RBR TVBR

Radio & Television Business Report

February 2005

Voice of the Broadcasting Industry

Volume 22, Issue 2

PRSRT STD
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CLEARCHANNEL

Less is More, or is it?

After seeing the impact of the first few weeks of Clear Channel's Less is More (LIM) initiative to cut clutter and (hopefully) boost ad rates, some Wall Street analysts were warning clients that the move is going to be a drag on radio revenue numbers for several months—and not just at Clear Channel.

The first hurdle that Clear Channel is facing, according to Bear Stearns analyst **Victor Miller**, is to convince major national advertisers to move from traditional :60 spots to :30s, which is a key component of LIM. "National agencies are upset that they were not a part of the process of developing LIM and that they had no 'heads-up'," he wrote in a note to clients. "National agencies suggest that Clear Channel did not develop any research that proves that the adoption of a :30 spot is good for advertisers."

In the 1/5 research note, the Bear Stearns analyst said it appeared that Clear Channel had already sold out its :60 inventory for both January and February in some markets, but might have to discount prices to move its :30 inventory. That, he suggested, could benefit rivals, such as Radio One, Emmis, Infinity, Cox, Entercom, Citadel and Cumulus.

Also early last month, Wachovia Securities analyst **Jim Boyle** cut his 2005 estimates across the radio group—blaming LIM. "We now believe that the revenue disruption caused by this initiative should last deeper into Q2 and even Q3," he said. According to his analysis, some groups added inventory in the latter part of 2004, making it even tougher to cut now. "It's as though some groups decided to have a few last hot fudge sundaes before the industry diet begins," Boyle said.

RBR observation: "This report from Bear Stearns is devastating," one Clear Channel executive told RBR. But, in fact, the company's stock weathered the worried comments from Wall Street fairly well. Perhaps radio stocks are so beaten up that they can't go down much more. We would note that even though they're worried about the near-term impact, both Miller and Boyle have been consistent in saying that LIM is going to be good for Clear Channel and the rest of radio long-term. The industry has to rein in its glut of spots (and promotions that, to listeners, are the same as spots) and create some upward pressure on rates. But that's not going to happen without some painful reconfiguring. No pain, no gain.

Lots of work needs done here by CCU's upper brass. They know what to do to fix this problem but the no action steps are killing them.

Alicia Keys boosts radio's competitors as campaign misses the mark

Hip-hop singer **Alicia Keys** is one of the artists featured in the new spots distributed by NAB and some major radio groups to promote terrestrial radio ("Radio: You hear it here first."), but you'd never know it from her comments in the cover story for the February issue of Lucky magazine. Instead, she's singing the praises of XM Satellite Radio and Apple's iTunes—two new competitors for radio's listeners.

In the "How I'm wired..." feature, there's no mention of Keys owning or listening to any AM or FM radio, but she has plenty of tech gadgets. "I have an XM Satellite Radio in my car. I love the variety of music, from jazz to hip-hop—even 'The Smurfs'," she told the magazine. That comment, since Lucky is about shopping, is adjacent to a shot of a portable XM receiver, available at Circuit City for 350 bucks.

"I'm addicted to iTunes. I buy one song and then another and the next thing I know, I've spent a couple of hundred dollars," Keys is quoted as saying. She carries those tunes with her on an ultralight Apple Powerbook G4, available at apple.com for 1,999.

The article also talks about her Blackberry, cell phone and other devices. But, as we noted, there is no radio receiver—including HD Radio—to be found.

RBR observation: Are broadcasters flushing 28 million bucks of airtime down the toilet to run these spots? Where's the value proposition? Terrestrial radio's value proposition is obvious. It's even better than Wal-Mart's "Always Low Prices." Radio is FREE! It costs the consumer nothing, nada, zippo, the big goose egg. What could be better than that? But there's nothing in the new PR campaign to tell the public why terrestrial radio is such a great deal.

In truth, the new campaign is not so much for consumers anyway, but to assure Wall Street and Madison Avenue that radio is doing something to combat the "threat" of satellite radio. But regardless of whether satellite radio actually survives and becomes a real challenger, terrestrial radio has plenty of problems that it needs to address. A new PR campaign, even one that gives people a reason to listen to radio, won't solve those structural, management and creative problems.

Keep up to date on these issues and more, as they unfold, on a daily basis in RBR's Daily Epaper. To sign up, go to **www.rbr.com**

Nexstar stands tough against cable MSOs

So far, no one has blinked in the standoff between **Perry Sook**'s Nexstar Broadcasting and cable systems owned by Cox Communications and the Washington Post Company's Cable One, which pulled Nexstar stations on New Year's Day rather than pay for retransmission consent. The battle is now starting to get national media attention.

There's no doubt that local broadcasters carrying the major TV networks are the most-watched channels on cable TV. It's only been in the past dozen years of so that the broadcasters have questioned why all of the other content providers for cable are being paid by the MSOs, but not the "free TV" channels that have been on cable since the days when people only needed cable in areas where over-the-air reception was poor. It's not surprising that the cable guys don't want to pay for something that they've always gotten for free, so this is going to be a brutal fight. The big multi-media companies have been able to do swap deals, so no actual cash changes hands (you get retransmission consent if you add my new cable network), but the stand-alone TV groups have nothing else to swap for, so they want cash.

Sook tells TVBR that his stations may never return to the cable systems in question. He insists that ad revenue losses so far in the four markets have been "fairly inconsequential"—about a third of what the company had expected. "There have been some cancellations, but in a company that does a quarter billion dollars in ad revenues, it has been merely a six-figure number," Sook said. "When you compare that to what is at stake, which would be getting paid from every wired home in our universe, obviously the fight is worth fighting." He claims that in the first 15 days of the standoff, the cable companies have lost more in subscriber cancellations than the TV stations have lost in ad revenues. If Nexstar were to get 25-30 cents per month per home from all of the wired cable systems carrying its stations, Sook said it would increase EBITDA by about 25%, or more than $20M.

Cable One claims that the payments Nexstar is demanding would amount to $1.3 million over four years for the two Joplin and Texarkana stations. The cable MSO says it can't pay Nexstar because it is trying to avoid increasing rates to subscribers this year. Nexstar's response to that is that the cable company has been raising rates faster than the rate of inflation for two decades.

An unauthenticated look at Rathergate

At this writing, CBS just finished rolling a few heads in its news department in connection with the infamous Rathergate incident involving the use of allegedly forged documents in a story about the National Guard duty of President **George W. Bush**. Lame duck **Dan Rather** was spared the guillotine, but four others weren't so lucky. What CBS is doing in the aftermath may be instructive for all in the news business. It is essentially overlaying its news operation with a series of checks and balances, and putting a

senior executive—SVP Standards and Special Projects **Linda Mason**—in charge of them. We are not suggesting that everybody move ahead in lockstep with CBS, but we are suggesting that everybody who hasn't done so lately take a step back and look at their own system of checks and balances, and avoid becoming the next organization to get a "....gate" label of their own.

Zinio users can read the entire 234-page report here.
and you can read the entire Moonves statement here.

Regulatory uncertainty—it's what's for dinner

The Supreme Court is mulling over whether dissenting farmers have to fork over dough for generic product commercials. It's a story of some minor interest to broadcasters. What's of more interest, particularly to broadcasters on the television side, is the mulling going on at the Solicitor General's office over at DOJ. They are pondering whether or not to lodge an appeal of the Third Circuit Court's semi-diss of the FCC's 6/2/03 media ownership rulemaking.

The bonds of ownership regulation were significantly relaxed for the radio side back in 1996, and ever since television operators have been waiting for their turn. The FCC tried to provide it back on that hot summer day a year and a half ago, to no avail as yet.

The new rules would make it much easier to form pairs, and even allows for three-station combinations in the very largest markets. Another important regulatory change currently in limbo is the loosening of restrictions on print/broadcast combinations. This is key, since a number of such combos are in existence under waivers which are set to expire.

The Third Circuit said that it doesn't have a problem with either concept, but expressed the opinion that the FCC's cap numbers are poorly justified. And it's true that the Diversity Index the Commission devised as an underpinning has elements which are easily ridiculed.

So the question is this: Is it better for the FCC to just go ahead and rework the numbers, or the justification of the numbers, or a little of both, or should it go to court.

If it does ask the Supreme Court for a review, and the Court agrees to hear it, it is expected that arguments would not be made until the fall and a ruling would not be forthcoming until sometime in 2006. And the ruling could well be to do as the Third Circuit ordered.

What do we think will happen? Well, you can't go too far wrong in Washington if you always bet on the course of action that likely will cause the most delay. And if it causes **Tom Delay**, you may consider yourself redistricted.

Keep up to date on these issues and more, as they unfold, on a daily basis in TVBR's Daily Epaper. To sign up, go to **www.tvbr.tv**

GM TALKBACK

By Carl Marcucci / cmarcucci@rbr.com

How has LPM changed ratings and selling in your market?

Paul LaCamera,
Hearst-Argyle's
WCVB-TV Boston (ABC)

We were the pilot market for LPM, and it was a rough beginning here. But it will be three years as of this coming April, and I think the strongest message that comes out of this experience is that they did improvise a much more rational way to run a television station and its news department. And what I mean by that is it takes away the sweeps mentality that has dictated the operations of major market television stations for so many years. So what they do is provide not only ratings but demographics virtually every day of the year. Which means that you have to seek and achieve your best work every day, and not just in the artificial months of February, May, July and November.

What used to happen in the past is that after the May book, we'd virtually shut the lights off. And that was not in ultimate service to our viewers, nor to our advertisers. Now, as I said, you have to be on your game every single day. It's a much more rational way to run a television station.

From the sales perspective, what has happened is there's a realignment in viewership, and the way Nielsen is describing it right now is there has been some dispersion of viewers to smaller over-the-air and smaller cable entities. So it's not as if there's been a major shift from a WCVB to HBO or to Lifetime in the Boston market. The beneficiaries, according to Nielsen in a recent presentation they made here in Boston, has been to smaller stations and smaller cable nets. But what that has resulted in is some decline in overall numbers available in the marketplace, including primetime. And in turn, what that's created is an increase in the CPP for advertisers. And they have not balked at that at all. They have accepted that. And if I can give you broad numbers, the CPP for primetime in the Boston market may have been $1,000. Now it's $1,400. No balking on the local side either. They've just accepted it. They need to continue to reach the same number of people. We're delivering the same number of people as we did pre-LPMs, you're just getting a report card that's giving you a different overall number. But the advertisers have been very understanding and supportive and have not looked for any corresponding decrease in rates.

Bob Anderson,
Granite Broadcasting's
KBWB-TV San Francisco (WB)

I don't think it has changed anything that dramatically yet—it's really too early to tell. The only effect, potentially, is on posting. We would normally post with some accounts once a year, maybe twice a year. And I think the agencies may require posting more often—immediately in some cases. So there is maybe going to be a little more accountability. For us, it's not a big deal—we always posted. Some stations don't post. And so it's going to be more work.

For ratings, we don't have the demo information for November yet; October is always kind of an anomaly because of the amount of baseball and other kinds of special programming. There were a number of presidential debates this year. So until we get November, we really can't do a real strong analysis on that. But what we can see generally is the same thing that's been the case in the other markets who have put in the LPM so far, and that is there is a drop in the ratings in the demos—particularly in this market in the newscasts. It's not affecting us, but it's certainly affecting the other stations. There are a number of things that can affect it—it's a different sample for starters. But what is truly affecting news in particular, I don't know.

It has certainly shown the strength that we have in young demos—it has confirmed that is where our strength is. The WB's target demo is 12-34. We're very strong in the younger demos—that has proven true with us.

LPM has got to be a better system. The old way was pretty inaccurate. So I think this is an improvement. Is it perfect? No, not at all.

Bob Gilbert,
Paxson Communications'
WBPX-TV Boston (PAX)

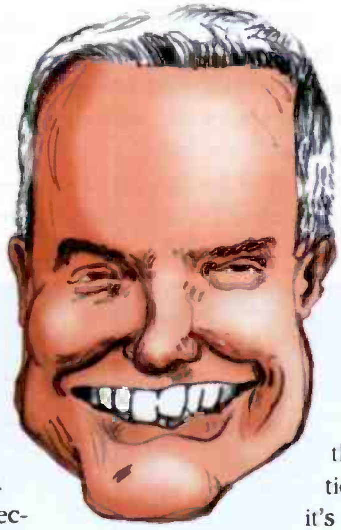
It hasn't changed selling as much as it's a lot more work for the buyers. I just went to a meeting where Nielsen is going to, after a few days, change the overnights on recorded viewing so that the buyers are eventually going to get three overnights per market per day. And if they handle 20 markets, then you can see how voluminous that would be. So the buyers are really getting bombarded with information and that makes their job tougher.

We're currently getting overnights every day for every market, at least the metered markets. They're waiting five days to say, "Well, with the recorded viewing, people watch this like five days later, so we're changing what the number is that special or show did." So every day, they're going to get the preliminary overnight, then a final overnight, and then a changed overnight from five days ago. They've announced this, but they're setting up right now to do it. It's a result of TiVos and time-shifted things. Somebody could be in the record mode, even if they are a second delay because they had a replay of something. So it makes things kind of confusing. So it's making the job of buying a lot harder.

FEATURE

By Jack Messmer / jmessmer@rbr.com

Bye, bye diaries! But which meter will replace them?



With advertisers and ad agencies demanding more accountability from broadcasters, the major ratings firms for both television and radio are moving to implement electronic audience measurement to replace paper diaries. Nielsen Media Research is already deploying its Local People Meters in the nation's largest markets. But those LPM meters still require human input—and they're tied to the top of a TV set. The next generation of audience ratings data is passive electronic measurement, such as the Portable People Meter that Arbitron has already tested in Philadelphia and is now deploying for a second test in Houston. But, like so many advancements, there is a cost factor, so there's debate over whether the new technologies are worth what they cost to the people who must pay for them—broadcasters.

LPMs were first rolled out in 2002 in Boston. After working for over a year to convince virtually all of the stations in the market—and their corporate parents—that the new service was worth the increased cost, Nielsen officials were surprised to encounter a new objection when the second market, New York, got LPMs in June 2004. Ratings for several programs aimed at black and Hispanic viewers tended to be lower under LPM. That was exacerbated by initial sample problems, which seemed to be concentrated in minority demos. That led to the unlikely scenario of News Corporation, whose WWOR-TV (Ch. 9, UPN) was particularly hard-hit, not-so-secretly funding a PR effort by some civil rights activists urging minorities to boycott LPM participation. Then Univision went to court to try to block LPM implementation in Los Angeles. That effort didn't succeed and the Spanish TV giant eventually dropped its lawsuit. As the issue goes to press, Univision is still negotiating with Nielsen on an LPM contract.

But despite its complaints about LPM, News Corporation had already contracted for the ratings service. It and most other major broadcasters are now using LPM data daily in Boston, New York, LA, Chicago and San Francisco. The roll-out continues this year in Philadelphia, Washington, DC, Detroit and Dallas-Ft. Worth, with Atlanta completing the top-10 market deployment in early 2006.

What then? "I think it depends on what happens after that," **Susan Whiting**, President & CEO, Nielsen Media Research, told RBR/TVBR. "We obviously have a large number of metered markets and we continue to look at ways to measure television electronically, because with all of the challenges of channel fragmentation and digital television and primetime shifting we're working at all kinds of alternatives beyond those top ten markets and that's why we have research going on with Arbitron, the PPM. That's why we look at improvements on our diaries. That's why we're looking at other kinds of technology, because I think that we need to find different technologies to offer in other markets. Improving the way we collect demographic information going forward. It's just that right now, it's a significant undertaking to bring people meters to these ten markets and to work with our clients on that. We have had clients ask us if we would consider going beyond the top ten for people meters. We know agencies are interested, but we haven't made any plans to do that right now."

In her view, despite the PR battle over minority ratings, LPMs are being well received. "On the buying side, I think it's generally been very positive because they're getting the information they need to be able to actually manage the schedule on a daily, weekly and monthly basis and they obviously don't have sweep periods anymore in these specific markets. They're very supportive, there's a lot more information for agencies to evaluate and use and they're using it. On the station and cable side and advertiser's side I think in general it's been positive. They're all using the information to sell their ads. They're all doing proposals, they send their information and I know it has been embraced in many cases. Of course the business is such that on any given day I can promise you somebody's ratings drop, so we always have questions—but that's not anything unique to people meter," Whiting said.

LPM is now the TV ratings currency in five markets and broadcasters are adapting to the new reality. "I'm still skeptical, primarily because Nielsen continues to have the same problems getting the sample right and, more importantly, keeping people in the sample," said Tribune Broadcasting President **Pat Mullen**, who's particularly concerned about fault rates for young households. "I think the reality is that they're getting a better measurement of the 50+ demographic and a poorer measurement of the young viewer," he said. Nevertheless, Tribune is using LPM data until something better comes along. "We do live with it. It's the currency we have. We're still very competitive in the marketplace and we'll deal with it, but I would like to see Nielsen move much more rapidly towards a passive people meter system that would give a more accurate measurement of the real viewing, including out-of-home viewing," Mullen said.

Indeed, Nielsen's TV clients and the advertising community are pressuring it to align with Arbitron and accelerate the change-over to the next generation of audience measurement. In a recent letter (11/30/04 TVBR #232), the Nielsen Customer Alliance urged Nielsen to become a full partner in Arbitron's latest PPM test, now underway in Houston, "Arbitron is going to go forward, but it would be better if Nielsen were a part of it," said Alliance co-chair **Chris Rohrs**, President of the Television Bureau of Advertising (TVB).

But Nielsen has been cautious about making a commitment to PPM. Whiting told RBR/TVBR that while the company is interested in PPM, it continues to look at other alternatives. "We have to because we're very excited about the PPM. That's why we've been working with Arbitron for this long and working together and I think it has a lot of promise. But we also have to make sure we're aware of what's happening everywhere in the world right now because as you know it's a fast pace, this global development arena. There are lots of good ideas and lots of different places and Nielsen doesn't have to develop all of them on our own," she said.

Will Nielsen team up with Arbitron to make PPM the ratings currency across the range of electronic media—radio, TV and cable? Nielsen sent clients a letter in December [Zinio readers CLICK HERE to read]. In it, Whiting said that additional tests on meter sensitivity are needed and Arbitron still needs to confirm the consistency of its PPM results. The Nielsen chief said she would have to decide by the end of Q2 2005 to decide whether to have her company participate in the Houston test. Although not mentioned in Whiting's letter, Arbitron has said that it doesn't now expect any decision from Nielsen on whether to form a joint venture for a commercial roll-out of PPM until late 2005 or early '06.

Meanwhile, Arbitron CEO **Steve Morris** is trying to sell the PPM idea to his own clients, radio groups, who have been more resistant to the passive meter technology than their brethren in TV and cable. Radio people had worried that ratings might go down in the key morning drive period because panelists would fail to activate their PPM devices for early listening—picking up the pager-like units only as they were heading out the door. Three radio companies had refused to encode for the Houston test, although Infinity recently changed its stance, leaving only Radio One and Cox Radio as holdouts.

"Cox will support alternative forms of listening measurement when we believe it is good and accurate research. Not before," Cox Radio CEO **Bob Neil** told RBR/TVBR. "We're paying the bill. We want it right," he added.

Nielson's LPM (above) is still tied to the set top, while Arbitron's PPM (below) leaves its charger to travel with the ratings panelist.

But while there are ardent opponents, the mood among radio broadcasters has shifted noticeable in the past year or so, with advertisers and agencies pressing for better data, more data, accountability and return on their advertising investment.

"I would say there is a change in attitude—and it's broader than just PPM," Arbitron CEO Morris said in a Wall Street conference call. "I think they are, as a group and individually, very focused on what's going on and very focused on trying to get at the underlying issues in radio that may be part of what's causing this current slowdown in growth—and are doing things like addressing spot load and getting better creative for radio, and trying to find out how to make radio the most accountable medium. All of those things are good ideas. Actually, all of those things are areas in which we can help them with better information. And PPM is very much a part of that agenda. Obviously, they still need to be persuaded that this is going to be a help to them in the transformation of the industry that they're trying to pull off. But yes, they are certainly more engaged with us than they have ever been and they're very focused on trying to make this a component of a long-term improvement in the industry."

But while radio group owners have become more receptive to the PPM technology and methodology, Morris still faces a tough sell on price. After a couple of years of being asked repeatedly what PPM is going to cost radio stations, Morris finally provided a rough price range in late 2004. He told group owners that PPM is likely to cost 40-65% more than the current diary system for ratings—the lower figure if there is a joint venture with Nielsen, spreading the cost across TV and cable as well as radio, and the higher one if radio has to go it alone.

Not surprisingly, we heard from many broadcasters who weren't anxious to write those bigger checks. Not only is the price hike hard to swallow, but the broadcasters are also questioning Arbitron's assertion that one PPM carrier is equivalent to three diarykeepers. "Here's the math: 65% more and we're going to use 65% less sample. I can tell you, that's going to go over like a lead balloon," said one of the broadcasters who insisted on remaining nameless.

RBR/TVBR has calculated that the largest radio groups, Clear Channel and Infinity, pay about 1.5% of their radio revenues for Arbitron ratings, but for many smaller groups that percentage is higher, so the price hike will have an even greater impact. What we're hearing from broadcast executives is that the biggest players will probably go along with the price hike to get PPM, which big advertisers and time buyers are pushing for, but that it will be a harder sell outside of the top 20 markets.

One group owner who didn't hesitate to speak on the record was **David Benjamin**, CEO of Triad Broadcasting. With Biloxi-Gulfport (#138) as his largest market, Benjamin isn't likely to see PPM in Triad's markets anytime soon, but he questions whether the ad buyers are playing it straight with their push for PPM. "The assumption is that if we provide better research, that the major buyers will embrace it and that this will enhance the growth of the business... I think Arbitron already is better researched than a lot of competitive media that are showing more growth than radio is. As an example, local cable - - local cable has no effective measurement at all, and yet it is showing far more growth than radio is at this point," Benjamin said. "My concern is that more perfect research is only going to be another weapon for the buying services to beat down rates," he added.

As it tries to build radio industry support for PPM, Arbitron is trying to address issues raised by the previous Philadelphia test

and articulated by the Arbitron Radio Advisory Council, made up of representatives elected by subscriber stations.

"First off they want to see PPM perform in a more heavily Hispanic market. That's what we're trying to do in Houston. Secondly they want to see how PPM performs at higher response rates. Well we're already well on our way to delivering those higher response rates. So we'll see what the audience numbers are going to be like at those higher response rates," said **Pierre Bouvard**, who was recently named President of PPM and International at Arbitron. And, to see whether results are similar using different panelists, the 21,000 participants will be split in two, giving the radio industry the parallel panels it had requested. "So we'll be able to compare one half of the panel to the other half of the panel. There will be differences. I repeat there will be differences," Bouvard emphasized.

Even while still recruiting panelists in Houston, Arbitron has begun putting out data from the PPM test. Once the first half of one panel was in place, the company reported that response rates were in line with those produced in follow-up tests in Philadelphia, where Arbitron had worked with Nielsen to deal with earlier low response rates for PPM recruitment. With Nielsen not involved (yet) in Houston, Arbitron was trumpeting that it was able to achieve a high response rate on its own. Arbitron has traditionally relied exclusively on phone contacts, while Nielsen sends recruiters door to door. What's being used in Houston is a hybrid, with phone contact attempted first, followed by in-person visits to households that don't respond. The test is also using only Arbitron-branded materials, while the previous test in Philadelphia was co-branded with Nielsen.

Bouvard says there are also other enhancements to PPM since the Philadelphia test. "First off, we have an out of home tracking system, something we didn't have before. While PPM always tracked both in home and out of home, we couldn't tell what was out of home. In Houston we'll be able to tell what's out of home," he said, since PPM devices now register when they leave the area of their base station (the battery charger stand that also uploads data to Arbitron). "The other thing we're going to be doing in Houston is DVR (digital video recorder) measurements. PPM has always been able to track time-shifted radio and television. Unlike Nielsen, we don't have to walk past the household that had the DVR in it. We can give them a PPM and track all their stuff. So we're going to be looking at time-shift behavior by person in Houston as well."

In fact, Nielsen is also dealing with the DVR phenomena. It has stepped up the timetable for a technology upgrade to its People Meters—both National and Local—so that they can measure time-shifted viewing by households with TiVo or another DVR service. That Active/Passive software upgrade will be introduced this summer.

Morris has staked Arbitron's future on PPM. The meters are already being used for real ratings in Quebec and a few places overseas. He even has a backup plan to use PPM for a national marketing panel if it's not deployed for radio in the US—the Project Apollo now underway with Procter & Gamble and Nielsen's parent company, VNU (9/30/04 RBR #191). But if all goes well in Houston, he'd like to see it become the first US market to use PPM—leaving the test operation in place to produce ratings which would be used to sell advertising on radio, TV and cable.

But Bouvard concedes there are may "ifs" to be overcome for that to happen. "If and only if the Houston test is successful in terms of delivery of what people believe is a valuable, creditable and reliable rating service. And if then, only if the radio industry embraces it. Our goal is to have Houston give the industry the information it needs to make a positive decision. But before any PPM service would be rolled out it would need a positive decision from the industry," he said.

People Meters: The view from Madison Avenue

Major advertisers and agencies have been demanding more accountability from broadcasters, so they can be sure they are getting ROI (return on investment) from their ad buys. Thus, companies who buy lots of advertising and the people who place their spots have been the most vocal in pressing for radio and television to embrace new technologies to measure audiences. **Kathy Crawford**, President of Local Broadcast at Mindshare, is one of the top buyers of radio and TV ad time. She's already embraced Nielsen's LPM, but is even more excited about the prospects for Arbitron's PPM.

With LPM now in use in several of the largest markets for television, Crawford said it has changed, to some extent, how she buys TV time. "When a planner determines that you have to buy 50 points in early fringe, you buy the most efficient 50 points," she explained. "The 50 most efficient points are different under one methodology from another methodology, so yes it has changed the way we buy the market. Have we changed the money in the market? No."

Has it brought more cable channels into your view? "Yes that's true. However, you must remember that while cable really likes to go tell people that they're doing better—and they're all much better—they see that as a license to steal, so to speak. We're doing better; therefore we should get paid more. No, that's not necessarily the case. Because what cable forgets is they don't sell the way we buy. So, as a result of that, since they don't sell the way we buy, sometimes we can't buy them, even though they might have parity in their ratings," Crawford explained.

Saying that she is "distraught" with the position Nielsen has taken of not participating in Arbitron's Houston PPM test, Crawford is continuing to urge the TV ratings company to get onboard and move forward with passive audience measurement. "We've got to move forward here, we can't go backwards. So we have to test this product. Having dual media capabilities is very exciting and it will allow planning to take place in a very different way. We need to move on," Crawford told RBR/TVBR.

Crawford is also disturbed by radio resistance to PPM, although she understands that the cost factor is significant. "Here's the thing, radio is at a very interesting crossroads in its life as a business. And it has to decide as an industry what it wants to be when it grows up. Or is it what it wants to be when it grows up? Is this it? I mean is this where radio is? Because they could do that too and not invest in the PPM and not move ahead and just be a sleepy little media on the map there," she said, adding that it's mainly up to the big broadcasters like Clear Channel and Infinity to decide whether to make the move.

"To be perfectly honest with you, I met with a major broadcaster who has stations in smaller markets rather than larger markets who made it very clear to me that only a small percentage of their business came from companies like Mindshare and as a result, for them to be spending money on certain things for a small percentage of their business may not be prudent. Well this is very possible; this could possibly be where we're going to go. We may split radio in two," Crawford said, with big operators in big markets embracing PPM, while the rest of the industry holds onto diaries for ratings.

Jon, an outspoken activist for positive change in the industry, is in charge of $12 Billion in global ad dollars yearly. Clients include the WB Television, Warner Home Video, Warner Bros., GlaxoSmithKline, The American Egg Board, Diageo, Cendant, LVMH, ConAgra, SlimFast, Canon, Ethan Allen, Dairy Queen, Danone, American Plastics Council, Bridgestone/Firestone, Master Foods, Reebok and Hasbro. Jon is a regular panelist at industry events like the AAAAs and NATPE. Be sure to catch him 1/25 at 3PM for the NATPE *"Follow the money! Ad strategies in the digital world"* session and 3/4 at the AAAAs session at 9:45AM, *"Are the data valid?"* We've also interviewed Jon in our May 2004 issue.

Don't blame the research companies!

by **Jon Mandel**, Chairman/MediaCom US and Chief Global Buying Officer MediaCom Worldwide.

More and more, media is asked to be "accountable." That means many things to different people but to clients it means "what did you do to move my product." Unfortunately, when the product sells it must be the great creative and when the product doesn't sell it is the bad media. I'll ignore that absurdity for the moment because it is just frightening that we in the media business are being judged by people who are not in the media business. Nothing wrong with that. Just the fact that because we have numbers they think it is easy to judge. After all, they think the numbers clarify the voodoo of what we do.

It is not that I don't want to be judged. It is just that we are never going to win the argument and have to rest on our numbers. I don't mean sales guys complaining about research because they don't know how to sell a bad schedule. I mean relying on numbers that are a reasonable approximation of what is really happening in how our media are used by the public.

Are we getting to a world where you can't measure anything? Measurement is horrible in so many of the media. The medium where it's probably the best, television, is getting worse and worse. And people are blaming the research company.

Is it the research company or is it societal? The television people all dump on Nielsen, but they should look at print research if they want to see a fiasco!

In radio, at least, we're trying to get there with the Portable People Meter. I think part of the reason radio hasn't gotten it's due is because you can sit there and say on faith that a lot of people are listening to it out of home, but show me. And not with research that everybody in the industry knows is archaic and not a reasonable reflection of how people's lives happen today.

I wonder if even these efforts to field new research are doomed. Americans don't want to be involved in research much anymore. It used to be you sort of felt honored to be asked to be in a research sample—it was for the good of the media, the good of the country, good of the family. You'd get better and more programming like what you like to watch or listen to or whatever. And now people tell researchers, "Buzz off, I don't have time for it. I have no interest in it."

So even trying to figure out what people are watching, what people are listening to and what people are reading—you know, where are we going to be here soon in the future?

Where I'm concerned is a lot more than just "Did you run the spots?" and "Did you run the spots right?," it is about how many people either watched, listened or read, depending on the medium?

And right now we're not even getting the accountability of "Did you run it right?" And we're fast approaching the time of having no clue about if a tree fell in a forest did it make a sound.

It's almost like are we going to go back to the days of it's a 12X schedule or "You bought me five in 'Another World' and two 'As the World Turns,' and so that's good. You know, we don't care, because we have no way of measuring anything." But the problem is for clients to keep spending in media we are going to have to prove there is a way to measure. And we can't.

Why is it like this? I think because the media is so fragmented, for one. And for two, as I said, people don't care.

I was just at lunch with a woman who runs a very large station group. And she said, "When I was growing up, I cared about 'Bewitched'." I said, "Oh, you're so young." You cared about the television show, you cared here in NY about WABC, you cared about **Scott Muni** on 'NEW. You cared. We in the media, care about the media. But to regular Joe and Jane America, the younger people—they're just not watching it, they're not listening as much, as far as we can tell.

Now, is it that they're just not telling us, and they're watching and listening and reading the same amount as they always did, but they're just saying, 'You're the establishment, so why

should I tell you'?" If that's it then we really don't have a problem; except the huge one of proving to clients that media matters.

Or are they really watching less and listening less and reading less and we have a double whammy problem? I know that's a very general and blanket statement and there are plenty of places where the numbers say they are viewing/listening just as much, but the whole thing is suspect.

You look at recall analyses on commercials. Have you noticed aided and unaided awareness, all of those numbers have gone down over time? Is it because the research is bad or the creative is worse or people don't care about commercials anymore or we are researching the whole thing wrong?

Or is it simply people are exposed to so much more? I mean look at the fact that everybody gets a car ad sent to them every 1.2 seconds. How many cars a year do they sell, yet every 1.2 seconds they are hitting you and me with a car ad in some medium? That's a little screwy.

And then look at what we're doing in the world of television and the world of print. We're talking about integrating advertising into the programming. So great—now we'll turn people off to the programming, in addition to the advertising.

I'm not proposing there are any answers to finding out if what we do matters and I'm not even proposing that what I'm saying is right. It's just these are the kinds of things that keep me up at night—in addition to did you run the proper brand spot on the proper station at the proper time in the right place?

I'm just trying to throw it out because as an industry, we have to start discussing this stuff in a bigger way. It is broader than cable vs. broadcast, radio vs. print. I mean without us, this country's economy has got issues. It's not about television and it's not about radio. It's about the very concept of how do we do business and how do we measure the impact and effectiveness of our work? And we have to set ourselves up so we don't wake up five years from now and go, "Oh my God, the sky has fallen, and what do we do?" I mean I think you sort of have to plan for this. It's almost like you need some anthropologists and sociologists involved—some people that understand mass psychology. Yes, we all program to them (the radio and TV broadcasters). But really, I think we need to know a little bit more about herds. Maybe the whole way we do the research is backwards. Maybe we need to have some totally new and different way to do it.

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Amigo Broadcasting
has conveyed the assets of
11 FM and four AM Radio Stations in six Texas markets
to
Border Media Partners
for
an enterprise value of $78,000,000

Media Venture Partners represented Amigo's controlling unitholders in this transaction.

Family Stations, Inc.
has conveyed the assets of
KFTL-TV, Channel 64
Sacramento, CA
to
Telefutura Television Group, Inc.
for
$65,000,000

MVP represented Family Stations in this transaction.

Entravision Communications Corporation
has conveyed the assets of
WRZA (FM) and WNDZ (AM), Chicago, IL
to
NewsWeb Corporation
for
$24,000,000

MVP represented Entravision in this transaction.

North Texas Public Broadcasting
has conveyed the assets of
KDTN-TV*
Channel 2, Dallas, TX
to
Daystar Television Network
for
$20,000,000
* Non-commercial

Media Venture Partners represented North Texas Public Broadcasting in this transaction.

Catamount Broadcast Group
has conveyed the assets of
KMVT-TV, Channel 11
Twin Falls, ID
to
the Neuhoff Family Limited Partnership
for
$17,300,000

MVP represented Catamount in this transaction.

Entravision Communications Corporation
has conveyed the assets of
KZFO (FM), Fresno, CA
to
Univision Radio
for
$8,000,001

MVP represented Entravision in this transaction.

Radio Bismarck Mandan, LLC
has conveyed the assets of
KSSS (FM), KBMR (AM) and KQDY (FM), Bismarck, ND
to
Clear Channel Communications
for
$8,000,000

MVP represented Radio Bismarck Mandan, LLC in this transaction.

Infinity Radio, Inc.
has agreed to convey the assets of
WBGR (AM) and WBMD (AM), Baltimore, MD
to
Family Stations, Inc.
for
$7,500,000

MVP represented Family Stations in this transaction.

Entercom Communications Corp.
has agreed to convey the assets of
KNWX (AM), 1210 khz, Seattle, WA
to
Bustos Media of Washington, LLC
for
$6,000,000

MVP represented Entercom in this transaction.

Entravision Communications Corporation
has conveyed the assets of
WZCH (FM), Chicago, IL
to
NextMedia Group
for
$5,000,000

MVP represented Entravision in this transaction.

Bahakel Communications
has conveyed the assets of
WBAK-TV, Channel 38, Terre Haute, IN
to
Mission Broadcasting
for
$3,000,000

MVP represented Bahakel in this transaction.

Clear Channel Communications
has conveyed the assets of
KBFO (FM), KQAA (FM), KSDN AM/FM and KKAA (AM), Aberdeen, SD
to
Aberdeen Radio Ranch
for
$2,250,000
and, in separate, but simultaneous, transactions
Aberdeen Radio Ranch
has sold
KQAA (FM), Aberdeen, SD
to
Educational Media Foundation
and
KKAA (AM) and KQKD (AM)
to
Family Stations, Inc.

MVP represented Aberdeen Radio Ranch in these transactions.

Entercom Communications Corp
has agreed to convey the assets of
KLYK (FM), KRQT (FM), KBAM (AM) and KEDO (AM)
Kelso-Longview, WA
to
Bicoastal Holdings Co., LLC
for
$2,150,000

MVP represented Entercom in this transaction.

Results Radio, LLC
$22,000,000
Capital Raise

MVP represented Results Radio in this transaction.

ClearComm, LP
has conveyed certain PCS licenses in California
representing approximately
1.2 Million Pops
to
Metro PCS

MVP represented ClearComm in this transaction.

LeSea Broadcasting
$15,000,000
Term Loan and Revolving Credit Facility

Media Venture Partners represented LeSEA in this transaction.

Word of God Fellowship, Inc. (Daystar Television Network)
has conveyed the assets of
KMPX-TV, Channel 29, Decatur, TX
to
Liberman Broadcasting Inc.

MVP represented Word of God Fellowship in this transaction.

Badger Communications, L.L.C.
$7,750,000
Term Loan Facility

MVP represented Badger Communications in this transaction.

Point BTA 331, LLC
has conveyed a PCS license in Olympia, WA
representing approximately
335,000 Pops
to
T-Mobile USA, Inc.

MVP represented Point in this transaction.

The Coast Community College District
has conveyed the assets of
KOCE-TV, Channel 50*
Los Angeles, CA
to
The KOCE-TV Foundation
* non-commercial

MVP represented The Coast Community College District in this transaction.

TCP Communications, LLC
has purchased the towers of
SCS Communications, LLC

MVP represented SCS in this transaction.

GoldenState Towers, LLC
has purchased the towers of
Master Towers, LLC

MVP represented Masters in this transaction.

By Carl Marcucci / cmarcucci@rbr.com

Tony Snow: mastering the expansion to radio

Tony Snow is the host of Fox News Radio's "The Tony Snow Show," with 90 affiliates, and "Weekend Live with Tony Snow" on the Fox News Channel. His media roots include hosting "Fox News Sunday" from 1996 to 2003; writing a syndicated newspaper column from 1993 to 2002; and a long career in the press that dates back to 1979. He worked at The Greensboro Record, The Norfolk Virginian-Pilot; The Daily Press (Newport News, VA), the Detroit News and The Washington Times. He took a two-year break from journalism to serve in the **George H.W. Bush** administration, where he was the White House Speechwriting director, and later deputy assistant to the president for Media Affairs. Here, almost a year after launch, Snow tells us his expansion into radio.

Tell us about the Tony Snow Show programming content, format and that special niche as compared to others like Rush, Savage, Hannity, O'Reilly?

Programming begins with personality. The Tony Snow Show's special niche begins with the host. I'm not Rush, Sean or Bill. My show is more genial than the others, and the host a little more approachable. I offer more variety in topics – reflecting my interests – and have a special edge thanks to 25 years' worth of political journalism. I've worked in the White House. I know all the players on both sides of the aisle. I can get them on the air, and get them to let their hair down – or, as when Vice President **Cheney** started talking about his favorite **John Wayne** movies, let down not his hair, but his guard. I get good vigorous arguments going – but the kind or arguments you have with friends, not the kind feuding spouses have in front of their divorce lawyers.

Tell us about your expansion into radio.

I have wanted to do it for years. In fact, we've had radio carve-outs in every contract I've ever done with Fox. It's a far more creative and challenging medium for the host than TV – you can let your imagination soar, you serve as your own writer, programmer and director. It's not a business for the faint of heart or those uncertain about where they stand. On the other hand, no medium provides more immediate and intimate contact with the audience – and that's something I absolutely love.

I'm also someone driven by issues, and radio gives me a chance to cut loose with my opinions and get involved directly in ongoing fights over everything from judicial nominations to the war in Iraq. I now have the freedom to write a newspaper column again – I'll crank that up sometime in March – and in time, to pop out some books as well. This leads to the final point on radio: You can have more influence there than in any medium.

How does Fox News cross-brand Tony Snow with both mediums?

The cross-branding takes three forms: We promote my radio show whenever I'm on TV, and I promote TV appearances on my radio show. We stress the FOX brand wherever possible and make full use of Fox resources, from reporters to hosts. And, of course, we use on-air promotion on Fox News Channel.

What different problems and issues do you face in radio vs. TV?

The simplest answer is that the key challenge in any medium is discovering how to be yourself, so that you enjoy yourself and your performances come across as natural. I'm not good at putting on airs, and my listeners have made it clear that they want to hear from the guy they have read in the papers, watched on TV and, before the advent of Fox News Radio, heard as a sub for Rush. The biggest and most interesting challenge is to develop the special broadcasting skills necessary to succeed in talk radio – defining good topics, providing strong hooks, teasing across segments, generating pace and creating an environment people want to join every day. I'm learning more every day about radio formatics and presentation – and enjoying every minute of it. It's the most exhilarating thing I've ever done.

A second point: Radio is more entrepreneurial than TV. In selling and developing the show, I deal with dozens of individual stations and markets. I have to make sure the show feels home-grown in those markets, and to develop real connections with the listeners. This involves everything from recording liners to doing live reads to setting up events and shows on the road. I'm building a business, and I've never had to do that before.

What are your show's biggest advertisers and how involved are you with promoting them?

We've had more than 70 national advertisers, from GM to PRO Flowers, and I do whatever it takes to help them out. The same goes for local advertisers. I'll do ads for products I support; I'll meet with sales reps. I do conference calls with advertisers and ad executives to make sure the Tony Snow Show provides the kind of platform they want, and generates the results they expect.

What problems and issues do you face in radio syndication as one of the new guys on the block—when the push now in 2005 is local programming?

Our biggest challenge is to build a network without the station infrastructure the other guys have. It's an audacious project in one way, but it's also a reflection of Fox's power as a brand. We almost certainly will break the 100-station mark before my first anniversary on the air, and I think we'll have a good year this year – regardless of trends toward local programming. I talk about issues everybody cares about, and give them insights and interviews local hosts just can't get.

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MEDIA MONITORS

"Local assessment vs. Local coverage of issues"

By Gregg Skall

An FCC regulation that is particularly confusing to new broadcasters is the "Issues/Programs List." Questions abound, such as: How many issues must I cover and how often?; Where do I put it?; Must the programs be locally produced?

Every broadcaster, must assess the issues of public importance in their community and design programs to be broadcast over their station that are responsive to those ascertained issues and community needs each calendar quarter. Each list requires a brief narrative describing the issue given significant treatment and a description of the responsive programming, including the time, date, duration and title. These lists must be placed in the local public file on January 10, April 10, July 10 and October 10, reflecting the issue responsive programming broadcast the preceding quarter. All lists must be retained in the local public file until the grant of the next license renewal becomes final. Therefore, by renewal time, each station will have 32 Issues/Programs lists in its public file. Section 73.3526 of the FCC Rules.

Unfortunately, FCC renewals applications reveal that a surprising number of broadcasters are either unaware of the issues/programs list requirement or have allowed other business to supersede the painstaking efforts required for total compliance. Some have the mistaken impression the all listed programming must be locally produced.

The rule requires that the list "... include a brief narrative describing what issues were given significant treatment and the programming that provided this treatment." The description of the program must include at least the time, date, duration, and title of each program in which the issue was treated. Nothing in the rule, or the Commission's Report and Order that adopted it, speaks to where or how the program must be originated or produced.

Senior broadcasters will remember that broadcasters were once required to conduct detailed surveys of community leaders to identify specific issues of public importance and to design and propose responsive programs. In its 1960 Programming Statement the Commission had listed 14 programming elements necessary to service in the public interest, including an "opportunity for local self-expression" and "the development and use of local talent." In 1983, the FCC eliminated the these elements and the Ascertainment Primer and Renewal Primers in favor of an obligation that broadcasters simply determine the issues facing their community by any reasonable means, relying on a broadcaster's discretion and knowledge of their own local communities. The Commission said "broadcasters will have to place a listing of 5 to 10 issues that it addressed with programming, together with a listing of examples of that programming, in its public file..." On reconsideration, this requirement was changed for both radio and television to leave the number of issues in the list to the broadcaster's discretion as well.

Nothing in the rules or FCC orders requires that the programming be locally produced. The station may use any programming, wherever acquired, that addresses the ascertained local issue. For example, the issue may be river flooding. The station could air a program from a syndicator on river levies that contains important information responsive to the flooding issue.

The goal is simply that the "... informed public opinion, necessary to the functioning of a democracy, will be possible." In achieving it, the Commission gave great latitude to broadcasters, saying the "...bedrock obligation contemplated by "public interest" will be fulfilled with the least government intrusion and the most licensee flexibility. This flexibility will allow broadcasters to address issues by virtually any means and can include for example, public affairs, public service announcements, editorials, free speech messages, community bulletin boards, and religious programming." It declined to specify precise quantities, types or sources of programming, deferring to broadcasters' own judgment.

FCC license renewal, therefore, is guided by a retrospective showing for the prior license term that the licensee addressed community issues, " ... in its discretion and guided by the wants of its listenership, [as the licensee] determined were appropriate to those issues."

It bears emphasis that stations subject to local marketing, or time brokerage agreements are nonetheless required still to conduct their issues assessment and assure that programs responsive to them are broadcast. This is a licensee nondelegable duty, although the time broker can be the party to present the programming. Appropriate provision for this compliance should be made a part of every LMA or TBA agreement.

Gregg P. Skall is a communications attorney with Womble Carlyle Sandridge & Rice, PLLC. He can be reached at 202-857-4441.

MEDIA FORECAST

By Jack Messmer / jmessmer@rbr.com

Gurus see ad growth in 2005

What's coming this year? As 2004 came to an end, two of the mostly closely watched predictors of media revenues issued their forecasts of how much advertisers would spend in major US media in 2005. Universal McCann Sr. Vice President **Bob Coen**, the dean of ad forecasters, is much more bullish. He's looking for total ad spend to be up 6.4%, while **Jack Myers**, who owns his own company, Jack Myers Report, is expecting growth of only 4.8%—with much lower estimates than Coen for radio and spot TV, but higher expectations for network TV. On these pages, you can compare what the two have to say and come to your own conclusions.

RBR/TVBR observation: We can all hope that Coen is right, but his numbers for radio at all levels and for local TV are pretty aggressive. We haven't heard of any CEO in either industry promising such 2005 revenue growth to Wall Street. Even Myers' forecast of 1.5% growth for national and local spot TV is more than the forecast from the TVB of down 1% to up 1%.

Coen bullish on 2005

Universal McCann Sr. Vice President Bob Coen, is expecting nominal GDP growth of 5.5% in 2005 and he expects advertising-supported media to do even better than that. He's projecting that total US ad spending will rise 6.4% to $280.6 billion, with local advertising up 4.8% and national up 7.4%. Even without '04's political and political revenues, he's projecting only a 1% decline in TV national spot and he sees local TV rising 2.5%.

For radio, Coen sees national advertising (including both network and national spot) growing somewhat slower than competing media in 2005—growing only 5.2%. At the local level, he expects radio to slightly outperform the average with growth of 5%.

The forecaster bases his bullish outlook on the increased spending seen in the last eight months in major ad categories, including auto up 10%, drugs and remedies up 21% and beverages and snacks up 11%. "The economic climate will be reasonably good in 2005 and further restoration of traditional advertising spending levels is expected," he said.

Myers sees strong cable growth

Here's what Jack Myers had to say about his forecast for broadcasting in 2005.

Television: "Among national television options, second tier and emerging cable nets will generate above average increases of 12% as buyers seek improved cost efficiencies. Top 10 cable nets will grow at a significantly lower rate ranging from 4% to 8%. The top four broadcast networks are also projected to generate annual increases averaging 4%, with ABC and CBS outperforming Fox and NBC by meaningful margins. WB and UPN could be flat to slightly down year-to-year in 2005. Syndicated TV properties are projected to be up only two to 4% in annual growth. NBC, the beneficiary of Olympics' revenue in 2004 and suffering from primetime ratings erosion, will suffer in year-to-year comps."

Radio: Network radio is projected to increase one to 3% in 2005 ad revenues. Local broadcast television, the beneficiary of an estimated 1.6 billion in political revenues during 2004, will suffer from difficult year-to-year comps, shifts in spending by auto groups to newspapers, and continued softness in the local retail sector. Although growth for local TV stations is only projected at 1.5%, the industry considers this a positive indication in a quadrennial off-year. Local cable and regional interconnects will enjoy another year of high single digit growth, but will not yet see the surge of spending from broadcast and radio to regional cable that Comcast, Time Warner and Cox have been anticipating. Local radio declines will accelerate as stations suffer from a declining reputation among advertisers, insistence on internal competitive warfare, and slow response to clutter concerns. Yet, revenues are still projected to increase 2% in 2005."

Bob Coen's advertising forecast for 2005

Media	Forecast	Ad spend (millions)
Four TV networks	2.0%	$16,787
National spot TV	-1.0%	$10,834
Cable TV	7.0%	$16,722
Syndication TV	3.5%	$4,087
National radio (net & spot)	5.2%	$4,706
Magazines	7.3%	$13,006
National newspaper	6.8%	$8,290
Direct mail	9.5%	$57,203
National yellow pages	5.0%	$2,242
Internet	25.0%	$8,828
Other national media	5.6%	$35,549
TOTAL NATIONAL	7.4%	$178,254
Local newspaper	5.5%	$41,328
Local TV	2.5%	$14,967
Local radio	5.0%	$16,275
Local yellow pages	3.0%	$12,257
Other local media	6.1%	$17,536
TOTAL LOCAL	4.8%	$102,363
GRAND TOTAL	6.4%	$280,617

Source: Universal McCann

Jack Myers' advertising forecast for 2005

Media	Forecast	Ad spend (millions)
Newspapers	4.1%	$48,198
Broadcast networks	4.0%	$18,094
Network cable TV	9.2%	$16,008
Broadcast syndication	3.0%	$2,995
Local/Natl. spot TV	1.5%	$26,909
Radio	2.0%	$20,565
Magazines	4.0%	$21,665
Online	30.0%	$10,158
Outdoor	4.0%	$5,890
Yellow pages	4.8%	$190,220
Total advertising	4.8%	$190,220

Source: Jack Myers Report

By Carl Marcucci / cmarcucci@rbr.com

New tower standards coming: are you ready?

Did you know existing standards for broadcast and communications towers are currently in the midst of the biggest revision, some say, since their inception in 1949? The structural engineers in our field are very aware of this, but many Chief Engineers are not. The new standards have been in the works for six years. The standards committee, made up of members from TIA and EIA, is labeled "TR-14.7." The number of the standard is 222 and we're on revision F right now—our existing standard. The last major revision was revision D in the late 80s. The next revision of the ANSI/TIA/EIA standard "Structural Standards for Steel Antenna Towers and Antenna Supporting Structures" will change the loads and design criteria for communication towers including broadcast structures. It will also have an impact on the load carrying capacity of existing structures.

The committee's leading industry engineers, consultants, designers, and manufacturers collectively bring an unmatched breadth of knowledge and experience to the process. The final version has was approved 10/20/04 at a meeting held in Denver and went back though for public response/comments 12/16/04. Once comments/balloting is complete, the committee will resolve any negative comments. If negative comments are persuasive, and changes will affect technical data, the standard will need to be re-balloted. The committee hopes to have the standard published in Q3 '05.

For sheer volume of information, the 222-G standard will outstrip its predecessors by three or four times, including more than 150 pages devoted solely to state-by-state map graphics illustrating wind, ice, frost and seismic factors. The large amount of material contained in this version will require electronic versions to also be made available (we get into specifics later). All new tower construction and major renovations of existing structures must conform to 222-G after its adoption. Existing towers will not be affected unless physical alterations are made or antenna loading exceeds the original, approved design.

"The committee's intent is to create an internationally recognized and acceptable standard that can be implemented beyond the North American market. The committee believes the standard will eclipse the state of the art in any other standard in the world. The standard is incorporated by reference in the International Building Code, which means that by default it becomes the most widely recognized tower standard of most countries, states and municipalities for their building codes, although there is often a lag of two to three years for the local level to catch up," comments **Craig Snyder**, President/Sioux Falls Tower, Chairman of the TIA/EIA TR14.7 (Standard 222-F) Committee and Chairman of Board/National Association of Tower Erectors.

"The purpose of the new revision is to reflect that structural analysis is done a bit differently today than it used to be—there are some new methods out that have recently been included in all the building codes. The structural standards for towers is out of sync with those codes. So it has to be brought in compliance with the building codes because sometimes when you apply for a permit they want to see the calculations. If it's the wrong method, they'll throw you out," warns **Sterling Smith**, Director of Business Development, OTL (tower lighting). "Because of this, there could be slight variations in the results of your structural analysis of your tower. Some towers will come off a little better off, with a little more 'fat,' if you will, in them. And some will come out a little skinnier. This has a small effect on the loading you can put on your tower. In rare circumstances, it will have a major effect."

Specifics

More specifically, existing structures will be evaluated in accordance with this standard, regardless of the design standard used for original design, when there is a change in type, size, or number of appurtenances such as antennas transmission lines, platforms, ladders, etc.; a structural modification, excepting maintenance, is made to the structure; a change in serviceability requirements or a change in the classification of the structure in accordance with Class I, II, or III Categories (Hazard Classifications—explained later).

Revision G has been prepared by eight different task groups, covering technical issues such as wind and ice loading, seismic loading, design stresses, safety and climbing, and geo-technical requirements.

As an example of revisions in geo-technical definitions, the term "normal soil" (for determining lateral load capacities, bearing load capacities and resistance to pull-out) has been eliminated in the G revision and replaced with values that are representative of a soil type, similar to those used in building codes (i.e. values representative of sand, clay, etc.).

The committee also voted to approve the new gin pole standard. Gin poles are used in tower erection and this standard will allow tower erectors and designers to merge these technologies and ensure efficiency and safety.

Other highlights of the standard: (1) It uses the gust wind speed instead of the fastest mile wind speed. This is consistent with the language used in current building codes and should help in the CP process. "Old wind speeds were referred to in fastest mile where as new wind speeds are defined in (3 sec gust)," **John Wahba**, SVP/ Engineering Radian Communication Services, who has been actively involved in the development of this standard since 1998, explains. "For example a 75 mph wind fastest mile (language of current revision F) is equivalent to 90 mph -3 sec gust (language of the new revision G) so the tower cost would be comparable but if that zone was 70 mph (fastest mile) in the old map and it is now 90 mph (3 sec. gust) as per the new wind map, the new tower will be more expensive."

(2) It now includes a method for checking the towers under earthquake loads, which is obviously important for some parts of the country. The standard uses the latest state-of-the art knowledge on wind, ice and earthquake loads and thus raises the level of this standard to same, or even above, other recognized international standards

(3) The standard allows for different reliability classes. Instead of using a single factor of safety for all towers, the revised standard allows the owner to rate the tower to a lower class knowing that the consequences of failures are tolerable for some towers based on height, use and location. So classifying structures will now be based on their location and importance of use, or importance factors. Importance Factors allow a reduction in strength requirements for towers located in an area that a structural failure would not likely result in injury and/or towers that have non-critical uses, i.e. emergency services.

A Class I tower is considered to pose a low threat to human life or damage to property and delay in return of services is considered acceptable. This might include home use receive-only towers, HAM radio towers, or any tower located in a rural setting away from people.

A Class II tower assumes substantial hazard to human life but failure of services could be restored by other means if the tower were lost. This type of tower might be located next to manned facilities or in suburban areas where people are regularly under the towers' fall radius.

A Class III tower assumes high risk to human life and that the tower is used primarily for essential communications such as police, fire, rescue, etc. Examples under this class include towers located in urban areas where people are typically located under the tower and loss of the structure would result in a high probability of human death or injury.

Notes Snyder: "Depending on the class category, a structure is analyzed under the results and tower design can vary widely. It is worth noting that not all existing towers will require reanalysis when the new standard becomes public. Only towers where a new load or some other significant change is being proposed will require reanalysis under the new standard."

More specific changes/additions to the standard, courtesy of **Ernie Jones**, VP/Engineering, ERI Structural Division:

• G - Standard Uses ASCE 7-02 (50-yr. 3-second peak gust) Wind Map—The number for Florida, for example, is 150 mph(see below)!
• G - Standard Uses ASCE 7-02 (50-yr. Ice Thickness and Wind Map
• G - Standard Uses Design Criteria from AISC-LRFD-99
(Limit states approach, without an allowable stress design alternative). This version will require both a "Minimum Wind Design" and "Minimum Wind With Ice Design"
• Guyed structures to incorporate dynamic response potential by introducing a version of patch loading on upper tower mast spans
• Exposure categories expanded to B, C, and D over former versions use of mainly C
• Wind speed-up over hills, ridges, and escarpments will be required where older versions did not specify this design as a requirement
• Expanded criteria provided on wind loading for feeds, conduits and appurtenances attached to towers (improved wind shielding guidelines)
• Wind loading guidelines for antenna mounting frames
• Specific earthquake loading section added with seismic analysis procedures specified.
• Compete section on requirements for effective slenderness ratios for tower mast compression members (legs and bracing members)
• Section added for base and guy insulators (non-metallic)
• Former reference to a "Standard Soil" changed to a "Presumptive Soil" which will have significantly reduced soil strength.
• Expanded protective grounding section with reference to a minimum structure grounding resistance requirement of "10 ohms"
• A climbing and working facilities section is proposed

How are broadcasters most likely to be affected?

"Most are concerned that the standard will increase the cost of new structures or render existing structures obsolete due to the high cost of modifications to bring them up to the level of the new standard," says Snyder. "It is difficult to say how each structure will react when analyzed under the new standard. Our preliminary trial runs show some getting heavier and some actually getting lighter. What the committee has tried to do is bring the latest engineering information and data to the table and apply it to the way towers are designed and engineered today. Driving up cost was certainly a major consideration in our work, but not the only consideration. It's a delicate balance we try to reach between maintaining a reasonable cost tower while at the same time using the best science available."

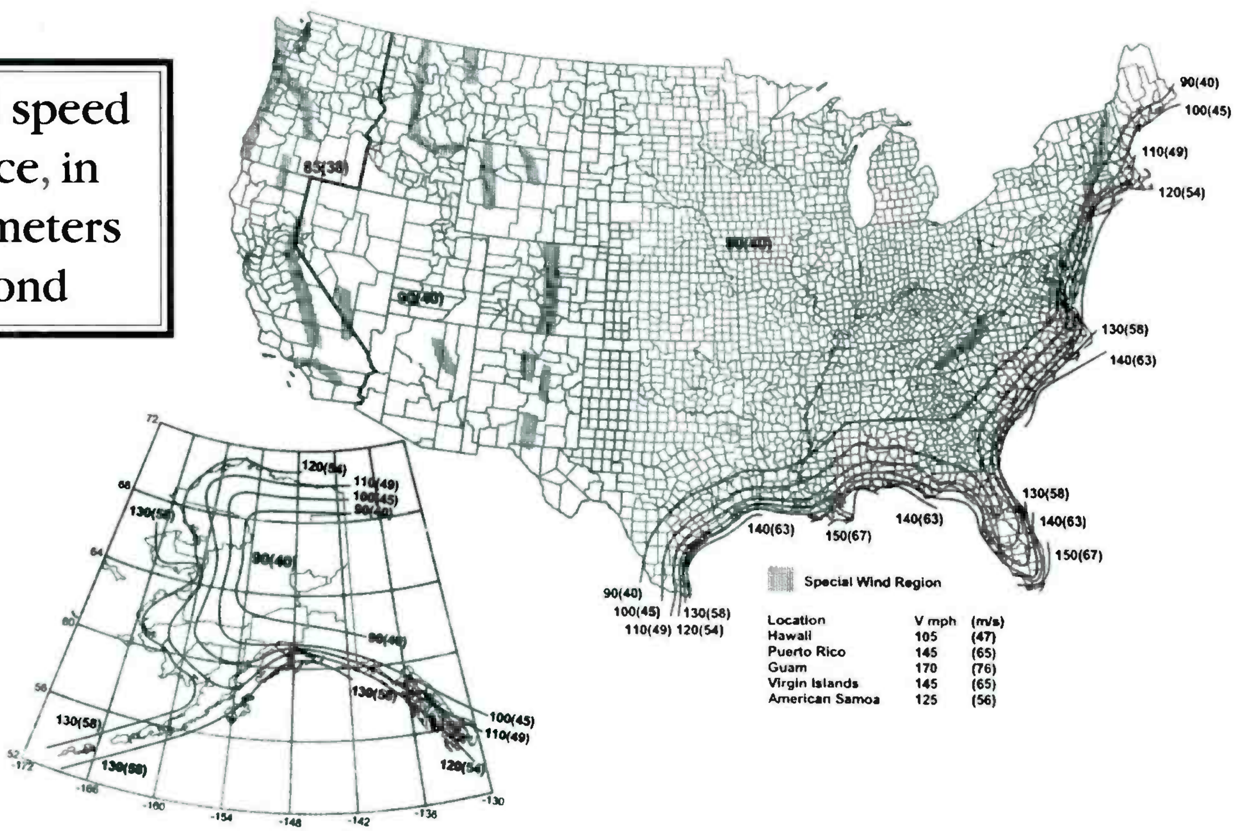
Why is the new standard so much more restrictive than the previous few?

"While it is true that this version standard defines a lot more than earlier versions, its offsetting benefit is users of the standard—owners, engineers and purchasers—now can find all the information required in one source, ensuring that acceptable minimum requirements for a tower design are well defined," explains Wahba. "In other words, it helps leveling the playing field which, in the end, provides the customer with the confidence that their tower–new or modified–meets all the applicable requirements without supplier interpretation."

Revision G has a section dedicated to the analysis of existing structures which defines two types of analysis: a preliminary review and a detailed (rigorous) analysis. Says Wahba: "Broadcasters are to make sure that a rigorous analysis is performed prior to adding or removing antennas and lines on a tower because in some cases, this loading adjustment may overstress the tower in other areas."

"In my opinion, the most significant change is the classification of a rigorous analysis," says Smith. "This allows an engineer to perform an assessment so that an owner can determine if it is feasible to add additional loading without the full cost of a detailed rigorous analysis. However, the new standard makes it clear that a full rigorous analysis is required prior to actual placement of additional loading. No more shortcuts, which in the long run is to the benefit of the owner. Broadcasters need to insure that they are employing a well-recognized engineer that will adhere to the ethical practices of their profession. Remember that broadcast towers can cost millions with the cost of lost revenue due to a tower failure far exceeding the cost of the tower. A lot of engineering can be performed for $5,000. Don't skimp on structural engineering!"

Basic wind speed without ice, in mph and meters per second



BROADCAST STOCKS

By Jack Messmer / jmessmer@rbr.com

2004: Tough year for broadcast stocks

If you bet on a long-awaited revenue recovery to boost radio stocks in 2004, you may want to look into getting a new crystal ball. As we all know now, the tough times continued and investors turned away from radio stocks in droves. But while TV companies had a much better year, with record-level campaign advertising filling station coffers, along with the Summer Olympics for NBC stations, most TV stocks also declined over the course of the year, with investors fearing that the bar had been set too high for 2005.

What about 2005? We asked a number of top executives in both radio and television what they plan to do this year to improve their companies and, in the case of the public companies, deliver for their shareholders. Those responses appear on the next page.

To recap the dismal results of 2004, RBR's Radio Index fell 20% for the year and virtually all pure-play radio stocks finished the year down from where they started. The only exceptions were Beasley, which rose 6%, and Spanish Broadcasting System, which edged up less than 0.1%.

Of the 35 TV stocks in TVBR's daily chart, only 11 were up for the year and not one of them was a pure-play TV group owner. Disney rose 19% as ABC Television finally found a couple of hits and **Michael Eisner** announced plans to leave Disney following an unsuccessful hostile takeover bid by Comcast and a shareholders revolt which saw a 43% vote against Eisner. News Corporation gained 6% as it relocated from Australia to the US. Granite Communications was the worst performer, falling 75% as **Don Cornwell** sought to reorganize the company's holdings. As **Bud Paxson** struggled to find a new buyer to replace NBC and to win digital must carry, Paxson Communications fell 64%.

Meanwhile, satellite radio companies were Wall Street darlings as auto dealer sales boosted their subscriber numbers and both companies announced hundreds of millions in programming deals. Sirius shot up 141% for the year and XM 43%.

2004 radio company stock performance

Radio Company	12/31/03 Close	12/31/04 Close	2004 Net Chg	2004 Pct Chg
Arbitron	41.72	39.18	-2.54	-6.09%
Beasley	16.54	17.53	0.99	5.99%
Citadel	22.37	16.18	-6.19	-27.67%
Clear Channel	46.83	33.49	-13.34	-28.49%
Cox Radio	25.23	16.48	-8.75	-34.68%
Cumulus	22.00	15.08	-6.92	-31.45%
Disney	23.33	27.80	4.47	19.16%
Emmis	27.05	19.19	-7.86	-29.06%
Entercom	52.96	35.89	-17.07	-32.23%
Entravision	11.10	8.35	-2.75	-24.77%
Fisher	50.51	48.88	-1.63	-3.23%
Gaylord	29.85	41.53	11.68	39.13%
Hearst-Argyle	27.56	26.38	-1.18	-4.28%
Interep	1.34	0.75	-0.59	-44.03%
Intl. Bcstng.	0.01	0.02	0.01	100.00%
Jefferson-Pilot	50.65	51.96	1.31	2.59%
Journal	18.53	18.07	-0.46	-2.48%
Radio One, Cl. A	19.55	16.10	-3.45	-17.65%
Radio One, Cl. D	19.30	16.12	-3.18	-16.48%
Regent	6.35	5.30	-1.05	-16.54%
Saga	18.53	16.85	-1.68	-9.07%
Salem	27.12	24.95	-2.17	-8.00%
SBS	10.55	10.56	0.01	0.09%
Sirius	3.16	7.62	4.46	141.14%
Univision	39.69	29.27	-10.42	-26.25%
Viacom, Cl. A	44.27	37.08	-7.19	-16.24%
Viacom, Cl. B	44.38	36.39	-7.99	-18.00%
Westwood One	34.21	26.93	-7.28	-21.28%
XM	26.29	37.62	11.33	43.10%
Radio Index	287.00	229.85	-57.15	-19.91%

2004 television company stock performance

Television Company	12/31/03 Close	12/31/04 Close	2004 Net Chg	2004 Pct Chg
ACME	8.78	7.01	-1.77	-20.16%
Belo	28.34	26.24	-2.10	-7.41%
Clear Channel	46.83	33.49	-13.34	-28.49%
Disney	23.33	27.80	4.47	19.16%
Emmis	27.05	19.19	-7.86	-29.06%
Entravision	11.10	8.53	-2.57	-23.15%
Fisher	50.51	48.88	-1.63	-3.23%
Fox	29.15	31.26	2.11	7.24%
Gannett	89.16	81.70	-7.46	-8.37%
General Elec.	30.98	36.50	5.52	17.82%
Granite	1.65	0.41	-1.24	-75.15%
Gray (common)	15.12	15.50	0.38	2.51%
Gray, Cl. A	15.17	14.15	-1.02	-6.72%
Hearst-Argyle	27.56	26.38	-1.18	-4.28%
Jefferson-Pilot	50.65	51.96	1.31	2.59%
Journal	18.53	18.07	-0.46	-2.48%
Liberty Corp.	45.19	43.96	-1.23	-2.72%
LIN Television	25.81	19.10	-6.71	-26.00%
McGraw-Hill	69.92	91.54	21.62	30.92%
Media General	65.10	64.81	-0.29	-0.45%
Meredith	48.81	54.20	5.39	11.04%
New York Times	47.79	40.80	-6.99	-14.63%
News Corp.	18.05	19.20	1.15	6.37%
Nexstar	13.71	9.22	-4.49	-32.75%
Paxson	3.85	1.38	-2.47	-64.16%
Saga	18.53	16.85	-1.68	-9.07%
Scripps	47.07	48.28	1.21	2.57%
Sinclair	14.98	9.21	-5.77	-38.52%
Time Warner	17.99	19.45	1.46	8.12%
Tribune	51.60	42.14	-9.46	-18.33%
Univision	39.69	29.27	-10.42	-26.25%
Viacom, Cl. A	44.27	37.08	-7.19	-16.24%
Viacom, Cl. B	44.38	36.39	-7.99	-18.00%
Wash. Post	791.40	983.02	191.62	24.21%
Young	20.04	10.56	-9.48	-47.31%

By Jack Messmer / jmessmer@rbr.com

Broadcast CEOs face up to the challenges of 2005

After seeing how poorly radio and TV stocks performed in 2004 (see previous page), RBR/TVBR asked a cross-section of broadcast CEOs what they intend to do differently this year. Here are the replies from a number of those CEOs, from both public and private companies.

Our focus will be to maintain the credibility of radio audience measurement while increasing the perceived accountability of the medium in the eyes of advertisers. Support for RAEL helps accountability; so also does the advancement of electronic measurement - both ratings and Project Apollo, which will directly link radio advertising to retail visits and product purchase.— **Steve Morris**, CEO, Arbitron

We are focusing on three essential areas in which to show growth in 2005.
1. Increased investment in on air products to showcase what radio does best - live, local and intimate programming.
2. Increased investment in sales training for each and every sales manager and sales person at Triad.
3. Making certain that the Company receives fair consideration on every sales transaction.

Happy New Year to you and everyone at RBR." —**David J. Benjamin**, President/CEO, Triad Broadcasting Company

Backyard Broadcasting 2005 Action Steps:
1. refine and develop on air product.
2. increase management face time with client decision makers
3. concentrate on individual station selling vs. cluster selling
4. sell sixty second commercials so the advertising produces results.—**Barry Drake**, CEO, Backyard Broadcasting

The economic model for the television station operator is flawed in that we are not paid uniformly by those who distribute our signal and content. We are being paid by the DBS providers and the cable "over-builders" in every case, but with few exceptions we are not being paid by the local cable providers in our markets. Two years ago, we purposely did a couple of two year, rather than standard three year retransmission deals with cable. Those deals have now expired, and we are resolute in our position that we will not grant carriage to those cable companies until they place a fair value on what we bring to their cable offerings in those markets. We believe that this battle will ultimately determine the financial future and possible the survival of the local television station business. Since the bulk of cable retransmission deals come up for renewal in 2006, we would urge other television station operators to publicly support our position.—**Perry Sook**, CEO, Nexstar Broadcasting

Radio doesn't have an efficacy problem, it has a pricing problem. Consolidation as a result of the Telco Act of '96 changed our industry structure to more of an oligopoly. Generally, this allows industry firms to become price setters, not price takers. This has not happed in our industry because there has been a destructive operating practice of "pricing for share" which has led to a death spiral of rates. This combined with the "easy money" allure of network compensation has created a very large pool of inventory that is being re-marketed by networks at substantially discounted rates to spot buys. The result has been negative growth in average unit rates, not fewer clients buying radio advertising.

The good news is that industry leaders are recognizing our problems with respect to the way we price our product and have taken positive steps to reverse this trend. In addition, we are countering a blistering PR attack from "pay radio" with a coordinated industry effort to promote the benefits of our great medium. Just as the market woke up in late 2000 with an internet hangover, I expect history to repeat itself when investors finally realize that one quarter of the U.S. population is not going to write a check each month for $10-$15 dollars to listen to the radio. Radio has proven to be a resilient and powerful medium and it will emerge from these challenges stronger than ever.—**Lew Dickey**, CEO, Cumulus Media

Wall Street spends too much time looking back. At Interep, we are looking forward to a stronger '05 for two reasons. First, we continue to outperform overall national radio growth in our represented markets, resulting in larger shares for our client radio stations. We are driving this growth by training our agency sales teams not only to go after radio dollars already on the table, but also to call directly on the planners, account executives and product managers who decide how much money to allocate to radio in the first place. The decision-making process for media is moving further up the advertising chain, and Interep sales people are trained to follow the money. For this reason - as well as our belief in the inherent strengths of our medium - we remain optimistic about radio's growth in 2005.—**Ralph Guild**, CEO, Interep

By Dave Seyler / dseyler@rbr.com

Freeze depresses Q3 trading totals

Station traders lost the greater part of September to cut deals involving commercial radio, surrendering that period to the designers and approvers of new application forms, a move necessitated by the Third Circuit's decision to allow new Arbitron-geographical radio market definitions to supplant the old contour-based definitions. The artificially suppressed Q3 total came in as the lowest in the post-6/2/03 freeze era. Looking ahead, Q4 2004 results, pumped up by the shift of many would-be September deals to October, are definitely going to get back into billion-plus territory.

Station trading over the last 15 months

Quarter	Deals	AMs	FMs	TVs	Value
Q3 2003	138	88	110	22	$354,354,096
Q4 2003	223	150	222	29	$1,124,948,385
Q1 2004	157	111	145	30	$1,722,661,542
Q2 2004	152	81	146	21	$871,000,951
Q3 2004	128	79	110	18	$702,216,273

Small market deals continue to dominate

Until there is a major move by a big player to gulp down another big player, there simply isn't much dealing to be done in the big markets, on the radio side. On the TV side, there's plenty of dealing to be done, once the spillways are opened on that great big dam they call "Regulatory Uncertainty." That said, activity in Q3 returned to rated markets after a decided focus on unrated territory in Q2. About 60% of all stations sold were in rated areas. 40% of the total were from markets rated 100 or smaller.

Quarterly station trading by market size

Quarter	Total Stns	Mkts 1-50	Mkts 51-100	Mkts >100	Unrated Mkts
Q3 2003	220	15	23	62	120
Q4 2003	401	57	40	148	156
Q1 2004	286	50	19	114	104
Q2 2004	248	40	26	55	127
Q3 2004	207	30	14	80	83

Signs of growth in a down quarter

Trading volume in radio was definitely set to pick up when the FCC Media Bureau slammed on the brakes in September, courtesy of the Third Circuit. Almost three out of every four stick dollars went to the radio side in Q304. The new-look applications have a striking change in the multiple ownership section. Gone, for the most part, are maps and circles from the tech consultant community, except for deals done in the generally (but not always) sparsely populated territory outside those areas under the watchful eye of Arbitron. In the place of the maps are station lists based on Arbitron market definitions and produced by BIA, which show counts of commercial and noncommercial stations in keeping with the new market definitions.

Radio only transactions

Quarter	Deals	Stns	Value
Q3 2003	123	193	$199,729,096
Q4 2003	199	372	$905,245,346
Q1 2004	146	256	$543,789,543
Q2 2004	131	227	$577,437,979
Q3 2004	115	189	$511,266,273

TV: Can you say lethargic?

There is no excuse for the lack of station trading on the television side. There was no freeze on TV deals. The simple fact is that significant deals are a rarity. The reason is that owners are keeping their powder dry until such time as the FCC, the courts, and Congress figure out what the rules of the road are going to be regarding in-market duopolies and triopolies. More often than an outright sale, we're hearing about operators entering into a form of LMA - - usually characterized as a shared services agreement - - with an option to buy later should the regulatory climate loosen.

TV only transactions

Quarter	Deals	Stns	Value
Q3 2003	14	21	$132,625,000
Q4 2003	24	29	$226,708,002
Q1 2004	11	30	$1,182,672,000
Q2 2004	21	22	$331,062,972
Q3 2004	13	18	$190,950,000

Deals from all over

While there have yet to be any barnburner deals filed in the young new year, activity does seen to be picking up. A good bit of action has taken place in rated markets, mostly of the smaller variety, but with a smattering of activity in the lower half of the top 100. One deal involved a station in the former group with permission to move to the latter, via a Muskegon-to-Grand Rapids CP. The biggest market we've written about so far involves a TV deal, which will hinge on a FCC waiver on the failing station hook. Here's how the dealing year opened.

Wolfhouse goes but Villalobos stays

A double deal has been struck for a superduopoly in Monterey-Salinas-Santa Cruz which carries a face value of $14.5M. And for a few hundred thousand more, the seller is coming with the stations.

Wolfhouse Radio Group is the seller—it is selling KTGE-AM, KRAY-FM, KHDV-FM and KMJV-FM for $12M dollars, and KEBV-FM for $2.5M dollars. In each case, the buyer is Latin Entertainment Network's LEN Radio Broadcasting, headed by **Anthony M. Hernandez** and **Scott E. Wood**.

LEN is based in Orlando FL, so it probably makes a lot of sense to hire the seller to run the stations. **Hector Villalobos** has a three year employment contract which gives him the title Regional VP, and provides for annual compensation of 120K plus bonuses, commission and other benefits. The contract can be extended beyond that with the mutual agreement of both parties.

Meredith files to by second KC TV

Sinclair Broadcast Group and Meredith Corporation entered into an agreement last fall which produced a de facto duopoly in Kansas City, pairing Meredith's CBS KCTV with SBG's WB KSMO. Now, the pair are asking the FCC for a failed station waiver to change the transaction into a full-fledged sale.

It's a $33.5M deal in all. Meredith is paying $26.8M for the non-license assets of KSMO, and has $6.7M earmarked for the license should the FCC allow the deal to go through. The arrangement was originally announced last fall.

A lengthy argument on the failure of KSMO to be a viable standalone station was attached to the contract. It points out that the station's all-day audience share over the last three years has never gone over 4%, and that its financial condition has been poor over the same period. It says Meredith is the only "reasonably available purchaser," and that technical improvements and duopoly efficiencies "...will result in tangible and verifiable public interest benefits that far outweigh any conceivable harm to competition and diversity."

Border bulks up in Austin

Tom Castro's Border Media Partners is upping its wattage in the Austin market, getting an AM and three FMs to add to the AM and two FMs it already has there. The latest deal is good for $19M, all going to four companies associated with **Jose Jaime Garcia**. The cash deal includes a non-compete.

Here are the four Garcia companies. Pecan Radio Partners Ltd. is dealing KFON-AM Austin; Elgin FM LP is dealing KKLB-FM Elgin; Nogales Broadcasting LC LP is dealing KTXZ West Lake Hills; and Dynamic Radio Broadcasting Corp. LP is dealing KELG-AM Manor. The foursome will join a threesome coming in the multistation deal with Amigo Radio which includes KHHL-FM Leander, KOKE-AM Pflugerville and KXXS-FM Dripping Springs.

Regent lets one 'RUN away

Bill Stakelin's Regent Communications is going to spin off one of its Utica-Rome radio stations, but it won't be faced with competing with it in the traditional sense. It is selling WRUN-AM to WAMC Northeast Public Radio for $275K. The buyer will take the station noncom. **Jim Richards**, a broker with John Pierce & Co., handled the deal for Regent, and told *RBR* that WAMC is active a number of upstate New York locations, including Albany, as well as one just across the state line in Great Barrington MA. WRUN will be its ninth station. WAMC is headed by Alan Chartock. Regent retains an AM and three FMs in the market, per the 2004 BIAfn Radio Yearbook.

RBR TVBR

Radio & Television Business Report

February, 2005

Volume 22, Issue 2

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Radio & Television Business Report is published monthly by Radio Business Report, Inc. Publishers of RBR/TVBR Daily Morning E-Papers, RBR/TVBR Afternoon Media Mix, rbr.com, tvbr.tv and the Information Services Group database.

Cover Art Credit:
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CHICK'S CLIQUES

Hearst becomes an Oil magnate

William Hearst's Clarion County Broadcasting Corp. is getting WKQW AM & FM Oil City PA from **Joseph V. Olszowka**, who is handling the estate of **Stephen Olszowka**, according to broker **Dick Kozacko** of Kozacko Media Services. The AM is a daytime Talker, while the FM spins Oldies on a standard Class A stick. The combo is located in the town of Oil City PA, comfortably ensconced in the Arbitron-rated market known as Meadville-Franklin PA. Hearst already owns a pair of stations in Clarion PA, WWCH-AM & WCCR-FM. Clarion is far enough southeast of Oil City to prevent this from being a duopoly deal, and is not considered part of Meadville-Franklin. The sale is valued at $540K

Small deals to grow on Jersey shore

Sydney Small and **Chesley Maddox** are picking up a sixth radio station and seventh stick—they also have a TV—in the Atlantic City-Cape May NJ market. Their Access.1 Communications will buy WJSE-FM from Jersey Shore Entertainment for $4.75M. According to broker **Bob Mahlman**, who handled the deal for Access.1, the seller is owned **Al Parinello**. The station operates on 102.7 mHz our of Petersburg NJ. The bulk of Access.1's holdings in the area came from the estate of Howard Green in a 2003 deal.

The television station is an NBC affiliate, WMGM-TV, licensed to Wildwood NJ. Although it serves Atlantic City, it is technically part of the Philadelphia DMA—Atlantic City is not recognized by Nielsen as being a separate market. Phillie, however, gets its NBC fare from that network's own O&O, WCAU-TV.

Citadel: I left my Hart in Muskegon, Michigan?

Farid Suleman's Michigan minions are adding a station—WCXT-FM Hart MI—which currently serves the Muskegon MI Arbitron market. However, it has a bigger pond in sight than Arbitron's #226 ratings zone. An already-approved move to Cooperville will make the station a player in #66 Grand Rapids. Seller **Nancy Waters** will make $4.1M on the sale. WCXT-FM will retain its 105.3 mHz digs on the dial, but will upgrade from Class C2 to Class B upon completing the move, which is still in need of an actual FCC construction permit. Citadel stations already in Grand Rapids include WBBL-AM, WKLQ-FM, WLAV-FM & WTNR-FM. A temporary superduopoly will exist in Muskegon with Citadel's pending acquisitions of WEFG-FM, WLCS-FM, WSHN-FM & WUBR-AM.

Swap shop in North Carolina

Davidson Media and Truth Broadcasting have engineered a trade/cash deal which will move three AM stations in two North Carolina markets. **Peter Davidson** will sent WFTK-AM Wake Forest, part of the Raleigh-Durham market, and $1.25M in cash, in exchange for WWBG-AM Greensboro and WTOB-AM Winston-Salem. Truth Broadcasting is headed by Salem Communications exec **Stuart Epperson Jr**. *RBR* estimates the value of the deal at about $2.5M each way.

Petracom: Things looking up in Show Low

Now we ask you: What better state for a phoenix to rise from the ashes than Arizona, and who better to do the rising than **Henry Ash**? After turning over most of its broadcast holdings to financial backers, the erstwhile group is getting four stations back, although the AZ market is not exactly in the Phoenix league.

The stations are KRFM-FM, KSNX-FM, KVWM-AM & KVSL-AM, all licensed to Show Low. They went, along with the better part of a Joplin MO cluster, to FFD Holdings I, which is an holding company owned by Petracom lender Textron Financial Corp.

Originally bought in a $2.779M deal with Skynet Communications during 2001, Petracom is getting them back for $1.625M. The deal will reunite the foursome with KDJI-AM/KZUA-FM Holbrook AZ, a town about 50 miles to the north or Show Low—contour overlap between the Show Low and Holbrook stations is strictly on the outer reachers of the signals. Show low is in the east-central portion of the state about 50 miles west of the border with New Mexico. It is unrated territory.


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The media and communications finance professionals at Westburg Media Capital have joined the team at Wells Fargo Foothill Specialty Finance. We now have the ability to offer cash flow credit facilities from $1 million to $7.5 million to communications, publishing, broadcasting and other media companies across the United States and Canada from offices nationwide. Best of all, our flexible credit facilities can grow and change right along with your operation's needs, with the capacity for financing up to $500 million and direct access to a wide range of additional Wells Fargo products and services.
All designed to help media and communications companies reach the Next Stage.
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