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McCain, Burns bring back tax certificates

"They've talked about it all summer, and now they've officially dropped [released] it," **Pia Pialorsi**, a Senate Commerce Committee spokesperson, tells *RBR* of the legislation that Sens. **John McCain** (R-AZ) and **Conrad Burns** (R-MT) introduced 10/8 to push broadcast ownership into the hands of minorities and small businesses.

The Telecommunications Ownership Diversification Act of 1999 (S. 1711) would give tax breaks to sellers who: 1.) sell to an eligible small business and then reinvest the proceeds in any other telecommunications company, or 2.) sell their company to any entity but then reinvest the proceeds in an eligible small business.

"As the telecommunications business undergoes its massive restructuring, we need to ensure that small businesses, particularly those owned by members of minority groups and women, are not left behind," says McCain. "The market-based incentives in this bill are the most effective way of leveling the playing field between small business owners and CEOs trying to purchase a telecommunications business."

While this Act does aim to help out minorities and women, it also applies to any small business, unlike the original tax certificate plan that Congress killed in 1995. Here's a run-down of other changes that McCain

and Burns' new tax certificate proposal contains:

- Purchaser must retain the media property for at least three years or pay the tax break difference
- Limits the amount of tax deferral to \$250M in any year
- Qualifying media properties would also apply to cellular and Internet services
- No FCC involvement
- Asks the Secretary of Commerce to recommend, and the Secretary of the Treasury to establish, net worth, revenue and asset limitations

Hail to the Senators

"I add my voice to the chorus of those praising Senators McCain and Burns for introducing this legislation," says FCC Commissioner **Michael Powell**, who has made pleas to Congress in recent months to revive the tax incentives (*RBR* 8/2, p. 3). "This bill correctly recognizes that promoting new entry into this industry will further its vitality and benefit all Americans."

Adds NAB CEO/Pres. **Eddie Fritts**: "The broadcasting industry has long supported measures to bring new entrants, and new diversity, into the ranks of broadcast owners...by providing an incentive for reinvesting in communications businesses. [this bill] will help provide long-term financial strength for this important industry."—TS

118 auctioned CPs bring in millions

It was the FCC's first-ever broadcast license auction and it ended on a high note: 91 winning bids of 118 new CPs (including FMs, FM translators and LPTV) brought in more than \$57.8M worth of net bids. The auction, which began on 9/28, closed 10/8 after 35 rounds of bidding.

According to the FCC's Public Notice, auction winners now have until 10/26 to make their down payments (equal to 20% of the net bid) and 11/12 to complete long-form applications. The Commission also reports that it will only accept payments in the form of a wire transfer—no personal checks or credit cards.

Says Chairman **Bill Kennard**: "We can now look forward to the exciting opportunities created by these stations."

In a separate auction for one FM construction permit, **Ramona Hayes-Bell** (**Art Bell's** wife) walked away the big winner 10/8 after 15 rounds of bidding for a new Class A in Pahrump (Las Vegas) NV. The CP raised a net bid of \$172,250 and gross amount of \$265,000.

Further information on all the auctions is available on the FCC homepage at www.fcc.gov/wtb/auctions.—TS

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Subscription Cost \$220.00

EDITORIAL/ADVERTISING OFFICES: 6208-B Old Franconia Road, Alexandria, VA 22310 (or) P.O. Box 782, Springfield, VA 22150

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Premiere acquires MJI; to distribute "Weekly Top 40"

Sometimes NAB Radio Show rumors (*RBR* 9/13, p.4) come true—amidst over a month of speculation, Premiere Radio Networks has officially purchased MJI Broadcasting (10/13) for "between \$50M and \$60M," according to *RBR* sources. **Josh Feigenbaum** will continue as MJI President. "MJI Broadcasting is going to continue to be an absolute standalone entity. We're going to realize some efficiencies, but we're really not looking to merge it—we're looking to just benefit from all he's created in the last several years," Premiere President/COO **Kraig Kitchin** told *RBR*.

MJI's show prep, music news and information services, imaging and interactive radio Web site content, long form shows like 'The **Jeff Foxworthy** Countdown' and special events like The Country Music Association Awards, will broaden Premiere's offering to affiliates, and especially, open the door to barter-for-Interactive content. "MJI Broadcasting is coming into what I call its 'third zenith' as a radio syndication company, and this time it is all about excellent interactive services for radio stations," says Kitchin. "Josh Feigenbaum and his staff have honestly arrived at a place that just hits a home run one time after another with radio stations when it comes to answering their interactive service problems. And they do it in a syndication platform by investing millions and millions of dollars to get it right, and then are able to amortize it over the cost of a lot of radio stations with commercial inventory. That is, if you will, the 12-cylinder engine under the MJI hood right now that everybody wanted."

"Premiere has been focusing on Talk and Comedy, primarily. So, our niches have been in different areas of the radio world. Some areas we've competed in, but for the most part, MJI has succeeded in the world of music, music news, entertainment information, special events and interactive content for radio stations," adds Feigenbaum.

MJI's Interactive unit has supplied content, applications and inventory clearance services for radio Web sites and radio Internet solutions providers (i.e. Radio Data Group—*MBR* July, p. 16) for over three years. Could it work with Premiere's recently established (10/5) Interactive Services Division, which aims to establish virtual communities out of all Premiere-based sites (*dr.laura.com*, *aftermidnite.com*, *hotmix.com*, *premrads.com* and *premieretalk.com*)? Says Kitchin: "No, we're not going to try it. Our Interactive Services Division will focus only on our Talk properties and remain separate."

More news from Premiere: CD Media has signed on for syndication and sales of its "Rick Dees Weekly Top 40," currently heard on 325 affiliates. Dees will continue hosting the show from Clear Channel's KIIS-FM LA. Premiere also purchased CD Media's Satellite Comedy Network.—CM

Winstar buys SFX's radio prep services

Concentrating on its core assets of concerts, tour specials and album release events, SFX Entertainment has sold its syndicated radio prep services to Winstar Radio Networks for an undisclosed amount of cash. The new unit will be called Winstar Radio Services. Coincidentally announced a day later than Premiere's purchase of MJI (see above), Winstar (O:WCII) gets its show prep arm after all—it was known to be neck and neck with Premiere in the MJI bidding (*RBR* 9/13, p.4).

Also like Premiere's acquisition of MJI, Winstar President **Michael Ewing** is aliming the deal at the net. "Adding this service to our business is a key component of Winstar Radio Networks' plans for syndication in the Internet environment."

SFX's fax, email and satellite transmission prep services target Rock, Urban, Country and CHR formats to a 500-station affiliate base with its "Urban Fun Factory," "Ric Tower's Power Sheets," "Country Kickers" and "Morning Jump Start" materials.—CM

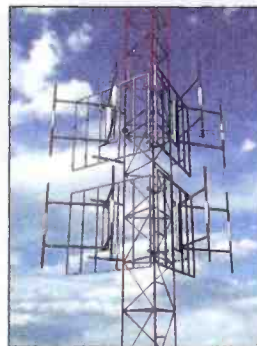
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* June 10, 1999 M Street Journal:
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Radio networks deliver a united and strong message at ANA conference

There was no shortage of talent and gusto at the radio networks presentation 10/11 at the Association of National Advertisers' Annual Conference in Amelia Island, FL. **Mary Bennett**, SVP Marketing, Radio Advertising Bureau, thought it was extremely well done. The presentation provided a great mix of national personalities, the presidents of the networks and the client side of the business. It helps when the message you want to get out is delivered by celebrities such as **Rush Limbaugh, Casey Kasem, Charles Osgood** and **Tom Joyner**. Bennett recounts that many of the attendees were excited about the opportunity to meet these personalities.

Delivering the keynote speech, Limbaugh shared with the attendees his experiences regarding the unique qualities of radio. In one, he recounts how audiences of his TV show could scarcely remember the content of his show but listeners of his radio show could oftentimes recite portions of the show word-for-word.

But the personality factor was not the only show stealer. "The sheer brilliant move they had was having marketers or advertisers present case studies instead of radio people presenting the case studies," Bennett says. **Reyn Leutz**, SVP, Associate Director of National Broadcasting, Ogilvy & Mather, **Kaki Hinton**, VP Director Advertising Services, Warner Lambert and **Marla Goldstein**, VP Marketing, NBC-TV delivered case studies. All three demonstrated the potential and opportunities that exist in radio and how they use network radio to complement their media campaigns. Especially poignant was Hinton's quote by **J.J. Jordan**, EVP, Worldwide Creative Director, J. Walter Thompson, "Some people, especially younger creatives, talk

about the limitations of radio. I say what limitations? Creatively, radio is a vast medium because it's only limit is the listener's imagination. At the same time, it is an incredibly intimate medium because each listener imagines in his or her own way."

While the three may "get it" and the network presidents and talent know all too well the power of their medium, did the attendees get the message? **David Kantor**, President, AMFM Radio Networks says that presentation was a memory jolt for many of the attendees. "I've heard more people who say they've forgotten what a one-to-one medium radio really was. It isn't just a mass medium, but it really connects with the listeners." Kantor also heard responses that the talents' presence gave some advertisers an emotional connection. One advertiser told Kantor that he was going to go back and challenge his division to use more radio.

Jay Williams, President, American Urban Radio Networks, has also received positive feedback from the advertisers. "Someone commented that it was the best presentation they'd seen at an ANA conference in quite some time," he enthuses.

The bigger success story of this presentation may be the way it came about and how it was organized. "The highlight of the presentation—I think it is great that all five of the network presidents were able to get together and be unified for network radio," says **Joel Hollander**, CEO, Westwood One. Hollander thinks the presentation was wildly successful and would not hesitate to participate in future joint efforts. Williams agrees, "The general sense is that we did pretty good. I think we all felt strongly that we had done a good first effort in coming together collectively to share information with the brand managers."—KM



Network Radio rubs elbows with Ad community

(l to r) **David Kantor**/AMFM Radio Nets, **Marla Goldstein**/NBC-TV, **Joel Hollander**/Westwood One, **Lyn Andrews**/ABC Radio Nets, **Tom Joyner**/ABC, **Kaki Hinton**/Warner Lambert, **Rush Limbaugh**, Premiere, **April Ryan**/American Urban Radio Nets, **Jay Williams**/American Urban, **Charles Osgood**/Westwood, **Casey Kasem**/AMFM, **Kraig Kitchin**/Premiere, **Bobbie Asano**/Kraft and **Reyn Leutz**/Ogilvy & Mather.



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Television Business Report™

NBC Sports gets the Triple Crown

The Peacock may have fumbled in its bid for the broadcast of National Football League games, but whatever ground it lost on the football field, it is reclaiming in the race tracks. Beating out rivals CBS and ABC, NBC Sports placed a successful \$51.5M bid to secure five-year broadcast rights of the Visa Triple Crown. The Triple Crown consists of the Kentucky Derby, the Preakness Stakes and the Belmont Stakes.

The agreement, struck with Triple Crown Productions, marks the first time that NBC will have national broadcast rights to any of the three races. ABC has broadcasted the Triple Crown races since 1987. With rights to the Visa Triple Crown, NBC will have broadcast rights to the premiere events in thoroughbred horse racing. The network already has rights to the Breeders' Cup.—KM

Belo sets sites on KONG-TV, KASW-TV

Belo (NYSE:BLC), one of the nation's largest media companies, says it will buy independent station KONG-TV Seattle/Tacoma and KASW-TV Phoenix, the WB affiliate, as soon as FCC rules will permit the transaction. KONG is already operated by Belo through a LMA with Zeus Corporation. Acquisition costs for both stations is estimated to be less than \$20M in cash.

Belo's Television Group currently reaches 13.6% of US television households, including three stations in the top 12 markets and six stations in the top 30. In addition, the company manages four television stations through LMAs and owns four cable news channels.—TS

Hugger new EVP of Katz Television Group

Michael Hugger, former President of Katz Television is moving up to the newly-created position of EVP, Katz Television Group. **Jim Beloyianis**, President, Katz Television Group Companies, says that Hugger is the ideal choice for the position having "come up through the ranks from sales executive to President of Katz Television's American and Continental divisions."

Hugger, a 24-year veteran of the company, will join Beloyianis in expanding and restructuring all the Katz Television Group companies.—KM

Chris-Craft TV stations up for sale?

Rumblings around the industry are saying that Chris-Craft is exploring a possible sale of its television stations with companies including CBS, News Corp. and Tribune Co.

Chris Craft's 10 stations are positioned mostly in big markets like NYC and LA. The company also owns 50% of the UPN Network. Viacom, which CBS is proposing a merger with, owns the other 50%.

Relaxed FCC TV duopoly rules (RBR 8/9, p. 3) make this sale a viable one as broadcast companies are now allowed to own more than one television station in a certain market. But should CBS gobble up Chris-Craft, spin-offs would be a must as ownership rules prohibit a company from owning two major networks.—TS

Motorola offers chip for improved DTV reception

Motorola has designed an 8-VSB tuner chip, the MCT2100, which may solve the problem of multipath and signal dropouts for indoor DTV reception. DTV tests in NYC, Baltimore and other cities have shown the first generation of 8-VSB (the DTV modulation standard adopted in the US) tuners encountered reception problems. "Where analog multipath results in ghosting and static, in the digital domain it can destroy the coding. What this chip does is examine the signal coming in and gets rid of the multiple signals—it adapts itself to the best signal and cancels out all the others. It deals with the time delay of multipath signals," said **David Pivin**, Manager, Market Development, Motorola. "This is new to TV, but it's not new to communications in general, where cell phones and things of this nature have to deal with digital signals as well."

The chips, to be tested with manufacturers, should be found in DTV sets sometime next year. They should provide decent UHF DTV reception using a simple back-of-the-set loop or bow tie antenna.—CM

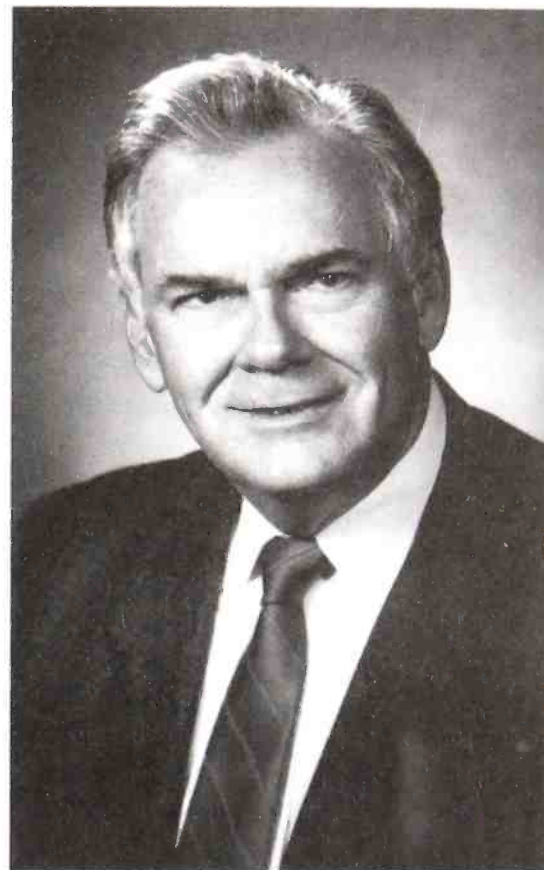
by Carl Marcucci

Charlie Morgan:

A half century of engineering radio

Charlie Morgan, SVP, Susquehanna Radio Corp., helped build (literally!) and continues to build the same company he has worked at since 1960. Current Chairman of the National Radio Systems Committee (NRSC) and 1994 recipient of NAB's Engineering Achievement Award, Morgan's 46-year career in radio began in 1953 at WARM-AM (now owned by Citadel) and TV Scranton, PA as a transmitter engineer. After the AM was bought by Susquehanna in 1957, he stayed on as engineer for WARM-TV until 1960, when Susquehanna hired him back as WARM-AM CE. In 1965, he did engineering work for the whole group of Susquehanna stations, and in 1975 was made Director of Engineering, working out of the company's York, PA headquarters. He was made VP Engineering in 1984 and SVP in 1994. Morgan expanded his role for a while as GM for WARM-AM and sister WMGS-FM in the early 90s.

His current title encompasses engineering management, acquisitions and representing the company in industry and government affairs. In this issue of *Engineered for Profit*, Charlie talks about his career and work within the NRSC.



How has radio engineering and radio in general changed since your career began?

From an engineering standpoint, I saw it move from vacuum tubes to transistors to ICs and now into the hard disk. From a facilities standpoint, FM has come into its own and has far outreached the value of most AM stations. Most significantly is the deregulation and changes with addition of multiple ownership. Radio today has become big business.

The skills required for a CE today range from RF knowledge to a Certified Network Engineer (CNE). Finding a person with RF experience is quite difficult—for a small station, particularly. Finding engineers to meet your needs today is extremely difficult, competing for personnel with the high tech computer and software operations.

How do you structure the engineering management of Susquehanna's 24 stations?

We operate with an engineering manager for each market. Some markets

may have individual chief engineers for separate stations who report to the engineering manager for that market. We use what I term "loose control" when dealing with the engineering department of our various stations. I feel it is important that the people in each market have the flexibility to run their own operations and be accountable for them. We are fortunate in having a company that has always believed in good engineering and has been willing to make the necessary investment in both equipment and people.

How do you manage with Peter Brubaker (Vice Chairman) and David Kennedy (President) what equipment purchases will be made for the whole group?

I am very fortunate in having a company president, **David Kennedy**, who has a keen interest and understanding of engineering. He started his career working in a radio station and has more technical knowledge than most people in his position. We have

a capital budget system that starts at the station level and is reviewed and modified at the corporate level. It is then submitted to David and Peter for their approval. Once the budget is approved, we still require justification for major purchases throughout the year. David and I are both involved in that decision process.

How do you find opportunities for spectrum manipulation, and how does this play a role in Susquehanna acquisitions?

Susquehanna is always looking at possible acquisitions that are a strategic fit for our company. We are constantly looking for stations that have the potential to be moved or upgraded. Our corporate engineering staff has the software tools that allows us to investigate such opportunities but, unfortunately, there are not too many of them out there.

Tell us about the use of digital on-air systems and program sharing across stations at Susquehanna—

the details or plans for a corporate-wide WAN.

Several years ago we decided on the ENCO system for our digital audio on air system, and I believe it was a good choice. By the end of the year, all stations will be operating with these systems. We are fortunate in having a number of excellent people in our corporate Information Technology Department who provide support to our technical people at the station level.

Susquehanna has a WAN that has been operating for the past two years. This WAN is used, for the most part, by management and the business office. Although it would be suitable for sharing programs across stations, there is little call for this in our operations. It is certainly a possibility in the future.

Most equipment has a shelf life of at least five years. What is your decision-making process for making a group-wide purchase?

There was a time when we depreciated most studio equipment over seven years but with our entire "on air" and production operations residing in a computer, this has certainly changed. For digital audio systems we are finding three years is really the life cycle. As I stated earlier, I am fortunate in working for a company that believes in providing our stations the best tools to do their job. Like it or not, we recognize the need to constantly upgrade these systems. We try to standardize on certain products and make group purchases where it makes sense.

As Chairman of the NRSC, how long do you think it will take to evaluate all data submitted from the three IBOC proponents on December 15, and arrive at a recommendation? What is involved in that evaluation process?

The evaluation process is defined in the "System Evaluation Guidelines" adopted in April of this year. This evaluation will take into account things like quality, robustness, its coverage, resilience to multi-path and noise, etc. The outcome of this evaluation will be a report that will determine if any or all of these systems meet the committee's goal; that is, 'does it represent a significant im-

provement over the existing AM and FM service?' As far as a timetable to evaluate these systems is concerned; we anticipate it will take about three months. With all three systems submitted at the same time, it may take a little longer. It is important to remember that the NRSC tests and its evaluation are designed to simply determine if any of these systems are suitable for an IBOC service in the United States. These systems are being tested by the proponents themselves, using different laboratories and test sites, so there can be no basis for any direct comparison between systems.

What will occur if more than one of these systems meet your goals?

The NRSC is now discussing the probability of becoming involved in direct system comparisons [see page 11] in the event more than one system meets our goals and if requested by the proponents. Direct comparison of systems will probably require the involvement of an outside testing service and common field testing sites. What is not known is what will be in the soon-to-be-released NPRM [10/21] and any plans the Commission may have for the testing or adoption of an IBOC system.

We wrote about Harris' call for an IBOC "Grand Alliance" (RBR 5/3, p.3). Do you see this as a possibility and is it even viable?

Certainly, a grand alliance would be the best solution from the broadcasters' point of view. I anticipate there will be serious discussions among the proponents concerning some form of an alliance, but not just yet. Once the NRSC has issued its report on these systems and the results become known to the proponents, various forms of alliances may surface.

Tell us about Susquehanna's filing on the LPFM NPRM.

We focused on what I believe to be the two most significant points. Any reduction in the second- and third-adjacent channel protections will cause severe interference to both existing stations and the newly created low-power stations. In our comments, I pointed out that too often we drive around markets where second-adjacent short spacing is known to exist and we observe no apparent interfer-

ence. The reason for this is that automobile receivers, by design, are very selective and can suppress second- and third-channel interference. This is not the case with other receivers. Interference on all types of receivers is well documented in the study of existing receivers submitted by the NAB. Our other point was that we must take the future of an IBOC system into consideration before any action can be taken on the LPFM proposal.

Do you see any compromise on LPFM for Kennard and the broadcasters?

There is always a possibility of compromise but no compromise should be even considered that will increase interference to existing stations or deter our ability to develop an IBOC system. Once the IBOC question is answered, the Commission and industry should look at the possibility of considering an LPFM service on a secondary basis which will not cause interference to existing stations.

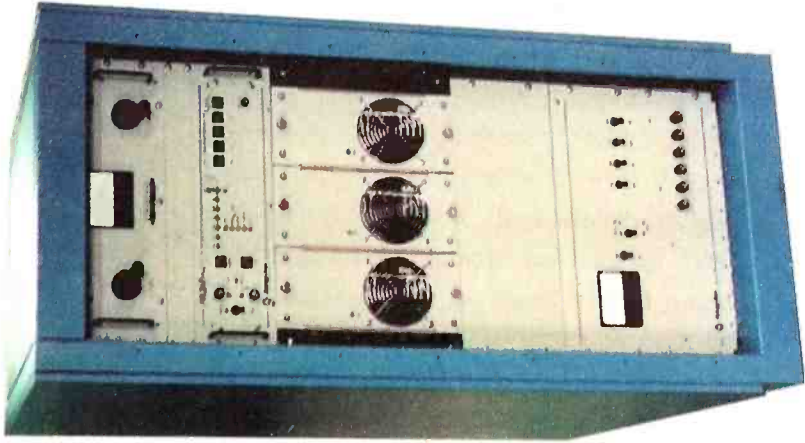
What is the future of radio, given threats from the Internet, Satellite DARS and MMBS (RBR 10/4, p. 2)?

I think radio has a great future. The last big threat to radio was supposed to be TV and I'm old enough to remember how TV was expected to make radio obsolete. Certainly, the Internet will compete with radio for our listeners' free time but Susquehanna, like most major broadcasters, has embraced the Internet and we intend to make it our friend and ally.

New multi-format services, be they satellite or terrestrial, can become direct competitors to radio. They will have a lot going for them: digital quality, multiple or specialized formats and the ability to cover most of the country. What they don't have is consumer demand—and without consumer demand they will go nowhere. If IBOC is successful and broadcasters implement it quickly, we can neutralize the digital advantage of these new services. Of equal importance is that broadcasters continue to fulfill the needs of our listeners. The only way there will be a consumer demand for many of these new services is if the consumer is not getting what it wants from existing broadcasters.

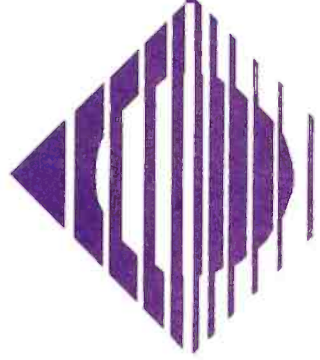
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XM Satellite Radio will launch their new services within the next two years. The original concept of DARS was for a satellite service with a small number of "On Channel" boosters to fill gaps of service. It appears today, that there is a plan to build a terrestrial network of more than 2,000 multiple-channel stations serving the entire country on one portion of the band allocated for satellite delivery with another portion of the

band utilized as a satellite feed for this network.

I believe the biggest threat to broadcasters is not the satellite service but the terrestrial network that published reports indicate is under construction. How such a network is being constructed is difficult to understand since the NPRM concerning terrestrial repeaters for these satellite licenses has not yet been acted upon by the Commission.

Engineering News

NRSC confirms "Phase II" plans for IBOC testing criteria; LDR balks

The NRSC's testing schedule for IBOC systems may now include another round—Phase II—assuming at least two IBOC proponents' AM and FM systems pass Phase I, where the systems are deemed viable. Phase II tests will include data from head-to-head system comparisons in common listening environments. Those findings will be presented to the FCC. "Phase II was always planned. Last July of '98 when neither USADR or Lucent were willing to commit to comparative testing, we decided we would do what is now being called Phase I," NRSC Chairman and SVP Susquehanna **Charlie Morgan** tells *RBR*. "We asked for them all to give us a letter by 10/1. We wanted to know from them if they will submit to the NRSC on December 15th and will they partake in the development of the criteria for a Phase II," he said. "We have agreed that if more than one of the proponents met our first criteria, that is Phase I. If none, or just one of them are found worthy of becoming a standard for the US, then there will be no Phase II."

All three proponents had initially agreed to participate, however, "Lucent and USADR were very 'picky' about the way it was worded and neither have signed it—Lucent had signed it, but that letter has since been rescinded because of a lot of problems. There will be a basic letter of understanding that I believe will be signed by all parties this week [of 10/11] regarding preparations for Phase II."

"Our position has not changed. We're committed to a Phase II, but not

until somebody successfully completes Phase I. Our strong view is we're not sure there's going to be a need for Phase II, because we don't think anybody else is going to pass Phase I," USADR CEO **Bob Struble** tells *RBR*.

"Comparative evaluation is necessary and the NRSC has acknowledged that and wants to go down that path and we are very supportive of that. The data that's being collected in Phase I is not even going to address the NRSC's stated objective of whether a digital system is better than the existing analog system," responded LDR President **Suren Pai**. "Given that no pass/fail criteria have been defined for Phase I, it is hard to imagine how anybody could qualify or disqualify anyone. None of the data collected during Phase I will be reused in Phase II, so I do not understand why anybody would want to take a position which says Phase I is going to determine any sort of outcome."

The NRSC has taken that position to define its overall testing process. "As we know, the NRSC has not been authorized by anybody to set the standard. They just happen to be a voluntary group that meets every month. Voluntary processes don't lead to any conclusions or decisions that are enforceable," added Pai. "We will wait and see what the FCC's NPRM has to say [10/21]."

An outside testing service, yet to be found, will perform Phase II's head to head tests. "They will be tested under conditions that we feel are important—field testing with certain specific routes,

in areas where multipath exists, and in areas where potential adjacent channel interference exists," said Morgan. "The NRSC would outline what all of the tests should cover. The outside concern that would run the tests would come up with the specifics and the proponents would obviously all have a hand in the design of the tests."

The Phase II timetable should not delay the process. The NRSC is moving quickly to establish the testing program. "We will start working on criteria for that next month. We will evaluate Phase I data by March 2000 and hopefully, we would be ready to get into Phase II right after that. I would expect Phase II to be in the first half of 2000," says Morgan.—CM

Antenna Concepts debuts UltraTracker II

The big brother to Antenna Concepts' UltraTracker. The Ultra Tracker II was first debuted at the NAB Spring Show this year. Both antennas' main claim to fame is removing side lobes for more solid coverage and reduced downward RF radiation (RFR) and interference (RFI).

The UltraTracker and UltraTracker II is based on a concept by **Lee Grandlund**, Director of Engineering for Z Spanish Media. Like many FM broadcasters, Z Spanish was facing serious RFR and RFI problems at antenna sites in crowded urban areas. Grandlund determined that most of these problems were caused by "side lobes," or fingers of signal extending below the antenna toward the ground. The design diverts 99% of the power going into the UltraTracker to the main lobe and out to the horizon. Both UltraTracker models are also aimed at stations looking to maximize a move-in or experiencing multipath issues, with the UltraTracker II providing more gain with a virtually the same side lobe suppression.

With Grandlund's help, Antenna Concepts took the design from idea to reality. "I might never have turned my idea into a successful product without the help of noted antenna engineer **Ali Mahnad**, and also **Mark Cunningham**, President of Antenna Concepts. Teamwork was very important here." Grandlund told *RBR*.

"The principle has been tried by some other manufacturers, and they haven't been successful in getting it to

do anything in the real world," said **Jeryl Schooler**, Antenna Concepts COO. "When you're doing field measurements, if you stand at point A and you get a reading, and you take two paces to the left, you may find a 10db variation in typical field strength. With the UltraTracker, that variation is 1, maybe 2 dB, and that seems to contribute to the improvement in coverage."

The first UltraTracker II prototype, a 10-bay, went on the air at the time of NAB Radio show in Orlando last month at KILM-FM McAllen-Brownsville, TX. "The increase in building penetration out to the end of the 60 dBu contour/1mV is just short of incredible. It takes a little more electricity—our old TPO was like 4kW, and now we've gone up to like 7.3," said **Bruce Miller Earle**, engineering consultant, Sendero Multimedia. "What's really noticeable about the antenna is an area that we had severe multipath has been greatly reduced. But more important is if you're in the fringe trying to get into the downtown area, you need building penetration in the worst kind of way, and this product certainly delivers."—CM

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by Dave Seyler

Clearance Channel? Mays releases divestiture digest

Brokers, potential buyers and *RBR* have received a list of over 100 stations which are earmarked for sale to enable Clear Channel's (N:CCU) acquisition of AMFM (N:AFM). We are talking beaucoup beachfront property, much of it in actual beach towns. 42 of the stations are currently owned or LMA'd by Clear Channel, with 65 more coming out of the AMFM portfolio.

In many of the overlap markets, Clear Channel will be pursuing a mix-and-match strategy, keeping (and spinning off) a combination of CCC and AMFM stations. Los Angeles, Houston and Orlando are examples. In others, clusters are being put on the market intact. Denver, Cleveland and Cincinnati fall into the latter category.

The divestitures are heavily weighted toward the larger markets. There are 57 stations available in the top 50 markets, 36 in markets 51-100, and only 14 in markets 101 and smaller.

RBR observation: It isn't every day that this many stations come on the market at once. And there's a little something for everybody on your holiday shopping list, from intact clusters in major markets to little stocking-stuffer AMs tucked away in places like Miami, Hartford and Wheeling. Your Clear Channel/AMFM shoppers guide is published on pg. 13.

Luau time for Mickey Mouse

Sometimes a group can expand without buying anything, and that is exactly how Radio Disney (N:DIS) is entering the Honolulu market. KQMQ-AM is adopting the Children's format today, making it Mickey's 46th affiliate. The owner of KQMQ is New Wave Broadcasting. The change in the playlist at KQMQ will be somewhat minimal—it is exiting a CHR simulcast with sister KQMQ-FM in favor of Disney's youth-flavored version of the format. We expect the station to be decked out in a new set of call letters before too long.

American General expands via Santa clause

The **Brandon** brothers' San Luis Obispo cluster and its flagship KZOZ-FM will be adding some territory to the South in the form of KRQK-FM in the Santa Maria market. The station is going for \$1.3M. The seller is Padre Serra Communications, which retains KSBQ-AM in the market.

New Arbitron Fall 1999 market rankings released

The addition of six new markets brings the total number of Arbitron-rated jurisdictions to an all-time high of 276. The new markets are notable in that five of them are home to Cumulus Media clusters.

There was some churn near the top of the rankings. Dallas displaced Detroit to claim 6th place; Atlanta leapfrogged Miami to take over #11; San Diego edged out Phoenix for the 15 hole and Tampa knocked Pittsburgh out of #21. Down a little lower, West Palm Beach took over #50, knocking Rochester NY off of the top 50 list, while Charleston SC rocketed from #104 all the way to #87, the beneficiary of revised population estimates courtesy of the Census Bureau.

Jon Ferrari, Chief Executive Officer, of
New Wave Broadcasting, LP

has agreed to transfer the assets of

KLAQ-FM, KSII-FM & KROD-AM
El Paso, Texas

for

\$23,500,000

to

Terry S. Jacobs, Chairman, and William L. Stakelin, President, of
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Clear Channel/AMFM holiday shopper's guide

The following stations have been identified as the most likely to be sold in order to enable the acquisition of AMFM by Clear Channel. The operative word is likely—the ultimate spin-off list has not been finalized. Market ranks reflect new population statistics from the just-released Arbitron Fall 1999 market lineup.

Los Angeles (2)

CCC: KEZY-AM, KACD-FM, M KBCD-FM, KXMX-FM

AMFM: KKBT-FM

San Francisco/San Jose (4)

CCC: KFJO-FM, KXJO-FM, KCNL-FM

Dallas (6)

AMFM: KBFB-FM, KDGE-FM

Houston (10)

CCC: KJOJ AM-FM, *KSEV, KKTL-FM, KMJQ-FM, KTBZ-FM, *KTJM-FM

AMFM: KQUE-AM, KKBQ-FM, KLDE-FM

* KSEV is jointly owned with Sunbelt Bcg., KTJM-FM is under LMA with Faith Bcg.

Miami (12)

AMFM: WVCG-AM

San Diego (15)

AMFM: KPLN-FM, KYXY-FM

Phoenix (16)

AMFM: KKFR-FM, KOOL-FM, KYOT-FM, KZON-FM

Denver (23)

AMFM: KVOD-AM, KALC-FM, KDJM-FM, KIMN-FM, KXKL-FM, KXPB-FM

Cleveland (24)

AMFM: WJMO-AM, WKNR-AM, WRMR-AM, WDOK-FM, WQAL-FM, WZAK-FM, WZJM-FM

Cincinnati (26)

AMFM: WBOB-AM, WUBE AM-FM, WYGY-FM

Providence (33)

CCC: WWRX-FM

Orlando (39)

CCC: WMGF-FM

AMFM: WJHM-FM, WOCL-FM

Greensboro (42)

CCC: WSJS-AM

AMFM: WMFR-FM

Hartford (44)

AMFM: WPOP-AM

Raleigh (48)

CCC: WFXC-FM, WFXK-FM, WNNL-FM, WQOK-FM

Austin (49)

CCC: *KFON-AM, KEYI-FM

AMFM: *KVET-AM

* KFON, KVET divestitures will occur if TV in market is attributable

Dayton (56)

CCC: *WIZE-AM, *WONE-FM

* divestitures will occur if TV in market is attributable

Richmond (57)

CCC: WRVA-AM, WTVR-AM

AMFM: WKHK-FM, WKLR-FM

Greenville SC (58)

CCC: WJMZ-FM, WTPT-FM

AMFM: WROQ-FM

Albany NY (59)

AMFM: WGNA AM-FM, WTRY AM-FM, WABT-FM, WPYX-FM

Grand Rapids (66)

CCC: *WTKG-AM

AMFM: WGRD-FM, WLHT-FM, WTRV-FM

* WTKG divestiture will occur if TV in market is attributable

Allentown (67)

CCC: WBRX-AM, WODE-FM

Harrisburg (77)

AMFM: WTCY-AM, WNCE-FM, WNNK-FM, WTPA-FM

Springfield MA (80)

AMFM: WHMP AM-FM

Columbia SC (89)

CCC: WOIC-AM, WARQ-FM, WMFX-FM, WWDM-FM

Des Moines (92)

AMFM: KGGO-FM, KHKI-FM

Daytona Beach (93)

CCC: WGNE-FM

Melbourne (95)

AMFM: WHKR-FM

New Haven (102)

CCC: WAVZ-AM

Jackson MS (118)

CCC: WKXI AM-FM, WOAD-AM, WJMI-FM

Pensacola (121)

AMFM: WMEZ-FM, WXBM-FM

Shreveport (130)

AMFM: KRMD AM-FM, KMJJ-FM

Cedar Rapids (201)

AMFM: KDAT-FM, KHAK-FM, KRNA-FM

Wheeling (223)

AMFM: *WBBD-AM

* divestiture will occur if TV in market is attributable

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TRANSACTION DIGEST™

by Jack Messmer & Dave Seyler

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

\$16,375,000 KGMZ-AM & FM, KRTR-FM & KXME-FM Honolulu (Honolulu-Aiea-Kailua-Kanoeha HI) from NPR Hawaii limited partnerships I, II, III & IV (Scott Fey) to CXR Holdings Inc. (Bob Neil, pres.), a subsidiary of Cox Radio (N:CXR). \$16.375M cash. Existing **superduopoly**. Broker: Kalil & Co.

\$11,500,000 WLTP-AM, WNUS-FM, WRVB-FM & WDMX-FM Parkersburg WV-Marietta OH (Parkersburg-Vienna WV-Marietta-Belpre OH) from WNUS Inc., 102 Inc. & Bennco Inc. (William Benns III) to Jacor Licensee of Louisville Inc. (Randy Michaels), a subsidiary of Clear Channel Communications (N:CCU). \$575K escrow, balance in cash at closing. Existing **superduopoly**. Note: This deal also includes an option to acquire WRZZ-FM Elizabeth WV.

\$4,250,000 WONW-AM, WZOM-FM & WNDH-FM Defiance-Napoleon OH and **FM CP** (93.9 MHz) Van Wert OH from Maumee Valley Broadcasting Inc. (C. Richard McBroom) to Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). \$250K escrow, balance in cash at closing. **Superduopoly** with WDFM-FM Defiance OH and WIMA-AM & WIMT-FM Lima OH. Broker: Associated Broadcasters

\$4,000,000 KALE-AM, KTCR-AM, KIOK-FM & KEGX-FM Richland-Kennewick WA from Triathlon Broadcasting Co. (Tom Hicks, Jimmy de Castro), a subsidiary of AMFM Inc. (N:AFM), to NNB II, a subsidiary of New Northwest Broadcasters (Michael O'Shea, Ivan Braiker & others). \$200K escrow, balance in cash at closing. Existing double **duopoly**, plus LMA of KUJ-FM Walla Walla WA. Broker: Media Venture Partners

\$3,000,100 WOLI-FM & WOLT-FM Greenville-Spartanburg (Easley-Greer SC) from Palm Broadcasting License Partnership (Gregory Filandrinos) to Sinclair Radio of Greenville Licensee Inc. (David Smith), a subsidiary of Sinclair Broadcast Group Inc. (O:SBGI). \$100 cash for part-

nership interest, assumption of outstanding balance on loan used to purchase these stations in 1996 for \$3M. Daisy-chain **superduopolies** with WYRD-AM, WORD-FM, WSPA-AM & FM & WFBC-FM. Note: This transaction will close simultaneously with Sinclair's sale of its entire radio group, including these two stations, to Entercom (N:ETM).

\$1,300,000 KRQK-FM Lompoc CA from Padre Serra Communications Inc. (Jaime Bonilla Valdez) to AGM-Birmingham LLC (Anthony & L. Rogers Brandon) \$125K escrow, balance in cash at closing. **Duopoly** with KZOZ-FM in the adjacent San Luis Obispo market.

\$802,000 WCTG-AM Columbia SC from Lighthouse Productions (Udel Richardson Sr.) to Alliance Broadcasting Group Inc. (O:RADO, Joe Newman, pres.). \$252K in cash at closing, \$550K note. LMA since 9/2.

\$500,000 KSVV-AM & FM Beloit KS from Solomon Valley Broadcasting Inc. (Charles Frodsham) to McGrath Publishing Co. (Harry McGrath Jr.). \$5K escrow, additional \$95K in cash at closing, \$400K note.

\$400,000 KOJO-FM Lake Charles LA from Family Life Broadcasting Inc. (Robert Schwartz, sec.) to Radio Maria Inc. (Joe Bertels, pres.). \$20K escrow, balance in cash at closing. Broker: Satterfield & Perry

\$340,000 KYCM-FM Austin TX (Bastrop TX) from American Broadcasting Educational Foundation (Barton Prideaux, pres.) to Queen of Peace Radio Inc. (J. Christopher Williams, pres.). \$25K escrow, balance in cash at closing. LMA since 12/1/98.

\$175,000 KJBR-FM Marked Tree AR and **KOCY-FM** Hoxie AR from Air Network Inc. (David Worlow) and Mindy Worlow (sole proprietor of KOCY) to Studio Four LLC (equally owned by David & Mindy Worlow and Dean & Angela Tyrer). The Worlows are contributing their stations to this new LLC for a stated value of \$175K and the Tyrers are contributing \$50K along with signing a note to pay an additional \$125K.

\$20,000 WAGS-AM Bishopville SC from The A.L. Group (Argent & Arie Landrum) to Bishopville Broadcasting Co. Inc. (Melissa Outlaw, Sheryl Carr). \$5K in cash at closing, \$15K note.

BROADCAST INVESTMENTS™

October 13—RBR Stock Index 1999

Company	Mkt:Symbol	10/6 Close	10/13 Close	Net Chg	Pct Chg	10/13 Vol	Company	Mkt:Symbol	10/6 Close	10/13 Close	Net Chg	Pct Chg	10/13 Vol
Ackerley	N:AK	12.438	13.313	0.875	7.03%	72100	Hearst-Argyle	N:HTV	23.813	25.125	1.312	5.51%	24600
Alliance Bcg.	O:RADO	0.469	0.469	0.000	0.00%	165000	Hispanic Bcg.	O:HBCCA	89.250	80.813	-8.437	-9.45%	64700
Am. Tower	N:AMT	19.750	18.813	-0.937	-4.74%	832900	Infinity	N:INF	30.938	30.750	-0.188	-0.61%	581200
AMFM Inc.	N:AFM	65.375	66.063	0.688	1.05%	296800	Jeff-Pilot	N:JP	64.500	62.938	-1.562	-2.42%	270000
Belo Corp.	N:BLC	18.625	18.500	-0.125	-0.67%	258000	Launch Media	O:LAUN	10.500	10.563	0.063	0.60%	64300
Big City Radio	A:YFM	4.000	3.750	-0.250	-6.25%	0	NBG Radio Nets	O:NSBD	2.813	2.875	0.062	2.20%	33200
CBS Corp.	N:CBS	49.563	45.375	-4.188	-8.45%	1550900	New York Times	N:NYT	40.375	41.000	0.625	1.55%	505700
CD Radio	O:CDRD	26.063	28.500	2.437	9.35%	223600	Otter Tail Power	O:OTTR	44.000	41.000	-3.000	-6.82%	2700
Ceridian	N:CEN	18.500	20.063	1.563	8.45%	1412300	Pinnacle Hldgs.	O:BIGT	26.875	24.375	-2.500	-9.30%	91100
Citadel	O:CITC	38.125	37.125	-1.000	-2.62%	18100	Radio One	O:ROIA	47.969	48.500	0.531	1.11%	46000
Clear Channel	N:CCU	76.375	75.125	-1.250	-1.64%	625800	RealNetworks	O:RNWK	104.375	99.750	-4.625	-4.43%	1251200
Cox Radio	N:CXR	60.500	60.500	0.000	0.00%	7900	Regent Pfd.	O:RGCIP	8.375	8.750	0.375	4.48%	4800
Crown Castle	O:TWRS	18.563	16.813	-1.750	-9.43%	166800	Saga Commun.	A:SGA	22.938	21.875	-1.063	-4.63%	10100
Cumulus	O:CMLS	32.750	30.000	-2.750	-8.40%	70300	Salem Comm.	O:SALM	23.750	27.063	3.313	13.95%	43900
DG Systems	O:DGIT	4.625	4.625	0.000	0.00%	235200	Sinclair	O:SBGI	9.063	10.563	1.500	16.55%	849000
Disney	N:DIS	25.625	24.563	-1.062	-4.14%	5451000	SpectraSite	O:SITE	11.938	10.750	-1.188	-9.95%	51900
Emmis	O:EMMS	64.875	60.125	-4.750	-7.32%	37100	SportsLine USA	O:SPLN	29.875	27.125	-2.750	-9.21%	162500
Entercom	N:ETM	42.250	43.750	1.500	3.55%	83300	TM Century	O:TMCI	0.688	0.688	0.000	0.00%	100
Fisher	O:FSCI	59.000	59.500	0.500	0.85%	300	Triangle	O:GAAY	0.065	0.060	-0.005	-7.69%	746900
FTM Media	O:FTMM	10.000	9.125	-0.875	-8.75%	0	Tribune	N:TRB	51.500	50.938	-0.562	-1.09%	766400
Gaylord	N:GET	28.750	30.063	1.313	4.57%	20100	WarpRadio.com	O:WRPR	3.375	2.875	-0.500	-14.81%	0
Harris Corp.	N:HRS	26.500	26.063	-0.437	-1.65%	192500	Westwood One	N:WON	45.313	42.250	-3.063	-6.76%	139000
Hearst-Argyle	N:HTV	23.813	25.125	1.312	5.51%	24600	WinStar Comm.	O:WCII	44.688	39.875	-4.813	-10.77%	1838000
							XM Satellite	O:XMSR	13.750	16.563	2.813	20.46%	241300

WarpRadio.com now trading

WarpRadio.com (O:WRPR) merged with a public shell corporation (the former Homequest Inc.) and began public trading 10/4. The stock opened at \$2.875. WarpRadio.com has about 9M shares, with 80% held by its management.—JM

Infinity/Outdoor deal faces deadline

(Dow Jones)-Infinity Broadcasting Corp.'s (N:INF) \$6.5B offer to acquire Outdoor Systems Inc. (N:OSI) may be called off if the deal is not completed by 2/28/2000. Should billboard company Outdoor Systems choose to accept another takeover offer, it must pay Infinity, a CBS Corp. (N:CBS) unit, \$300M in termination costs. Infinity, the nation's second-largest radio broadcaster in terms of revenue, will become the No. 1 outdoor ad company in the US, and the largest owner of ad displays in shopping malls as a result of the merger. Under the agreement, each

Outdoor Systems share can be exchanged for 1.25 shares of Infinity class A common stock.

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CD Radio closes on \$65M investment

Upcoming satellite-to-car broadcaster CD Radio (O:CDRD) closed on a \$65M investment (newly issued convertible preferred stock) from Apollo Management, LP 10/13. This brings Apollo's total investment to \$200M.—CM

Capstar offers buyback; prices 10 3/4% notes

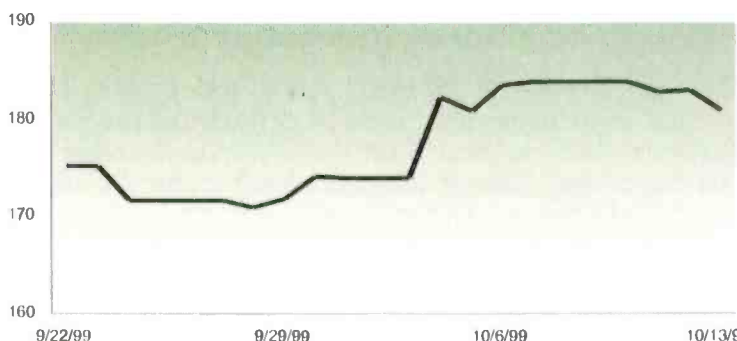
In a tender offer expiring 10/26, AMFM Inc.'s (N:AFM) Capstar Communications is offering holders of its outstanding 10 3/4% senior subordinated notes (due 2006) \$1,114.14 for each \$1K of principal. This is a first step in the overall refinancing plan in combining the operating entities and outstanding debt of Capstar and Chancellor into AMFM. The refinancing plan includes lower-cost bank debt for more flexibility.—CM

The Radio Index™

RADIO BUSINESS REPORT
Voice of the Radio Broadcasting Industry

THE WALL STREET JOURNAL
RADIO NETWORK

Shamelessly outperforming the Dow last week and continuing to ride the wave of the Clear Channel-AMFM merger, The Radio Index™ closed 10/13 at 180.90, down 2.59 from its all-time high of 183.49 a week ago.



Citadel Selects Scott Studios as "the Best" Digital System



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

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

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

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

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

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

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

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

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

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

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

The Scott System 32 (pictured at the upper right) is radio's most powerful digital system. Your log is on the left side of the LCD touch screen. Instant access Hot Keys or spur-of-the-moment "Cart Walls" are on the right with lightning-quick access to any recording. Phone calls record automatically and can be edited to air quickly. You can also record and edit spots or voice tracks in the air studio or go on the air from production.

Options include seamless redundancy, self-healing fail-safes, newsrooms, 16-track editors, time and temperature announce, and auto-transfer of spots and voicers to distant stations over WAN or Internet. Check our web site and call us toll-free.

The screenshot shows a digital interface with a central song list and navigation buttons. The song list includes:

- 8:15:38A On-Air 2**
- R-E-S-P-E-C-T** Aretha Franklin :11/3:30/F HIT HM9834 8:15 The Queen of Soul!
- Start 3**
- Ferry 'Cross the Mercy** Gerry & the Pacemakers :17/4:13/F HIT HM2608 8:18
- Start 3**
- Home Depot** Q: Better at Home :00/0:30/F COM DA2214 8:22
- Start 3**
- McDonald's** Q: Prices may vary :00/0:06/F COM DA2215 8:22
- Start 3**
- Bob's Bargain Barn** Q: Sale Ends Saturday :00/2:45/C COM DA1234 8:23
- Start 3**
- Cool 105 Fast Jingle** Q: Cool 105 :00/0:30/F JIN DA4315 8:23

Navigation buttons include: Stack, Artists, Time, Year, Cat., Auto, Back, Forward, Preview, and a large :04 timer. A grid of letters A-Z is at the bottom for song selection.

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

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