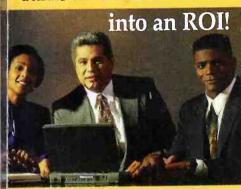
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SANIO IV EMS
J.R. Skinner is expecting the FCC's LPFM proposal to be not much—no more than 100 w @ 100' or so, and exclusively noncom. NAB will fight any proposal.
Train of taught: NABEF will help educate minority broadcasters 2 Kennard's education standard at odds with Religious noncoms 4 NRSC: LDR data better late than never 4 BuyMedia.com attracts major investor 4 BMI takes its licensing online 0'Shaughnessy wants NAB to go "public" 6 GLEVISION LUSINESS REPORT
Diversity: Networks promise more colorful staffing
IBOC proponents seek Justus at the CEA
AOL/Time Warner merger has a radio connection Not much of one, unless you count AOL prexy Bob Pittman as a big deal. The former WNBC PD will be running the show. Also, there's the CNN Radio Network.
Wichita lineup: Journal adds an FM
Broadcast NVESTMENTS"
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A 'watered down' LPFM, predicts Skinner

It's no surprise that the FCC is keeping a tight lip on its upcoming low-power FM vote scheduled for Thursday (1/20), but one LPFM advocate is claiming to have the inside scoop.

According to veteran engineer and low-power TV station owner **J. Rodger Skinner**, who filed one of the two Petitions for Rulemaking (RM-9242) which led to the LPFM proposal, the FCC's vote "will essentially doom the new service" as the new rules have been severely "watered down" from the original proposal that was introduced January 1999. Taken from his web site, here are Skinner's predictions and comments for what we're going to see at this week's meeting.

- The LPFM service will be non-commercial only
- "Some who think they can support a small station with grants and contributions from the public will see their stations go dark when they find out these funds are not forthcoming," Skinner writes.
- LPFM will be limited to 100 watts maximum power with an antenna height limit of 30 meters, thus limiting coverage to only 3.5 miles
- "[M]ost LPFM stations will fail to reach enough people to be effective even as a non-commercial station...stations with such tiny coverage will find it difficult, if not impossible, to attract enough grants/donations to pay the bills of maintaining the station on the air," he charges.
- FCC to retain second-adjacent channel restrictions
- "This means that, even with the reduced power of 100 watts, very, very few [LPFM] stations will be available in the larger markets where the spectrum is tight and the need is greatest."

NAB's official stance on LPFM

Should the proposal become a reality later this week, the NAB promised during its winter board meeting last week to "pursue all avenues to preserve the integrity of the FM band" by holding "discussions with the Federal Communications Commission and its staff, seeking Congressional action and pursuing an appeal in court, if necessary."

The group also sent a letter 1/12 to Chairman **Bill Kennard**, requesting that he and fellow commissioners delay consideration of the LPFM proposal until the Commission's 2/17 meeting. NAB Pres./CEO **Eddie Fritts** says the extra time is needed so that the FCC may address additional questions his group raised during the board meeting, including how noncommercial educational licenses will be defined and whether there will be a limit on the number of LPFM stations in medium and smaller markets.—TS

NABEF encourages diversity training

Proponents of low-power FM have been pushing to pass the proposal to correct, in their view, a lack of diversity available to listeners. But the NAB, through Its education foundation (NABEF), believes that it has found a better way to provide minorities and women with training to access the airwaves.

The organization announced last week (1/9) that it has created two new funds to encourage employee training and broadcast ownership for minorities and women. The programs are budgeted at \$1.25M, with the NAB promising to provide nearly half of the funding.

The Gateway Fund will provide training incentives for entry-level broadcast employees. A second fund, the Broadcast Leadership Training Program, will train underrepresented groups in broadcast ownership by sending participants to monthly weekend seminars in DC. "

These two new programs are an important complement to the Prism Fund announced by broadcasters in November," said NABEF President **Chuck Sherman**, referring to the new fund that provides capital to minorities and women seeking broadcast ownership (*RBR* 11/8/99, p. 2). "Giving members of underrepresented groups the proper training today will ensure that there will be qualified potential broadcaster owners to benefit the Prism Fund in the future."—TS

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FCC draws line between religious and educational

"The FCC has no business—no business whatsoever—singling out religious programming for special scrutiny," four members of Congress recently wrote to Chairman Bill Kennard.

The trio is warning Kennard that his agency's 12/29/99 decision to require non-commercial broadcasters operating with educational licenses to devote 50% of their programming to educational topics is "an assault on religious broadcasters...this decision sets a dangerous precedent for regulating the content of non-commercial programming," Reps. Cliff Stearns (R-FL), Mike Oxley (R-OH), Chip Pickering (R-MS) and Steve Largent (R-OK) wrote in their letter. According

to the Congressmen, more than 125 non-commercial TV broadcasters (and possible radio stations as well) may be forced to drop some religious programming (such as church services) because the content may not qualify as educational.

But Kennard, responding to the Congressmen's letter, denies singling out religious broadcasters, saying that his agency merely "clarified standards applicable to all NCE broadcasters." Further, he says, most broadcasters that offer religious programs operate on commercial channels and are not subject to the NCE requirements.

National Religious Broadcasters (NRB) has also voiced its concern for the Order and is promising to exer-

cise its legal options, claiming that the FCC is constraining only certain aspects of religious speech that have "emotional expressions of faith."

The FCC's Order stems from a recent Pittsburgh TV transfer in which WQEX (Ch. 16), a non-commercial TV station, was approved for purchase by Cornerstone Television, a Religious broadcaster, which in turn is selling WPCB (Ch. 40), operating on a commercial channel, to Paxson Communications (A:PAX).

Arizona Senator and GOP presidential hopeful **John McCain** has been accused of trying to influence the FCC's decision in the Paxson deal. But the three-term Senator says he did no wrong by requesting a prompt action on the sale because he did not take a position on the outcome.—TS

NRSC to accept LDR data late

Meeting at the CES in Las Vegas 1/8, the NRSC DAB Subcommittee decided to accept Phase I IBOC data from Lucent Digital Radio (LDR) 1/24—the same day comments are due in the FCC's DAB proceeding (Docket 99-325). The NRSC deadline had been 12/15/99, but Lucent wasn't ready (RBR 12/13/99, p.4).

LDR was present at the meeting. "It went quite well. Yes, they want to participate in standard-setting. The Committee did state that they would accept Lucent's submission on that date," NRSC Chairman and Susquehanna SVP **Charlie Morgan** tells *RBR*. "We also decided that if, because of the late submission, USADR wanted to make any changes or additions to theirs, we would give them an additional two weeks after that time."

The NRSC will then move forward with the standard setting process, provided "at least one of these systems prove that they will be better than existing AM and FM," says Morgan. "We have agreed to go into the standard-setting Phase II, which is an outside source looking at every single portion—all the technical specifications of one or both systems."

"Comparative evaluations based on common test platforms is essentially where our head's been at for the last nine months. We are very happy with the way the NRSC has arrived at the same conclusions," says LDR President **Suren Pai**.—CM

BuyMedia.com receives \$45M from Internet Capital Group

Recognizing the potential for BuyMedia.com to be an industry leader, Internet Capital Group (O:ICGE) has invested \$45M. A four-year-old ompany that went public last August, ICG describes itself as "an Internet holding company primarily engaged in managing and operating a network of business-to-business e-comcompanies." Mike Jackson, BuyMedia.com tells RBR, "Their (ICG) idea is to invest in one company within each industry that they have identified and deploy those resources back to those companies and make sure those companies generate into industry standards. They've identified BuyMedia as the key, premiere company leading the charge in e-commerce in media." Jackson adds that his company had been approached by a number of venture capitalists throughout the country.--KM



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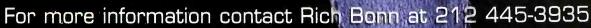
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News Briefs

BMI launching online licensing center

"The BMI Digital Licensing Center" will launch later this month to manage copyright licensing for Internet sites. The site, part of www.bmi.com, allows music and broadcasting site managers to gain access to the performing rights of BMI's 3 million musical works by completing licensing forms and payment via credit card online. The newly-reduced costs (from streamlining), based on revenue, are as follows: \$12K, \$250/yr.; \$18,500, \$375/yr; \$25K, \$500/yr.—CM

O'Shaughnessy lobbies for NAB public policy institute

"To confront, study, analyze and counter the growing criticism of programming, the decline in public support for freedom of the press, and the perception that broadcasting will not be a major player in the digital age" is Whitney Radio President and NAB Director **Bill O'Shaughnessy**'s goal in establishing an NAB EVP position and NAB in-house institute for public policy.

"I think beyond all the strategic and tactical issues—the question of caps or no caps, etc—the far greater issue is for NAB to remain relevant and in the game," O'Shaughnessy tells RBR. "Indeed, the same could be said for broadcasting itself—we're up against the telcos now, we're up against the AOLs. We've been superb lobbyists, dealmakers and politicians. I'm asking that we now become diplomats, philosophers and concerned citizens—listen to the people, open a dialogue with them and engage them beyond the Beltway."

He lobbied the issue for 25 minutes in front of the NAB board meeting last week (1/10) in Palm Springs. Said O'Shaughnessy: "Eddie [Fritts] thinks it might be a more prudent, effective way to slip money to other think tanks, rather than have our own. As I stood next to him on the podium, I said, 'Eddie is not like any other lobbyist because of our relationship with the people and all I'm pleading for is that we begin to listen to the people'."

Ironically, given O'Shaughnessy's earlier cautions, The NAB meeting was held next to the closed Smith, Barney Media Conference. Ivan Seidenberg, Chairman of Bell Atlantic (N:BEL), Viacom (N:VIA) Chairman Sumner Redstone. Clear Channel CFO Randall Mays, Tom Rogers, Chairman of Primedia were among those present. "This conference was being held 'cheek by jowl' with the NAB's high council, so people [were intermingling]," O'Shaughnessy tells RBR. "Ivan asked me what we were talking about at the NAB conference. I said 'we are talking about you...they're afraid of you [telcos] coming after us!' And Seidenberg said, 'They're right'."—CM

Infinity buying own stock

Infinity Broadcasting (N:INF) has increased its stock buyback program, adding board authorization for the radio/outdoor company to buy back an additional \$500M of its own stock, if and when market conditions warrant. Infinity last announced a stock buyback of \$500M in 6/17/99 and to date has bought back \$486M under that authorization.—JM

Scottish Media wins Virgin bidding

Clear Channel (N:CCU) and others were outbid for London-based Virgin Radio as Scottish Media Group Plc announced 1/13

that it had agreed to pay 225M British pounds (\$370M) for Ginger Media. Ginger, headed by **Chris Evans** with backing by **Richard Branson** and Apax Partners, owns the UK radio group (a national AM license and a London FM) and produces Evans' popular "Breakfast Show" TV program.—JM

AMFM launches "Country Live Tonight"

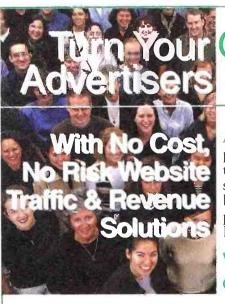
AMFM Radio Networks' "Country Live Tonight" kicked off for syndication 1/11 with special guest Clint Black. The 90-min. program was first tested in August with The Dixie Chicks and their "Fly" CD release. Country Live Tonight airs live Tuesdays 11P-2A ET, featuring interviews, new releases, in-studio performances and direct call-ins to Country's most popular artists. Upcoming guests include The Judds (1/ 18), Randy Travis (1/25) Lonestar (2/1), Martina McBride (2/28), Joe Diffie (2/ 15), Kenny Chesney (2/22) and Joe Dee Messina (3/21). Award-winning Country air personality Dean Warfield hosts the show.—CM

NetRadio.com chooses INTERVU for streaming network

NetRadio.com (O:NETR), the online, 120-channel music network announced 1/12 it has chosen INTERVU (O:ITVU) to supply audio and video streaming management and delivery using Real Networks' (O:RNWK) G2 streams. INTERVU's (RBR 1/25/99, p.5) distributed network infrastructure "will have the ability to improve the quality and availability of streams...while reducing a significant portion of our streaming costs," according to NetRadio CEO **Ed**

Tomechko.

NetRadio gets an estimated 1.1M unique visitors per month.—CM



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Television Business Report

NBC, ABC pledge diversity

Two TV networks have cut pro-diversity deals with the NAACP, which had threatened a boycott by African-American viewers (RBR 11/15/99, p. 6). Both GE's (N:GE) NBC and Disney's (N:DIS) ABC agreed to implement programs to recruit more minorities for both on-camera and behind the scenes positions.

"In order to affect what is happening on camera, we must have a more diverse pool behind the cameras," ABC Television Network Pres. **Patricia Fili-Krushel** told a New York news conference (1/7).

A few days earlier, NBC Pres. **Bob Wright** told a similar news conference, "Our goal is to make it unequivocally clear that NBC is committed to diversity."

According to NAACP Pres. **Kweisi Mfume**, a former US Representative from Maryland, similar diversity deals are near completion with CBS (N:CBS) and Fox (N:FOX).—JM

FCC may decide digital TV soon

According to a speech given by FCC Chairman **Bill Kennard** 1/7 at the Consumer Electronics Show in Las Vegas, TV manufacturers and cable systems have until April to decide technical standards for digital television. If a decision is not reached by then, the FCC will step in to resolve disputes between the industries so that con-

sumers will be able to pick up cable on new, digital television sets.—TS

Well, do they work or not?

Two very conflicting test reports on DTV receivers: Boasting a similar chip to the new Motorola MCT2100 (RBR 10/18/99, p.6) for improved DTV reception, Thomson Multimedia's (N:TMS) RCA DTC-100 set-top receiver (RBR 5/17/99, p. 6) paired with an RCA high-resolution monitor and RCA's new 38" HDTV receiver performed with flying colors in a (12/10) NY test using a \$6.99 offthe-shelf indoor antenna. With reporters present, the HDTV set and DTC-100 with monitor were placed in a first story apartment in midtown Manhattan next to an analog set. The HDTV set had robust reception with a flawless picture while the analog (using the same antenna) showed severe ghosting on UHF and snow on VHF. To underscore how bad multipath is a problem in NY, the sets were only two miles from the Empire State Building transmitting antenna. The transmission system used was 8-VSB.

On the other hand, Sinclair Broadcast Group (O:SBGI) claimed (1/4) its tests in DC and Baltimore on the latest generation of DTV receivers "failed to provide acceptable overthe-air reception using simple consumer antennas." The recent tests included the Sony KW-34HD1 and Thomson's DTC-100.

Sinclair is leading a move to augment the DTV standard with a secondary transmission system, COFM.—CM

ABC, Fox and CBS to swap video

Wall Street Journal—ABC, Fox and CBS have formed a cooperative to share generic and breaking news-video footage with affiliates of all three networks, in an effort to cut news-gathering costs. The three broadcasters, which have been informally swapping footage, decided to create Network News Service by linking their respective affiliate news services. The networks will each own one-third of the new venture.

"There are lots of news events where it makes no sense to have three or four cameras there," Fox News Chairman **Roger Ailes** said. "We're trying to make sure we don't waste resources."

Executives of CBS Corp. (B:CBS), News Corp. 's Fox (N:FOX) and ABC, a unit of Walt Disney Co. (N:DIS), all stressed that shared footage won't mean shared editorial content. "This will not in any way lessen the number of voices," Ailes said. Affiliates that provide footage to Network News Service will retain exclusive rights to the material in their own markets.

While affiliates recognized the desire of the networks to cut costs, there is some concern about the venture. "If the deal ends up not being as beneficial as it appears on paper, we'll have to explore our options," said **Ray Carter**, news director of ABC affiliate WSVB in Atlanta and vice chairman of the ABC News Affiliate Advisory Board. @2000, Dow Jones & Co.

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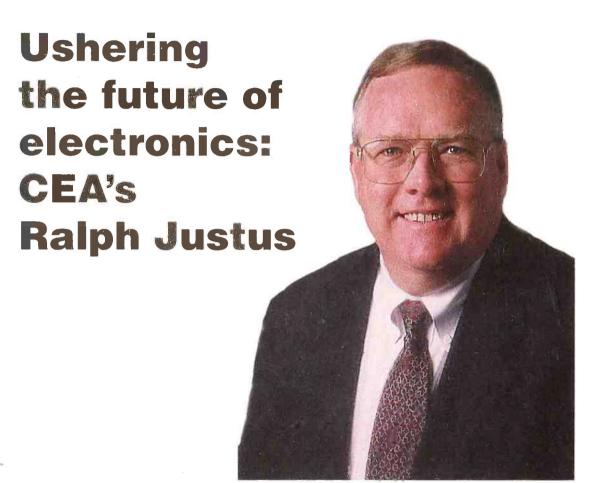
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by Carl Marcucci



Ralph Justus, the Consumer Electronics Association's (CEA, formerly CEMA) VP of Standards and Technology, serves as one of the major liaisons between manufacturers, broadcasters and the FCC. Overseeing five engineers, Justus is responsible for administering/implementing technical programs associated with CEA's parent, The Electronics Industries Alliance (EIA). He is also charged with chairing CEA's "Discovery Group" sessions—technology conferences that bring together standards committees, manufacturers and broadcasters to address emerging technological issues such as MMBS (*RBR* 10/4/99, p.6).

Along with past President of the US ITU-Radiotelecommunication Advisory Group, Justus is currently a member of numerous standards-setting boards and organizations such as The Institute of Electrical and Electronics Engineers (IEEE), The Audio Engineering Society (AES). The Society of Motion Picture and Television Engineers (SMPTE) and is CEA's representative to the NRSC's DAB Subcommittee.

On the heels of CEA's recent Consumer Electronics Show in Vegas (1/6-1/9, 1,500 exhibitors strong), we asked Justus to address what's new and on the horizon for consumer products and technologies—from HDTV, Webcasting, wireless Internet, broadband, Satellite Radio and more—and its impact on broadcasters. And, of course, because he is well-known to have doubted IBOC's viability, we ask where he stands now.

You've had your doubts about the viability of IBOC (RBR 11/3/97, p.8). Given the latest developments and rounds of field testing, where do you and the manufacturers stand on the technology's progression? Our concerns are centered around what we consider to be minimum acceptable standards of quality, coverage and compatibility for digital radio. CD-quality audio, compatibly with existing analog broadcasting and robust digital coverage and performance have proven to be important and illusive goals for an IBOC DAR implementation.

Traditionally, broadcasters and receiver manufacturers work together to protect the quality and viability of FM radio. Collaborative efforts to protect the service from encroaching interference situations have included shortspaced FM stations, Docket 80-90 creating thousands of new FM stations, AM day-timer power increases, and recently low-power FM, to name a few. CEA worked in concert with broadcasters to protect the interference integrity of the existing broadcast services, and to avoid regulatory proposals that would create additional interference.

CEA and other industry stake-holders in the DAR Subcommittee have invested over six years studying IBOC system designs to ensure that the systems could deliver new benefits to consumers without detracting from the high quality of FM radio. The IBOC systems that were studied did not have CD-quality audio, created extensive interference to existing analog broadcasting (including the "host" station) and had very poor coverage and signal reception integrity.

The studies' findings, detailed in the DAR Subcommittee's final report, provided invaluable information about the tradeoffs inherent in IBOC designs, about coding technologies and performance and about

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IBOC-caused interference. It is our hope that the proponents of the IBOC systems have used these findings to strengthen their programs.

Currently, the NRSC DAB Subcommittee is evaluating a USADR lab report and field test results that USADR says will show a significant improvement over and above existing analog broadcasting. I understand that Lucent Digital Radio will also provide a report around the end of January. It is our hope that the proponents have optimized the technical design tradeoffs they need to make in order for IBOC to be a viable service.

CEA and its manufacturing members want to nurture any new radlo product that offers wide-spread consumer appeal. Further, we have an obligation to protect customers' investment in the current generation of radios by ensuring that the high quality of FM radio service is not degraded. We fully support any system that meets these minimum standards of quality, coverage and compatibility.

Do you see an integrated chip set for IBOC, analog AM/FM, satellite radio and perhaps mobile Internet receivers as an ultimate goal for manufacturers? Why?

Chip integration is essential to develop compelling products. We understand that such chips are already expected for AM/FM/Satellite DAR receiver designs. IBOC has to prove its viability and marketability before manufacturers proceed to receiver deployment and integration opportunities.

How well do you think satellite radio proponents XM Satellite Radio and Sirius Satellite Radio will do after their commercial launches in 2000-2001?

Their investors obviously believe their business plans are solid and we see many receiver manufacturers partnering with them to develop products. Technically, from the information that is available, it appears they have addressed the S-band propagation problems by using networks of terrestrial gap-fillers and their diversity transmission designs should go a long way to protect signal continuity from outages. CEA is preparing to team with them to collect and track market statistics.

We did a story recently on Metricom's Ricochet RF modem technology for mobile Internet, already in DC, San Francisco, Seattle and LA (RBR 11/29/99, p.6). Given this type of system will be nationwide someday, how could mobile Internet receivers affect current broadcasters?

Our society is becoming increasing mobile and peoples' appetites for electronically-delivered data and information in the mobile environment appears enormous. The 2000 International CES just held showed a host of new products to address these mobile needs, using cellular and PCS platforms as well as some new spectrum initiatives. I think these services are complementary to broadcasting. They each serve different needs, from broadcast news information and entertainment to targeted specific information needs commensurate with users' investments in receivers.

What do you see down the road—five, 10 and 20 years—for the consumer electronics industry as a whole?

Short-term, I think the digital revolution will encompass most forms of audio and video entertainment. But the really attractive prospect is the full exploitation of data service types and their delivery to users.

Long term, I think that data storage and capacity will continue to explode exponentially. This offers new and exciting prospects for miniaturization, portability and user appeal. This also will provide new opportunities to those, like broadcasters, who utilize high-capacity data "pipes" to deliver these offerings to users.

Tell us about new technologies that were featured at CES.

Fueled by the Internet and increasing consumer demand for many forms of data, many of the new products and much of the discussion at the 2000 International CES centered around digital and wireless technology. According to the industry panelists at the Wireless Supersession, there will be one billion wireless users by 2003 and as many as 400 million using wireless devices to access the Internet by 2004.

The panelists—six corporate executives and an industry analyst—said wireless devices would perform a wide range of functions including peerto-peer communications, digital chats, enterprise mail, brokerage and

banking transactions as well as paging and voice communication. Opinions differed on exactly what devices would be necessary to deliver the wide range of services.

Do broadcasters and receiver manufacturers have the same view of the future of radio?

Emphatically, Yes! Clearly, both parties are invested in learning how radio can best participate in the digital age. IBOC DAR offers one possibility. high speed FM subcarriers offer another prospect. I think it's understood that the future is digital. Television broadcasters have fortunately been supplied a spectrum opportunity to evolve to HDTV. As yet, radio broadcasters have no such alternative. Examination of the most current reports should reveal if IBOC is technically viable and meets listener expectations. If it does, we will certainly team up to Implement it. If it falls short of these minimum standards, we will have to explore other alternatives. Broadcasters and receiver manufacturers have a rich history of partnerships and I expect this cooperation to continue indefinitely.

What are your thoughts on the FCC's low-power FM proceeding? Do you think it's practical?

The past test results showed that the FCC's LPFM proposal would cause extensive interference to existing FM reception. Moreover, LPFM cannot coexist with IBOC DAR because the analog interference would drastically limit the DAR coverage. Whatever spectrum is used by LPFM would preclude a successful IBOC deployment. They are mutually-exclusive.

Tell us about your career leading up to and including CEA. Tell us about your job responsibilities now.

After graduating from Georgia Tech. I worked for five years as an engineer at the Federal Communications Commission doing AM. FM broadcast station construction permit and license applications and was supervisory engineer in the Television Branch. Then I was the Director of Engineering, Regulatory and International Affairs at the National Association of Broadcasters. Those were exciting times with the birth of HDTV and the Advisory Committee, and a host of

developing international spectrum matters at the ITU. Coming to the EIA's Consumer Electronics Group (now, the Consumer Electronics Association) in 1991 was a great experience—working on a similar range of technology issues, but from the perspective of the other side of the receiver. I have also had great support from the people I worked for and the memberships, particularly **Tom Keller** at NAB and **George Hanover** at EIA.

Now is a particularly exciting time to be in consumer electronics. The CEA members' commitment to, and technical support of, new technologies and standards-setting puts me in the center of extraordinary technology policy developments. I am involved in HDTV, DTV, cable/consumer electronics compatibility issues, digital audio radio, low-power

FM and several other initiatives—all of deep concern to broadcasters. We manage over 30 other standards-setting committees on home networking, mobile digital wireless communications, product safety and compliance, audio, video, antennas, you name it.

As the VP of Technology and Standards, I manage the association's technical initiatives and resources. But perhaps the part I enjoy the most is working with my peers from the technical arms of CEA member companies. Our members and the other companies we work with, share a spirit of innovation a long-term commitment to industry standards. It is a pleasure to work with these industry visionaries and to utilize the extraordinary array of technical resources they bring to our collaborative efforts.

Engineering News

Sirius strikes deals with Audiovox, Kenwood, BMW, CNBC

All announced at the recent Consumer Electronics Show in Vegas, and the latest in a series of design, development and manufacturing deals, Sirius Satellite Radio (O:SIRI) announced (1/4) both Kenwood and Audiovox are on board to incorporate Sirius' satellite receiving technology into both OEM and aftermarket car receivers. The two companies join Alpine, Clarion, Delphi Delco Electronics, Panasonic, Recoton and Visteon. On the automotive side, The BMW group announced (1/6) it would install Sirius-equipped radios in US BMW and Land Rover models as early as 2001. In addition, Sirius and BMW will look to co-develop exclusive data streaming features into the receivers. BMW's OEM car radio manufacturers currently include Alpine and Philips VDO, however, BMW will allow all manufactures to bid on the final OEM satellite contract. Sirius also has factory-install deals with Ford, Mazda, Jaguar and Volvo vehicles.

The latest programming announcement, Sirius will offer an exclusive channel to CNBC for real-time financial and business news.—CM

XM features OEM receivers at CES; signs NASCAR, Sony

Also at CES, XM Satellite Radio (O:XMSR) showed off three XM-equipped Y2K vehicles: Mitsubishi's Eclipse with an OEM Mitsubishi receiver, Saab's 9-2 convertible with a Pioneer aftermarket receiver and Cadillac's STS Seville with an OEM Delphi-Delco receiver.

Announced 1/6 from the show: NASCAR is on board for an exclusive channel on XM's system, focusing on NASCAR races, cars, drivers, collectibles and interviews. Included in the deal is an "extensive sales/merchandising presence" at all NASCAR events.

Sony and XM have reached a preliminary agreement that allows Sony to design, manufacture and market XM-equipped home, auto and portable XM receivers. This is the second home/portable manufacturer agreement XM has issued—Sharp was first (RBR 11/23/98, p.6). For now, competitor Sirius is only interested in licensing automotive receiver manufacturing agreements.

An interesting question recently raised: How would XM's subscription fees (\$9.95/mo.) be affected if a subscriber also owned an XM boombox and home

stereo? "We're going to bundle additional radios with the service—you get the first one for \$9.95 and the second one for \$2-\$4 a month. So it will be some sort of bundled package, but we haven't decided the exact rate yet," XM Publicity Assistant **Dave Froman** tells RBR.

CNBC is also in discussions with XM for programming rights, so we're not sure how "serious" the above deal with Sirius is.—CM





Broadcast

Prophet's AudioWizard™ software has been so singularly instrumental in the industry transition to virtual radio, the trades are reporting us to be the standard.*

Our latest software release, NexGen Digital™ Broadcast further expands scalability and affordability in radio broadcast digital automation. Its ambitious design will meet anticipated growth needs and user preferences. For redundancy, connectivity and database fault tolerance, the system is unsurpassed. We are so confident in the capabilities of NexGen Digital, we are offering users of AudioWizard a free software upgrade to NexGen Digital in 2000.

Capstar Broadcasting, Clear Channel/Jacor Communication, Salem Communications and over 500 independent stations across the country, Australia and Puerto Rico rely on digital audio from Prophet. Join them and "go Prophet!"

Together, let's make great radio.

*June 10, 1999 M Street Journal:
"Prophet supplies digital software—and its name is now a catchword (they're gonna go Prophet with it overnights)."



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by Jack Messmer

Pittman is running the show—a really big show

Radio has virtually no role in the biggest media merger ever-the \$350B deal announced 1/10 to combine America Online (N:AOL) and Time Warner (N:TWX). But it's a radio guy who's going to be running the day-today operations at the world's largest media company, AOL President Bob Pittman.

It's been a while since Pittman was directly involved in radio. He left the PD post at WNBC-AM (now WFAN) New York in 1979 to launch MTV for a predecessor of Time Warner. After MTV was sold to Viacom (N:VIA) in 1987 he started his own company, Quantum Media, which syndicated the "Morton Downey Jr." TV show. He sold Quantum to Time Warner in 1995 and the next year joined America Online. Now he's the guy who's worked on both sides of the merger—and the

one who's clearly going to be in charge of making the deal work as Co-COO with Time Warner's Richard Parsons.

AOL Time Warner's brands will include AOL, Time, CNN, CompuServe, Warner Bros., Netscape, Sports Illustrated, People, HBO, ICQ, AOL Instant Messenger, AOL MovieFone, TBS, TNT, Cartoon Network, Digital City, Warner Music Group, Spinner, Winamp, Fortune, AOL.COM, Entertainment Weekly, and Looney Tunes. The only radio asset owned by either (unless you count AOL's Spinner.com online music site) is Time Warner's CNN Radio, which is distributed by Westwood One (N:WON). The only broadcast license held by either is Time Warner's WTBS-TV (Ch. 17, Ind.) Atlanta, although the company made an unsuccessful run at Paxson (A:PAX) and is believed to have an ongoing interest in acquiring a TV network.

Pittman himself, however, is a radio licensee. He is one of the two Roberts in Roberts Radio, along with former NBC Radio colleague Bob Sherman, who runs the company.

RBR observation: Since Roberts Radio is focused on small markets, it wouldn't make any sense as an AOL Time Warner acquisition. If Pittman wants to put a radio group into the mix, he'll look for a big market group. More likely, though, he and Vice Chairman Ted Turner will continue shopping for a TV group and/or network.

Journal adds in Wichita

Journal Broadcast Group is adding a fourth FM (and fifth station) in the Wichita, KS market with a \$4.25M deal to buy KOEZ-FM. The seller is Woody Stover's Kansas Radio Assets. which has essentially the same ownership as Southern Broadcast Group LLC. They bought this station just a few months ago (RBR 9/6/99, p. 15) for \$2M and LMA'd it to Journal in November. Broker: Michael Bergner, Bergner & Co.

Tennessee duo to Salem

It may be a bit of a stretch to call WBOZ-FM Woodbury. TN and WVRY-FM Waverly. TN "Nashville" stations. but they do show up in the Arbitron book. Salem (O:SALM) is paying Reach Satellite Network \$3.1M for the suburban Religious stations. It's a new market for Salem.

Catholic Net sells Sandwich

WAUR-AM Sandwich. IL fone of the former AAHS kiddie stations) was surplus property for Catholic Family Radio after it acquired a better Chicago signal, WYPA-AM. It's selling the far suburban station to Richard Saul's Saul Acquisition for \$4.4M.



CUMULUS

has agreed to purchase the assets of radio station

KRUZ-FM Santa Barbara, California

from Pacific Coast Communications for \$10.0 Million Cash*

George R. Reed and R. Thomas McKinley of

Media Services Group, Inc. represented the Seller in this transaction.

George Reed: Tel: (904) 285-3239 Fax: (904) 285-5618

E-mail: msconsulting@compuserve.com

Tom McKinley: Tel: (415) 924-2515 Fax: (415) 924-2649 E-mail: 104130.1571@compuserve.com

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*Pending FCC Approval

Sierra signal sold

Clarke Broadcasting, headed by Randolph Holder Jr., is adding another FM just northeast of its existing Merced, CA duopoly. It'll pay \$2.1M for KKBN-FM Twain Harte, CA. The seller is Clear Mountain Air Broadcasting, owned by Sylvia and Donald Lester. Broker: Austin Walsh, Media Services Group

More for Morris

Morris Communications is doubling in both bands in Aberdeen, WA. It's paying \$650K for Spencer Broadcasting's KAYO-AM & KGHO-FM, licensed to Hoquiam, WA. Broker: Austin Walsh, Media Services Group

CBC adds in Western Kentucky

Steve Newberry's Commonwealth Broadcasting Corp. is picking up another Kentucky small market with a \$1.31M deal to buy WTTL-AM & WZEZ-FM Madisonville. The seller is

Conway M. Smith Inc., owned by Val & Marshall Smith. <u>Broker</u>: Ed Henson, Henson Media

Gillette, WY goes worldwide

It's hardly the first 24-hour Internet radio station, and since First Entertainment (O:FTET) already owns two radio stations in Gillette, WY, why not base its Internet-only station there? F2N (reflecting the company's pending name change to F2 Media Network) is scheduled to debut 2/1. What's interesting is the company's explanation of why it's launching an Internet-only station: "With the new automobiles coming equipped with the Internet receivers produced by every large manufacturer, The F2Network will take advantage of this curve by creating digital content ready to deploy." Well yeah, in a few years, maybe, but there haven't even been frequencies allocated yetso don't go down to your neighborhood Chevy dealer this week expecting to buy an Internet-equipped car.

CLOSED!

WODJ-FM
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from
Goodrich Radio, LLC
Robert Goodrich, President
to
Bloomington
Broadcasting Corp.
Ken Maness, President

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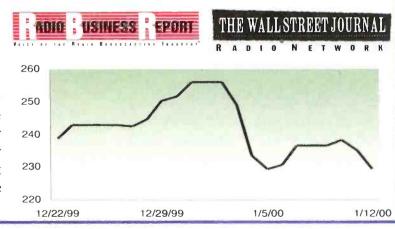
MEDIA VENTURE PARTNERS

RBR's deal digest

Marcos Rodriguez is entering the Corpus Christi, TX market with a \$4M deal to buy Coastal Digital's KLHB-FM Odem, TX...Will Floyd's new Floyd Broadcasting in buying KRLW-AM & FM Walnut Ridge, AR from Don House's Voices Unlimited for \$282,500. Broker: Bill Cate, Sunbelt Media...Jumbo Thing Inc. is selling WDMG-AM & FM Douglas, GA to Woody Stover's Southern Broadcast Group LLC for \$1.6M. Broker: Media Services Group... Marathon Media is adding to its Northern Wisconsin stronghold with a \$3.25M deal to buy WLKD-AM, WMQA-FM & WHDG-FM Minocqua-Rhinelander, WI from Raven Broadcasting...Roy Henderson is paying \$800K for Equicom's KBAL-AM & FM San Saba, TX and KULM-FM Columbus, TX...Rolland Johnson's Three Eagles Communications is paying All-Heart Radio \$575K for KVRH-AM & FM Salida, CO. Broker: Jody McCoy, McCoy Broadcast Brokerage...Rolland Johnson's adult children, Kimberly and Andrew Johnson, are entering station ownership with a \$150K deal to buy KBVC-FM Buena Vista, CO from Riley Murphy. Broker: Jody McCoy, McCoy Broadcast Brokerage

The Radio Index™

The Radio Index™ has stayed below its 12/31/99 all-time high of 256.06 so far this millennium. For the week, the index finished right where it began, 229.32.



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RANSACTION | 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.

\$80,000,000 WPLY-FM Philadelphia (Media PA) from Greater Media Radio Company (Daniel & Arnold Lerner, Lynn Bruder) to Radio One Licenses Inc. (Cathy Hughes, Alfred Liggins), a subsidiary of Radio One Inc. (O:ROIA). \$3.75M escrow, balance in cash at closing. **Duopoly** with WPHI-FM.

\$26,500,000 KBTM-AM, KIYS-FM & KFIN-FM Jonesboro AR, 100% stock sale of Duke Broadcasting Corp. and its subsidiary, Duke Radio Corp., from Larry Duke to Cumulus Media Inc. (O:CMLS, Richard Weening, Lew Dickey Jr.). \$1.325M letter of credit as escrow, balance in cash at closing. Existing duopoly. LMA since 11/1/99. Note: This deal also includes Southern Outdoor Graphics Inc. and Express Signs Inc., the outdoor advertising subsidiaries of Duke Broadcasting Corp. Broker: Americom

\$7,400,000 KXKS-AM, KABQ-AM & KEXT-FM Albuquerque (Albuquerque-Bosque Farms NM) from Continental Broadcasting Corp. of New Mexico Inc. (Jose Molina) to Clear Channel Broadcasting Licenses (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). \$75K escrow, balance in cash at closing. Superduopoly with KPEK-FM, KTEG-FM, KZRR-FM, KSYU-FM & KLSK-FM. Notes: No more than five FMs overlap at any point. This sale also includes K59DB, a low-power TV station on Ch. 59

\$7,400,000 KSVA-AM Albuquerque from Lifetalk Broadcasting Association (Paul Moore, Robert Mix, Stanley Wilkinson, Glenn Aufderhar) to Citadel License Inc. (Larry Wilson), a subsidiary of Citadel Communications (O:CITC). \$1M escrow, taxdeferred swap for KHTL-AM (below) and \$5.4M (less escrow) cash. Total value estimated by RBR. Superduopoly with KNML-AM, KKOB-AM & FM, KMGA-FM, KTBL-FM. KRST-FM & KHFM-FM.

\$3,220,000 WLTK-FM Harrisonburg VA (Broadway VA) from Massanutten Broadcasting Company Inc. (David Eshleman) to HJV Limited Partnership (John VerStandig, various other VerStandig family members and trusts), part of the VerStandig Broadcasting group. \$65K escrow to transfer at closing. Exchange for WBHB-FM (below), additional \$655K cash, \$1M note. Total value estimated by RBR. Superduopoly with WSVA-AM, WHBG-AM, WQPO-FM & WAMM-FM. Broker: Blackburn & Co.

\$2,500,000 KSRV-AM & FM Boise ID (Ontario OR) from Journal Broadcast Corp. (Douglas Kiel) to Horizon Broadcasting Group LLC (William Ackerley, Keith Shipman, Dan Walker, Base Capital LLC). \$100K escrow, balance in cash at closing. Broker: Kalil & Co.

\$2,000,000 KZNG-AM & KQUS-FM Hot Springs AR from Demaree Media (Levoy Patrick Demaree) to Powell Broadcasting Company Inc. (John Spain), a subsidiary of The Powell Group Inc. (Nanette Kelley, Estate of Willis W. Noland). \$300K escrow, balance in cash at closing. Superduopoly with KLXQ-FM & KZBR-FM Hot Springs-Mountain Pine AR. LMA since 12/1/99.

\$2,000,000 KHTL-AM Albuquerque from Citadel License Inc. (Larry Wilson), a subsidiary of Citadel Communications (O:CITC), to Lifetalk Broadcasting Association (Paul Moore, Robert Mix, Stanley Wilkinson, Glenn Aufderhar). Exchange as partial payment for KSVA-AM (above). Value estimated by RBR. Duopoly with KQEO-AM

\$1,500,000 WBHB-FM Harrisonburg VA (New Market VA) from HJV Limited Partnership (John VerStandig, various other VerStandig family members and trusts), part of the VerStandig Broadcasting group, to Massanutten Broadcasting Company Inc. (David Eshleman). Exchange as partial payment for WLTK-FM (above). Value estimated by RBR. Note: HJV will have a right of first refusal to acquire this station if it is sold within 10 years. Broker: Blackburn & Co.

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BROADCAST NVESTMENTS"

Jan 12-RBR Stock Index 1998

Company	Mkt:Symb	1/5/00 ol Close	1/12/00 Close	Net Chg	Pct Chg	1/12/00 Vol	Company	Mkt:Symbol	1/5/00 Close	1/12/00 Close	Net Chg	Pct Chg	1/12/00 Vol
Ackerley	N:AK	17.563	17.875	0.312	1.78%	36700	Hearst-Argyle	N:HTV	27.063	26.938		-0.46%	34300
Alliance Bcg.	0:RADO	0.188	0.250	0.062	32.98%	34500	Hispanic Bcg.	O:HBCCA	90.000	96.406	6.406	7.12%	133200
Am. Comm. Ent.	0:ACEN	2.750	2.750	0.000	0.00%	14900	Infinity	N:INF	34.625	35.625	1.000	2.89%	611900
Am. Tower	N:AMT	29.875	38.000	8.125	27.20%	1475900	Interep	O:IREP	12.438	11.125	-1.313 -		31300
AMFM Inc.	N:AFM	75.000	77.750	2.750	3.67%	585600	Jeff-Pilot	N:JP	63.563	64.500	0.937	1.47%	350200
Belo Corp.	N:BLC	17.813	17.375	-0.438	-2.46%	241500	Launch Media	0:LAUN	18.063	18.000		-0.35%	77500
Big City Radio	A:YFM	5.500	6.875		25.00%	26600	NBG Radio Nets	O:NSBD	2.938	2.875		-2.14%	75100
CBS Corp.	N:CBS	54.125	59.813			2467500	New York Times	N:NYT	45.125	46.500	1.375	3.05%	657500
Ceridian	N:CEN	20.750	19.688	-1.062	-5.12%	1492000	Pinnacle Hldgs.	O:BIGT	37.250	40.984		10.02%	163800
Cir.Rsch.Labs	O:CRLI	2.250	2.625		16.67%	2000	PopMail.com	0:POPM	3.625	3.938	0.313	8.63%	527700
Citadel	O:CITC	52.563	49.750	-2.813	-5.35%	315400	Radio One	O:ROIA	81.500	91.000		11.66%	119500
Clear Channel	N:CCU	85.188	88.063	2.875	3.37%	1078900	Radio Unica	O:UNCA	25.813	26.875	1.062	4.11%	31200
Cox Radio	N:CXR	85.125	90.625	5.500	6.46%	26600	RealNetworks		118.125	126.250	8.125	6.88%	
Crown Castle	0:TWRS	30.063	30.000	-0.063	-0.21%	471800	Regent Pfd.	0:RGCIP	12.000	11.500		-4.17%	800
Cumulus	0:CMLS	43.031	45.375	2.344	5.45%	140700	Saga Commun.	A:SGA	19.063	19.250	0.187	0.98%	26300
DG Systems	0:DGIT	6.594	6.531	-0.063	-0.96%	106100	Salem Comm.	0:SALM	21.875	20.000		-8.57%	75100
Disney	N:DIS	32.938	33.688	0.750		12771000	Sirius Sat. Radio	0:CDRD	40.313	40.750	0.437	1.08%	281600
Emmis	0:EMMS	96.750	96.813	0.063	0.07%	55300	Spanish Bcg.	0:SBSA	33.875	34.250	0.375	1.11%	120200
Entercom	N:ETM	53.125	57.313	4.188	7.88%	36500	SpectraSite	O:SITE	13.688	16.625		21.46%	571300
First Entertain.	O:FTET	0.610	0.775		27.05%	53200	SportsLine USA	0:SPLN	49.125	39.438	-9.687 -		472800
Fisher	0:FSCI	61.000	60.125	-0.875	-1.43%	0	TM Century	0:TMCI	0.531	0.750		41.24%	0
FTM Media	0:FTMM	12.750	13.000	0.250	1.96%	8600	Triangle	0:GAAY	0.020	0.026		30.00%	
Gaylord	N:GET	29.250	29.750	0.500	1.71%	9400	Tribune	N:TRB	50.375	51.250	0.875	1.74%	
Gentner	0:GTNR	13.000	12.625	-0.375	-2.88%	52500	WarpRadio.com	0:WRPR	3.875	4.625		19.35%	3800
Global Media	0:GLMC	4.875	5.313	0.438	8.98%	42900	Westwood One	N:WON	66.375	75.813		14.22%	223500
Harman Intl.	N:HAR	55.750	55.500	-0.250	-0.45%	31000	WinStar Comm.	0:WCII	66.375	75.500		13.75%	
Harris Corp.	N:HRS	24.688	25.063	0.375	1.52%	507000	XM Satellite	0:XMSR	40.500	38.375	-2.125	-5.25%	132200

Beasley fills in the blanks

Beasley Broadcast Group has amended its IPO filing (RBR 12/6/99, p. 13) to fill in some details. The \$150M stock offering will make 6.85M shares available to the public (plus a green shoe of slightly over 1M shares), with an expected price range of \$15-\$18 per share. The stock will trade on Nasdaq as BBBI.

If all shares are sold, **George Beasley**, his sons and daughter would own 65.5% of the company's equity and 89.7% voting power (through their supervoting Class B shares).

For the 12 months which ended 9/30/99, assuming all station acquisitions and sales had taken place at the beginning of the period, Beasley said it would have had net revenues of \$94.7M, broadcast cash flow of \$27.8M and a net loss of \$14.8M. <u>Underwriters</u>: CS First Boston, Banc of America Securities, Deutsche Banc Alex. Brown, Salomon Smith Barney

Regent IPO pricing delayed

Rather than pricing its IPO the week of 1/17, Regent Communications is now on the Wall Street calendar to price its 13.35M share offering the week of 1/24. The expected price range remains \$6.50-\$8.50 per share. The stock will trade on Nasdaq as RGCI. Underwriter: Prudential

Cumulus readies stock sales

Cumulus Media (O:CMLS) has filed a shelf registration so that, at some point in the future, it can sell up to 10M additional shares of stock. The 1/17/00 RBR

actual timing of such stock sales will depend on market conditions and Cumulus' need for cash to make additional acquisitions.

XM seeks \$257.6M

XM Satellite Radio (O:XMSR) has amended a 12/23/99 SEC filing to sell \$142.6M in new common stock. The company is now also offering \$115M in preferred stock. <u>Underwriters</u>: Donaldson, Lufkin & Jenrette, Bear Stearns & Co., Banc of America Securities, Unterberg Towbin

PopMail.com buying lz.com

PopMail.com (O:POPM), which specializes in permission- and affinity-based e-mail for radio stations, sports teams and others, announced plans to acquire Iz.com. The latter is "a convergent media business that uses spiral marketing to promote consumer e-commerce, involving the cross-promotion of products and services through e-mail, online and conventional media, as well as the use of network marketing where consumers choose to receive an advertiser's communications."

What does that mean? Iz.com's web site features music, lifestyle news and video content aimed at 20-somethings. The company has been using its Iz TV show to drive viewers to its interactive Internet site.

"To date, our convergence effort has exceeded our projections, with thousands cueing off the show to visit the site," the company's corporate web site says. "Now that our test-run has succeeded, it's time to take Iz to the next level."

Citadel Selects Scott Studios as "the Best" Digital System



Larry Wilson (at right), CEO of Citadel Communications Corp., shakes hands with Dave Scott as Citadel standardizes on Scott Systems for its 124 stations and future aquisitions.

Citadel Communications Corp., one of America's top 10 radio groups in 1998 revenues, selects Scott Studios Corp. as its sole supplier of on-air digital audio delivery systems for its 124 radio stations and future acquisitions.

"We thoroughly investigated all of the competitive digital air studio systems and decided upon the best one," says Larry Wilson, CEO of Citadel Communications. "Our regional Presidents and Vice Presidents of engineering and programming spent nearly a year analyzing different options. While no system or manufacturer is 100% flawless, it became obvious to us that Scott Studios is the very best. Their long history of excellent service commitment, the quality of their digital studio products and competitive pricing were our primary reasons for selecting Scott Studios."

Dave Scott, CEO of Scott Studios Corp. says, "It's an honor to be Citadel's sole digital audio vendor and take their other brands as trade-ins on our new equipment. Our systems are designed by announcers, for announcers.

"Of Scott's 61 employees, 43 are former jocks and PDs with 700 years collective radio experience. Competitors work more from the engineer's perspective, although we have 20 former chief engineers on staff also. Scott Studios' digital fits DJs like a glove."

After adding five Oklahoma City stations and other pending transactions, Citadel will own or operate 124 radio stations in 23 mid-sized markets such as Providence, Salt Lake City and Albuquerque.

Citadel is well known across the country for attaining topnotch competitive programming success, and the addition of Scott Studios announcer friendly-technology will help Citadel announcers deliver superior information, entertainment and service to their 8,000,000+ weekly listeners.

Citadel's stations are not the only ones who choose Scott: *More* U.S. radio stations use Scott Studios' than *any other* digital system, with 5,046 Scott digital workstations in 2,202 U.S. stations. Nine of the ten *top-billing groups have Scott Systems*.

Scott Systems are the *easiest to use!* They're intuitive, straightforward, simple, yet the *most* powerful!

Len Barry L 7/7 4p N 7/10 2a Beach Boys L 7/1 5a N 7/8 10p ? & Mysterians L 6/27 2p N 7/9 5p On-Air A Groovy Kind of Mindbenders L 7/4 2a N 7/12 7p A Beautiful Morn. A Day In the Life Beatles L 7/6 11a N 7/18 8p The Rascals L 7/8 4p N 7/12 7a A Little Bit Me, A Monkees L 7/2 7p N 7/13 8a A Hard Day's Nite Beatles L 7/2 3a N 7/9 3p A Little Bit o' Soap The Jarmels L 7/5 5p N 7/13 6a A Lover's Question Clyde McPhatter L 6/29 5a N 7/13 9 A Teenager in Love Dion & Belmonts L 7/4 3a N 7/11 5p A Summer Song Chad & Jeremy L 7/2 8p A Town W'out Pity Gene Pitney L 7/2 10a N 7/15 3 L T/1 3p N 7/13 7a A Thousand Stars Kathy Young L 7/2 9p N 7/15 4p A World W'out Lov Peter & Gordon L 7/4 10a N 7/12 11 Abraham, Martin & Act Naturally Beatles
L 7/1 9p N 7/20 10 L 7/2 2a N 7/14 3p After Midnight After the Gold Rus Freddy Cannon L 7/5 8p N 7/13 Eric Clapton L 7/5 12m N 7/9 11 Neil Young L 7/5 7p N 7/18 8a Afternoon Delight Starland Vocal Bar L 7/3 1p N 7/17 9p Ain't No Mountain Diana Ross L 7/3 7p N 7/12 52 L 7/1 11p N 7/12 3p Ain't Nothing Like Marvin/Tammi Beatles L 7/4 12n N 7/13 8 L 6/27 1p N None Ain't No Woman Four Tops L 7/6 1p N 7/14 8a Ain't That Peculiar Marvin Gaye L 7/5 2a N 7/12 7p L 7/2 3p N 7/16 6p L 7/1 10a N 7/15 6g CDEFGHIJKLMNOPQRSTUVWXYZ

The Scott System is radio's most user-friendly. You get instant airplay or audition of any song simply by spelling a few letters of its title or artist. You see when songs played last and when they'll play next. You also get voice tracking while listening to music in context, hot keys, automatic recording of phone calls and graphic waveform editing, all in one computer!

Scott Studios is famous for our *uncompressed* digital systems at a compressed price, (but we work equally well in MPEG and MP3). Scott Studios' audio quality is the *very best* and plays on laptops or PCs with ordinary sound cards. We pre-dub your startup music library free. Your PD can auto-transfer songs digitally in *seconds* with a CD-ROM deck in his or her office.

Scott gives you industrial quality 19" rack computers, but *nothing* is proprietary: functional equivalents are available at computer stores. You also get 24 hour *toll-free* tech support! Scott also lets you choose your operating system: Linux, Novell, NT, Windows, DOS or any combination. You also choose from *three* systems: Good, Better, Best. One's right for *you!*

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