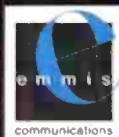


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## Dot-com business helps make August revenues dot-terrific

Radio's string of double-digit revenue gains was lengthened by a month as August's total came in a whopping 16% over the same month last year. Local was up 14%, and national surged ahead by 21%. Of note was the East's rocket-fueled 30% ascent in national business. As has been the case for most of the past two years, the wealth has been spread throughout the country, with double-digit gains across the board for the month.

YTD, the Southeast's relatively poor national increase of 7% is the sole single-digit number on the chart (and it is more than offset by the Southeast's 15% YTD improvement in local business). Total YTD gains stand at 13%.

Radio's fortunes have been helped a great deal by intense demand for time by Internet services, particularly in the top 25 markets. This bodes well for the future. As RAB president **Gary Fries** noted, "...all indications are that

this demand will continue and filter down into markets below the top 25."—DS

August 1999	Local	National
All markets	14%	21%
East	12%	30%
Southeast	16%	16%
Midwest	14%	20%
Southwest	12%	24%
West	17%	16%

### Local & Nat'l revenue August 1999

All markets	16%
-------------	-----

Jan-Aug 1999	Local	National
All markets	13%	12%
East	13%	18%
Southeast	15%	7%
Midwest	10%	12%
Southwest	12%	12%
West	15%	10%

### Local & Nat'l revenue Jan-Aug 1999

All markets	13%
-------------	-----

Source: RAB

## NAB fighting against LPFM

The NAB has taken its anti-LPFM fight to the next level, skipping the FCC this time and going straight to the man in charge of the committee that oversees the federal agency: Sen. **John McCain** (R-AZ).

McCain, Chairman of the Senate Commerce Committee, received a letter last week from NAB's CEO **Eddie Fritts**, informing the three-term Senator of the association's findings on LPFM. Similar letters were sent to all members of Congress.

"We determined through outside testing that any such low-power FM service would cause severe interference problems for existing FM radios," Fritts writes. "This would in essence cause serious disruptions in service for literally millions of American FM listeners—including your constituents."

FCC Chairman **Bill Kennard** has been packaging LPFM as a remedy to a consolidated industry that he says has decreased program diversity. But Fritts and the NAB refute Kennard's claim, informing McCain that "over half of all FM stations are not part of large conglomerates, but actually are owned singly or as part of a local duopoly."

Other members of Congress, including Reps. **Cliff Stearns** (R-FL) and **Mike Oxley** (R-OH) have already taken the NAB's findings to heart and are demanding that Kennard report to them on how the Commission plans to implement LPFM service without interference to existing FM stations (RBR 8/30, p. 6).—TS

## MMBS could provide "plethora" of services; replace IBOC?

CEMA's comments on the FCC's proposed service rules (Docket No. 99-168), utilizing UHF channels 60-62 and 65-67 (746-764 MHz and 776-794 MHz) bring forth a variety of possibilities, questions and threats for broadcasters. For radio, the threats could be substantial in that this sizable hunk of bandwidth could be offered up against IBOC, erode the demand for FM-based

subcarriers, increase the threat of mobile Internet broadcasting or directly compete with AM and FM as a new radio service.

CEMA's view is that the frequency bands are ideal for the implementation of a nationwide terrestrial "Mobile Multimedia Broadcast Service" (MMBS), providing a "plethora" of services from mobile Internet to high-

*continued on page 6*

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## Cumulus rains Arbitron markets on America

Arbitron is adding five new markets and reinstating a sixth for audience measurement during the Fall 1999 survey. Of the six markets, mid-to-small market specialist Cumulus Media (O: CMLS) has established a presence in five. The new markets will bring the total number of rated markets to a new all-time high of 276, and are projected to rank from #227 (the resurrected Rochester MN market) to #273. See the chart [below] for details. Market ranks are *RBR* projections.—DS

Market	12+ pop	Rank	Cumulus?
Rochester MN	124,900	227	yes
Florence-Muscle Shoals AL	116,500	240	yes
Columbus-Starkville-West Point MS	100,000	247	yes
Mankato-New Ulm- St. Peter MN	92,400	255	yes
Mason City IA	67,800	269	yes
Jonesboro AR	61,600	273	no

### Newspapers fear classifieds competition

Morris Communications CEO **William Morris III**, who is Chairman of the Newspaper Association of America (NAA), issued a call 9/28 for newspapers to band together to create a "national classified marketplace." The Internet-based service envisioned by Morris would allow users to search classified ads by city, state, region or nationwide.

"The power of computer databases deployed on the Internet clearly is a serious challenge to newspaper classified advertising," Morris warned in a speech to the National Press Club in Washington, DC. Classifieds, he noted, account for 30%-50% of total ad revenues for many newspapers—revenues he and other publishers don't want to lose to Internet upstarts, some of which are owned by or allied with broadcasters.

Rather than fearing the Internet, as many newspaper executives did when the Web first gained public popularity, Morris said most newspapers have begun to turn it to their own use, rather than worrying about competing with the Internet.

"We believe that of all the traditional media, newspapers are in the best possible position to use the Internet," Morris declared. "The Internet has given us two things we have always wanted and never had: 1) More space—infinite space for news and advertising; and 2) Immediacy of delivery. And, unlike cross-ownership, we did not have to go to the Federal Communications Commission for permission."

Even so, Morris doesn't yet foresee a day coming when home delivery of printed broadsheets will be completely replaced by electronic delivery. Nor are newspapers giving up on traditional media opportunities as they focus increasingly on the Web. NAA and the American Society of Newspaper Editors have a major research, repositioning and branding project underway which is aimed at reversing the trend of declining circulation and attract young adults who tend not to subscribe to newspapers. Also, NAA is gung-ho on its efforts to end the FCC ban on newspaper-broadcast cross-ownership (*RBR* 9/20, p. 2).

Morris Communications is one of the newspaper companies which already owns broadcasting properties—21 radio stations, although not in the same markets as any of its 40 newspapers. It also owns billboards.

**RBR observation:** We doubt that Morris' vision of all major newspaper groups working together on a single, nationwide classifieds database is likely to be implemented. Several of the biggest publishers already have substantial investments in proprietary Internet classifieds ventures, such as the BrassRing joint venture of the Tribune Co. (N:TRB) and the Washington Post Co. (N:WPO) which we reported last issue (*RBR* 9/27, p. 11) and Cox Interactive Media, which has Web operations incorporating all of the Cox Enterprises media companies—newspaper, radio, TV and cable. Still, we would expect to see more and more newspapers team up in joint ventures to defend their classifieds turf against the new competitors.—JM

## News Briefs

### Jackson-Kennard meeting

As *RBR* went to press 9/30, Rev. **Jesse Jackson** was meeting with Chairman **Bill Kennard** to discuss Jackson's concerns (*RBR* 9/27, p. 2) about the proposed merger of Viacom (N:VIA) and CBS (N:CBS). For an update on this breaking story, go to [www.RBR.com](http://www.RBR.com).—JM

### McCain for president

Although he's been campaigning for nearly a year, Sen. **John McCain** (R-AZ), the powerful Senate Commerce Committee Chairman who's been a heavy pusher for FCC reform and deregulation, formally launched his pursuit of the GOP presidential nomination last week while visiting New Hampshire.

McCain, a former Navy pilot and prisoner of war, kicked off his campaign 9/27 by announcing his top priorities—campaign finance reform and stronger defense measures. He also vowed to save Social Security and cut taxes if elected.—TS

### NAB wants your info

Broadcasters are once again being asked to fill out the NAB's survey on public service, which in turn, will enable the association to update its "Bringing Community Service Home" program. The 1998 survey showed that broadcasters were responsible for \$6.8B in public service activities.—TS

### Ownership rules effective soon

We're sure that **Mel Karmazin** and **Sumner Redstone** have starred November 16th on their calendars—that's the day that the FCC's new relaxed ownership rules go into effect and CBS and Viacom may file their duopoly with the Commission (*RBR* 9/13, p. 6).

New rules adopted last month (*RBR* 8/9, p. 3) will allow broadcast groups to own two TV stations in one market under certain conditions. Also permissible: two TV stations and up to six radio stations in a market.—TS

### AP still in settlement discussions with SNS, ABC, Reuters

A decision may be reached soon—most likely by next month—as to whether the Associated Press will file suit against DC-based States News Service, ABC and Reuters (*RBR* 7/5, p. 3). "We're still in settlement discussions and we have still not reached the point where we can say we're settling or suing," AP attorney **Andrew Deutsch** tells *RBR*. "It may be over pretty soon—one of the ways we may settle out is with an agreed press release."—CM

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## Group demands rollback on LPFM extension

Angered LPFM supporters are calling on the FCC to reverse its most recent decision to extend the reply comment period, saying the extension is unnecessary and has "prejudiced" their "procedural rights."

Several aspiring low-power broadcasters, filing through the Amherst Alliance, complain that they were not informed of the latest deadline extension—of a 9/17 deadline—until 9/17 itself.

Last month the FCC said it extended the reply comment period for the "final time" from 9/17 to 14 days after it submits rules for digital radio. The Commission is expected to bring up the rules at its 10/21 meeting—meaning the new deadline should fall on 11/5 (*RBR* 9/27, p. 3).

But the Amherst Alliance is not taking the Commission at its word: the group is asking for "a clear Commission declaration" that no further extensions will be granted. The group also asked for a rollback deadline date to 10/1 (which was clearly not granted), or a compromise—to retain the 11/5 deadline, but only accept those filings after 10/1 which address IBOC DAB.

"This approach enables the Commission to receive the input it wants on IBOC digitalization without allowing low-power radio opponents an extra 35 days to 'rebut the rebuttals' of low-power radio supporters," writes the Alliance.

Even though the deadline for LPFM reply comments has been extended, the Alliance did file its comments before the 9/17 extension and says that while most LPFM supporters do not advocate digital radio, they can accept it as long as there will still be room on the band for LPFM stations.

"We believe that IBOC and low-power radio can be made compatible with each other. We add, however, that low-power radio should be given priority when and if collisions of interest occur," states the group. "After all, the demand for low-power radio is broadly based, intense and rooted in the listening public—while IBOC digitalization is demanded by only a handful of megacorporations."—TS

## MMBS continued from page 2

capacity data services (i.e. RBDS, Intelligent transportation systems) to 5.1 channel, full CD-quality audio. In the comments, CEMA points out that it "remains to be demonstrated that an IBOC approach can provide CD audio quality, compatibly, with robust coverage and performance...It is apparent to CEMA and its members that a new broadcast service that provides anything less than CD-quality has questionable appeal to listeners."

CEMA, well-known to doubt the practicality of IBOC, has considered the use of this spectrum for a Eureka-147-type (the DAB standard used in Germany and Britain) of system that could potentially usurp IBOC here in the US. "There are a number of schemes for the way the bandwidth will be divided. Some of them call for multiplexing in time so that you could fit a lot of simultaneous digital streams on the same frequency," CEMA spokesperson **Matt Swanston** told *RBR*.

Isn't that like Eureka-147? "Yep," Swanston confirmed. "However, we don't envision the system as just another digital audio carrier. We have bigger plans for it. It would be a much more efficient allocation of the same size of bandwidth, because the system would be designed from scratch to handle that sort of data throughput."

You mean you wouldn't have to worry about designing around an analog signal? "Right," he said.

"I think it is another concept of providing a brand new radio service that just isn't needed. Radio serves the public and does it very well. The future of radio is for broadcasters to use the spectrum already allocated to it and this new spectrum, which is very valuable, will be sold at auction. There are a lot of other people interested [there were 83 total comments filed] in obtaining this spectrum, and every one of them wants to serve the public interest," said **Charlie Morgan**, NRSC Chairman and SVP, Susquehanna. "Why then, should we give up what we have to get a new radio broadcasting spectrum? Today, as long as IBOC will work, we will have a system to bring digital transmission to the radio industry—there is no need for new spectrum."

CEMA urges the Commission to form a government/industry Advisory Committee to determine if the new spectrum would be in the public interest, recommend a single technical standard and establish an auction process. Any auction could not be conducted until after 1/1/01. Existing analog UHF stations are protected from interference until the DTV conversion deadlines ('06, subject to the 85% of homes with digital receivers rule). "The space is currently occupied by those stations—that's one of the reasons that we're trying to get some movement on it is because we want it to be planned from the beginning," said Swanston.

USADR VP Business Development and Operations **Jeff Jury** wonders if the industry is willing to wait another two years for DAB: "We did file comments on this. We believe the benefits that they're talking about will be provided by IBOC. So it's unnecessary to go through the process of going out and getting new spectrum. That's 2001, this is 1999—if you think about where we are in the process, to wait another few years and start talking about a new service...we're making tremendous progress moving IBOC forward, and we believe that's the solution that's going to best meet the needs of listeners and broadcasters. IBOC provides a much smoother transition than going with a new spectrum approach."

CEMA's "Discovery Group" met 9/16 to determine interest in the proposed MMBS. 44 execs from the broadcasting, consumer electronics, automotive and IT fields were present.

**RBR observation:** The new spectrum must be auctioned, by law. Would broadcasters be willing to pay for new digital turf when they can have it free on the FM band? Broadcasters should beware that this new spectrum could end up being a service in direct competition to FM and AM. Morgan mentioned that the 36 MHz spread could "fit double the amount of radio stations we have today."—CM

by Carl Marcucci

## AMFM's Jammin' Oldies: No flash in the pan



AMFM Inc.'s (N:AFM) Jammin' Oldies format launched in SF last year on KISQ-FM. Since then, the company has flipped 13 other stations over and hasn't finished yet: KCMG-FM LA, WUBT-FM Chicago, WTJM-FM NY, WOCL-FM Orlando, WZJM-FM Cleveland, WJMO-FM Washington, KTXQ-FM Dallas, WJJJ-FM Pittsburgh, KFMK-FM Austin, KKME-FM Modesto, WABT-FM Albany, KHYL-FM Sacramento and KDJM-FM Denver.

RBR asked AMFM Inc. Vice Chairman and Radio President **Jimmy de Castro**, Chief Programming Officer **Steve Rivers** and COO Operations **David Lebow** to detail the strategy behind the format, give a glimpse into what drove it and the kind of risks AMFM is willing to take with new formats altogether.

### **Tell us the history of how "Jammin' Oldies" was conceptualized and then developed.**

**de Castro:** As you are quite familiar, success has a thousand fathers, failure is an orphan. So there are a lot of people who contributed to the success of Jammin' Oldies. In the initial stages, it was a concept in the minds, eyes and musical tastes and backgrounds of myself, **Steve Rivers**, **Harold Austin** [PD, KKBT-FM LA], with a little help quietly on the side from **Keith Naftaly**.

We began the process with a research project called "Project David," which is actually named after a brother of mine, whom I lived with in SF when I was right out of college.

David was gay and he ended up dying of AIDS. So, this was kind of a tribute project to me, because all the music that surrounded his world and my world when I got out of college was A Taste of Honey: "Boogie Oogie Oogie," "Best of My Love," the Emotions. All that great old Rhythm-Oldies music that took SF by storm—the women loved it, the Asians loved it, the gay population loved it, the heterosexual population loved it. I mean it was a crossover of music that basically made everyone feel good.

### **So that sort of stuck in your mind.**

Yes, that is where Keith came in, because Keith knew the SF market so well, and I had always used him even

after he went on to the record world when we built KTU. I always used Keith as a sounding board. Steve Rivers totally understood what I was talking about and agreed with it. He took the framework of the idea and suggested that if we delivered it with the Contemporary CHR-style approach that it could not be pigeonholed in just the Oldies arena, but that it would have depth, breadth and life. And you wouldn't have to just play two songs by Earth, Wind and Fire, but that there are 200 songs in the genre that could give the format some breadth.

So that's where we included Harold Austin in the process, who had such great musical ears in both SF and in LA. The real grandfather of the process of the format was Kiss in SF, even though we didn't call that Rhythm Oldies, because it was leaning in more of an African-American genre in SF. The first one to actually be called Jammin' Oldies was Mega in LA.

### **Jammin' Oldies differs from market to market. What is each market skewed toward and why?**

**de Castro:** In SF, you would have more of an Urban and Asian flavor. In LA, you have more of a Hispanic flavor. In Dallas, it is more of an Hispanic and white flavor. In Washington, it's pretty clear that we want to lean it in a little more Black direction, because we have an Oldies station. NY is a combination of Black, Hispanic and white. So each has a different lean in terms of content in the genre of the years of music that you play and the flavor of the music played.

**Rivers:** In each market, we've done research to find out particular musical tastes of people in each of these cities. The center of these radio stations is really 70s R&B. And, depending on the market, we may increase the number of 60s R&B per hour and reduce the number of 80s R&B per

hour. But when it's all said and done, it's really a 70s R&B kind of radio station.

The ethnic base varies from market to market. In some markets, a Latino base is a lot higher than it is in other markets, so that may color the results of the music tests in that direction. In Chicago, for example, because we have two very strong Urban radio stations there, we really didn't want to go up against them, and so we purposely targeted Jammin' Oldies in Chicago against white listeners. And the beauty of the format is, even doing that, we still have a substantial amount of Black listeners that listen to the radio station.

The presentation also factors into this as well, too. Some of the radio stations are more compatible with Black listenership than others. When it gets down to it, at the end of the day, we really try to respond to what listeners in each of these cities are telling us they would like on the radio.

All the stations are targeted to 25-54. The narrow target is 35-44, 60% Women, 40% men.

#### **How did your flanker attack strategy play into formatting some Jammin' Oldies stations?**

**de Castro:** I think originally our flanker attack was that we wanted to come in many of the markets where we already had dominant positions in 25-54. If you take a look at Chicago, for example, we already had the top four 25-54 radio stations there—WVAZ, WGCI, WLIT and WNUA. So we wanted to come in there and we didn't want to attack our own 25-54 numbers. Specifically in that market, we had to be very delicate about some of the Urban product. When we first came up with the concept there and researched it, the GMs at 'VAZ and 'GCI were concerned that it may eat into their TSL and really hurt their audience. The first book on, the 'VAZ was one, 'GCI was two and The Beat was three. So, clearly, we had to carefully come in on a flanker attack to make sure that we were not going at our own radio stations.

In Washington, DC in our first trend, WBIG went up and Jammin' Oldies was two. So it was two and three, 25-54, in Washington, DC where in other markets, we had a significant impact on the Oldies stations. Each market is delicately re-



11/2/98: Jimmy de Castro and The Temptations turn on Jammin Oldies Chicago

searched and each market is fine-tuned to be different. That's why when you are in NY, you will hear a different Jammin' Oldies than you might in Chicago, or as you certainly would in LA.

#### **You now have 14 stations now formatted to Jammin' Oldies. How has the new format affected projected cash flow?**

**de Castro:** The projected cash flow between the years 1998 and 2000 will be an additional \$50M on eight of those stations. For WTJM in NY we went from minus \$2M up to \$8M in flow this year. In LA, we went from \$5M to \$15M over that period of time, similarly in Dallas, Chicago and SF. A lot of them are much newer, we just flipped them, so they don't have that much impact yet—but they will.

#### **How are ratings doing in each market?**

**Lebow:** The first and most important thing: in every market where we've [flipped] they are at the very least top 10 25-54, many are top five. For example, Kiss in SF has been top five very consistently 25-54. We had one wobble off that in the Spring because there was a month where Arbitron showed we had no listeners all of a sudden.

Perhaps the most important thing is the significant improvement there has been in every market (see chart p.10). The average increase is 160%. For example, if you look at KTXQ in Dallas when it was a Rock station vs today, that's over a 200% increase. The good news is: 1) They're all top 10 players 25-54 and many are top

five. 2) There are significant improvements which means we are serving more listeners and more advertisers and ultimately our shareholders. These stations are up hundreds of percent. 3) The stations are right on their ratings projections—they are exactly where they projected them to be at this point in the revolution. They're not done—we still have a long way to evolve the format with people like Steve Rivers, **Steve Smith**, **Joel Salkowitz** and **Don Parker** and all the others working on it.

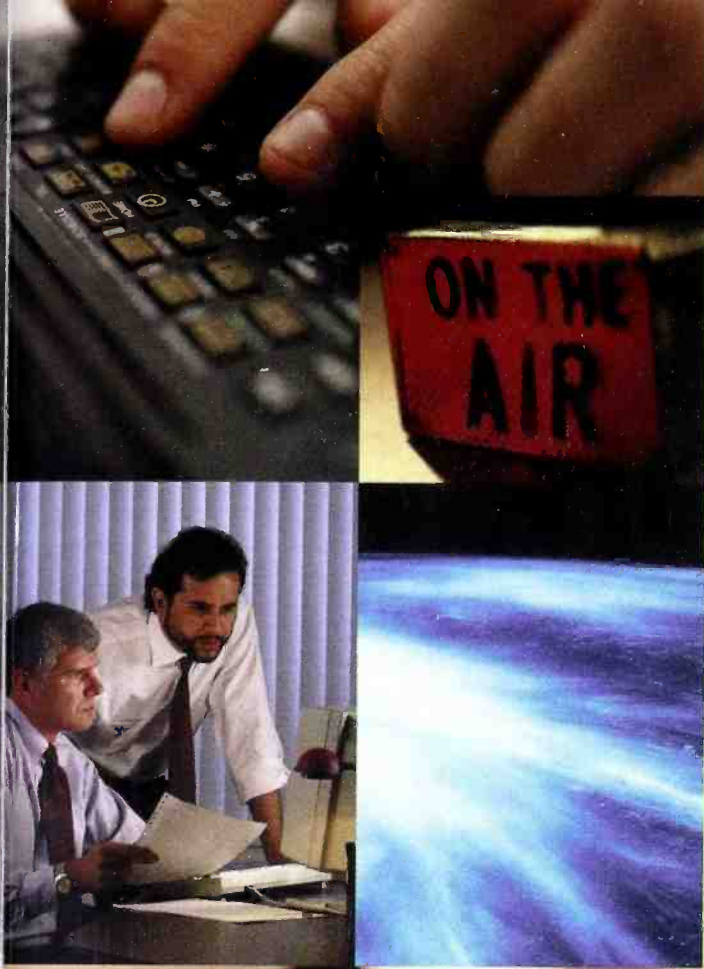
#### **Tell us about the research findings that help build Jammin' Oldies**

**Rivers:** We had the ability to look at two different research studies that were done a year apart, that basically showed us a really good opportunity in SF to do this particular format. Based upon that, we fielded a music test and once I saw the songs that came back, I really had a good idea in my head about what the radio station should sound like.

The format first began in SF August '98 with Kiss there and has evolved into what you hear today on the other Jammin' Oldies radio stations.

The original study was done by somebody else, and when we acquired Wild [KYLD-FM], we had a chance to look at that particular study. I saw in there this opportunity and so I had Strategic [Research] check [it out] and it came back equally as huge a year, almost two years later. Based upon that, Jimmy and I sort of converged and said, 'You know what, we really should take a look at this thing seriously because it is such a huge opportunity and if we don't do it somebody else will.'





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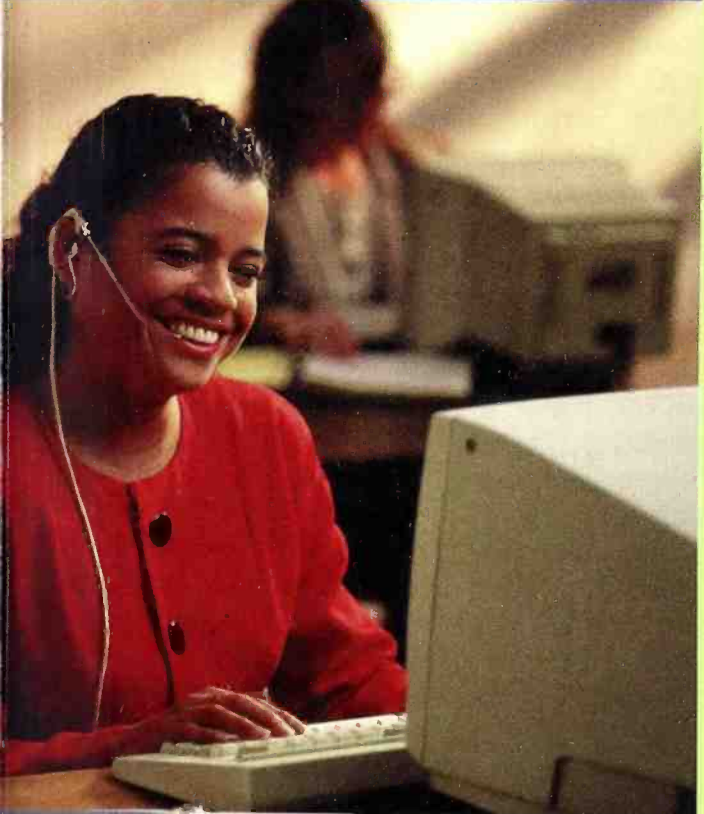
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**What are you doing to promote these stations to agencies and audience?**

**de Castro:** To the audience, we are obviously promoting it with contesting and concerts. You need the ability to go out in the community and what better than to have the spokesmen of **Barry White** and "Earth, Wind, and Fire" for "Mega Jam One," or "Jammin' Oldies One." We feel that it is a wonderful opportunity for us to extend our brand and make money at it. In fact, that is what we are doing.

In many of the markets, we've done some very unique television. In most of the cases, when we've introduced new formats, we've used television to introduce the format as it relates to the agencies. The buyers love this music, because most of them all grew up with it. So as a tie-in to our promotions and parties,



Rivers

we have the buying community loving the format. They also love the fact that in most cases they had a stale buy to have to make between the ACs the Oldies in the markets. They now can refine those buys, pick up much of the ethnicity of these growing markets. So I think it is a wonderful opportunity for the buying community.



Lebow

**How much does the bottom line**

**affect risk-taking at AMFM Inc. when trying new formats?**

**de Castro:** We can take greater risks now than we ever could before—the power of the clusters and the power of dominant broadcasters. You can take a look at our position in NY. When we came in to NY, we gambled the whole company. Actually, we gambled it twice. We gambled it when we changed KFAC [now KKBT] to Urban in LA and when we changed WKTU in NY to Dance. When we came in, Ginsburg and people above me were dead against changing the Country format. They thought they

could make it work like Westwood One and Doubleday did here. We came in, made the changes in format, and went from making \$3M in flow in '95, to making \$20M flow this year. That enabled us to buy Z-100, to buy WLTW and to do the two turn-arounds at WAXQ and Jammin'. Now we are going to do \$87M. We budgeted \$74M this year. We are going to do \$87M in cash flow and over \$100M next year. That is bigger than the sixth largest company, only because we took the risks.

But, that is why we took the risks. And we didn't stop there, if you really look at how we've continued to refine and do new formats. We have four or five new formats now: Spanish Talk, On-line Only, Rock-based Oldies and Rhythm Oldies. And those have all been within the last 12 months and are brand new, risky-type formats. So, I absolutely think that the current state of the business allows us to have much more freedom to experiment with stuff than we ever would have done as a company that had 12, 15 or 18 stations.

**What other formats are being looked at right now? Do you have any predictions for the next big one?**

**Rivers:** We're always trying to look for the next one. The population bulge has moved from 25-34 to 35-44, primarily. We've been toying a little bit with this Classic Hits format 60s, 70s, 80s [WWWW-FM Detroit, WLOL-FM Minneapolis] and our version of it, and that seems to be bubbling up in a lot of things that we see. We're seeing Alternative Classics [i.e. ABC's WPLT-FM Detroit] pop up in a couple places too.

**Tell us about the "Flash-in-the-pan" story and your response**

**de Castro:** The first person to surface it was **Jeff Smulyan** [Emmis

**AMFM vs. Infinity: Oldies competition**

	25-54 Rank	Sp 98	Sp 99
<b>New York</b>			
WTJM	#9	1.9	3.8
WCBS	#4	5.5	4.7
<b>Los Angeles</b>			
KCMG	#11	3.7	3.0
KRTH	#10	3.8	3.1
<b>Chicago</b>			
WUBT	#4	3.2	4.4
WJMK	#14	5.0	3.3
<b>Dallas</b>			
KTXQ	#5	2.2	5.0
KLUV	#9	3.8	4.2
<b>San Francisco</b>			
KISQ	#10	3.7	3.0
KFRC	#6	3.5	3.5

Source: AMFM

CEO]—Jeff in one of his analyst conference calls said, "Oh yeah, That Rhythm Oldies is just a flash-in-the-pan." There are a lot of people who have attacked the format as a flash-in-the-pan—a one-hit wonder. Nothing could be further from the truth, if you look at the significant ratings and the significant cash flow, city after city. We are still developing and changing the format. The fabulous thing about the people involved in AMFM is that we love that challenge. And we aren't just pleased with one book and aren't we great. We're really trying to give this format a lot of depth and breadth. I think it has a lot greater depth and breadth than Classic Rock or Oldies ever had.

**Lebow:** The reality is this; NY is the perfect example. Our research told us that at this point in time—not forever, because we want to be a Top five station in NY—we'd be eight or ninth 25-54. What happened is the station came out of the box and it's second and third and fourth. It's bigger than the research even said, because of the enthusiasm and some of the people who sampled it and so on. Then, it settles in to exactly where Strategic Research says it's going to be. I think we're exactly seventh or eighth in NY right now. Month to month—it's either seventh, eighth or ninth 25-54.

But because once upon a time it hit second or third, someone who is just looking to criticize us and just take a shot is going to say that. I'm surprised that Jeff Smulyan said that because he's really smart.

## September 29—RBR Stock Index 1999

Company	Mkt:Symbol	9/22 Close	9/29 Close	Net Chg	Pct Chg	9/29 Vol	Company	Mkt:Symbol	9/22 Close	9/29 Close	Net Chg	Pct Chg	9/29 Vol
Ackerley	N:AK	12.500	12.188	-0.312	-2.50%	30000	Hearst-Argyle	N:HTV	23.438	20.313	-3.125	-13.33%	75900
Alliance Bcg.	O:RADO	0.438	0.438	0.000	0.00%	1400	Hispanic Bcg.	O:HBCCA	84.750	79.375	-5.375	-6.34%	237800
Am. Tower	N:AMT	22.250	19.500	-2.750	-12.36%	4797200	Infinity	N:INF	26.813	27.250	0.437	1.63%	653900
AMFM Inc.	N:AFM	56.000	54.938	-1.062	-1.90%	659500	Jeff-Pilot	N:JP	63.563	61.813	-1.750	-2.75%	289200
AMSC	O:SKYC	19.000	17.813	-1.187	-6.25%	774000	Launch Media	O:LAUN	14.563	12.375	-2.188	-15.02%	74600
Belo Corp.	N:BLC	20.250	19.250	-1.000	-4.94%	141100	NBG Radio Nets	O:NSBD	3.375	3.125	-0.250	-7.41%	7600
Big City Radio	A:YFM	4.250	4.000	-0.250	-5.88%	1000	New York Times	N:NYT	39.500	38.250	-1.250	-3.16%	349600
CBS Corp.	N:CBS	48.313	46.688	-1.625	-3.36%	2276200	Otter Tail Power	O:OTTR	43.250	42.750	-0.500	-1.16%	5800
CD Radio	O:CDRD	27.500	24.750	-2.750	-10.00%	877300	Pinnacle Hldgs.	O:BIGT	26.063	24.875	-1.188	-4.56%	141600
Ceridian	N:CEN	27.688	26.188	-1.500	-5.42%	342100	Radio One	O:ROIA	41.875	40.188	-1.687	-4.03%	53100
Citadel	O:CITC	35.375	33.438	-1.937	-5.48%	827200	RealNetworks	O:RNWK	103.375	100.000	-3.375	-3.26%	992000
Clear Channel	N:CCU	76.500	76.375	-0.125	-0.16%	1078200	Regent Pfd.	O:RGCP	8.250	8.250	0.000	0.00%	2700
Cox Radio	N:CXR	58.750	56.125	-2.625	-4.47%	7300	Saga Commun.	A:SGA	23.875	23.188	-0.687	-2.88%	1200
Crown Castle	O:TWRS	19.063	18.500	-0.563	-2.95%	256200	Salem Comm.	O:SALM	27.375	26.625	-0.750	-2.74%	47000
Cumulus	O:CMLS	28.750	29.875	1.125	3.91%	140700	Sinclair	O:SBGI	10.500	9.500	-1.000	-9.52%	1606200
DG Systems	O:DGIT	3.500	3.375	-0.125	-3.57%	64300	SpectraSite	O:SITE	11.313	11.938	0.625	5.52%	39600
Disney	N:DIS	27.375	26.188	-1.187	-4.34%	5337000	SportsLine USA	O:SPLN	29.500	27.938	-1.562	-5.29%	153500
Emmis	O:EMMS	69.250	68.000	-1.250	-1.81%	170200	TM Century	O:TMCI	0.875	0.875	0.000	0.00%	0
Entercom	N:ETM	40.750	40.125	-0.625	-1.53%	161300	Triangle	O:GAAY	0.080	0.060	-0.020	-25.00%	1811700
Fisher	O:FSCI	60.625	59.000	-1.625	-2.68%	100	Tribune	N:TRB	48.500	47.938	-0.562	-1.16%	382600
FTM Media	O:FTMM	9.750	9.125	-0.625	-6.41%	0	Westwood One	N:WON	49.938	46.250	-3.688	-7.39%	332600
Gaylord	N:GET	29.438	29.188	-0.250	-0.85%	18800	WinStar Comm.	O:WCII	58.125	39.125	-19.000	-32.69%	7833500
Harris Corp.	N:HRS	24.500	28.063	3.563	14.54%	399200							

### Entercom raising cash on Wall Street

To fund its pending \$824.5M purchase of 46 Sinclair (O:SBGI) stations, Entercom has filed to sell 8M new shares, plus 1.5M being sold by Field family members and the **Joseph and Marie Field Foundation**. That would raise around \$320M for the company at recent stock prices. In addition, Entercom is selling \$150M of term income deferrable equity securities (TIDES), a type of preferred security which would be convertible to common stock. Underwriters: CS First Boston, Deutsche Banc Alex. Brown, Goldman Sachs & Co. (stock only), Morgan Stanley Dean Witter (stock only), Banc of America Securities (TIDES only)

### SBS & AMFM buying back bonds

Both Spanish Broadcasting System and AMFM Inc. (N:AFM) announced bond buybacks. SBS is tendering for "any and all" of its \$102M in 12.5% senior notes due 2002 and \$75M in 11% senior notes due 2004 (series B)—all contingent upon completion of its pending IPO. AMFM is tendering to buy back approximately \$294M

in 10.75% senior subordinated notes of its Capstar Communications subsidiary.

### CD Radio sells stock to Ford

CD Radio (O:CDRD) completed offerings of 3M shares of its common stock and \$125M in 8.75% convertible subordinated 10-year notes. The \$74.25M stock sale included around 800K shares sold to Ford Motor Co. (N:F) at

the offering price of \$24.75. Ford also holds a warrant to buy up to 4M shares for \$30 each upon meeting targets for manufacturing hundreds of thousands of vehicles equipped with CD Radio satellite receivers. To exercise the entire warrant, Ford will have to turn out 4M such vehicles by 6/11/2009. Underwriters: Merrill Lynch, Lehman Bros., Bear Stearns & Co., Banc of America Securities, C.E. Unterberg Towbin

### Disney plans second French park

Dow Jones—French theme park operator Euro Disney SA said 9/29 that it will build a second theme park in Paris for 4.0B French Francs (\$638M).

Funding for the park will come from a 1.5B French Francs (\$239M) rights issue, subject to shareholder approval at an extraordinary general meeting 11/2—and a 2.5B French Francs (\$398M) long-term loan from Caisse des Depots et Consignations (CDC), one of Euro Disney's main bankers. Walt Disney Co. (N:DIS) will subscribe to 39% of the rights issue, reflecting its stake in Euro Disney.

The park will open sometime in spring 2002. It will take its theme from French, European and Hollywood cinema, cartoons and television, the company said.

Plans for a second theme park—next to the current park at Marne-La-Vallee—were part of the original 1987 agreement between the French government and Disney.

The French government has agreed to speed up building work on a new interchange and feeder road linking the A4 highway to the parks, which should both be in place from 2002. Euro Disney also said it has renegotiated interest rates on 3.5B French Francs (\$558M) in existing loans with CDC down to 5.15% from 7.85% "to take into account the historic low in market interest rates."

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# TRANSACTION DIGEST™

by Jack Messmer & Dave Seyler

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

**\$15,000,000 WFLP-AM, WLKK-AM, WRKT-FM & WRTS-FM** Erie PA (North East-Erie PA) from Rambaldo Communications Inc. (Richard Rambaldo) to NextMedia Group LLC (Steve Dinetz, Carl Hirsch, Peter Bordes Jr., Samuel Weller, Steven Smith, Matthew Leibowitz, Jacques Kerrest, Richard Rambaldo, Edward Bennett, Ricky Eytcheson). \$12M in cash at closing, stock valued at \$3M. Existing double **duopoly**.

**\$2,500,000 WNNH-FM** Manchester NH (Henniker NH) from Clark Broadcasting of New Hampshire Inc. (Clark Smidt) to Tele-Media Company of New Hampshire LLC, a subsidiary of Tele-Media Communications Holding LLC, owned 53.51% by Pacesetter Growth Fund LP (Thomas Gerron, Divakar Kamath, Donald Lawhorne) and 46.49% by Tele-Media Broadcasting LLC (Robert Tudek, Everett Mundy, Frank Vincente, Douglas Best, Ira Rosenblatt). \$150K escrow, balance in cash at closing. LMA since 8/23. Broker: Clark F. Smidt Inc.

**\$2,200,000 KWPC-AM & KWCC-FM** Quad Cities (Muscatine IA) from Muscatine Communications Inc. (John & Darlene Schwandke) to WPW Broadcasting Inc. (Wayne Whalen). \$2K escrow, \$1.7M (less escrow) in cash at closing, \$500K note. Note: No contour overlap with KCLN-AM & KZEG-FM Clinton IA.

**\$1,500,000 WKZM-FM** Sarasota FL from Christian Fellowship Mission Inc. (Sanford Sommers, pres.) to The Moody Bible Institute of Chicago (Joseph Stowell, pres.). \$1.5M cash.

**\$1,500,000 KREB-AM & FM & KBRF-FM** Fayetteville AR (Rogers-Springdale-Huntsville AR) from Hochman Communications Inc. (George Hochman) to Butler Broadcasting LLC (Thomas Embrescia, Stephen Butler, Joseph Restifo, Scott Finerman, Christopher Maduri). Butler is acquiring an option held by Cumulus Media (O:CMLS) to acquire these stations for

\$875K cash and a \$500K note. A letter agreement states that the total price for the sale to Butler is \$1.5M, with Hochman acting as broker. Cumulus previously bought three other stations in the market which had been owned by Hochman. Existing **duopoly**. Broker: Hochman Communications

**\$900,000 KALO-AM** Port Arthur TX and **KLBG-AM** Alexandria LA from Faith Broadcasting LP (Richard McDugald, VP) to Radio Maria Inc. (Joe Bertels, pres.). \$50K escrow, additional \$450K in cash at closing, \$400K note.

**\$800,000 WRCR-FM** Rushville IN from Quantum Broadcasting Corp. (Louis Disinger, Jon Lamey) to RSE Broadcasting LLC, a subsidiary of RushShelby Energy REC Inc. (Keith Theobald, Chairman and one of 13,000+ member/owners of this rural electric membership cooperative). \$25K escrow, balance in cash at closing. Broker: Roehling Broadcast Services

**\$744,500 WINF-AM, WKDW-AM & WSVO-FM** Waynesboro-Staunton VA from Clark Broadcasting Company (Robert Flanagan, VP) to Douglass Communications LLC (Michael Douglass). \$744,500 note. Existing **duopoly**. Note: Douglass is CEO & a 20% shareholder of the seller, which is divesting all of its remaining stations.

**\$535,000 WHLD-AM** Buffalo (Niagara Falls NY) from Butler Communications Corp. (Paul & Joan Butler) to Mercury Radio Communications LLC (Charles Banta, Peter Fahey, Kevin Kennedy, William Saurer, Sandra Miller, Broadcasting Partners Holdings LP, MidMark Capital LP). \$285K in cash at closing, \$100K note, \$150K under non-compete agreement. **Superduopoly** with WMNY-AM, WGRF-FM, WEDG-FM & WHTT-FM. LMA since 8/13.

**\$470,000 WLQH-AM & FM** Chiefland FL from White Construction Company Inc. (Luther White) to Ocala Broadcasting Corporation LLC, a subsidiary of Wooster Republican Printing Company (R. Victor Dix, Robert Dix Jr. and other Dix family members), known as Dix Communications. \$52K escrow, balance in cash at closing. Note: No contour overlap with Dix's Gainesville-Ocala stations.

**\$435,000 WKBZ-AM** Muskegon MI from WLC Broadcasting Inc. (Nathaniel Wells Jr.) to Harbor Pointe Broadcasting LLC

(Anthony & Edward Brandel). \$25K escrow, balance in cash at closing.

**\$380,000 WOON-AM** Providence RI (Woonsocket RI) from Willow Farm Inc. (Keating Willcox) to O-N Radio Inc. (David LePage). \$380K note. Ends **duopoly** with WNRI-AM.

**\$200,000 KRVK-FM** Casper WY (Midwest WY) from Robin B. Thomas d/b/a New West Broadcasting Company to Citicasters Co. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). \$10K escrow, balance in cash at closing. **Superduopoly** from KTWO-AM, KKTL-AM, KWYY-FM, KMLD-FM & KTRS-FM. LMA since 7/15. Broker: McCoy Broadcast Brokerage

**\$150,000 WGAW-AM** Gardner MA from WGAW Inc. (Douglas Rowe) to Willow Farm Inc. (Keating Willcox). \$15K escrow, balance in cash at closing. Broker: The Sales Group

**\$100,000 KMGW-FM** Casper WY from Citicasters Co. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU), to Mt. Rushmore Broadcasting Inc. (Jan Gray). \$10K escrow, balance in cash at closing. The buyer will receive the FCC licenses of KMGW and the intellectual property of KMLD-FM, which Clear Channel is acquiring from Mountain States Radio (*RBR* 7/26, p. 12). **Superduopoly** with KVOC-AM, KQLT-FM, KASS-FM & KHOC-FM. Broker: McCoy Broadcast Brokerage

**\$100,000 KTHE-AM** Thermopolis WY from D. Mark Inc. (Mark Jackson) to Jimcar Inc. (Jimmy Ray & Carol Mae Carroll). \$5K escrow, balance in cash at closing.

**\$90,000 KTRI-FM** Masfield MO from Pearson Broadcasting of Mansfield Inc. (Max Pearson), part of the Pearson Broadcasting group, to Galen O. Gilbert. \$90K in cash at closing to The Bank of Mansfield in satisfaction of all of the seller's liabilities.

**\$60,000 WSBI-AM** Static TN from Hank Thomas to Donnie S. Cox. \$60K cash.

**\$10,000 KTIJ-FM CP** (98.5 mHz) Elk City OK from Women, Handicapped Americans, and Minorities for Better Broadcasting Inc. (Doreen Hubert) to Spirit Broadcasting LLC (David Reeder). \$100K downpayment, additional \$9.9K in cash at closing.

**1 KATI-FM CP** (94.3 mHz) Columbia MO from CMB II (Alan Brill),

via assignment of purchase right from MVP Radio Inc. (David & Tom Zimmer), to Zimmer Radio of Mid-Missouri Inc. (Jerry, John, James & Donald Zimmer). This transaction is related to a larger settlement (*RBR* 8/23, p. 12). **Superduopoly** with KFAL-AM, KLIK-AM, KTGR-AM, KLSC-FM, KCMQ-FM, KCLR-FM, KKCA-FM & KTXV-FM. Note: No more than four FMs and seven total stations overlap at any point.

**N/A KVBC-FM** Las Vegas NV, 80% voting interest in Sextant Broadcasting Company from Compass Communications Company (Gerald Proctor), which will retain 20%, to Meridian Communications Company (Suzanne Rogers, Perry Rogers, Kim Rogers Cell, J. Dominic Monahan).

Under a 1998 agreement, the parties exchanged non-voting stock, giving Meridian a non-attributable interest in KVBC-FM and Compass a non-attributable interest in KMCC-TV CP (Ch. 34) Lake Havasu City AZ. Both are now converting their interests to voting shares.

**N/A FM CP** (89.1 mHz) Phoenix (Fountain Hills AZ) from Educational Media Foundation (Richard Jenkins, pres.) to American Family Association (Donald Wildmon, pres.). Transfer pursuant to FCC-approved settlement agreement under which American Family Assn. withdrew competing applications to allow Educational Media to receive CPs in the Omaha and Tucson markets.

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