

Radio advertising news, trends, strategies & stats for stations, networks, syndicators, advertisers and agencies.

*Radio*

# AdBiz™

From the Publishers of Radio Business Report Inc., 17 Years

Volume 4, Issue 6 June 2000

## Counting down radio's top 10 groups

By Jack Messmer

Consolidation, launched by the 1996 Telecommunications Act, has dramatically changed the radio industry—from largely a collection of “mom and pop” operators into an industry dominated by mega-groups. Two of these groups now have over \$1B in annual revenues and four own more than 100 stations.

Who are these mega-groups? And who owns and runs them?

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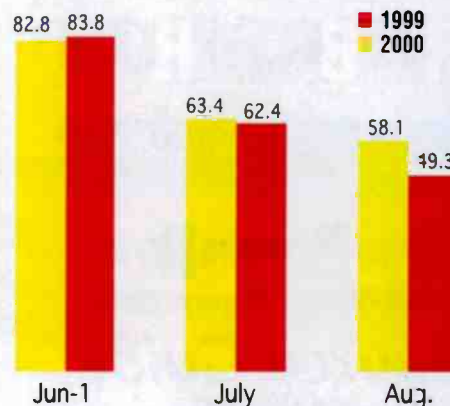
### AdNews

Radio delivers business decision makers  
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### RBR/Miller Kaplan Market Sell Out percentage report

#### Still going strong

A small dip in June is nothing to worry about, says **George Nadel Rivin** of Miller, Kaplan, Arase & Co., and “the August numbers look especially promising” since August '99 was a strong month.—JM



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**Dot-coms continue as number one radio category in New York**

According to the New York Radio Market X-Ray, prepared by Miller, Kaplan, Arase & Co., CPAs, dot-coms as a radio advertising category remains number one in New York, and extended its lead over number two, automotives. In Q1, dot-coms represented 15.3% of radio expenditures—they totaled \$27.1M or a 434% increase over Q1 last year. For the month of March, dot-coms poured \$10.7M in radio, up 528.3% from a year ago numbers.—KM

**Top 5 Radio Advertising Categories, New York Market  
 January-March 2000**

Category	Spending in Millions	% Change over '99
Internet/E-commerce	\$27.1	+434.0
Automotive	\$20.5	+ 42.6
TV Stations/Networks	\$12.6	+ 51.1
Comm/Cellular/Pub. Util.	\$10.0	+ 20.0
Health Care	\$ 7.8	+ 39.7

Source: NY Radio Market X-Ray, prepared by Miller, Kaplan, Arase & Co., CPAs

**Top 25 radio advertisers in 1999**

Interop's latest analysis of Competitive Media Reporting (CMR) numbers show that in 1999, radio's top 25 advertisers spent \$677M and accounted for about 24% of all national radio billing. Compared to 1998, these advertisers increased their spending in radio by 9%. This despite more than one third of the group increasing their budgets in radio by more than 25%. Dot-coms were absent from the top 25 list; however, on the individual brand basis, four out of the top 50 radio brands were dot-coms.—KM

AT&T	\$41,354
Daimler Chrysler Dealers Assoc	\$40,933
Berkshire Hathaway	\$37,729
Time Warner	\$37,171
Daigeo	\$34,430
GTE Corp	\$34,283
AllState Corp	\$31,175
News Corp	\$31,007
SBC Communications	\$30,128
General Motors	\$28,979
National Amusements	\$26,775
Daimler Chrysler	\$25,679
Walt Disney	\$25,416
Target Corp	\$24,893
US Govt	\$23,580
Ford Motor Dealers Assoc	\$22,279
Albertson's Inc	\$22,021
Ford Motor Co	\$21,620
Procter & Gamble	\$21,105
Sprint Corp	\$20,581
Sears Roebuck	\$20,203
Bell Atlantic	\$19,595
Ito-Yokado	\$18,399
Airtouch Communications	\$17,486

(\$ thousands)

Source: Interop

**Rick Dees wakes up the  
ENTIRE FAMILY in the  
#1 Radio Market (L.A.)!**

**A18-49 #1**

**A25-49 #1**

**A25-54 #1**

**W18-34 #1**

**W18-49 #1**

**W25-54 #1**

**TEENS #1**

**RICK DEES**

**IN THE MORNING**

**And ranked #1 in cume  
in all demographics on**



**PREMIERE  
RADIO NETWORKS**

Source: Winter 2000 Arbitron Survey - Released 4/25/00

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The latest News and Gossip in Entertainment

### "Looking Back"

Hits from the recent past

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Chicago, IL - **312-558-9090**

Detroit, MI - **313-885-4243**

ONE OF THE HOT PROGRAMS ON...



A Division of American Urban Radio Networks

Here, based on 1999 radio station revenue estimates by BIA Financial Network, data filed with the US Securities and Exchange Commission and *Radio Business Report's* 17 years of covering the radio industry, are the biggest of the big—radio's ten largest group owners.

## #1 Clear Channel Communications

910 stations in 155 markets (including pending merger of AMFM Inc.)  
 1999 radio station revenues: \$3,012,633,000 (pro forma for acquisitions and divestitures)  
 1999 net revenues: \$6,335,500,000 (incl. AMFM and SFX)  
 Radio subsidiaries: Katz Media Group, Premiere Radio Networks, AMFM Radio Networks  
 Other businesses: TV, outdoor advertising, entertainment events and venues, sports representations  
 Investments: Hispanic Broadcasting Corp., Lamar Advertising Co., XM Satellite Radio, American Tower and several foreign radio companies  
 Headquarters: San Antonio, TX (Radio: Covington, KY)  
 Public stock: CCU (NYSE)

The little radio company that Lowry Mays launched in San Antonio in the 1970s with a single money-losing FM and financial backing from a local car dealer, Red McCombs, has grown into an international media giant—with no indication that the growth is slowing. A pending \$23.5B stock-swap acquisition of AMFM Inc., which should close in the next few months, will vault Clear Channel to the top of the radio heap (this list is pro forma for announced acquisitions), along with giving it a second radio network company and an in-house rep. Randy Michaels will move up to CEO at Clear Channel Radio and Kenny O'Keefe will become President.

Clear Channel is already the world's largest outdoor advertising company (although Eller Media is only #2 in the US) and it has the largest portfolio of overseas radio investments of any US company. A pending \$4.4B stock-swap acquisition of SFX Entertainment will take Clear Channel into new businesses, booking concert tours, managing concert halls and outdoor venues and even the nation's largest sports agent business.

Top executive shareholders	Shares owned	Options	Total value
Clear Channel			
Lowry Mays, CEO	29,204,719	1,370,000	\$2,201,379,768
Red McCombs, Dir. (& family)	23,505,827	4,000	\$1,251,071,732
Mark Mays, COO	950,960	52,008	\$72,213,696
Randall Mays total			\$40,648,875
•CFO, Clear Channel	495,385	52,008	\$39,412,296
•Dir., XM Satellite Radio	26,757	0	\$770,949
•Dir., American Tower	0	10,000	\$465,630
Randy Michaels, Pres./Radio	440,428	532,135	\$70,024,536
Karl Eller, CEO/Eller Media	0	1,448,112	\$104,264,064
AMFM Inc.			
Tom Hicks, CEO	4,189,839	0	\$278,100,564
Steve Hicks, CEO/New Media	698,309	1,172,553	\$124,178,465
Geoffrey Armstrong, CFO	160,195	125,610	\$18,970,307
William Banowsky Jr., Exec. VP	34,526	149,548	\$12,217,912
Kenny O'Keefe, Pres./Radio	1,004	500,000	\$33,254,141



Lowry Mays



Mark Mays



Randy Michaels

## #2 Infinity Broadcasting

183 stations in 40 markets  
 1999 radio station revenues: \$2,135,950,000 (pro forma for acquisitions and divestitures)  
 1999 net revenues: \$2,790,571,000 (\$20,231,800,000 for parent Viacom, including acquisition of CBS Corp.; \$358,305,000 for Westwood One)  
 Other businesses: Outdoor advertising (parent Viacom has an extensive media empire, including CBS TV Network, UPN TV Network, several cable networks, TV stations, movies and publishing)  
 Investments: Westwood One; both Infinity and Viacom have numerous investments in Internet companies  
 Headquarters: New York  
 Public stock: INF (NYSE); parent Viacom is VIA, Class A & B (NYSE); Westwood One is WON (NYSE)

Viacom got out of radio in 1997, selling its 10 stations to Chancellor (predecessor to AMFM) for \$1.075B, but got back into radio in a big way last year by acquiring CBS Corp. in a \$34.45B stock swap. A year earlier, CBS had spun its radio and outdoor division off into a new tracking stock which Mel Karmazin named after his previous radio company, Infinity, which had merged with CBS/Westinghouse in 1996. Viacom now owns 64.3% of Infinity, which in addition to radio owns the nation's largest outdoor advertising conglomeration, Infinity Outdoor (the former Outdoor Systems) and TDI, and is expanding overseas in outdoor as well.

Although Infinity owns only 17.3% of Westwood One, it operates the nation's largest radio network company (it surpassed ABC when CBS Radio Networks were incorporated into WW1's inventory) under a management contract.



Summer Redstone



Mel Karmazin



Dan Mason

Top executive shareholders	Shares owned	Options	Total value
Summer Redstone, CEO, Viacom	197,993,996	1,499,998	\$10,934,862,649
Mel Karmazin total			\$543,237,640
•COO, Viacom	4,440,847	4,403,508	\$479,412,993
•CEO, Infinity	50,000	58,333	\$3,676,605
•Director, WW1	404,298	1,296,000	\$60,148,042
Fred Reynolds, CFO, Viacom	20,282	705,249	\$39,327,783
Farid Suleman total			\$118,183,639
•Sr. VP, Viacom	71,741	1,540,015	\$87,366,123
•CFO, Infinity	20,000	33,333	\$1,810,015
•CFO, WW1	0	820,000	\$29,007,500
Dan Mason total	\$29,539,559		
•President, Infinity Radio	13,785	33,333	\$1,599,091
•Viacom	622	514,832	\$27,940,468
William Levine total			\$1,251,718,675
•Chairman, Inf. Outdoor	36,863,449	0	\$1,251,071,732
•Viacom	11,935	0	\$646,943
Arturo Moreno total			\$1,180,582,271
•CEO, Infinity Outdoor	34,030,949	723,817	\$1,179,507,249
•Viacom	10,850	0	\$588,130
Norm Pattiz, Chairman, WW1	1,179,060	544,000	\$60,953,248
Joel Hollander, CEO, WW1	4,200	100,000	\$3,686,075

(Hollander was previously a CBS/Infinity employee and presumably has stock and options in Viacom and Infinity.)



Norm Pattiz



Joel Hollander

## #3 ABC Radio

45 stations in 19 markets

1999 radio station revenues: \$405,575,000 (pro forma for acquisitions and divestitures)

1999 net revenues: \$23,402,000,000 for parent The Walt Disney Co. (\$7,512,000 for Media Networks division)

Radio subsidiary: ABC Radio Networks

Other businesses: Parent Disney has an extensive media empire, including ABC TV Network, TV stations, cable networks, movies and theme parks

Headquarters: Dallas (parent Disney is headquartered in Los Angeles)  
Public stock: DIS (NYSE)

Although ABC Radio has made a few acquisitions in recent years, it hasn't joined in the post-deregulation buying frenzy. It's hardly surprising then, that radio has gone from comprising about 3% of total Disney revenues to just over 2%. Outsiders have often suggested that Disney would, or should, sell out of radio, but there's been no indication that CEO Michael Eisner is interested in the idea. Indeed, he's been an enthusiastic backer of the Radio Disney network for kids. In addition, former ABC Radio boss Bob Callahan is now President of ABC Inc., making it even less likely that the division will be divested. On the other hand, there's no indication that ABC will change its conservative stance on radio acquisitions.

In its annual report to the SEC, Disney said the ABC Radio Networks reach more than 147M US listeners with 8,900+ program affiliations on more than 4,400 radio stations. Some of those programs are also syndicated internationally to more than 90 countries.



Michael Eisner



Roy Disney



John Hare

Top executive shareholders	Shares owned	Options	Total value
Michael Eisner, CEO, Disney	12,387,409	0	\$540,400,718
Roy E. Disney, Vice Chair, Disney	17,771,976	600,000	\$801,477,453
Bob Callahan, Pres., ABC Inc. (presumably participates in company stock plan)			
John Hare, Pres., ABC Radio (presumably participates in company stock plan)			

## #4 Cox Radio

81 stations in 17 markets

1999 radio station revenues: \$361,405,000 (pro forma for acquisitions and divestitures)

1999 net revenues: \$300,500,000 (\$6,100,000,000 for parent Cox Enterprises)

Radio subsidiary: Small syndication operation ("The Motley Fool," Clark Howard and Neal Boortz programs)

Other businesses: Majority owner Cox Enterprises is a privately owned company which also controls Cox Communications, a publicly traded cable MSO, and several privately owned businesses, including TV stations, TV rep firms, newspapers, Cox Interactive Media, ranches and auto auctions

Headquarters: Atlanta

Public stock: CXR (NYSE)

continued on AB 14

# The Radio Edge's Kim Vasey: ensuring the edge when advertisers use radio

by Karen Maxcy



**Kim Vasey** joined The Media Edge in July of 1998 as VP/Associate Director, Local Broadcast. In April 2000 she was named Senior Vice President for The Radio Edge, a recently created division of The Media Edge. The Radio Edge is a unique consolidated unit which will focus on all aspects of radio including spot, network and the Internet. Prior to joining The Media Edge, Vasey was VP, Spot and Network Radio for Horizon Media for nearly eight years. She has been in the advertising community for over twenty years and shares some of her insights with *AdBiz*.

## ***Why was The Radio Edge created?***

With the departure of the former head of the Network Radio Division, **Bob Igiel**, President/National and Local Broadcast, took the opportunity to bring together the Spot and Network Radio Divisions under my direction. Under the current rash of consolidation in the radio industry, Bob's vision was to consolidate everything under one roof in order to bring a united radio division together for the benefit of our clients. This strategy enables me to have a pulse on the prevailing conditions in each of the radio medium (spot, network, satellite, Internet) during any quarter, and thus capitalize on opportunities across the different entities. It will enable us to build integrated programs for our clients, to maximize our client's budgets, to take advantage of promotional opportunities and develop an innovative approach to building multi-level platforms with some of the strongest ownership groups in the industry.

My background has been in both spot and network radio and, over the past year or so, I have been pretty diligent in trying to stay current about Internet radio, satellite radio and all of the new advances in the technology of streaming. Thus, with my prior background in spot radio and network and my newfound interest in streaming, Bob felt confident that I could lead the team under this new structure. This is an extremely exciting opportunity for me because I always enjoyed both the spot and the network side of the business. I am certain that the growth of the Internet/streaming properties will provide a wide array of creative outlets that can target specific audiences and deliver results for our clients.

## ***How will it be different from your radio division under The Media Edge?***

The Radio Edge is the radio division of The Media Edge, but it is an enhanced group by

virtue of the fact that everyone in the department will have the benefit of learning and understanding all aspects of spot radio, network radio, satellite radio and Internet radio. My goal is to spend a great deal of time educating, not only myself, but also every member of the department in order for them to be able to understand and evaluate packages that may have several components to them. The Radio Edge will be unique in its approach to having an integrated team. I believe we are the first and only agency to have such a department.

***What will The Radio Edge be focused on?***

The Radio Edge will be focused on all aspects of radio. This may include fully integrated programs that potentially could have spot, network, Internet and/or satellite radio components to them. Additionally, it will be focused on developing new and creative approaches to utilizing each medium.

***Do you consider Internet radio a new medium?***

Most definitely, as does the rest of the advertising community. It is a very exciting dimension to the area of radio broadcasting. It is radio with an added twist. It's audio, it's visual, it's interactive, and it's an e-commerce engine. It's truly multi-dimensional. Internet radio (webcasters) enables broadcasters to be more creative in content and in format.

Of course some content is better than others and very often the strength of the consumer's computer will have an impact on their ability to listen to streamed content. But the technology is improving every day. A product like Kerbango, which is about to be launched this summer, will enable a consumer who may not have a home computer or a computer at work (with a sound card and speakers) to listen to a station that is streaming. The consumer must have access to the Internet to use the product, but even the cost of that service is coming down at a rapid pace. This unit will open up the world of streamed media to a whole new audience. My understanding is that it will retail for under \$300. The unit is no bigger than the size of your average table radio and it's very portable. I can run a line to any room in my house from the phone line that I have for my Internet access and I will be able to bring my Kerbango unit into any room of my house.

This is very exciting for me because I live in upstate New York and cannot get some of the New York stations on my traditional radio dial. Now I will be able to tune in to any radio station that is streaming its content and have CD quality sound with none of the inherent problems such as having my computer crash or having the signal interrupted.

---

**M**any stations are now coming to the table with an Internet component as part of their media package and are looking to get a fee for it. It is no longer a "throw in." Your once "traditional" media buyer needs to be educated about this new medium so that he can analyze the numbers, evaluate the cost efficiencies and negotiate a package that incorporates one or more components of radio.

---

***Can you recommend media plans that include media other than radio with The Radio Edge?***

No, per se. However, while my department is responsible for all of the radio activity, we have been approached by some of the major groups that own properties across several media. We have taken advantage of some of the cluster packaging and will continue to explore and take advantage of these packages. We have worked with CBS Plus, which is a sales division that specializes in implementing packages that incorporate other CBS/Infinity owned properties (TV, outdoor, etc.). My group would evaluate the radio portion of the package. The other components would be evaluated by each respective department here at The Media Edge and then we work together internally to bring it all together to make it work.

***State of the local and network marketplace – what do you think in the near future?***

Oh, if only I had a crystal ball! It's very hard to say, actually but one thing I can say for certain is that it will be very exciting! At least that's my

feeling. In May I attended the Radio and Internet Conference that was hosted by Inside Radio in Scottsdale, Arizona. I was amazed at the vast array of products and services that are about to be launched and I feel that what I saw was only the tip of the iceberg. The technology is advancing at a very rapid pace. Some of the major players in the industry were in attendance at this conference. This was an indication to me that the stations are waking up to the realization that the Internet is a viable source of additional revenue and a powerful tool to keep their listening audience tuned in, whether it be on the Internet or the dial. It was only just a few years back that the stations would include banner ads or use their web page as an "added-value" enticement with their media schedule but we see that changing already. Many stations are now coming to the table with an Internet component as part of their media package and are looking to get a fee for it. It is no longer a "throw in." Your once "traditional" media buyer needs to be educated about this new medium so that he can analyze the numbers, evaluate the cost efficiencies and negotiate a package that incorporates one or more components of radio. I know there will come a time that they may receive a sales pitch for an Internet-only package from some of their local stations.

New technology enables a terrestrial station to play one commercial that is heard by a consumer listening from a standard radio, while another listener on the Internet will hear completely different ad. I know that most of the radio networks and the syndication companies have started up interactive units and I fully expect to receive proposals that will incorporate their "traditional" terrestrial properties along with interactive properties. Then, of course, there are the two satellite radio companies that will launch late 2001 or early 2001 which are expected to eventually have about 100 radio formats on their service. This will be another avenue of potential audience.

With permission-based marketing there will be many applications that can be used to know the consumer and target commercials to their particular interests. It is a changing environment and our role at The Radio Edge, is to keep current with the changes in the industry and to take advantage of these changes to the fullest extent possible.

**AAF forms alliances with AdNoir.com and HispanicAd.com**

In an ongoing effort to inform and educate its members of the shifting demographics of the US, the American Advertising Federation has formed strategic alliances with HispanicAd.com and its sister site, AdNoir.com. Through the AAF's non-profit educational foundation, the AAF will promote the two websites' content and services to its membership base of 50,000 advertising-related organizations and 260 college chapters.

According to **Wally Snyder**, President/CEO, AAF, "Multicultural is fast becoming mainstream. With nearly three in 10 Americans of ethnic heritage, they are no longer a 'minority.' We must find smarter and faster ways to access multicultural technical expertise, media outlets and human capital to reach these consumers. Through our alliance with AdNoir.com and HispanicAd.com, we can make that access instantaneous for our members and the ad industry at large."

**Eugenio Bryan**, President/CEO, HispanicAd.com, agrees with Snyder. He adds, "This alliance will go a long way to help empower the multicultural ad industry. I'm looking forward to working with the AAF to promote multicultural advertising and to connect that community with the resources they need." HispanicAd.com is a trade journal for advertising and media professionals who target US Hispanic consumer markets. AdNoir provides news and information on African American, Urban and Caribbean advertising, promotion and consumer trends.—KM

**More preliminary findings from Strategic Attrax**

Expecting to launch surveys in New York and Chicago in coming weeks, Strategic Media Research (*AdBiz*, April, AB7) has more preliminary results from Strategic Attrax, now testing in Los Angeles. Some key findings are detailed below. With New York and Chicago coming on board, Attrax will do cross market analyses both by format and by individual stations.—KM

- Of respondents with Internet access, 40% have downloaded music
- When asked what types of sites were visited (unaided): 12-24 year olds mention music sites most
- Radio stations are mentioned by only 1.3% of the people unaided, but 27% have visited or plan to visit in the next 30 days
- When shopping online, women shop most for books, then travel while men shop most for music, then books
- When mentioning music sites, CD Now mentioned three times more than MTV
- Top radio station mentioned was KROQ-FM (LA) for the web—almost exclusively by M18-34

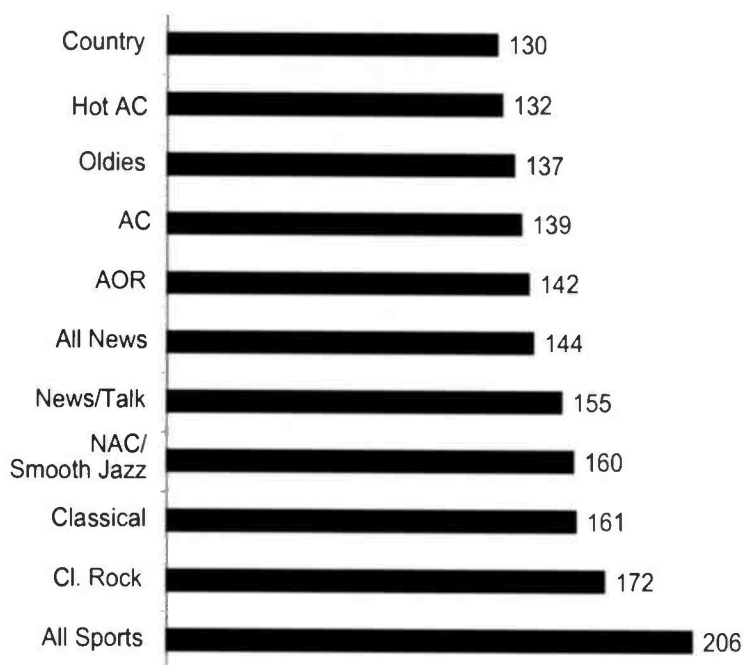
**Cliff Freeman & Partners most nominated agency in Radio Mercury Awards**

46 finalists were announced for the 9<sup>th</sup> annual Radio-Mercury Awards with Cliff Freeman & Partners clinching six nominations in the general category. Other agencies with multiple nominations are: DDB Chicago and Goodby, Silverstein & Partners, San Francisco with four spots each; Blazing Paradigm, San Francisco; Citron Haligman & Bedecarre, San Francisco; GSD&M, Austin; and Oink Ink Radio, New York each have two nominations. These finalists together with others from the general, Hispanic and station-produced categories will vie for the \$100K Grand Prize for the best in radio creative. The invitation-only awards ceremony will be held 6/15 at The Waldorf Astoria in New York.—KM

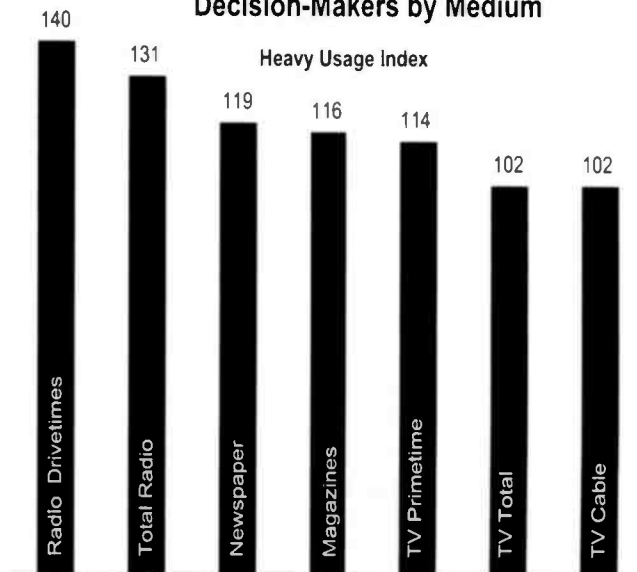
**Radio delivers business decision makers**

Interp Research's latest findings indicate that radio tops other traditional media in its ability to target business decision makers. According to **Michele Skettino**, VP/Marketing Communications, Interp, "The speed of doing business and increase in communications avenues has affected all advertisers, including the B-2-B sector. B-2-B companies no longer feel that they can rely solely on trade-related media for their branding efforts. The lines between consumer and B-2-B advertising are becoming increasingly blurred, and consumer media, including radio, is feeling the benefit." **Deb Durbe**, EVP/Regional Director, Interp Marketing Group, adds that B-2-B is the fastest growing segment in online advertising and radio needs to continue to provide reasons why B-2-B sites should use radio.—KM

**Decision-Makers by Radio Format**



**Decision-Makers by Medium**



Source: Interp



## Cumulus continues restructuring

The latest change at troubled Cumulus Media (O:CMLS) has **Lew Dickey Jr.** moving up to President and CEO and consolidating the company's headquarters in Atlanta. Dickey had previously been Executive Vice Chairman and he and Executive Chairman **Richard Weening** had repeatedly referred to each other as "my partner." The latest move makes it clear that Dickey, who took over day-to-day operations of the operating company, Cumulus Broadcasting, in March, is running the whole show. Weening retains his position as Executive Chairman and a member of the board of directors.

In addition, **John Dickey** is joining his brother in the executive suite as Executive VP of Cumulus Media. He had been Director of Programming and Executive VP of the operating company. Recently hired **Martin Gausvik** (*RBR* 5/22, p. 2) continues as Executive VP and CFO. All HQ and financial operations are to be consolidated in Atlanta by 10/1.

**AdBiz observation:** Changing titles is all well and good, but no one on Wall Street will really care until they see concrete results in the company's quarterly results. Otherwise, the Dickey brothers may just be rearranging the deck chairs on the Titanic.—JM

## ABC Radio Net President Andrews calls it quits

After seven years at ABC Radio Networks, almost three as President, **Lyn Andrews** has resigned her post, effective 6/9. She ends a grueling weekly commute to Dallas to stay in New York with husband and daughter. Andrews was appointed president when **David Kantor** left to head up the new AMFM Radio Networks 10/97.

A source close to ABC tells *AdBiz* Andrews' replacement will be internal and soon: "In all likelihood it will be an internal candidate. The decision will be made sooner rather than later. I think **John Hare** [ABC Radio President] is looking to make that decision within a couple weeks."

SVP Sales **Traug Keller** and EVP **Daryl Brown** are two possible replacements. Adds the source: "I would think the GMs of the radio stations might be possibilities. He has two guys that have been running the radio division—**Mitch Dolan** and **Mark Steinmetz**. These are all strong candidates."—CM

## Arbitron signs with Nielsen for People Meter use

Arbitron and Nielsen Media Research announced 6/1 an agreement that allows Nielsen the option to join Arbitron in deployment of its new Portable People Meter (PPM), a new radio, TV and cable technology Arbitron is testing in Philly Q4. Nielsen will supply both financial support and TV survey expertise as part of the deal. PPM is a pager-sized device worn by ratings individuals that detects codes broadcasters embed in their signals, aimed at eventually replacing the diaries. PPM has already been successfully tested in England in the last two years.—CM

## CBS Interactive Group lays off 24

In an apparent streamlining and money-saving effort, the CBS Internet Group, headed by President **Russ Pillar** (*MBR* March), has laid off 24 of its 100 employees (6/2). Former chief of Sony's online division **Lisa Simpson** was recently brought in as CFO; two other Sony staffers, **Mark Kortekaas** and **Robert Gehorsam**, were also brought in (6/6) to become Chief Technology Officer and SVP Programming and Production, respectively.

Says VP Communications, CBS **Gil Schwartz**: "Others will be [hired] soon. What you're talking about here is a management reorganization and a reorganization of CBS.com. This was not a financial issue, nor was it a backing away from the commitment to being the best online company in the network business."—CM

## LPFM filing window deadline extended

The FCC has extended the window deadline for new LPFM CP applications, both paper and electronically-filed, from June 5 to June 8. The Commission said it received reports that potential applicants had difficulty filing electronically on 6/3 and 6/4. In addition, "because the window filing period was short in the first instance and because it represents the only opportunity that applicants from 12 states or territories will have to file Form 318 for at least 12 months, the Bureau has concluded that, as a matter of equity, an extension is appropriate." Alaska, California, DC, Georgia, Indiana, Louisiana, Maine, Mariana Islands, Maryland, Oklahoma, Rhode Island and Utah are in this first window.—CM

## Clear Channel Radio team confirmed

The executive suite at Clear Channel Radio is being rearranged in preparation for closing of the long pending deal to merge AMFM Inc. (N:AFM) into Clear Channel Communications (N:CCU). To the surprise of no one, Clear Channel President **Mark Mays** has named current Clear Channel Radio President **Randy Michaels** to the top post. His titles will be Chairman and CEO. When **Kenny O'Keefe** joins the company from AMFM he'll become President and COO of Clear Channel Radio. The merger is currently on track to close in Q3.—JM



## FCC to re-examine market definition

Following months of complaining by Commissioners **Gloria Tristani** (D) and **Susan Ness** (D), the FCC is getting ready to re-examine how "markets" are defined when it comes to counting radio stations for the various local ownership tiers under the 1996 Telecommunications Act. "The NPRM (Notice of Proposed Rulemaking) will address whether the FCC should use Arbitron market definitions, rather than its current overlapping signal contours standard, to obtain a more accurate measure of radio markets," the Commission said in its Biennial Review report to Congress (5/30).

When the final touches were being put on the wide-ranging overhaul of the nation's communications laws (the first in 32 years), House and Senate negotiators cobbled together the four-tiered local ownership limit on radio station ownership—eliminating national caps altogether and allowing a single owner to have as many as eight radio stations in the largest markets, those with 45 or more stations. To determine those tiers, the lawmakers grabbed the overlapping contours rule that the FCC had been using for three and a half years for duopolies, which had been allowed since late 1992. There was never any public hearing on the idea and it wasn't until after the bill was sent to President **Bill Clinton** for his signature in early '96 that broadcast engineers began to figure out the implications of the new law—and how it could be used to create top tier

combinations in many places and second-tier combos (seven stations) just about anywhere except the most rural sections of the nation. Now the FCC wants to revisit the whole idea of how to count stations for the various tiers, although a separate statement by Ness notes that she doesn't want to recount existing combinations. "I believe, however, that any changes the Commission might make should be prospective only and should not undermine the legitimate investment expectations of parties who hold combinations lawfully assembled under our current rules," she said.

NAB will oppose any change in the market definitions. "We think the current definition is perfectly appropriate," said **Dennis Wharton**, Sr. VP, Communications.

As expected, the FCC will consider relaxing the dual network rule—allowing Viacom (N:VIA) to keep both CBS and UPN (over Tristani's objections)—but is sure to anger Congressional Republicans by refusing to budge more than a tiny bit on newspaper-broadcast cross-ownership, perhaps allowing such combinations only in the largest markets. Newspapers, facing declining readership, have been pressing both the FCC and Congress to allow them to buy in-market TV stations (and radio, although that's a secondary concern). NAB has also called for the rule's elimination.

"This rule is a relic of a bygone era and ought to be eliminated, particularly given the explosion of media alternatives," said Wharton.

The Commissioners also indicated that they have no interest in raising the 35% TV audience cap. That would require Viacom to go through with divestitures or swaps to get back under the limit by 5/4/01 (*RBR* 5/8, p. 6). Fox immediately announced that it would sue to have the cap ruled unconstitutional—JM

### Senators decry vulgarity

Four Senators are complaining about what they say is a "dramatic increase in graphic sexual depictions and vulgar dialogue" on broadcast TV. In a letter to FCC Chairman **Bill Kennard** (D), the Senators called on the Commission to launch "a broad reexamination of the public interest standard and the license renewal process" and to "review and rearticulate the Commission's indecency standard." They also asked for Kennard's thoughts on whether to resurrect the old NAB radio and TV codes (which were abolished in 1982 due to an antitrust ruling). The Senators who signed the letter are **John McCain** (R-AZ), **Joe Lieberman** (D-CT), **Robert Byrd** (D-WV) and **Sam Brownback** (R-KS).

The Senators' complaint focused exclusively on TV and quoted from several studies

from 1982 through last year that tallied sexual content on network TV. Although it's hard to recall the last time a TV station was fined for indecency (more than a decade), several radio stations are cited for indecency each year and radio station owners have frequently complained of a double standard that lets TV stations get away with content that draws fines on radio.

Kennard quickly replied: "I applaud Senators Lieberman, McCain, Brownback and Byrd for their thoughtful letter regarding the effect of violent and sexually-explicit television programming on America's children. We will carefully review their recommendations and look forward to the ensuing dialogue."—JM, CM

### Inspector General clears Kennard

FCC Inspector General **H. Walker Feaster** has cleared Chairman **Bill Kennard** (D) of allegations that Kennard violated ethics rules and abused his office. Although Kennard was not named in the Inspector General's semi-annual report to Congress, **Richard Lee**, former head of the FCC's Compliance and Information Bureau, had gone public with his allegations against the Chairman (*RBR* 11/15/99, p. 4). Lee had accused Kennard of political favoritism in allowing a Texas racetrack operator to continue operating an unlicensed low-power TV station because a Republican Congressman had contacted Kennard on behalf of the track owner.

The Office of the Inspector General reported 5/30 that it "was unable to find any evidence of misconduct by the employees or that they had exceeded their authority in allowing broadcasting at the track."—JM

### Lucent testing in Washington on WAMU-FM

Albeit unofficially announced, Lucent Digital Radio (LDR) has begun testing on American University's NPR affiliate WAMU-FM Washington, DC. LDR President **Suren Pai** confirms it: "We announced at NAB Vegas that we would soon be testing in Washington and San Francisco. This is our station in Washington. Our plan is to go out to eight or nine stations across the country."

Lucent was testing on KNPR-FM at the NAB Spring Show and continues testing on WJB-FM Lincroft, NJ, WPST-FM Trenton, NJ. All tests now include different versions of Lucent's Multistreaming technology, which is said to assure a graceful degradation of the digital signal, as opposed to signal dropouts.

Meanwhile, USADR continues its testing in

Washington on WHFS-FM, WJFK-FM, WETA-FM; WPOC-FM Baltimore and WNEW-FM NY.—CM

### Dick Purtan hosting Marconi awards

**Dick Purtan**, legendary Detroit radio personality currently airing mornings on WOMC-FM, has been chosen to emcee this year's NAB Radio Show Marconi Awards. The event takes place 9/23 at the San Francisco Hilton. Purtan has received numerous awards, including the Marconi for "Major Market Personality."—CM

### Winstar Global Media selling Internet audio ads; Soundsbig 1st client

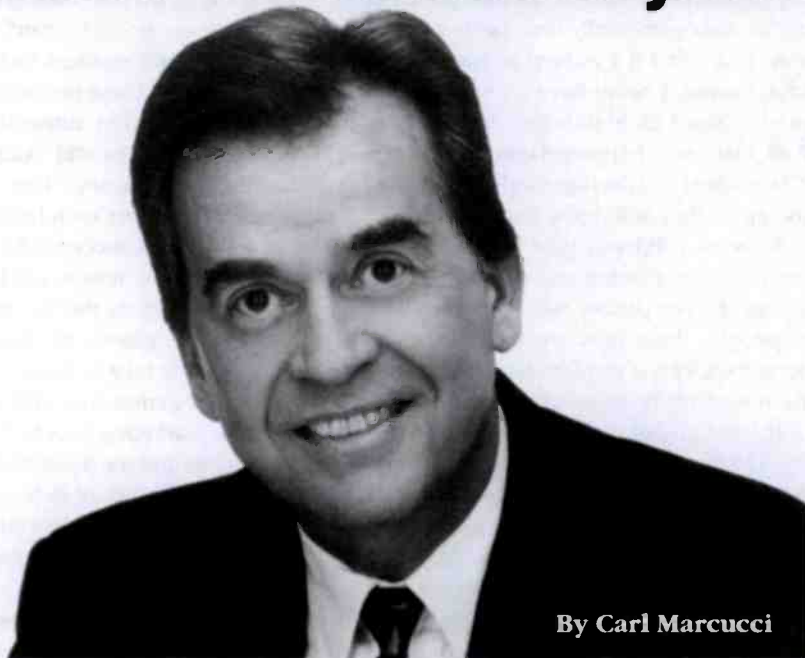
Winstar Global Media (WGM) announced its entry (6/1) into the Internet audio marketplace. The first client is Soundsbig.com (*RBR* 5/29, p. 8). In the deal, Winstar Global Media will sell audio inventory on Soundsbig's 100+ formats to a variety of narrowly-targeted advertisers. Winstar Global Media, a unit of Winstar Radio Networks, is the first independent radio advertising sales operation to focus on this emerging market. WGM has "two or three other" webcasters they are trying to sign at present, according to President **Lou Severine**.

How will they take this to the agencies? "Right now, what we do as a company, is package inventory to the advertisers in the different demos. That's the beauty of a Soundsbig.com—they have 100 different formats. And they may have five formats in one area, but they have young formats, middle formats and they have older formats," Severine tells *RBR*. "We will take however many of their formats that fit a particular demo by that we have up, and we will put all that together in with our other programming and services and packages. That's one of the reasons we want to get into this—because we really realize that this is a perfect extension of what we're doing now and is really part of a future of where it's going. National advertisers are concerned with one thing only—the number of ears that you can bring to them, and that's all we're trying to do here."

Severine has talked extensively with Arbitron a month ago. They are going to start 7/1 surveying Soundsbig.com, in addition to the others they have. Says Severine: "By January, we'll be able to start to see what type of audience all of this derives."

Winstar Interactive Media handles banner ad sales for websites, and may be packaged with the buys.—CM

# Still rockin' after all these years



By Carl Marcucci

ABC's "Rockin' New Year's Eve" and "American Bandstand": two long-running TV features that made **Dick Clark** an American entertainment icon. Clark began in radio, and after a career that so far spans 53 years, is still on the mic with three United Stations Radio Networks shows: "Rock, Roll & Remember," "US Music Survey" and "Days to Remember," a daily 90-second vignette. Part owner of United Stations, he hooked up with CEO **Nick Verbitsky** in 1981 and helped form the world's largest independent network. We asked Dick about the state of the industry, his career, and at 70 years of age, of course we asked, "How do you remain the world's oldest teenager?"

## *How did you first get into the entertainment biz?*

I saw my first radio broadcast when I was 13 years old. It was **Garry Moore** and **Jimmy Durante**, the "Rexall Comedy Hour" or whatever the devil they called it. It was done in an old theater in New York. I said to myself, "Boy this sure looks interesting!" I went home and told my dad that someday I'd like to be in the radio business. He was a little fed up with living in New York and he had been involved in the cosmetic business for most of his career. An opportunity came along when my uncle, who owned a newspaper in upstate New York in Rome, called and said to my father, "Dick, we're going to open a radio station. Do you want to come and run it? Be part of the team?" I guess that was the way he put it because he went up as the Sales Manager and ended up being the General Manager. He did it because he knew undoubtedly that would help me later on and he needed the change of pace. So my appeal of the radio was long before my days at WRUN [Utica, NY]. I got the job there as a mailroom boy working for my father while I was in college. In all honesty, he had no idea where it would take me.

## *You made your name doing American Bandstand. Tell us the history there.*

I had been at WFIL in Philadelphia four years doing radio and television stuff. I didn't get the job on "Bandstand" until 1956 when they fired the guy that was doing it. So I did it for a year before it debuted nationally [as "American Bandstand"]. I was part of the sales team that convinced ABC to give it a seven-week trial. In four weeks, it went to number one in the daytime. It commanded over 60% of the Philadelphia audience, so I knew that when I got the opportunity to work on it, it was a chance of a lifetime.

## *How did you convince ABC on that? Was it hard?*

I knew it was already big locally and it was my dream that it would work everywhere. Of course, everybody said to us, "Who in the heck would want to watch kids dancing to records in Philadelphia?" Apparently somebody did.

I went up with what was then a Kinescope. That is a 16-mm film in black and white taken off the screen. We didn't have videotape. I wrote (I still have the letter here) to **Ted Fetter**, Director of Programs. I said, "I'd like to

come up and make a presentation." He wrote me back a letter which was "Don't call us, we'll call you."

My secretary read the letter to me and in my youthful enthusiasm, I thought that was a positive response instead of a kiss-off. So I came back from my vacation and immediately set up a meeting with the guy. I showed him the Kinescope. It must have impressed him. He sent some people down to look at it and one of them was a fellow named **Dan Mellnick**, who went on to become an extraordinarily successful movie producer. He reported back to ABC saying, "I don't know why in the hell I'm going to recommend this thing, but I think we ought to do this." So they gave us a seven-week trial and it did succeed.

## *Yes it did. I remember watching it in 1974 when I lived in Cleveland. I would imagine that was probably an ABC station.*

**WEWS**. I knew every call letter of every ABC affiliate in those days, because we put them up on a board on a map and we did it in the early days when it was on five days a week. You saw it when it was on once a week.

## *I do remember the big hair and the big shoes and the bell-bottoms.*

That was part of one of the many pieces that made it popular—what did they wear, what did they say, what did they look like, who was dancing with whom? It was a combination of ingredients.

## *Why isn't it being re-run? You've got TV Land, Nick at Night, a bunch of nostalgic channels out there.*

It was rerun for two years on VH-1, "The 70s episodes" and will probably pop up on another cable channel very shortly. Plus I think you'll see, I'm hoping, **AB2000**, which is the updated version on an entirely different twist from the old days, but maintaining its roots in the old show.

## *When is that debuting?*

As fast as I can sell it.

## *I know you've heard this a thousand times... You are the world's oldest teenager, not only because you can identify with multiple generations, but also the fact that you haven't aged in 40 years. What's the secret to both of those successes?*

I think that probably it has to do with two things. One, I was forced to be in the midst of a lot of people who were younger than I. I was

27 years old when I first started working on Bandstand. I had to think young—that's a good inducement. The second most important thing is I found work that I loved. I've never had the desire to be anything else except to be involved in radio and television and entertainment and so forth. I've been living out a dream that has always been a carrot in front of my nose, some inducement to make me keep charging on. That will keep you young.

***Tell us how you met Nick Verbitsky in '81 and how this relationship has gone on with friends and business partners even to this day?***

As I recall, we met over dinner to talk about a countdown show for Mutual Broadcasting, which is where he was at the time. **Marty Rubenstein** was the head man and Nick worked for him. Whatever the pecking order was, Nick was high up there. He had come to me to talk about a countdown show—their version of the **Casey Kasem** thing. I said, "Yeah, fine. Let's give it a try."

We dreamed about, in the earliest days, formatting radio stations via satellite in every format and allowing management to virtually run the station with nobody but an engineer and salespeople. It was a great idea and we cobbled it all together. We got it ready to go, had all the satellite stuff all lined up and everything when we went to an NAB convention or something or other. One of our potential competitors got up and said, "And we are going to give it away." At which point we said, "Oops! that is going to die," which it did. We changed into a syndicated network where we have been doing the same thing for the past 25 years or so.

On the first incarnation of United Stations, it was very successful. And eventually we turned it over to **Mel Karmazin** and he took it beyond that. Nick and I were precluded from re-entering the radio business for a couple of years, but we were not precluded from recapturing the name United Stations. We started the company again; it turned out to be fortunately another success. It is the largest independently owned and operated radio network at this point.

***Those are getting fewer and farther in between.***

The amazing thing is that in spite of all the conglomerates, we still serve 2,600 rated radio stations across the nation, with every conceivable kind of format. We've got statistically 64 hours of long form programming weekly, 14 comedy prep or writing services daily. It's every conceivable kind of need that a radio station would need. I don't care whether you have one or 400 stations, everybody has got to have this stuff. We fill a niche.

***Tell me a little bit about the other side—Dick Clark Productions. You were savvy enough to found that in 1957.***

The quick thumbnail was, when I was 26, I was very busy, and I had the foresight to set up a production company because I realized someday I would be unhireable. I would get to be too old or demographically unappealing or whatever. I said that if I wanted to continue to do what I loved, I better have a production company, so that I could slide into the background. Well, that hasn't happened quite yet, but about 90% of what I do is background stuff. Every now and again they will throw me out front.

So what I did was take the income that I earned as a performer and reinvested it in the talents of other people, which grew to be a lot of people. Right now we have about 1,000 people under our employ. Most of them are in the restaurant business [American Bandstand Grills] and probably this week there are about 100-150 that are in the entertainment area. We do practically everything—all kinds of movies, theatrical and television, game shows, award shows, sporting events, we are a very strange little company. We serve a lot of masters and try to do a good job. What we pride ourselves on is that we do it right, we do productively so that it makes a profit for the company, and we do it on time, on budget.

***What significant industry trends have you observed over the years?***

In the old days we didn't have the competitive atmosphere that we have now or the fractionalization of not only the formatting of radio stations, but the fractionalization of music itself. There is something in there that appeals to every demographic group, every ethnic group. It is a little hard to keep track of. It wasn't computerized in my day. We did it by seat-of-the-pants knowledge. Nowadays you can pretty much predict where that music is going to fall and what kind of radio station wants to get it on. We are living with very rigid restrictions. Other than that, the only significant thing is that the world is turned upside down, history has repeated itself, and we have these teen baby bands and baby female vocalists swarming all over us like they did in the fifties. And the other thing, is the Latin thing, which is only an indication of the rise in the population mix where Spanish music has become hot for everybody.

***How has the Internet changed the music industry and the relationship between the artists and the listeners?***

We don't know what the impact will be, but eventually I've been saying for 25 years now, soon your music will be delivered to your house over some invisible means or wire over

the air and will go into a machine. You will play it. You will never see a record or CD. By God, it's happened.

So what you've got now is a mess of record companies, five of whom are multi-national conglomerates trying to figure out what they are going to do with their pressing plants and how they are going to distribute this and how they treat their retailers that they've been so indebted to all these years; how to adapt radio into the mix. The artists really need their record companies still because, despite the fact that they can say, "Hey, I'm going on the Internet to sell my own records," nobody has done it yet real successfully.

I don't know how many hundreds of radio stations are up on the Internet now and how many will be affected by direct satellite to cars. That all has to take its measure. We are living in a period of tremendous change: change for not only the marketing people, but also the artists themselves and the people who listen to music and love it. And all of us involved in radio, we are going to have to adapt and live with all this competition. The trick is how to make a living.

***You've done just about everything you can do with Dick Clark Productions and United Stations. Is there anything else that you'd like to do?***

I'm working on a couple of Broadway projects. I've tried there before unsuccessfully twice and I want to beat that if I can. It's a feature motion picture. I'd like to have a big hit in that area someday and I haven't ever done that, though we've done 20-some odd motion pictures for television and theater.

***Tell us about your three programs running on USRN: "Rock, Roll & Remember," "US Music Survey" and "Days To Remember."***

"Rock, Roll and Remember" is now entering its twentieth season on 167 stations, which is pretty extraordinary. Our flagship station on "US Music Survey" is KOST-FM in Los Angeles, which is one of the always top-five rated radio stations. I'm real proud of that one.

"Days to Remember" started out as a Millennium sort of thing and the station said, "Oh my God, can you continue it?" So we just switched it from a Millennium countdown to this day in history. It used the audio archives and the BBC and the AP. It's on 93 stations now, which is unique because it's all over, in many different kinds of formats.

What I'm happy about is that they still have me working. I'm still doing radio, which I love!

***More power to you—just keep on going.***

It is still fun. That is the important thing. You find something you like and continue as long as it remains fun.

Tracking Trends:  
Married Male

49 years old.

2 kids.

Listens to 7.4 hours of  
news talk radio a week.

Prefers easy listening.

Just stepped in gum.

Want to know what  
all this  
really means?

Unless you know how to use it, research is useless. That's where Strategic Media Research can help. We give you more than just reams of data. You get actionable, customized solutions that'll help you succeed. To find true meaning, call 312.726.8300 or visit us online at [www.strategicmediaresearch.com](http://www.strategicmediaresearch.com).

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What's New. What's Now. What's Next.™

**continued from AB 5**

Once a small, somewhat sleepy division of one of the nation's largest and oldest media companies (Cox Enterprises dates back more than 100 years), Cox Radio shifted into high gear after radio ownership was deregulated by the 1996 Telecommunications Act. By the time the year was finished, Cox Radio had sold its IPO on Wall Street and announced several major acquisitions, including a \$250M buyout of the entire NewCity group which nearly doubled the company in size.

If any existing radio company has the potential to join Clear Channel and Infinity in the billion-dollar-plus club (annual revenues), it's Cox Radio. Despite its rapid growth in recent years the company still has virtually unlimited access to cash for acquisitions through Cox Enterprises. It is a most unique blending of an aggressive, public stock company with an old-line, family run (sisters Barbara Cox Anthony and Anne Cox Chambers still own 98.5% of the media empire their father started in 1898) private company.

Top executive shareholder	Shares owned	Options	Total value
Bob Neil, CEO	102,564	381,690	\$11,702,805
<b>Held by parent company</b>			
Cox Enterprises	58,733,016	0	\$1,419,381,200



Joe Field



Bob Neil



David Field

**#5 Entercom**

96 stations in 18 markets  
 1999 radio station revenues: \$358,600,000 (pro forma for acquisitions and divestitures)  
 1999 net revenues: \$215,001,000  
 Headquarters: Bala Cynwyd, PA (Philadelphia)  
 Public stock: ETM (NYSE)

Entercom may have been off many people's radar screen until about a year ago when it sold its IPO, but the company has been around since 1968 when Joe Field launched the start-up with a few doctors and lawyers as investors (they're now wealthy media shareholders). According to its latest annual report, Entercom has bought 91 stations and sold 14 since 10/1/96. One of the few things that has remained constant through that period has been Seattle as a lynchpin market. Today Entercom is far and away the revenue leader in Seattle radio, with the market's #1 and #2 billers among its eight stations.

While others have been touting middle and small market opportunities, Entercom has remained focused on big markets. The company says it wants to buy more stations in the top 50 markets, but will look at potential deals down to market #75. Its only forays beyond those bounds have been in #87 Gainesville-Ocala, FL, adding to a long-time holding, and a couple of suburban markets adjacent to its big markets.

Top executive shareholders	Shares owned	Options	Total value
Joe Field, CEO	11,606,960	0	\$493,295,800
David Field, COO	3,041,344	0	\$129,257,120

**#6 Citadel Communications**

207 stations in 42 markets  
 1999 radio station revenues: \$319,650,000 (pro forma for acquisitions and divestitures)  
 1999 net revenues: \$178,495,000  
 Investments: Small Internet investments  
 Headquarters: Las Vegas  
 Public stock: CITC (Nasdaq)

Middle market specialist Citadel Communications shed its smallest markets and now has all but a handful of its stations in Arbitron markets from 50 through 150. The company's leading markets, in terms of station revenues for the past year, were Albuquerque, NM (11% of Citadel's total revenues), Providence, RI (9.9%), Salt Lake City, UT (9.2%), Little Rock, AR (6.1%), Modesto, CA (5.8%) and Colorado Springs, CO (5.7%). Unlike larger market groups, which get a larger portion of their revenues from national spot buys, 81% of Citadel's 1999 revenues came from local and regional sales.

As the gap between actual 1999 revenues and pro forma radio revenues indicates, Citadel has been on a buying spree and still has several major acquisitions pending.



Larry Wilson

Top executive shareholder	Shares owned	Options	Total value
Larry Wilson, CEO	1,760,546	407,410	\$84,008,295

**#7 Cumulus Media**

301 stations in 58 markets  
 1999 radio station revenues: \$251,635,000 (pro forma for acquisitions and divestitures)  
 1999 net revenues: \$180,019,000  
 Other businesses: Digital studio systems, radio sales training  
 Headquarters: Milwaukee  
 Public stock: CMLS (Nasdaq)

The business plan for Cumulus Media was to acquire "mom and pop" stations in small and medium markets, consolidate operations and turn those small market superduopolies into well-oiled radio machines that could churn out cash flow just like big market radio stations. That plan ran into trouble in recent months, though. The company's stock plunged as Cumulus had to restate its earnings for most of 1999, pink-slip the head of its radio operation and hire a new auditing firm after PricewaterhouseCoopers quit.

Now Executive Vice Chairman Lew Dickey Jr. is trying to get day-to-day operations back on track and Executive Chairman Richard Weening is wearing out the soles of his shoes on Wall Street, trying to convince investors that all of the company's problems have been discovered and are being fixed.

The investment community and radio industry, alike, are waiting anxiously to see whether Cumulus is really going to be fixed or may have to be sold off.



Richard Weening

Lew Dickey Jr.

Top executive shareholders	Shares owned	Options	Total value
Richard Weening, Exec. Chairman	636,813	1,000,690	\$21,186,014
Lew Dickey Jr., Exec. Vice Chair.	441,282	1,000,690	\$18,656,234

## #8 Radio One

49 stations in 19 markets  
 1999 radio station revenues: \$231,925,000 (pro forma for acquisitions and divestitures)  
 1999 net revenues:  
 Investments: Outdoor advertising, Internet companies  
 Headquarters: Lanham, MD (Washington, DC)  
 Public stock: ROIA (Nasdaq)

"The Urban Radio Specialist" is how Radio One bills itself. Founded in 1980 with a single AM station in Washington, DC, Radio One has grown into the nation's largest minority-owned radio group and the leading group targeting African-American audiences. The company now claims to be in 18 of the 40 largest African-American markets, leaving it plenty of room for additional growth.

Just three months ago, Radio One set a new US record for an acquisition by a minority-owned company in any industry—signing to buy 12 stations in seven markets for \$1.3B. Those stations were, of course, spin-offs from the pending Clear Channel/AMFM merger and included the crown jewel of the spin-off bidding—KKBT-FM Los Angeles.



Cathy Hughes



Alfred Liggins

Top executive shareholders	Shares owned	Options	Total value
Catherine Hughes, Chairman	11,920,752	0	\$228,731,416
Alfred Liggins, CEO	15,493,173	0	\$297,277,839
Mary Catherine Sneed, COO	692,766	0	\$13,292,563

## #9 Hispanic Broadcasting Corp.

48 stations in 15 markets  
 1999 radio station revenues: \$231,500,000 (pro forma for acquisitions and divestitures)  
 1999 net revenues: \$197,920,000  
 Headquarters: Dallas  
 Public stock: HSP (NYSE)

Hispanic Broadcasting Corp. (formerly Heftel Broadcasting Corp.) is the largest Spanish-language radio broadcasting company in the United States. The company has grown by leaps and bounds by buying English-formatted FM stations to convert them to Spanish music formats. As the US Hispanic population has grown and advertiser interest in reaching

Spanish-speaking Americans has increased, HBC has been able to claim a disproportionate portion of Hispanic radio ad spending by being able to offer advertisers high-power FM stations with larger audiences than the old-line Spanish stations, which had traditionally been relegated to AM signals (often unable to cover their entire market).

With its pending acquisitions from the Clear Channel/AMFM spin-off derby (Clear Channel owns a large non-voting stake in HBC), HBC will have stations in 14 of the 16 largest US Hispanic markets.



Mac Tichenor

Top executive shareholders	Shares owned	Options	Total value
Mac Tichenor, CEO	1,618,654	0	\$162,979,034
Tichenor Family Voting Trust	6,768,873	0	\$681,544,285

## #10 Susquehanna Radio

29 stations in 9 markets  
 1999 radio station revenues: \$221,550,000 (pro forma for acquisitions and divestitures)  
 1999 net revenues: \$271,266,000 (parent Susquehanna Media)  
 Other businesses: Parent Susquehanna Media also owns Cable TV systems and provides Internet access via cable; ultimate parent Susquehanna Pfaltzgraff also makes ceramic dinnerware  
 Headquarters: York, PA  
 Public stock: none (parent Susquehanna Media has \$145M in public bonds)

Susquehanna Radio pushed back into radio's Top 10 with a recent deal to acquire some Entercom spin-offs in the Kansas City market, barely edging Emmis Communications back to 11<sup>th</sup> place. Susquehanna Media proudly proclaimed in a recent SEC filing that it is the largest privately owned radio broadcaster and the 10th largest radio broadcaster overall in the United States based on revenues. "We are also the 23rd largest cable multiple system operator in the United States with seven cable systems serving approximately 187,000 subscribers as of December 31, 1999," the company said.

In a recent coup, Susquehanna succeeded in winning FCC permission to build the first new FM stations in decades in the under-radioed Atlanta market. To do so, it will jump an existing station, WHMA-FM, from Anniston, AL to College Park, GA.



David Kennedy

Top executive shareholders	Percentage
Louis Appell Jr., Chairman	7.2% of private stock (voting)
Peter Brubaker, President/CEO	1.1% of private stock (voting)
David Kennedy, Pres./Susquehanna Radio	Participates in company ESOP

Notes: All stock values are based on 4/28/00 closing prices. Former CBS shares have been converted to the equivalent Viacom shares for the merger which closed 5/4/00. Share totals for Radio One reflect a three-for-1 stock split on 6/2/00. Station totals as of 5/26/00.



# AMFM Is The Key Piece To Solving The Advertising Puzzle



## Top Markets

AMFM's line-up includes the strongest group of major market metro stations - most of them previously unaffiliated with any network.



## Top Stations

AMFM's affiliates include major market metro stations that generally lead their market in ratings and formats.



## Top Demo Targets

AMFM's advertising networks are #1 in many key demographic groups including females and young adults - providing minimum out-of-demo waste.

## The Radio Network For The New Millennium

New York  
917-206-8900

Chicago  
312-202-8850

Los Angeles  
323-966-5087

San Francisco  
415-281-2420

Detroit  
248-614-7064

Atlanta  
404-365-3054

Dallas  
972-239-6220