

# RADIO BUSINESS REPORT™

VOICE OF THE RADIO BROADCASTING INDUSTRY®

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## LPFM hits a wrinkle in the House

Congress' impatience with the FCC and its low-power FM proposal actually took on a name last week: it's called the Radio Broadcasting Preservation Act of 1999 and was introduced by five House members in an attempt to ward off any LPFM possibilities.

The Act, introduced 11/17 by Rep. **Mike Oxley** (R-OH) and cosigned by Reps. **Barbara Cubin** (R-WY), **Cliff Stearns** (R-FL), **Frank Pallone** (D-NJ) and **Robert Ehrlich** (R-MD), would prohibit the FCC "from establishing rules authorizing the operation of new, low-power FM radio stations."

Further, the legislation would void "any low-power radio licenses issued pursuant to such rules."

This is not the first time that Chairman **Bill Kennard** and his agency have felt the temperature rise from Congress over LPFM—Reps. Oxley and Stearns this past summer ordered the FCC boss to compile a report on how the Commission plans to implement LPFM service without interference to existing FM stations (*RBR* 8/30, p. 6).

Sen. **John McCain** (R-AZ), head of the Senate Commerce Committee which oversees the FCC, has also expressed his concern over LPFM: "If full-power radio stations are finding it increasingly difficult to succeed in the market, exactly how is a microbroadcaster going to be successful," he tells *RBR*. "The low-power FM proposal seems to be a throwback to the days before interac-

tive Internet technology, when broadcasting was the *only* way of speaking to a mass audience."

NAB's CEO/Pres. **Eddie Fritts** lauded the Act as a way to "stop the FCC's misguided initiative" on LPFM.—TS

## Is the King/Sharpton \$4B bid for real?

Rev. **James Dixon** of Houston's Northwest Community Baptist Church tells *RBR* that he was one of eight people, including Rev. **Al Sharpton** and boxing promoter **Don King**, who met with Clear Channel (N:CCU) CEO **Lowry Mays** and Dixon confirms that the group made a serious \$4B bid for all of the radio stations being spun off in the Clear Channel-AMFM merger.

Dixon won't disclose the source of the group's funding, but says it is definitely a serious offer and that "the purchasing entity would meet FCC standards." That apparently means that voting control would rest with someone other than King, due to his criminal record (*RBR* 11/15, p. 3).

Although he has a radio and TV ministry, Dixon says he and the others are not planning to run the stations. Rather, they want to ensure that the stations are put into minority hands and are currently talking with experienced minority broadcasters who would be able to operate the stations.

## Radio powers into 2000

"December looks unusually strong at this point," says **George Nadel Rivin** of Miller, Kaplan, Arase & Co. 1999 should finish strong and January 2000 is still selling out even faster than the red hot pace of a year earlier.—JM

## RBR/Miller Kaplan Market sell-out percentage report

	1999	1998
<b>Nov. 15</b>	<b>89.9%</b>	<b>86.5%</b>
<b>Dec.</b>	<b>71.2%</b>	<b>63.1%</b>
	2000	1999
<b>Jan.</b>	<b>21.9%</b>	<b>19.0%</b>

Clear Channel is, of course, in the midst of assessing bids for the spin-off stations. When contacted by *RBR*, President **Mark Mays** declined to comment on the King group's bid.—JM

## RBR expanding again

**Susanna Pritchett** has joined *RBR*'s staff as an account executive after leaving the record industry. Concentrating in Country promotions for the past seven years, Pritchett's most recent stint was with MCG-Curb as the Mid-West Promotions Director. She is pleased to bring her first-hand experience with the radio industry as well as her sales and promotional experience to *RBR*'s growing family of products.

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# Florida's Broadcast Pioneer

**Antonio G. (Tony) Fernandez Sr.**, graduated from *GEORGIA TECH* with a degree in Electrical Engineering, and returned to his native Florida. In 1949 Tony and his family built *WKXY AM* Sarasota, serving the Sarasota - Bradenton communities. On this day, October 4th, 1999, **fifty years later**, Mr. Fernandez passes the baton of his family run, local broadcast company to the only remaining Florida based, family operated broadcast group...which, beginning this morning, proudly gives Sarasota and Manatee Counties' its own **"Music Of Your Life"** -- 24-hour Radio Station.



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**Charles Fernandez**  
*V.P. • Sarasota*

**Tony Fernandez Jr.**  
*Technology Director*

**Cathy Kowal**  
*Controller*

**Dave Marcocci**  
*Programming Director*

## FCC's inaction frustrating newspapers

The FCC's new broadcast ownership rules went into effect last week, and while CBS and Viacom may be singing a happy tune, the Newspaper Association of America is expressing frustration over the fact that its members still cannot acquire a radio or TV station in the same market while its broadcasting counterparts may now do so.

Under the revised duopoly and one-to-a-market rules adopted in August, a broadcaster may now own as many as eight broadcast outlets in the same

market as long as there are 20 other independent voices left in that market (RBR 8/9, p. 3).

But when the Commission amended its rules, it failed to update the newspaper-broadcast crossownership ban. And that, says NAA Pres./CEO **John Strum**, is unconscionable and unfair.

"The broadcast acquisition horses are at the gate," he says, "but the FCC will not allow newspapers to even enter the race."

The newspaper organization has filed an emergency petition with the FCC, hoping to prompt a reversal on

the 24-year ban (RBR 8/30, p. 3).

"It's appalling," says Strum, "that the FCC has refused to take any action [on the petition], or to live up to its statutory obligation." Under the Telecom Act of 1996, the FCC is required to biennially review its ownership rules.

Reps. **Mike Oxley** (R-OH) and **Cliff Stearns** (R-FL) have taken action to help the newspaper industry by introducing separate bills (H.R. 598, H.R. 942) that would repeal the newspaper-broadcast crossownership ban (RBR 9/20, p. 2).—TS

# CONGRATULATIONS!

## Forever Broadcasting on the R&R national rankings.

WFRY	Watertown	#1	All Format
WFGY	Altoona	#4	All Format
WALY	Altoona	#1	Oldies
WCIZ	Watertown	#2	Classic Hits
WKYE	Johnstown	#7	AC

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## Audience measurement for smaller broadcasters

Small-market broadcasters no longer have to bemoan the lack of an audience measurement service available to them. Eastlan Resources is hoping to be the service these broadcasters look to to fill their need for market research. Noticing that many Northwest markets were without such a service, the three principals of Eastlan—**Bert Hambleton**, VP-Research; **Ken Phillips**, VP-Consulting; and **Mike Gould**, President—decided that a less costly alternative to Arbitron was sorely needed.

This Fall, Eastlan kicked off with 17 subscribing stations in three Western states. Stations who made the commitment to allow Eastlan to survey their markets for three years received the service for \$3,500 for Fall '99.

With such competitive rates, does Eastlan hope to compete with Arbitron soon? Gould replies, "The answer is a yes and a no. Arbitron does have some interest in some of these smaller markets and in some cases, some of these stations that we're working with have gotten quotes from Arbitron but there haven't been cases where it was an Arbitron market and we converted them." Eastlan is targeting markets under 250 in ranking or as Gould explains, "any market with multiple radio stations is a viable market for us."

Cost is not the only difference—Arbitron is diary-based whereas Eastlan relies on telephone recall. Respondents are probed for their listening habits the last 24 hours and also the last week. Gould believes this method is reasonably accurate because Arbitron diaries are not necessarily filled out moment by moment. Entries may be made at the end of the day or reflected upon the end of the week.

"One of the things I wanted to do when I started this company was to find a way to bring some of the tools that a big market gets to the small market broadcaster," Gould explains. From a small radio station background himself, Gould recalls not having access to information the way bigger stations could. He adds, "What a small market guy does is just as important to him and his community as what a big market broadcaster does for his community."

Compatible with Tapscan and Strata, Eastlan already has 30 subscribers for Spring 2000. It hopes to be in over 50 markets nationwide by Fall 2000.—KM

## AMFMi board named; de Castro is Chairman/CEO

AMFM Interactive (AMFMi—RBR 5/17, p.3), AMFM Inc.'s (N:AFM) Internet subsidiary, named **Jimmy de Castro** Chairman and CEO, as well as two additional board members. Contrary to reports elsewhere that de Castro—who continues as AMFM Inc. Vice Chairman and Radio President—was replacing **Steve Hicks**, the latter remains Vice Chairman of AMFM Inc., CEO of AMFM New Media

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Source: Spring 1999 Arbitron  
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Group and on the AMFMI board.

"I'm not replacing Steve Hicks at all. They had a temporary guy in—**Mark Esiri** [president of CyberDialogue and acting CEO of AMFMI] from CyberDialogue who is going to stay on to help us—but he's really the guy I'm replacing. I think that this is a clear indication that the Internet has to work hand-in-hand with the radio stations and the radio division to make the Internet experience of our millions of listeners effective and efficient," de Castro tells *RBR*. "We're looking forward to developing relationships and partners in the Internet space to enhance the experience of our listeners."

"We had hired a search firm early last summer to try and find the perfect person for the job, and the real key in my mind for whoever that was had to be able to involve and get the buy-in from the radio stations," Hicks told *RBR*. "We never could find the right person to do that and when Jimmy stuck his hand up...if he can't get the stations to buy-in, nobody can. I think he's the perfect choice."

Clear Channel (N:CCU) CFO **Randall Mays** and Hicks, Muse partner **Michael Leavitt** are the two additional board members—bringing the total to seven—with CFO **Jim Burston** and Chief Marketing Officer **Chuck Armstrong**.—CM

### Veronis, Suhler report says Web will help most media; cable will pass networks by 2003

Investment banking firm Veronis, Suhler & Associates released its annual five-year forecast 11/10. Among the findings on media, communications and the net:

- The Internet will "cannibalize" retail shopping and leave consumers with more time for media—TV, music, books and movies and the net. They will spend slightly less time with magazines and newspapers.
- Broadcast TV will continue to lose its audience—cable and satellite TV will grow dramatically and surpass the networks possibly as early as 2001.
- The average person will spend \$814 and 3,587 hours on media in 2003, a rise of 41% and 5%, respectively, over 1998.
- 6.8M homes will have high-speed Internet access from cable modems and 3.5M will have DSL lines in 2003.—CM

## Ad exec decries Prism Fund

The creation of the Prism Fund to increase broadcast ownership by minorities and women (first reported in *RBR* 10/25 p. 2 and detailed 11/8 p. 2) is being hailed from most quarters as a worthy effort to promote diversity and make peace with



the critics of consolidation at the FCC and on Capitol Hill. At Zenith Media, VP/Manager of Radio **Matthew Feinberg** has a very different take on the fund, whose investors are Clear Channel (N:CCU), CBS (N:CBS), Disney (N:DIS), Emmis (O:EMMS), Cox (N:CXR), Bonneville and other major broadcast groups. Here is Feinberg's view.

The recent Clear Channel/Chancellor deal clearly has to be the biggest news to date in the world of radio consolidation. Everyone expected **Mel Karmazin** to take over the world. But **Lowry Mays** and his sons blind-sided the radio advertising community with their recent move. A move

that—while intriguing, and well defended by the players—is really more concerning to the advertising community and the US population at large.

Moving on to the next act, we have a number of Clear Channel radio stations about to be put on the auction block. This is even more exciting/disconcerting. Given that these stations will cumulatively command a respectable share of the national radio marketplace, whoever scores them stands to win big. I can just imagine that the ABC Radio Network is salivating at the chance to get back in the ranks of the national radio elite. In a matter of just a few months, ABC has been knocked off the network radio throne with no realistic promise of reclaiming its once-royal heritage. (One has to wonder: Did **Michael Eisner** get caught sleeping at the wheel? Or, is he waiting for the market to correct itself so that he can stand back and watch possibly over-leveraged communications companies sweat bullets if the economy turns south and their revenue forecasts do not meet initial projections? He's a great businessman, but only time will reveal the outcome.)

So, now we read about a venture capital fund that's designed to help minority broadcasters in their quest for a larger share of the ownership pie. The idea is that a group comprised of both private investors and communications companies (e.g., CBS and Clear Channel) would back minority broadcasters who wish to acquire more stations—and, in turn, the group gains equity positions. Messrs. Karmazin and Mays are supportive of this, and with good reason. It could clearly stop the only other potentially major competitive force, the Disney-owned ABC Radio Network, thus enabling the duo to even further extend their influence over the country's radio waves.

Believing that diversity is inherently a "good thing," the idea of free market competition regulating itself sounds good in theory. (But then, so did the Edsel.) Unfortunately, this new scenario reeks of self-interest. And, to this end, media consolidation will not be healthy for this country in the long run. (However, I don't think the government is listening to us on this one.) Letting large broadcasters be part of yet another broadcast group, minority or otherwise, will probably not be the best thing for the general public. Remember that the airwaves presumably belong to the people. And, for all the research that is done to determine what each market wants, it is amazing that we have never heard of a study showing that what the people want is "more commercials!" (Of course, when listening to many of the Infinity stations, you would swear research clearly shows that the average radio listener loves five-minute commercial pods.)

What this all boils down to is that the stage is being set for monopolistic pricing practices on the part of these large group owners. The result: the cost of advertising is driven up and, in turn, that cost is passed on to the consumer in the form of higher prices for goods and services. For this reason, our industry, and the government that regulates it, must always act to preserve competition in the media marketplace.

Matthew G. Feinberg  
Vice President, Manager Radio  
Zenith Media Services, Inc.

## Raddscann to evolve RDS

While RDS has already evolved well beyond the station-ID level, a design for a "smarter" RDS receiver is in the works. Leveraging a patent for the "next generation" of RDS, Newport News, VA-based Raddscann Corp. is looking to market a new technology to OEM and after-market car radio manufacturers. The Raddscann process allows a car radio listener to listen to his or her favorite station while the receiver navigates the FM subcarrier spectrum, storing data of interest from all subcarrier services in a market: real-time background scanning customized to user specifications. Some examples include personal paging, traffic bulletins, weather, tracking a particular stock, advertiser info, alerts of a favorite song playing and station info—all on an LCD-readout screen.

President **Herbie Morewitz** showcased his system 11/10 at the California Venture Forum, sponsored by NASA, Ernst & Young and others. "Our system is a slightly enhanced hardware and software architecture. We try to implement RDS, from the user's perspective, so that it is not a distraction," he tells *RBR*. "Ours is going to go so far as to determine the difference between **Jimmy Buffet** and all-you-can-eat buffet."—CM

## Launch Media introduces "LAUNCHcast"

LAUNCH Media (O: LAUN), parent of LAUNCH.com announced 11/11 the debut of LAUNCHcast, a net-based service that creates a personalized music format from listeners' preferences. Unlike Internet-only stations with specifically programmed format channels, LAUNCHcast gives users the opportunity to design their own streaming music station. By rating songs, albums and artists, listeners teach LAUNCHcast to play the music they want. Highly-rated songs will be played more frequently than lower rated ones. LAUNCHcast users also have the ability to link to other members' net-stations to influence the music they hear on their own.

LAUNCH.com, with 2M registered users, offers artist biographies and features, album reviews, concert info and audio/video downloads.—CM

## LPFM comments: Media Access Project, Greater Media

With the comment deadline for the FCC's Low Power FM MM Docket 99-25 extended for the fifth time, meaning 14 days after the (late) DAB NPRM (*RBR* 11/8, p.3), the reply comment deadline fell on 11/15. The Media Access Project (MAP), a non-profit law firm funded by groups such as The Consumer Union, The United Church of Christ and Civil Rights Forum, has blasted the NAB's receiver studies in its filing. Dr. **Ted Rappaport**, an engineer on faculty at Virginia Tech, was hired by a coalition of national religious organizations to do MAP's filing, which included a technical analysis of the NAB's receiver studies (*RBR* 9/20, p.4). His study concluded, "over 600 LPFM stations under 100 watts can be deployed in the 60 cities under review without harming current radio broadcasts."

Rappaport challenged the NAB and other LPFM opponents' findings saying they "suffered from serious errors. The NAB inflated the number of listeners who would experience interference by double, triple and quadruple-counting individuals. The NAB produced maps of potential interference based on a radio that does not exist."

The study also found that at most, 1.6% of listeners served will experience interference. "And that 1.6% may be able to avoid any difficulty by repositioning their radios."

Greater Media's comments included reviews of NAB's comments, CEMA, FCC and National Lawyer's

Guild receiver studies. It names five conclusions, specifically, relating to the fact that implementing a new LPFM service would require lifting current interference protections: 1) Current third adjacent channel protection requirements are entirely appropriate and the absolute minimum necessary to protect the vast majority of receivers in the existing receiver universe from harmful interference. 2) Current second adjacent channel protection requirements are not fully adequate to protect the existing receiver universe from interference, and any further compromise in such requirements will result in massive new interference. 3) The design of the vast majority of consumer radio receivers manufactured over the past several decades has not improved appreciably their ability to reject adjacent channel interference. Any suggestion to the contrary has been categorically disproved. 4) The initiation of an LPFM service through the reduction in second and/or third adjacent channel protections would result in massive new interference to tens of millions of listeners now enjoying interference-free service. 5) The initiation of new IBOC DAB service would be jeopardized by a reduction in current adjacent channel interference protections because the systems designed, built and tested by the major developers of IBOC DAB over a period of many years have depended for their viability upon these protections.—CM

## Global Sports Network to launch

Beginning mid-December, Houston-based cable net Global Sports Network is launching its radio network. The net will highlight sports from around the world, as the seasons go in and out, focusing on cricket, sumo wrestling, fencing and rugby, but will also cover such diverse sports as tug-of-war, weightlifting, archery, badminton, biathlon, soccer, handball, jujitsu, polo, wushu, karate and more. Interviews from featured athletes from those sports will also air. Sunday, the net is offering a full day of gospel programming—music and ministry. The net is expected to launch on 16 affiliates, including Dallas, New York, Orlando and Atlanta.

"Global Sports is on a mission to present global sports with culture. What you can expect, and what differentiates us with our TV network, is you won't see sumo wrestling without a documentary explaining the culture of sumo wrestling," GM **Ed Grice** tells *RBR*. "We'll highlight the type of sports programming that you won't be able to experience on other Sports networks. We specialize in foreign and women's sports."

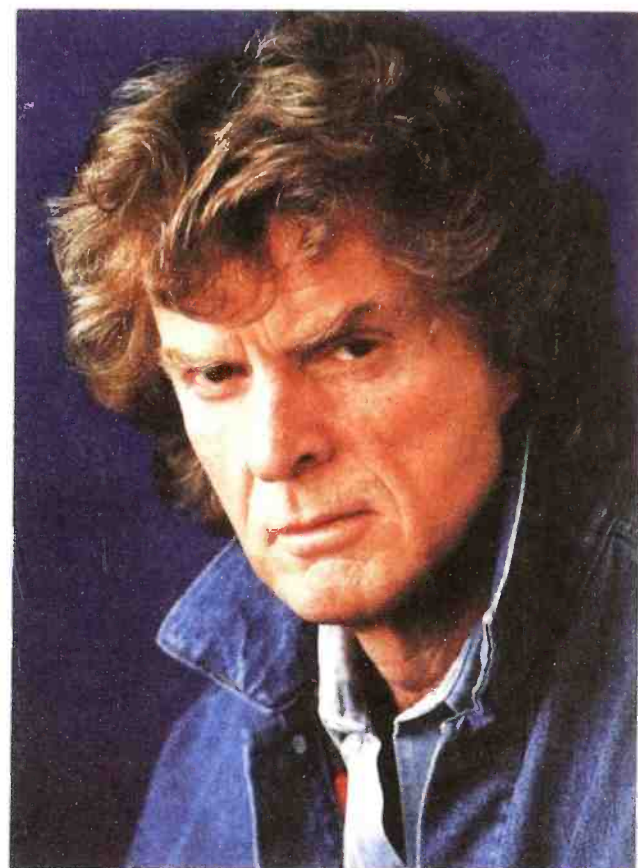
Indeed, one program set for launch is "Today's Global SportsWoman."—CM

by Carl Marcucci

## Don Imus: Telling it like it is

After almost five years of syndication, Westwood One's (O:WON) morning driver **Don Imus** is still unconcerned with media etiquette or offending politicians (they recently returned the favor at a charity roast held in his honor in Washington 10/26—*RBR* 11/1, p.3). Straight-shooting, hard-hitting and humorous—these are the qualities that keep his fans coming back for more of the radio show and MSNBC TV simulcast. Imus has built a real cast of characters over the years (some of which conjured up by celebrity impersonators): brother **Fred Imus**, producer **Bernard McGuirk** and newsman **Charles McCord**. Issues-centered guests and regular callers include President **Bill Clinton** (not anymore as you'll read), **Dan Rather**, **Jeff Greenfield**, **Bob Dole**, **Chris Dodd** and **Alfonse D'Amato**.

While Imus has been in New York radio—WNBC/WFAN for almost 30 years, except two years in Cleveland—his biggest break came from CBS (N:CBS) Chairman **Mel Karmazin**, who believed his show could make it outside of the big apple. Now on 83 affiliates and 3M listeners strong, Imus gives us the bottom line on a number of issues in this exclusive *RBR* interview.



***In 1994 we interviewed you when you were just launching your nationally syndicated show. What did you like most about going nationwide?***

Well, we like it because we actually go around to many of the affiliates and it gives you an opportunity to deal with national issues (we probably would ordinarily, anyway).

***The critics had it wrong when they said that your show wouldn't work because it was too New York. Why were they wrong?***

The audience is the same. I don't think New York audiences are any different than Kansas City audiences. In fact, I know they're not. I think the reason is because people in all of these markets are all exposed to the same media, you know. So I've always found it amusing that radio stations think that their shows have to be local. They do have to be a little bit, but there's some issues that they have to deal with—news and stuff like that. The consum-

ers are all exposed to the same television shows, essentially the same magazines, the same movies, and particularly now with the Internet, almost everything is local to people.

***Tell us a little bit about how the Imus Ranch came about and why it gives you so much satisfaction.***

Well, I had gotten involved with this charity in New York—the Tomorrow's Children Fund—they had come to the radio station and asked (this is about 10 or 12 years ago) if they would raise the money for them. Up to that point, I had never heard, nor knew anything about it. Tomorrow's Children Fund is an organization of parents whose children have cancer and they wanted to involve themselves, trying to make the treatment for their children a little more pleasant for them and have created an atmosphere that was more conducive to healing the children. And there has been all this research done about how various kinds of recreation and therapies contribute to

the healing of cancer as much as the medicine does.

So the radio station said yes they would. I don't know what they expected them to do, but then I got involved in it. We were just a local radio station at that time, the show was local. The first radiothon we did was a one-day affair and we raised over a million dollars. Most local radio fund raisers would be happy if they raised \$50K or \$100K, or even in some extreme areas, a couple hundred thousand—that's a lot.

And so Fred lives out in Santa Fe and we were thinking about buying a ranch anyway. We were raised on a ranch. This is kind of funny, we were out there looking around and I was talking to **Paul Newman** at his Hole-in-the-Wall Gang Camp. One thing led to another and we thought, "Well, why not build a cattle ranch for kids? Teach them about that and put them to work, as opposed to creating a camp."

I don't know why anybody thought it would work, it just seemed like a



good idea. So we went out and found some property and bought it. One morning, we sold 810 acres and raised \$4M in about 3 hours. Since then, we've—my brother and my wife—raised a little over \$15M.

**Ferretting out weasels and uncovering untruths—that's really some of the core of what you do. What sort of enjoyment does it give you, pulling the rug out from under some of your guests?**

I don't even know if I look at it that way. I think one of the problems, not to criticize some of the people who do this, is there is a very incestuous relationship between the big-time media and the big-time politicians. They all go to the same cocktail parties and they are all friends. They're interchangeable, as evidenced by some of them who ultimately run for office. They cross back and forth. So, I think there is an unwritten law between all of them that there are certain areas that they just don't get into or they don't — with each other. I don't have that arrangement with them because I don't go to parties and I don't owe anybody anything.

**You put many of your guests on the spot, especially politicians. Most of them keep coming back—why?**

I don't know. They obviously get a response from being on. I mean that has to be what it is. I know in a lot of cases, for example, **Jeff Greenfield**, has been on *Nightline* for years. He's now on CNN. When we first started booking him, he got, just by his own admission, more attention for being on this program one time than he'd had on *Nightline* for years. I don't think just because there are more people, but I think it's who listens and the environment. He's able to be a lot more personable on this program than he would be on *Nightline*. And so there are more people to relate to.

**What do you think about the Zen Master? What is the first word that comes to mind and beyond?**

Loyalty probably. I mean it was his idea, by the way, to syndicate my program. Nobody did think it would work. It works to a good degree in some areas and others it doesn't. It's a no-brainer to syndicate **Stern** or somebody like that, because that's

11/22/99 RBR

kind of a mass-appeal program—not difficult to get ratings. But this is a much tougher sell.

But he obviously thought it would work and to a great extent it has. He is a very trustworthy guy. If he tells you something, you can believe him. I think that's why he's successful. He has a great sense of humor, no self-effacing.

**Any word from the folks at Viacom for what they should expect when this deal gets done?**

Well, I don't know. I guess you could ask the people at Westinghouse.

**Who are your top five interesting guests?**

I would say **Tim Russert**, Greenfield, **Bob Schieffer** is great (you wouldn't think so, you know), **Rather** is good, **Brokaw** is good, **Doris Kearns-Goodwin** [presidential historian and author] is great, **Cokie Roberts** was good. Any of the people who are on more than once or twice, we obviously like or we wouldn't have them on. They're interesting and can be provocative. **Chris Dodd** is great, people like that.

**Tell us a little bit about your crew. It's a good mix: your brother Fred, Bernard McGuirk, Charles McCord. What is it that makes this formula work so well?**

It wasn't anything that was premeditated. There was no grand plan that we had. We talk about stuff and write essays about stuff that we're interested in. The goal is to just make it interesting and amusing if we can. We book people just based on stuff we're interested in. We don't have a lot of show business guests, because we are not that interested in it.

We have an inordinate mix of Country artists because we like them. I know everybody was surprised when *Billboard* magazine began to use the SoundScan method of measuring record sales, because the day that they changed to SoundScan from accepting reports from distributors, suddenly **Garth Brooks'** album was the number one in the nation. In New York, they've never had a successful Country music radio station. It's not because people don't like Country music; it's because nobody has done it correctly here. They could easily have a successful Country station if somebody wanted to.

**What could they do to make it successful?**

Well, I think modeling it after one of these successful Country stations in Nashville or Phoenix. There's a great country station in Phoenix and there's another good one in Albuquerque. It's almost as fundamental to use the right disc jockeys. They use disc jockeys in New York—you know the week before they were doing Country music, they were doing...well, not Hip Hop...They don't play the right music. For example, the Dixie Chicks and a couple of other country acts that are leading a resurgence in not old-time, but authentic Country music, as opposed to **Vince Gill**, another example of young folks doing traditional Country music. There is a wider appeal or audience for that than they suspect in Country music stations. Country music is not **Glen Campbell** and that kind of — that they play here, or they did.

**Growing up, who did you listen to on the radio that influenced your career?**

Well, **Wolfman**, **Robert W. Morgan**, **Don McKenna**, **Bob Hudson**, **Chuck Browning**—one of the greatest Rock-n-Roll disc jockeys ever, **Don Steele**, **Jimmy Rabbitt**, people like that.

**It was reported in the press that someone tried to hire you away. Who was that and why did you decide to stay?**

I can't say who it was, but it would be easy to figure out. It wasn't for a lot more money, but money wasn't the issue. The issue was, at that point, I wouldn't have been syndicated if it weren't for Mel. He had been enormously loyal to me, but I also admired, frankly, the loyalty he demonstrated at the start. I always advised people if the only reason you are making a move is for money, it's always the wrong reason. If I had made a move, that would have been the only reason. And there were so many other reasons not to. It would have been disgraceful for me to go to work for somebody else and not work for him—I mean it would have been disgraceful. I just wouldn't have done it. I think actually my reputation would have suffered even with the audience. The audience is not stupid and when you make an issue out of your loyalty to somebody, you've got to back it up. I'm not underpaid, by the way.

**What about the 1996 Washington, DC Correspondents' Dinner where you hammered Clinton? Your show seemed to take off right after that.**

They had asked me to do it and I didn't want to do it. Mel and I talked about it and he didn't want me to do it. But other people did and my wife did. The material that we wrote, and when I say "we", I mean I wrote part of it, Charles wrote part of it, **Rob [Bartlett]**—a writer for the show] wrote part of it and Bernard wrote part of it. So we all worked on it together. They all contributed material. We just wrote what we thought was funny. I didn't have an agenda going down there and I didn't think the material was controversial. I didn't think it was offensive. In retrospect, obviously I was naive and not very realistic about it. It is one thing to say horrible stuff about people on the radio, or even on television, but it's quite another if you are in the — room with them and they are sitting three feet away from you. The tension in that room was just un—believable. In addition to that, I mean everybody was there. Everybody was there! From **Mike Wallace** to...and I could see them all. They couldn't keep themselves from laughing, but the President was just glaring at me. And that — bucktoothed, crooked wife of his was all bent out of shape.

I think I had written a joke about **Peter Jennings** and an intern. Now that I think back, it was coincidently

10 days after that speech that the President resumed his relationship with **Monica Lewinsky**. He had to be thinking that if I'm doing intern jokes (not that they are about him but are about Peter Jennings), then he has to be waiting for the bullet. He's got to figure out how would I know that. You are talking about him — ing around and he is — ing around. So, no wonder he was angry—he was mortified. I'm surprised the Secret Service (who by the way, I was sitting backstage shooting the — with before I went on), I mean it's a wonder they didn't — shoot me! Except they knew what the deal was.

You know, my motivation wasn't to go down there and offend them. Charles and I talked about it at length, about the speech. We thought it was fine. But when I did this, I didn't care. I did not want to be friends with him. I didn't give a — if I got invited to the White House, — him. I didn't care about him and I still don't care about him. People thought I was upset because he didn't call the show anymore. Who gives a —. That's why I support Trump—I mean at least he can get — — from good looking babes.

**What does the future hold for the I-man? Are you still having fun? Where do you plan on taking the show that it hasn't been yet? (if that's possible)**

Yes we are still having fun. It's a great job. I don't look at it as a job. I think I

will do it as long as we continue to make money and as long as the stock continues to go up. I know it sounds like a lame answer, but I really feel that the bottom line is the bottom line. It is fun, but it has always been fun. It was fun when I was making \$80 a week. It is just as much fun now so the money doesn't have anything to do with it. I don't want to continue to do it if we're not successful. And I don't mean in terms of ratings because we are never going to be number one anywhere—that's not the point. I think if at a point where we are no longer relevant, then I wouldn't do it anymore. But I'm not looking to not do it.

I have thought, "Well, I could just go out to the ranch." It's fun to be out at the ranch during the Summer. It's hard work teaching little kids to ride horses. It's great fun, but I wouldn't want to do it all the time. I mean, not with the kids, but feeding 36 horses—nobody has any idea how much work that is. We've got horses and Texas Longhorns, sheep, buffalo, chickens, and they all —. That's really what a ranch is, just cleaning up —. You have to feed them and then clean it up. I mean it's ridiculous—you put it in one end and then take it out the other.

**What are your opinions on the the political process going into the next presidency? What are some of the things that our readers should know from your perspective?**

## Deconstructing Imus

RBR asked a few of Imus' favorite guests to tell it like *he* is...

### Senator Joseph Lieberman (D-CT)

(from the recent Imus roast—RBR 11/1, p. 3)

This year, I proudly, though very quietly, celebrated my 10th anniversary as a guest on "Imus in the Morning." A lot has changed over those 10 years—10 years ago, believe it or not, a lot of people wouldn't admit they listened to the show. People would come up to me and say, "hey, I heard you on Imus. You know, I don't listen to the show."

Well, how did you hear me? "I was turning the dial and I heard your voice, so I stayed for the interview."

Others who did admit they listened to the show said to me in a reaction to the media appearance that was very unusual: "Heey, big guy, I heard you on Imus!" Sort of in the tone that they would say "Heey—I saw you coming out of a topless nightclub."

### Senator Chris Dodd (D-CT)

Imus is a unique, funny and talented individual. But while most people know him for his sense of humor—I've always been impressed with his knowledge on the issues. You never quite know where Imus comes down on an issue—and that's the sign of a good interviewer. He also is a breath of fresh air in a town (Washington) that takes itself far too seriously.

### Jeff Greenfield, CNN senior analyst

**Don Imus** is all Id and no Superego. Which means he has no control over the kind of murkier, ickier part of life. So he has a first impression about somebody—whether a brilliant insight or just flat-out shill, it will just come out. If you tell him something, and you don't tell him not to make this public, he will. He's very good about keeping secrets, but if you just sort of say something to him off the air, it will be in your face the next day. And what makes it all work is that he does the same thing to himself. In fact, probably more ferociously than he does to guests.

When he says about himself, "I'm an alcoholic, I'm a drug addict, I'm one drink away from off the wagon forever," it's very hard to get angry at him. When he kind of makes fun of you or somebody else it's very much like the world I grew up in in New York where people used recess and before school and after school to throw the most amazing insults at each other. And it was all understood that was part of growing up. It was the equivalent of a fist fight, except that you didn't use your fist. That's what happens on Imus' show pretty much every morning.

This is kind of a forum for politicians to prove that they're human beings. Politicians know that, by and large, they're regarded fairly or not as pompous stuffed shirts. So to go on Imus sort of proves that you can laugh at yourself and to speak a kind of ordinary language rather than Washington language.

I don't know how interesting this is going to be. I was talking with **Bob Schieffer** this morning about this. Political campaigns don't have the potential for being as interesting or entertaining, particularly entertaining, as they once were because it's mostly television, they're mostly pre-packaged. There are very few spontaneous events. There are few, if any, opportunities to get them to — up so that you can make fun of them. Even the debates are so scripted now, so to get them on the program and get them to step on their — is difficult.

I do think that people like **Al Gore** and **Hillary Clinton** and some of these other people—I'm not taking sides because I don't really care—I think they are going to be shocked at how sick we are of them. **Dan Quayle** too. I mean we are sick of him. We are sick of **Pat Buchanan**. We are sick of Al Gore. We are sick of all of them. I think that is the attractiveness of **John McCain** and **Bill Bradley**. They may be—I'm sure they will be—just as bad as the rest of them. I don't see Bill Bradley having some intern — on him or McCain for that matter. They may be as corrupt as all the rest of them. I suspect that they won't be, but the old adage about power corrupting people...I think it does. What people can look for is that the people in the country are going to turn to somebody else. It could be **George W. Bush**, but it's not going to

be the old folks—we're sick of them. We got sick of **Newt Gingrich**. It's not a political thing, but it is almost what they all represent. We're just tired of them and we just want them to get out.

#### **What do you say about McCain?**

He has demonstrated that he is an extraordinary human being. We don't know what kind of president he'd make, but he's been a good senator. I just think in terms of—it sounds corny—but The President of the United States really should set an ethical and moral tone. I know they don't want to accept that responsibility. It's like some of these — head athletes don't want to be role models, but that's part of the package whether they want to be or not. If some nitwit like **Charles Barkley** is unwilling to accept that, well that's fine. We may not have the right to expect it of somebody like Charles Barkley, but we certainly do of some elected official. I happen to think we have the right to expect it of someone like Charlie Barkley, because we pay his salary by buying tickets and the

## Spina Bifida Associa



L-R: Tim Russert, Don Imus and Sen. John McCain (R-AZ) at a recent Imus roast in Washington, DC

products. But to try to hold him to that, you don't have any recourse as a consumer other than simply not going to the games. You have more of a recourse with political people, because you can not vote for them. That is a more dramatic and immediate impact on their tenure. I think that may be the essence of it.

Back to McCain, I think he is somebody that the country wants. He may not be savvy politically and certainly he, nor Bill Bradley, are not the consummate campaigner or politician that **Bill Clinton** is, but I do think the country wants somebody—even George W. Bush—who is willing to not — around on their wife and to set some kind of moral example for the nation.

### **Dan Rather, CBS Evening News**

Imus is one of the most influential people in the country. A big part of the reason why is because he is an intelligent, thoughtful master communicator.

### **Bob Schieffer, host, "Face the Nation"**

The secret to Imus is his brother, who is really the brains behind the operation!!!!

### **Senator John McCain (R-AZ)**

I suppose the first thing that comes to mind when I think of Don Imus is how easy it is to entertain an audience that hasn't had its first cup of coffee yet.

On a more serious note, my family traditions and my life of public service have best prepared me for the presidency. The experiences I've had in my personal and public life are what enable me to actually relish on-the-record, no-holds-barred interviews. Imus is tough, and he raises the issues and asks the questions I think many Americans would. So I enjoy the give-and-take, and I appreciate the chance to give straight answers to the kind of straightforward questions that Imus asks.

And that's also why I'm a regular listener. Or maybe it's just because I've ejected out of one too many Navy planes.

### **Paul Begala, MSNBC's "Equal Time" co-host**

It's very smart and very funny, it's substantive without being pretentious. To go on as a guest...it's a real challenge, because you've got to be funny. But if you go too far—if you try to be "Shecky Begala," you look like a dork. But if you don't have any sense of humor, you'll look like a jerk. So, you've got to have the right mix of substance and silliness, and too much of one or the other and you're going to be in trouble.

It's a wonderful challenge—he reads everything, he watches everything, so he's fanatically well-informed. And yet, right after one of these substantive questions about China's acceptance into the WTO, he'll wheel around and say "What do you think **Naomi Wolf** is really doing for that \$15K a month?" How do you answer this, what do you say?

He has a penchant for getting guests to say things that they will spend the rest of the day backpedaling from. For example, I was on his program from my office in the White House and I had just gotten back from vacation and had shaved my beard. And he said "why did you shave the beard?" And the truth is because my wife several months earlier said I should shave it. But she said wait until vacation to see if I like it—it was 14 years I've had this beard. But instead of going through all that and yakking about my wife, I just popped off because it was right in the middle of the Lewinsky thing. I said, "Well, I felt like somebody in the White House ought to come clean with the American people." Before I could hang up the phone, the White House Chief of Staff was in my office.

by Jack Messmer

## Maine radio group sold, but ownership remains local

"We've had all sorts of out-of-state people buzzing around us," **Ron Frizell** told *RBR*, but he noted, "we really weren't in a selling mode." That changed though when he got a bid for the Downeast Radio Group (also known as Group L and Wireless Talking Machine) from a local TV station whose management he knew quite well. "We've worked with them closely over the past 20 years on news and public affairs events," he said.

So, rather than joining a national radio group (Saga, Citadel and Cumulus are all local competitors), Frizell is selling his five stations in the Portland, ME and Lewiston-Auburn, ME markets to WMTW Broadcast Group LLC, owner of WMTW-TV (Ch. 8, ABC) Portland, ME. Although the principal owners, the **Harron** Family, live in Pennsylvania, the management team, headed by **David Kaufman**, is local and plans to stay that way.

"It seemed like a natural fit," Kaufman said of combining the radio and TV operations. He's now looking to expand the company with additional acquisitions in both radio and TV.

WMTW Broadcast Group is paying \$11.75M for Downeast's WZOU-AM, WLAM-AM & FM, WMWX-FM & WTHT-FM. There should be plenty of cash left for further acquisitions, since the Harron Family recently sold its cable properties for a reported \$1B+.

## Citadel adds in Louisiana and Utah

**Larry Wilson** continues to add to his station portfolio at Citadel Communications (O:CITC). Two recent deals will add stations in existing Citadel markets:

- Citadel is doubling its station count in Lafayette, LA to eight. It has a deal to buy Powell Broadcasting's KDYS-AM, KVOL-AM & FM & KSMB-FM for \$8.5M. **Broker: Mike Bergner, Bergner & Co.**
- Citadel is adding to its Salt Lake City superduopoly by buying KWUN-AM Murray, UT from **Kenneth Rushton**, the bankruptcy trustee for Venture Broadcasting. Citadel will pay \$603,202 for the station, including the trustee's exercise of an option to buy the tower site from another party. Citadel has been LMAing the station since 10/5.

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## Triad lands in Lincoln

**David Benjamin's** Triad Broadcasting is entering its fourth market in a big way, paying \$12M for an existing superduopoly in Lincoln. It's buying the five-station Warner Stations group, KLIN-AM, KWBE-AM, KEZG-FM, KFGE-FM & KKUL-FM. **Broker: Larry Patrick, Patrick Communications**

## Back Bay adds Long Island

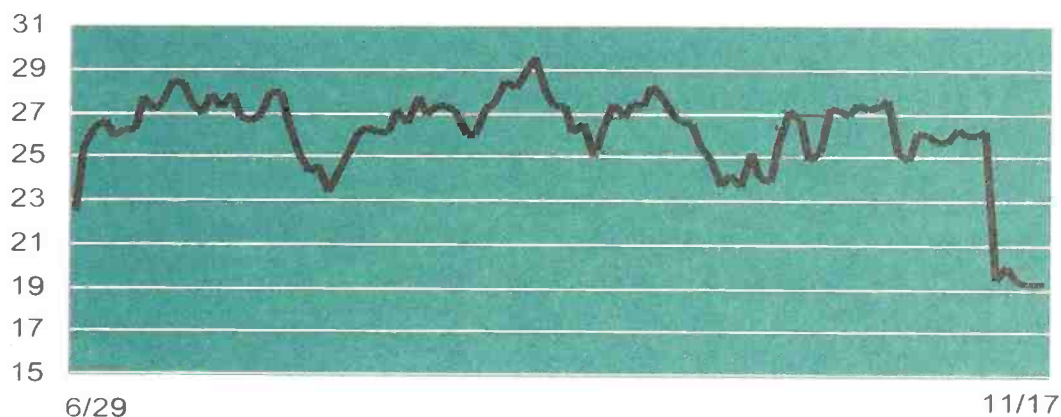
**Peter Ottmar's** Back Bay Broadcasting is jumping across Long Island Sound to acquire two stations in the Hamptons. It'll buy WEHM-FM East Hampton, NY and WBEA-FM Montauk, NY from H-Radio Partners. Back Bay's four current stations are in the adjacent Providence, RI and New London, CT markets. **Broker: Robert Maccini & George Reed, Media Services Group**

**RBR observation:** This looks like a situation where a company yacht would be the cheapest and most efficient way to manage the group.

## Ouch! Salem stock slammed

Posting record results isn't always enough for Wall Street. Although Salem Communications (O:SALM) reported strong gains in revenues and cash flow for Q3 (*RBR* 11/15, p. 13), it fell short of what analysts had been expecting. That sent Salem's stock price crashing \$6.75 in one day to \$19.50—well below its 6/29 IPO price of \$22.50. The stock price has remained down and closed 11/17 at \$19.25.

The shortfall was blamed on Salem having to spend more than it had planned on its Internet businesses to fend off growing competition from other dot-com companies selling Christian products on the web. Salem's management is committed to its Internet strategy and remains convinced that it has a tremendous advantage over those competitors because they all have to buy advertising (including spots on Salem's stations), while Salem can drive traffic to its web sites for free with its own radio stations.



### Friends help Friends buy stations

**Bob Elliot's** Friends Communications is expanding from its Michigan base to acquire four stations in Oklahoma. It'll pay **Stanton Nelson's** Monroe-Stephens Broadcasting \$2M for KXCA-AM Lawton, KKEN-AM & FM Duncan and KRPT-FM Anadarko. Broker: The Connelly Company

### Cash finally flows at Big City

It's probably not much consolation for **Mike Kakoyiannis**, but just before he was forced out as CEO of Big City Radio (A:YFM) the company finally moved into positive cash flow.

For Q3, broadcast cash flow was \$421K, compared to a deficit of \$425K a year earlier. Net revenues were up 64% to \$6.6M.

### Interop boasts growth

With **Ralph Guild** poised to pull the trigger on his company's IPO, Interep proudly reported revenue and cash flow growth for Q3. Total revenues increased 15.8% to \$29.7M. However, excluding contract termination proceeds of \$2.6M, the revenue gain was 8.7%. Operating cash flow (EBITDA) grew 27.5% to \$3.9M. Including the termination revenue, EBITDA jumped 72.9% to \$6.5M.

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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.

**\$23,500,000 KROD-AM, KLAQ-FM & KSII-FM** El Paso TX from New Wave Broadcasting LP (Jon Ferrari) to Regent Licensee of El Paso (Terry Jacobs, Bill Stakelin), a subsidiary of Regent Communications (O:RGCI). \$1.5M letter of credit as escrow, \$23.5M in cash at closing. Existing **duopoly**. Broker: Star Media Group

**\$7,800,000 WKAT-AM** Miami-Ft. Lauderdale (North Miami FL) from Howard Broadcasting Corp. (Howard Premer) to Spanish Media Broadcasting LLC (Gerardo Reyes, Hernando Herrera, Vilma Sanchez-Levin, Abib Eden, Rene De La Rosa). \$200K escrow, \$1.5M (less escrow) in cash at closing, \$6.3M note. LMA since 8/30.

**\$7,500,000 KLGR-AM & FM & KGBP-FM CP** (105.9 mHz) Redwood-Bellview MN and **KWOA-AM & FM & KITN-FM** Worthington MN from Rabbitt Enterprises Corp. and Nobles Broadcasting Company Ltd. (Donald Rabbitt) to Three Eagles of Luverne Inc., a subsidiary of Three Eagles Communications Inc. (Rolland Johnson, Brian Frank, Ruki Renov, Esti Stahler, Michael Solomon, Rivki Rosenwald). \$250K escrow, balance in cash at closing. Transfer of existing **duopoly** in Redwood-Bellview; the Worthington stations will create a **superduopoly** with KQAD-AM & KLQL-FM Luverne MN. Broker: Johnson Communications Properties Inc.

**\$2,040,000 KICE-FM** Bend OR from Sequoia Communications Inc. (Richard Behrendt) to GCC Bend LLC (John, James & Herbert Gross). \$65K escrow, balance in cash at closing.

**\$1,000,000 FM CP** (94.5 mHz) Temecula CA, 33.33% equity/50% voting interest in Temecula FM LLC from Laura Wilkinson Herron to Donald McCoy. \$100K escrow, balance in cash at closing. McCoy is also converting his current 33.33% non-voting equity to voting and, under an agreement with the third shareholder, will own a 75% voting stake. The remaining 25% will be owned by Helen Jones.

**\$900,000 KPAT-FM** Santa Maria-Lompoc (Orcutt CA) from Radio Representatives Inc. (Norwood Patterson) to AGM-Birmingham LLC (Anthony & L. Rogers Brandon), part of the American General Media group. \$90K escrow, balance in cash at closing. **Duopoly** with KRQK-FM. LMA since 10/2. Broker: Media Services Group

**\$700,000 KSOX-AM** McAllen-Brownsville TX (Raymondville TX) from Sendero Multimedia Inc. (A.A. Munoz II) to Voice of Valley Agriculture Inc. (Davis Rankin, Lance Hawkins, John Brady, Al White, Jane Smith). \$5K escrow, balance in cash at closing. Note: No contour overlap with the buyer's KURV-AM Edinburg TX, which is in the same Arbitron market.

**\$541,539 KPOW-FM** LaMonte MO, 100% transfer of Sedalia Investment Group LLC from Joyce K. Fischer to James L. Mathewson and Adam B. Fischer. \$541,539 cash.

**\$350,000 KLLU-AM** Reedsport OR from F&L Broadcast Development Corp. (Jerry Collins) to Pamplin Broadcasting-Oregon Inc. (R.B. Pamplin, R.B. Pamplin Jr., Gary Randall, Paul Scott). \$350K cash. LMA since 8/29.

**\$250,000 KSAC-FM** Sutter Creek CA from Idaho Broadcasting Consortium Inc. (Frederic Constant) to Golden Pegasus Financial Services Inc. (Nelson & Debbie Gomez). \$15K escrow, balance in cash at closing. Broker: The Exline Co.

**\$225,000 KHAD-AM** DeSoto MO from Schafermeyer Broadcasting Corp. (Kim Schafermeyer) to New Life Evangelistic Center Inc. (Rev. Lawrence Rice Jr., pres.). \$50K escrow, balance in cash at closing.

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# BROADCAST INVESTMENTS™

## November 17—RBR Stock Index 1999

Company	Mkt:Symbol	11/10 Close	11/17 Close	Net Chg	Pct Chg	11/17 Vol	Company	Mkt:Symbol	11/10 Close	11/17 Close	Net Chg	Pct Chg	11/17 Vol
Ackerley	N:AK	18.125	16.125	-2.000	-11.03%	31500	Infinity	N:INF	33.875	35.438	1.563	4.61%	1647600
Alliance Bcg.	O:RADO	0.375	0.340	-0.035	-9.33%	0	Jeff-Pilot	N:JP	75.188	76.375	1.187	1.58%	188600
Am. Tower	N:AMT	23.313	25.625	2.312	9.92%	906500	Launch Media	O:LAUN	12.875	17.500	4.625	35.92%	90500
AMFM Inc.	N:AFM	73.625	74.688	1.063	1.44%	378700	NBG Radio Nets	O:NSBD	2.375	2.375	0.000	0.00%	35000
Belo Corp.	N:BLC	19.250	19.125	-0.125	-0.65%	393900	New York Times	N:NYT	40.500	39.000	-1.500	-3.70%	1338700
Big City Radio	A:YFM	4.625	4.750	0.125	2.70%	3200	Otter Tail Power	O:OTTR	41.500	40.875	-0.625	-1.51%	15600
CBS Corp.	N:CBS	49.500	53.688	4.188	8.46%	2336700	Pinnacle Hldgs.	O:BIGT	31.375	29.500	-1.875	-5.98%	159300
CD Radio	O:CDRD	24.000	26.500	2.500	10.42%	265200	Radio One	O:ROIA	61.500	64.875	3.375	5.49%	98600
Ceridian	N:CEN	19.750	21.813	2.063	10.45%	442900	Radio Unica	O:UNCA	29.375	26.750	-2.625	-8.94%	115800
Citadel	O:CITC	49.500	49.375	-0.125	-0.25%	67000	RealNetworks	O:RNWK	135.875	144.188	8.313	6.12%	2454000
Clear Channel	N:CCU	84.438	85.563	1.125	1.33%	1041900	Regent Pfd.	O:RGCIP	8.125	9.375	1.250	15.38%	8400
Cox Radio	N:CXR	70.063	70.250	0.187	0.27%	27900	Saga Commun.	A:SGA	26.000	26.875	0.875	3.37%	1400
Crown Castle	O:TWRS	21.125	19.063	-2.062	-9.76%	733100	Salem Comm.	O:SALM	26.250	19.250	-7.000	-26.67%	438100
Cumulus	O:CMLS	40.000	40.125	0.125	0.31%	129600	Sinclair	O:SBGI	10.750	12.125	1.375	12.79%	406600
DG Systems	O:DGIT	3.938	3.938	0.000	0.00%	113800	Spanish Bcg.	O:SBSA	27.313	27.188	-0.125	-0.46%	919900
Disney	N:DIS	23.750	25.938	2.188	9.21%	9957100	SpectraSite	O:SITE	9.313	9.750	0.437	4.69%	63600
Emmis	O:EMMS	76.500	79.250	2.750	3.59%	410400	SportsLine USA	O:SPLN	41.250	39.875	-1.375	-3.33%	122200
Entercom	N:ETM	50.000	52.563	2.563	5.13%	17400	TM Century	O:TMCI	0.688	0.688	0.000	0.00%	3300
Fisher	O:FSCI	57.125	57.250	0.125	0.22%	0	Triangle	O:GAAY	0.055	0.050	-0.005	-9.09%	858100
FTM Media	O:FTMM	10.375	12.000	1.625	15.66%	18800	Tribune	N:TRB	59.750	53.500	-6.250	-10.46%	745300
Gaylord	N:GET	31.750	31.375	-0.375	-1.18%	9200	WarpRadio.com	O:WRPR	4.813	4.375	-0.438	-9.10%	800
Harris Corp.	N:HRS	20.625	20.063	-0.562	-2.72%	1261800	Westwood One	N:WON	44.188	49.938	5.750	13.01%	95100
Hearst-Argyle	N:HTV	21.750	21.500	-0.250	-1.15%	20900	WinStar Comm.	O:WCII	52.625	55.250	2.625	4.99%	495700
Hispanic Bcg.	O:HBCCA	80.563	82.313	1.750	2.17%	185100	XM Satellite	O:XMSR	18.125	18.750	0.625	3.45%	621500

### Nasdaq gets Real today

Effective today (11/22), RealNetworks (O:RNWK) has become a component of the Nasdaq 100 Index. The Internet streaming company replaced Comair Holdings (O:COMR), which is being acquired by Delta Air Lines (N:DAL).

The Nasdaq 100 Index, which tracks the performance of 100 of the largest and most prominent stocks traded on the Nasdaq National Market System, was up over 43% through the first 10 months of this year. The entire bundle of Nasdaq 100 stocks also trades as shares of the Nasdaq 100 Trust (A:QQQ).

### TV duop filings flood FCC

FCC staffers were kept busy last week trying to sort through piles of Form 314 and 315 filings as the Commission began accepting applications for TV duopolies. The floodgates opened 11/16 and every buyer who had a deal rushed to file the first day, guaranteeing participation in a lottery if too many TV duopoly applications are filed in a particular market (RBR 11/15, p. 2).

Along with the long-awaited merger of Viacom (N:VIA) and CBS (N:CBS),

major filings included Sinclair (O:SBGI) dropping in applications for duops in 10 markets and Gannett (N:GCI) making a surprise move to add Allbritton's ABC affiliate, WJXX-TV (Ch. 25), to its existing NBC station in Jacksonville, FL, WTLV-TV (Ch. 12)—a rare market where a WB affiliate, WJWB-TV (Ch. 17), ranks fourth. The FCC's new TV duopoly rule bars the top four stations in any market from merging.

### Viacom-CBS keeping options open

Don't look for CBS (N:CBS) to sell any stations soon to clear the way for its merger with Viacom (N:VIA). It's still trying to find out exactly what the FCC's new rules mean. In an 11/15 SEC filing, CBS notes that its Infinity (N:INF) radio unit may have to shed up to 10 stations to bring the combined company into compliance with TV-radio ownership limits. As we noted when the deal was announced (RBR 9/13, p. 6), Infinity will have to divest one radio station in Los Angeles, one in Chicago and two in Dallas.

What else has to go depends on how many TV stations the merged

company is forced to divest—specifically whether it keeps Viacom's UHF stations in Washington, DC and Sacramento—and exactly how the FCC will count stations in the overlapping Baltimore and Washington markets. A worst case scenario would have Infinity divesting four radio stations in the adjacent Baltimore and Washington markets and two in Sacramento.

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- Values client relationships and helps us grow them,
- Has a strategic business plan designed to make the most of every day"

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