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# RADIO BUSINESS REPORT™

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## RADIO NEWS

Dunifer undone: Court keelhauls Berkeley buccaneer .....	2
A US District Court held that Dunifer's First Amendment rights did not extend to operating an unlicensed broadcast station (and interfering with legitimate ones).	
Pacing report: July, August going fast .....	2
Company pays dearly for being caught with its zips down .....	2
PA newspaper allowed to buy destitute station .....	3
Tauzin, Markey want to make public broadcasting a matter of trust .....	3
Bird feed: CD Radio signs more syndicators .....	3
Jacor hopes to profit with Prophet .....	3
Hair apparent? Don King's bid wins bankrupt newspaper .....	3
Talk radio listenership on the wane .....	4
Madison Avenue, NED-NUD under Sharpton attack .....	4
Bob and Tom get repped; Conan heads for radio .....	4
FCC plan to drop deal disclosure requirements draws fire .....	7

## TELEVISION BUSINESS REPORT

Big mouse said to be stalking Allbritton .....	6
Paxson gets back to fund-amentals .....	6
Sinclair wants HDTV and multicasting too .....	6

## RADIO OPERATIONS

Cox Radio: Big and poised to get bigger .....	8-9
Cox Interactive rockets company into cyberspace .....	10-11

## MEDIA MARKETS & MONEY™

Lowry is game for Dame in \$85 Million deal .....	12
---	----

This stock/debt deal extends Clear Channels holdings in Albany NY, adds  
radio to a TV in Harrisburg and brings in several smaller PA, NY markets.

Tampa: Concord group gels for Jorgenson .....	12
Hicks-Muse find Z-Spanish to be Amadorable .....	12
Connoisseur moves into Muskegon .....	13

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## Pirates walk the plank; Court rules Dunifer off the air

by Frank Saxe

A US District Court ruled last week that king of the pirates, **Stephen Dunifer**, must pull the plug from his Free Radio Berkeley, more than five years after signing on. The court also ordered Dunifer to stop marketing pirate kits and holding workshops which have made it easier for other pirates to take to the air.

Dunifer never denied that he was broadcasting without a license, instead he challenged the constitutionality of the FCC's licensing regulations, claiming that they infringe on the First Amendment. That argument was rejected by Judge **Claudia Wilken**, who also ruled Dunifer lacked standing because he never applied for a license.

Although the Commission has shut down over 200 pirates in the past two years, it estimates there are more

than 100 still on the air.

US Attorney **Michael Yamaguchi** noted Free Radio Berkeley had caused interference with licensed stations, such as KQED-FM.

"This decision represents a great victory for legitimate broadcasters who play by the rules," said NAB President and CEO **Eddie Fritts**. "The FCC deserves credit for putting Mr. Dunifer and other broadcast bandits out of business."

Within hours of the ruling's release, Dunifer and nearly 100 volunteers voted to turn off their transmitter while their attorneys consider an appeal. "It's a minor setback," Dunifer told *RBR*. "Once again the FCC has been able to dodge the bullet of having to answer for what we believe is an unconstitutional structure."

## Arbitron zapped zips leads to new vendor

by Katy Bachman

Perhaps Arbitron didn't like getting caught with its zips down. Arbitron said it's changing its sampling vendor to Fairfield, CT-based Survey Sampling Inc. (SSI) beginning with the Summer '98 survey—almost one year after 66 zips were excluded or underrepresented from the Spring '97 LA sample (*RBR* 8/4/97, p. 5). That ends a decades-long relationship with Metromail Corp., the

source of the LA debacle.

Leaving LA zipless motivated Arbitron to search for a new vendor for its random digit telephone samples, said *RBR* sources.

Arbitron says it will be able to accomplish more with its new vendor, such as address matching—the ability to match unlisted telephone numbers to addresses. Another advantage to the switch is SSI's international samples for UK (where Arbitron has recently submitted its bid for the RAJAR contract), Europe, Canada and Arbitron's newest market, Puerto Rico.

Despite the court order, Dunifer said he plans to continue with his show-and-tell sessions while his volunteers work to restore the station's feed to the Internet. "We have been able to force a national debate, and we've won in the court of public opinion."

## Summer heat wave continues

Summer pacing continues to heat up the demand for radio station inventory. According to the latest *RBR/Miller Kaplan* forward pacing report, August is more than half sold and both July and June are pacing well ahead of last year. So far, there are no signs that point to a slow-down.

**RBR observation:** Pacing reports are even more positive, if indications are true that stations are carrying more inventory. It's well known that Chancellor has added a minute of inventory to its stations for AMFM Radio Networks for a total of 13 minutes/hour. *RBR* sources report that CBS stations are also upping inventory. —KB

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

1998 1997

June 15*	87.3%	83.7%
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July	66.4%	64.1%
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Aug	51.8%	50.4%
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\*Note: June 1997 was a five-week month; this year's June is four weeks.

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## Newspaper waiver granted

by Frank Saxe

For only the third time in its history, the FCC has granted a permanent waiver to its newspaper-radio cross-ownership rule, to save a failing AM station in rural Pennsylvania. The FCC has given Community Communications, Inc., publisher of the Columbia County, PA *Press-Enterprise*, permission to buy WCNR-AM from Mountour Broadcasting for \$130K.

"Denial of the requested waiver would likely lead to the failure of WCNR and thus the loss of an AM radio station providing service to its local community," the FCC states in its ruling. Another station in the market, WSQV-AM, recently went silent. The Commission was also persuaded by Mountour's inability to find a buyer and the minor impact the sale will have on competition in the county, which will still be served by four other local stations.

According to tax returns, WCNR lost \$167K between 1994 and 1996, and it took the sale of the station's building to keep it afloat. The station's gross revenue for 1996 was only \$93K.

The FCC is presently reviewing its cross-ownership rules, although Commission insiders say this case should not be looked at as an indication of which way they will go on the issue.

The two previous permanent waivers went to Field Enterprises, publisher of two Chicago daily newspapers, and to WNYW-TV owner **Rupert Murdoch** who bought the struggling *New York Post*.

The publisher of the *Press-Enterprise* is a member of the Eyerly family, which coincidentally put WCNR on the air in 1947 and controlled it until 1966.

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## ► RBR News Briefs

► Reps. **Billy Tauzin** (R-LA) and **Ed Markey** (D-MA) introduced a bill in Congress last week which will create a trust fund for public broadcasting, paid for in part by commercial broadcasters looking to get out of specific public service obligations. The "Public Broadcasting Reform Act of 1998" would set up a commission to study the future of public broadcasting and to recommend changes in its operation, funding and mission. The bill would also sell off or lease a number of public radio and TV stations which overlap other noncommercial signals. —FS

► Chalk up another radio syndicator going to the birds—CD Radio (O:CDRD) has signed with Personal Achievement Networks (PAN) LLC, for a 24-hour channel on its upcoming satellite DARS system. So far, CD Radio has also contracted with Hispanic Radio Network, Sports Byline, Bloomberg News, **Dick Brescia** Associates' Classic Radio and C-Span Radio (*RBR* 5/25, p. 4). —CM

► After months of research and negotiation, Jacor (O:JCOR) has chosen Prophet Systems' Audio Wizard CFS as the on-air system for its group of 200+ stations (*RBR* 5/18, p. 6). *RBR* sources estimate the deal to be worth between \$7.5 and \$8.5M. Capstar (N:CRB) recently purchased Prophet for its own stations (*RBR* 4/6, p. 4), so the Jacor agreement includes non-disclosure and confidentiality issues. —CM

► Flamboyant boxing (and self) promoter **Don King** was the winning bidder in a bankruptcy court auction of the *Call and Post*, a money-losing Cleveland newspaper which also publishes editions in Columbus and Cleveland. The newspaper serving Ohio's African-American communities has been struggling for years and previously sold off its building and presses. Despite the lack of assets, King Media Enterprises Inc. bid \$760,000 for the newspaper, edging out another bidder by \$10,000 and quadrupling the bankruptcy court's valuation of \$190,000. —JM

## Cherokee Broadcasting Co., Inc.

has entered into an LMA for

**WGST-FM Atlanta (Canton), GA**

with

**Jacor Communications**

including a Put/Call Agreement valued at

**\$31,000,000**

Don Bussell served as broker for Cherokee Broadcasting.

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## Syndication News

by Katy Bachman and Carl Marcucci

### AMFM reps Bob & Tom

Keeping it all in the family, Chancellor's (O:AMFM) AMFM Radio Networks will be repping and handling station affiliations for Capstar Broadcasting's (N:CRB) "The Bob & Tom Show." (Both Capstar and Chancellor are backed by Hicks, Muse.)

Co-hosts **Bob Kevoian's** and **Tom Griswold's** morning show (6A-10A ET) will be produced from flagship station WFBQ-FM Indianapolis. The three-year-old show currently has 52 affiliates.

The announcement follows a week of AMFM Radio Net program additions (*RBR* 6/15, p. 2).

### AVI laughs it up

This is no joke: Syndicator American View Inc. is offering prospective affiliates a free one-week trial of its new Comedy Cheat Sheet, a daily morning prep sheet of topical jokes from the award-winning comedy writers for shows such as "Tonight Show with Jay Leno," and "Comedy Central." Available for barter or cash, the new comedy prep sheet arrives daily before 5A by fax.

### Conan O'Brien heads for radio

If CBS' **David Letterman** can get on the radio, so can NBC's **Conan O'Brien**. "Conan on the Radio," syndicated and produced by United Stations and sold by Market Leader, takes highlights from O'Brien's nightly monologue for a two-minute vignette beginning August 3. The national sponsor is hair-cutting-chain Supercuts.

United Stations will also launch on July 4, "Today's Women," a two-hour weekend series to air over 10 weeks. The barter show will profile female songwriters.

### Cox takes "The Motley Fool" from web to radio

Cox Radio (N:CXR) is syndicating "The Motley Fool Radio Show," an Internet Financial Talk show for radio. (See related story, p. 8) The show, hosted by founding brothers **David** and **Tom Gardner** debuted on KFI-AM Los Angeles and WSB-AM Atlanta June 13. Nationwide syndication will begin early this Fall, to air Noon-3P ET Saturdays. National sales are handled by MediaAmerica.

## Are listeners talked out?

by Frank Saxe

Fewer Americans care to talk about politics, according to the latest biennial survey by the Pew Research Center. It found that 13% of respondents listen to political Talk, down from 23% in 1993. The study also found that fewer Talk listeners are calling in. While 71% reported placing a call in October, 1997, that number fell to 59% in the latest survey, the lowest level since April 1993.

Pew researchers compared the top Talk hosts, and while they found **Rush Limbaugh's** audience has shrunk, he remains Talk radio's biggest draw. While National Public Radio's numbers seem high, it is important to remember they are a sum of all NPR programs, not individual shows like "Morning Edition" or "All Things Considered."

When it came to news, 44% of respondents heard some radio news, a figure that has remained fairly steady through the decade—although it is down from a 1965 Gallup poll when 58% of the population depended upon radio for news. Overall, Americans in 1998 are reading, watching and listening to news just as often as they were two years ago—with Internet and cable news outlets growing the most at the expense of broadcast TV.

For morning drive, typically radio's strongest daypart, the study showed 22% of Americans get news in the morning from radio, and of those that get news in the morning, 33% of them get it from radio, compared to 60% for TV, 28% for newspaper and 3% for Internet.

The Pew Research Center's survey of 3,002 adults was conducted by phone April 24-May 11, 1998.

### I listen to...

	Regularly	Sometimes	Hardly Ever	Never
National Public Radio	15%	17%	18%	49%
Dr. Laura Schlessinger	3	9	8	80
Don Imus	1	3	6	89
Howard Stern	4	10	10	76
Rush Limbaugh	5	11	11	73
June 1997	5	11	12	71
April 1996	7	11	11	70
July 1994	6	20	13	61
Focus on the Family	10	16	11	63

Source: Pew Research Center, N=1,499

## Sharpton leads ad protest

by Frank Saxe

Rev. **Al Sharpton's** "war on Madison Avenue racism" took to the streets of New York last week, as a handful of people showed for a protest in front of the offices of Young & Rubicam. Sharpton, Spanish Broadcasting System and the National Association of Black Owned Broadcasters are demanding Y&R, Macy's, Pepsi-Cola—plus its subsidiaries Taco Bell and KFC—explain why so little of their ad budgets go to Urban and Spanish media.

"There has been racism and stations that are geared toward minorities have too often not gotten their fair share," agreed Urban WBLS-FM GM **Kernie Anderson**. "When you deny Urban stations ad dollars, you weaken those stations, and in doing so you limit their ability to serve their communities." Anderson said Macy's has bought time on other Urban stations he has managed, but questions what percentage of their budgets go to ethnic stations.

"We are a leader in ethnic spending. We place over \$150M of advertising in ethnic and minority-owned media every year," Y&R said in a written statement.

What brought the issue to the forefront was the release of a Katz memo, urging buyers to avoid Urban and Hispanic stations (*RBR* 5/18, p. 4). "I don't think the two are related," said Katz President **Stu Olds**. "Advocacy groups have been talking about spending patterns for a long time. We're just something that has helped dramatize the problem." Nevertheless, Katz has held several meetings with community leaders and has established a diversity training program for its workforce.

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# Television Business Report

## Paxson raises \$275M

Preparing for its August launch of PAX NET, "the national family entertainment network," Paxson Communications (A:PAX) sold \$200M in 13.25% cumulative junior exchangeable preferred stock (try saying that three times fast!) and \$75M of 9.75% Series A convertible preferred stock, together with warrants to purchase shares of common stock.

"With virtually all of our pre-launch goals complete, we will launch PAX NET on August 31, 1998," said CEO **Bud Paxson**. He said the new capital will help expand PAX NET beyond the 73% of US households in the markets where Paxson currently has O&O or LMA'd TV stations—78 stations in 76 markets.

## Affiliates pitch in to help nets

The TV network-affiliate model is changing. CBS (N:CBS) looking to offset the extraordinary cost of NFL rights, has struck a deal with its affiliates, which will share some of the cost (about \$50M of CBS' \$500M yearly cost) in exchange for exclusive air rights. ABC (N:DIS) has been less successful in its affiliate dealings. It wants \$30M, but wouldn't give its affiliates exclusivity. NBC and Fox are also talking with its affiliates about reworking its affiliate compensation agreements.

## Two generations exit Savannah TV

A pair of TV station sales will end the local broadcasting careers (at least for now) of two members of Savannah's Curtis family. In deal #1, **J. Lewis Curtis Jr.** is selling WJCL-TV (Ch. 22, ABC) to **Wendell Reilly's** Grapevine Communications—a group launched last year which already owns five TV stations. In the second deal, **J. Lewis Curtis III's** LP Media is selling WTGS-TV (Ch. 40, Fox) Savannah to Brissett Broadcasting. Broker: (both sales) Kalil & Co.

## Upfront flat but nets still smile

Numerous reports put the upfront total for ABC, CBS, NBC and Fox at a little over last year's \$6B to about \$6.1B. The two newbie nets—WB and UPN had the biggest increases with WB pulling in \$300M double last year's \$150M and UPN estimated at about \$150M. Nets were getting rate increases of between 3% to 8%. Cable, meanwhile, is expected to be up more than 15%.

## Disney stalking TV group?

Dow Jones—Walt Disney Co. (N:DIS) is negotiating to buy WJLA-TV (Ch. 7, ABC) in Washington and seven other TV stations across the country owned by broadcasting and banking magnate **Joe Allbritton**, according to *The Washington Post*.

If negotiations are successful, Disney-owned ABC would take over management of WJLA, the local ABC affiliate, and establish it as the Washington base for the network. ABC already owns WMAL-AM, WRQX-FM & WJZW-FM in Washington, the only market where a radio-TV waiver would be required for the Allbritton acquisition.

Allbritton Communications' stations could fetch between \$750M-to-\$900M, according to valuations by industry sources.

"Yeah, we're interested," said an ABC executive who did not want to be identified. The executive said ABC does not publicly discuss possible acquisitions.

Disney is eager to buy local stations, which are the most profitable part of the television business. The ABC network is ailing and anticipates losses this year, though such losses are more than offset by strong profits of the local stations ABC owns and operates. Allbritton's TV empire is attractive because it is one of the few remaining groups of ABC affiliates that Disney could purchase.

WJLA, which stands for Joe L. Allbritton, is the big prize in Allbritton's empire, accounting for half the \$173M in revenue the company reported last year. The stations generated almost \$62.8M in operating cash flow last year and reported a loss of \$3M for the six months ended March 31.

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## Sinclair signs with Katz's Seltel

Sinclair Communications (O:SBGI) has just signed an exclusive multi-year contract with Katz Media's Seltel to rep its 57 TV stations, once all deals are closed. Billings are estimated at \$95M. Sinclair formerly used several reps. "This is a group that a year and a half ago, walked out of here," said **Jack Higgins**, president Seltel.

## Tribune considering offers?

With its primary focus now on building the WB network with partner Time Warner (N:TWX), Tribune Co. (N:TRB) is considering the sale of its non-dubba-dubba stations, according to CBS MarketWatch. The Internet financial news site, which is partially owned by CBS (N:CBS), reported that Tribune has retained Merrill Lynch to evaluate unsolicited offers for WGNX-TV (Ch. 46, CBS) Atlanta and WGNO-TV (Ch. 26, ABC) New Orleans.

## Sinclair demos multicasting HDTV; still no standard adopted

To illustrate the practicality of HDTV multicasting, Sinclair (O:SBGI) Broadcast Group held a side-by-side demonstration (6/10-12) in Baltimore of a one channel, one program broadcast using the 1080i format and four simultaneous programs over the 480p/480i format on a second channel.

While other TV groups have backed off multicasting and said they would convert to full HDTV broadcasting, Sinclair has been unwavering in its advocacy of multicasting, saying it will allow them to compete more effectively with cable. The controversial move has some members of Congress questioning whether or not Sinclair and other would-be multasters in markets with network affiliates are living up to their promise to convert to HDTV by 2002 in exchange for keeping their current spectrum.

A cable-type box converter with remote control was used to demonstrate how multicasted programming can be received on one HDTV channel without diminishing picture quality.

While 26 FOX, CBS, NBC, PBS and ABC stations plan to begin HDTV broadcasting in November, no industry standard has yet been adopted. However, it may not be necessary. "On the receiving end, manufacturers will be making sets to receive the 1080i format, which has the highest quality. The other formats, I am told, will also be receivable from the same set," said **Dana McClintock**, director of communications, CBS Corp. Four CBS (N:CBS) stations will begin broadcasting five hours of 1080i format HDTV programming per week beginning in November. ABC (N:DIS) will have its HDTV facility in NYC finished also in November, but will use the 720p format.

# Price secrecy opponents flood FCC with comments

by Jack Messmer

An FCC proposal to stop requiring applicants to disclose prices and other contract details in radio and TV station sales as part of a conversion to electronic filing of FCC forms is drawing little support and lots of opposition.

*Radio Business Report, Radio & Records*, Duncan's American Radio and Dataworld warned in a joint filing that the FCC may create chaos in station trading if it goes ahead with the proposal. The coalition of publishers and database companies also noted that lenders may reduce capital availability to radio if it becomes more difficult to track price trends, and noted that minority- and women-owned firms would likely be hardest hit.

Separate filings by Norwest Bank, The Exline Co., Frank Boyle & Co. (both broadcast brokers), Berry Best Services and BIA Research made similar arguments for continuing to make price information public, although Boyle and BIA proposed using summaries instead of complete contracts. In addition, *RBR* has received copies of letters that were sent to FCC Chair **Bill Kennard** by Kalil & Co. and to Commissioner (and former banker) **Susan Ness** by Serafin Bros.

Support for contract disclosure wasn't limited to the financial community and trade press. The Media Access Project argued that "electronic forms must be used to enhance, and not hinder, public participation." The watchdog group said complete disclosure is necessary for journalists and public-interest attorneys "to bring anomalous portions of these contracts to light." A separate filing by five public-interest groups—Institute of Public Representation, Association of Independent Video and Filmmakers, Center for Media Education, Civil Rights Forum and

OMB Watch—argued that the FCC itself must have access to contracts to enforce its own rules.

The Federal Communications Bar Association (FCBA) noted that most broadcasters rely on their attorneys to review contracts and other details of FCC filings. Noting that most of its members are in the Washington, DC area, FCBA said that if the FCC changes its rules to have contracts available only in each station's public file, "this vital role of oversight played by licensees, the public and their lawyers will be hindered or curtailed."

At *RBR*'s deadline, only one filing in the official file (Docket 98-43) specifically endorsed ending contract filing. Former station owner **Michael Robert Birdsill** said anyone who wants to would be able to visit a station and request a copy of the contract under the public file rules.

## NAB wants reduced fees for electronic filing

In its comments, NAB gave a thumbs-up to electronic filing, but also asked that broadcasters be permitted to continue paper filings if they certify that "they do not have a computer or the capability to pay for any service to file electronically." NAB also suggested that filing fees be reduced for electronic filing during the transition period away from paper as an incentive for broadcasters to embrace the computer streamlining.

NAB, however, argued against making FCC applications available to the public via the Internet. The broadcast trade association said "the Commission has not provided any safeguards against tampering to justify this added 'openness' to documents that are already readily available at the station's public file or at the Commission."

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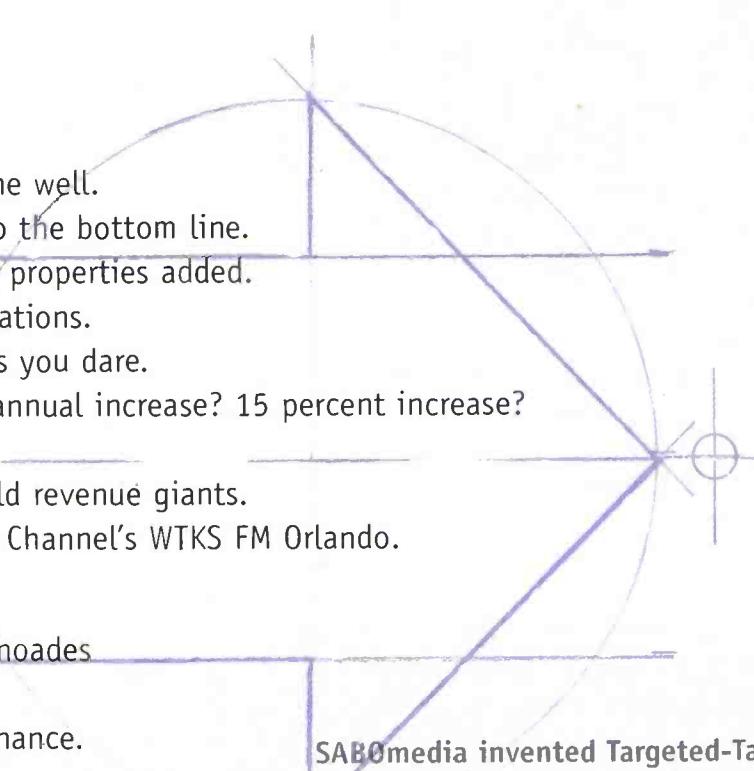
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by Jack Messmer

## Cox Radio: Building a new empire within an old empire

*Don't confuse "old-line" and "family-controlled" with conservative—Cox Radio (N:CXR) is out to run with the Wall Street bulls.*

The Cox family has been in radio from the medium's early days, signing on WHIO-AM Dayton in 1934 and acquiring WSB-AM Atlanta five years later. The family's media empire dates back even further. Cox Enterprises observed its 100th anniversary this year, having begun in 1898 with **James Cox's** purchase of the Dayton Evening News.

Most of Cox Enterprises remains a private, family-owned company, controlled by Cox's two daughters, but two pieces of the empire have become publicly traded in recent years to tap Wall Street for expansion funds. Cox Communications (N:COX) went public in 1995 and Cox Radio (N:CXR) followed with its IPO the next year, following passage of the deregulatory Telcom Act.

"The financial objective of going public was to use the funds to help finance the purchase of NewCity Communications [for \$250M]," said **Bob Neil**, president, Cox Radio. "Overall, we felt it was a good time to seek public equity in the company."

Like other groups, Cox has been purchasing stations to fill out its existing market portfolios. Also like many other groups, that acquisition has been pretty well completed for Cox. "As we go forward, we still have a few markets where we can expand, but I think there'll be more focus on looking at new markets," Neil said.

Most recently, Cox was able to capitalize on Capstar's (N:CRB) DOJ-induced divestiture of four Long Island stations (RBR 4/6, p. 18) and paid \$48M for a ready-made superduopoly. Neil expects to see more opportunities of that type as more mega-mergers take place. "Any combination like that that someone puts together is going to have some pieces that spin out of it," he noted. For example, the frequently rumored merger of Chancellor (O:AMFM) and Jacor (O:JCOR) would require divestiture of whole clusters in some attractive markets, such as Denver. "That creates an opportunity."

### Size matters

Cox Radio may not be one of the names that first comes to mind for many people when discussing megagroups that are hunting acquisitions, but don't rule Cox out of any potential deal, even something as large as Jacor (the current favorite for buyout speculation). Cox Radio may rank seventh revenue-wise among radio groups, but its parent company and controlling shareholder, Cox Enterprises, is a multi-billion-dollar media giant.

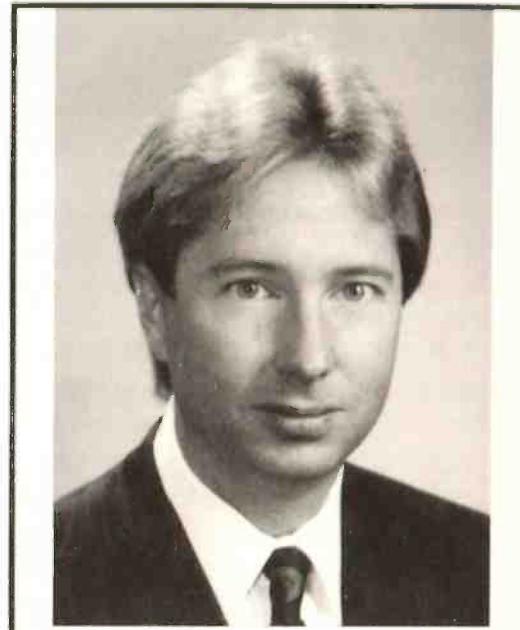
"I don't think they're really afraid of any size deal. It's a pretty big company," said Neil. "My marching orders have been to 'bring us deals, and if it's the right kind of deal we'll do it.' Nobody has put a cap on how

much I can spend."

That sort of big-bucks backing, coupled with the long-range view of a 100-year-old company, has put Neil in a position that some other CEOs may envy.

"One of the advantages that we have, and this was one of the issues in the Long Island acquisition, is that we could move quickly, that we had the cash to do it, and the seller knew that we were going to come to the closing table. We would bring the same set of assets to any deal like that in the future."

Neil is focusing on markets 10 to 70 for expansion, which is pretty much the territory spanned by Cox's current station line-up. Other than



Robert Neil, President & CEO, Cox Radio

Syracuse, which misses by one (#71), the only Cox markets outside those parameters are WEZN-FM Bridgeport, CT (#114), a long-held part of the NewCity group, and four stations (including an AM/FM combo that's been Cox-owned for more than two decades) in Los Angeles (#2). "Those radio stations have such a long track record of success in the market," Neil observed. "I think those Los Angeles radio stations are probably the closest thing to an annuity that you could get."

What's he looking for in new markets?

"We're partial to the Sunbelt. We like those markets because, as a whole, they're growing faster than the overall radio marketplace. But at the same time, what we really like is an opportunity to have a good set of radio stations in a market and be able to operate."

### Building margins & value

When Cox went public in 1996, its prospectus showed a pro forma cash flow margin of 29% for the combined Cox and NewCity stations (RBR 9/16, p. 14). By the first quarter of this year, that margin had improved to 37.2%

(RBR 5/11, p. 13). That dramatic improvement has to be one reason for the strong rise in Cox Radio's stock price (see chart, below).

"There's a different focus as a public company in terms of the things that you're being scrutinized on, and margins were a big issue when we originally went public," Neil said. "You have to keep in mind that as a private company we accounted for some things a little differently, we had probably a little more generous benefits package than we have as a public company, and we have a lot of employee owners now. When you own some stock you tend to watch it a little more carefully because you know that every dollar of cash flow helps build value."

Cox Radio's revenues have also been on the rise, due both to expansion



WDBO-AM & WWKA-FM Orlando listeners filled three trailers after the two Cox stations broadcast appeals to aid Florida tornado victims.

and internal growth. The IPO prospectus put pro forma 12-month revenues (through 6/30/96) at \$178.6M. The company reported actual revenues of \$199.6M for 1997, rising to \$225.2M on a pro forma basis for pending acquisitions. That was calculated before announcing the Long Island deal, which will add another \$11.2M, according to *Duncan's Radio Market Guide*.

Throughout the company's history, Cox's stations have been involved in their local communities. That dedication to local involvement is continuing today, with each station selecting local causes to back, as depicted in photos on these pages from several of the Cox Radio stations.

Cox Radio recently announced its first entry into syndication. "The Motley Fool Radio Show," featuring Internet investment gurus **David** and **Tom Gardner**, which will premiere this fall after a summer try-out on Cox's KFI-AM L.A. and WSB-AM At-

lanta. MediaAmerica is repping the show and Cox is handling affiliate relations in-house. Don't look for Cox to try to become a major player in syndication, though. Neil isn't creating a special syndication division and says this show was a "special situation."

All Cox stations are, or soon will be, on the Internet. Because of the corporate relationship with Cox Interactive Media (see related story, page 10), there was never any question of where to go for Web design and site operation. "They build some pretty outstanding radio sites," Neil said of Cox Interactive Media.

### **Let managers manage**

While some group owners are implementing group-wide equipment and software buying, virtual programming systems that allow any station to be operated from any other station, multi-market contests and company-wide directives on any subject you can think of, Neil is not jumping on the bandwagon.

"Our big core belief in the company is that the general managers are the key to the success of the radio stations. We don't have national program directors, we don't have national sales people. We believe that the GMs have to run their radio stations and be in charge of their teams locally," Neil said. "We operate, compared to a lot of other companies,



Talk host Neal Boortz solicits donations during WSB-AM Atlanta's on-air drive to raise money to help tornado victims in Georgia and Alabama. Over \$150,000 was raised for the American Red Cross' relief effort.

extremely decentralized. We have centralized systems for planning—almost franchising, if you will—but it's up to the manager to make that system operate for him or her in the market that they operate in."

All Cox Radio stations use the same software for financial information to allow for central tracking, but otherwise each GM decides what vendors to buy from.

Likewise, Neil has avoided the traditional tiered flow-chart for organizing management oversight of Cox Radio's markets. "I'm proud to say there is no one way."

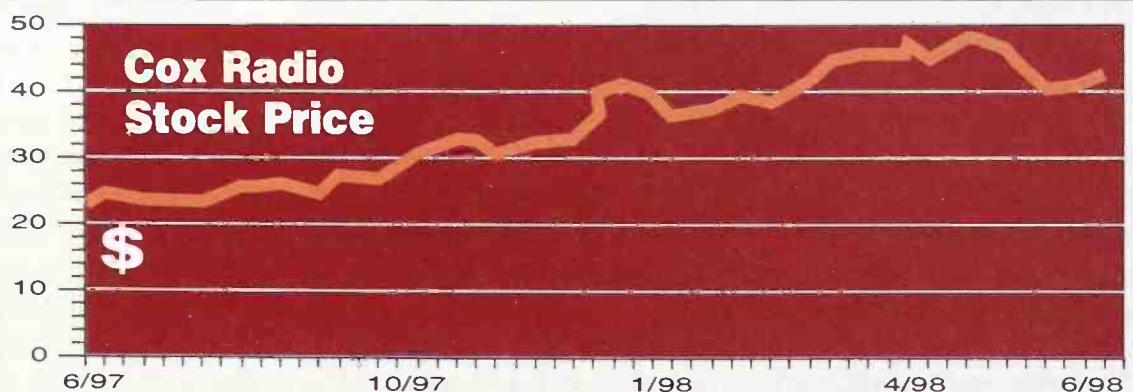
Two GMs are regional VPs with responsibility for two additional markets, two markets with multiple GMs have one as a market manager and four markets report to VP/COO **Dick Ferguson**. All report to Neil, who focuses on corporate operations and, along with Ferguson, on acquisitions.

## **Cox Radio**

### **Q1 1998 results**

<b>Category</b>	<b>\$ (000,000)</b>	<b>Gain</b>
Net revenue	\$52.1	78.6%
Broadcast cash flow	\$16.6	81.1%
Net income	\$2.8	N/A*
Same station revenue	\$32.0	11.7%
Same station cash flow	\$11.9	31.0%

\*Previous year Q1 net income of \$34.2M had included a one-time gain of \$29.3M from the sale of WCKG-FM & WSY-FM Chicago



# Cox extends media franchise on the net

by Carl Marcucci

Few radio groups have the content to leverage other media properties over the Internet like Cox. Cox Enterprises' Cox Interactive Media (CIM), established in July '96, brings together content for its 30 newspapers, 59 radio stations, 11 TV stations and 17 cable systems. Headed by president **Peter Winter**, CIM ([www.cimedia.com](http://www.cimedia.com)) already has 450 employees, 17 city sites and four specialty sites, with a target of 25 major market and 10 smaller market sites by the end of the year.

The real objective of forming CIM was to support and grow the Cox franchise in markets where Cox has a media presence. However, unlike other broadcasters with Web sites, Cox operates its Internet effort as an independent operating unit of Cox, instead of Internet ventures that flow up through station GMs, cable GMs or newspaper publishers.

*"There's no national broad stroke of content or template for design. Everything is developed for those local communities. That's where the local advertisers are, that's where the people care what's going on, so this is a truly local interactive medium,"*

— Marleen Burford,  
manager, marketing services.

Centralizing CIM guarantees 100% of focus and effort for the project—not a back-burner effort from GMs or publishers that already have enough to do. "This is in good measure a game of technology development, and it's very difficult to get economies of scale across a company of our size if you don't have that technology development centralized so that you can negotiate as a group with technology vendors," said Winter.

Centralization also allows independent decision making for the right mix of content and functionality that will drive the highest local audience. Said Winter: "To some extent, that is the same challenge that all of our media properties face every day. What mix of product and programming is going to drive the highest volume repeat audience so that I can get an inventory of advertising impressions to sell against?"

CIM sells with separate sales forces in each market. However, other Cox media properties can sell against the

site for package buys. Within most sites, there are three types of advertising: 1) restaurant listings or directories 2) partner advertisers (Home Depot sponsors a home improvement channel on Atlanta's site), and 3) banner advertisers.

Each of the 17 city sites is unique, including the name, design, content and promotion. "There's no national broad stroke of content or template for design. Everything is developed for those local communities. That's where the local advertisers are, that's where the people care what's going on, so this is a truly local interactive medium," said **Marleen Burford**, manager, marketing services. The only common threads CIM sites share are news, weather, traffic and hot topics.

Staffing and developing each city site also requires a local approach. Within each CIM market, programming, marketing, sales and technology employees work in local offices, aptly named "Interactive Studios." "We do a lot of primary and secondary research before we come in. We do a sales audit to see where the dollars are being spent on the Internet in the marketplace. Then we talk to our Cox partner(s) in the market. We put all of that information into a pot and out of the gruel comes a product spec and then the GM responsible for developing that product spec starts to hire people," said Winter.



Peter Winter, president Cox Interactive Media

**COX INTERACTIVE**  
*m e d i a*

A Subsidiary of Cox Enterprises, Inc.

Mature Interactive Studios will also produce specialty sites. But, instead of having a geographical fix, these have a national subject fix. Atlanta produces [y'all.com](http://y'all.com) (Southern culture) and [Fastball.com](http://Fastball.com) (baseball); Austin produces [GreatOutdoors.com](http://GreatOutdoors.com) and [GoBig12.com](http://GoBig12.com) (college football).

While all Cox newspaper, radio, TV and cable sites are linked locally with the city sites (and CIM builds many of those sites, too), local content is only part of the strategy.

## AccessAtlanta: Where Atlanta Goes Online

CIM's Atlanta site with three Cox Enterprises links to WSB-TV, WSB-AM and the *Atlanta Journal Constitution* (AJC).

Getting those hits, or impressions also takes a "Portals" strategy, which is to incorporate navigation and search engines—the things people use the most—into the sites. Says Winter: "It's interesting to us that the audience share of a local Web site of a local media company tends to fall in the range of 10%. The aggregated share of the four main search engines in a local market tends to fall between 60-70%. That tells you that navigation and search is an absolutely fundamental product offering. You've got to figure out a way to integrate search into your product because great news, great weather, great sports and great entertainment content can only get you so far."

While CIM has city site competition like "City Search", "Digital City," Belo Corp.'s (N:BLC) "Cityview" and "Sidewalk," Winter believes CIM's offering is far superior: "There are a lot of local market competitive offerings. Some of them fall into the category of city guides—large static

databases of content featuring restaurants and nightclubs and so on. They have proven not to be capable of driving high-volume page views and, therefore, they've had a hard time getting significant ad buys. The other city site products that we compete with are mainly online newspaper city sites which have not proven to date that they are capable of integrating Internet functionality well with their media content. There's no navigational search mechanism in their sites, there's not a lot of chat or personal home pages."

Like a lot on the net these days, CIM's 5-year plan calls for expansion at a loss. Said Winter: "Currently, we haven't launched in over half of our targeted markets. This is about long-term brand-building, not about artificially expecting profits. So we have audience and revenue benchmarks built into that plan. But fundamentally, we don't expect to turn the first corner until the first quarter of 2002."

by Jack Messmer

## Lowry's song: There's just something about a Dame...

It's such a perfect fit and rumors of a merger had circulated for more than a year, so it was hardly a surprise that Clear Channel Communications (N:CCU) emerged as the winning bidder for Dame Media, with an \$85M stock-swap/debt assumption deal. In a statement announcing the deal, Clear Channel CEO **Lowry Mays** praised **Al Dame** and his management team for doing "an excellent job of establishing heritage market position while continuing to pursue innovative business practices."

This merger will boost Clear Channel to a 2 AM/5 FM superduopoly in the Albany-Schenectady-Troy, NY market. Although Clear Channel will lead the market in audience share (25.7 Arbitron Winter '98), it will still

trail Capstar (N:CRB) in revenue share (36.5% vs. 31.9% according to Duncan's American Radio).

Merging Dame into Clear Channel will also set up a reunion of sorts in Harrisburg, PA where Dame bought WHP-AM & WRVV-FM from Commonwealth for \$3.25M in 1991 and Clear Channel bought WHP-TV (Ch. 21, CBS) four years later for \$30M (it also LMA's the market's UPN affiliate, WLYH-TV, Ch. 15). Dame now has six radio stations in Harrisburg and Clear Channel has two in the adjacent Lancaster market.

Four new markets join the Clear Channel lineup with the addition of Dame: six stations in Utica-Rome, NY; four in Williamsport, PA and two in Johnstown, PA.

**RBR observation:** The all-stock deal indicates just how badly Clear Channel wanted this group. Lots of would-be sellers want to avoid capital gains taxes (RBR 6/8, p. 16-17) by swapping for stock in a strong and growing public company, while those strong companies would rather pay cash, which they can borrow at low interest rates.

## Broker builds own superduop

Radio broker **Mark Jorgenson**'s Concord Media Group is buying WLWU-AM & FM Dunedin-Holiday, FL from Times Publishing Co. for \$7M. The deal will give Concord three AMs and one FM in the Tampa market.

## Hicks, Muse coalition to Z-Spanish Network gets

Three broadcasting companies backed by Hicks, Muse, Tate & Furst—Chancellor Media (O:AMFM), Capstar (N:CRB) and LIN TV—and TSG Capital Group have announced an alliance to "capitalize on investment opportunities in broadcasting entities across a broad spectrum of ethnic ownership."

First to benefit from the move is **Amador Bustos'** Z-Spanish Media. TSG is already a Z-Spanish investor and Chancellor is now investing \$25M for a 20% non-voting equity stake. At the same time, **Herb Wilkins'** Syncrom—an African-American-owned venture capital fund—announced that it had sold its majority equity interest in Z-Spanish to TSG, but would remain as a minority investor. Syncrom said its deal valued Z-Spanish at \$101M.

In a statement announcing the deal, Chancellor Media CEO **Jeff Marcus** praised Z-Spanish for "a solid track record and an excellent management team led by Amador and John Bustos."

## FCC boss praises effort

The Hicks, Muse move drew accolades from FCC Chair **Bill Kennard**. "I applaud

## Capstar Broadcasting Corporation

has agreed to transfer the following stations

to

## Chancellor Media Corporation

KODA-FM, KQUE-AM and KKRW-FM Houston

KTXQ-FM and KBFB-FM Dallas

KPLN-FM and KYXY-FM San Diego

WDVE-FM, WXDX-FM, WJJJ-FM and WVTY-FM Pittsburgh

## Approximate Value

**\$637,500,000**

**Star  
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Group, Inc.**

**"Radio's Full Service  
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5080 Spectrum Drive, Suite 609 East • Dallas, TX 75248 • (972) 458-9300

## Connoisseur into Muskegon

Jeff Warshaw's Connoisseur Communications is entering a new market with a \$5.25M buy of WMUS-AM & FM Muskegon, MI from Greater Muskegon Broadcasters. Unrated Muskegon is adjacent to the Grand Rapids market, where WMUS-FM claimed a 1.6 AQH share in the Winter '98 Arbitron. Broker: The Connelly Co.

## Web-wizard quick quiz

Who owns the Internet sites [www.amfm.com](http://www.amfm.com) and [www.wktu.com](http://www.wktu.com)? If you guessed Chancellor Media (O:AMFM)—owner of the AMFM Radio Networks and WKTU-FM New York—you're wrong. The [www.amfm.com](http://www.amfm.com) site is Jacor's (O:JCOR) Santa Barbara station group and [www.wktu.com](http://www.wktu.com) is the site of an Internet-only station based on Long Island.

## Invest in minority firms; list \$25M

"leadership shown by Capstar, Chan-

elor and LIN in their new alliance with TSG Capital to invest significant capital in minority owned and operated broadcast stations," said Kennard. "I particularly thank [Capstar CEO] **Steve Hicks** for his personal commitment to these goals."

Noting that two months ago he had challenged the broadcast industry to come up with ideas to promote minority ownership and management, Kennard praised the Hicks, Muse-TSG alliance for the "first step" in what's expected to be a series of transactions. "I encourage other industry leaders to develop initiatives to support bona fide minority- and women-controlled mass media ventures," Kennard added.

**RBR observation:** Make money while saving points with the FCC. Sounds like a smart move to us.

Capstar, by the way, is already responsible for helping to create the nation's third-largest African-American-owned radio group, **Frank Washington's BBRI & II LLC**, which spin-offs from various acquisitions. Capstar is both a non-voting equity holder and a lender to Washington's group.

## RBR's deal digest

Jacor (O:JCOR) is adding to its Youngstown holdings with a \$2.7M buy of WRBP-FM from Stop 26-Riverbend Inc... WPW Broadcasting, headed by **Wayne Whalen** and **David Madison**, is buying WAIK-AM Galesburg, IL for \$439,500 from **Michael McCulluch's** Northern Broadcast Group. Broker: **Ralph Meador**... Arthur Angotti's University Broadcasting has changed its name to Artistic Media Partners and is buying WWWY-FM Columbus, IN for \$1.275 from Mid-State Media... Clear Channel (N:CCU) is buying WSML-AM to add to its Greensboro, NC holdings... Sinclair Broadcast Group (O:SBGI) has a new \$1.75B credit facility from a bank syndicate led by Chase Manhattan, Chase Securities, NationsBank of Texas, Bankers Trust, First Union and Union Bank of California. Part of the cash will be used to close pending buys of Sullivan Broadcast Holdings and Max Media... Emmis (O:EMMS) completed a \$168M add-on stock offering, selling 4M shares. Lead Underwriter: Morgan Stanley Dean Witter... Cumulus (O:CMLS) is buying WGPC-AM & FM Albany, GA from Albany Broadcasting for \$2.25M. Broker: **John Lauer**, Force Communications... **Jerry Denon** of Montcalm was the broker for Cumulus' \$10.425M buy of Midland's Topeka stations (RBR 6/15, p. 13)... Broker: **Don Bussell** of Questcom represented licensee Cave Creek Broadcasting in the \$5.5M sale of KCCF-AM Phoenix (RBR 6/15, p. 12)... Student-run Yale Broadcasting Co. (yes, the Ivy League school) is buying WNHC-AM New Haven for \$775,000 as top bidder in an auction by a federal bankruptcy court. Broker: **Mike Rice**, New England Media... Westtower (A:WTW) has gotten a \$75M revolving line of credit from a syndicate led by BankBoston. The company plans to use the cash to buy more towers... Meanwhile, ABRY-backed Pinnacle Holdings announced that it has retained Morgan Stanley & Co. to evaluate sale and merger options for its 600 towers.

# SOLD!

KZWC (FM), Walnut Creek, California from Z Spanish Network to Jacor Communications, for \$4,700,000.

Elliot B. Evers  
and  
Charles E. Giddens  
represented Jacor.

RANDALL E. JEFFERY  
RANDALL E. JEFFERY, JR.  
407-295-2572

ELLIOT B. EVERE  
415-391-4877

GEORGE I. OTWELL  
513-769-4477  
BRIAN E. COBB  
CHARLES E. GIDDENS  
703-847-5460

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\*Subject to F.C.C. approval

# BROADCAST INVESTMENTS™

June 17—RBR Stock Index 1998

Company	Mkt:Symbol	6/10 Close	6/17 Close	Net Chg	Pct Chg	6/17 Vol (00)	Company	Mkt:Symbol	6/10 Close	6/17 Close	Net Chg	Pct Chg	6/17 Vol (00)
Ackerley	N:AK	21.562	20.500	-1.062	-4.93%	200	Hettel Bcg	O:HBCCA	36.500	36.750	0.250	0.68%	2829
Alliance Bcg.	O:RADO	0.812	0.812	0.000	0.00%	9	Jacor	O:JCOR	56.125	55.375	-0.750	-1.34%	5930
Am. Tower	N:AMT	22.875	21.937	-0.938	-4.10%	574	Jeff-Pilot	N:JP	58.500	56.000	-2.500	-4.27%	2451
AMSC	O:SKYC	10.750	9.625	-1.125	-10.47%	478	Jones Intercable	O:JOINA	23.500	23.875	0.375	1.60%	2531
Belo Corp.	N:BLC	25.250	24.937	-0.313	-1.24%	1624	Metro Networks	O:MTNT	42.187	39.250	-2.937	-6.96%	56
Big City Radio	A:YFM	9.062	8.625	-0.437	-4.82%	7	NBG Radio Nets	O:NSBD	1.125	1.750	0.625	55.56%	48
Capstar	N:CRB	20.625	20.000	-0.625	-3.03%	1800	New York Times	N:NYT	72.000	73.625	1.625	2.26%	3829
CBS Corp.	N:CBS	31.562	31.375	-0.187	-0.59%	28204	News Comm.	O:NCOME	1.375	0.984	-0.391	-28.44%	50
CD Radio	O:CDRD	36.875	36.500	-0.375	-1.02%	2022	OmniAmerica	O:SCTR	45.500	42.250	-3.250	-7.14%	599
Ceridian	N:CEN	56.187	57.750	1.563	2.78%	2344	Otter Tail Power	O:OTTR	34.625	35.750	1.125	3.25%	112
Chancellor	O:AMFM	48.000	47.375	-0.625	-1.30%	12874	Pacific R&E	A:PXE	3.875	3.937	0.062	1.60%	15
Childrens Bcg.	O:AAHS	3.062	3.031	-0.031	-1.01%	34	Pulitzer	N:PTZ	87.812	84.750	-3.062	-3.49%	884
Clear Channel	N:CCU	103.625	103.250	-0.375	-0.36%	3161	RealNetworks	O:RNWK	26.250	27.562	1.312	5.00%	2759
Cox Radio	N:CXR	44.000	45.000	1.000	2.27%	885	Saga Commun.	A:SGA	16.062	15.250	-0.812	-5.06%	61
DG Systems	O:DGIT	3.625	3.656	0.031	0.86%	131	Sinclair	O:SBGI	28.000	27.375	-0.625	-2.23%	3006
Disney	N:DIS	118.312	114.312	-4.000	-3.38%	21495	SportsLine USA	O:SPLN	29.937	32.000	2.063	6.89%	9908
Emmis Bcg.	O:EMMS	48.000	46.500	-1.500	-3.13%	1790	TM Century	O:TMCI	0.437	0.562	0.125	28.60%	4
Faircom	O:FXCM	1.062	1.000	-0.062	-5.84%	65	Triangle	O:TBCS	0.100	0.080	-0.020	-20.00%	3980
Fisher	O:FSCI	73.250	73.000	-0.250	-0.34%	4	Triathlon	O:TBCOA	10.625	10.750	0.125	1.18%	61
Gaylord	N:GET	33.625	33.000	-0.625	-1.86%	603	Tribune	N:TRB	68.625	68.125	-0.500	-0.73%	2498
Granite	O:GBTVK	11.500	11.000	-0.500	-4.35%	640	Westtower	A:WTW	24.000	23.500	-0.500	-2.08%	107
Harris Corp.	N:HRS	45.187	42.500	-2.687	-5.95%	3771	Westwood One	O:WONE	26.375	26.375	0.000	0.00%	323
							WinStar Comm.	O:WCII	47.375	42.437	-4.938	-10.42%	8046

**Transaction Digest**  
continued from page 16

**\$100,000—KTBJ-FM** St. Louis (Festus MO) from Golden Sound Broadcasting Inc. (David L. Steinhart, pres.) to CSN International (Charles W. Smith, pres.). \$5K downpayment, balance in cash at closing.

**\$91,200—WBCA-AM** Mobile (Bay Minette AL) from L.A. Broadcasting (Gaston Monroe, Walter J. Bowen) to Southern Media Communications Inc. (Walter J. Bowen, Nathaniel J. Goode Jr., Richard D. Barnes). \$65K to Monroe (\$25K cash, \$40K note), \$26.5K to Bowen (cash). Monroe is also cleared from station debts with an original face value of \$234K.

**\$80,000—WQKO-FM** Howe IN from Maranatha Christian Fellowship Inc. (Ronald H. Hyre) to CSN International (Charles W. Smith, Jeffrey W. Smith, John A. Laudadio, Michael R. Kestler). \$80K note. Station is noncommercial.

**\$67,000—\* KLCX-FM** Rochester MN (St. Charles MN) from Richard R. Radke to St. Charles Broadcasters Co. L.L.C. (Howard G. & Lucille S. Bill). Unspecified

combination of cash and debt forgiveness. **Duopoly** with KOLM-AM, KWWK-FM. LMA since 4/15.

**\$50,000—\* WAGR-AM** Fayetteville NC (Lumberton NC) from Arthur DeBerry & Assocs. Inc. to WAGR Broadcasting Inc. (Charles W. Cookman). \$1K escrow, \$9K cash at closing, \$40K note. **Superduopoly** with WIDU-AM, WEWO-AM. Broker: American Media Services LLC

**\$17,500—WQXC-AM** Otsego MI from Forum Communications Inc. (Robert P. Brink) to Vintage Radio Enterprises LLC (James R. & Suzanne M. Higgs). \$17.5K note.

**\$10,000—KAYI-FM CP** Princeville HI from Moore Broadcasting Co. (John C. Moore) to B&GRS Partnership (William G. Brown, Clifton G. Moor). \$500 deposit, balance in cash at closing.

**\$1—\* FM CP (106.7 mHz)** Aberdeen SD from CD/RR Inc. to KCAA/KOAA L.L.C., a subsidiary of Roberts Radio L.L.C. (Robert W. Pittman, Robert B. Sherman et al). Second step of competing application settlement. In first step, Roberts acquired joint

ownership of station with CD Broadcasting (Chris Dahl) under the name CD/RR Inc., along with an option to purchase station outright. Roberts is now exercising its option. **Superduopoly** with KCAA-AM, KQAA-FM, KSDN AM-FM.

**N/A—WKTM-FM** Soperton GA from Vidalia Communications Corp. to Augusta Radio Fellowship Institute Inc. (Clarence Barinowski), a non-commercial entity. Donation. VCC has applied for an FM CP at Mt. Vernon GA, as has ARFII. ARFII is withdrawing its application in exchange for the donation of this station (two other competing applicants for Mt. Vernon facility have also withdrawn under unspecified terms).

**N/A—WPHE-AM** Philadelphia (Phoenixville PA). Voting control of non-commercial Salvation Broadcasting Co. from Sarail Salva, Isabel Salva & Juan Vasquez (each 33.3%) to 12 individuals with 8.33% each (Sarail Salva, exec dir. Julio Rodriguez, pres and ten others).

**N/A—KEAS AM-FM** Eastland TX. 51% of stock of WDS Broadcasting from Wayne Darren Staggs, deceased, to his wife, Dovie Faye Taylor Staggs.

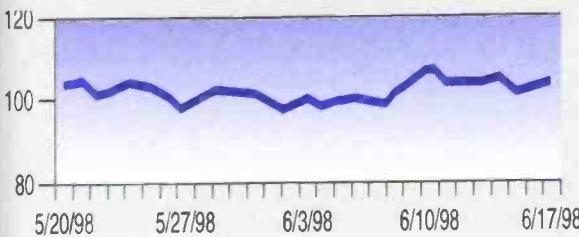
## The Radio Index™

Radio stocks rode the Wall Street roller coaster as stock prices across the board plunged to the lowest levels in two months, then began rebuilding. The Radio Index™ closed Wednesday, June 17 at 105.97, down 1.83 from a week earlier.

### RADIO BUSINESS REPORT

#### THE WALLSTREET JOURNAL

R A D I O N E T W O R K



### Clear Channel raises \$300M

Clear Channel Communications (N:CCU) sold a two-tranche bond offering for a total of \$300M. The company sold \$125M of 10-year senior notes with a 6.625% coupon and yield-to-maturity of 6.729%. It also sold \$175M of 20-year senior debentures with a coupon of 6.875% and yield-to-maturity of 6.958%.

### Ackerley postpones offering

The Ackerley Group (N:AK), citing market conditions, has put on hold a 2M share add-on stock offering that it had filed in April (RBR 4/20, p. 11).

"While we are pleased with the company's performance year to date, we believe that general market conditions warrant this postponement," said CEO **Barry Ackerley**, in a company release. "We hope to return to the equity markets with this offering when market conditions are more favorable."

### DOJ clears Westinghouse Power sale

The US Department of Justice has given its OK for Germany's Siemens AG to buy the Westinghouse Power Generation unit from CBS Corp. (N:CBS) for \$1.525B. The deal has also gotten the go-ahead from Germany's antitrust authority and the US Committee on Foreign Investment.

Westinghouse Power Generation had revenues of \$2B last year. It designs, manufactures and services electrical generators for power plants and industrial sites.

6/22/98 RBR

## CBS industrial sell-off down to final days

*Wall Street Journal*—CBS Corp. (N:CBS), eager to sell off the last of its old industrial businesses, has narrowed negotiations to a single potential buyer—a consortium that includes the Boise, Idaho-based engineering giant Morrison Knudsen Corp. (N:MK) and British Nuclear Fuels Ltd.

Apparently, CBS had given the consortium until late last week to hold exclusive talks aimed at completing a definitive agreement. The consortium is "in the catbird seat—they're definitely the one that looks better than the others," says a person familiar with the talks.

The bid is believed to be between \$1B and \$1.5B, according to people familiar with the bidding process, which includes liabilities that would be assumed by any buyer. On the block are the last fragments of the old Westinghouse: a large nuclear-power business and a much smaller government-operations unit.

CBS has vowed to sell the two as a package to an American "entity," a requirement that presumably could be fulfilled by including U.S. companies in any bidding group. The Morrison Knudsen-British Nuclear Fuels consortium also may include a financial partner.

CBS declined to comment.

The U.S. government is very sensitive about who buys Westinghouse's government-operations business. That unit has a couple of different parts, all deeply intertwined with government activities: It supplies nuclear-propulsion equipment to the Navy, is building a plant in Alabama to allow the Defense Department to burn aging chemical weapons, and makes all sorts of casks used for such things as shipping nuclear waste. Its largest business is managing various nuclear facilities for the Energy Department.

The sale will mark a milestone for CBS. The company had pledged to dispose of its remaining industrial assets by midyear; and it is eager to keep to this timetable. Selling the final chunks of the old Westinghouse will complete the transformation of the company into a purely media and broadcasting-oriented business.

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## Faircom Inc.

Joel M. Fairman, Chairman and CEO

has merged with

## Regent Communications, Inc.

Terry S. Jacobs, Chairman and CEO

in a transaction valued at

\$35,000,000

*The undersigned initiated this transaction and acted as exclusive financial advisor.*



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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.

**\$65,150,000—\* KJQY-FM & KKLQ-FM** San Diego from Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR), to HBC San Diego License Corp. (McHenry Tichenor Jr.), a subsidiary of Heftel Broadcasting Corp. (O:HBCCA). \$65.15M in cash at closing. LMA to begin 7/26, provided antitrust review and approval is complete. **Duopoly**. Note: In a related series of transactions, control of KMCG-FM & KXGL-FM is being transferred to Charles E. Giddens, Trustee, upon closing of Jacor's buy of the entire Nationwide Communications radio group. Giddens will transfer both to Jacor once this deal with Heftel has closed. Broker: Gary Stevens, Gary Stevens & Co.

**\$10,100,000—\* WZAZ-FM** Columbus (Upper Arlington OH) from Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR), to Blue Chip Broadcasting Ltd., a subsidiary of Blue Chip Broadcasting Co. (Luther Ross Love Jr., Lovie L. Ross, Calvin D. Buford, J. Kenneth Blackwell, Thomas Revely III). \$10.1M note. **Duopoly** with WCKX-FM. LMA contemplated. Broker: The Crisler Co.

**\$995,000—\* WYKT-FM** Wilmington IL from L.B.R. Enterprises Inc. (Terry L. Marker) to STARadio Corporation (Jack & Sydney Whitley, C. Derek & Lisa Parrish, Howard & Michele Doss, others). \$50K escrow, balance in cash at closing. **duopoly** with WKAN-AM & WLRT-FM Kankakee IL. LMA contemplated. Broker: Bill Hansen

**\$540,000—WGZS-AM & WIZB-FM** Dothan (Dothan-Abbeville AL) from Genesis Radio Co. Inc. (Buford L. Hunt) to Celebration Communications Company Inc. (Joseph R. Copeland, Charles A. Helms III & numerous others). \$30K escrow, balance in cash at closing. LMA since 4/30.

**\$225,000—KTLS AM-FM** Holdenville OK from Tyler Broadcasting Corp. (Ty A. Tyler) to A.M. & P.M. Communications L.L.C. (Richard E. Witkovski, Ralph Kerr, Ken Mok). \$5K deposit, balance in cash at closing.

**\$225,000—WFAV-AM** Fort Walton Beach FL from Liberty Broadcasting L.C. (Bobby L. Hayes, Gloria Hayes, Dean Crumly) to Gulf Breeze Media Inc. (Jenifer F. Hale). \$6K down payment, \$6K cash 6 months after FCC approval, \$10.5K cash 12 months after FCC approval, two notes totalling \$202.5K **Combo** with WMMK-FM.

**\$175,000—WXHB-FM** Richton MS from TraLyn Broadcasting Inc. (Darren Kies) to Sunbelt Broadcasting Corp. (Thomas F. McDaniel). \$190K deposit, balance in cash at closing. LMA since 4/30.

**\$165,000—KMEL-AM, KAHO-FM** Junction TX from Murnic-Mead Communications (Robert L. Meadows) to Kimble County Communications Inc. (Kent S. Foster). \$10K escrow, balance in cash at closing. Broker: James Long Real Estate.

**\$150,000—WCLW-AM** Greensboro-Winston Salem-High Point (Eden NC) from Newave Broadcasting (John Correa) to Dr. Jerry L. Carter dba Reidsville Baptist Church. \$10K earnest money, balance in cash at closing, or balance due interest-free within 120 days after closing, or balance due with interest within 8 months of closing.

**\$130,000—\* WVTJ-AM** Pensacola from Cathedral of Praise Ministry Inc. to 610-am (Michael B. & Dara Glinter). Cash. **Superduopoly** with WNVY-AM, WZNO-AM.

**\$100,000—\* WLTT-FM** Fayetteville NC (Shallotte NC) from Partech Communications Group Inc. to NanBec I L.L.C. (Roy O., Nancy R. & Rebecca T. Rodwell). \$30K escrow, balance in cash at closing. **Duopoly** with WCAA-FM. LMA since 3/18. Broker: Gordon Rice Associates

*Transaction Digest  
continued on page 14*