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## Commissioners keep open minds on LPFM

"Localism isn't only your mission, it's your ace in the hole," FCC Commissioner **Gloria Tristani** (D) told NAB members as she made a strong pitch for increased localism at the CEA Financial Breakfast.

Tristani acknowledged that consolidation can have some benefits for listeners, such as adding formats and increasing funding for news programming. However, she decried homogenization from national programming, national syndication and news outsourcing. "When I turn on the radio and I can't tell whether I'm in Orlando or Washington, I think we've gone too far," she declared.

Tristani predicted that with the coming of satellite radio and other new competition, such as the Internet, market forces will force radio stations to turn back to more localism in their programming.

Noting that many of the groups pressing for LPFM complain that local broadcasters don't cover their community, Tristani said she wasn't sure that LPFM was the answer, but agreed with the proponents' motivation.

Joining Tristani at the NAB Radio Show event was the FCC member whose views are most at odds with hers, **Harold Furchtgott-Roth** (R).

Declaring that broadcasting had gotten the most heavy-handed regulation of any new product of the 20th century, Furchtgott-Roth called for the FCC to pull back and do no more regulation than the law requires. "You have some obligations that the others don't, but the Commission seems to have gone beyond that time and time again," he charged.

Questions from the floor for both commissioners were dominated by small market broadcasters. Although few LPFM stations could be created in major markets, the small market "mom and pop" operators said they feared being forced to cut back or even go out of business if new signals are dropped into their rural markets.

Both commissioners insisted that they had not made up their minds about LPFM, but the issue brought out another point of disagreement.

"I don't see this as being a battle over interference," said Tristani, who claimed that different studies of LPFM's technical specifications have come to different conclusions.

"Interference is the central issue here," countered Furchtgott-Roth.—JM



FCC Commissioners Gloria Tristani (at podium) and Harold Furchtgott-Roth respond to questions from a decidedly anti-LPFM audience.

## FCC extends LPFM deadline, but is it enough?

Last month Greater Media asked federal regulators to stop the clock on its LPFM proceeding, pleading for a 60-day extension for reply comments (RBR p. 2, 8/23). Apparently the Commission saw some merit to the group owner's argument that more time is needed to review comments that totaled nearly 7,000 pages—it granted a 16-day extension.

The FCC has extended the original comment and reply comment periods twice already and says that the New York State Thruway Authority's proposal for the 16-day extension balances "our profound interest in developing a full and complete record, against the need to avoid undue delay in the consideration of proposals in this proceeding."

Opponents of LPFM, namely Greater Media and the NAB, also argue that a decision on LPFM would be ill-made if decided upon before the implementation of IBOC DAB. The FCC says that it will consider a longer extension or a re-opening of the comment period if, "at a later date, subsequent developments or additional information" on IBOC testing suggests more time is needed.

Reply comments are now due 9/17.—TS

## Hirsch back in radio

Former OmniAmerica CEO **Carl Hirsch** and former Chancellor Broadcasting CEO/Chancellor Media Co-CEO **Steve Dinetz** are getting back

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into radio, focusing on small-and medium-sized markets. "NextMedia" begins with a possible purchase of stations in Panama City, FL. Hirsch was in the acquisition mode at the Radio Show, attending numerous meetings: "It's going to be fun—we're putting the band back together again and we're getting the spectators off the field right now," he told RBR 9/1.—CM

### Fritts' analytical side— FCC is both on and off track

NAB Pres./CEO **Eddie Fritts** has been in the industry a long time, long enough to know when the FCC is on track and when it's off. According to Fritts, the Commission is actually creating an environment more favorable to broadcasters—with the exception of LPFM.

"The new ownership rules at the FCC are just one example of how we're working to position broadcasting in the new media landscape," Fritts told attendees at last week's Radio Show in Orlando. The agency adopted rules last month that allow radio/TV combos in the same market without having to obtain a waiver. "Chairman **Kennard** and his colleagues at the FCC deserve enormous credit," he said.

Fritts then praised the Chairman and his agency for its "tough stance on pirates" that have caused interference with commercial radio stations. He urged the FCC to continue to be "the guardian of spectrum integrity," but said implementing LPFM would "not only cause interference, but it might well endanger the transition to IBOC."

#### **Roles reversed**

While Fritts was busy praising and criticizing the FCC last week, **David Honig**, Exec. Dir. of the Minority Media and Telecommunications Council, also added a criticism to the list—this one was directed at Fritts himself.

Honig is demanding that Fritts apologize to Chairman Kennard for remarks he said during a speech to the Latin America Conference for Radio and Television Broadcasters, in which Fritts called the LPFM proposal "an attempt to legitimize our own pirate radio operators."

"Do you really believe he is motivated by a desire to 'legitimize' lawbreakers," Honig questioned Fritts. "The record shows that the Kennard FCC has waged war against pirate operators."—TS

9/6/99 RBR

### Kennard makes pitch for LPFM support

"I want to explain to you why I believe we can work together to make low-power work," FCC Chairman **Bill Kennard** (D) told NAB Radio Show attendees as he made an unlikely bid for support from LPFM's most vehement opponents.

"We need cooperation, not confrontation," Kennard told the broadcasters. "That's why, in the coming weeks and months, our engineers plan to work closely with all interested parties on the technical questions."

The Chairman insisted that FCC lab tests have proven that "inexpensive" consumer radio receivers will not suffer signal loss from current stations if 3rd adjacent channel protection is eliminated and that very few would be harmed by eliminating 2nd channel protection. Kennard made no mention of other studies, including one funded by NAB, which reached the opposite conclusion.

In a Q&A period with the audience, KHWY Inc. President **Howard Anderson** asked whether existing broadcasters would have to pay for the cost of regulating LPFM if the new service is, as many have advocated, restricted to non-commercial licensees who will pay no fees. Kennard said he didn't anticipate any increase in the fee burden for broadcasters, since fees are supposed to be based on the cost of regulation.

Noting that the reserved non-commercial section of the FM band (88.1-91.9 MHz) was created specifically for the churches, colleges and governments cited by Kennard as needing LPFM, Cromwell Group CEO **Bud Walters** asked "why can't we use those frequencies?"

"The key is that there is a huge amount of demand," said Kennard—too much to be accommodated only in the reserved band. The Commission's charge, he said, is to maximize use of the spectrum "without harming the incumbents."

In his speech, Kennard renewed his call for Congress to bring back minority tax certificates to help increase ownership diversity. "We know the tax certificate works. It's a win-win. We need to bring it back."

Kennard also made a point of singling out Clear Channel CEO **Lowry Mays**, who was present in the audience, and CBS/Infinity CEO **Mel Karmazin** for their efforts to increase station ownership by minority-owned companies.—JM

## Beasley Broadcast Group

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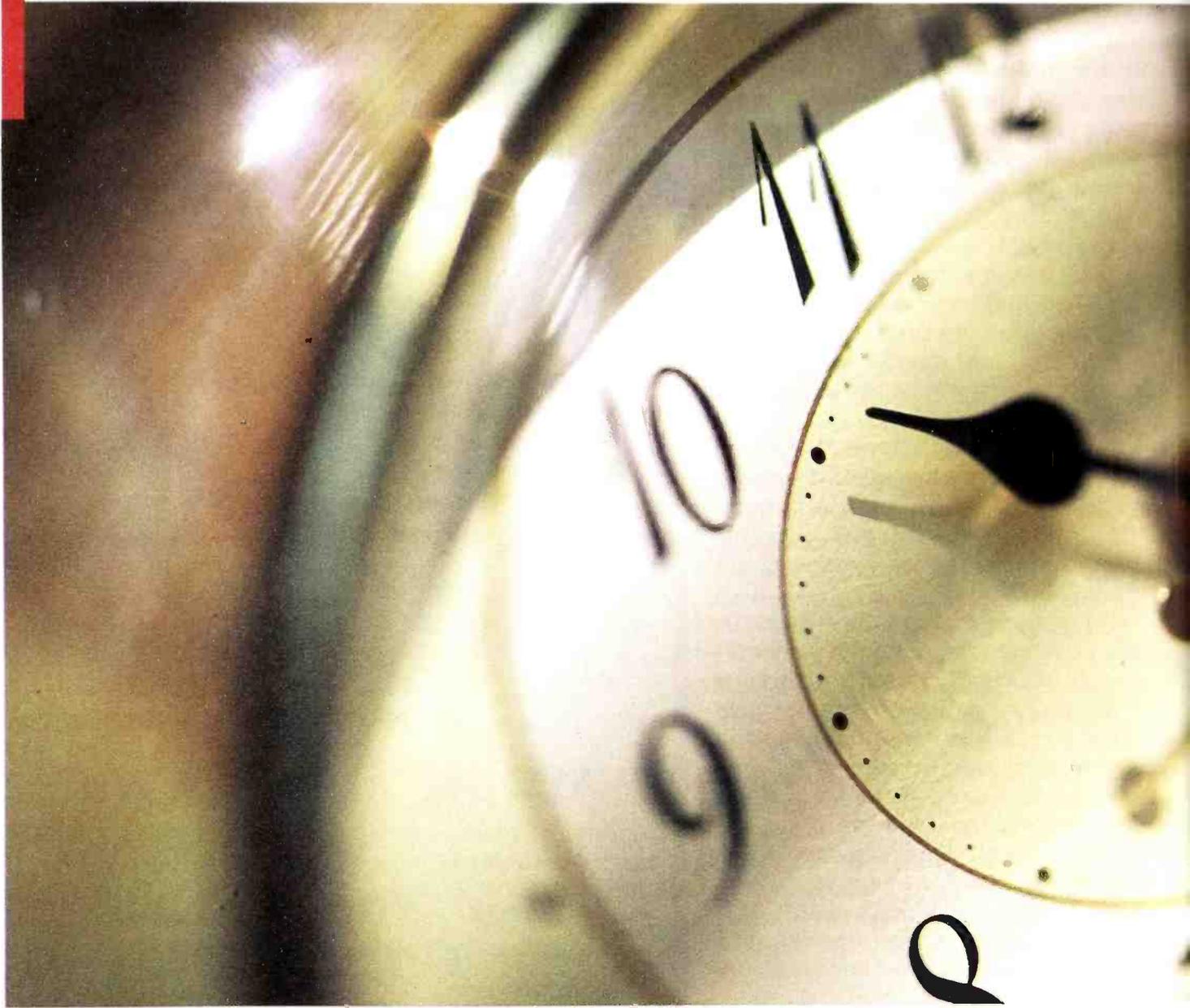
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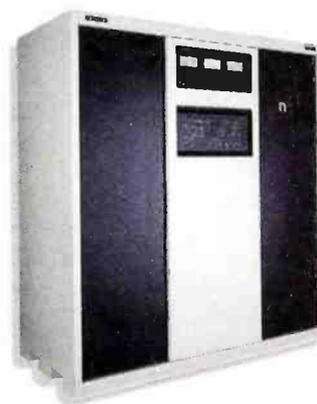


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## News Briefs

### MediaAmerica moving programming to Jones Radio Network

On 8/30, all of MediaAmerica's daypart, long-form and short-form programming moved under the Jones Radio Network umbrella. "This is a natural next step in the growth of our companies. Consolidating our programming under JRN allows MediaAmerica to focus on its original mission: radio network and syndication advertising sales," said MediaAmerica/JRN CEO **Ron Hartenbaum**.—CM

### Prophet Systems buying PSi back?

At a press conference at NAB, Prophet Systems President **Kevin Lockhart** announced he was in conversations with AMFM Inc. to buy back his company. Capstar purchased the digital on-air system software manufacturer last year (*RBR* 4/6/98, p.4) and has used PSi's AudioWizard system as the backbone of its "StarSystem" audio sharing WAN.—CM

### NBG sets sights on Nasdaq

NBG President **John Holmes** tells *RBR* he is in the process of moving his company over to Nasdaq: "Our investor relations side has kicked in an aggressive awareness campaign with brokers, investors and newspapers. We need to get our stock up to \$4 and get our Nasdaq application in. We realize we have to do that before we begin acquisitions within the industry and great expansion internally."

NBG's other three Nasdaq requirements have already been met: Net tangible assets, shareholders and cash in the bank requirements.—CM

### Citadel standardizes on Scott

In a "multi-million" dollar deal, Citadel Communications (N:CITC) announced it has chosen Scott Studios as its standard for on-air digital audio delivery at all 119 stations. "We thoroughly investigated all of the competitive digital air studio systems and decided upon the best one," said Citadel CEO **Larry Wilson**, who had already purchased 40-50 Scott Studios systems over the last year.

"They've been buying [our] systems at the rate of several a month for more than two years, and have bought 65 units at one time. We're working with them on a case-by case basis—in some cases where the hardware is new, we're just going to change out the software and audio card," Scott Studios President **Dave Scott** told *RBR*.—CM

## Internet strategies vary for radio groups

Just about every radio group either has an Internet strategy or is developing one, but no matter what a station is doing, it's apparently not yet a big enough factor to impact the station's value to a potential buyer.

For the 9th straight NAB Radio Show, the first day featured a conference on broadcast financing sponsored by the Dickstein, Shapiro, Morin & Oshinsky. What was very different this year, though, was the topic: "The Internet Factor."

From strictly a valuation point of view, no one is claiming that what a station is or is not doing with its Internet site is having any impact on what a potential buyer will pay for the station. "It hasn't come into play yet," said broker **Bill Whitley**, Media Services Group. But he added, "It will if it becomes a revenue booster."

"With the Internet you can have an unlimited number of avails per hour," noted **Lawrence Norjean**, President, BuySellBid.com.

Just putting up a Web site is cheap, but building an online destination that will attract users time and time again is an expensive proposition. According to **Charles Armstrong**, Sr. VP, AMFMi, the Internet operation of AMFM Inc. (O:AMFM), station owners have to choose whether to team up with a partner, such as a local newspaper, to have plenty of local content on a station's site, or the station has to create that content itself. "It takes a major investment," he noted.

Rather than allow a national aggregator such as Broadcast.com to gain control of AMFM's audience, Armstrong said the company opted for a long term strategy of building its own Internet operation from scratch.

For **Lew Dickey Jr.**, Executive Vice Chairman, Cumulus Media (O:CMLS), the Internet is a way to extend the range of services to a radio station's advertisers. The number one priority is classifieds. "That's where we have found that we can attack the newspapers and take away their dollars," Dickey said.—JM

### Cumulus Names Robison to Board

A major contributor to its Internet strategy, Cumulus Media (N:CMLS), announced **Eric Robison** will join its Board of Directors. Robison is an executive with Vulcan Northwest Inc. and Vulcan Ventures Inc., and serves on the boards of CNET.com, Liquid Audio, Egghead.com and Rocket Network.—CM

## No drought for radio's summer revenues

Total radio revenue for the month of July increased 14% over the same month in 1998. Local was up 13%, with double digit gains in all regions except the Southwest, which just missed at 9%. All regions enjoyed double digit gains in national business, which was up 18% overall, and two regions, the East and Midwest, topped 20%. This brings the overall gain YTD to 12%.

"I don't see anything but optimism and growth ahead," **Gary Fries**, RAB President, said at the NAB Radio Show in Orlando. "There doesn't seem to be any speed bump ahead of us."

Fries said he is sticking with his forecast of 12% growth for radio revenues this year, but noted "there is the possibility to exceed that."—DS, JM

## Cumulus acquires digital software developer

"We liked the company so much that we just bought it," said Cumulus Media Executive Chairman **Richard Weening**, paraphrasing an old TV spot after announcing the acquisition of Broadcast Software International (BSI).

Weening said the BSI acquisition was the first in several steps of a yet-undisclosed overall Internet strategy for Cumulus. BSI's software will also be deployed to consolidate local operations of stations throughout Cumulus' markets. "I don't think we faced a larger challenge than the digital audio platforms available to us out there," said Weening.

BSI, which will continue to operate as an independent subsidiary of Cumulus, has more than 4,000 clients worldwide. Only one Cumulus market currently uses BSI's software—Green Bay, WI—although it is also in use at the Calendar Broadcasting stations which Cumulus is buying.

**Ron Burley**, President, BSI, said the company is now splitting its software platform into separate packages for its two types of clients—broadcast radio stations and Internet audio sites.—JM

## DOJ deals with billings in Billings

Marathon Media already owned a three-station duop and had an LMA/purchase option going in Billings when it purchased a parcel of small market stations from Citadel (*RBR* 1/18, p. 16), which included a five-station Billings superduopoly, the market's leading cluster. Combined, the two clusters would total two AMs and seven FMs, well above the limit for this 16-station market.

Marathon obviously was aware of this, and announced a deal selling its original cluster to New Northwest Broadcasters (*RBR* 5/31, p. 12). Now, luckily, the DOJ has stepped in to order the divestitures which have been in the works for months. Thanks to the DOJ's timely action, a heinous assault on competition has been averted. New Northwest will pick up and exercise the option on the LMA'd station, and also picks up a Marathon purchase option for an FM CP at 107.5 MHz currently held by Mt. Rushmore Broadcasting.—DS

### LDRI signs with receiver manufacturers

First in a "series" of alliances with receiver manufacturers, Lucent Digital Radio, Inc. (LDRI) announced testing and co-development agreements with receiver manufacturers Recoton and Harman-Kardon.

"We will work closely with their teams to develop receivers that will be ready for the market in the next 18 months to two years," said LDRI President/CEO **Suren Pai**.

"Once that is done, Recoton, through its Jensen brand, has the ability to take this product immediately to market," said **Terry O'Flynn**, EVP, Sales and Marketing, Recoton Corp.

Pai's vision of a "multi-mode" (Internet, satellite DARS, IBOC, data services, AM/FM) receiver (*RBR* 8/30, p. 18) was reiterated at the conference. Because Recoton also signed with CD Radio (O:CDRD) to develop an after-market receiver (*RBR* 4/12, p. 3) and Lucent is designing CD Radio's chip set, will there be efforts made to integrate LDR's IBOC system with a CD Radio receiver? "We definitely have the ability and the capabilities to do that. I could see that as a step-up feature to take to the consumer market by converging both of those technologies into one head unit," said O'Flynn.—CM

## de Castro details new strategy

AMFM Inc. is moving to a one-market manager strategy, officially to be announced Tuesday, 9/7. One person will now manage the "corporation," the marketing machine that exists in each AMFM market. AMFM Inc. Radio President and Vice Chairman **Jimmy de Castro** has been busy recruiting from within, and plans to announce a market manager for LA also on Tuesday.

Using the recent deal with Cox in LA as an example (see page 12), de Castro tells *RBR* how the market manager, operating a big enough radio cluster, beats competing media in a market: "We really believe that the market manager will allow us to create 'The Power of One.' It's the power of one as we operate in clusters; it's the power of one that tells advertisers of our capabilities at our radio stations, our network, our Internet, our Chancellor Marketing and the 66M listeners we deliver," he said. "What it changes is really the dynamics of the business. Now in LA, we deliver more than *ER*, *Ally McBeal* and *60 Minutes* combined. We deliver more than the *L.A. Times*.—CM

### Trio of IBOC broadcasts for NAB Show

Demonstrating IBOC with an experimental broadcast has become old hat for NAB conventions, so USA Digital Radio (USADR) took the demo to a new level at the Radio Show in Orlando, broadcasting on three digital channels at the same time.

Cox Radio's (N:CXR) WMMO-FM Orlando debuted a live broadcast of what USADR President **Robert Struble** hailed as the IBOC developer's "complete FM system." The live broadcast at 98.9 MHz was also heard by attendees who took a ride in USADR's digital van.

Meanwhile, two additional, but very low power, USADR FM IBOC signals were broadcast from the exhibit hall booths of Continental Electronics and Broadcast Electronics.

USADR also announced a series of new partnership agreements—the six new participants in the project are Continental Electronics, Energy-Onix, Andrew Corp., Shively Labs, Orban and Telos.—JM

## News Briefs

### TM Century confirms rumors

The Dallas-based TM Century, which creates, produces and distributes music-based products for media use, has confirmed rumors running around the industry that several companies would like to partner, merge and/or acquire the company.

"While the company has not invited this recent interest in our firm, we are nonetheless open to discussing these opportunities," commented Pres./CEO **David Graupner**.—TS

TM stock jumped a whopping 12,000% at the news (see BI, page 14)—CM

### Clear Channel takes to the Net

Clear Channel has finally jumped on the bandwagon—the Internet streaming bandwagon, that is. The group owner announced last week that it has formed a partnership with Microsoft in which Windows Media Technologies 4 will stream all of Clear Channel's radio stations on the Internet.

A Clear Channel spokesperson says the company expects to reach over 40M listeners a week through the Internet. "The motivating force in forming this relationship with Microsoft hinges on the idea that we can enhance the experience for our listeners and our advertisers by adding rich media capability to our radio content," said **Jenny Sue Rhoades**, Senior VP of Internet Operations.—TS

### BroadcastMusic.com signs with OneOnOne

Radio Web site streaming network BroadcastMusic.com (*RBR* 4/5, p. 6, MBR July p. 14) and OneOnOne Sports announced a six-year exclusive partnership to create an online Sports Talk broadcasting network, [www.BroadcastSports.com](http://www.BroadcastSports.com). The site will feature live and archived OneOnOne programs, stats, scores, sports-related e-commerce, live sporting events and video streaming.

BroadcastMusic.com's continuing partnership with SuperRadio Networks has netted a new music video channel, "Super V," for the site which will be "somewhere between MTV's Real World, WKRP in Cincinnati and The Blair Witch Project—cutting edge, first of its kind," according to SuperRadio Networks President **Gary Bernstein**. The 24/7 "live TV show" net launching Q4 '99-Q1 '00 will target 18-24 year olds and may be offered to existing radio station affiliate sites, according to BroadcastMusic.com President **John Brier**. BroadcastMusic.com currently has 240 signed radio affiliates.—CM

by Tiffany Stevens

## Radio Disney's Pirates of the Caribbean —Keeping the ship afloat



Disney. It's the best brand name for anything to do with children: movies, cartoons, amusement parks, cruise lines, etc. But is that list flexible enough to hold radio as well? In the beginning many GMs dismissed the idea, saying that a music-intensive radio network for kids would not generate enough advertising support. We decided to fast-forward a few Disney movies later (two years to be exact) and find out if Radio Disney is making the grade with advertisers or not.

### "Good Disney name" gives stations edge with advertisers

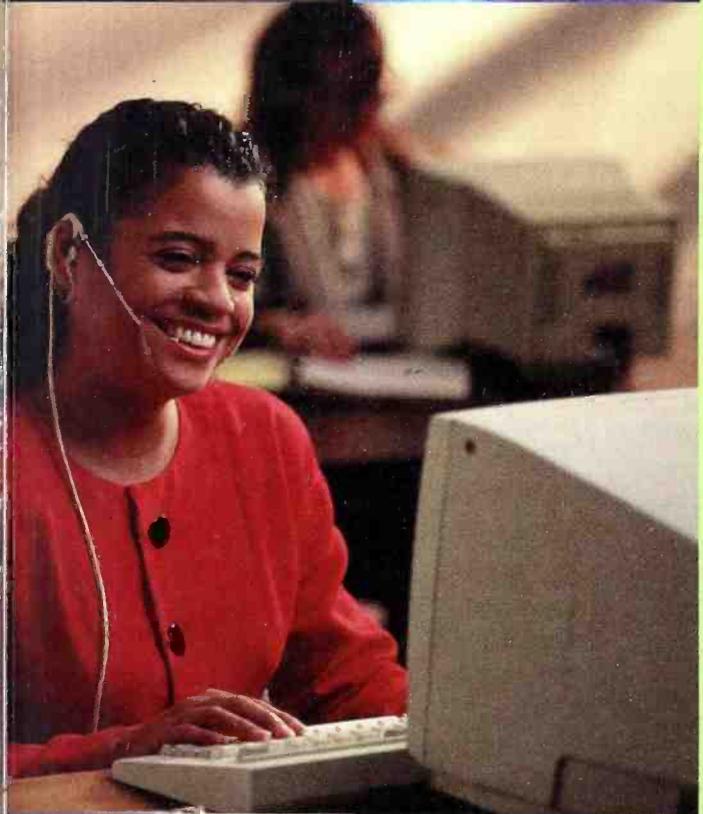
"Studies show that 76% of kids listen to the radio on any given day," says **Scott McCarthy**, VP of Radio Disney, which is owned by Disney's (N:DIS) ABC Radio. "But because radio ratings services haven't tracked listeners under age 12 in the past, these kids have long been ignored by radio programmers. Radio Disney changes all that by entertaining children, finding fun ways for them to learn and challenging them to use their imaginations. We're creating radio that kids and their parents can finally call their own."

That's an executive's viewpoint. And not surprisingly, the same sentiment seems to be running through the industry that Radio Disney is filling a void in the spectrum.

"Disney did a great job creating something that was good for the kids, pleasant for the whole family and a great way to responsibly market to kids as well as their entire family," boasts **Peggy Iafrate**, GM of WPZE-AM Boston. She acknowledges that recognition of the "good Disney name" has attracted many listeners and advertisers to her station.

"This is a highly regarded Disney market—people here are receptive to the Disney name," says Iafrate. "They travel down to Florida to visit Walt Disney World and they watch the Disney movies that come to the theaters. Fortunately, when we came out into the marketplace as a Disney radio station, we had a positive reception."

Almost everyone has a Disney-related memory. And that is what stations need to capitalize on in order to retain listenership and advertisers. Radio Disney in Boston refuses to do simple "van appearances." Instead, the sales reps throw parties in hope of creating new Disney memories. "When you think about other stations, they just drive up to a location, stay for a



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while and maybe hand out some stickers. Not Radio Disney. We are out there doing fun things. We have trucks that give out 5,000 pieces of ice cream everyday—seven days a week, 365 days a year. Or we bring an air-bouncer and play games, from a prize wheel to bean-bag tosses. We want to be known as party central. The kids, as well as the parents, remember what we have done and what the Disney name stands for.”

Understanding the impact the Disney name has on a community also enables many advertisers to lock out competition. WPZE formed partnership programs where companies could come on board and control a category. “Hood Ice Cream,” explains lafrate, “was one of our first advertisers. And they lock out all local advertising for dairy or frozen desserts. They really saw the opportunity—it’s as if you had hindsight and knew that Nickelodeon was going to be a huge hit. So you signed on early to have the opportunity to block out the competition.”

But it’s not only the stations broadcasting in the top 20 markets that are cashing in on the “good Disney name.” Many of the smaller affiliates are seeing promising results, such as KRNN-AM in Little Rock, AR. General Sales Manager **Danny Cash** also says the Disney name adds leverage, but admits that the quality of the product was the winning factor for his clients.

“You will not find a radio show as well produced with all the bells and whistles as you will with Radio Disney,” states Cash. “The production is phenomenal. We positioned ourselves correctly and generated revenue before we were even on the air.” Cash and his sales team circulated a demo CD to advertisers and sold spots based on that sampling alone. Apparently, says Cash, advertisers liked the idea of associating with a station where they do not have to worry about song lyrics or what an on-air personality might say.

## Just a fluke?

But lafrate’s and Cash’s Mickey Mouse stations may be the exceptions to the rule, as many of the other smaller affiliates we talked to say it was not quite so easy for them to pitch the kiddie format.

“I don’t want to say that my sales staff has had difficulty, but it is a new



concept for them and not necessarily an easy one,” admits one general sales manager. Most sales reps are used to selling spot radio, which Radio Disney is not.

The proper way to sell the kiddie format, says **Dann Whittaker** of Belpre, OH’s WKYG-AM, is to develop promotions and partnerships instead. “Radio Disney is a bit more intense as compared to selling other formats. It does take some time and training to get them (the sales reps) to switch their methods.”

“It was unique to begin with, but it was a bit difficult to get the idea started,” agrees **Lowell Register**, GM of Macon, GA’s WPGA-AM and WNEX-AM. “First and foremost we had to make our advertisers and the sales staff understand that it is not spot radio.” Add into the mix a small sales staff where the station manager acts as the sales manager, he says, and the results may not be as rapid as preferred.

Despite these setbacks, Whittaker and Register report their stations are on the right track—both have seen an increase in revenue from the first weeks of broadcasting. Says Register, “We’ve seen tremendous response. In the month of May, which was only our second month of airtime, we saw what was probably our doubling of business. It’s had a positive impact and we’re now attracting larger advertisers.” A hospital complex, a large credit union and major shopping malls signed on this past summer and helped to expand revenue gains at Register’s Radio Disney stations.

“Revenue was slow to build,” adds Whittaker, “because it takes time to brand a product.” After building revenue for a year, he says, recent months have seen higher dollar amounts. “We developed a package called the Charter Package which helped us to ex-

plain to folks that this is not simply spot-buy radio. You’re really buying an event and an image,” he says.

## Staying afloat

Once sales reps understand that spot-buy and Radio Disney do not make for a happy camper, the next step to success is to utilize cross-promotional benefits. In the land of consolidation, it’s quite common to find the kiddie format playing sister station with another AM or FM, or in some instances, a television station.

Such is the case with Register’s Radio Disney where he also owns an FM (WPGA-FM) and a TV station (WPGA-TV). “We’re probably the only operation in the country that has the benefit of being able to cross-promote not only another FM station, but an ABC affiliate TV station as well,” boasts the owner. “We really believe in ABC and Disney.” Cross-promotion, he says, has had only a positive impact on ad revenue.

Comments Register, “We’re really insuring the success to our advertisers by going after the cross-promotional benefits. Of course, success breeds success, and we’ve had nothing but success in all that we have done so far with our other stations. The advertisers see this and know that we’re in this (Radio Disney) for the long haul.”

“We cross-promote Radio Disney on four of our five stations,” adds Whittaker. “On these stations we run promos that say Radio Disney is going to be at ‘store X’ and then the DJs talk about the events too.”

And when two or more stations are housed in one building, another benefit lies in sharing a sales staff. Whittaker’s team consists of six account executives called portfolio sellers who are devoted to selling all of

the formats, plus another team that focuses on just the AM stations. Register uses the same method in which his sales staff sells spots for all of his O&O stations.

But how are the advertisers responding to a sales rep who has no statistics to pitch? Radio Disney caters to an audience that is currently not covered by Arbitron. There are a number of ways that the Radio Disney stations say they have been handling advertisers' requests for proof of success.

"Advertisers need numbers to wrap their arms around, so we show them figures from the toll free number," explains Iafrate. All Radio Disney stations promote two 1-800 numbers; one is interactive and linked directly to the main studio and the second is an "ear" mail system. According to Iafrate, between 10K and 40K Boston area kids call the numbers weekly. She then reports those numbers to her advertiser in place of Arbitron statistics. Cash, who uses the same method, says it's a good measuring stick and "works for the advertisers."

"We were concerned initially that Arbitron does not measure younger kids," says Register. "But we can insure success by placing our name in unusual places, such as museums."

When the Georgia Hall of Fame heard about Macon's two Disney stations, officials asked Register if his stations would set up a display. Space has been set aside in the new Music Factory section where WPGA-AM and WNEX-AM will sponsor a recording studio.

While Arbitron cannot measure the listening habits of children under 12, the company can measure another supporter: the moms, or women 18 to 34. "After all, who is listening alongside the kids but the moms," explains Whittaker. "Arbitron certainly measures that group, and we've found a significant number that wasn't there prior to Radio Disney."

### A Snow White image

Though many Radio Disney stations are airing on low-powered AMs, listeners are locating the Mickey Mouse network on the dial, and they like what they hear.

"It takes a while to get feedback," says Whittaker. "When we launched the product, we received the typical calls from listeners asking why we switched formats. But we received quite a few positive calls as well. And once we branded the station, the feedback has been tremendous."

Schools, in particular, are avid fans of the format. "They're calling us, wanting to know if we can come out to the school and do an event. Our live guys will then go out and do a dance party or a sock-hop," he says.

Adds Cash, "We have actually met with some of the schools and talked about doing different promotions. We feel very strongly that we need to be heavily involved in the community service and do good deeds for the schools."

While the GMs that we interviewed did say that Radio Disney is a great public service, they also admit that the sole purpose behind the broadcasts is to make a profit. "In a world where we run across kids killing kids, Radio Disney is a way to make a positive change," comments Register. "But we are not large enough to enter into something like this without it being a sound business decision first."

"We know that we are here to make money and to make it a business venture," agrees Iafrate. "It just so happens that it is responsive to the needs of the community—G-rated lyrics, news stories that are OK for kids to hear, education and most of all entertainment. I feel so proud because there is not a thing aired that is bad for the kids to hear."

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## Cox and AMFM shake hands on bicoastal blockbuster

Two of the nation's largest radio groups have agreed on a monumental station swap involving six markets and 16 stations. AMFM will receive only two stations in one of the markets, but what it is getting is extremely significant.

In LA, AMFM will add KFI-AM and KOST-FM to its already robust 1 AM/4 FM superduopoly. It will leap from 3rd to 1st place in aggregate 12+ audience share based on Arbitron's Spring survey, surpassing Infinity and HBC and edging out the former by 0.4 shares for the lead.

"I think it's a swap that's terrific for both companies. Adding two terrific crown jewels in the LA market where we already have such a dominant position is a wonderful opportunity for us to continue to demonstrate the power of the clusters. I think for Cox it enables

them to continue to build in the FL markets where they have a dominant position, as well as Atlanta and CT," AMFM Radio President and Vice Chairman **Jimmy de Castro** told *RBR*. "We became the #1 12+ and 25-54 cluster in LA, moving ahead of Infinity. We experience a 54% ratings increase in LA. We have a "Wall of Women" strategy that becomes complete with KOST, adding a AC leader to the female-based FM cluster of KKBT, KYSR, KBIG and KCMG. AMFM becomes a leader on the AM band with KFI combining efforts with KLAC. The new cume of listenership grows to 4.7M people from 3.5M."

Cox comes away with a bundle of stations. In Miami, it adds market 12+ leader WEDR-FM for a total of three FMs, and vaults from 6th to 2nd place. FM Standalone WFOX-FM Atlanta won't be so lonely any more as it solidifies

Cox's hold on the Atlanta radio market. Cox's FM standalone in Bridgeport, CT will be enhanced with a double duopoly in the neighboring Stamford-Norwalk, CT market comprised of WEFX-FM, WNLK-AM, WKHL-FM & WOKV-AM. Also in Connecticut (New Haven), it will get WPLR-FM plus a JSA with Yale University's WYBC-FM. Finally, it will take over AMFM's six-station superduopoly in Jacksonville, comprised of WFYV-FM, WAPE-FM, WBWL-AM, WKQL-FM, WMXQ-FM & WOKV-AM.

In Los Angeles, Cox retains KACE-FM & KRTO-FM. The pair, which together totaled less than a 1.0 share 12+, is expected to be placed on the block. Radio One is the likely candidate there.

Terms of the agreement were not released, but total cash flow of the exchanged properties was said to be roughly equal.—DS, CM

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### Tupelo: Cumulus gets a piece of Pearce

Cumulus is paying \$2.9M for WWKZ-FM in the Tupelo, MS market. The seller is **Houston Pearce's** Broadcasters & Publishers, Inc. The station, which was being operated as a standalone, has just become the fifth FM in Cumulus' daisy-chain superduopoly in the north-east corner of the state via an LMA (there are also a pair of AMs).

**RBR observation:** Cumulus' string of stations extends further south down US-45 along the eastern edge of the state, through the unrated Columbus market. After a Cumulus hiatus mid-state at Meridian, and a switch to I-59, you can pick up Cumulus' offerings once again in Laurel and Hattiesburg. The group is not in Biloxi in the extreme southeast, but if they can fill the gaps there and in Meridian, they will have the entire eastern border of Mississippi covered. **Broker: Gary Stevens**, Gary Stevens & Co.—DS

### For the record

York Street Capital co-brokered two deals reported recently: three Salter stations to RadioWorks Inc. and WNJY-FM Lafayette, IN to RadioWorks Inc. (*RBR* 8/9, p. 7).

## Atlanta is Forus! AM pair bought by Beasley

Beasley Broadcasting is paying \$10M for WAEC-AM & WWWE-AM in the Atlanta market. The deal marks the exit from radio for seller Forus Communications. Both stations have Religious formats, although WWWE's is broadcast in Spanish. Beasley intends to keep the formats intact once the keys to the stations are turned over. **Broker: John L. Pierce**, Force Communications & Consultants, LLC—DS

## Clear Channel has a thing for Ingstad

Clear Channel has once again forged into the nether reaches of the Arbitron market chart in order to add to its station portfolio. It is buying two five-station superduopolies, one in Yakima WA (193) and the other in Grand Forks ND-MN (259).

In Yakima, it will be getting the market's number one cluster, including KIT-AM, KATS-FM, KMWX-AM, KFFM-FM & KQSN-FM from T&J Broadcasting Inc. The Grand Forks cluster, which is also market-dominant, includes KKXL AM-FM, KQHT-FM, KSNR-FM & KJKJ-FM, coming from Iowa City Broadcasting Company Inc. Both of the sellers are owned by **Tom Ingstad**. The prices of the transactions were not released.—DS

## It's status KWOA as Three Eagles swoop down on Rabbitt

**Rolland Johnson** has expanded his small-market Midwest station group into Minnesota in a small way (the size of the markets), but also in a big way (number of stations, price tag). Johnson's Three Eagles Broadcasting Inc. is picking up five stations (and a CP) from **Don Rabbitt's** Rabbitt

Enterprises/Nobles Broadcasting. The up-and-running stations which Johnson will get for his \$7.5M are KWOA AM-FM/KITN-FM Worthington MN and KLGR AM-FM Redwood Falls MN. **Broker: Jerry Johnson**, Johnson Communications Properties Inc.—DS

## SW sales price: \$15M

We now know what Launch Media Inc. paid for SW Networks (RBR 4/5, p. 4). Shortly after the sale, Launch Media completed its IPO and now trades on Nasdaq as "LAUN."

A search of Launch Media's SEC filings reveals that it paid Sony (N:SNE) in stock-\$12M worth of stock, based on a 20% discount from the IPO price. The IPO price was \$22 per share, so Sony got 681,818 shares of Launch Media. The only catch is that Sony can't sell any of the shares until 4/28/2000. Thus, the shares Sony received were worth \$14.99M on the IPO pricing date (4/22/99).—JM

## CD Radio seeking cash

CD Radio (O:CDRD) has already raised \$832M (debt and equity), but expects to need an additional \$347M to get its satellites launched next year. Then it'll need another \$150M for its first year of operation, partially offset by the first trickle of revenues from its direct-to-car digital radio channels. If you don't have a calculator handy, that's a total of \$1.32B to get the company through to the end of 2001.

In anticipation of those future cash needs, CD Radio has filed with the SEC to sell, over the next couple of years, an additional \$500M in securities. Depending on market conditions, those sales could take the form of stocks, bonds, preferred stock and/or warrants.—JM

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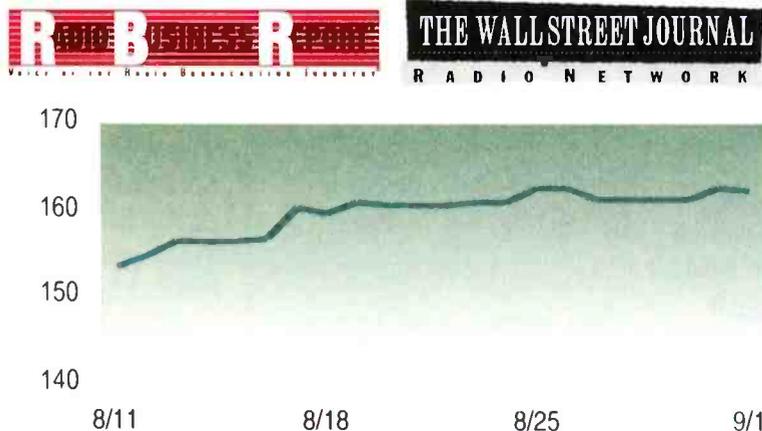


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## The Radio Index™

Stock prices continue their slow, but steady climb. The Radio Index closed 9/1 at 162.07, up 2.64 from a week earlier.



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Company	Mkt:Symbol	8/25/99 Close	9/1/99 Close	Net Chg	Pct Chg	9/1/99 Vol	Company	Mkt:Symbol	8/25/99 Close	9/1/99 Close	Net Chg	Pct Chg	9/1/99 Vol
Ackerley	N:AK	15.313	49.188	33.875	221.22%	537400	Hearst-Argyle	N:HTV	24.875	26.688	1.813	7.29%	1083900
Alliance Bcg.	O:RADO	0.406	15.375	14.969	3686.95%	40300	Hispanic Bcg.	O:HBCCA	71.625	67.063	-4.562	-6.37%	189200
Am. Tower	N:AMT	23.875	23.438	-0.437	-1.83%	109000	Infinity	N:INF	27.688	56.750	29.062	104.96%	59000
AMFM Inc.	N:AFM	51.250	25.250	-26.000	-50.73%	191100	Jeff-Pilot	N:JP	71.375	3.000	-68.375	-95.80%	15900
AMSC	O:SKYC	18.000	18.875	0.875	4.86%	111900	Metro Networks	O:MTNT	55.156	38.938	-16.218	-29.40%	285200
Belo Corp.	N:BLC	18.875	47.625	28.750	152.32%	1567700	NBG Radio Nets	O:NSBD	2.938	40.875	37.937	1291.25%	14500
Big City Radio	A:YFM	4.000	68.938	64.938	1623.45%	1173300	New York Times	N:NYT	38.188	2.250	-35.938	-94.11%	900
CBS Corp.	N:CBS	50.000	32.688	-17.312	-34.62%	386000	Otter Tail Power	O:OTTR	41.438	0.406	-41.032	-99.02%	3500
CD Radio	O:CDRD	26.125	27.000	0.875	3.35%	1113200	Pacific R&E	A:PXE	2.250	7.000	4.750	211.11%	0
Ceridian	N:CEN	28.563	36.469	7.906	27.68%	52100	Pinnacle Hldgs.	O:BIGT	24.125	77.375	53.250	220.73%	762700
Citadel	O:CITC	37.625	27.750	-9.875	-26.25%	45000	Radio One	O:ROIA	42.125	41.688	-0.437	-1.04%	16100
Clear Channel	N:CCU	71.250	53.000	-18.250	-25.61%	14300	RealNetworks	O:RNWK	85.938	28.375	-57.563	-66.98%	13900
Cox Radio	N:CXR	53.000	4.250	-48.750	-91.98%	5100	Regent Pfd.	O:RGCIP	7.250	16.063	8.813	121.56%	733700
Crown Castle	O:TWRS	16.625	28.063	11.438	68.80%	4393300	Saga Commun.	A:SGA	22.875	22.875	0.000	0.00%	3500
Cumulus	O:CMLS	28.625	57.375	28.750	100.44%	200300	Salem Comm.	O:SALM	27.063	18.625	-8.438	-31.18%	2261200
DG Systems	O:DGIT	4.500	37.313	32.813	729.18%	43800	Sinclair	O:SBGI	17.313	23.375	6.062	35.01%	302400
Disney	N:DIS	29.875	60.000	30.125	100.84%	6300	SportsLine USA	O:SPLN	27.000	0.875	-26.125	-96.76%	1000
Emmis	O:EMMS	56.875	8.625	-48.250	-84.84%	1500	TM Century	O:TMCI	0.750	95.250	94.500	12600.00%	194200
Entercom	N:ETM	36.000	0.175	-35.825	-99.51%	1223300	Triangle	O:GAAY	0.165	15.500	15.335	9293.94%	778900
Fisher	O:FSCI	61.750	30.688	-31.062	-50.30%	4700	Tribune	N:TRB	93.875	50.938	-42.937	-45.74%	507400
FTM Media	O:TFTMM	9.750	74.750	65.000	666.67%	62700	WesTower	A:WTW	24.625	38.250	13.625	55.33%	48700
Gaylord	N:GET	30.688	26.625	-4.063	-13.24%	382800	Westwood One	N:WON	37.000	24.250	-12.750	-34.46%	23400
Harris Corp.	N:HRS	27.625	25.063	-2.562	-9.27%	268500	WinStar Comm.	O:WCII	52.813	3.875	-48.938	-92.66%	5000

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### Clear Channel acquires Swiss advertising company

Dow Jones—Clear Channel Communications Inc. (CCU) acquired Ofex, an outdoor advertising company in Switzerland. Financial terms weren't disclosed.

In a press release last Tuesday, Clear Channel said Ofex, which has about 4,500 panels, operates billboards, street furniture and transit advertising. Clear Channel, a media company, has stakes in radio and television broadcasting and in outdoor advertising.

### Triangle Broadcasting chief exec to head merged company

Dow Jones—**Frank Olsen** resigned as president and chief executive of Triangle Broadcasting Co. (GAAY) to become chief executive and a director of Triangle Multi-Media Ltd., a company formed from the acquisition of Triangle Broadcasting Co. by Integrated Healthcare Inc. (ITHC).

Olsen plans to retire a significant amount of Triangle's outstanding shares.

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**T RANSACTION D IGEST**

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.

**\$3,100,000 WSYE-FM** Tupelo MS (Houston MS) from New South Communications (Frank Holladay) to JMD Inc. (J. Morgan Dowdy). \$3.1M cash. **Superduopoly** with WELO-AM, WWMS-FM & WZLQ-FM. LMA since 7/1.

**\$3,000,000 KWIC-FM & KQTP-FM** Topeka KS (Topeka-St. Mary's KS) from Shawnee Broadcasting Corp. (Joerg Klebe) to Cumulus Licensing Corp. (Richard Weening, Lew Dickey Jr.). \$150K letter of credit as escrow, \$3M in cash at closing. **Superduopoly** with KTOP-AM, KMAJ-AM & FM & KDVV-FM. Broker: McCoy Broadcast Brokerage

**\$2,000,000 WYCL-FM** Pensacola FL from Paxson Communications Corp. (Lowell "Bud" Paxson, A:PAX) to Concord Media Group (Mark Jorgenson). \$2M cash.

**\$2,000,000 KOEZ-FM** Wichita KS (Newton KS) from KJRG Inc. (Gordon & Daisyann Anderson) to Kansas Radio Assets I LLC (R. Charles McLavey, Elaine Farnar Oesterle, G. Woodward Stover II, Michael Starr). \$100K escrow, \$1.5M (less escrow) in cash at closing, \$500K under non-compete agreement. Note: Seller will retain KJRG-AM.

**\$1,900,000 WVVE-FM** New London CT (Stonington CT) from Shoreline Communications Inc. (David Quinn) to Spring Broadcasting of Connecticut LLC (William Sherard, Lee Simonson), part of the Broadcasting Partners Holdings LP group. \$50K downpayment, additional \$175K escrow, balance in cash at closing. **Duopoly** with WSUB-AM & WQGN-FM. Broker: Media Services Group

**\$1,500,000 KWQC-AM & FM** Webster City IA from Gorich Radio Corp. (Glenn Olson) to Waitt Radio Inc. (Norman Waitt). \$150K escrow, balance in cash at closing. LMA since 7/1.

**\$1,500,000 WXGL-FM** Portland ME (Topsham ME) from Great Eastern Media (Christopher Outwin) to Atlantic Coast Radio LLC (Joseph Jeffrey Jr.). \$75K escrow, \$1.3M (less escrow) in cash at closing, \$200K under consulting/non-compete agreement. Combo with WJAE-AM & WJJB-AM. Note: No contour overlap with WRED-FM. Broker: George Silverman

**\$1,250,000 KOWL-AM & KRLT-FM** South Lake Tahoe CA from Regent Licensee of Lake Tahoe Inc. (Terry Jacobs, Bill Stakelin), a subsidiary of Regent Communications (O:RGICIP) to Commonwealth License Subsidiary LLC, a subsidiary of Commonwealth II LLC (Dex Allen, Alta Communications VII LP). \$62.5K escrow, balance in cash at closing.

**\$1,000,000 KALT-AM & KPYN-FM** Texarkana (Atlanta TX) from Ark-La-Tex Broadcasting Company (David Wommack Jr.) to Dominion Media Corporation (Duane Miller, T. Burt Perrault, Robert Driver, John Swain, Tracy Lawrence, D.L. Poe, Ronald Lee). Note: Includes CP for expanded band AM on 1610 kHz. \$100K escrow, balance in cash at closing. LMA since 6/1. Broker: Media Services Group

**\$1,000,000 WNKK-FM** Carthage IL from Bick Broadcasting Co. (James Janes) to Pritchard Broadcasting Co. (John Pritchard), part of the Galesburg Broadcasting Co. group. \$40K escrow, balance in cash at closing. **Superduopoly** with KKMI-FM & KDMG-FM Burlington IA.

**\$708,000 WWON-AM** Flint MI (Fenton MI) from GWC Inc. (Larry Robinson) to Birach Broadcasting Corp. (Sima Birach). \$193K cash advance, balance in assumption or payment of seller's debts at closing for total of \$708K.

**\$680,000 KOMW-AM, KNCW-FM & KZBE-FM** Omak WA, 55.9% stock sale of North Cascades Broadcasting Inc. from Paul Russell Brantner to John & Rebecca Andrist (100% thereafter). \$680K cash for stock.

**\$580,000 KBZZ-AM & KBLJ-FM** La Junta CO from Broadcast Management Services Inc. (Paul Coates) to Commonwealth License Subsidiary LLC, a subsid-

iary of Commonwealth II LLC (Dex Allen, Alta Communications VII LP). \$50K escrow, balance in cash at closing. Note: KBLJ-FM has a contour overlap with Commonwealth's KLMR-AM Lamar CO, but not with KSEC-FM Lamar CO. Broker: Norman Fischer & Associates

**\$500,000 KCRV-AM & KLOW-FM** Caruthersville MO from Pyramid Media & Entertainment Inc. (Gerald Jones) to Pollock Broadcasting Company (Sydney, Marilyn, William, David & Robert Pollack). \$14K downpayment, assume note of approx. \$252,878, balance in cash at closing. Double **duopoly** with KBOA-AM & FM Kennett MO, plus LMA of KTMO Kennett MO. LMA since 7/20.

**\$475,000 WARE-AM** Worcester MA (Ware MA) from Eastern Media Inc. (John Neuhoft Jr.) to Mega Communications of Ware Licensee Inc., a subsidiary of Mega Communications (Alfredo Alonso, George Lindemann, Adam Lindemann). \$50K escrow, balance in cash at closing. Note: No contour overlap with any of Mega's Boston area stations. Broker: Norman Fischer & Associates

**\$450,000 KLMN-FM** Amarillo TX from Family Life Broadcasting Inc. (Randy Carlson) to Educational Media Foundation (Roger Bothwell, Richard Jenkins & others). \$22.5K escrow, \$300K (less escrow) in cash at closing, \$150K note. Note: The buyer is seeking a **waiver** of the main studio rule to operate this station as a satellite of KLVR-FM Santa Rosa CA.

**\$425,000 WDEH-AM & FM** Sweetwater TN from M&H Broadcast Corp. (Elizabeth Mull) to Horne Radio LLC (Douglas & Susan Horne). \$2.5K escrow, additional \$140K in cash at closing, \$282.5K note. **Superduopoly** with WLOD-AM, WKFN-AM, WBLC-AM & WESK-FM in the Knoxville market.

**\$419,541 WAAD-FM CP** (93.7 MHz) **Ft. Myers-Naples FL** (Tice FL), transfer of 100% voting interests in the two equal owners of Gulf Communications Partnership to existing non-voting partners. Audrea Anderson is selling her interest in Anderson Broadcasting Co. Ltd. to Allan Bowdach for \$350K. Dianne Adams is selling her interest in TiceComm Inc. to Mitchell Rubenstein, Laurie Silvers, Howard & Karen Weiss and Rubenstein Trusts for \$69,541.

**\$415,000 WLTN-AM & FM** Littleton-Lisbon NH, 100% stock transfer of Profile Broadcasting Company Inc. from Peter & Judith Aydelott to Sharp Broadcasting LLC (Richard Sharpe, Kirk Warshaw, Mary Cristiano). \$25K escrow, balance in cash at closing. LMA since 7/1. Broker: George Silverman

**\$350,000 KWBG-AM** Boone IA from G.O. Radio Boone Inc. (Glenn Olson) to Waitt Radio Inc. (Norman Waitt). \$35K escrow, balance in cash at closing. LMA since 7/1.

**\$250,000 WJBZ-AM** Knoxville TN from J. Bazzel and Elizabeth Mull d/b/a Seymour Communications to Horne Radio LLC (Douglas & Susan Horne). \$2.5K escrow, additional \$50K in cash at closing, \$197.5K note. **Superduopoly** with WGAP-AM, WATO-AM, WKFN-AM & WESK-FM.

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