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CD Radio makes receiver deals

In a major step toward making its direct-to-car satellite service a reality, CD Radio (O:CDRD) has announced manufacturing deals with Delphi Delco Electronics and aftermarket manufacturer Recoton Corporation.

Delphi Automotive Systems (N:DPH) is in the process of separating from General Motors (N:GM) ownership. Delphi-Delco Electronics, a unit of Delphi, represents approximately one-third of all OEM domestic factory car stereos, selling to GM (representing 83% of sales), Daimler-Chrysler, Toyota, Ford and VW. CD recently opened a metro Detroit office to work more closely with automakers.

The stereos will first be available in 2002 models, which hit showrooms in August 2001. **Andrew Greenebaum**, CD's CFO, says the goal is to make these AM/FM/CD band radios as much of a standard accessory as possible. "We're working with them to get a deal with the carmakers where these are already factory-installed when they roll off the lines so people don't have to make a decision as to whether they want it—they've got it already." Factory-installed antennas will most likely be placed in the rear windows.

The nuts and bolts of the deal—how many model lines the new stereos will be in and actual production volumes—have not been finalized yet. With Delco churning out 5M radios

per year, the volume could be significant.

While competitor XM is planning to offer home receivers and boomboxes through deals with Alpine, Pioneer and Sharp (*RBR* 11/23/98, p. 6), CD Radio is sticking with car receivers only. However, "If that proves to be a viable market, we'll definitely do it," says Greenebaum.

Recoton Corp. (second in U.S. market share) will be producing three types of CD Radio receiving systems, most likely marketed with the Jensen brand name. 1) The "Plug & Play" system (\$199 retail) plugs into the cassette decks of existing car stereos and uses a wireless disc antenna. 2) The full-featured "Satellite Audio System" (\$299 installed) is a separate unit, smaller than a CD changer, hard-wired into the back of existing stereos. It comes with digital display/controller face and antenna. 3) AM/FM/CD Radio car stereos that would completely replace an existing unit. "Our target date, if everything goes smoothly, is to supply them by next Summer, Q3-Q4 of next year," said **Peter Ildau**, VP Communications, Recoton.

Jensen/Recoton products are distributed in over 30,000 retail outlets, including Best Buy, Circuit City, WalMart, Sears, Pep Boys and AutoZone, and sold through numerous catalog retailers. Greenebaum says, again, production volumes are still being hammered out. "We are

Pacing in high gear

"May 1999 will be radio's biggest month ever," Miller Kaplan's **George Nadel Rivin** declares with confidence. The current record holder is May of 1998 and this year the month is pacing well ahead of last year. Nadel Rivin predicts that May's final tally will be closer to \$2B than \$1.5B.—JM

RBR/Miller Kaplan Market sell-out percentage report

	1999	1998
April 1	74.5%	75.6%
May	67.8%	62.9%
June	46.4%	44.8%

going to negotiate the second part of the agreement to build certain numbers by certain dates. We talk about having 250,000 on the shelf day one, and then about that every quarter thereafter."

RBR observation: An XM spokesperson indicated that the CD Radio deal with Delco is not exclusive and that Delphi-Delco and XM are also in discussions for an XM car stereo receiver. Without interoperability (*RBR* 1/4, p.3), it seems silly that XM and CD may actually have to compete for customers on the showroom level.—CM

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Have no fear! Radio is here to stay

Though the FCC is not predicting what chaos, if any, we'll go through once the new year hits, the Commission is saying larger broadcasters are prepared for the coming Y2K problem, while smaller stations remain a concern of the industry.

The FCC surveyed 230 broadcasters, owning among them over 2,600 stations, to determine their readiness to provide continued service to the public 1/1/00. Of the 203 that responded, 93% estimated that they will have completed their evaluation of the probability of failure by September. The others are expected to conclude testing in October and November.

Though the percentages look good on paper, the FCC remains concerned. "Many of the small- and medium-sized companies that have adopted a systematic approach to addressing Year 2000 have completion deadlines dangerously close to millennium rollover, leaving little time for delays from vendors or remediation as a result of problems discovered in the testing process," said the report. The Commission has further plans to contact licensees who did not respond to the Y2K survey.

While even the larger stations cannot guarantee that they will not experience Y2K-related problems, the FCC believes listeners will always have access to news, entertainment and emergency information by simply changing the dial. "The average household receives... over eight radio channels. This high level of redundancy means that in the event of individual station failures, the public would still be able to obtain information from alternative stations," said the report.

Groups such as the NAB and the Association of Local Television Stations (ALTS) have been active in spreading the word about Y2K problems. The NAB has put together several informational and educational initiatives to raise broadcasters' efforts in Y2K compliance, as well as talking about the issues during several state broadcasting association conference programs and NAB State Leadership Conferences. ALTS has included in its newsletters advice about the extent of potential problems and the need not to rely exclusively on vendors' assessments.—TS

Analyst likes ad agency stocks

Standard & Poor's analyst **Will Donald** sees demand for advertising on a growth curve for several years and has given a thumbs up to a couple of big advertising agency stocks.

In his latest report, Donald says per-share earnings for Interpublic Group (N:IPG) should grow 15-22% annually over the next five years. Despite a 60% stock price rise over the past year, he still expects Interpublic to outperform the market. Agencies owned by Interpublic include McCann-Erickson, Ammirati Puris Lintas and The Lowe Group.

Donald also likes Omnicom Group (N:OMC), which he says should have revenue growth of 15-20% annually over the next several years.—JM

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News Briefs

Discontent in Tampa

American Association of Independent Radio Stations founder **Carl Marcocci** is battling mega-group consolidation in his own backyard—petitioning the FCC to deny Clear Channel's (N:CCU) and Jacor's (O:JCOR) divestiture of three Tampa stations to Cox Radio (N:CXR), two to Infinity (N:INF) and one to Disney's (N:DIS) ABC. Marcocci wants the FCC to nix the reshuffling among the mega-groups and "require something akin to real spin offs." Marcocci, who owns two AMs and an FM in the market, bases his petition on the need to encourage diversity of ownership, but even his filing concedes that the proposed deals appear to comply with FCC and DOJ requirements.

"If Jacor/Clear Channel, CBS and Cox are each permitted 35% of the Tampa Bay market, my math tells me there's nothing left for the independent broadcaster," Marcocci told *RBR*.—JM

FCC files hitting the road

The FCC says there will be interruptions of public file availability 4/9 through 5/7 while the Public Reference Room completes the relocation process from M Street to Twelfth Street in DC. Starting 5/10, all public files will be available at the new Reference Information Center (RIC) in Portals II.

The RIC will make duplicate copies of daily filings available to the public during the relocation, but will not accept any requests for files while they are in transition. The FCC says the relocation project will consolidate public reference files that have been scattered among five buildings.—TS

Christian radio transitioning

Members of the Christian Radio Consortium (Salem, Moody, Skylight, USA, Morningstar and others) have renewed their agreements with satellite provider Spacecom Systems to transition over to the company's new MPEG-2 "FM Quad" service. The new digital satellite transmission system replaces the current "FM Squared" technology (primarily analog) and will use the GE-3 satellite to transmit programming to 1,300 (90%) Religious stations.—CM

XM signs channel deals with CNN

The latest XM Satellite Radio programming deal: CNN will fill three channels in XM's upcoming 100 channel service, including *CNNfn* for financial news, *CNN/Sports Illustrated* for sports news and *CNN en Español*. All will be direct audio feed from the TV nets. This brings XM's programming/channel deals to 23.—CM

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

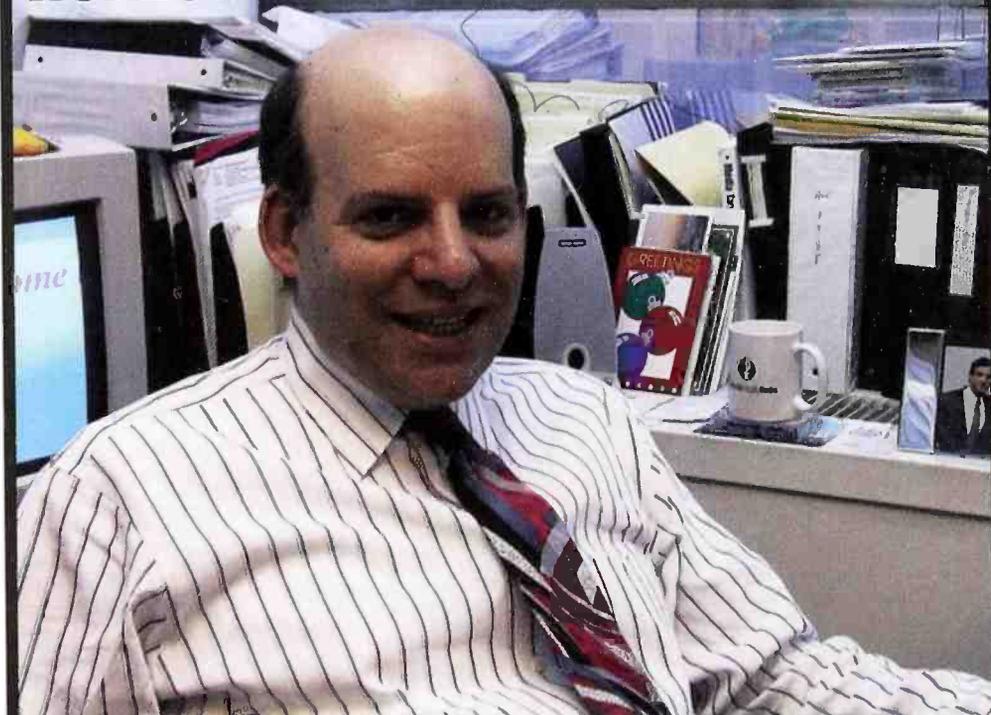
Radio

AdBiz™

From the Publishers of Radio Business Report Inc., 16 Years

Volume 3, Issue 4 April 1999

Horizon Media's Mitchell Scholar



As director of national radio for Horizon Media Incorporated, **Mitchell Scholar** works in a team environment, in concert with the media planning and account services teams. He takes buys from conception, into proposed buy schedules and through negotiations with media vendors, always striving for the best possible buy for clients such as Geico Direct, A&E and The History Channel.

Now leveraging a well-rounded career buying radio, TV, out-of-home and all types of print, Mitch started in the field in the late 70s at Ad Marketing, a barter company. He then went to Gaynor Media (a buying service), working his way up from junior to senior buyer for clients such as Bantam and Ballantine books and Ponderosa Steakhouse. He was then hired in-house by one of Gaynor's clients—Doyle, Graf and Raj—buying all media for high profile accounts like SwissAir and numerous banks. Next was FCB/Leber Katz (now True North/TN Media), working with Taco Bell and Pacific Bell for both local and national spot radio and some TV buying. He was recruited by Schering-Plough, buying radio for the pharmaceutical company for seven years, through June '97, when it decided to outsource all buying functions. Before being hired by HMI in December '97, Mitch was doing freelance work for SFM Media and Grey Advertising.—CM

continued on p. AB 2

AdNews

AAAA honored

The biggest face in Philly

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MarketProfile

Tidewater tale:

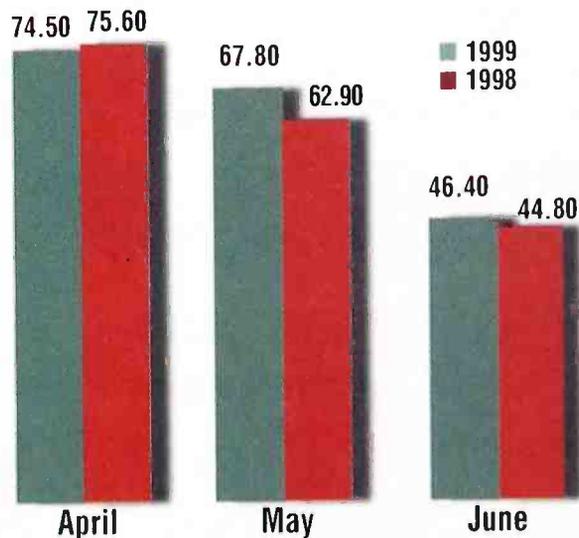
Sinclair Max'd out—
now will someone else?

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RBR/Miller Kaplan Market Selling Out percentage report

Pacing in high gear

"May 1999 will be radio's biggest month ever," Miller Kaplan's **George Nadel Rivin** declares with confidence. The current record holder is May of 1998 and this year the month is pacing well ahead of last year. Nadel Rivin predicts that May's final tally will be closer to \$2B than \$1.5B.—JM



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Is the media mix for your clients going forward more or less for radio and why?
 I joined HMI in December of 1997. In that short time radio, specifically network radio, has grown to be an integral part of our overall media mix for our client base. Radio has grown and continues to grow because of the kinds of results it produces and the success it yields. It sells itself. However, it cannot go unmentioned that its success is largely due to the expertise of all involved in making the buys.

What do you see as improvements in radio buying—spot and network?

Sales people. Without question, in my tenure in radio (20+ years) it has to be the improvement in the sales reps themselves. The enhancement in their skills can only be attributed to the amount of training they receive. No longer the forgotten stepchild of media, network radio sales reps are now well-trained, highly skilled industry experts. New technology, such as the RADAR® software, especially its new optimizer program (SOS), has also enabled the network radio buyer to be more well informed in all schedule purchase analyses and negotiations.

What would you like to see radio provide more of?

A uniform source for network radio research, be it RADAR or Arbitron, with the availability of research on computer software as well as the match of all station audience estimates to actual commercial clearances. I would also like to see better accuracy in audience estimate numbers. In defense of our media suppliers, we are offered comparable bonus weight to make good on all deficits. However, being more strategically planned will only result in higher success and less paperwork for everyone. The time spent correcting mistakes could be spent perfecting excellence.

How do you like radio vs. other media?

Your question reminds me that I suppose I am now among the "old timers" in our industry. The list of what I haven't bought is much shorter than what I have bought: radio, tele-

vision, out-of-home and all types of print. I consider myself very fortunate and very well rounded. Personally, my niche, my real happiness has been in radio, all radio: local, national spot and network. Sometimes doing all three at the same time. Radio presents unique challenges in successfully reaching a designated target audience by combining the best formats, programming and/or dayparts while never straying from the client's financial parameters. It continues to remain one of the more challenging aspects of my job: to make the very best possible buys, while providing the client savings in purchasing dollars, even if only slight. Network radio offers the added challenge of developing the best mix of both line network and syndicated programming, maximizing our client's impact in the top 20-50 markets so that campaign objectives are fully realized.

Has radio become a better reach vehicle like many are saying? Why?

Yes, especially network radio, which has become a key player in any aggressive media plan. Its continued growth as a viable reach vehicle is due in large part to networks like AMFM and Premiere which have enhanced their sales edge by moving into the RADAR-rated universe. Now, the buyer can expand their client's buying options by using RADAR ranker data for stations which never had network affiliation before but now do, bringing the potential of an expanded total reach into their media schedules.

What buying trends are you seeing in network radio and spot radio buying going into the millennium?

This has been a banner year for radio in general. The market is attracting many new advertisers into the media mix. Competition is increasing all the time. A trend worthy of noting is the growth seen in the upfront marketplace creating even greater demand for inventory in the scatter marketplace, which is

continued on page AB4



Adults 25-54 Abducted!

It's strange how the numbers
just seem to change at midnight...

Market	Station	M-S 6A-12MID Adults 25-54 Market Rank	Art Bell Adults 25-54 Market Rank
New York	WABC-A	#19	#3
Los Angeles	KABC-A	#24	#8
Chicago	WLS-A	#13	#5
Boston	WRKO-A	#13	#7
Houston	KTRH-A	#11	#2
Miami	WINZ-A	#21	#3
Cleveland	WTAM-A	#7	#1
Seattle	KOMO-A	#19	#1
Sacramento	KSTE-A	#12	#1
Phoenix	KFYI-A	#10	#2

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Source: Fall 1998 Arbitron Metro Survey Area



Norfolk: Ownership lineup altered by Max factor

by Dave Seyler

Clear Channel has maintained its hold on first place in the Norfolk ratings wars. But the big mover in the market was Sinclair. It snagged Max Media's four FM superduop, packaged one of those stations with a previously-owned combo as spin-offs and took Max's spot right on Clear Channel's heels. And the Max factor may still be in play. Sinclair has plans to sell off stations in markets where it doesn't have television interests. This is one of those markets.

Sinclair Telecable (not related to Sinclair) moved from fifth to third place the old-fashioned way, by building ratings. Its four stations picked up a combined 2.6 points, vaulting the company over Barnstable, which just picked up the Sinclair spin-offs (see related story, page 14) and Saga. All three companies are an FM short of superduopoly status.

There is a third superduop in town, however. Chesapeake-Portsmouth Broadcasting has cobbled together a Religion-formatted

four-AM cluster which picked up enough listener support to get into the Arbitron book last Fall.

RBR observation: Is Sinclair still selling in Norfolk? If so, who are the potential buyers? Here are a few things we know. The FCC overlapping signal rules put Norfolk solidly into the second tier superduopoly category, meaning the maximum number of owned stations is seven, with no more than four in either band.

In many markets, there are one or two super-charged AM stations which propel their owners into the eight-station, five in either band category, but there is no such AM in Norfolk. The most any station overlaps is 41, according to a 1996 Dataworld study commissioned by RBR. The number of stations needed to get into the top echelon is 45.

Therefore, Clear Channel is at the FM limit. Even its small FM licensed south of the NC border in Moyock (WSVV) pretty much covers the territory. It appears that the most Lowry Mays can accomplish is an upgrade of WSVV and its simulcast partner WSVY, but he'd have to sell the pair to add anything else. (Hmmm...they would be a natural fit for a new market entrant such as Radio One, which has had recent dealings with Clear Channel and just moved in next door in Richmond).

Sinclair Telecable, Barnstable and Saga may be interested in expanding, but each could only take a part of the Sinclair lineup. Another possibility is Bishop Willis, who is no stranger to buying and selling stations, and in fact used to own the Moyock FM back when it was WMYK. Maybe he'd like to return to the FM band in his home market.

Then again, maybe Sinclair will buy a Tidewater TV and put an end to all this speculation.

Fall 1997

Rnk	Owner	AM	FM	12+
1	**Clear Channel	0	4	22.0
2	**Max	0	4	19.9
3	*Sinclair	1	2	11.1
4	*Saga	1	2	9.6
5	*Sinclair Telecable	2	2	8.8
6	WCMS	1	1	5.7
7	*Willis	2	0	5.3
8	Eure	0	1	3.4
9	Chesapeake	1	0	0.4

* = duopoly; ** = superduopoly

Fall 1998

Rnk	Owner	AM	FM	12+
1	**Clear Channel	0	4	21.9
2	**Sinclair	0	4	19.5
3	*Sinclair Telecable	2	2	11.4
4	*Barnstable	1	2	11.0
5	*Saga	1	2	9.7
6	WCMS	1	1	6.5
7	*Willis	2	0	3.0
8	Eure	0	1	2.6
9	**Chesapeake	4	0	0.8
10	Baker Family	1	0	0.5
11	Hampton	1	0	0.5

Duopoly Dimensions

	Owners	Stns	Pct
Total Own/Stns	11	29	
Superduop	3	12	41.4
Duop	4	12	41.4
Combo	1	2	6.9
Standalone	3	3	10.3
Total Consolidation	7	24	82.8

Market Statistics

Rank	36
12+ population	1,225,200
Black population	355,700
% Black	29.0
Hispanic population	35,900
% Hispanic	2.9
Source: Arbitron, RBR Information Services Group	

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*Percentage based on station clearance data submitted on Weekly Affiliate Certificate of Performance Affidavits. Commercials not aired due to advertiser requests, affiliate product unacceptable categories and technical problems are not included in the clearance percentage calculation.

BROADCAST INVESTMENTS™

April 7—RBR Stock Index 1999

Company	Mkt:Symbol	3/30 Close	4/7 Close	Net Chg	Pct Chg	4/7 Vol (00)	Company	Mkt:Symbol	3/30 Close	4/7 Close	Net Chg	Pct Chg	4/7 Vol (00)
Ackerley	N:AK	16.750	17.937	1.187	7.09%	136	Hearst-Argyle	N:HTV	25.312	23.125	-2.187	-8.64%	1595
Alliance Bcg.	O:RADO	0.750	0.687	-0.063	-8.40%	630	HefTel Bcg.	O:HBCCA	44.625	47.500	2.875	6.44%	1328
Am. Tower	N:AMT	23.812	25.562	1.750	7.35%	2627	Infinity	N:INF	25.312	31.812	6.500	25.68%	12481
AMSC	O:SKYC	7.093	11.000	3.907	55.08%	0	Jacor	O:JCOR	76.750	80.125	3.375	4.40%	4871
Belo Corp.	N:BLC	17.312	18.187	0.875	5.05%	1013	Jeff-Pilot	N:JP	68.500	69.625	1.125	1.64%	1240
Big City Radio	A:YFM	3.625	4.000	0.375	10.34%	107	Jones Intercable	O:JOINA	40.546	41.000	0.454	1.12%	966
Broadcast.com	O:BCST	113.375	149.250	35.875	31.64%	24296	Metro Networks	O:MTNT	53.875	49.937	-3.938	-7.31%	1284
Capstar	N:CRB	22.500	22.750	0.250	1.11%	536	NBG Radio Nets	O:NSBD	3.000	3.250	0.250	8.33%	236
CBS Corp.	N:CBS	41.000	43.687	2.687	6.55%	48205	New York Times	N:NYT	29.250	27.062	-2.188	-7.48%	12952
CD Radio	O:CDRD	23.500	23.000	-0.500	-2.13%	1167	Otter Tail Power	O:OTTR	39.500	38.750	-0.750	-1.90%	58
Ceridian	N:CEN	36.062	35.375	-0.687	-1.91%	5859	Pacific R&E	A:PXE	0.625	0.750	0.125	20.00%	0
Chancellor	O:AMFM	46.750	47.125	0.375	0.80%	19960	Pinnacle Hldgs.	O:BIGT	14.250	17.437	3.187	22.36%	6337
Citadel	O:CITC	30.375	28.593	-1.782	-5.87%	1438	RealNetworks	O:RNWK	124.000	198.750	74.750	60.28%	37234
Clear Channel	N:CCU	67.437	73.750	6.313	9.36%	12547	Regent Pfd.	O:RGCI	4.875	4.625	-0.250	-5.13%	10
Cox Radio	N:CXR	47.625	50.000	2.375	4.99%	1126	Saga Commun.	A:SGA	18.000	19.250	1.250	6.94%	1214
Crown Castle	O:TWRS	18.000	18.093	0.093	0.52%	1392	Sinclair	O:SBGI	13.875	14.375	0.500	3.60%	2939
Cumulus	O:CMLS	11.625	13.875	2.250	19.35%	1099	SportsLine USA	O:SPLN	47.000	54.375	7.375	15.69%	16411
DG Systems	O:DGIT	4.437	7.312	2.875	64.80%	14903	TM Century	O:TMCI	1.000	0.625	-0.375	-37.50%	0
Disney	N:DIS	32.812	33.000	0.188	0.57%	120147	Triangle	O:GAAY	0.020	0.020	0.000	0.00%	6070
Emmis	O:EMMS	48.875	48.062	-0.813	-1.66%	451	Triathlon	O:TBCOA	12.562	12.625	0.063	0.50%	60
Entercom	N:ETM	32.812	33.187	0.375	1.14%	399	Tribune	N:TRB	65.187	72.687	7.500	11.51%	9187
Fisher	O:FSCI	56.500	59.000	2.500	4.42%	36	WestTower	A:WTW	27.687	26.125	-1.562	-5.64%	308
Gaylord	N:GET	25.250	24.625	-0.625	-2.48%	161	Westwood One	N:WON	27.437	30.062	2.625	9.57%	960
Granite	O:GBTVK	7.000	7.000	0.000	0.00%	540	WinStar Comm.	O:WCII	35.375	40.000	4.625	13.07%	13356
Harris Corp.	N:HRS	29.562	27.437	-2.125	-7.19%	3427							

Timing is everything

Tom Hicks apparently decided to take profits from the run-up in the stock price of Broadcast.com (O:BCST) and filed in mid-March to sell nearly 229,000 shares in two transactions—one at \$90.523 per share and the other at \$91.036 per share. In all, the sales through Goldman, Sachs & Co. grossed over \$20.7M. He no doubt got a hefty profit from the stock, which had been shooting upward since its IPO last July (*RBR* 7/20/98, p. 11) at \$18 per share.

Hicks, of course, had no way of knowing that just a couple of weeks later, on April 1, Yahoo! (O:YHOO) would announce a deal to buy Broadcast.com for \$130 per share (see full story, p. 6). That added about \$9M more in value to the stock that Hicks had disposed of.

RBR observation: If only *we* had such problems!

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by Jack Messmer

Yahoo!, what a deal: Broadcast.com sold for \$5.7B

"At Yahoo! (O:YHOO) we love leverage, and that's what this deal is all about," said Yahoo! Chairman **Tim Koogle** as he hailed an agreement to buy Broadcast.com (O:BCST) in a stock-swap originally valued at \$5.7B, but now worth well over \$6B as each company's stock has continued to climb. Broadcast.com shareholders—including founders **Mark Cuban** and **Todd Wagner**, Jacor (O:JCOR) and a number of other broadcasters—will receive 0.7722 share of Yahoo! for each share of Broadcast.com.

The widely anticipated deal had sent both stocks higher before the 4/1 merger announcement, but both continued climbing afterward as well. Yahoo!, one of the few Internet companies that's ever posted net profits, has been using its leverage to buy other Internet companies. It recently

acquired GeoCities Inc., the host of 3.5M personal Web pages, for nearly \$4B. Broadcast.com was attractive for its aggregation of content from a multitude of audio and video producers, including radio stations and networks. Streaming of audio and video is expected to become increasingly important on the Internet as more users have access to faster modems and high-bandwidth connections to the Net.

Mel buys the King World throne for \$2.5B

The TV network business may be difficult to make a buck in, but **Mel Karmazin** has been at CBS (N:CBS) long enough to figure out that syndication is a very nice business indeed. As anticipated (*RBR* 4/5, p. 11), CBS cut a deal to acquire King World Pro-

ductions (N:KWP) in a stock swap that will give King World shareholders 0.81 of a CBS share for each King World share. The \$2.5B price tag includes not only King World's hit roster of shows ("Jeopardy" and "The Oprah Winfrey Show" to name but two), but also \$1B in cash that **Roger** and **Michael King** have on hand earning unimpressive interest rates. Wall Street expects Karmazin to leverage that cash into more acquisitions.

RBR observation: As soon as this deal was even rumored, people started saying that the King brothers wouldn't be able to get along with Mel and would have to leave after a short time at CBS. Didn't we hear the same predictions about **Dan Mason** and **Les Moonves** when Infinity merged into Westinghouse/CBS? Mel is a sweetheart to work for—so long as you deliver what you're supposed to deliver. The Kings dealt with Mel first hand when they did the joint venture to produce the new "Hollywood Squares," so they know what they're getting into. They must think a lot of The Zen Master to be convinced that he can do more for them with that \$1B in cash than they could do for themselves.

Sinclair re-spins Norfolk

Sinclair Broadcast Group (O:SBGI) has a new buyer for its Norfolk divestitures. WGH-AM & FM & WFOG-FM, and the price is \$700K higher—\$23.7M. Barnstable Broadcasting will now buy the trio, instead of Petracom Media (*RBR* 8/17/98, p. 14). That will leave Sinclair with four FMs in market #36. **Broker:** Kalil & Co

Eau Claire and Lexington clusters to Cumulus

Cumulus Media (O:CMLS) is entering the Lexington, KY market with a \$44.5M deal to buy the five-station operation assembled by **Ralph Hacker's** HMH Broadcasting. Cumulus is now operating the stations under LMAs.

Meanwhile, Cumulus is also adding the Eau Claire, WI market with a

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\$14.8M deal to buy an already-assembled superduopoly from **Mike Phillips**. LMAs of WBIZ-AM & FM, WMEQ-AM & FM, WQRB-FM & WATQ-FM begin immediately. If you're keeping track, Cumulus now has 227 stations in 43 markets. **Broker: Bob Maccini & Bill Lytle** (Eau Claire), **Scott Knoblauch & George Reed** (Lexington), Media Services Group

A grand combination for the Grand Canyon

Regent Communications (O:RGCI) will complete its exit from Arizona (RBR 3/29, p. 12) by selling KVNA-AM & FM Flagstaff and KZGL-FM Cottonwood for \$2.45M to **Guy Christian's** The Guyann Corp., owner of KAFF-AM FM & KMGN-FM Flagstaff.

If you take a very narrow view of this transaction, you might conclude that Christian will end up owning every commercial radio station licensed to Flagstaff. But a history lesson would tell you otherwise, since back in the early part of this decade Flagstaff very nearly became a market destroyed by translators selling local spots over programming from Phoenix stations. Even after the FCC tightened up its translator rules, there are still eight FM translators licensed to Flagstaff, including the one that Regent uses to improve KZGL's coverage.

RBR observation: Local ownership deregulation has made it easier for Christian to make a buck in Flagstaff, but it's no slam dunk. The engineering documentation filed with this deal identified six other AMs and seven other commercial FM stations with their transmitters within the city-grade contours of this superduopoly—most of which deliver some level of signal to Flagstaff proper.

Jacor adds an AM

Jacor Communications (O:JCOR) is paying \$800,000 for WBZY-AM New Castle, PA. The deal not only gives Jacor another signal just east of its Youngstown, OH superduopoly, but also control of a rare nighttime signal on 1200 kHz, the clear channel frequency of the San Antonio flagship (WOAI-AM) of pending merger partner, Clear Channel Communications (N:CCU).

Tribune shares soar

The stock price of Tribune Co. (N:TRB) shot up (see p. 5) after the company filed with the SEC to issue special debt securities tied to the performance of its investment in America Online (N:AOL). Tribune, an early investor in the Internet outlet, owns 11M shares of the high-flying AOL stock.

Emmis adds Co-op

Emmis' (O:EMMS) non-traditional revenue consulting company, Revenue Development Systems (RDS), has acquired Co-opportunities, a co-op and sales promotion service. The combined company will be headed by RDS President **Kathryn Maguire**, who notes that the two ventures will be able to help media companies "grow their business through all avenues of non-traditional revenue."

KATY 49% All-Pro

Willie Davis' All-Pro Broadcasting Group has paid \$1M for a 49% stake in LMA-partner KATY-FM Riverside-San Bernardino. Davis also has an option to buy the remaining 51% from **Kay and Cliff Gill**.

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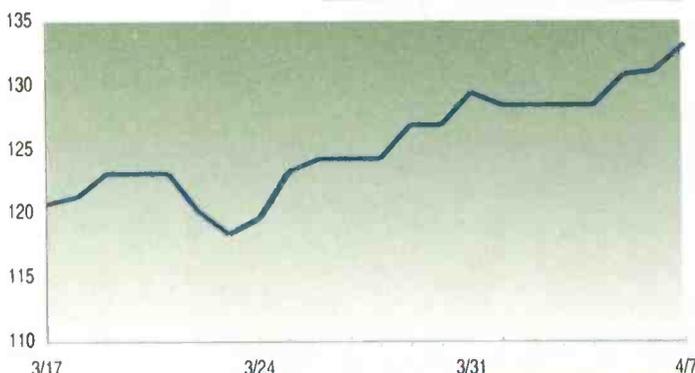
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TRANSACTION DIGEST™

by Jack Messmer

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.

\$2,160,000—* WQVR-FM Gainesville-Ocala (La Crosse FL) from Wilkes Florida Broadcasting Inc. (Jeff & Don Wilks) to Asterisk Communications Inc. (Frederick H.

Ingham). \$2.16M cash. **Superduopoly** with WBXY-FM, WRKG-FM & WYGC-FM. Note: No contour overlap with WTRS-FM or WMFQ-FM.

\$1,550,000—* WGHQ-AM & WBPM-FM Poughkeepsie (Kingston NY) from Historic Hudson Valley Radio Inc. (Walter & Jean Maxwell) to WGHQ/WBPM LLC, a subsidiary of Roberts Radio LLC (Robert Pittman, Robert Sherman). \$78K escrow, balance in cash at closing. **Superduopoly** with WRWD-FM & WBWZ-FM. Note: The buyer must also maintain New York Giants season tickets for the Maxwells to purchase. Broker: Tony Rizzo, Blackburn & Co.

\$750,000—* KREH-AM (900 kHz) Houston (CP for Pecan Grove TX, currently at Oakdale LA) from Jeffrey N. Eustis to Amador S. Bustos. \$5K in cash at closing, \$745K note. The buyer will also pay all construction costs. **Duopoly** with KGOL-AM, owned by Z Spanish Media, of which Bustos is president. LMA upon beginning of operation at new transmitter site.

\$500,000—KRNN-AM Little Rock (North Little Rock AR) from Equity Broadcasting Corp. (Larry Morton) to NINE Communications Inc. (Albert Phipps, Gaylord Malcolm, Arlen Horn, Mark Hill, Daniel Cash). \$100K deposit, balance in cash at closing. LMA since 2/25.

\$300,000—* KRAR-FM Salt Lake City (Brigham City UT) from First National Broadcasting Corp. (Brent Larson) to Trumper Communications II LP (Jeffrey Trumper, Providence Media Partners LP, Media/Communications Partners II LP). \$15K escrow, balance in cash at closing. **Superduopoly** with KISN-FM, KUMT-FM & KOSY-FM. LMA upon termination of existing LMA of KSNU-FM.

\$43,350—WNEB-AM Worcester MA from Heirwaves Inc. (Stephen Binley) to Great Commission Broadcasting Inc. (Timothy Horton, Evrol Officer, Wayne Carter). \$12K downpayment, additional \$31,350 in cash at closing. Note: The buyer has also agreed to employ Binley as GM for not less than two years at an annual salary of \$45K.

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