

This Just In...

AirWave Brings Home The Gold in Nagano

If you heard CBS Radio's coverage of the winter games in Nagano, you also heard CBS's newest travelling companion—the AirWave Broadcast Console from PR&E.

But what's noteworthy isn't that CBS chose PR&E for Olympic duty. (PR&E BMX, Radiomixer and Stereomixer consoles have been used to cover the games for the last 15 years.) It's that they chose AirWave.

What's notable about CBS's choice of AirWave is that we designed it to be an affordable, high-quality console for medium and smaller markets that retained all the reliability and features of its bigger brothers.

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Moguls moving in opposite directions

Radio's two biggest groups announced restructuring plans last Thursday (8/27), essentially moving in opposite directions. **Tom Hicks** and **Jeff Marcus** are rolling up Hicks, Muse, Tate & Furst's radio operations, merging Capstar (N:CRB) and Chancellor Media (O:AMFM).

Meanwhile, **Michael Jordan** and **Mel Karmazin** announced plans to separate radio and outdoor from the rest of CBS (N:CBS) and sell 20% of the spin-off in an IPO. The new company will bring back the name Infinity Broadcasting for its third appearance as a public stock company. —JM

Details of both transactions on page 12.

New numbers game: FCC sets revenue caps

by Frank Saxe

Broadcasters have another numbers game to play, with the FCC initiating a review of a deal's impact on radio advertising revenues. While 40% has been the trigger for the Justice Department, the FCC is giving owners a wider berth.

The Commission has decided to give a single owner up to 50% of a market's radio revenue before launching an inquiry, according to FCC staffers. "That's a pretty solid number," said one high-ranking official—who said the 70% cap on two owners is a "softer number."

In an example given to *RBR*, any two owners may be allowed to each have 35% of the market's advertising revenue, if the Commission determined that one of the two would have much more if it were not for its comparable competitor.

In addition to advertising revenue, Mass Media Bureau Chief **Roy Stewart** said his staff will also take a station's power and class into account.

Earlier this month, the FCC announced it would not approve three deals until it collected comments on their "effect on competition and diversity" (*RBR* 8/17, p.2). Commission sources said several more deals have piqued their interest, and would likely be opened to comment this week.

One group that has made its feelings known is Cumulus Media (O:CMLS), which attacked the review in a filing on the FCC's biennial review—Cumulus called it an "unnecessary layer of regulation—which, at best, is duplicative of DOJ's antitrust review and, at worst, will lead to inconsistent results and confusion [which] will only result in further delays."

Despite the new layer of review, the FCC hopes to stick with its goal of clearing uncontested transfers within five days of the public notice period ending, although its four month timetable for applications where opposition has been filed may slip. Audio Services Chief **Linda Blair** said it may become "more and more difficult" to hit that target, because of the growing number of issues that must be reviewed.

Chancellor overtakes CBS as #1 group

According to BIA, the soon-to-be merged Chancellor/Capstar will have 1997 pro forma revenues of \$1.585B, nudging CBS/Infinity out of the #1 spot.

Rank/Group	#Stns	97 revs (\$000)
1 Chancellor Media Corp. /Capstar	471	1,585,400
2 CBS/Infinity	162	1,495,630
3 Jacor Commun. Inc.	205	613,660
4 Clear Channel Commun.	219	478,490
5 ABC Radio Inc.	38	327,100
6 Cox Radio Inc.	59	249,850
7 Entercom	41	180,850
8 Heftel Broadcasting Corp.	39	163,900
9 Emmis Commun.	16	156,730
10 Susquehanna Radio Corp.	23	141,400

Source: BIA

Fall pacing starts off with a bang!

Holy inventory! October spots are already half sold as of Aug. 15, according to the latest *RBR*/Miller Kaplan forward pacing report. August is keeping pace with last year, but the big story is September and October, foretelling a robust fall season for radio. —KB

RBR/Miller Kaplan Market sell-out percentage report

	1998	1997
Aug. 15	85.0%	85.9%
Sept.	72.5%	65.8%
Oct.	50.4%	44.1%

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EDITORIAL/ADVERTISING OFFICES: 6208-B Old Franconia Road, Alexandria, VA 22310 (or) P.O. Box 782, Springfield, VA 22150
 Main Phone: 703/719-9500 • Editorial/Sales Fax: 703-719-7910 • Subscription Phone: 703-719-7721 • Subscription Fax: 703-719-7725

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Subscription Cost \$220.00

Syndication News

NetStar partners split; two companies formed

by Katy Bachman

NetStar Entertainment Group founders **Steve Youlios** and **Alan Fuller**, who launched their syndication company last year (*RBR* 9/1/97, p. 6), have decided to go their separate ways, splitting NetStar into two companies under the NetStar name.

Youlios, through NetStar Sales & Marketing (NSM), is developing representation for nationally syndicated programs targeting niche audiences, a strategy he launched earlier this year (*RBR* 3/30, p. 4). So far, NSM represents

two weekend shows, "The Movie Show On Radio," and "On the House with the Carey Bros." *RBR* sources say a third show is about to sign.

Fuller will continue to syndicate programming under NetStar Entertainment Group, which currently syndicates **Susan Powter**.

RBR observation: This sort of thing has happened before. Two years ago Global Media split along the same lines with **Louis Severine** running national rep company Global Media, now owned by WinStar Communications (O:WCII). His partner, **Howard Gillman** syndicated shows through Global Satellite Network and recently sold out to Chancellor's AMFM Radio Networks (*RBR* 6/15, p. 2).

TRN to be bought back from Premiere

After Premiere announced it will liquidate all Talk Radio Network programs but **Art Bell** (*RBR* 8/24, p. 4), **Roy Masters**, president, TRN said he is buying back the network. All 23 programs will continue their affiliations, business-as-usual.

"They're in the process of negotiations now. It looks like it should go smoothly," said **Alan Corbeth**, SVP Chancellor Broadcasting Corp./Premiere, who expects the deal to be finalized in the next week or so.

TRN's **Art Bell** programs, "Coast to Coast" and "Dreamland" will remain with Premiere. —CM

Lehman takes infomercials to the web in new deal

by Katy Bachman

Steve Lehman, the new CEO of National Media (N:NM) has found a way to circumvent the rising costs and decreasing availability of TV time for infomercials. He's taking sales of National Media's infomercial products to the web via an agreement with a company he's already done business with: Broadcast.com (O:BCST). (When Lehman was president/CEO of Premiere Radio Networks, it took a minority \$4M investment Nov. 1996 in AudioNet, the former name for broadcast.com.)

This isn't National Media's first foray into direct sales on the web. It was already selling its products on its web site (www.quantumTV.com), although the effort represented only a small percentage of its revenues, said an NM spokesman. What Broadcast.com adds to the online shopping equation is video streaming, enabling National Media to offer five video channels of infomercials 24/7, along with on-demand audio and video programming. Online purchases of consumer goods in the US are expected to total \$5.8B this year, according to Jupiter Communications.

The alliance also calls for cross-promotion via each company's existing media.

RBR observation: We're still waiting to find out how Lehman is going to work radio into National Media's strategy. There were some hints when Lehman's and Jacor's (O:JCOR) investment in the company was first announced—that National Media might tap unsold network radio inventory (*RBR* 7/27, p. 6). He's also been staffing up NM with several radio types including former EVP Westwood One **Eric Weiss** and former CFO Premiere, **Dan Yukelson**.

Senate may fry Telcom

by Frank Saxe

The Senate will hold a hearing next month on the wave of mergers in telcom industries. "We have had lots of consolidation but not a whole lot of competition," said Sen. **Herb Kohl** (D-WI), co-chair of the Judiciary anti-trust subcommittee. "If the trend continues unabated, you can be sure that next year Congress will consider cracking open the Telcom Act like a raw egg—that is, if the Act is still relevant."

Co-chair Sen. **Mike DeWine** (R-OH) said the recent wave of mergers in all telcom industries "raises important questions about whether all of the announced deals in the past few months will enhance competition and bring tangible benefits to consumers and businesses."

"Congress appears to be more focused on telephone than broadcast issues," said NAB spokesman **Dennis Wharton**. "A closer inspection of deregulation of the radio industry would yield many more examples of positives than negatives."

CLOSED!

Mortenson Broadcasting Co.

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WKDA in Nashville, TN from Bart-Evins Broadcasting.

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Broadcasters sound off on ownership rules

by Frank Saxe

Like kids making out their Christmas lists, the largest media groups in the country have told the FCC what they would like from the Commission's biennial review of broadcast ownership rules.

In its reply comments, CBS Inc. (N:CBS) asked the FCC to reject a call to change its definition of a market, calling it a "back door attempt to undo the intent of Congress." A handful of small media groups, including Gross Communications, Air Virginia, Greater Media and Press Communications, have asked for changes to the rules which base a market on the number of stations whose principal contours overlap. They would like advertising and audience to be taken into consideration, but CBS said audience share is irrelevant because it does not change the number of stations available to a listener.

Like CBS, Cumulus Media (O:CMLS) attacked the notion of changing the standards by which the FCC approves deals, to include such factors as ad revenue and audience share—a practice recently implemented (*RBR* 8/17, p.2). Cumulus called it an "unnecessary layer of regulation—which, at best, is duplicative of DOJ's antitrust review and, at worst, will lead to inconsistent results and confusion [which] will only result in further delays."

NAB backs status quo

While avoiding any specific regulations, NAB said the Commission should not make any rule changes to the radio ownership rules, saying the industry is stron-

ger than ever and diversity has not been harmed by consolidation. "With the tremendous growth of media outlets in the last two decades, the fear of market domination by any one entity has all but disappeared," wrote NAB lawyers.

An NAB study found the average listener can choose between 84 commercial radio stations, or 16.7% more than in 1987. The typical viewer has over 12 TV stations from which to choose, a jump of 19.7%, not including the 65 cable channels the average person receives. There has also been a 30% increase in cable penetration since 1987. The study also found most Americans can pick between 18 newspapers, 9M subscribe to a DBS and countless others have access to the Internet.

But others see it differently. The grassroots group Americans for Radio Diversity argued diversity has been hurt by consolidation, and it presented the FCC with filings from several members. The comments of **Kim Randell** were typical: "Radio consolidation has had a chilling effect on everything from the availability of advertising to the size of the listening audience. Part of the rationale behind Telcom was that deregulation would promote niche markets, but it's all too clear that the opposite is what's happening."

Cross-ownership ban attacked

Repeal of the 23-year-old newspaper cross-ownership ban won the broadest spectrum of support, from all media segments.

"It is clearly arbitrary and capricious for

the Commission to continue to single out newspaper publishers as unqualified to own local broadcast outlets in an era when the FCC repeatedly has praised the diversity and public interest programming benefits that can be derived from joint ownership," wrote lawyers for the Newspaper Association of America in its filing.

The NAB, which backs a repeal of the ban, said "diversity could actually increase" if the rule is eliminated, because of the economic efficiencies that come from combined operations.

While supporters of the ban worry that a combined company would hurt diversity of voices, the Association of Local Television Stations (ALTV) points out that in other proceedings, the FCC has refused to count newspapers as being in the same market for diversity concerns. "If they are not diversity substitutes, then there is little justification for the existing rule," said ALTV in its filing.

Cox Broadcasting, which is related to Cox Radio (N:CXR), and Media General's filing echoed that sentiment: "If diversity is so compelling, why are not other media owners similarly restricted?" It went even further, arguing the ban put an unconstitutional burden on broadcasters—one which is not placed on others, such as cable operators, telephone companies and DBS providers, all of whom can own a newspaper.

Others calling for repeal of the broadcast cross-ownership rule included Tribune (N:TRB), Hearst-Argyle Television (N:HTV), Hearst Corp. and Chronicle Publishing—the owner of the *San Francisco Chronicle* and KRON-TV, which recently combined to launch the cable news channel, BayTV.

Pirates still thriving in Florida

by Carl Marcucci

The FCC may have shut down most of the pirates in Miami (*RBR* 8/24, p. 4), but a recent drive through Florida proved Ft. Lauderdale pirates are still alive and well. Eleven operators, mostly programming Reggae, are selling spots and promotions and freely giving out their phone numbers. Advertisers include cell phones, furniture, hair salons, record stores, night clubs, automotive, restaurants and even dentists. Most sounded like regular commercial stations and seemed to operate with 10-100 watts.

Candy Hannan, GM, One Love Radio, has already been warned by the FCC and is looking for legal help to keep her station on the air. "When I can put a format on the air and the phone doesn't stop ringing, obviously, I'm serving a need." There are an estimated 700,000 Caribbean-Americans living in South

Florida, with only one legal Caribbean station, WAVS-AM (brokered time).

"We're here for the community. We have high school kids doing programs and fund-raisers on the air for their schools," said Hannan, who is seek-

ing a five-mile coverage license from the FCC.

Meanwhile, a US District Court Judge **David Perelman** gave the FCC the authority to seize the equipment of four Cleveland pirates last week.

Frequency	Name	Format	Phone #/comments
89.1*	"Vibes FM"	Reggae	
89.5	"One Love Radio"	Reggae	954-485-3811
90.9*	"Action FM"	Reggae	954-316-7262
91.1		Reggae	(Ft. Laud. to Vero Beach coverage)
91.7*		Alternative/Hebrew/News, Weather	
91.9	"Flavor 91.9"	Hip-Hop/Reggae	
92.7		Greek?	
93.5*	"Star Time Radio"	Reggae	954-735-0310
96.1*	"Mix 96"	Reggae	(Miami to Boca Raton coverage) 305-655-3446
96.9		Death Metal	no interruptions
101.1*		Haitian	
others:			
88.7		Spanish	West Palm Beach
88.3		Spanish	Miami
*sell commercial spots			

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The Dominators: Top groups in the top 10 markets

by Dave Seyler

CBS and Chancellor are the ones to beat when it comes to mega-market radio. Both groups are running consolidated operations in all of the top-ten markets (nine superduopolies and one standard duopoly apiece), and each averages about six stations and a 20 share 12+ per market. Between them they hold nearly a third of all viable stations in the top 10 markets. They account for all 10 first place finishes 12+ in the Spring 1998 survey, claim eight second place finishes and one third place. Only Chancellor's 1 AM/2 FM duop in Houston finished lower than third place.

CBS holds a slight edge in total stations (63 to 61), but Chancellor has a stronger presence on the usually more-desirable FM band (46 to 38). However, it is a well-known fact that CBS's armada of AMs is as power-packed a group of stations as anyone could want. Although Chancellor tends to put up better 12+ numbers market-to-market, CBS's total reach exceeds that of Chancellor by well over 2M listeners.

The only two groups other than CBS and Chancellor enjoying second place in a top ten market are Clear Channel (Houston) and Greater Media (Boston). But a member of the fourteen groups which made our list of top-10 market dominators claim first, second and third place in all cases, and take fourth place in nine. Radio operators not making the dominator list finally begin to show up in fifth place, taking that slot five times.

In terms of total reach, ABC is comfortably ensconced in third place, far back from the big two, but well ahead of #4 Emmis.

A notable absentee from this group is Salem. The group is all over these markets (except Detroit) with 9 AMs/5 FMs. However, its niche-formatted stations are not much of a factor in the ratings game. Its best showing in any of them is 1.0 12+, not nearly enough to make this list.

Finally, an editorial note: When we began this study, 13 groups met our criteria for inclusion on the Dominator list. Then CBS found a taker for its powerful double-duopoly of Boston spin-off stations from the ARS deal. These stations were strong enough on their own for us to welcome their buyer, Entercom, to the list at the last minute.

	Group	Mkts.	AMs	FMs	Stns	Total Station Ranks			Reach
						1st	2nd	3rd	
1	CBS	10	25	38	63	4	5	1	27,013,300
2	Chancellor	10	15	46	61	6	3	0	24,971,600
3	ABC	8	15	10	25	0	0	3	10,368,500
4	Emmis	3	0	5	5	0	0	1	6,027,200
5	Bonneville	4	3	11	14	0	0	2	4,910,800
6	Hefel	6	8	14	22	0	0	1	3,861,600
7	Greater Media	4	2	12	14	0	1	1	3,562,700
8	Jacor	4	1	8	9	0	0	0	3,449,800
9	Susquehanna	3	5	7	12	0	0	0	2,862,200
10	SBS	3	0	4	4	0	0	0	2,756,900
11	Cox	1	1	3	4	0	0	0	2,226,800
12	Radio One	3	3	4	7	0	0	0	1,605,000
13	Entercom	1	2	2	4	0	0	1	1,124,100
14	Clear Channel	1	3	4	7	0	1	0	1,109,600

Radio wars in the top-10 markets

Here is the blow-by-blow on the top groups in the top 10 markets. Groups are ranked by the total 12+ share amassed by all of their in-market stations. Note that in many cases groups with less 12+ share actually enjoy greater reach than groups ranked ahead of them. Missing numbers in the rankings are owners other than the top 14 and are included in the others category at the bottom of each chart.

New York (1)						
Rnk	Own	AM	FM	Stns	12+ Share	Reach
1	**CBS	3	3	6	18.9	6,515,900
2	**Chancellor	0	5	5	18.3	5,870,200
3	**Emmis	0	3	3	12.7	3,720,000
4	*SBS	0	2	2	9.1	1,695,800
5	ABC	1	1	2	5.9	2,623,800
8	Hefel	1	1	2	3.3	465,600
13	Greater Media	1	1	2	0.3	136,200
	8 Others	8	4	12	13.9	N/A

Key:

** = superduopoly

* = duopoly

= LMA

Source for all charts: Arbitron, RBR Source Guide database

Los Angeles (2)						
Rnk	Own	AM	FM	Stns	12+ Share	Reach
1	**CBS	3	5	8	19.5	4,648,200
2	**Chancellor	1	4	5	14.6	3,838,300
3	*Hefel	1	2	3	14.3	1,906,300
4	Cox	1	3	4	8.0	2,226,800
5	*ABC	2	1	3	5.8	1,578,900
6	Jacor	1	1	2	4.0	1,714,200
7	Emmis	0	1	1	3.9	1,404,400
8	SBS	0	1	1	3.5	780,400
9	Bonneville	0	1	1	2.3	581,300
	11 others	14	15	29	19.9	N/A

Chicago (3)						
Rnk	Own	AM	FM	Stns	12+ Share	Reach
1	**Chancellor	1	5	6	25.4	2,911,300
2	**CBS	3	5	8	24.3	3,953,200
3	**ABC	4	1	5	9.1	1,696,200
4	**Bonneville	0	3	3	7.6	1,570,600
6	*Hefel	2	1	3	3.0	414,100
7	Emmis	0	1	1	2.8	902,800
9	SBS	0	1	1	2.2	280,700
	10 others	8	19	27	15.2	N/A

San Francisco (4)						
Rnk	Own	AM	FM	Stns	12+ Share	Reach
1	**Chancellor	2	5	7	20.6	2,244,200
2	**CBS	3	4	7	13.9	2,063,800
3	**Bonneville	1	3	4	10.4	1,541,700
4	**ABC	3	0	3	9.7	1,014,700
5	**Susquehanna	2	3	5	9.0	1,214,700
7	*Hefel	0	2	2	1.4	201,400
10	*Jacor	0	2	2	0.5	77,400
	5 others	4	4	8	4.7	N/A

Philadelphia (5)						
Rnk	Own	AM	FM	Stns	12+ Share	Reach
1	**Chancellor	1	5	6	24.2	1,780,200
2	**CBS	3	2	5	21.0	2,182,100
3	**Greater Media	1	3	4	13.4	1,340,000
6	Radio One	0	1	1	3.4	415,400
	6 others	5	4	9	19.8	N/A

Boston (10)						
Rnk	Own	AM	FM	Stns	12+ Share	Reach
1	**CBS	2	4	6	25.5	1,862,900
2	**Greater Media	0	5	5	16.1	1,237,200
3	*Entercom	2	2	4	15.0	1,124,100
4	*Chancellor	1	2	3	14.6	1,115,200
	12 others	8	5	13	11.2	N/A

Dallas (6)						
Rnk	Own	AM	FM	Stns	12+ Share	Reach
1	**CBS	3	5	8	23.1	1,797,200
2	**Chancellor	1	5	6	19.0	1,558,800
3	**ABC	2	3	5	11.1	938,900
4	*Jacor	0	2	2	9.4	845,600
6	**Susquehanna	3	3	6	8.8	828,600
7	**Hefel	2	3	5	3.3	238,900
	6 others	6	8	14	17.1	N/A

Detroit (7)						
Rnk	Own	AM	FM	Stns	12+ Share	Reach
1	**Chancellor	2	5	7	28.7	2,010,400
2	**CBS	2	4	6	22.6	1,839,800
3	*ABC	1	2	3	12.9	1,439,300
4	**Greater Media	0	3	3	8.9	849,300
6	Radio One	1	1	2	4.4	428,900
	6 others	6	6	12	10.8	N/A

Washington (8)						
Rnk	Own	AM	FM	Stns	12+ Share	Reach
1	**Chancellor	3	5	8	22.7	1,748,300
2	**CBS	1	4	5	16.3	1,409,600
3	**Bonneville	2	4	6	11.6	1,217,200
4	*ABC	1	2	3	11.0	1,055,100
5	*Radio One	2	2	4	10.9	760,700
	4 others	3	2	5	8.0	N/A

Houston (9)						
Rnk	Own	AM	FM	Stns	12+ Share	Reach
1	**Chancellor	3	5	8	29.9	1,894,700
2	**#Clear Channel	3	4	7	18.3	1,109,600
3	*CBS	2	2	4	9.4	740,600
4	**Jacor	0	3	3	8.2	812,600
5	**Hefel	2	5	7	7.3	635,300
6	Susquehanna	0	1	1	6.7	818,900
14	ABC	1	0	1	0.3	21,600
	7 others	6	4	10	7.6	N/A

Note about the data: The charts include an exclusive Arbitron analysis of the top groups' **reach** or **unduplicated cums**. The unduplicated cume or reach is the number of people in the market (or across markets) who tuned in to one of the group's stations at least once during the course of a typical survey week. Each listener is counted once, no matter how many stations in the group the listener may have listened to in a week. Think of reach as the group's circulation in that market.

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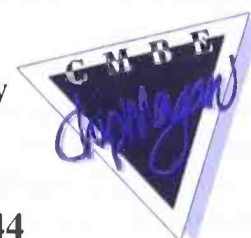
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by Jack Messmer

Commonwealth Broadcasting: High-tech, but still local

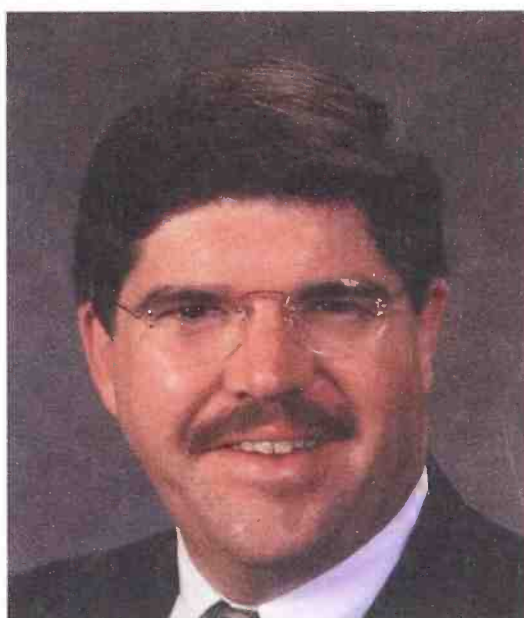
If you think multiple market interlinking of radio stations is difficult, expensive and only for the biggest radio mega-groups, think again. **Steve Newberry** is rapidly building Commonwealth Broadcasting Corp. into a regional small market powerhouse by using technology to improve on-air sound and hold down costs. Forget WANS, satellite links and ISDN lines—he's using the Internet. Not T1s or cable modems, either—just the same sort of dial-up access that you probably pay \$19.95 a month for.

When the Telcom Act passed in 1996, Newberry saw the opportunity to consolidate small market stations and put together a business plan based on acquiring stations in "micro-markets" (10,000 to 25,000 in population) and making them more profitable by centralizing traffic, billing and production, while keeping the local focus on community involvement and a strong news commitment.

Former Kentucky Governor **Brereton Jones**, a long-time friend of Newberry, signed on as the company's chairman and largest shareholder. A private offering of stock sold out in 24 hours and Newberry, who already owned an AM and three FMs in the Glasgow and Bowling Green, KY area, set out to build a group.

"By nature, small market radio was just inefficient," Newberry told *RBR*. Every station has to have news, entertainment programming, sales, spot production, traffic and billing, engineering and a number of other operations. To improve efficiency, Newberry's objective was to identify the operations which could be centralized without detracting from each station's local image.

Commonwealth's strategy was to buy stations in desirable, growing small markets and combine them with neighboring stations, yielding a first



Steve Newberry, President, Commonwealth Broadcasting Corp.

level of improved efficiency at the local level. "And then have those stations as part of a larger organization that could help them realize additional efficiencies by providing the back office services to them—traffic, billing, production, accounting, general management functions, contract negotiations, things of that nature," Newberry explained. "By doing so, you could have a much more efficient operation in the community that was still very focused on the local community—a strong local news department—and be a good neighbor in the community."

Unless you were to become familiar with the voices of Commonwealth's production staff at its central facility, you would not be able to tell by listening to a station that it is part of the Commonwealth group. There's no virtual programming or regional syndication. Formats run the gamut, "from Gospel to Classic Rock," utilizing Jones Radio Network, Westwood One, ABC Radio Networks and Broadcast Programming, along with locally-originated programming.

Putting the building blocks together

"We look for quality communities," Newberry said of his acquisition strategy. "We look for communities that have a strong retail base, a strong growth pattern, their infrastructure is good, good transportation network—in other words, they're positioned for growth. They're not dependent on one employer, where they have one big manufacturer that might go out of business and leave the community high and dry."

The next step is to identify an established, respected radio operation to serve as the anchor for Commonwealth's cluster. Ideally, Newberry is able to line up all of the properties to be acquired at the same time, but he sometimes has to buy the anchor radio property first, then add to the cluster a station at a time.

To date, Commonwealth's six clusters have all been in Kentucky, but Newberry is preparing to expand into other states and make the company a regional group owner.

No cookie-cutter for stations

"We have come to expect that every radio station we buy needs a new fax machine, a new copier and a new phone system," Newberry said with a chuckle. The physical condition of the small market stations he's buying varies widely. Rather than gut each station and make each cluster's equipment identical to the others, which would require large capital expenditures, Newberry works with the local Community Manager to establish priorities for upgrading equipment and facilities.

The only vendors being used across-the-board are Smartcaster, which designed an automation system for Commonwealth's Internet-based log-creation and spot production, and CBSI, whose Integrated Sales Man

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ager is being installed at all Commonwealth stations.

Each cluster has two managers, one for operations and one for sales. One of the two is designated Community Manager, with overall responsibility for the cluster. Each cluster also has a News Director and a Client Services Director, usually a former traffic staffer, who works with the local sales staff on preparing proposals, getting copy approved by advertisers, and generally maintaining quality in serving local advertisers. Each

ding production, an accountant, a Group Sales Manager, Director of Human Resources and four other corporate staffers.

Using the Net for fun and profit

Why build a communications network when there's already one available that will fill the need? Commonwealth uses the Internet for traffic and billing, spot production and corporate e-mail.

At each cluster, the Client Services Director accumulates spot orders

throughout each day, then sends the package to headquarters by e-mail. The traffic person handling each station creates the log for each day and sends it back via the Internet. The automation system automatically retrieves the log and sets up the day's programming—but if something special comes up, the log can be altered at the local

operation. Afterward, the used log is automatically downloaded and reconciled against spot orders at headquarters.

Bills go out from Glasgow, but payments are directed to the local cluster. To further maintain each station's local image, Newberry has local banking relationships in each community—a dozen banks in all. Different color checks help accounts payable staffers maintain their sanity in Glasgow.

A few advertisers voice their own spots or request specific local air talent for their spots, but otherwise, all spots are produced in Glasgow. When a local sales person needs to have a spot produced, they e-mail the script

to the production center. It's then assigned to one of the production staffers, with care taken to ensure that no single voice is used too much on any station. A finished spot is assigned a code number and can be sent to one, all, or any combination of the 25 stations. Once the producer strikes the keyboard's "enter" key, the process is fully auto-



On air at Commonwealth's WHHT-FM "Mix 103" Glasgow-Bowling Green. Alex Parocai is live and local, but gets his log and spots from the Internet.

sales staffer typically sells for a couple of stations, but not the whole cluster.

"We have fewer people, but they're better compensated than they have traditionally been," Newberry said of staffing. "I'd much rather operate on a basis of having fewer people who are better compensated, have better benefits programs and have an opportunity to make a career out of [radio], than have a lot of people who are working for just over minimum wage."

In addition to Newberry, headquarters in Glasgow has four full-time employees handling traffic and billing (each handles up to eight stations), five full- and part-timers han-



Traffic Manager Dina Crabtree at one of the central office traffic and billing workstations. Each workstation handles up to eight radio stations.



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Commonwealth's Kentucky "clusters"

Glasgow-Bowling Green: WCDS-AM, WOVO-FM, WHHT-FM & WXPC-FM

Campbellsville-Greensburg: WTCO-AM, WAKY-AM, WCKQ-FM & WGRK-FM

Bardstown-Lebanon-Springfield: WBRT-AM, WLBK-AM, WOKH-FM, WAKY-FM & WLSK-FM

Frankfort-Shelbyville: WFKY-AM, WCND-AM, WKED-AM & FM, WKYW-FM & WTHQ-FM

Richmond-Berea: WEKY-AM, WKXO-AM & FM

Madisonville-Princeton: WPKY-AM, WAVJ-FM & WHRZ-FM

ated. The digital spot is sent over the Internet, with each station's automation system checking for e-mail every half-hour. It's automatically downloaded and stored on a hard drive until the log calls for it to air.

Plenty of growth ahead

"I want to have a company that is recognized for running very good, community-involved small market radio stations," Newberry said, "and is also recognized for being a very good business."

Deals are in negotiation to add another ten stations to the group. Newberry plans to ensure that those additions are properly integrated, "then we'll saddle back up and look to buy some more radio stations." An IPO isn't in the cards anytime soon, but going public is a definite option as Commonwealth grows larger.

Even with improved efficiency, Newberry doesn't expect to get to the 40% and 50% cash flow margins that Wall Street expects from big market groups, but he is expecting to make 30%, a small market margin that would have been remarkable in pre-Telcom days and would still make many small market owners drool. "Being able to grow and reach that 30% level is not unattainable at all," he says.

BROADCAST INVESTMENTS™

August 26—RBR Stock Index 1998

Company	Mkt:Symbol	8/19 Close	8/26 Close	Net Chg	Pct Chg	8/26 Vol (00)	Company	Mkt:Symbol	8/19 Close	8/26 Close	Net Chg	Pct Chg	8/26 Vol (00)
Ackerley	N:AK	24.125	21.937	-2.188	-9.07%	414	Harris Corp.	N:HRS	38.312	37.125	-1.187	-3.10%	2259
Alliance Bcg.	O:RADO	0.687	0.687	0.000	0.00%	0	Heftel Bcg.	O:HBCCA	38.750	37.000	-1.750	-4.52%	986
Am. Tower	N:AMT	20.750	19.500	-1.250	-6.02%	4389	Jacor	O:JCOR	58.375	61.187	2.812	4.82%	5017
AMSC	O:SKYC	7.062	6.812	-0.250	-3.54%	312	Jeff-Pilot	N:JP	59.687	59.250	-0.437	-0.73%	1212
Belo Corp.	N:BLC	21.187	20.187	-1.000	-4.72%	4931	Jones Intercable	O:JOINA	24.375	23.625	-0.750	-3.08%	1103
Big City Radio	A:YFM	7.562	7.187	-0.375	-4.96%	68	Metro Networks	O:MTNT	34.000	35.500	1.500	4.41%	367
Broadcast.com	O:BCST	55.000	53.500	-1.500	-2.73%	2602	NBG Radio Nets	O:NSBD	1.187	1.000	-0.187	-15.75%	1014
Capstar	N:CRB	20.875	21.500	0.625	2.99%	213	New York Times	N:NYT	30.750	30.625	-0.125	-0.41%	6989
CBS Corp.	N:CBS	29.687	27.187	-2.500	-8.42%	54134	News Comm.	O:NCOME	1.000	0.937	-0.063	-6.30%	0
CD Radio	O:CDRD	26.500	22.375	-4.125	-15.57%	2310	OmniAmerica	O:SCTR	30.437	28.000	-2.437	-8.01%	314
Ceridian	N:CEN	57.937	56.625	-1.312	-2.26%	900	Otter Tail Power	O:OTTR	36.000	36.875	0.875	2.43%	129
Chancellor	O:AMFM	46.000	44.750	-1.250	-2.72%	10892	Pacific R&E	A:PXE	2.625	2.125	-0.500	-19.05%	36
Childrens Bcg.	O:AAHS	3.000	2.875	-0.125	-4.17%	768	Pulitzer	N:PTZ	82.312	80.875	-1.437	-1.75%	296
Citadel	O:CITC	22.875	23.875	1.000	4.37%	419	Real Networks	O:RNWK	31.625	26.875	-4.750	-15.02%	1827
Clear Channel	N:CCU	55.625	52.625	-3.000	-5.39%	3809	Regent Pfd.	O:RGCI	7.750	6.250	-1.500	-19.35%	0
Cox Radio	N:CXR	45.250	46.375	1.125	2.49%	28	Saga Commun.	A:SGA	17.000	16.750	-0.250	-1.47%	110
Crown Castle	O:TWRS	13.000	12.250	-0.750	-5.77%	3839	Sinclair	O:SBGI	25.750	20.687	-5.063	-19.66%	4572
Cumulus	O:CMLS	14.187	13.125	-1.062	-7.49%	4	SportsLine USA	O:SPLN	28.500	24.437	-4.063	-14.26%	3470
DG Systems	O:DGIT	3.031	3.500	0.469	15.47%	430	TM Century	O:TMCI	0.281	0.290	0.009	3.20%	0
Disney	N:DIS	33.125	33.000	-0.125	-0.38%	54507	Triangle	O:GAAY	0.070	0.110	0.040	57.14%	100
Emmis	O:EMMS	45.406	44.750	-0.656	-1.44%	2159	Triathlon	O:TBCOA	11.500	11.187	-0.313	-2.72%	0
Fisher	O:FSCI	71.000	66.500	-4.500	-6.34%	153	Tribune	N:TRB	67.187	67.250	0.063	0.09%	2189
Gaylord	N:GET	29.062	28.312	-0.750	-2.58%	316	Westower	A:WTW	34.750	29.750	-5.000	-14.39%	60
Granite	O:GBTVK	8.500	8.000	-0.500	-5.88%	700	Westwood One	O:WONE	21.562	20.000	-1.562	-7.24%	624
							WinStar Comm.	O:WCII	33.875	26.812	-7.063	-20.85%	16395

Broadcast.com: The long-term view

Dow Jones—Just last month, Broadcast.com (O:BCST) had the best-performing initial public offering ever.

This month, its stock is down almost \$20 a share from its all-time high, and some Wall Street pundits have cast the company as another in an elite group of IPOs that failed to live up to expectations.

Founders **Mark Cuban** and **Todd Wagner**, however, seem to think their Internet broadcasting company can buck the trend. Broadcast.com remains focused on meeting expectations by building its sales force, acquiring more content for broadcast and increasing its network infrastructure, they said.

"We aren't about the Internet being hot," Cuban said. "If we stick to our business plan, the valuation will take care of itself."

Some have likened Broadcast.com, previously called AudioNet, to an on-line television network. The company streams live events, music and news over the Internet from 360 radio stations, 21 television networks and 2,100 full-length CDs. It also provides cover-

age of 400 professional and college sporting events and of several corporate meetings and events.

The IPO was the most successful ever. On July 17, their first day of trading, shares rocketed from an offering price of 18 to a high of 74 before closing at 62 3/4, a 249% increase. The company's valuation exceeded \$1B.

A recent study showed that the elite group of IPOs that gained more than 50% on their first day went on to lose an average of 35%. IPOs that

gained less than 50% on Day 1 later lost only 5%.

Broadcast.com's stock price held steady for a time but began to ebb a few weeks ago. Still, the stock price remains three times the initial offering price.

"Why did people buy the stock in the first place?" Cuban asked rhetorically. "It was because they believed in the concept. There isn't a CEO that can't benefit [from the business-to-business application]."

See related story, page 3.

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by Jack Messmer

Infinity Broadcasting to return as CBS separates radio from TV

Speculation had been running rampant in the general press that **Mel Karmazin** was preparing to sell off CBS' TV operations, or at least the network, in an effort to boost the stock price of CBS Corp. (N:CBS). Instead, President Karmazin and Chairman **Michael Jordan** had a different trick up their sleeves—spinning off the more successful radio and outdoor units into a separate company and selling 20% in an IPO to give a market value to the 80% stake that CBS will retain.

The new company—including 155 radio stations, CBS Radio Networks, TDI outdoor and CBS' stake in Westwood One (O:WONE)—will be called Infinity Broadcasting, a reprise of the name that's twice before brought Karmazin success on Wall Street. In connection with the restructuring,

CBS said it will take a charge of \$50M-\$70M in Q3.

CBS released no financial details in advance of the IPO filing at the SEC. Duncan's American Radio put pro forma 1997 radio revenues at \$1.493M (not including network) and NationsBanc Montgomery Securities recently estimated '97 TDI revenues at \$293M in the U.S. (RBR 6/29, p. 4), plus an additional \$15M from the U.K.

"We believe that in offering shares of the new Infinity Broadcasting, we will unlock the value of our largest and fastest-growing segment—our radio and outdoor businesses," Jordan said in a company statement. He noted that the new Infinity would have "significant" borrowing capacity for further radio and outdoor acquisitions.

CBS was one of the few stocks to gain last Thursday, as U.S. and world

stock markets plunged in reaction to the deepening financial crisis in Russia. CBS' stock was up 81.3¢ in mid-day trading (8/27) at \$28.

Infinity dates back to 1973, when founders **Michael Wiener** and **Gerald Carrus** launched the company by acquiring KOME-FM San Jose for \$500,000. Karmazin soon joined the company, grew it to six markets and the trio took the company public in 1986. Two years later they took Infinity private in a \$484M leveraged buy out. Infinity went public again in 1992, valued at \$600M, and continued to grow until it merged with CBS in 1996, valued at \$4.9B.

Long-anticipated Chancellor/Capstar merger is set

For weeks it had been a question of when, not whether, new Chancellor Media (O:AMFM) CEO **Jeff Marcus** and Chairman **Tom Hicks** would roll-up Capstar Broadcasting (N:CRB) into Chancellor, as they had previously done with LIN TV (RBR 7/13, p. 12), another media company controlled by Hicks, Muse, Tate & Furst. Official word came last Thursday (8/27) that the merger was on, with Capstar being valued at \$4.1B and the merged media mega-company at \$17B+.

The merger will unseat CBS from its long-held position as the biggest of the big radio groups. Duncan's American Radio pegged pro forma 1997 radio revenues for Chancellor/Capstar at \$1.596B, compared to \$1.493B for CBS.

"There is \$70M of deal synergy in bringing these two groups together," Marcus said in a conference call with analysts and financial journalists. Noting the number of recently acquired underdeveloped stations in Capstar, Marcus declared that "there's so much growth potential left in Capstar."

Chancellor President/Radio **Jimmy de Castro**, who'll head the combined radio group, said there is "real synergistic potential" in using Capstar's StarSystem, the virtual programming system developed with

Lee Zapis, President, of Zapis Communications and Zebra Broadcasting

has agreed to transfer the assets of

WZAK-FM, WJMO-AM and WZJM-FM Cleveland, Ohio

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\$275,000,000

transaction

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Jeffrey A. Marcus, President, of Chancellor Media Corporation

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Capstar-owned Prophet Systems. De Castro spoke of using the system to leverage some of Chancellor's major market personalities into Capstar's smaller markets. He also noted that the merger will include a couple of syndicated Capstar shows, "Bob & Tom" and "John Boy & Billy," which could be aired on additional Chancellor stations.

Capstar CEO **Steve Hicks** will join his brother and Marcus in the merged company's executive suite as Vice Chairman of Chancellor Media. De Castro told *RBR* there was no decision yet on the organizational structure to combine Capstar's regional groups with Chancellor's market-by-market structure.

After the merger, radio will account for about 75% of Chancellor revenues, with 10% from TV, 5% from outdoor and 10% from its Katz and Petry rep companies. CFO **Matt Devine** said he agreed with analysts' estimates that the combined company would expect to have 1999 net revenues of \$2.5B, broadcast cash flow of \$1.2B and after-tax cash flow of \$600M.

Boos from Wall Street

Under the deal, Chancellor shareholders will receive one share in the merged company for each current share, while Capstar shareholders will receive ap-

proximately one-half share for each current share (0.48, subject to an adjustment of not more than 0.025 based on Capstar's 1998 cash flow). Although Wall Street analysts congratulated Marcus on the roll-up, investors had a decidedly negative reaction. Both Chancellor's and Capstar's stock prices plunged. By mid-day (8/27), Chancellor was off \$2.938 at \$41.812 and Capstar fell \$2.25 to \$19.25.

One angry Capstar shareholder, who asked not to be named, told *RBR*, "They must think that everyone is stupid." The shareholder complained that Capstar's radio group would have been worth much more if it were sold to an unaffiliated buyer.

Directors of both companies approved the deal, after the merger was recommended by a special committee of directors not linked to Hicks. Muse: **John Massey, Perry Lewis, Thomas Hodson, Vernon Jordan** and **Otis Winters** from Chancellor and **R. Gerald Turner** from Capstar. Bear, Stearns & Co. rendered a fairness opinion for Capstar and both Salomon Smith Barney and Wasserstein Perella & Co. for Chancellor. Goldman, Sachs & Co. and Morgan Stanley Dean Witter were financial advisors to Chancellor; CS First Boston and BT Alex. Brown's BT Wolfensohn division to to Capstar.

CLOSED!

WERZ-FM and WSRI-FM, Portsmouth, New Hampshire from **American Radio Systems Corporation**, Steve Dodge, Chairman and CEO to **Capstar Broadcasting Partners, Inc.**, R. Steven Hicks, Chairman and CEO for \$5,500,000.

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Cumulus' Chattanooga choo-choo picks up steam

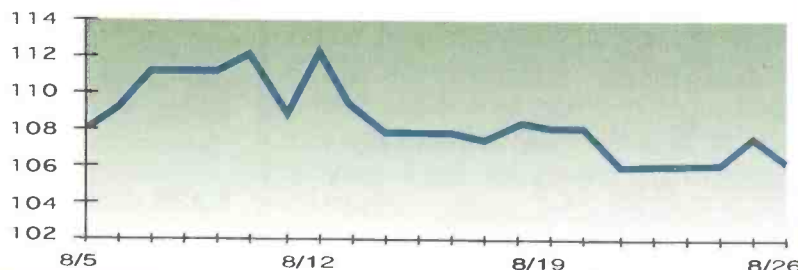
Cumulus Media (O:CMLS) is adding a fifth station and fourth FM to its Chattanooga operation, paying \$3M for Marson Broadcasting's WKXJ-FM. The acquisition fulfills Cumulus' business objective, said Executive Chairman **Richard Weening**. "We look to own at least four FM stations in an optimally designed configuration in each market."

Weening recently told Wall Street analysts that Cumulus is doing well in integrating the operations of, what at last count, was a group of 160 stations, including pending acquisitions. Although broadcast cash flow varies widely across the mix of mature stations and underperforming sticks, Weening said the group cash flow margin is rising toward 37%, which he termed the industry average. For Q2, Cumulus had cash flow of \$5.5M on net revenues of \$21.9M.

The Radio Index™



Stock prices were plunging as *RBR* went to press, and radio stocks were generally part of the backward parade. For the week through last Wednesday (8/20-26), The Radio Index™ was off 1.89 at 106.20.



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TRANSACTION DIGEST

by Jack Messmer & Dave Seyler

The deals listed below were taken from recent FCC filings. *RBR's Transaction Digest* reports on all deals that involve assignment of a station license (FCC Form 314) and substantial transfers of control of a licensee via a stock sale (FCC Form 315), but not internal corporate restructurings (FCC Form 316). All deals are listed in descending order of sales price.

\$23,000,000—* KNKI-FM Dallas-Ft. Worth (Flower Mound TX) from First Broadcasting Co. LP (Ron Unkefer) to ABC Inc. (Bob Callahan, pres., ABC Radio), a subsidiary of The Walt Disney Co. (N:DIS). \$1.15M escrow, balance in cash at closing. **Duopoly** with WBAP-AM, KAAM-AM & KSCS-FM, plus LMA of KEMM-FM. Broker: Media Venture Partners

\$17,000,000—WBHK-FM & WBHJ-FM Birmingham (Warrior-Tuscaloosa AL) from WBHK LLC and WBHJ LLC (Cecil Heftel, Carl Parmer) to Cox Radio Inc. (N:CXR, Bob Neil, pres.). \$5M option payment made 5/29/97, balance in cash at closing. **Superduopoly** with WAGG-AM, WEZN-FM, WZZK-FM & WODL-FM. LMA since 5/29/97. Note: No more than four FMs overlap at any point. Broker: Media Venture Partners

\$8,500,000—* WFNH-AM, WNRV-AM, WRAD-AM, WVMJ-FM, WPSK-FM, WBNK-FM & WRIQ-FM Blacksburg-Christiansburg (Blacksburg-Pulaski-Christiansburg-Narrows-Pearisburg-Radford VA) from Bocephus Broadcasting Inc. (George Beasley, A. Thomas Joyner) to Root Communications License Co. LP (James Devis), owned by Root Communications (Susan S. Root Revocable Trust), Fleet Venture Resources and Fleet Equity Partners VI. \$425K escrow, \$7M (less escrow) in cash at closing, \$1.5M note. Existing **superduopoly**. LMA since 7/1. Broker: Stan Raymond

\$5,000,000—* KAAY-AM Little Rock from KAAY License LP (George Beasley) to Citadel License Inc. (Larry Wilson), a subsidiary of Citadel Communications (O:CITC). \$250K letter of credit as escrow, \$5M in cash at closing. **Superduopoly** with Citadel's nine other Little Rock stations, following simultaneous divestiture of KRNN-AM. Note: No more than eight stations overlap at any point. Broker: Bergner & Co.

\$5,000,000—* KSPN-FM Aspen CO, **KNFO-FM** Basalt CO, **KTUN-FM** Eagle CO, **KFMU-FM** Oak Creek CO and **FM CP** (107.3 MHz) Hayden CO from L&B Broadcasting, Moss Entertainment Corp., Moss II, EBSS LLC and EB Hayden LLC (Charles Moss) to Salisbury Broadcasting Colorado LLC (Charles Salisbury). \$250K escrow, balance in cash at closing. LMA since 7/15.

\$3,830,000—* WWLS-AM Oklahoma City (Moore OK) from Fox Broadcasting Co. (John & Cathe Fox) to Caribou Communications Co. (J. Kent, J. Larry & John W. Nichols, Betty Nichols Street, Campbell Stuckeman, Finova Group [N:FNV]). \$350K escrow, \$3.5M (less escrow) in cash at closing, \$330K under non-compete agreement. **Superduopoly** with KATT-FM, KYIS-FM, KTNT-FM & KNTL-FM. Note: The buyer is also assuming an LMA of KTRT-AM Claremore OK. Broker: Kalil & Co.

\$1,205,001—* WSAI-AM & WAQZ-FM Cincinnati (Cincinnati-Milford OH), stock sale of CR Acquisition Inc. and WAQZ Inc. from Charles E. Reynolds to Jacor Broadcasting Corp. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR). \$5K paid in 1993 for warrant to buy 90% of stock for 90¢, agreed fair market value of \$1.2M is being paid for remaining 10% under 1993 option. Jacor is also cancelling a loan, which likely is at least \$3M, the total of the 1993 and 1994 purchase prices. **Superduopoly** with various Jacor stations in the Cincinnati, Dayton and Lexington markets. Jacor is also seeking a **waiver** of the one-to-a-market rule, due to its ownership of WKRC-TV (Ch. 12, CBS) Cincinnati.

\$612,000—* WIXC-FM Saginaw-Bay City (Essexville MI) from WIXC LP, part of the Mid-West Family group (Richard Record, William Walker, Geary Morrill and others), to The MacDonald Broadcasting Co. (Kenneth MacDonald Jr., Carolyn MacDonald, Patricia MacDonald Garber). \$50K escrow, \$512K (less escrow) in cash at closing. \$100K to Geary Morrill via two-year employment contract. **Duopoly** with WSAM-AM & WKCQ-FM. LMA in place.

\$320,001—* WCKY-AM Cincinnati, stock sale of Middle Market Broadcasting Co. from Charles E. Reynolds to Jacor

Broadcasting Corp. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR). \$20K paid in 1993 for warrant to buy 90% of stock for 90¢, agreed fair market value of \$300,000 is being paid for remaining 10% under 1993 option. Jacor is also canceling a loan, which likely is at least \$800K, the 1993 purchase price. **Superduopoly** with various Jacor stations in the Cincinnati, Dayton and Lexington markets. Jacor is also seeking a **waiver** of the one-to-a-market rule, due to its ownership of WKRC-TV (Ch. 12, CBS) Cincinnati.

\$315,000—WMTI-AM San Juan (Morovis PR) from Wanda Rolon Miranda to International Broadcasting Corp. (Pedro Roman Collazo). \$35K escrow, balance in cash at closing. Note: The buyer owns WVOZ-AM, WAHQ-FM & WTCV-TV, all in the San Juan market. The FCC Form 314 was left blank for the question of whether WMTI overlaps any other radio stations owned by the buyer, likewise for certifying compliance with ownership rules and there was no indication that the buyer is seeking a waiver of the one-to-a-market rule. No engineering studies were included.

\$300,000—* KIOL-FM Odessa-Midland (Lamesa TX) from Noalmark Broadcasting Corp. (William C. Nolan Jr., Edwin B. Alderson Jr.) to Equicom Inc. (Dain L. Schult et al). \$15k escrow, two \$40K non-competes, balance in cash at closing. **Superduopoly** with KBST AM-FM and KBTS-FM Big Spring TX. Broker: Whitley Broadcast Media Inc. (seller)

\$300,000—WMMC-FM Terre Haute (Marshall IL) from Sandyworld Inc. (Kurt W. Tuckerman) to JDL Broadcasting Inc. (John D. & Lori S. Spangler). \$300K escrow released to seller at closing.

\$276,000—WGOK-AM Mobile. 55% of the stock of Roberds Broadcasting Inc. from C. Alvin Roberds (45% to 0%) and Ellen Bailey (individual)/Ellen Bailey, trustee for Trust U/W John H. Watson Sr. (10% to 0%) to Kevin Wagner (0% to 55%). \$138K debt assumption, promissory notes totaling \$148K. Roberds has LMA/purchase option with WYOK-FM.

\$150,000—* WJCM-AM Sebring FL from Citicasters Co., a subsidiary of Jacor Communications Co. (Randy Michaels) (O:JCOR) to Cohan Radio Group Inc. (Peter Handy, Pete Coughlin). Cash. **Duopoly** with WITS/WYMR-FM, coming from Jacor in separate transaction. LMA upon closing of WITS/WYMR sale. Sale of WJCM is contingent on successful technical upgrade of WFLA-AM Tampa. Broker: Jorgenson Broadcast Brokerage (seller)

New Caribou spotted in Hawaii

Kent Nichols recently added a fifth station in Oklahoma City (*RBR* 8/24, p. 14), and now he's doing the same in the Caribou group's other market, Honolulu. **Robert Loew's** KORL-FM will join the herd for \$1.6M. Broker: Kalil & Co.

Two old hands are new again

If anyone fits the definition of "radio veteran," **Ivan Braiker** and **Michael O'Shea** certainly do. Now the two long-time radio executives have teamed up to launch a new Seattle-based company, New Northwest

Broadcasters Inc. O'Shea is CEO and Braiker is president.

The new company's first acquisitions, for \$7.9M, are the remaining station holdings of **Bob Barron's** and **George Broadbin's** B&B Broadcasting—KLAD-AM & FM & KAQX-FM Klamath Falls, OR and KBBO-AM, KRSE-FM & KARY-FM Yakima, WA. B&B previously sold its Idaho stations to Jacor (O:JCOR).

O'Shea continues to also be a principal of Century Management, the managing partner of New Century Arizona, owner of four stations in Phoenix. Broker: **Elliot Evers**, Media Venture Partners

RBR's deal digest

Devine intervention wasn't necessary for Clear Channel (N:CCU) to add to its San Antonio superduopoly—just a \$1.5M check to snare **Kahn Hamon's** KTXH-FM Devine, TX. Broker: **Norman Fischer**. To clear room in its Little Rock superduopoly for its \$5M buy of KAAY-AM (*RBR* 7/27, p. 12), Citadel (O:CITC) is selling KRNN-AM to **Larry Morton's** Equity Broadcasting Corp. for \$200K. Broker: MGMT Services... Jacor (O:JCOR) has an option to purchase Progressive United's Shreveport superduopoly... **Bob Fuller** is going back to his radio roots to buy the signal where his career began, WNBK-AM Newburyport, MA... Capstar has cancelled its deal to buy KTFS-AM & KTWN-FM Texarkana.

CLOSED

July 1998

Radio Unica Corporation

Joaquin Blaya, Chairman

has acquired the assets of

KBLA

Santa Monica, California

from an affiliate of

Sinclair Broadcast Group, Inc.

David Smith, Chairman

We advised the buyer in this transaction.

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