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- KIXI/KMGI Seattle, WA
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- WELE (FM) Orlando, FL
- WBYU (FM) New Orleans, LA
- WKCW/WDXZ Charleston, SC
- WQQQ (FM) Allentown, PA

RADIO NEWS

Mid-year milestones: Radio may be looking at 10% gains 2

A roundtable of crystal ball gazers has weighed in with predictions for 1997, and the most conservative expects a gain of 6.4%. Not too shabby.

Pace place: July strong, August ahead of last year 2

FCC will be an alcohol ad regulation teetotaler 2

\$8 Billion in station trading is ahead of record-breaking 1996 3

Radio continues to attract new advertisers 4

1997's hot advertiser categories 4

RBR'S mid-year regulatory review 5

Consolidation = lost jobs? It ain't necessarily so 6

Duopoly dimensions: Super duops up 9.3% since January 7

MANAGEMENT SALES & MARKETING

Taking stock of Wall Street: Radio stocks remain in orbit 8-10

BROADCAST INVESTMENTS

Ackerley gains revenues; DCI gains users 11

MEDIA MARKETS & MONEY

ARS attempts to tower over competition 12

ARS has expanded its ever-growing tower business with the \$70.25M purchase of Micronet. ARS is looking toward HDTV opportunities.

Phoenix has bigger MAC after deal with Buck Owens 12

Blue Chip opens coffers for Faircom 12

\$3.5 Million for Dillon? Root buys SC combo 12

Radio One bonds set to go public 13

CPB joins NPR in protesting DCU deal 13

Gopher will go for Bangor combo 14

Hagadone deal: KXLY goes to seven stations in Spokane 14

Saga's Manchester combo gets a baby Bedford FM 14



Tom Gammon Dan Gammon

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In this issue...

RBR's Mid-year review & forecast

- Deals and dollars • Revenues and advertising categories
- Radio's regulatory future • Duopoly Dimensions • Job outlook

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Mid-year forecast: Radio could end the year up 10%

Call it a radio renaissance. Radio advertising is set to outpace both newspapers and TV in 1997. That's the encouraging news from the experts who are predicting radio will end the year on a high note. But how high is up for debate.

The most conservative estimate comes from Veronis, Suhler & Associates, whose president, **John Suhler**, is predicting radio will end the year up 6.4%.

The most optimistic forecast is from Standard & Poor's broadcasting and cable analyst, **William Donald**, who sees radio revenues increasing by 10% to end the year at \$13.64B.

RAB President **Gary Fries** says radio can expect to do a "solid 8%." But, he says: "I'm cautiously optimistic that we will maintain levels at 9-10%."

Most experts agree that what's driving radio's strong revenue performance this year is national, which through May has been up by 17%. "Radio will finish up 10% in national and that's a conservative estimate," said **Tom Olson**, president/CEO, Katz Media. "We expect national to tail off a bit August through October."

Even with a modest slowdown in the second half, Interep Chairman **Ralph Guild** is confident national will come in 15-17%.

"National is the frontrunner and indicative of the confidence advertisers have in our medium," said Fries. (See "Radio Rediscovered," p. 4) "Local comes in a little slower; it's about where we thought it would be."

Not all the radio news is rosy. VS&A sees network radio increasing by only 1.3% in 1997. "More innovation is occurring in the 24-hour formats and in syndication, reducing the need for stations to carry radio networks," said Suhler.

Guild agrees. "Strong national radio personalities have made radio a top-of-mind conversation topic."

So far, there's no end in sight to radio's long-term growth. Through the year 2000, S&P's Donald is projecting an annual gain of 7.9% (See S&P chart, below). VS&A is forecasting a 9.3% compound annual increase for the years 1996-2001, jumping radio spending from \$11.7B in 1996 to \$18.3B in 2001.

Summer pacing holding strong

Demand for radio inventory is keeping up with last year's pace, propelling radio's strong performance through the summer. As of July 1, July is a little over three-quarters sold, according to the latest RBR/Miller Kaplan Forward Pacing Report. August is pacing slightly ahead of last year with close to 60% sold and September is lagging slightly behind last year.

RBR/Miller Kaplan Market sell-out percentage report

	1997	1996
July 1	75.4%	78.3%
Aug.	58.7%	57.9%
Sept.	40.8%	42.9%

FCC kills broadcast liquor ad probe

In what could be the biggest broadcast item up for a vote at the FCC before new Commissioners come on board, the Commission last Wednesday (7/9) killed a proposed inquiry into broadcast liquor advertising. Commissioners were deadlocked in a 2-2 vote, with Commissioners **Jim Quello** and **Rachelle Chong** opposing the inquiry. "The Commission's vote should serve as a strong signal to Chairman

S&P advertising projections (in billions of dollars)

	Average Annual Growth Rate (%)								
	1990	1995	E1996	E1997	E1998	E1999	E2000	1990-95	1995-2000
Broadcast TV	22.62	27.91	31.27	32.94	35.70	37.85	41.80	4.3	8.4
Cable TV	2.88	5.11	6.44	7.85	9.30	10.80	13.00	12.2	20.5
Radio	8.75	11.47	12.41	13.64	14.80	15.95	17.40	5.6	8.7
Total	34.25	44.49	50.12	54.43	59.80	64.60	72.20	5.4	10.2

E-Estimated by S&P Source: Television Bureau of Advertising; Radio Advertising Bureau

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 Main Phone: 703/719-9500 • Editorial/Sales Fax: 703-719-7910 • Subscription Phone: 703-719-7721 • Subscription Fax: 703-719-7725

Subscription cost \$220.00

Advertising sales information: Ken Lee 703-719-9500 • Fax 703-719-9509

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[Reed] Hundt that any further attempt to investigate or restrict advertising would be highly inappropriate," said Distilled Spirits Council President/CEO **Fred Meister**.

A lobbyist for the Association of National Advertisers (ANA) told *RBR* "The issue is dead for now," until new Commissioners come on board.

NAB President/CEO **Eddie Fritts** said that since most stations and networks don't air the ads, the proposal "represented a solution to a problem that does not exist."

More than 240 citizen groups, several states, the President and even Attorney General **Janet Reno** had called for some type of FCC action. They called the vote a victory for "FCC obstructionists and big liquor companies" and vowed to keep the door open for future action.

Both Hundt and Commissioner **Susan Ness** stressed the inquiry was needed to prevent youth from drinking. While Commissioners **Quello** and **Chong** agree alcoholism is a terrible societal problem, they don't believe the solution is to limit the advertising of legal products on stations. They said an FCC probe isn't necessary, because the Federal Trade Commission (FTC) oversees advertising. Those in Congress who oversee broadcasting and advertising agree. The FTC reportedly has two investigations under way to determine if alcoholic beverage advertisers are aiming ads at consumers under 21.

Part of the purpose of the shelved inquiry was to get radio, TV and cable stations to tell the FCC if they're running liquor ads. The FCC sent out questionnaires to TV stations on the subject a while back, but Hundt says the response wasn't good. FCC staff members said approximately 50 stations are running liquor ads; but they don't know when or what stations

1997 trading nearing \$8B mark

Believe it or not, radio station trading this year is on track to break last year's "never-to-be-surpassed" record of \$14B in radio deals.

Through the end of June, deals published this year in *RBR* totaled \$7.8B. To be sure, there's been no single deal of the magnitude of last year's \$4.34B (radio station value, out of a total \$4.9B) acquisition of Infinity Broadcasting by CBS, but there have been two radio deals this year over the \$1B mark. Both were part of a blockbuster deal in February to combine Evergreen Media, Chancellor Broadcasting and Viacom Radio into a single entity to be known as Chancellor Media. Although renamed, Evergreen is to be the surviving entity. Chancellor Broadcasting was valued at \$1.3B for the stock-swap merger and the two companies, whose merger is still pending, bought Viacom Radio for \$1.07B.

Just before the year's half-way point, Clear Channel Communications snared Paxson Communications' entire radio group, plus some ancillary businesses, for \$693M.

All told, there have been 14 deals so far

this year over \$100M. Those quickly add up to billions of dollars. So, if this pace continues, it is possible that this year's dealing could top last year's record.

Our total of \$7.8B year-to-date doesn't even include some big buys by radio groups that didn't include any radio stations: Clear Channel's \$1.15B buy of billboard giant Eller Media; and the \$246M Jacor paid for Premiere, EFM and NSN, which made Jacor the third-largest radio network company, behind Westwood One/CBS and ABC Radio Networks.

1997 Mega-deals thru June

\$1,300,000,000	Chancellor Broadcasting merged into Evergreen Media
\$1,075,000,000	Viacom Radio to Evergreen/Chancellor
\$693,000,000	Paxson Radio to Clear Channel Communications
\$340,000,000	Remaining Gannett Radio stations to Evergreen Media
\$325,000,000	Radio value of News Corp. sale of Heritage Media radio/TV to Sinclair Broadcast Group (This deal has not yet been officially announced.)
\$300,000,000	Radio value of \$1.354B merger of Heritage Media into News Corp.
\$298,300,000	Evergreen/Chancellor spin-offs to Susquehanna, Greater Media, Douglas & Bonneville in April
\$225,000,000	CBS swaps WBOS-FM & WOAZ-FM Boston & WMMR-FM Philadelphia for Greater Media's KLRA-AM & KLSX-FM Los Angeles
\$215,000,000	Patterson Broadcasting merged into Capstar
\$173,000,000	Benchmark to Capstar
\$160,000,000	WQCD-FM New York to Emmis (LMA/purchase option)
\$117,000,000	Tele-Media radio group to Citadel Communications
\$112,000,000	KSCA-FM Los Angeles to Heffel (LMA/purchase option)
\$105,000,000	Evergreen/Chancellor spin-offs of WDRQ-FM Detroit & WJZW-FM Washington, DC to ABC Radio

those are. Placement is part of what the Commission is trying to get with the inquiry, which makes broadcasters and advertisers nervous. They see the content restrictions as the liquor probe's real intent. As an ANA spokesman said to *RBR*, the FCC could focus on liquor ads first, and then move onto another ad category.

RBR observation: You could practically see the big icicle hanging between fellow outgoing FCC Commissioners **Quello** and **Hundt** as they debated this. Trying for spin control after the meeting, Hundt declared the vote "a victory for the President." We were wondering what meeting he had attended.

Merle Haggard

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Radio: The rediscovered medium

Experts across the board give much of the credit for radio's "renaissance" to radio's advertisers, who have "rediscovered" the medium.

"Radio is seeing a broader base of business. More advertiser categories are using radio consistently," said **Tom Olson**, President/CEO, Katz Media. "Radio and its targeting capabilities and the terrific coverage radio provides across demos have been rediscovered. Radio more than any other media has always been credited with urgency and that's being exploited by advertisers."

Such a healthy business didn't happen overnight. At the dawn of duopoly in 1992, radio executives took to the streets to sell radio's assets through a program developed by the RAB called RIEP (Radio Industry Executive Partnership). This year alone, **Judy Carlough**, EVP, Marketing, RAB and her staff have made more than 40 calls on advertisers and agencies including Procter & Gamble, Pizza Hut, Colgate and General Mills.

"The upshot has been a resurgence in radio's popularity as an advertising medium, after having long been an afterthought to many advertisers and ad agency personnel," said **William Donald**, Standard & Poor's broadcasting analyst in S&P's most recent Broadcasting & Cable Industry Survey.

Unlike other businesses which have undergone consolidation, radio groups have worked hard to build the business, rather than just "grab cost structure and infrastructure and make more money," said **John Suhler**, president, Veronis, Suhler & Associates. "It's really been an added value event for advertisers. Oligopoly has not had rampant price increases nor reduced services. Radio has better packaging and more competitive pricing. To date, there is not any widespread mishandling of pricing."

Will the renaissance continue? That's hard to tell, says RAB President **Gary Fries**. "It has every ability to increase as to decrease. We don't know how it will cycle or if it will cycle."

New-to-radio advertisers

- Ocean Spray
- Pizza Hut
- Procter & Gamble Pringles
- Procter & Gamble Scope Mouthwash
- Warner-Lambert Listerine
- Avis Rent-A-Car
- Maxwell House Coffee
- Gillette Soft & Dry
- Gillette Sensor Razors
- Tylenol Allergy Sinus
- Everlast Nutrition Products
- Nicotrol

Hot ad prospects

If there were a single advertiser target radio has had its eye on in 1997, it's newspaper advertisers. Towards that effort, Arbitron and the RAB released in February the results of the Newspaper Advertiser Perceptual Study (*RBR* 2/10, p. 3; *MBR* February, March). Radio associations such as the Portland Area Radio Council (PARC) have made going after newspaper dollars their mission (*MBR* February). And more than once, **Mel Karmazin**, president/CEO, CBS Station Group, and other radio executives have handed down sales edicts to aggressively go after newspaper dollars.

The newspaper advertising dollars are huge, more than three times radio's revenues at \$38.58 in 1996. "Radio never sees those numbers," said **Stewart Yaguda**, president, Interep's Radio 2000.

While newspaper advertisers may head up many sales lists across the country, there are other categories equally ripe for the picking. Below, where the ads are:

• Retail

"You're going to see a lot of retail in Q3 and Q4," said **Judy Carlough**, EVP, National Marketing, RAB. "Some components of retail had a rotten spring, such as the northeast, so they'll need to make up for the winter. Plus, the strong economy bodes well for good seasonal spending, such as home improvement in the summer and back-to-school in the late summer and early fall."

• Financial services

Take mutual funds, for example. "They're just booming and there's so much competition and confusion," said **Stewart Yaguda**, president, Interep's 2000.

• Telecommunications

Cellular phones have discovered that radio and certain local advertisers, such as fast food, go hand in hand (*MBR* July). The Telcom Act has unleashed other advertising wars: MCI, AT&T and Sprint continue to battle it out, along with the local phone companies that are eager to grab new business.

• TV networks

There's quite a battle brewing between the big three nets, not to mention the increasing competitive pressure from Fox and the newbie nets, UPN and WB.

• HMRs (Home Meal Replacements)

With more working couples than ever before, HMRs—Home Meal Replacements, such as soups and prepared dinners—are picking up popularity. Even grocery stores are getting into the act, promoting a quick stop on the way home to pick up dinner. A perfect opportunity for radio.

• Drug companies, pharmaceuticals

In the past couple of years, this category has been consistently increasing its advertising, up 11% in Q1 advertising expenditures, according to **Robert Coen**, SVP/Director of Forecasting, McCann-Erickson (*RBR* 6/23, p. 3).

by Leslie Stimson

Liquor ads

The issue of whether the FCC should begin a probe into broadcast liquor advertising is dead for now. Commissioners were deadlocked when they voted on the item at an open meeting last Wednesday (see story, p. 2). The issue was delayed last month at request of Commissioner **Rachelle Chong**. Outgoing Chairman **Reed Hundt** vowed to vote on it last week, regardless of whether it would pass.

Hundt has suggested distillers contribute one alcohol abuse prevention PSA for every liquor ad they buy. Citizen groups want anti-alcohol beverage ads to run opposite liquor ads. Meanwhile, President **Clinton**, Attorney General **Janet Reno** and citizen groups pushed for FCC action. Rep. **Joe Kennedy** (D-MA) introduced a bill into Congress codifying a voluntary ban from airing liquor ads on TV and radio. He also introduced a non-binding resolution calling on the FCC to begin an inquiry. Kennedy doesn't expect it to pass; he's trying to drum up interest in an FCC probe. Senators with jurisdiction over the issue **Conrad Burns** (R-MT) and **John Ashcroft** (R-MO) and Rep. **Billy Tauzin** (R-LA) say it's the Federal Trade Commission's area, not the FCC's.

Distiller giants Guinness and Grand Met announced \$22B merger, throwing a question mark into future ad budgets, including radio and TV.

Radio/newspaper cross ownership

The FCC asked for TV LMA information to determine how many there are, where and, who's involved. This is part of the Commission's plans to debate three TV ownership proceedings and the radio-newspaper cross ownership waiver plan (TV-newspaper ownership waiver not yet begun.) The White House opposes relaxation of TV ownership rules, especially duopoly and attribution, so it remains to be seen when and if this will fly. Sen. **John McCain** (R-AZ) introduced a bill to repeal all cross ownership restrictions (S-641), and NAB

Boards recently echoed that sentiment.

Satellite DAB

NAB has asked the FCC again to limit gap fillers and to license them individually. The rest of the rules are done, after several delays over whether a pioneer preference should be awarded. American Mobile Satellite and CD Radio won DARS licenses in an FCC auction at nearly \$90M and \$83M respectively on April 2. Only the four companies that applied for licenses years ago were permitted to bid for two licenses, despite a last minute push by FCC Chairman **Reed Hundt** to open the auction to all bidders. Expect service to begin for both licensees in two-to-three years.

IBOC DAB

Development of in-band on-channel digital audio broadcasting (IBOC DAB) got a shot in the arm in May as USA Digital (USADR) and Lucent Technologies teamed up for research and development of AM and FM IBOC DAB service. Before that, both companies had been developing an IBOC system independently. Under the deal, USADR will likely switch compression technologies from Musicam to Bell Labs-patented Perceptual Audio Coding, the algorithm marketed for Internet audio applications by Lucent. USADR is a partnership of Westinghouse and Gannett that was founded in 1990.

DOJ

The Department of Justice continues its probe into radio, since some deals are now big enough to warrant anti-trust review. NAB is working with the DOJ to get the agency to streamline its requests and cut paperwork costs for broadcasters. While the agency kept a low profile when reviews began last year, this year DOJ attorneys are doing the industry meeting rounds, to explain what the DOJ is doing and why. The DOJ continues to believe radio is a separate advertising market

and is willing to listen to agency folk whining about alleged forced ad buys as radio groups become larger. At issue is agency claims they can't buy around certain stations to get their preferred target demo. Stations have become more circumspect about what their salespeople say on the street and what their executives write down, lest it be subpoenaed in a probe.

Campaign Finance Reform

Senate hearings on alleged finance abuses in the '96 Presidential campaign began last week and House hearings are planned for Fall. Senate Commerce Committee Chairman **John McCain** (R-AZ) was hot to revisit free air time and discounts off lowest-unit-rates, but Congress has been distracted with more urgent problems, like trying to negotiate a balanced budget agreement. Free time supporters hope FCC Chairman **Reed Hundt** will stump for the issue once he leaves the Commission.

Minority ownership, EEO

In a private meeting, civil rights activist **Jesse Jackson** asked FCC Chairman **Reed Hundt** for a moratorium on media concentration. He wants the FCC to restore the now-defunct minority tax certificate program, as does National Association of Black Owned Broadcasters and the Minority Media & Telecommunications Council. No word from either FCC or Congress, which voted to eliminate the certificate program in 1995. Meanwhile, new EEO guidelines still pending, including proposal to expand the number of small stations that could be exempt from EEO paperwork requirements.

Ad tax deductibility

Sen. **Robert Byrd** (D-WV) tried to amend a Senate tax bill to eliminate the deductibility of alcoholic beverage advertising costs. The amendment died 82-12. Had it passed, the alcohol industry would have lost the right to deduct radio and TV ads as a legitimate business expense.

by Carl Marcucci

The Telecommunications Act of 1996 delivered positive changes in efficiency and revenues for super groups on the corporate and individual market levels. The flip side of this shiny coin, is that while all the financial consolidation smoke is clearing, people have lost their jobs.

Physical resources of office space, production rooms, telephone systems and computer equipment can be pooled and quantified. And the human resources? While some radio groups walked in and started chopping heads, there are others that have chosen not to. Instead of firing people, they've hired more.

"Initially, [with consolidation] there was talk of cost savings and we saw people losing their jobs," said **Mark O'Brien**, COO, BIA companies. "Some megagroups who brought their accounting, billing and payroll all to the corporate office went too far. It became too much for one office to handle, so they decided to bring it back to the local markets and hire people back to do it."

Joe Winn, CFO for American Radio Systems (ARS), sees more opportunities than losses for employment within superduopolies. "We are seeing management positions created that didn't exist before consolidation. Senior Engineer, Controller, Director of Sales and Senior Marketing Director are all titles that couldn't exist before."

Deep cuts and new grooves

The traditional GM position—one general manager per station—may be a position of the past. "The jury is still out on how many local stations one person [GM] can manage. The number keeps getting higher and higher," said O'Brien. Indeed, consolidating a superduop under one manager has been the grimmest of GM-reapers.

However, that doesn't mean GMs will be out of a job for long. "For a GM in a marketplace who lost a job, he or she may easily walk in to a Director of Sales position created from consolidation—and make more money than before," said Winn.

In some circumstances, group owners will actually add staff when a superduopoly is created within a market. "When we purchase stations, there is no cookie-cutter approach to staff changes," said **Stan Webb**, SVP Operations, Clear Channel Communications. "We look at additional stations to strengthen our position in the market. With the additional inventory, we often add employees—copywriters for sales support, programming support staff like researchers, and promotions assistants."

As for a dropoff in production jobs, that remains to be seen. Said O'Brien: "Right now, we're probably seeing more losses of jobs from technology and computerization than anything else." Sales positions so far are bullet-proof. "Salespeople are revenue generators, not cost centers," said O'Brien. "The more of them working for you, the higher potential for revenues."

Engineers may benefit from consolidation—at least in the short run. Said **Ray Esparolini**, Director of Sales, Wheatstone Corp: "In the '80's dereg era, when all kinds of people (doctors, lawyers, etc...) were buying stations, they didn't know much about running them. They wanted immediate profits, so they wanted to get rid of some staff. They got rid of a lot of engineers. Now that people are going to consolidate all these facilities, they will need full-time engineers. There will end up being a shortage, and for the next three years the demand will be very high."

Avoiding a house of cards

In top-50 markets, consolidation of resources may not be the answer.

"We have made some attempts at consolidation for improved synergy and efficiency at the format level but these attempts met with chaos. The top 20 markets are so competitive, and so much revenue is at stake that we find a need for autonomous leadership, identity and focus with each station," said **Larry Wert**, SVP, Evergreen Media and GM, WKQI-FM Detroit.

Like the majority of radio station operators, Wert subscribes to the one sales staff per station theory. "It is not efficient for one seller to be talking to one buyer for various targets. There is too broad a range of formats offered for the advertiser to effectively target his product or service."

But consolidating research is another matter. From Wert's point of view, combining research from the stations is one effective use of consolidation, but "pooling entire resources, so far, seems to be only good for middle-market stations."

Flexibility is key

While Webb agrees that across the board, GM and PD positions are the most affected from consolidation, Clear Channel's President/CEO **L. Lowry Mays'** philosophy is to keep station morale healthy by "becoming the chameleon—we blend into the station instead of the station blending with us." The colors of that chameleon will greatly depend on the market. "The market speaks to us for how that should be structured. In some markets, we have one GM running six stations, while in Richmond, we have three GM's running six stations, said Webb."

"Our company philosophy is to decentralize management. Our GM's are empowered to manage on a local level without the fear of a lot of suits coming in and telling everybody how it's done. When we took over the U.S.

Radio group, we met with the GM's, mainstreamed them with our way of thinking, and none of them lost their jobs," said Webb. "If we decide to eliminate the GM position within a new station, it may not be from consolidation efficiencies, but just that the station's performance has been poor."

"One of the first things I tell the new staff is the key word is 'flexible.' Today you are the Sales Secretary for station 'A,' tomorrow you may be Sales Secretary for station 'B,'" Webb said. He finds that talented people who can adapt to change and compete within the industry have little to worry about.

No textbooks here

The consolidation game is probably best summed up by Winn: "There are no models yet in existence for how this should all be done, and everyone [industry-wide] is learning as they go along."

ARS's Superduop Shuffle

Joe Winn's 6-7 station superduop example—after consolidation staff changes

- **Engineering**—Where there were 5, now 4 with one being Senior Engineer
- **Accounting**—One staff with 1 Business Manager, 1 Controller, 1 Accounting Manager and a few accounting personnel.
- **Sales**—Still at market level. Director of Sales position created—in charge of each station's SM. Does sales for major accounts and group buys. Duty includes coordinating efforts to create demand for advertisers. SWAT Team (no acronym intended) sales jobs created. They are market wide sellers, representing all

of the stations together.

- **Programming**—No change at all. Each station programmed separately.
- **Legal**—Now primarily done at corporate.
- **Traffic**—Consolidated somewhat in Controller and Dir. of Sales office. Maybe one less person. "Too important to each station to consolidate. Could result in missed billing or inventory left on table. Better to be penny-wise than pound-foolish."
- **Promotions**—Now have senior marketing person for the first time, with people working under him or her from each station.
- **Management**—Leaning toward one market leader station in group with its GM to manage other stations.

Mid-Year Duopoly Dimensions

Consolidation steams ahead

by Dave Seyler

Out of a total of 4,868 stations in Arbitron-rated markets, 37.8% (1,840 stations) are now part of a superduopoly. That is 450 more stations than at the beginning of 1997, an increase of 9.3%. If duopolies are added in, the total of consolidated stations is at 64% (3,116), up from 58.4% (2,847) at the beginning of the year.

Consolidation is happening in all market sizes. Mergers of large groups continued to fuel growth in the largest markets. The largest of these deals turned three very large groups (Chancellor, Evergreen and Viacom) into one enormous group (Chancellor Media), which is getting closer to leader CBS (see related story, p. 10).

Continued consolidation in the smaller markets is perhaps the most cogent indicator of the health of radio as an industry. In part, it has been spurred by interest from some large national groups, most notably Capstar (7th-largest group) and Jacor (3rd-largest group), which have

been buying stations to Arbitron's greatest depths and beyond. More importantly, it indicates that long-absent capital is back to fund smaller deals, allowing smaller operators the opportunity to consolidate.

RBR observation: When a company like Jacor, with over a half billion dollars in national billings, finds value in backwaters like Cheyenne and Casper, something must be go-

ing right in the radio business.

Markets 101-150 are lagging because the cell happens to be home to a larger-than-usual number of satellite markets. One example is Morristown NJ. Operating in the shadow of New York City, we can safely say that superduopoly, or even duopoly, will not be coming to the market any time soon. Only two stations draw above-the-line ratings!

Duopoly Dimensions: Mid-Year

	Superduopoly			Total Consolidation		
	Pct. 1-6-97	Pct. 7-7-97	Pct. Change	Pct. 1-6-97	Pct. 7-7-97	Pct. Change
1-50	32.5	44.0	+11.5	62.0	69.6	+7.6
51-100	31.5	42.0	+10.5	61.7	66.6	+4.9
101-150	26.4	32.1	+5.7	53.9	56.9	+3.0
151-200	23.5	33.0	+9.5	53.9	62.2	+8.3
201-263	23.0	31.1	+8.1	54.7	58.8	+4.1
Total	28.5	37.8	+9.3	58.4	64.0	+5.6

Source: RBR Source Guide database

by Jack Messmer

Let the records continue to fall!

Wall Street records fell time and again in the second quarter of 1997. The Dow Jones Industrial Average amazed naysayers of the "oversold" market, as the DJIA rebounded from relatively minor corrections to surge to ever-higher record highs.

If the DJIA was flying high, radio stocks were trying to leave the stratosphere and enter orbit. Eleven of the 15 radio group stocks tracked by RBR—companies which derive more than 50% of their revenues from radio—outperformed the DJIA through the first six months of this year. One other, Saga Communications (A:SGA), missed by only 0.4 of a percentage point equaling the DJIA, the key barometer of blue chip stock performance.

Evergreen leads radio pack

Aggressive consolidation moves by Evergreen Media (O:EVGM) drew the attention of investors during the second quarter. With its \$1.075B purchase of the 10-station Viacom (A:VIA) radio group still pending (it closed 7/2), Evergreen moved to bulk up in its weakest top 10 markets, Dallas and Houston, with deals to buy the remainder of Gannett's (N:GCI) radio group and acquire two stations from Bonneville.

The strong station line-up and cash flow growth helped Evergreen push past Heftel Broadcasting (O:HBCCA), the nation's largest Hispanic radio group and first quarter growth leader, to become the top performing radio stock. Evergreen's merger-partner-to-be, Chancellor Broadcasting (O:CBCA), was also a strong performer, finishing fifth among radio companies in stock price growth.

Clear Channel Communications



Radio Groups

*Trading since 5/7/97

Networks



(N:CCU) and Paxson Communications (A:PXN) had both been strong performers in the first quarter, and continued to reward stockholders through Q2. Paxson, however, is set to depart RBR's stock chart later this year, due to the pending \$693M sale of its entire radio group to none other than Clear Channel.

SFX Broadcasting (O:SFXBA) had been a loser for investors through Q1, down 5%. A takeover rumor gave the stock a big boost as Q2 came to an end. As yet, though, there's been no takeover bid.

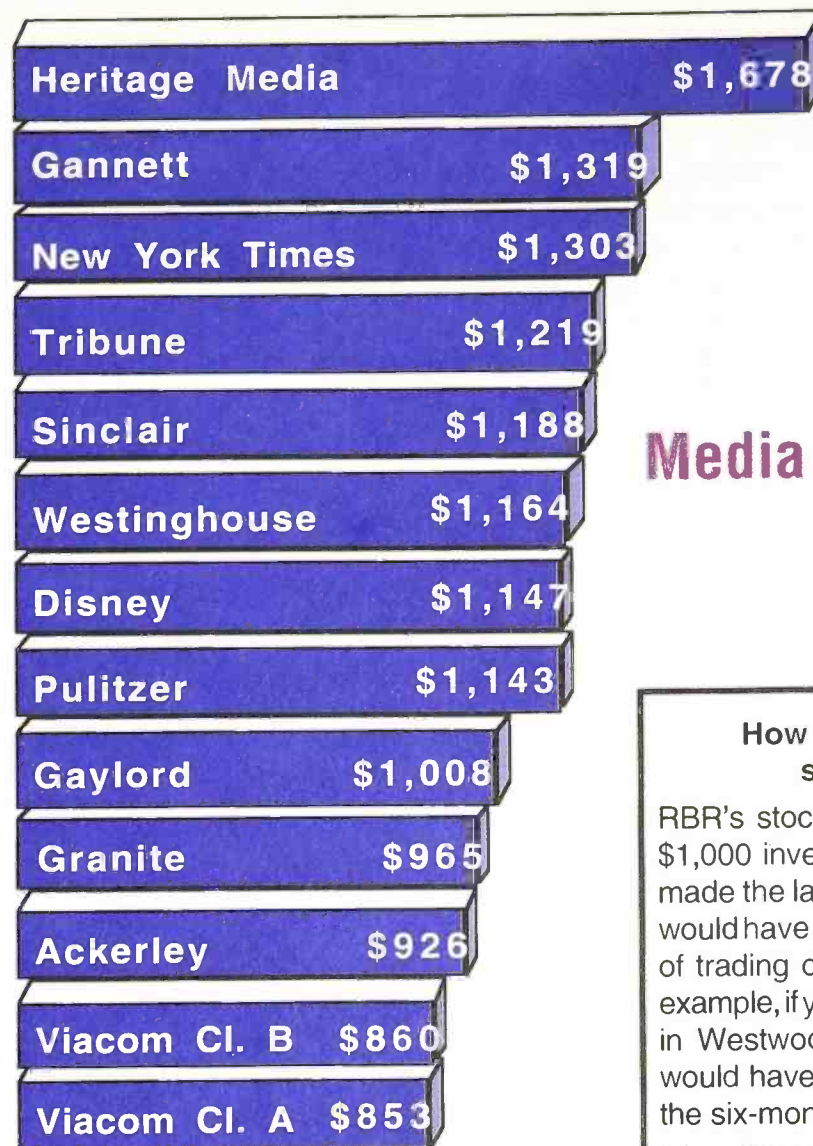
Mel's touch still magic

Wall Street loved Mel Karmazin at Infinity Broadcasting, as he built the company from a single station to a major market behemoth. Investors were rewarded with phenomenal gains as Karmazin's strategy of buying beach-front property, building ratings and pushing sales staffs to deliver dollars paid off quarter after quarter with higher revenues, higher cash flows and higher profits.

There had been disappointment when Karmazin merged Infinity into Westinghouse (N:WX). Although he was running the combined radio groups and CBS Radio Networks, Westinghouse's stock price declined 10% through Q1 1997. "The Mel Factor" came back into play, though, in Q2 as Karmazin was placed in charge of CBS' O&O TV station group. Westinghouse's stock price finally started climbing, as investors placed their bets that Karmazin will be able to make the TV group perform like the radio group.

Meanwhile, the other Karmazin stock—Westwood One (O:WONE)—was leading all stocks in RBR's stock chart, nearly doubling through the first six months of 1997. Not only were revenues and cash flows improving for the once-moribund network radio industry, Karmazin had combined sales and marketing for CBS Radio Networks into WW1—creating the biggest network radio operation ever, displacing long-time leader ABC, part of the Disney (N:DIS) empire.

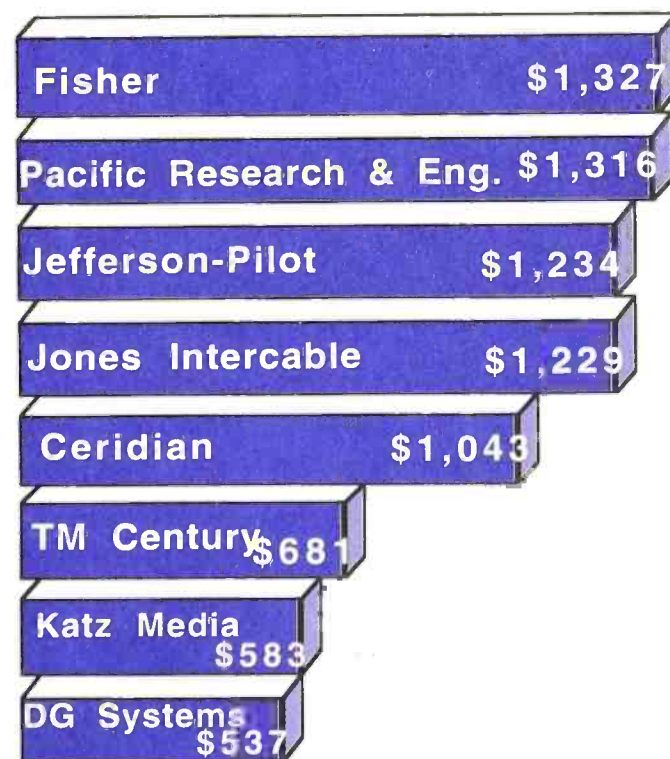
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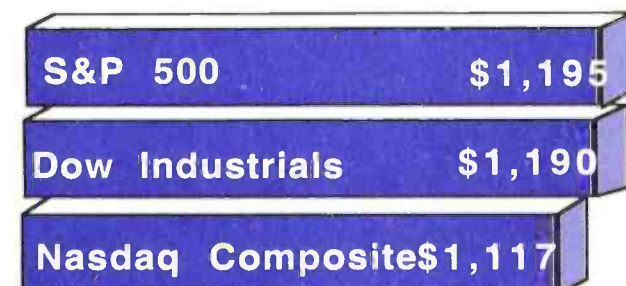
Media Companies

How to read RBR's stock chart

RBR's stock chart shows what a \$1,000 investment in each stock, made the last trading day of 1996, would have been worth at the close of trading on June 30, 1997. For example, if you had invested \$1,000 in Westwood One (O:WONE), it would have grown to \$1,940 over the six-month period.



Radio-related Companies



Stock Indices

A year-and-a-half into the superduopoly era, three radiogroups are on track to post annual billings of more than a half-billion-dollars, according to a mid-year update by Duncan's American Radio.

Since the year began, Jacor Communications (O:JCOR) has been bumped from second to third place, although its pro forma billings rose nearly \$87M with the addition of 19 stations, for a total of 131. Jumping into the number two position was Chancellor Media, the pending merger of Evergreen Media (O:EVGM) and Chancellor Broadcasting (O:CBCA), which had been #3 and #8, respectively. Combined,

including their recent acquisition of Viacom's (A:VIA) radio group, the merger partners have 95 stations, mostly in top 10 markets.

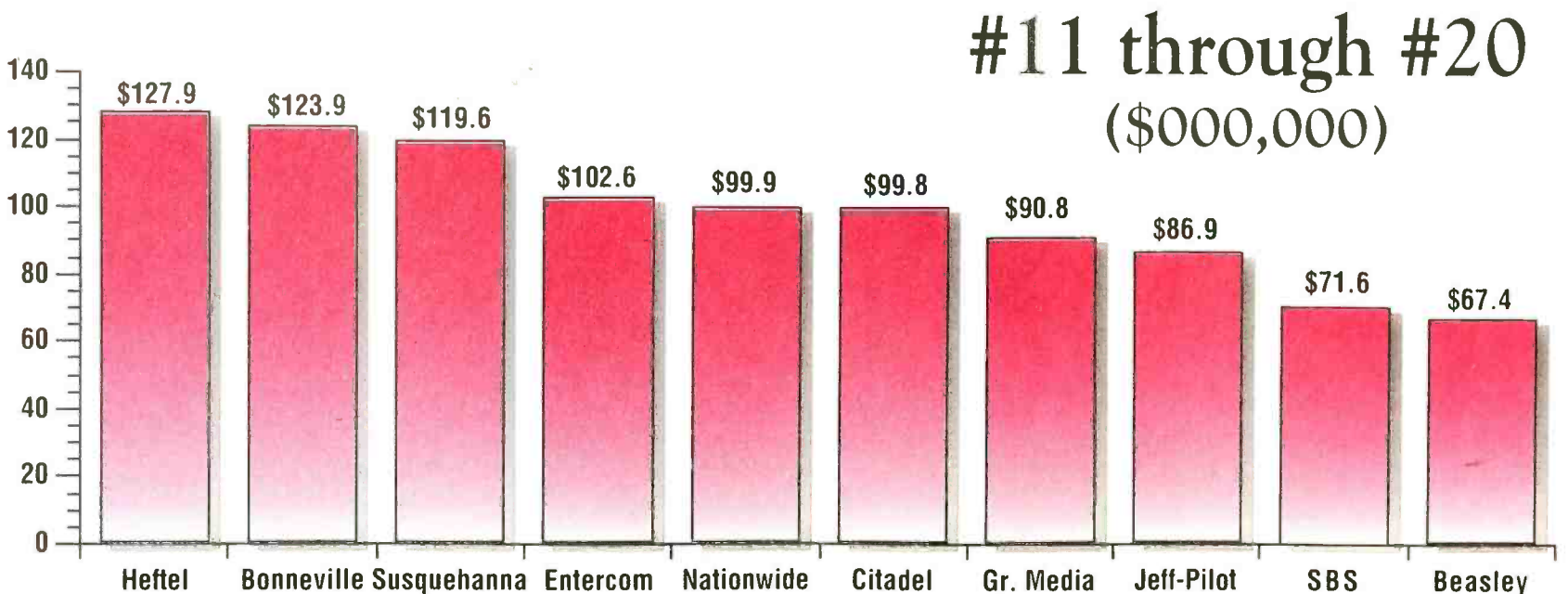
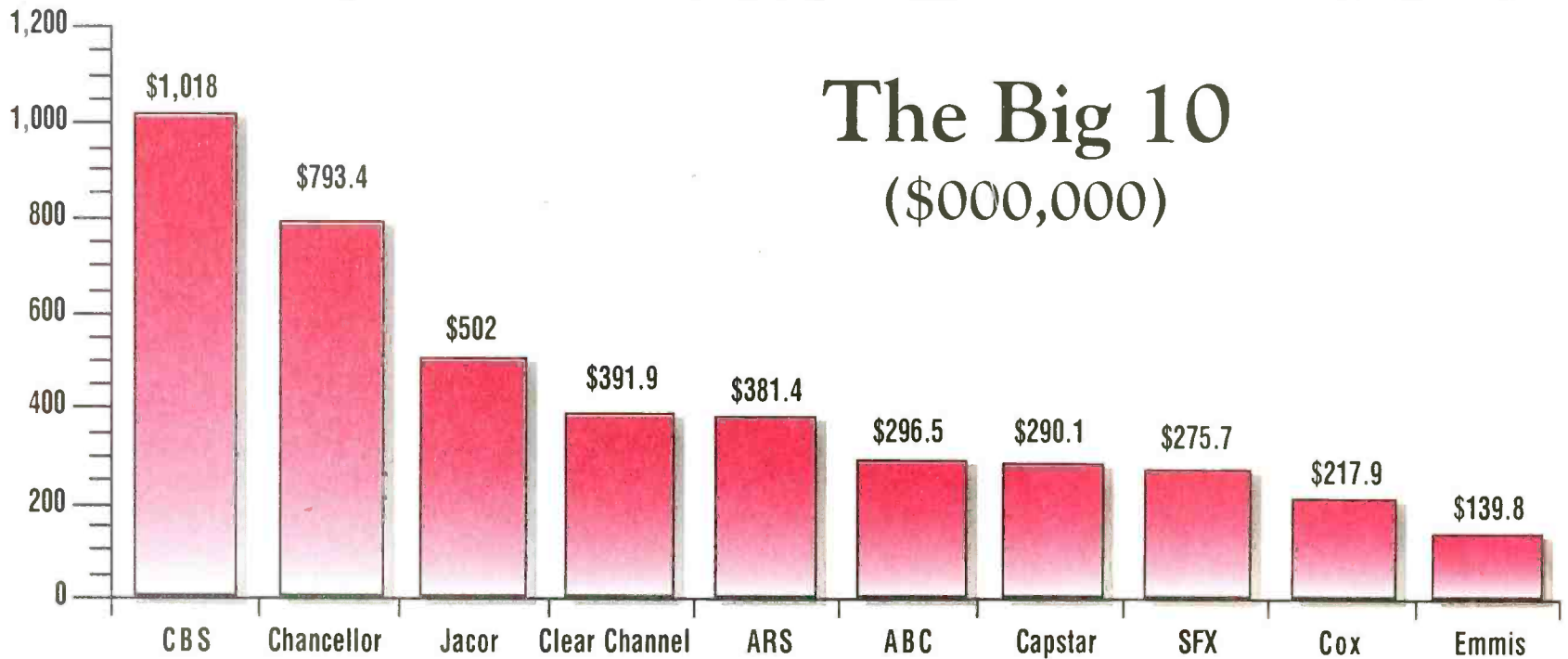
Perennial industry leader CBS (N:WX) remains at the top of the heap, with \$1.018B in pro forma billings, up less than \$18M from the beginning of this year. Its lead has been narrowing because CBS has done little on the acquisition front this year, while other top 10 groups have been gobbling up stations.

Big movers in the rankings have been Capstar Broadcasting Partners, which went from #10 to #7, adding 125 stations and \$155M in billings. Emmis Broadcasting (O:EMMS)

moved into tenth place, from #13, on a gain of only three stations, but nearly \$21M in billings. Citadel Communications shot up to #16 from #27 on its Tele-Media buy, ballooning from 45 stations to 80 and increasing billings from \$57.4M to \$99.8M.

Duncan's American Radio bases its figures on 1996 station revenues as estimated by veteran analyst **Jim Duncan**. All totals are pro forma for all deals announced through June 25. Duncan's does not include LMAs and JSAs which do not involve a sale.

The charts below show Duncan's revenue estimates for the 20 highest billing radio groups.



Source: Duncan's American Radio

BROADCAST INVESTMENTS

July 9—RBR Stock Index 1997

Company	Mkt:Symbol	7/1 Close	7/9 Close	Net Chg	Pct Chg	7/9 Vol (00)	Company	Mkt:Symbol	7/1 Close	7/9 Close	Net Chg	Pct Chg	7/9 Vol (00)
Ackerley	A:AK	11.875	12.000	0.125	1.05%	129	Jacor	O:JCOR	37.875	39.875	2.000	5.28%	13356
Alliance Bcg.	O:RADO	3.000	4.250	1.250	41.67%	72	Jeff-Pilot	N:JP	69.312	69.750	0.438	0.63%	1521
Am. Radio Sys.	N:AFM	41.000	40.437	-0.563	-1.37%	377	Jones Intercable	O:JOINA	12.750	12.750	0.000	0.00%	289
Ceridian	N:CEN	42.375	39.437	-2.938	-6.93%	4010	Katz Media Group	A:KTZ	6.625	6.750	0.125	1.89%	1882
Chancellor	O:CBCA	40.250	42.000	1.750	4.35%	3308	Metro Networks	O:MTNT	25.312	26.250	0.938	3.71%	464
Childrens Bcg.	O:AAHS	4.750	4.625	-0.125	-2.63%	145	New York Times	A:NYTA	50.500	52.750	2.250	4.46%	1700
Clear Channel	N:CCU	61.750	59.000	-2.750	-4.45%	2118	Pacific R&E	A:PXE	3.125	3.250	0.125	4.00%	17
Cox Radio	N:CXR	25.375	25.000	-0.375	-1.48%	134	Paxson Commun.	A:PXN	13.000	12.000	-1.000	-7.69%	2494
DG Systems	O:DGIT	4.625	4.500	-0.125	-2.70%	11	Pulitzer	N:PTZ	52.437	53.437	1.000	1.91%	87
Disney	N:DIS	78.562	77.062	-1.500	-1.91%	21636	Saga Commun.	A:SGA	18.500	18.250	-0.250	-1.35%	1061
Emmis Bcg.	O:EMMS	42.500	42.250	-0.250	-0.59%	147	SFX Bcg.	O:SFXBA	40.875	42.625	1.750	4.28%	1859
Evergreen	O:EVGM	45.125	46.750	1.625	3.60%	5175	Sinclair	O:SBGI	30.250	28.500	-1.750	-5.79%	426
Faircom	O:FXCM	0.281	0.281	0.000	0.00%	0	TM Century	O:TMCI	0.468	0.468	0.000	0.00%	0
Fisher	O:FSCI	129.000	128.500	-0.500	-0.39%	2	Triathlon	O:TBCOA	7.562	7.937	0.375	4.96%	1003
Gannett	N:GCI	101.875	103.750	1.875	1.84%	2355	Tribune	N:TRB	49.125	48.500	-0.625	-1.27%	2425
Gaylord	N:GET	22.937	23.062	0.125	0.54%	1510	Viacom Cl. A	A:VIA	29.625	30.562	0.937	3.16%	552
Granite	O:GBTVK	10.125	10.125	0.000	0.00%	87	Viacom Cl. B	A:VIAB	30.375	30.812	0.437	1.44%	7060
Heftel Bcg.	O:HBCCA	54.562	59.250	4.688	8.59%	2267	Westinghouse	N:WX	23.750	23.562	-0.188	-0.79%	20268
Heritage Media	N:HTG	19.000	18.687	-0.313	-1.65%	1588	Westwood One	O:WONE	31.375	31.750	0.375	1.20%	774

Ackerley revenues gain

The Ackerley Group (A:AK) said overall Q2 revenues were up slightly to \$77.2M. Broadcasting revenues rose 6%, topped only by out-of-home advertising, up 9%. Ackerley's sports & entertainment division had lower revenues, with the Seattle Super-sonics beaten in the second round of the NBA playoffs. The Sonics went all the way to the finals last year.

Record volumes for DCI

Digital Courier International (Alberta Exchange: DIC) says traffic on its two-way digital network increased 33.9% in the four weeks ended June 1, compared to the previous month. The company attributed the record performance to achieving a "critical mass" of 85% target market penetration in the U.S. DCI, based in Vancouver, Canada, has more than 4,600 radio stations, production studios, duplicators and record companies on its network.

7/14/97 RBR

CARIBOU BROADCASTING

has acquired

KDEO-FM

Honolulu, Hawaii

from

LOEW BROADCASTING

For

\$1,900,000

The undersigned acted as exclusive broker in this transaction and assisted in the negotiations.



Kalil & Co., Inc.

3444 North Country Club Tucson, Arizona 85716 (520) 795-1050

by Jack Messmer

\$70.25M deal gives ARS 127 new sticks

American Radio Systems (N:AFM) is continuing to grow its tower subsidiary, American Tower Systems (ATS), spending \$70.25M to add 127 more towers by acquiring Micronet Inc. That will take ATS, headed by COO **Alan Box**, who last year sold EZ Communications to **Steve Dodge's** ARS, to more than 600 tower sites nationwide.

Like radio, tower ownership and management is a rapidly consolidating business, with ARS and Clear Channel Communications (N:CCU) among those at the forefront (*RBR* 6/30, p. 7). Right now, though, the business is so fragmented that no one really knows who's the biggest operator in the nation.

"We are clearly one of the largest," says Box, noting that ATS is the largest tower owner/operator focused on the broadcasting business. By the

end of this year he expects ATS' "run rate" to be over \$20M. Run rate, the basic financial barometer of the tower business, is monthly cash flow times 12 (since the tower business, unlike broadcasting, doesn't have seasonal fluctuations).

Who are ATS' customers? Right now, Box says, the company expects to build 200 or more new towers per year, mostly 150-to-300-foot sticks with cellular and PCS firms as their primary tenants. Much bigger projects are on the drawing board, though—tall towers to hold the additional antennas needed for the TV industry's transition to digital transmission (HDTV).

Teaming up in Phoenix

MAC America Communications, headed by **Delbert Lewis**, is rolling

its only radio properties, KESZ-FM & KOAZ-FM Phoenix, into a new company jointly owned with **Buck Owens'** radio group. The new company, OwensMAC Radio LLC, will be headed by **Michael Owens**, but won't include Owens' long-established Country combo, KCWW-AM & KNIX-FM Phoenix.

A new "uniquely different" Country format is planned for KOAZ (NAC), while KESZ will continue its AC format. An LMA will allow Owens to program the stations until the new licensee gets FCC approval.

MAC America owns KTVK-TV (Ch. 3), Phoenix's long-established independent station, and LMA's KASW-TV (Ch. 61, WB). It also owns *PHOENIX Magazine*.

Faircom gets new investor

Faircom Inc. (O:FXCM) has gotten a \$10M convertible note investment from venture capital funds managed by Blue Chip Venture Company, cashing out Citicorp Venture Capital, Faircom's original backer. Faircom also refinanced and increased its debt to \$12.5M with senior lender AT&T Capital Corp., in conjunction with closing its \$7.65M purchase of WMAN-AM & WYHT-FM Mansfield, OH.

"**Jack Wyant**, a general partner of Blue Chip, is extremely knowledgeable in the broadcasting business," noted **Joel Fairman**, President, Faircom.

Blue Chip also backs **Ross Love's** Blue Chip Broadcast Co., a privately-held group which will remain completely separate from publicly-traded Faircom.

The Crisler Company acted as Faircom's financial advisor for the financings and station acquisition. Blackburn & Co. represented Treasure Radio, the seller of the Ohio combo.

Carolina flamethrower to Root for \$3.5M

Root Communications, headed by **Jim Devis**, is expanding in the Carolinas with a \$3.5M buy of **George Beasley's**

Charles D. Schwartz, President/CEO of
Panache Broadcasting, L.P.

has agreed to transfer the assets of

**WTLC-AM & FM
Indianapolis, Indiana**

for

\$14,980,000

to

Jeffrey H. Smulyan, Chairman of
Emmis Broadcasting Corporation

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Radio One bonds registered for trading

Radio One Inc., the nation's largest African-American owned radio group, has filed with the SEC for public trading of the \$85.5M in bonds which were sold to institutional investors in May (*RBR* 5/19, p. 10). The bonds (senior subordinated notes) bear interest at a rate of 7% through May 15, 2000, and 12% for three years through May 15, 2004. Radio One retains the right to buy back up to 25% of the bond issue if it sells stock in an IPO on or before May 15, 2000.

The SEC filing reveals that Radio One had \$23.7M in net revenues for 1996, up 10.47% from 1995 and more than double the company's 1992 revenues of \$10.8M. Broadcast cash flow rose less than 1% to \$9.8M last year, compared to \$4.8M in 1992. The company's cash flow margin slipped to 41.2% in 1996 from 45.3% in 1995. Pro forma, including its recent addition of a Philadelphia station and a deal to buy a fourth station in Washington, DC, Radio One said its 1996 revenues would have been \$28M and cash flow \$11.3M.

Radio One noted that its financial figures sometimes show dramatic year-to-year changes, due to the impact of acquisitions. The company's biggest acquisition to date was WKYS-FM Washington for \$34.4M in June 1995. It recently (5/19) closed the \$20M purchase of WPHI-FM Philadelphia, which had been LMA'd since February. It also has a letter of intent to buy WYCB-AM Washington for \$4M. In all, Radio One will own nine stations in Washington, Baltimore and Philadelphia.

A separate company, Radio One of Atlanta Inc., which is 47% owned by Radio One President and CEO **Alfred Liggins**, owns one station in Atlanta and a part interest in a construction permit for a second Atlanta station. The Atlanta company pays Radio One \$100,000 per year, plus expenses, under a management agreement.

The predecessor to Radio One was founded in 1980 (with the purchase of WOL-AM Washington for \$900,000) by **Cathy Hughes**, who remains Chairperson of the Board and owner of 26.3% of the company's stock. Liggins, her son, owns 21.9%. Virtually all of the remaining equity is owned by venture capital firms, including ALTA, BancBoston Investments and Syncom.

WDSC-AM & WEGX-FM Dillon, SC.

Dillon doesn't ring a bell? How about South of the Border, the I-95 tourist trap just south of the North Carolina-South Carolina border that's a veritable monument to tackiness? Yep, that's Dillon, SC.

Strictly speaking, WEGX is in the Florence, SC Arbitron market (#197), where Root already has a superduopoly. However, this station is a real flamethrower—100kw from 1,800 feet. That gives it strong coverage of the Fayetteville, NC market (#123), plus a decent signal into Myrtle Beach, SC (#185), where Root has stations, and Wilmington, NC (#180). We've heard tell that it can also be received in parts of the Raleigh-Durham market (#48). **Broker: Stan Raymond**, Stan Raymond & Associates

How about a refund?

Add the Corporation for Public Broadcasting to the list of those upset over the pending \$13M sale of WDCU-FM

7/14/97 RBR

Washington, DC to Salem Communications. *The Washington Post* reported that CPB head **Robert Coonrod** is demanding that the District of Columbia return \$1M in CPB grants that the station, currently operated by the University of DC, received over the past eight years.

Like NPR President **Delano Lewis** (*RBR* 7/7, p. 11), Coonrod is miffed that WDCU is being sold off to a commercial broadcaster, albeit a non-profit subsidiary, rather than a "public" broadcaster. WDCU, on 90.1 MHz, is in the reserved educational FM band.

The deal has now been officially filed at the FCC, so look for the petitions to deny to start pouring in. The Salem-related entity which is proposed to be the actual licensee is Community Resource Educational Association Inc., a non-profit corporation controlled equally by four directors: **Stuart Epperson** and **Ed Atsinger**, who own Salem; **Mary Guthrie**, a director of two non-profit

SOLD!

WWCK-AM/FM, WOAP-AM and WAHV-FM, Owosso, Michigan from Majac of Michigan, Inc., Marc Steenbarger, President, to **Connoisseur Communications**, Jeffrey D. Warshaw, President, for \$18,000,000.

Randall E. Jeffery initiated the transaction.

ELLIOT B. EVERS
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GEORGE I. OTWELL
513-769-4477

BRIAN E. COBB
CHARLES E. GIDDENS
703-827-2727

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Religious stations in California; and **Alberto Lozano**, President of a non-profit licensee with two Religious stations in Arizona and California. Broker: Blackburn & Co.

RBR observation: Those of us who contributed to "Jazz 90" over the years are every bit as entitled to a refund as CPB (and just as likely to get one).

NPR, CPB and others are trying to portray this deal as opening the floodgates for "public" stations to be sold to commercial broadcasters. Funny how nobody in Washington even blinked when Butler University sold its Indianapolis FM (a non-commercial operating in the commercial band) to Susquehanna, and there have been numerous cases of smaller-market non-commercial stations being sold by colleges, high schools and other "public" broadcasters to Religious broadcasters. Only when something finally happens in Washington, it seems, does it suddenly threaten the very fabric of our nation.

Religious non-commercial broadcasters have just as much right to the educational FM band as other non-commercial broadcasters. If Coonrod

and Lewis don't want WDCU to go to Salem, the solution is simple—write a bigger check.

RBR's Deal Digest

Peter Orne's Bangor Radio Corp. is selling WABI-AM & WWBX-FM Bangor to Gopher Hill Communications, owned by local businessman **Charles Hutchins**, for \$700,000. Broker: New England Media... KXLY Broadcasting Group is adding **Todd Hagadone's** KVNI-AM & KHTQ-FM as its sixth and seventh radio stations in the Spokane market. The deal will require a waiver from the FCC, since the buyer also owns KXLY-TV (Ch. 4, ABC)... Saga Communications (A:SGA) has begun an LMA of WOXF-FM Bedford, NH, a station which signed on just a few months ago on 96.5 MHz in the Manchester market, where Saga owns a combo.

Transaction Digest continued from page 16

\$100K escrow, balance in cash at closing. **Superduopoly** with WYCA-FM/WYBA-FM. Earlier sale to Flinn Broadcasting did not close (RBR 11/4/96). Broker: Michael Bergner, Bergner & Co.

\$1,700,000—WSWZ-FM Columbus OH (Lancaster OH). Transfer of stock of Skyway Broadcasting Inc. from John F. Garber, Richard J. Schorr and Carl C. Heister to Janice M. and George F. Scantland. \$1M cash, \$200K note, \$500K non-compete. The Scantlands also hold an interest in WZJZ-FM Richwood OH, which is also in the Columbus market.

\$1,500,000—* KZZB-FM Ft. Smith AR (Poteau OK) from Arklaoma Communications Co. (Eldon F. Coffman, Larry E. Tate) to GulfStar Communications Arkansas Inc. (Thomas O. Hicks et al). GulfStar is being sold to Capstar Broadcasting Partners L.P. \$500K escrow, balance in cash at closing. **Duopoly** with KWHN/KMAG. Seller retains KEZU-FM Booneville AR. LMA since June 1.

\$480,000—WSTU-AM Ft. Pierce-Stuart-Vero Beach (Stuart FL) from MMM Broadcasting Inc. (Susan & Howard Goldsmith) to Resort Radio Systems Inc. (Barry G. Marsh, David Pommerance). \$60K escrow, balance in cash at closing. LMA since July 1.

\$400,000—* WCHL-AM Raleigh-Durham (Chapel Hill) from Village Broadcasting Co. Inc. (James A. Heavner) to WCHL Inc., a subsidiary of Curtis Media Group (Donald W. Curtis). \$20K escrow, balance in cash at closing. **Superduopoly** with WPTF-AM, WBBB-AM, WQDR-FM, WKIX-FM, WPCM-FM.

\$400,000—* KTCH AM-FM Wayne NE from KTCH Inc. (Don Dolejs) to Central Radio Inc. (Gene A. & Jeanette F. Koehn). \$20K earnest money, balance in cash at closing. **Duopoly** with KNEN-FM Norfolk NE. KTCH-FM has been granted an upgrade to class C3 with 25 kw @ 302'. Broker: Chapin Enterprises Inc.

\$315,000—WRAJ-AM Anna IL from Union Broadcasting Inc. (Benjamin L. Stratemeyer) to WIBH Inc. (Ronald & Pamela Ellis, Maurice & Nancy Bass). \$15K non-refundable downpayment, balance in cash at closing. LMA in place.

\$300,000—KVL I-AM & FM Lake Isabella CA from KVL I Radio Inc. (John M. Ridenour) to Robert J. and Katherine M. Bohn, general partners. \$5K escrow, additional \$85K in cash at closing, \$150K note, \$60K under non-compete. Broker: Media Services Group

BACK BAY BROADCASTERS, INC.

WWKX-FM/WAKX-FM/WPNW-AM

Providence, RI
Peter Ottmar, Chairman

\$1,600,000 Term Loan

Provided by Citizens Bank & Trust Company

For the refinance of American Radio Systems Corporation's Subordinated Debentures and Repurchase of Common Stock

*The undersigned acted as financial advisor to
Back Bay Broadcasters, Inc. regarding the above financing*

Robert J. Maccini

170 Westminster St., Suite 701

Providence, RI 02903

Tel: (401) 454-3130 Fax: (401) 454-3131 Internet: rjm@mediaservicesgroup.com

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\$265,000—* KMTR-FM Murfreesboro AR from Penn/Lee Broadcasting Inc. (Gregory Bobo) to PAG Broadcasting Inc. (Annie Nell Gathright, Pete Gathright, Rick Castleberry). \$5K escrow, balance in cash at closing. **Duopoly** with KBHC/KNAS Nashville AR. **Brokers:** MGMT Services Inc. and Wally Tucker

\$250,000—* KQAM-AM Wichita from Triathlon Broadcasting of Wichita Inc. (Norm Feuer), a subsidiary of Triathlon Broadcasting (O:TBCOA), to Agape Communications Inc. (Don & Karen Clifford, Norbert, Blanche & Terry Atherton). \$15K escrow, balance in cash at closing. **Duopoly** with KSGM-AM.

\$200,000—* KCNQ-FM Bakersfield (Kernville CA) from Lake Isabella Broadcasting Inc. (Ray Klotz) to Robert J. & Katherine M. Bohn. \$5K escrow, balance in cash at closing. Pending **duopoly** with KVL1 AM-FM Lake Isabella, coming in separate deal.

\$200,000—KELR-FM Chariton IA from Dwayne F. Meyer to KLEECO Radio Inc. (Thomas A. Palen). \$5K down payment, balance in cash at closing.

\$173,000—WKKN-FM Cordele GA from Radio Cordele Inc. (John Brooks) to Metro Com Corp. (James Popwell Sr.). At closing, the purchaser is to pay \$200K in cash and the seller is to assign its right to \$27K in insurance proceeds, along with the assets of this station, making the net price \$173K. Note: If the FCC reinstates the license for co-located WUWU-AM, it is also to be transferred to Metro Com.

\$145,000—WKBR-AM Manchester NH from George E. Ketrelakes to Northeast Broadcasting Co. Inc. (Jane N. Cole, Steven A. Silberberg, Linda Nishida Young). \$10K deposit, balance in cash at closing. Overlaps WXRV-FM Haverhill MA.

\$128,000—KGZO-FM Bakersfield (Shafter CA) from High Adventure Ministries Inc. (George Otis, pres) to The Association for Community Education Inc. (Phil Guthrie, pres). Cash. Buyer is acting on 4/17/96 purchase option. Existing LMA continues until closing. Noncommercial station.

\$100,000—KMXN-AM Santa Rosa CA from First Down Promotions Inc. (John A. Paye) to Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR). In this complicated transaction, First Down is not actually receiving any consideration from this sale. Rather, Jacor is paying \$10K to Cardinal Communications Inc., headed by John Paye, for its right to reclaim the station license and assets under rescission of a 1990 sale. Jacor is also paying \$90K for real estate and equipment owned by Revival II

7/14/97 RBR

Inc., headed by Mark Paye. There is no explanation of the relationship, if any, between John A. Paye, John Paye and Mark Paye. Note: Jacor does not own any other station in the Santa Rosa market, however, this station is on the same frequency, 1150 kHz, as two other Jacor California stations, KIIS-AM Los Angeles and KBAI-AM Morrow Bay.

\$80,000—* WZOS-FM Syracuse (Oswego NY) from Mary E. Leonard, trustee for OSQ Broadcasting Inc. to WOLF Radio Inc. (Craig L. Fox, George W. Kimble). 40-month note. **Duopoly** with WNDR-FM Mexico NY. Buyer also has interest in nearby WOLF-AM Syracuse, WSIV-AM East Syracuse and WVOA-FM De Ruyter.

\$60,000—* WFIC-AM Collinsville VA from Scotts Radio Enterprises Inc. (Lester Williams) to Base Communications Inc. (Edward, Vernon & Virginia Baker), part of the Baker Family Stations/Positive Radio Group. \$10K in cash at closing, \$50K note. **Superduopoly** with WCBX-AM Bassett VA & WODY-AM Fieldale VA (all three contours encompass Martinsville VA). Note: 18 stations in market.

\$56,111—WJSH-AM Terre Haute from Argo Broadcasting Inc. (Ronald Mott) to Crossroads Communications LLC (Michael Petersen, Dan Lacy). Cash. LMA since

March 17. Note: No contour overlap with the buyer's WSDM-AM & FM Brazil IN, which is in the Terre Haute Arbitron market.

\$55,100—* WACJ-FMCP (94.5mHz) Bowman SC from Radio Bowman Inc. (Sam Felkel) to Boswell Broadcasting LLC (Kerby Confer, Donald Alt, Charles Boswell). \$55.1K cash. **Superduopoly** with WIGL-FM Orangeburg SC and WGFG-FM Branchville SC.

\$52,000—KYOO-AM Bolivar MO from KYOO Broadcasting Co. (Melvin & Gretchen Pulley) to KYOO Communications (Stephen & Ann Paris). Assumption of \$52K note. Creates combo with KYOO-FM Halfway MO. Note: Ann Paris is the Pulleys' daughter.

\$47,606—* FM CP (104.3 mHz) Omak WA from John P. Andrist to North Cascades Broadcasting Inc. (56% Russell Brantner, 44% John P. Andrist). \$47,606 cash, which the contract specifies is 56% of expenses to date. **Duopoly** with KOMW-AM & FM Omak WA. Note: Six stations in market.

\$30,000—WGEN-AM Quad Cities (Geneseo IL) from Connoisseur Communications of Quad Cities LP (Jeffrey Warshaw) to Coleman Broadcasting Co. (Roger & Marilyn Coleman). \$30K cash. LMA since June 1. Note: Connoisseur, which is keeping five other stations in this market, purchased WGEN-AM & FM from Coleman last year for \$850K.

\$12,500,000 Senior Term Loan

has been arranged for

Faircom Inc.

Joel M. Fairman, President

funding provided by AT&T Capital Corporation

The undersigned represented the borrower in this transaction and placed the Senior Term Loan with AT&T Capital Corporation.



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TRANSACTION DIGEST

by Jack Messmer & Dave Seyler

The deals listed below were taken from FCC filings made public during the week from Wednesday, July 2 through Tuesday, July 8. 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.

\$30,945,000—* KLUP-AM, KISS-FM & KSMG-FM San Antonio (Terrell Hills-San Antonio-Seguin TX) from KISS Radio of San Antonio Ltd., controlled by Rusk Nevada Corp. (J.H. Jones II), to Cox Radio Inc. (N:CXR, Bob Neil). \$900K escrow, \$30M (less escrow) in cash at closing, \$945K under non-compete. **Superduopoly** with KKYX-AM, KCYY-FM & KCJZ-FM.

\$23,500,000—* KOWL-AM & KRLT-FM Sacramento (S. Lake Tahoe); **KFMF-FM, KPPL-FM & KALF-FM** Chico CA (Chico/Colusa/Red Bluff); **KQMS-AM & KSHA-FM** Redding CA; **KVNA-AM & FM & KZGL-FM** Flagstaff AZ (Flagstaff/Cottonwood); **KAAA-AM & KZZZ-FM** Kingman AZ; **KVOY-AM, KROY-AM, KTPI-FM & KROY-FM** High Desert CA (Mojave-Victorville-Tehachapi-George) from The Park Lane Group (James Levy, pres/CEO et al) to Regent Communications Inc. (Terry S. Jacobs, William Stakelin). \$25K deposit, \$1.175M letter of credit, balance in cash at closing. Existing **superduopoly** in Chico, existing **duopolies** in Flagstaff and High Desert. LMA since June 16. **Broker:** Star Media Group

\$6,550,000—* WRQK-FM Canton OH from Canton SabreCom Inc., a subsidiary of SabreCom (Paul H. Rothfuss) to Connoisseur Communications of Canton L.P., a subsidiary of Connoisseur Communications Partners L.P. (Jeffrey D. Warshaw, pres). \$500K escrow, \$1M consulting/non-compete agreement, balance in cash at closing. Overlaps WSOM/WQXK Salem OH, which are also part of the Youngstown market. **Broker:** Blackburn & Co.

\$6,000,000—* WMYF-AM, WZNN-AM, WERZ-FM & WSRI-FM Portsmouth-Rochester-Dover NH (Exeter-Rochester) from Precision Media Corp. (Donald F. Law Jr., pres) to American Radio Systems License Corp. (Steven B. Dodge et al), a subsidiary of American Radio Systems (N:AFM). \$600K escrow, balance in cash at closing. Existing **duopoly**. Also overlaps

WRKO-AM Boston. LMA since May 27.

\$5,259,000—* KRDU-AM & KJOI-FM Fresno (Dinuba CA), 100% stock sale of Radio Dinuba Co. from The Dyson-Kissner-Moran Corporation and the Other Stockholders of Patterson Broadcasting Inc. (Robert Dyson, James Wesley Jr.) to Capstar Radio Broadcasting Partners Inc., a subsidiary of Capstar Broadcasting Partners Inc. This acquisition by Patterson (RBR 5/19, p. 12) was completed after the company agreed to sell all of its stations to Capstar for \$215M. These additional stations are now being added to that pending deal. **Superduopoly** with KCBL-AM, KBOS-FM & KRZR-FM.

\$4,000,000—* WDGE-FM/WDGF-FM Providence (Wakefield/Middletown) from Bear Broadcasting Co. (Natale L. Urso, Philip J. Urso, Mark T. Urso, M. Linda Urso and Juliet C. Rice) to Citadel Broadcasting Co. (Lawrence R. Wilson, pres). \$117,647 letter of credit, balance in cash at closing. **Superduopoly** with WPRO AM-FM, WWLI-FM, WLKW-AM.

\$3,000,000—* WMMA-FM Cincinnati (Lebanon OH) from McMurray Communications Inc. (Michael A. and Marilyn A. McMurray) to American Radio Systems License Corp. (Steven B. Dodge et al), a subsidiary of American Radio Systems (N:AFM). \$210K escrow, balance in cash at closing. **Superduopoly** with WKRQ-FM/WGRR-FM. Also overlaps to-be-sold WONE/WTUE Dayton. ARS will attempt to upgrade WMMA from Class A to B1, although there is a competing upgrade attempt in progress for WVNU-FM Greenfield OH. **Broker:** Media Venture Partners

\$1,900,000—* WQFN-FM Grand Rapids (Walker MI), 100% stock sale of Patterson Grand Rapids Licensee Corp. from The Dyson-Kissner-Moran Corporation and the Other Stockholders of Patterson Broadcasting Inc. (Robert Dyson, James Wesley Jr.) to Capstar Radio Broadcasting Partners Inc., a subsidiary of Capstar Broadcasting Partners Inc. This acquisition by Patterson (RBR 6/9, p.14) was filed after the company agreed to sell all of its stations to Capstar for \$215M. This additional station is now being added to that pending deal. **Superduopoly** with WRCV-AM, WGRD-FM, WLHT-FM & WQFN-FM.

\$1,800,000—* WEMG-FM Chicago (Crete IL) from Eugene Crane, trustee in bankruptcy for Word of Faith Fellowship Inc. to Dontron Inc., a subsidiary of Crawford Broadcasting Co. (Donald B. Crawford).

continued on page 14