other covered companies on the chart are Beasley (O:BBGI), Clear Channel (N:CCU), Cox Radio (N:CXR), Entercom (N:ETM) and Viacom's Infinity (N:VIA). Stats are also provided for Cumulus (O:CMLS), which was not included in averages due to its recent restructuring.—DS

Same-station radio revenue growth

	4Q99	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01
Clear Channel	12.0	15.0	17.0	10.0	5.0	-8.0	-7.0
*Infinity	20.0	23.0	18.0	12.0	6.0	-4.2	-4.4
Beasley	20.0	11.0	14.0	9.1	9.0	5.2	-5.1
Cox	12.6	22.7	17.5	11.8	13.0	0.2	-0.1
**Cumulus	11.1	7.3	-3.5	-4.7	0.4	-2.0	-4.4
Emmis	15.0	15.4	17.6	14.0	2.0	-3.0	-8.3
Entercom	19.3	19.0	17.0	8.0	9.0	-4.0	-4.0
Hispanic	17.5	17.6	18.6	19.3	8.4	0.7	1.6
Radio One	35.0	29.0	25.0	13.0	8.0	4.7	4.3
All BAS	19.6	19.8	19.5	12.2	7.6	-1.4	-2.9
All radio	17.7	21.0	20.3	8.0	1.0	-7.0	-8.0

* Infinity not currently under BAS coverage; ** Cumulus not included in averages

Source: Banc of America Securities.

SOLD!

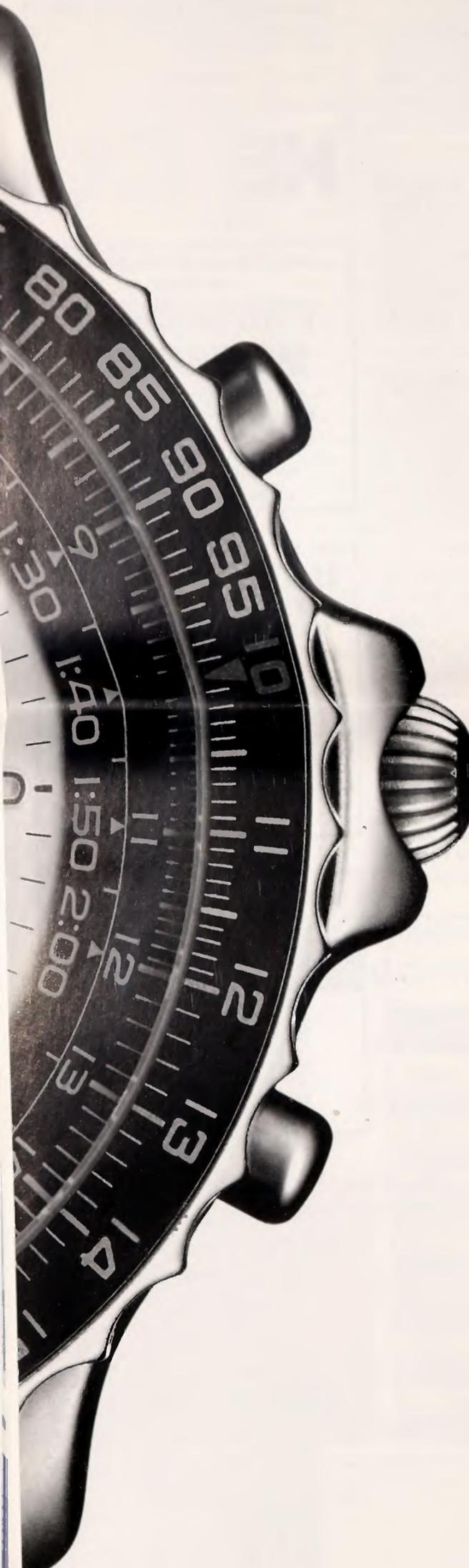
KTMT(AM/FM), KCMX (AM/FM), KAKT (FM)
and **KBOY(FM)**, Medford, OR
from **Marathon Media Group LLC**
to **Mapleton Communications LLC** for **\$9,000,000**

Elliot Evers represented Mapleton.

We will be staying at the Windsor Court during NAB. Please call the offices of Elliot or Charles for an appointment.

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\$372.6 million
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\$116.9 million
3,996,395 Shares of
Emmis Communications
Corporation
Block Trade
May 2001



\$160 million
Radio for TV swap with
Emmis Communications
Financial Advisor
March 2001



\$13.6 billion
Merger with Viacom
Financial Advisor
February 2001



\$248.7 million
5,750,000 Shares of
Lamar Advertising Company
Registered Spot
Secondary Offering
Sole Underwriter
January 2001



\$23 billion
Merger with Clear Channel
Communications, Inc.
Financial Advisor
August 2000



\$1.3 billion
Acquisition of 21 radio
stations from Clear Channel
Communications, Inc.
Financial Advisor
August 2000



\$825 million
Sale of 46 of its radio
stations to Entercom
Communications Corp.
Financial Advisor
August 2000



\$1.65 billion
Senior Notes Offering
7.70% due 2010
7.875% due 2030
Senior Co-Manager
July 2000



\$1 billion
FRNs of 2002
7.875% due 2005
Co-Manager
June 2000



€650 million
Senior Notes Offering
6.5% due 2005
Joint Lead Manager
June 2000



\$800 million
Senior Credit Facility
Lead Agent
June 2000



\$41 million
Private Placement
Sole Placement Agent
May 2000



\$200 million
5.50% Convertible
Subordinated Notes
due 2007
Lead Manager
March 2000



\$350 million
Follow-on Offering
Co-Lead Manager
March 2000



\$500 million
10.25% Senior Notes and
12.875% Senior Discount
Notes due 2010
Co-Manager
March 2000



\$450 million
5.00% Convertible
Subordinated Notes
due 2010
Joint Lead Manager
February 2000



\$424 million
Follow-on Offering
Lead Manager
January 2000



\$3.2 billion
Senior Secured
Credit Facilities
Administrative Agent
November 1999



\$1 billion
1.50% Convertible Senior
Notes due 2002
Joint Book Manager
November 1999

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