

Radio Business Report™

Voice Of The Radio Broadcasting Industry®

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AMERICAN URBAN RADIO NETWORKS

#1

THE URBAN RADIO LEADER



NEW YORK
655 THIRD AVE. • 24TH FLOOR
NEW YORK, NY 10017
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Logjam breaks at FCC: 32 "red-flagged" deals cleared

Acting on orders from new Chairman **Michael Powell** (R) to clear up its backlog of pending radio transfers, the FCC's Mass Media Bureau last Monday (3/12) approved 32 long-pending transactions. Powell said that was approximately 75% of the applications which had been held up because of "red flagging" to take a closer look at local market revenue consolidation.

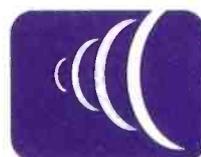


(A market-by-market, station-by-station list of the approved transactions appears on page 7.)

Powell announced the move to break the logjam of deals as he addressed the NAB State Leadership Conference in Washington—and he assured broadcasters that

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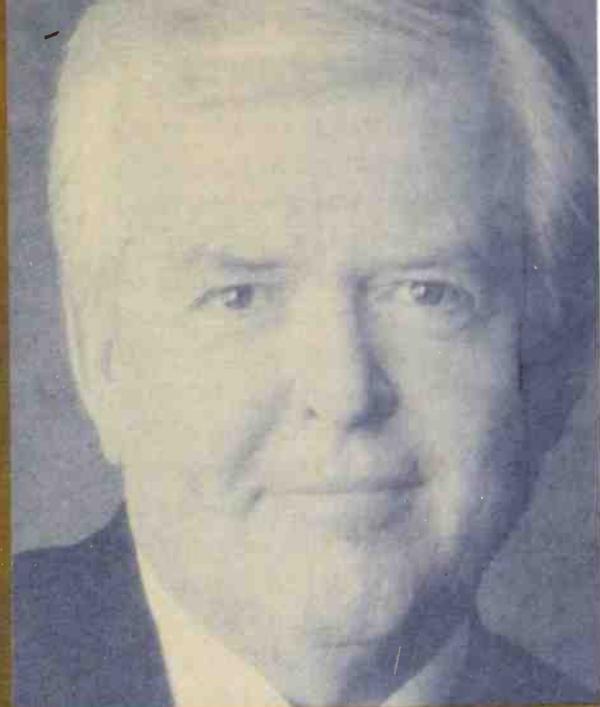
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WMEL/Melbourne: GM John Harper:

"Lou Dobbs has brought instant credibility and high recognition when it comes to the business community...his reports are "tune-in" factors for many business-oriented listeners. Dobbs is the perfect match for any station looking to distance themselves from the competition. I strongly recommend **Lou Dobbs and his daily business reports for a solid one...two... combination with programming and sales.**"

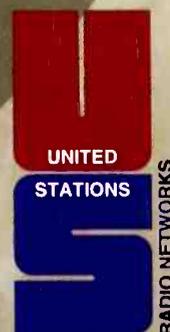
KFIG/Fresno (Sports format): GSM Mike Kerr:

"In the first week that we aired Lou's reports, we sold a package to a large local brokerage firm. We are currently under negotiations with another brokerage firm and feel confident this too will be a successful sale. **It is a great program and well-received equally by our audience and clients.**"

KGU/Honolulu: PD Mike Buck:

"A local company advertised their Japan cruise on Lou's reports and had a great spike in reservations; they **attribute this to the upscale listener.**"

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Radio execs hopeful at Bear Stearns

After the tough comps of the dot-com era end in June, radio companies are expecting better showings against year-ago revenue figures for the rest of 2001. At the Bear Stearns 14th Annual Media, Entertainment & Information Conference in Boca Raton, FL, Radio One (O:ROIA) CEO **Alfred Liggins** noted, however, that just how much improvement the second half will bring is dependent on the health of the nation's economy.

"I'm no economist. I have no idea what the back half of the year is going to look like from a macro perspective—and certainly we're all going to be affected by that," Liggins said. "But hopefully that won't be as bad as some people think that it might be and we'll be on our way out of this."

Speaking on the same panel, Interep (O:IREP) CEO **Ralph Guild** said what the radio industry should be concentrating on is building market share after pushing out of the long-occupied 7% range to claim 8.3% of total US ad spending last year.

"All that says to me is that 8.3% is the new benchmark," Guild said. "We should strive to be at 9% by 2005 and perhaps even 10% by 2010."—JM

Campaign underway for Rowe on FCC

Montana's Senators, **Conrad Burns** (R) and **Max Baucus** (D), have united to push Montana Public Service Commissioner **Bob Rowe** for a Democratic seat on the Federal Communications Commission.

Never mind that there are currently no Democratic seats available. (President **George W. Bush** does have two Republican seats open that he has yet to fill.) Burns and Baucus are betting that Commissioner **Gloria Tristani** will resign in the next few months to seek elective office in New Mexico.

One Democratic seat will definitely become available at the end of this year, when Commissioner **Susan Ness**' appoint-

ment expires. That's expected to go to **Michael Capps**, the former Chief of Staff to Sen. **Ernest Hollings** (D-SC) who's currently a Loyola University professor.

By teaming up from opposing parties, the Montana senators are hoping to lock their guy in for the expected second Democratic vacancy.—JM

Westwood One will soon offer uplink services

Westwood One/CBS is soon joining the club: ABC Satellite Services/Gloecast, NSN Satellite Services (Clear Channel) and NPR Satellite Services provide uplink service to outside syndicators/broadcasters. While Westwood currently offers uplink services exclusively for its own content, that's all about to change. "Well, we've changed our position on that. Essentially, with the changeover of Satcom C5 to the GE-8 satellite, it gives us additional bandwidth and we are planning to actively sell that additional bandwidth," Westwood One VP Engineering **Conrad Trautmann** tells *RBR*.

No clients have yet been announced. Like the other satellite services companies, all programming to outside clients will be delivered via the new StarGuide "store and forward" digital system. (also see p. 9)—CM

Viacom threatens to sue FCC

Pouncing on a recent federal court ruling which struck down the FCC's national ownership cap for cable TV systems, Viacom (N:VIA) has asked the Commission for emergency relief to avoid the looming 5/4 deadline for Viacom to file spin-off deals which will get its O&O TV group under the 35% national TV audience cap.

Viacom set a deadline of last

Pacing: Making the pitch in Peach City

Here's our latest clandestine look at revenue pacing, from a Miller, Kaplan, Arase & Co. report provided to *RBR* by an anonymous source. The market is Atlanta, and while the picture is still cloudy, there are now rays of sunlight discernable.

For example, local business for March less than two weeks into the month is already into positive territory (this statistical reading is as of 3/11), and it is certainly possible to overcome the total revenue debit of -4.4% during the remaining weeks. Atlanta was a target market for the dot-coms, and like everywhere else, that business has dried up. However, we hear that other categories are beginning to pick up, and more advertisers are committing to long-term contracts.

	Local	National	Total
March	+0.3%	-17.4%	-4.4%
April	-19.0%	-31.0%	-21.8%
May	-14.9%	-30.2%	-17.8%

Source: Miller, Kaplan, Arase & Co.

Friday (3/16) for the FCC to grant its request—otherwise, it's heading to federal court. Viacom says it will suffer irreparable harm if it is forced to divest TV stations to get under the 35% cap. It's been at 41% under a temporary waiver since the Viacom-CBS merger last year.

Viacom has joined in a lawsuit that Fox filed in the DC federal court seeking to overturn the 35% TV cap. Briefs in that case are due this week (3/22). Viacom is asking that the FCC (or the court) suspend any divestiture requirement until that case is decided.—JM

Another view on market definitions

The FCC has finally found someone who supports its proposal to change the way local radio markets are defined for applying ownership caps.

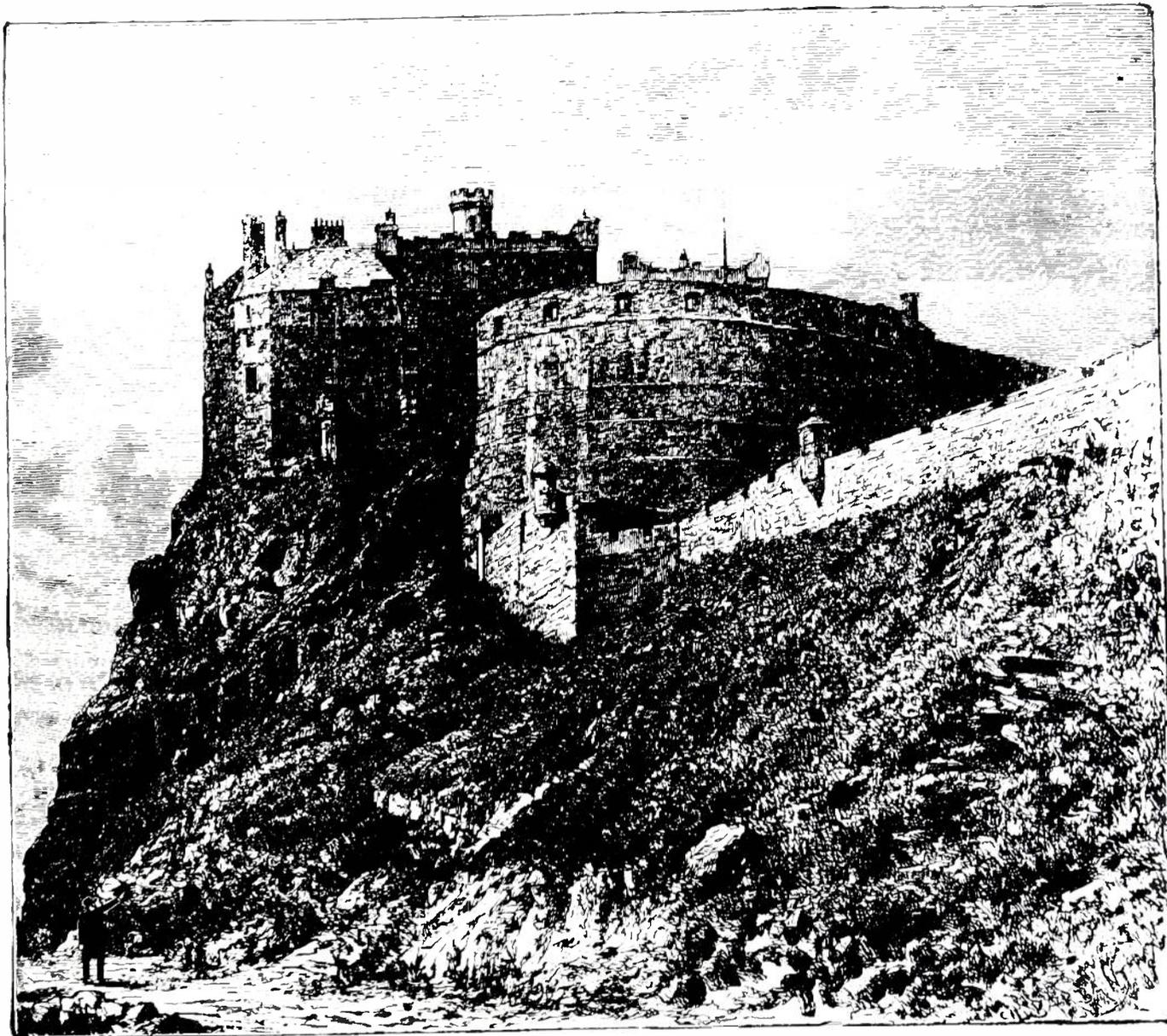
Responding to the unanimous view of first-round commenters that the current contour method should be maintained, **Casey Torgerson**—of the pro-LPFM group Americans for Radio Di-

versity—said Arbitron market definitions might not be the answer, but that some change is needed. "ARD feels the current system allows far too much concentration of ownership in most markets and we support any FCC rule change that results in a more common-sense way to calculate the stations that truly make up a market," Torgerson wrote.—JM

EEO and deregulation pondered

FCC Chairman **Michael Powell** briefly touched upon the ongoing EEO issue at the NAB State Leadership Conference held in Washington on 3/12. "The FCC does not, as far as I'm aware, independently make an assessment of whether it's going to the Supreme Court or not. And many times the Solicitor General will or will not support such an appeal," Powell stated. "For an example: EEO rule, round one, they were not willing to accept an appeal in Supreme Court because they have to protect the interest of the broader government when ques-

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tions like that are presented.”

Speaking at the conference also was Sen. **Ernest Hollings** (D-SC), of the Senate Commerce Committee. “The main problem that you folks have is the fever of what in Washington has been going on now for 15 to 20 years—deregulate, deregulate, deregulate! Now it’s gotten to broadcasting,” Hollings professed. He went on, “And so we got our fingers crossed but that’s the fever—let’s deregulate. Diversity goes out the window. I mean, look at the radio, there’s no local control or no local participation!”—KR

Harris and Computer Concepts sign distribution agreement

Harris Corporation (N:HRS) and digital automation system manufacturer Computer Concepts have signed a distribution agreement. Under the deal, Harris will rep Computer Concepts’ Maestro system and a new digital audio line—a Linux version of Maestro, “Symphony”—to radio and TV broadcasters. Harris’ 50+ offices around the globe will give Computer Concepts a much broader exposure—the company will serve as the exclusive Computer Concepts distributor in all countries except Australia, England and Mexico.

Also part of the deal, Harris is hiring the four salespeople from Computer Concepts to become Harris employees and sell Computer Concepts. “Harris has two digital salespeople who used to sell Enco for them, Computer Concepts has four, so there will be six people selling Computer Concepts with Harris on the order pad,” Computer Concepts/Scott Studios President **Dave Scott** tells *RBR*.—CM

ABC/Radio One deal close?

Sources are saying a deal has been struck with Radio One (O:ROIA) and ABC Radio Networks—we had reported the two were in talks last year (*RBR* 8/14/00, p.2) for a partnership on

some levels. Since then, ABCRN has readied itself for more Urban product with the launch of its “Urban Advantage” net (*RBR* 10/16/00, p. 2) and “Blazin Hits” format (*RBR* 11/27/00, p. 2).

However, both Radio One CFO **Scott Royster** and ABC Radio Networks President **Traug Keller** deny a deal has been struck just yet. “I don’t think that’s quite done yet. I think there’s still some tweaking that needs to be done—I’m skeptical,” Keller tells *RBR*. “I think at some point we’ll have a deal done with those guys, but not right now.”

The two companies are working towards a deal that will include “ad sales and news product—those are the two key areas,” says Keller.—CM

CCU to sell spin sponsorships in 60 markets

The *Los Angeles Times* reports (3/9) Clear Channel (N:CCU) is planning to sell back announcements to labels for \$1,000 a pop, to be run on 60 stations. Programmers decide whether ads will run or not, depending if the song is deemed a “hit.”

Clear Channel Radio CEO **Randy Michaels** tells the *Times* the company is making sure the sponsorships clear all legal hurdles. The overall label plan entails increasing revenue via these backells and by selling proprietary research. Says Michaels in the *Times* article: “We are trying to test the labels’ appetite for real information that comes directly from us, not just guessing by some third-party independent.”

Michaels also admits CCU had dropped possible plans for launching a record promotion division, in lieu of someday striking an exclusive deal with an indie promoter.—CM

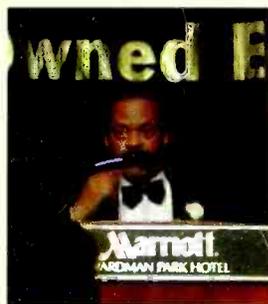
Radio News®

Jesse Jackson included among NABOB honorees



Jackson and Waters

Jesse Jackson was amongst those honored at The National Association of Black Owned Broadcasters’ (NABOB) 17th Annual Communications Awards Dinner held on 3/8 in Washington, DC. After accepting the Mickey Leland Award for Public Service, presented by Rep. **Maxine Waters**, Jackson stressed the dire impact of deregulation on broadcasting. “When [FCC Chairman] **Michael Powell** stated, ‘let the market speak,’ what he’s saying is that we should no longer have applicable EEOC and contract compliances. In 1996, they took the cap off and there’s one company now that owns twelve hundred radio stations,” Jackson exclaimed. “It’s greed, not need. Now they’re taking the cap off of cable. There would not be a BET if the cap had been taken off ten years ago.”



Shaw

Speaking of Black Entertainment Television, BET Founder **Robert L. Johnson** was on hand to present the Pioneer in Entertainment Award to music industry veteran **Clarence Avant**. BET Correspondent and former MSNBC Anchor **Ed Gordon** presented the Pioneer in Broadcasting Award to CNN’s former Principal Anchor, **Bernard Shaw**. Shaw just recently (on 2/28) stepped back from his anchoring duties with the Cable News Network to write his autobiography as well as spend more time with his family.

Other NABOB honorees included Musician/Producer **Wyclef Jean** who was presented with the Entertainer of the Year Award by—much to the audience’s surprise and delight—**Stevie Wonder**. Actor/Director **Charles S. Dutton** received the Oscar Micheaux Excellence in Film Award and Operatic Performer **Jessye Norman** was honored with the Lifetime Achievement Award.

Originally slated to headline the ceremony as the Pioneer in Music Honoree as well as the featured performer, “Queen of Soul” **Aretha Franklin** canceled her attendance due to inclement weather conditions in her hometown, Detroit, MI. NABOB plans to present the award to Franklin sometime in the near future. Soul Singer **Chaka Khan** performed during the dinner in Franklin’s absence.

According to NABOB representatives at Noelle-Elaine Media Inc., the annual Spring and Fall conferences for NABOB will be held this coming May.—KR

Free at last: Powell emancipates stations from ownership limbo

Radio News®

Here is the list of radio stations and CPs which were involved in deals approved 3/12 after being red-flagged by the FCC (see story, p. 1). The earliest was filed on October 28, 1998. The leading buyer is Cumulus with 21 stations, followed by Clear Channel with 17 and perhaps most ridiculously, Aurora, which had eight stations tied up despite the fact that they were already in legal, pre-existent co-owned clusters.

With very few exceptions, all of these stations are in or near Arbitron-rated markets. Most of the markets, however, are on the small side—only one station is in a top 50 market, and only six more are in the top 100. The second chart shows the distribution of stations by market size.

RBR observation: In the main, these were not deals where an established owner was adding yet one more killer signal to its killer cluster; rather, a weaker signal was moved into a cluster with the resources to develop it instead of struggling against the odds to survive on its own. That is no doubt a big reason many of them were flagged in the first place—since the stations didn't have the strength to cover the entire market, and failed to overlap other stations in the cluster, they gave the appearance of illegality to someone just looking at the numbers rather than the engineering reports.

Going through the list, it seemed that a large proportion of these stations were marginal signals with little or no impact on the ratings—just the kind of rimshooters which the 1996 ownership rule changes were intended to save. It is nice that the new FCC is returning to the rule of law.—DS

Red-flagged deals get green light

Market	Station	Buyer	Seller	File date				
Santa Barbara	KBKO	Clear Channel	Spectacular	10-28-98				
Augusta ME	KSPE-FM	Cumulus	Mtn Wireless	2-5-99				
	WSKW							
	WCTB-FM							
Casper	KRVK-FM CP	Clear Channel	New West	7-14-00				
	Casper				KTRS-FM	Clear Channel	Mtn States	7-17-99
Casper	KWYY-FM	Mt. Rushmore	Clear Channel	8-12-99				
	KMLD-FM							
	KMGW-FM							
	Fayetteville NC				WFNC	Cumulus	Cape Fear	10-5-99
	WQSM-FM							
Wilmington NC	WFNC-FM	Cumulus	Cape Fear	10-5-99				
	WRCQ-FM							
	WGNI-FM							
	WMNX-FM							
Harrisonburg VA	WLTK-FM	Verstandig	HJV	12-15-99				
Harrisonburg VA	WBHB-FM	Southern Comm	Gonzalez	3-13-00				
	Beckley WV				WAXS-FM			
Florence SC	WTNJ-FM	Cumulus	Rollins	3-16-00				
	Fayetteville AR				WWFN-FM			
Killeen TX	KDAB-FM	Cumulus	Vinewood	3-17-00				
	Syracuse				KTEM			
Melbourne FL	WVOA-FM	Clear Channel	Cram	4-14-00				
	WAOA				Cumulus	Southern	5-5-00	
Charleston WV	WAOA-FM	WV Radio	Weigle	5-30-00				
	Great Falls MT				WRVZ-FM			
Rockford IL	FM CP	Fisher	Spain	5-30-00				
	St. Cloud				WMKQ-FM			
Fayetteville NC	KXSS	Cumulus	Connoisseur	6-20-00				
	Williamsport PA				KLZZ-FM			
	Charleston SC				WKQB-FM			
	Santa Barbara				WSFT-FM			
	Albany GA				WSSP-FM			
	Montgomery AL				KKSB-FM			
	Greenville NC				KMGQ-FM			
	Newburgh-Mdltwn				WWSG-FM CP			
	Poughkeepsie				WLWI			
	Yakima				WHHY-FM			
Charlotte	WXXF-FM	Clear Channel	Butterfield	10-23-00				
	Utica				WQSL-FM			
Harrisonburg VA	WXQR-FM	Clear Channel	Mercury	11-7-00				
	WALL				Clear Channel	Roser	11-20-00	
Cheyenne	WRRV-FM	Clear Channel	Mid-Atlantic	12-4-00				
	Weed CA				WZAD-FM			
Dutton MT	WEEK	Laramie Mtn	Montgomery	12-8-00				
	Williamsport PA				WVVRT-FM			
Williamsport PA	WVVRT-FM	Four Rivers	Huth	12-11-00				
	WVVRT-FM				Commonwealth	Shelby	12-19-00	
		Clear Channel	D.H.R.B.	1-8-01				

Red-flag deal distribution

Size	Markets	Stations
1-50	1	1
51-100	4	6
101-150	4	12
151-200	8	18
201-250	2	4
251-283	8	19

Merrill Lynch cuts ad spending estimate

Merrill Lynch (N:MER) has cut its estimate of growth in US ad spending this year to 2.5%—down sharply from its previous forecast of 4-4.5%.

“Advertising will grow at a slower pace than nominal GDP in 2001 due to two factors—the absence of dot-com spending in traditional media and the fact that ad expenditures have outpaced nominal GDP for the last eight years, setting the stage for payback time,” the research report said.

The Wall Street giant said it appeared that most companies were—at this point—delaying ad spending, rather than cutting 2001 ad budgets. However, noting the slow start to the year, Merrill Lynch questioned whether the Q1 shortfall might be too much to replace over the remaining nine months.

“We are now expecting total TV revenues (network, stations, & cable) to rise about 1.5%, down from roundly 4% growth previously. Worries about the TV upfront season and expected declines at TV stations were the biggest changes. ML Broadcast analysts are forecasting a 1-5% rise in radio advertising. ML Internet analysts are now expecting a 25% decline in Internet advertising in a marked change from their previous forecast of flat growth.”

RBRobservation: Ouch!—JM

#333 goes global

This one bears watching: ewireless, Inc. has developed one of the niftiest value-added devices for radio advertisers that we've seen in a long time. It's a mobile phone service which links drivers directly to retailers and service providers via their cell phones. Upon hearing an ad on the radio, a

driver simply punches in #333 and is put in contact with the advertiser immediately.

Talk about point of purchase. Not only do advertisers gain access to motorists stranded on the highway, they also receive customer-tracking information in the deal. And for radio, which values traffic jams like no other imaginable industry, the possibilities are intriguing,

to say the least.

The service debuted in Chicago (*RBR* 7/31/99, p. 3) and has since rolled out in an additional 15 markets, including Dallas, Detroit, Houston, Baltimore, Las Vegas, Cincinnati, Columbus and Boston. And that is about to change in a big way.

ewireless has just inked a deal with Cable & Wireless

which will provide the technical platform to expand the service globally. “Cable & Wireless’ expertise and infrastructure will allow us to expand quickly and effectively, providing a truly revolutionary service to both radio advertisers and mobile users,” said ewireless Chairman **Dean Becker**. Chances are it will be coming to your town soon.—DS

Radio AdBiz®



Unwired Radio

by Amy Nizich

I think we can all agree that having market specialists and negotiating with individual stations in local markets is the best and most effective way to buy radio. Radio is truly a local medium and each station in each market has its own “personality.” Knowing the nuances of each market is the job of the market specialist. That said, there are times when unwired radio buying can greatly enhance the buying process for both buyers and clients.

Unwired radio buying was first developed for ease of purchase. As radio rep firms consolidated, and became essentially owned by two companies Interep and Katz, it was decided to offer a group approach to buying radio. This would offer advertisers the following:

- Ease of purchase, only dealing with two contacts instead of ten
- Change the selling focus from one station to selling the market
- Allow for coordinated promotions across stations and markets

Combined with the knowledge of the market specialist this can both speed up the buying process and create a unique opportunity for added value.

When working with Interep and Katz to execute promotions, they provide staff who will work in concert with the agency's promotional people to both coordinate and ensure that stations follow through with their commitments. Promotions can be done with a theme or a single contest across multiple markets allowing a client branding opportunities.

For clients who are targeting multiple markets with very short lead-time or who will need to revise their buys often through the course of a flight, unwired buying could be especially valuable. Radio buyers, by using the unwired reps, are still afforded the time to focus on the market and make the best possible station selections for their clients even when there are great time constraints.

Every client has different needs. It is therefore important for buyers to have as many tools as possible to ensure their clients' campaigns are successful. Unwired radio buying is one more tool we have available.

Amy is EVP/Director of Local Broadcast Negotiations at Initiative Media.

She can be reached at 323-370-8490

Telos and GMV Network launch breakthrough streaming solution

by Carl Marcucci

One of the biggest issues for webcasters/streaming radio stations is striving to reach the largest audience possible. That's hard to do when some listeners use Real Player; some Windows Media Player and others Winamp. Most don't have all three and certainly the majority of webcasters choose not to spend the money and effort streaming in all three (or more!) formats. Well, a breakthrough solution to that problem was recently unveiled out of a partnership between Telos Systems and GMV Network. Eliminating the need for a radio station or webcaster to select a single proprietary format or pay for more than one, the combination of the Telos AudioActive encoder and the GMV Network AudioEdge server is the only equipment needed to stream up to 2,000 concurrent listeners using any player (adding capacity beyond 2,000 concurrent listeners requires an additional

AudioEdge box).

After a month and a half after launch, clients include stations in Korea and Japan, Newradiostar.com, bnetradio.com and The BBC Online. Says GMV Network Director of Sales **Darrell Jones**: "The BBC is absolutely in love with our product—because their Real licenses are coming up! The words out of their mouth were, 'I can still support Real, and not pay their licensing?' They said, 'Prove it to me and I'll buy it.' I proved it to him and had a P.O. in my hand within an hour."

The current model for stations like KPIG-FM Santa Cruz, CA that stream in multiple formats is a bit complicated. GMV/Telos claim they have that solved: "What stations would otherwise need to do is call up Microsoft and get their encoder and server package. They would have to do that very same thing and also pay for licenses for Real Net-

works, and do it again a third time for QuickTime," Jones tells *RBR*. "So, in essence, you are going to grabbing three different systems and you are going to have to have six computers to run it all. Add Shoutcast/Winamp and you would have to have eight machines—four encoders and four servers."

And, of course, the station would have to pay for and maintain each of those separate streams and audio chains. Jones says the Telos-GMV combination is the only offering of this kind in the industry today. "We are the only people doing it. Since that AudioActive box is able to make a raw, untainted MP3 stream, we are able to replicate it and then serve it up to all the players."

Apparently, all the stations need to have the package—which includes the Telos box and AudioEdge box—up and running is an ISP connection.

Says Jones: "You don't need to know anything about computers to hook this up. Our typical time from out of the box to actually having it working is 20 minutes—it's all done with graphical user interfaces. When you turn on the box, you don't have to type in computer lingo, either. If you want to set it up, you press "S" and Enter. Our package is \$3K for hardware and software and the Telos encoder is \$2,800. So for a grand total of \$5,800, you have a complete solution. It's not on your encoder and its not on the clients', so by not feeding a Real server no Real licenses need to be paid."

Telos/GMV has also recently partnered with Measurecast. By the end of April, "We will be offering a free weekly email to our clients giving information about the different demographics," says Jones.

The AudioEdge product site: <http://audioedge.gmvnetwork.com>.

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EAST COAST OFFICES
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Satellite delivery: new technologies, new services

by Carl Marcucci

Most, if not all syndicated radio programming—especially that which is live—is delivered via satellite. From that universe, the major service providers here in the US are ABC Satellite Services, Westwood One/CBS, NPR Satellite Services and Clear Channel's NSN Network Services. ABC, NPR and NSN provide service to outside syndicators and broadcasters, as well as in-house clients. It's an odd relationship—on one level the parent companies compete with these other syndicators, and on another level they're considered cherished clients. For example, ABC/GlobeCast delivers for WOR Radio Network, Salem Radio Network, **Dave Ramsey**, **Mike Gallagher**, Business Talk Radio, Talk America, PGA Tour Radio, America One (Dr. **Toni Grant**), Performance Racing Network, Radio America, Talk Radio Network, Baltimore Orioles, New York Yankees and others.

"ABC Satellite Services offers a variety of products and services that comprise a complete network solution. We have the most experienced engineering staff in the industry which ensures reliable, effortless transmission enabling our customers to concentrate on making their programs a success," says ABC Satellite Services Account Manager **CK Bower**. "We offer three types of channels tailored to fit our customers' needs: joint stereo, 20 kHz and 10.2 kHz dual channel mono. ABC has gateways to our New York technical operating center from Dallas, LA and Washington, DC. Additionally, we provide value-added services such as record and playback, as well as Talk radio-ready studios in New York, LA and Washington, D.C."

"To the extent that we have excess capacity, we make that available to others outside the public radio community to help make services work for others as well. There are about 250 other national distributors who use our system.

They range from NPR (the largest of the bunch) Public Radio International, The WFMT Fine Arts Network; The Metropolitan Opera, High Plains Public Radio, Florida State's WFSU-FM, WNYC-FM NY and KQED-FM SF; a Minnesota radio reading service, all the way down to independent distributors who may do only one or two programs a year," says **Pete Loewenstein**, VP Distribution, NPR Satellite Services. "The stations that are connected to the other end of our pipe are public radio located in communities from major markets to small outposts in the far end of Alaska."

NSN is the granddaddy—the country's largest satellite services provider. Via its SuperCarrier distribution service, NSN uplinks hundreds of programs a day including that from Premiere Radio Networks, Comedy World, Talk Radio Network, Equity Radio Network, Fisher Entertainment, The Georgia News Network, Sheridan Broadcasting,



Gimourginas and Loewenstein

Performance Racing Network, **Kim Komando**, **Jason Jarvis** and a bevy of college and professional sports teams. "What we do, in a nutshell, is provide audio distribution for radio networks across the US. We have a large infrastructure with Clear Channel and have access to almost 5,000 radio stations," says NSN Manager of Business Development **Sean Tietjen**.

While Westwood/CBS currently offers uplink services exclusively for its own content, that's all about to change. "Well, we've changed our position on that. Essentially, with the changeover of Satcom C5 to the GE-8 satellite,

it gives us additional bandwidth and we are planning to actively sell that additional bandwidth," Westwood One VP Engineering **Conrad Trautmann** tells *RBR*.

No clients have yet been named.

SEDAT and StarGuide

GE-8: a new satellite leveraging a new technology. Earlier this month, most commercial broadcasters began receiving programming on GE-8, which found a spot in the sky just about where previous industry workhorse Satcom C5 orbited (C5 received a command to drop out of orbit). In addition, newer equipment already in use by many, is soon "officially" replacing Scientific Atlanta's DATS/SEDAT gear that has served commercial radio since '81. Most of the industry is converting to StarGuide III receivers which allow multiple audio and data services to be received simultaneously by an affiliate (*RBR* 6/7/99, p.2). "The new StarGuide system is cheaper, more reliable and has better audio quality," Tietjen tells *RBR*.

Some of the system's other perks include localized spot delivery, localized voice-tracked opens and closes, last-minute delivery and program changes. However, as we pointed out (*RBR* 7/10/00, p.2), the StarGuide "store and forward" addressable system does make it harder for affiliates to switch transponders—or channels—than with SEDAT to check out or switch to other programming. To do so now, stations must get permission from the service providers and will likely need another receiver unit equipped with the right receiver cards.

"ABC Satellite Services is planning to equip all of its affiliates with StarGuide III receivers by 5/21/01—services on GE-8 transponder 23 will end for our own programming by the end of May. ABC/GlobeCast DATS and SEDAT services on GE-8 transponder 19 and transponder 15 will end 6/30/01," confirms

ABC Senior Director of Engineering **Greg Monti**. "Syndicators and networks who have contracts



Monti

for service beyond that date will continue to be supported by ABC until they convert to new technology or until 7/31/01." ABC and GlobeCast's joint venture ends this Summer, Monti adds.

Most of the the public radio and state network programming, however, is delivered on Galaxy 4R and will not be subject to the changes commercial radio is encountering. "In the public radio world, we're using the Comstream ABR-700 box, which is an older piece of technology—it's digital, and allows for data. We are in the process of working with the public radio community to look at what their needs are for the future so that we can look forward to a new system over the next few years," says **George Gimourginas**, NPR's Director of Business Activities.

"As we look towards the future, we're looking at making the system robust and technically competent to deal with the sort of new types of requirements that are evolving out in the public radio system, along with the rest of the world. We are primarily a C-Band system with three transponders on Galaxy 4R and we have some Ku band capacity on Galaxy 11. These are primarily for use in serving our public radio mission," adds Loewenstein.

NPR Satellite Services began in 1979—the first national system to use satellites to distribute programming to radio stations. "And over the years, the use of satellites has become very common. But a lot of the original work was done at a time when there really was no other use of satellites for radio. We started as a service that used analog technology, and migrated to digital in the early 90s," said Loewenstein.



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Inner City gets Quetzal investment

Look for Inner City Broadcasting to move into an acquisition mode. The pioneering African-American-owned radio company has gotten a \$55M equity investment from First Union Capital Partners and Quetzal/JPMorgan Partners, the private investment fund established by Chase Capital (now part of J.P. Morgan) and major broadcasters to fund minority-controlled media investments.

As part of the deal, which included a refinancing as well as the equity investment, Quetzal/JPMorgan Partners and First Union Capital Partners will each have one seat on Inner City's nine-member board of directors. New York-based Inner City—launched by **Percy Sutton** in 1971 and now headed by his son, **Pierre**—currently owns 17 radio stations in seven markets.

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"Cumulus' expense base is now beginning to align more closely with that of our peers," said CEO **Lew Dickey Jr.** "This fiscal discipline will serve us well as we navigate a particularly difficult advertising environment."

For all of 2000, Cumulus posted a 25.5% gain in net revenues to \$225.9M as BCF (including a \$20.2M bad debt write-off in Q3) fell 25.9% to \$34.6M. After-tax cash flow per share was -84 cents, compared to -50 cents a year earlier. On a same station basis, revenues gained 1.7% and BCF rose 7.8%.

Interop doubled ATCF in 2000

So much has changed at Interop (O:IREP), that the company's Q4 and full year 2000 has lots of comparisons showing the difference between actual, core and pro-forma results. One clear positive, though, is after-tax cash flow per share, which doubled to \$1.60 for 2000 from 81 cents in 1999.

For Q4, Interop's radio commission revenues decreased 6% to \$26.2M. On a pro-forma basis, excluding year-ago revenues from Clear Channel (N:CCU) stations, revenues were up 2%. Core EBITDA (excluding contract terminations revenues, Internet business and an option re-pricing) rose 6% to \$9.1M.

About that option re-pricing: Interop took a non-cash charge of \$535M in Q4 to change the exercise price of options that many employees received at the time of the company's IPO. Instead of a strike price of \$8.56 (the stock lately has been around \$6), the exercise price is now \$2.81.

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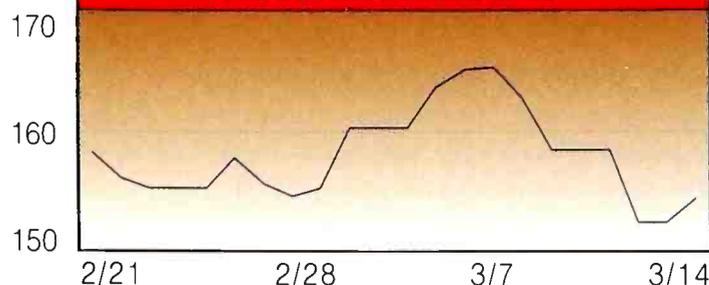
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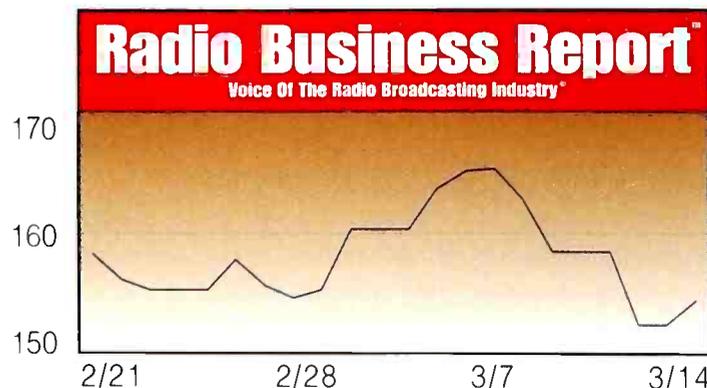
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Transaction Digest®

by Dave Seyler & Jack Messmer

The deals listed below were taken from recent FCC filings.

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

\$35,500,000 KPAY-AM, KMXI-FM & KHSL-FM Chico CA (Chico-Paradise CA), **KPNW-AM, KODZ-FM & KDUK-FM** Eugene OR (Eugene-Florence OR) and **KCSJ-AM, KGHF-AM, KCCY-FM & KDZA-FM** Pueblo CO from McCoy Broadcasting Co. (Craig McCoy) to Clear Channel Broadcasting Licenses (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). \$1.775M escrow, balance in cash at closing. Existing **duopolies**. Broker: Jorgenson Broadcast Brokerage

\$6,700,000 WABD-AM, WDXN-AM, WCWQ-FM, WVVR-FM & WTNK-FM Fort Campbell-Hopkinsville KY-Clarksville TN from Southern Broadcasting Corp. (Thomas Cassetty) to Saga Communications of Tuckessee LLC (Ed Christian), a subsidiary of Saga Communications (A:SGA). \$335K escrow, balance in cash at closing. Existing **superduopoly**. Broker: Serafin Bros.

\$4,200,000 KKYD-AM Denver from CRN Licenses LLC (John Bitting, Pres.) to Public Broadcasting of Colorado Inc. (Max Wycisk, Pres.). Creates combo with KCFR-FM. \$210K escrow, balance in cash at closing. Broker: Media Services Group

\$4,100,000 KXPC-FM Lebanon OR from Spotlight Media Corp. Inc. (Michael Gelfand) to Portland Broadcasting LLC (Bruce Buzil, Chris Devine, Andrew Barrett). \$200K escrow, balance in cash at closing.

\$900,000 KMBV-FM Navasota TX from Nicol Broadcasting Ltd. (L. Tom Nicol) to Fort Bend Broadcasting Company (Roy Henderson). \$25K escrow, balance in cash at closing.

\$525,000 WPFL-FM Pensacola FL (Century FL) from Dayton Communications of Pensacola Inc. (Daniel Dayton) to Tri-County Broadcasting Inc. (Larry & Earnest White). \$25K escrow, \$125K (less escrow) in cash at closing, \$350K note, \$50K advertising credit. LMA in place.

\$455,000 KGTO-AM Tulsa OK from CXR Holdings (Bob Neil), a subsidiary of Cox Radio Inc. (N:CXR), to KJMM Inc., a subsidiary of Perry Broadcasting Co. (Russell Perry). \$45.5K escrow, balance in cash at closing. Combo with KJMM-FM. LMA since 2/1. Broker: Media Venture Partners

\$300,000 WMCJ-AM Charleston SC (Moncks Corner SC) from Berkeley Broadcasting Corp. (Clary Butler) to Kirkman Broadcasting Inc. (Guilford Kirkman Jr.). \$15K escrow, \$150K (less escrow) in cash at closing, \$150K under non-compete agreement.

\$225,000 KJZZ-AM Kingsley MI from Radio One of Detroit Inc. (Alfred Liggins), a subsidiary of Radio One (O:ROIA), to Fort Bend Broadcasting Company (Roy Henderson). \$25K escrow, balance in cash at closing.

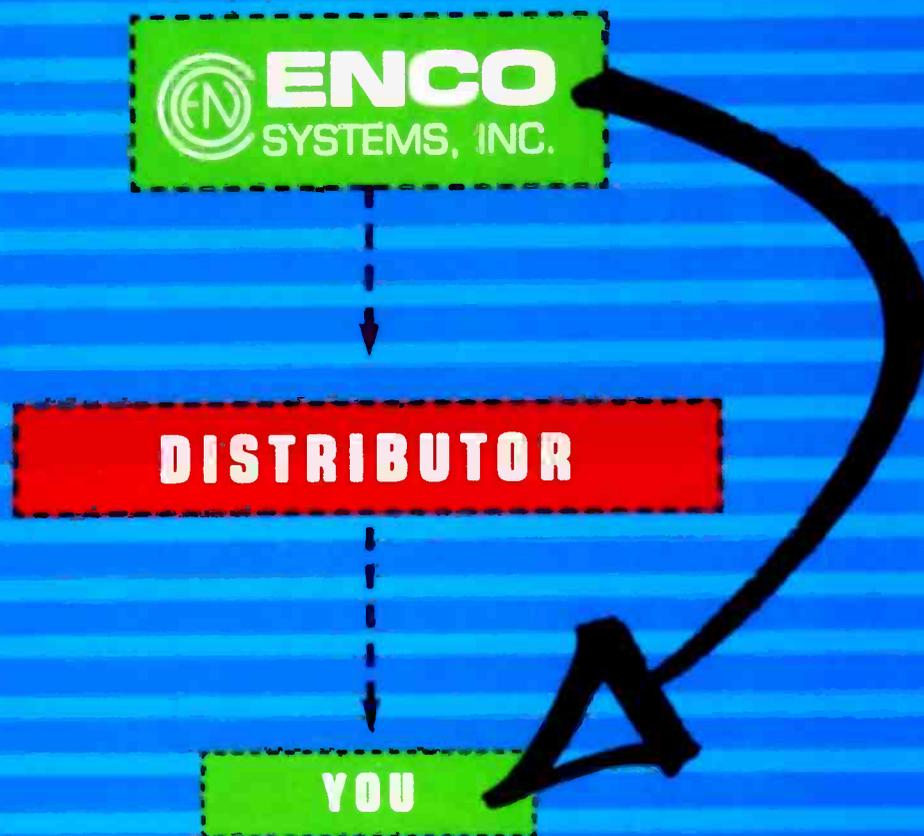
\$151,000 WLNR-AM Kinston NC from Conner Media Corp. (Ronald Benfield) to Pioneer Broadcasting Inc. (Todd Bartley). \$5K downpayment, balance in cash (less LMA fees) at closing. LMA since 6/1/00. Broker: BuySellRadio Online

\$50,000 WHYQ-FM New Johnsonville TN from Tennessee Educational Information Inc. (William Lacy) to WAY-FM Media Group Inc. (Robert & Felice Augsburg, Robby Newton, Eric Rhoads, John Scaggs, Glen Schaffer, Darlene Brock). \$10K escrow, balance in cash at closing.

\$20,500 WKRO-AM Cairo IL from Charles E. Bonefield, Receiver for the Alexander County Board of Commissioners, to Alexander Broadcasting Corp. (Eugene Stratemeyer). \$20,500 was the winning bid at a public receiver's auction.

\$5,000 KBVR-AM Soda Springs ID from Douglas R. Mathis to Caribou Broadcasters Inc. (Thomas & Joyce Mathis). \$5K cash. Note: The buyers are the parents of the seller. Douglas Mathis will continue to own KFIS-FM Soda Springs ID.

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Scott Studios Delivers Radio's Only Self-Healing Redundant Digital System

Major stations in major markets choose Scott Studios' *Invincible*. It's a *mirrored* pair of top-of-the-line SS32 digital audio systems, plus Scott's *exclusive* diagnostic watchdog that double-checks everything several times every second by fast USB. At any *hint* of trouble, the backup automatically starts playing where the problem unit left off! *Invincible* switches so fast that most listeners hardly hear a glitch. In fact, one touchscreen controls both systems seamlessly so some announcers don't notice a switch.

Hands-free redundancy is one of many reasons why major stations in New York, Chicago, Los Angeles, Houston, Dallas, Philadelphia, San Francisco, DC, San Antonio, Phoenix and Toronto installed Scott Studios' SS32 recently. 3,500 stations in the U.S. have Scott systems and those of our sister company, Computer Concepts Corp. More stations use our systems than the second and third largest digital vendors combined! Our customers benefit from the biggest and best service and support staff in radio's digital audio industry, with 105 people at your service.

Scott's *Invincible* SS32 is the most robust digital system of all! SS32 delivers more streams of perfect uncompressed and MPEG audio than any other system. You get industrial rack computers, the fastest CPUs, mega-memory, hot swap redundant power supplies, ultra-fast RAID mirrored hard drives, extra cooling, NT networking, two premium four-output stereo audio cards per system, the best flat panel touchscreens and up to a 5-year exchange warranty! Nothing else gives so much peace of mind as Scott's *Invincible*.

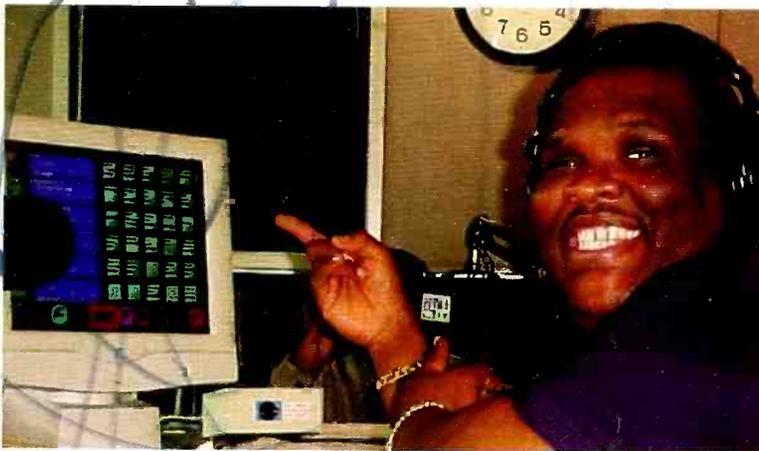
Scott Studios SS32's user-friendly intuitive touchscreen is the simplest for announcers to use and gives all the features that creative major market air talent demands.

(972) 620-2211 FAX: (972) 620-8811
1-888-GET-SCOTT

For example, SS32 delivers:

- 30 sets of 30 hot keys for instant play of jingles and effects.
- Cart walls that play song requests within 1 to 3 seconds.
- Display of last play and next scheduled play dates/times.
- Ripper puts CD music on hard disk digitally in 18 to 28 seconds!
- Easy voice tracking in context in air or production studios.
- Fast "no-dub" production uploads from Sound Forge.
- Phone recorder with audible scrub and waveform editing.
- SS Enterprise supervises 24 stations over the Internet!

For details about SS32 *Invincible*, go to ss32.com or call toll-free at 1-888-GET-SCOTT.



Shown above is the top-rated "Big Boy" morning drive personality pointing to the SS32 touchscreen at KPWR, Power 106 FM in Los Angeles. For details, visit ss32.com or call 1 888 GET SCOTT.

Scott Studios Corp.
13375 Stemmons Freeway, Suite 400
Dallas, Texas 75234 USA
Internet: scottstudios.com