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## Jimmy de Castro bids AMFM goodbye

As we've recently reported announcement after announcement of management realignments and execs leaving AMFM (N:AFM) in anticipation of the merger with Clear Channel (N:CCU), it was probably inevitable that AMFM Vice Chairman, Radio President and AMFMi CEO **Jimmy de Castro** would be following suit. The man who was more than instrumental in building the largest radio company in history announced (2/16) he is "retiring" (certainly not at 47) from the company and its board of directors.

Among his major accomplishments in building AMFM: • Co-founded Evergreen Media • Worked the merger of Evergreen and Chancellor • Recruited and built the management team that operates AMFM • Founded AMFM Radio Networks and recruited a team

that includes **David Kantor** • Helped engineer and establish the "Alice" and Jammin' Oldies formats nationwide • Helped build and form partnerships with AMFMi, AMFM's Internet arm • Forged the CNET partnership to form "CNET Radio" • Pioneered and put into place AMFM's "cluster" management strategy. • Helped drive AMFM's stock price from \$16 at Evergreen's IPO in 1993 (*RBR* 5/24/93, p. 14) to an all-time high of \$85.625 in trading 1/21/00.

"I'm retiring—**Michael Jordan, Wayne Gretsky, John Elway**, Jimmy de Castro. I've done it all—the Internet is the wave of the future. I can't be 90 years of age, sitting in my rocking chair having let this exciting wave of technology go by—it's like radio was 20 years ago. I'm starting my own

company," said de Castro, who will have somewhere in the neighborhood of \$250M to do it with. He tells *RBR* the company will be Internet-related.

Jimmy was all for staying on with Clear Channel after the merger (*RBR* 10/19/99, p.4), but after a series of meetings in San Antonio, with the team of Clear Channel Radio President **Randy Michaels** and the **Mays** family on one side and de Castro on the other, they decided to part ways instead. **Ken O'Keefe**, AMFM Radio Group's COO is assuming de Castro's responsibilities on the radio side and will likely stay on past the merger; **Michael Levitt**, AMFM and AMFMi Director, becomes CEO of AMFMi. As if to make his exit complete, de Castro left for a Caribbean vacation with his wife **Annie** (2/17). *RBR* will follow de Castro's new company as it takes shape.—CM

### FCC accused of corruption

Rep. **Billy Tauzin** (R-LA) bluntly accused FCC staffers of corruption for holding up mergers to extract concessions from licensees, angering FCC Chairman **Bill Kennard**, who demanded the congressman provide specific evidence or stop badmouthing his staff.

In a speech to the NAB 2000 State Leadership Conference (2/14), the House Telecommunications Subcommittee Chairman was careful to clarify that he wasn't accusing any commissioners of such practices, but rather unnamed FCC bureaucrats who are telling companies

what assets must be divested to get a deal approved. "An agency that holds people up and lets other people shake them down is aiding and abetting corruption," Tauzin said. "There are people who are being shook-down, blackmailed and greenmailed to death."

Tauzin said he'd gotten such allegations confidentially from licensees who couldn't go public because they feared retribution in future dealings with the FCC. Declaring that the 1996 Telecommunications Act repealed the FCC's authority to review mergers, Tauzin vowed to pass legislation which will give the FCC strict deadlines for acting on license transfers.

After hearing of Tauzin's comments, Kennard called the congressman to complain and fired off a letter, which was distributed to *RBR* and other media outlets.

"The phrases you use have plain, common sense meanings of unethical and potentially criminal conduct resulting in financial gain or benefit for the perpetrator," Kennard wrote. "I do not believe any such practice exists at the FCC." The FCC Chairman charged that it was "unfair, irresponsible and unworthy" of Tauzin to make such charges without citing specific cases.—JM

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## LPFM under House scrutiny

Rep. **Billy Tauzin** (R-LA) came down hard on the FCC last week for moving too quickly on the creation of a low-power FM radio service and not dragging its feet on the issue as the agency has been known when evaluating license transfers.

"Perhaps you [the FCC] should have talked to us first," Tauzin, Chairman of the House Telecom Subcommittee, said during a hearing to investigate the FCC's decision to launch the new service. "We get elected by those Americans who buy the radio stations as well as those Americans who use the radio."

Many House members have voiced their concern that 10- and 100-watt LPFM stations would create interference to current full-power FM stations. Last month the FCC relaxed 3rd-adjacent channel protections for LPFM stations in order to shoehorn the stations into an already congested band (*RBR* 1/24, p. 2). The stations are to be used by church groups, schools, neighborhoods and local governments.

Studies commissioned by the National Association of Broadcasters and the FCC to test the level of interference caused by potential new stations have produced different results. According to **Bruce Franca**, the engineer who conducted the FCC's test, LPFM would not have an adverse impact on the reception of full-power FM stations and any areas receiving interference

would be "very small and would be outweighed by the benefits of the new service."

But House members were not convinced that the American people would be willing to accept interference on inexpensive radios, such as walkmans and clock radios, so that an LPFM station may get on the air. "That's a pretty nasty way to treat the public," said Tauzin.

The NAB's study, conducted by independent engineer **Charles Jackson**, found that listeners with an LPFM station in their range would hear significant interference to a full-power station. According to Jackson, the FCC produced different findings because the agency "measured interference but reported the results as if it had measured harmonic distortion... Such distortion is much harder to hear than is noise or cross-talk." The NAB defines noise and cross-talk as interference and distortion measures how well amplifiers perform.

"This is a serious error—roughly as bad as telling someone to suit up for a football game in a basketball uniform," Jackson told the Subcommittee.

The NAB has filed a petition in the US Court of Appeals for DC, asking the Court to strike down the LPFM rules as the Commission "has turned its back on spectrum integrity," said NAB's CEO/Pres. **Eddie Fritts**.—TS

## Gaffs plague Rohde appearance

During his years as an aide to Sen. **Byron Dorgan** (D-ND), **Greg Rohde** focused primarily on rural issues, including rural access to high-tech telecommunications systems and satellite TV. Now that he's an Assistant Secretary of Commerce and Administrator of the National Telecommunications & Information Administration, Rohde is having to deal with some new subjects, including radio—and he's clearly not yet up to speed.

In his speech 2/14 to the NAB 2000 State Leadership Conference, Rohde drew gasps from the audience when he stated that a pending merger (obviously referring to Clear Channel and AMFM) will result in one company owning half of the nation's radio stations. In fact, Clear Channel will own less than 10% of the nation's radio stations when that deal closes, as Cox Radio Exec. VP **Dick Ferguson** explained to Rohde in the Q&A period that followed the speech.

Then, noting that Rohde's speech had emphasized the Clinton Administration's often-heard pitch for localism and diversity, Ferguson asked the new NTIA Administrator how he would balance localism and diversity concerns with the impact of Docket 80-90. Rohde had one question: "Could you tell me what Docket 80-90 is?"—JM

## AMFMi chooses RCN for ISP offering

AMFM Interactive, AMFM Inc.'s (N:AFM) Internet arm, announced it is partnering with RCN Corporation (O:RCNC) in Philadelphia to provide Internet service to listeners visiting six AMFMi station websites beginning mid to late March. The stations will promote RCN's link and service on-air, and the sites will have a direct link for new subscribers to sign up.

This is one of the first "Affinity Partners" that AMFMi EVP/Chief Marketing Officer **Chuck Armstrong** told *RBR* would be coming as part of AMFMi's strategy (*RBR* 5/17/99, p.3). Besides cross-promotion and a powerful on-ramp for RCN, the alliance will include email campaigns, software giveaways and marketing tie-ins with other upcoming AMFMi Philadelphia market partners.

"This is our first foothold in extending our media brand online so we can be the local media of choice—online, as we are in the market off-line," Armstrong tells *RBR*.

Plans for negotiating a broadband deal with RCN are in the cards when "they have the service to cover most of the market. Because right now, they do have great cable modem access, but the point is it's not in every part of Philadelphia," says Armstrong.

What AMFM markets are next with RCN? "They have the ability to come into other markets that are in our test

phase, but at this point, we're going to get it right in Philly before we try to roll it out," he adds.—CM

## Speaker blasts FCC for LPFM

US Speaker of the House **Dennis Hastert** (R-IL) says it's time for certain regulators to be reminded that they answer to the Congress, not the White House, and they should not be trying to use their agencies to legislate rather than regulate. "That certainly hasn't been truer than the recent FCC action to authorize low-power FM," Hastert told the NAB 2000 State Leadership Conference (2/14).

"We should not be in the business of destroying the FM band," the Speaker said as he vowed to reverse the action on Capitol Hill. "We can say no to this misguided legislative action by the FCC and we will."

Earlier, in a panel discussion with congressional staffers, some broadcasters had worried that they could end up being cast as the "bad guys" in the battle over LPFM, since the licenses are supposed to go to schools, churches and the like. The staffers suggested that lobbying to overturn the FCC action continue to focus on the interference that LPFM will cause to current stations. They urged broadcasters to use maps showing where listeners are likely to have to deal with interference (see page 9) to make the case to their home state Senators and Representatives.—JM

**Thanks**

**Dr. Laura  
Schlessinger**

**Rush Limbaugh**

**for**

**Dr. Dean Edell**

**Art Bell**

**talking**

**Phil Hendrie**

**Jim Rome**

**with**

**Motorman**

**Michael Reagan**

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## Commissioner calls budget "excessive"

Two weeks ago President **Clinton** asked Congress for a \$237M budget for the FCC in fiscal year 2001. That's \$27M more than was allotted for this year (*RBR* 2/14, p. 2). While FCC Chairman **Bill Kennard** was all too willing to back the President's request, another FCC Commissioner has called the proposed budget "excessive."

"[G]iven the clear deregulatory bent of the Telecommunications Act of 1996, we should be regulating less, not more, therefore requiring less funding over time," said Commissioner **Harold Furchtgott-Roth** last week in a letter to Rep. **Harold Rogers** (R-KY), chairman of the House Appropriations Subcommittee on Commerce, Justice, State and Judiciary.

Furchtgott-Roth told reporters last week that the FCC's staff is wasting time by reviewing mergers which "we have no statutory authority over." The DOJ also reviews industry mergers. The agency has been criticized for its slow process of granting or denying license transfers. According to Furchtgott-Roth, more than half of the budget increase proposed for 2001 is to cover current employee raises.—TS

## John Martin to run CCC Web sites; Gilbert to run Critical Mass Media

Clear Channel has named **John Martin** President of Clear Channel Website Services Group. "On the short term, I am going to try and facilitate a smooth transition between Clear Channel and AMFM. Long term is all about asset development—getting our Internet assets organized and in great shape so as the Internet conductivity, as the distribution increases in the upcoming years, we will be in a perfect position for it."

Martin is also President of Clear Channel's research and database marketing arm, Critical Mass Media, but his duties there will change. "One of my long term partners, EVP Research Operations, **Carolyn Gilbert**, we are naming her EVP/GM today (2/17)," Martin tells *RBR*. "So I move out of the day to day of Critical Mass and will be more involved in global leadership of the company."

**Jenny Sue Rhoades**, SVP Clear Channel Internet Group (based in Orlando), and CCC CFO **Randall Mays** are working on her new role in

## Sirius, XM to establish interoperable radios; create online companion music sites

Well, they've finally decided to follow the Satellite DARS FCC license mandate of interoperability (*RBR* 10/19/98, p.6): All satellite DARS receivers must be able to receive all satellite DARS offerings in the US—Sirius Satellite Radio (O:SIRI) and XM Satellite Radio (O:XMSR). In order to do that, the technologies must be exchanged between companies. "In addition, pending litigation between the companies will be resolved as part of this agreement," said XM CEO **Hugh Panero**.

It's a bonus for both consumers, manufacturers and the DARS proponents. Consumers will eventually (the first generation of receivers will still be separate because they are already in mid-development) have the option of 200 channels of satellite-delivered audio; manufacturers will be working with one chipset and base design, lowering costs; and it means that all the separate deals with automakers are now essentially joint deals for XM and Sirius. "The deployment of [DARS] radios in automobiles in any way, shape or form is always good news for both XM and [Sirius], given that our licenses mandate interoperability, So radios in cars mean...availability to [Sirius] radio," **David Margolese**, Sirius CEO told *RBR* in a 6/14/99 story.

Most of us know about the online music sites with 100+ music channels—Spinner.com, NetRadio.com, Soundsbig.com, etc. Well, the next debuts may be Sirius and XM. The goals are four-fold. 1) To pre-introduce and promote the upcoming satellite services; 2) To use them as a cross-promotional vehicle after they launch; 3) To fine tune the formats before launch based on listener comments and 4) To possibly make money from the sites. It could be as simple as format buttons on the current sites, and as complex as a downloadable player.

"At this point, we are not in the position to make any official announcement about how we're going to do this. I think your conclusions are sound and that it does make a lot of sense for us to do that," **Terrence Sweeney** Sirius VP Marketing tells *RBR*. "We believe that people would be much more likely to buy our service if they have the ability to sample it prior to the purchase. We are absolutely spending time carefully evaluating this. The current stage of our active investigation are the opportunity and the costs associated with it, the technical and manpower requirement as well as legal and regulatory issues."

"We are really excited about extending our programming into the Internet environment. As you know, digital music and e-commerce is growing rapidly and we're developing ways right now to extend all of that excitement to the Web. We're currently in the process of developing what I would call an aggressive and integrated Internet business strategy that will combine our unique programming and the fact that we're nationwide, with the power of the Internet. It will allow us to enhance relationships with consumers, retailers and advertisers," said **Steve Gavenas**, SVP New Business Development, XM.—CM

the Internet strategy of the company.—CM

## TrafficStation and FTM Media join for radio content offering

TrafficStation, leveraging its TrafficStation.com, has struck a content deal with FTM Media (O:FTMM, Infinity owns a 18% stake—*RBR* 5/31/99, p.2) to provide personalized traffic and travel links to FTM's radio website clients. The deal builds on TrafficStation's existing 26-market business-to-business service. Listeners go to the station site to get free, instant traffic reports and a customized view of specific routes—with the option of also receiving the information over hand-held wireless devices.

TrafficStation, like Traffic.com

(*RBR* 1/31, p.3) which recently struck a deal with AMFM, also offers stations the ability to produce their own in-house traffic reports through its "Broadcast Partnership Program." Stations can choose station-branded (fee-based) and co-branded (ad inventory-based) links.

TrafficStation uses technology that determines traffic speed and movement based upon anonymously tracking the position of thousands of cell phones in a market. "There's positioning data emerging everywhere. What we're going to do is harvest this data, integrate it with other traffic sources [reporters/spotters dispatch centers in DOTs, cameras], process it and turn it into information and content," said **Geoff Halstead**, TrafficStation President/CEO.—CM

# Television Business Report™

## Fox, CBS pledge diversity, too

Fox (N:FOX) and CBS (N:CBS) have added their names to the list of networks cutting pro-diversity deals with the NAACP.

Following last month's lead set by GE's (N:GE) NBC and Disney's (N:DIS) ABC (RBR 1/17, p. 7), the two networks have agreed to implement programs to recruit more minorities for both on-camera and behind the scenes positions.

The NAACP had threatened a boycott by African-American viewers of the networks if they failed to put more minorities on TV and in executive positions. NAACP President **Kweisi Mfume** announced during a news conference earlier this month at Fox headquarters that the boycotts have been called off but that he would call upon government intervention or future boycotts if the networks do not stick to their word.

"It is heartwarming to be at this point. I am a realist, however, and I know that honeymoons are short," he said.—TS

## Broadcasters beat web streamer

A group of Canadian broadcasters, 10 US motion picture studios and two Canadian sports teams have succeeded in their attempts to stop a Toronto-based company from streaming their copyrighted television material over the Internet.

A temporary restraining order has been issued by Judge **Donald Ziegler** of the District Court for Western PA, in which TVRadioNow

Corp.'s [www.iCraveTV.com](http://www.iCraveTV.com) must stop retransmitting television signals or copyrighted material into the US. The order applies only to signals sent into the US and not Canada.

The web site claimed that it was legally rebroadcasting the signals for reception by Internet users within Canada, but the only way the site identified where its users were located is by having them enter their telephone area code (RBR 12/20/99, p. 7). Users could get around this measure by typing in a Canadian area code instead of their correct one.—TS

## Chris-Craft sales talks hit a wrinkle

As much as Viacom (N:VIA) CEO **Sumner Redstone** is willing and anxious to acquire Chris-Craft (N:CCN), the television station group says no deal has been struck.

Viacom had proposed earlier this month either to buy the 50% stake held by BHC Communications, a unit of Chris-Craft, in the UPN Network or sell its own half interest in the venture to BHC for \$5M. Such a deal would put Viacom over the FCC's 35% audience cap.

But one week after Viacom proposed the deal, BHC filed a lawsuit against Viacom and its merging partner CBS (N:CBS), charging the proposed merger violates terms of BHC's UPN joint venture with Viacom.

Under terms of the UPN agreement, Viacom is prohibited from owning or controlling any interest in a competing network. Preliminary arguments of the lawsuit are scheduled for next Monday (2/28).—TS

## Granite broadcasting the net over DTV signals

Granite Broadcasting (O:GVBTK), in a deal (1/31) using SkyStream Networks media routers and Harris' (N:HRS) "Dataplus" DTV technology, is set to broadcast Internet content similar to WebTV over DTV signals on its nine O&O stations. SkyStream's technology inserts Internet content into the DTV signal using open, or "opportunistic" packets of data, while maximizing the existing bandwidth of the channel space. Granite is already offering the service free (they need to buy a PC receiver card) in San Francisco on KNTV (ABC) and KBWB (WB).—CM

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## The FCC's LPFM Report and Order

The FCC's Low-Power FM Report and Order was released 1/27. While the Commission attempted to please everybody, backing off of a few issues that were considered in the Notice of Proposed Rulemaking (NPRM), the NAB, Rep. **Mike Oxley** (R-OH) and Sen. **Judd Gregg** (R-NH) are still planning to abolish the ruling by respective lawsuits and two Congressional bills (see page 2). The key issues of the Commission's "compromise" are no LP1000 stations (LP10 and 100 instead), protecting existing translators and dropping third-adjacent channel protections for LPFM allocations only.

"After an exhaustive review of the technical documentation in this record—including the filings of those promoting digital IBOC radio systems—I believe that the technical limitations we have imposed are adequate to protect existing full-powered stations from undue interference from low-powered stations. In addition, the record suggests that elimination of third-adjacent channel protection does not hamper the deployment of currently proposed IBOC digital radio systems," said FCC Chairman **Bill Kennard** in the document.

His compromise—between political pressure for more voices and broadcasters' interference concerns—didn't please either side to the level they wanted, but lowered broadcasters' level of panic to a degree. "I think this is a bad decision," said **Bruce Reese**, Bonneville CEO and NAB Spectrum Integrity Task Force Chairman. "I think it ignores the weight of the evidence that's been introduced. It could have been a lot worse decision, but it's still a bad decision."

### Spacing details

The Report and Order's spacing requirements protect full-service commercial and noncommercial educational stations, while not establishing minimum separations between LPFM stations that operate two or three channels apart. Minimum separation distances will not protect LPFM stations against interference from full-service stations, but prevent the LPFMs from causing interference to the protected service areas of full-service FMs. LP100 stations are not required to protect LP10 stations. "There is to be no interference in the protected contour—60 dBu for most stations, for class B it's 54 dBu and class B1 its 57dBu," signal mapping company Dataworld EVP **Hank Brandenburg** tells *RBR*. "So in general, they will be protected from interference except, of course on third-adjacent business. In general, it looks like it's been engineered by the standards they've always used."

To reduce the potential impact on

the affected stations, the spacing rules include a 20km buffer for co-channel and first-adjacent channel LPFM-to-full-service-stations. "This additional separation is included for two reasons. First of all, broadcast stations often change transmitter sites to provide better service to their communities. Same-station-class transmitter site moves are generally less than 20km from the original site. Therefore, inclusion of the 20 km buffer spacing allows full-service stations room to move while also reducing the potential impact on existing LPFM stations," the report reads. "Second, and equally important, the additional separation affords the LPFM station an increased likelihood that its operation would not cause interference within a full-service station's community of license."

### Equipment requirements

The use of STLs will be allowed, and while the ruling doesn't require LPFMs to install EAS encoding equipment, all LPFM stations are required to use

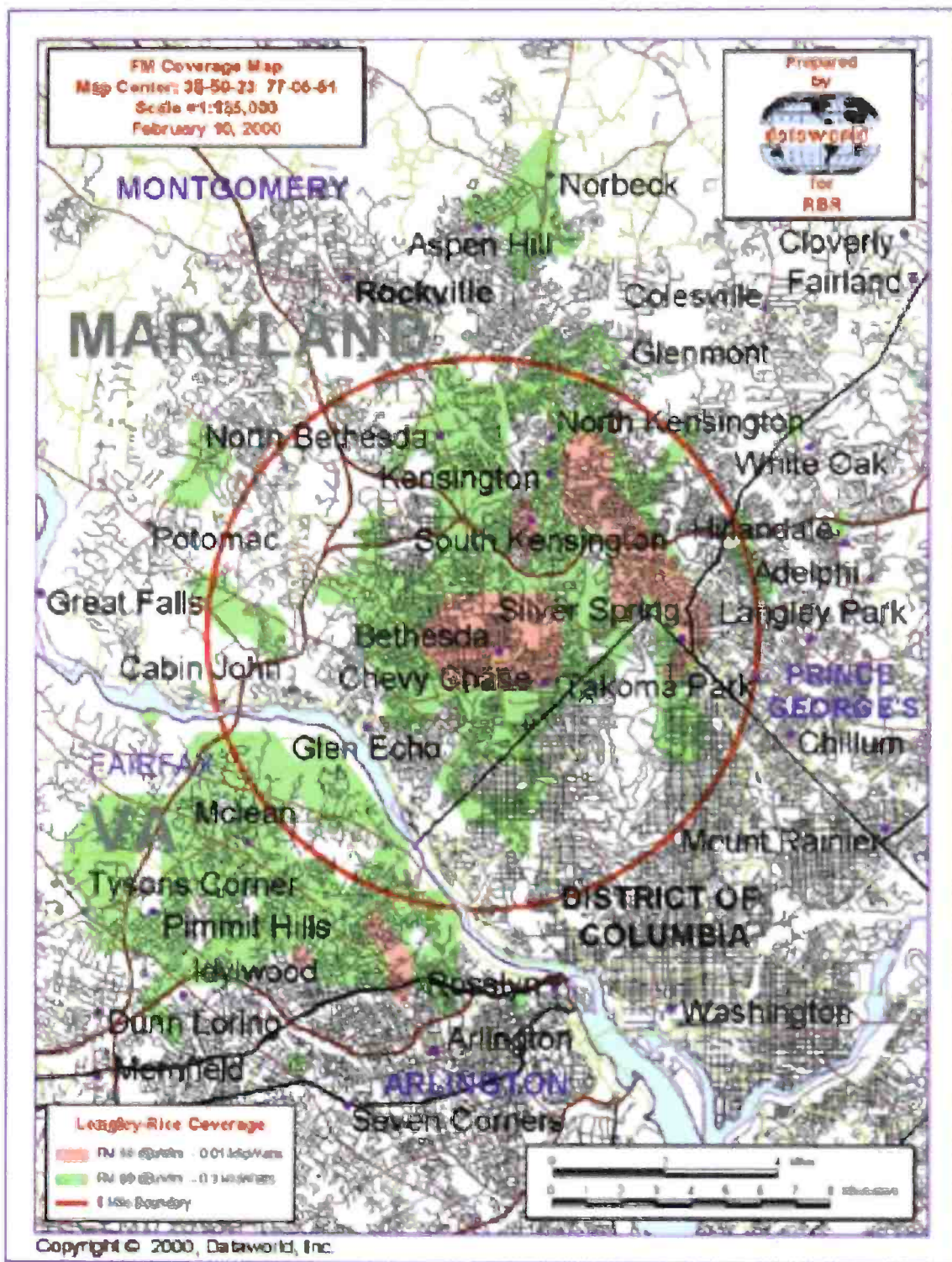
decoding equipment that notifies the station in case of an emergency. An 18-month construction period for both LP10 and LP100 stations is expected to be enforced.

LP100s will allow no more than a 30 meter antenna height above average terrain (HAAT), operating at the full 100 watt ERP. In situations where the antenna is located higher, i.e. on top of a tall apartment building, the transmitted power will have to be reduced so that its 60 dBu contour is no more than 5.6 kilometers. At the far extreme, no facility will be authorized in excess of one watt at 450 meters. Conversely, LP100 stations may not operate with less than 50 watts at 30 meters or the equivalent necessary to produce a 60 dBu contour that extends at least 4.7 kilometers.

LP10 stations have a maximum ERP of 10 watts at 30 meters HAAT. LP10s with antennas higher than 30 meters above average terrain will not be allowed power that would create a 60 dBu contour of 3.2 kilometers. No less than one watt ERP will be authorized at the maximum height of 100 meters HAAT.

Directional antennas will not be authorized, however, LPFMs may use nondirectional antennas with horizontal polarization or vertical only polarization. Because LPFM licenses are non-commercial and deemed to go to churches, community groups and the like, equipment costs should be kept to a minimum. Therefore, antennas may be mounted just about anywhere. Says **Dale Bickel**, FCC Senior Electronics Engineer, Audio Services Division, who was one of the 15+ who directly developed the rules and policies set forth in the Report and Order. "Certainly, they can put them on buildings or towers that exist. It has to be a permanent structure of some sort. It could even be a telephone pole."





A Longley-Rice map showing coverage of hypothetical LP100 and LP10 stations located in Bethesda, Maryland, a suburb of Washington, DC.

Source: Dataworld

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Ask a question and we will get an answer

## Manufacturers preparing for LPFM market

Given that thousands of LPFMs may be allocated, a whole new market is about to open to manufacturers. On 1/24, Broadcast Electronics (BE) announced its new "Plug-N-Play" LPFM transmitters to "empower low-power broadcasters to quickly service their communities." The Plug-N-Play MMP-150 (for LP100s) and MMP-20 (for LP10s) will be shown at NAB Vegas.

"It's actually something we've been working on since before the LPFM initiative. We have a 10-man engineering team that is putting this all together—the prototype is still in production. We haven't determined all the features yet, but it does use a digital exciter," said **Jim Godfrey**, President of Marti Electronics, a BE company.

LPB, which has been marketing low-power equipment to colleges, community stations and translator owners since 1960, has been preparing LPFM packages for the last year in anticipation of the ruling. "I've got an awful lot of orders already lined up," said **John Devecka**, VP Sales, LPB Inc. "We're offering packages turnkey and plug-n-play for both LP10 and LP100. We have a turnkey 100 watt—that's application, engineering, filing, installation and studio package with a desk and racked up 150-watt transmission package with antenna and cables, installed."

LPB will be offering the new series for LPFM soon. "I believe we will be offering them at the Spring NAB show. The tentative names are the 'Sky 20' (for the 10-watters) and 'Sky 150' (for the 100-watters)," says Devecka.

As stated above, part of LPB's package includes the application and filing. Devecka brings up an important prophecy with that: "When they get to the actual decisions, who gets and doesn't get these stations? I suspect that the only people that are really going to win at that point are lawyers. From what I've been hearing, there are a lot of people that are just waiting to file a lawsuit saying, 'I was discriminated against because I didn't win.' That's a real concern. We've already decided that we are going to limit ourselves to a maximum of 100 clients. We're drawing the line because we want to make sure that we can give them the most support we can on this process. It's going to be a lot of making sure that when their application goes in, it's three feet thick with recommendations, approvals and support. So when it comes down to making that decision, it's a no-brainer."

Unlike the LPFM NPRM that proposed using special narrow-band transmitters for LPFM stations to minimize interference, all existing FCC Office of Engineering and Technology-certified transmitters can be used—what's out there today.

### So, how many are we talking?

The Commission plans to open a five-day application filing window in May. No one else will be able to apply after that until the next window. "The timing of that will depend a lot on how many applications we get the first time and how long it takes to process them," Bickel says. "Given the interest in LPFM, we do expect a very large number of applications—thousands. The technical criteria will be the first hurdle."

That hurdle will be set by the Commission's online program, still in development. "You'll plug in a set of coordinates and get an answer as to whether it works or not. I wouldn't expect it before the early part of April, before the window in May," Bickel says.

Even the FCC doesn't know exactly how many LPFMs will be allocated. The whole process will rely upon the applications. "We're not going to specify where we are going to put LPFM stations. We've not done any analysis to find out how many nationwide we could create. A lot of it is going to depend on where people want them," explains Bickel. "They just file an application, if it fits, it gets granted."

"The number of allocations is a dynamic thing. In other words, you can allocate a station in one place that precludes five others, and you can allocate it in one of the other places and it only precludes two—it's kind of hard to give a fixed number," concedes Brandenburg.

The NAB's SVP, Science and Technology **Lynn Claudy** fears it is in the thousands. "We don't have a good nationwide estimate. From its NPRM, the FCC performed allocation availability studies for 60 markets. However, it analyzed only 100 and 1,000 watt LPFM stations," he said. "For LP100s with existing translators protected, the Commission found 328 available frequencies in the 60 markets. Based on this number, I would say the total number of LPFMs could be several thousand."

### Interference issues

The FCC's decision to not include LP1000s in its rulemaking was based on the fact that fewer would be allocated and they create a good deal more interference than LP100s or LP10s. In addition, says Bickel, "There was a lot less interest in LP1000 stations, and also, there would be a lot fewer 1,000 watt stations because of the bigger area needed for protection. We designed the spacing rules to keep interference to a minimum."

"Dropping the LP1000s makes sense as far as their own mission in this because LP1000s are much more preclusive. If they really want to drop in a whole bunch of stations for all these local interests, they will be able to squeeze quite a few more in by going with lower power," explains Brandenburg. "Consequently, of course, that will cause more of these little freckles—isolated pockets of interference—in the broadcasters' coverage area instead of larger, crescent-shaped interferences. If you're out near the edge of a full-market signal's protected contour, that freckle can be substantial."

The NAB's Claudy says eliminating LP1000s doesn't change the final outcome by much. "Generally speaking, the geographic area that would receive interference from a 1000 watt station would be larger than the area that would receive interference from a 100 watt station. However, more 100 watt stations can be allocated, so it's not clear that the total amount of interference would be any less."

The Commission also pulled back from its NPRM by not dropping second- and third-adjacent channel protections. Instead, third-adjacent will be dropped only for LPFMs. "I think not eliminating second-adjacent channel is very good. If they did that, it would have been horrible," **Charlie Morgan**, SVP Susquehanna and NRSC Chairman tells *RBR*. "I still believe the new rules are detrimental to not only IBOC but to interference-free FM signals in the analog mode, however, I have to agree that third-adjacent is not as bad as second and 100 watts is not as bad as 1,000."

By protecting translators, the Commission limits the number of LPFM allocations in many places. Brandenburg explains: "In the stud-

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ies we did for the NAB [RBR 8/16/99, p.8-11], there were a lot of channels that came up as available for LPFM allocations in Albuquerque and places like that. Each translator is going to knock out seven of those. If there's five translators there, that's almost half the band. And don't forget IF spacing (10.7 MHz frequency spacing protection)—they can knock out nine channels each if they are either low or high on the band."

"It changes things somewhat, but not that much," says Claudy. "The channel availability study that the FCC did for its NPRM analyzed LP100 stations with translators protected and not protected. In Midland, TX, for example, it found that 15 LP100 stations could be allocated in either case when third-adjacent channel interference protection was ignored. So there it has no impact. On the other hand, in Flagstaff, AZ it found that 28 LP100 stations could be allocated if translators were not protected, but that number dropped to 15 when translators were protected. In Peoria, IL, the number goes from 11 to 10; in Richmond, VA, from 24 to 23—clearly, it depends on the market."

### Small market saturation

Richmond, VA could have 23 LPFMs??!! Even if that number is high, that's a lot of new competition—more than Docket 80-90 by far. And remember—in general, the smaller the market, the more open the FM dial would be for LPFM allocations. Whatever the market size, LPFM can potentially take dollars out of the pockets of commercial stations. The smaller, independent broadcasters will feel it most. "A bunch of the local programming and events on small radio stations is on an underwriting basis, so this could be lifted in total by low-power FM," said **Cary Simpson**, President Allegheny Mountain Network and Chairman, RAB's Small Market Advisory Committee.

Says Morgan: "You've watched public television—you know how they underwrite. They're like mini commercials. For Susquehanna stations in major markets, I see no economic threat to our business, but I do see it being a major problem for small stations in small markets—first in economics and second in listeners."

The FCC has no plan to address

those issues yet, according to Bickel. "Well, that's a competition issue, and we try not to make licensing decisions based on competition. But certainly, that will be a concern with some stations," he said.

Do you think the Commission might put some limits on LPFM allocations in order to help small town broadcasters? "Well, we didn't so far," he adds.

What does the NAB say? "First, we find it ironic that, while the FCC touts the LPFM service as serving minorities and local communities, there will be few LPFM stations in large markets, and most will end up in small markets. Imagine the poor AM daytimer who's been making a living carrying programming that is of great interest to a very localized community. A 100-watt LPFM station, even though it's non-commercial, could duplicate most of this programming in the local community and operate 24 hours per day," explains Claudy.

"This kills small markets," according to Reese. "Del Rio, TX, Johnson City, TN—most of the small communities who are probably already well served by a couple of small radio stations that still have a lot of local programming on them are now going to get inundated with these non-commercials. They don't care about the commercial viability of radio stations and maybe that's not their job. The fact that it's going to hurt commercial operators in Kanab, Utah is not their concern."

While Commissioner **Michael Powell** voted in favor of the LPFM rulemaking, one of his main concerns, and where he details his dissension in part, lies with the small broadcasters. Taken from his statement attached to the report and order: "The threat to small independent broadcasters by the introduction of LPFM service is not trivial. LPFM stations might very well siphon financial support away from small market stations [and] dilute audience share, on which securing advertising dollars is based. The 41 new station possibilities in Elko, NV and Springerville, AZ, or the 25 new station possibilities in Billings, MT certainly are not trivial to the established stations in those small, rural markets. The bureau tells us that there is a possibility of around 1,000 new LP100 stations, more if LP10 stations come into the market."

### Effects on IBOC

The ruling will probably not affect IBOC implementation or quality much—as Morgan puts it, "It is less damaging than the original proposal to IBOC."

"One of the reasons we did not drop third-adjacent criteria for everyone is because of IBOC/DAB," says Bickel. "The systems that are being developed presently need the original channel and then the first-adjacent channel on either side. There was some concern that there would be interference to the digital signal if third-adjacent channel was dropped. I haven't heard too much, but from what I know, the IBOC developers don't believe it's a real big problem. Second-adjacent was much more of a concern."

He must be right. **Glynn Walden**, VP of Broadcast Engineering, USA Digital Radio, had only this to say: "The quality of the listener's receiver will determine the extent of interference generated by new LPFM transmissions with the lowest quality receivers being effected over a greater distance."

### Policing LPFM

How will the FCC police the LPFM stations to ensure they are staying within their height, power and frequency masks? The biggest mechanism the FCC has today against stations operating over-power or pirate operators is a broadcaster making an interference complaint. In 1995 the FCC cut the size of its enforcement bureau by one third and closed many of its field offices. In addition, the LPFM broadcaster may have a 100 watt ERP transmitter, but by adding extra bays or elements to the antenna (homemade or not), the gain and thus ERP can increase dramatically. 100 watts can become 600 watts easily with the right craftsmanship. Also, there are plenty of independent electronics suppliers, especially available over the Internet, that build and re-build their own transmitters, sometimes not to FCC specs.

Says Claudy: "The new LPFM rules are going to legitimize the sale of low-power transmitters and make it a lot easier for these people to get what they need to get on the air. Furthermore, now that the FCC has adopted rules that permit low-power broadcasts, it will be much easier to market this type of equipment to the masses with impunity, for those who are inclined to do so."

by Jack Messmer

## Mel delivers at CBS and Infinity

CBS Corp. (N:CBS) topped Wall Street expectations with 1999 net income from continuing operations of \$157M, compared to a loss of \$12M for 1998. Revenues rose 8% to \$7.37B. Cash flow (EBITDA) rose 49% to \$1.64B. Q4 revenues rose 24% to \$2.22B and net income shot up to \$251M from a loss of \$1M.

"We have a very demanding group of shareholders and we think in this quarter we out-delivered even that demanding shareholder base of expectations," said CEO **Mel Karmazin**. He also told analysts that NBC's groundbreaking reverse-comp deal in San Francisco (see page 15) is the direction that CBS and the rest of the networks are heading as well.

Meanwhile, CBS announced that it had exercised warrants to buy 500K shares of SportsLine.com Inc.

(O:SPLN) at \$23 per share. SportsLine's stock closed 2/14 at \$41.875. CBS now owns approximately 18% of SportsLine.

### Infinity also posts records

Infinity Broadcasting (N:INF), which is majority owned by CBS, blew away past records with 1999 net revenues up 29% to \$2.45B. Radio net revenues rose 26% to \$1.84B. Outdoor net revenues were up 41% to \$614M. On a pro forma basis, radio gained 15% and outdoor (TDI only) 25%.

Operating cash flow rose 34% to \$1.07B. Radio cash flow gained 29% to \$918M and outdoor cash flow increased 67% to \$161M. On a pro forma basis, radio was up 23% and outdoor gained 27%.

Net free cash flow was up 45% to \$658M. On the bottom line, net income rose 61% to \$377M.

## Hispanic Broadcasting up double digits

Hispanic Broadcasting Corp. (O:HBCCA) said its net revenues rose 20.6% in 1999 to \$197.9M. Broadcast cash flow increased 34.1% to \$91.6M. Q4 net revenues rose 26.6% to \$55.9M and cash flow rose 48.5% to \$28.4M. On a same station basis—defined as stations the company has operated in a Spanish format for at least two years—Q4 revenues gained 17.5% and cash flow 33.2%.

CEO **Mac Tichenor** was particularly pleased that the company's eight major market AMs showed year-over-year revenues growth of 13.8% for Q4. All had been reformatted as Spanish Talk stations in Q4 of 1998, resulting in three straight quarters of reduced revenues as the stations rebuilt their audience and advertiser bases.

## Marella reaches Pinnacle and exits

In its biggest expansion yet, NextMedia Group is picking up 20 stations in four markets for \$75M. The buy will end a 45-year run for **Philip Marella**, who is selling his entire Pinnacle Broadcasting group to NextMedia, headed by **Carl Hirsch**, **Steve Dinetz** and **Skip Weller**.

Pinnacle owns an eight-station superduopoly in the Greenville-New Bern, NC market, four FMs in Myrtle Beach, SC, one AM and three FMs in Lubbock, TX and a pair in each band in Decatur, IL. The radio group is managed by **Edward Ferrari**, President and CFO. Broker: **Paul Leonard**, Star Media Group

## Cox acquires fourth Miami FM

The last station from the original Marlin Broadcasting group is jumping off **Woody Tanger**'s hook. He's selling all of the company's stock to Cox Radio (N:CXR) for \$125M, then buying back WCCC-AM & FM Hartford, CT and WBOQ-FM Gloucester-Boston, MA for \$25M. That will leave Cox with WTMI-FM Miami—a market where the company already owns three FMs.



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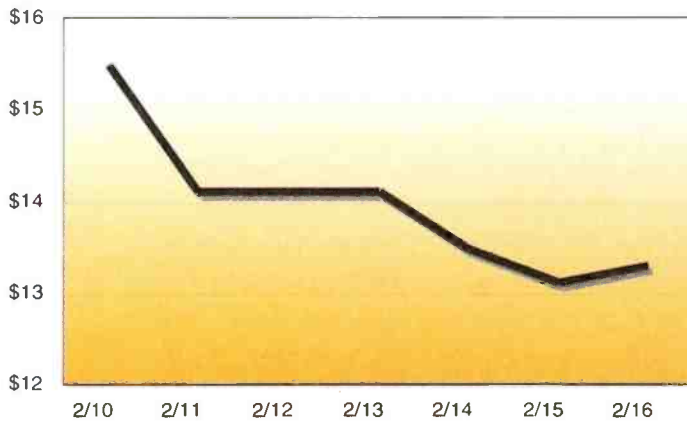
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## Beasley falls after pricing IPO at \$15.50

Beasley Broadcast Group (O:BBGI) sold 6.85M shares at \$15.50 each, for a total of just over \$106M. The price was at the lower end of the expected range of \$15-\$18. Since then, **George Beasley** has watched his newly minted public stock decline (see chart right), proving that not all IPOs are sure-fire winners for investors.

Some on Wall Street had said there was less enthusiasm for Beasley's IPO because of the company's diverse array of markets and formats—both medium and large markets, both mainstream and niche formats. Also, the IPO was priced just before an across-the-board decline in broadcast stocks, despite a series of strong earnings reports and no change in analysts' recommendations for the sector. Lead underwriter: CS First Boston



## Keymarket buys Ohio spin-offs

When **Percy Squire's** and **Frank Halfacre's** Stop 26 Riverbend Inc. bought the five-station Associated Radio group for \$20M (RBR 12/20/99, p. 12), they made it clear that they would keep only WXST-FM Columbus, OH. Now **Kirby Confer's** and **Donald Alt's** Keymarket group is buying the other four stations for \$5M. WOMP-AM & FM Bellaire, OH-Wheeling, WV and WSTV-AM & WRKY-FM Steubenville, OH will create a daisy-chain of duopoly overlaps with Keymarket's WOHI-FM & WELA-FM East Liverpool, OH.

## Mortenson enters Charleston, WV

Religious group owner **Jack Mortenson** is adding a new market, Charleston, WV, with a \$1M deal to buy WSCW-AM & WJYP-FM from CLW Communications Group. CLW, headed by **Paul Jenks** and **Erv Daugherty**, will also be paid \$200K under a consulting agreement. The West Virginia capital will be the 10<sup>th</sup> market for Mortenson Broadcasting Company. Broker: **John Pierce**

## AAA adds Champaign-Urbana

**Peter Ottmar's** latest "Trip Tik" takes his AAA Broadcasting to Champaign-Urbana, IL to buy **Jim Glassman's** WBNB-FM, WQQB-FM & WGKC-FM, plus an option to buy WEBX-FM. The price is rumored to be north of \$5M. Broker: **Doug Ferber**, Star Media Group

## Dolly's pair brings \$1.45M

The paperwork is in on **Dolly Parton's** sale of WSEV-AM & WDLY-FM Knoxville, TN. She'll get \$1.45M, including a \$450K note, from **Paul Fink's** East Tennessee Radio LP. There is a broker—Miller-Isbell Media Services—and no, we've never heard of them either.

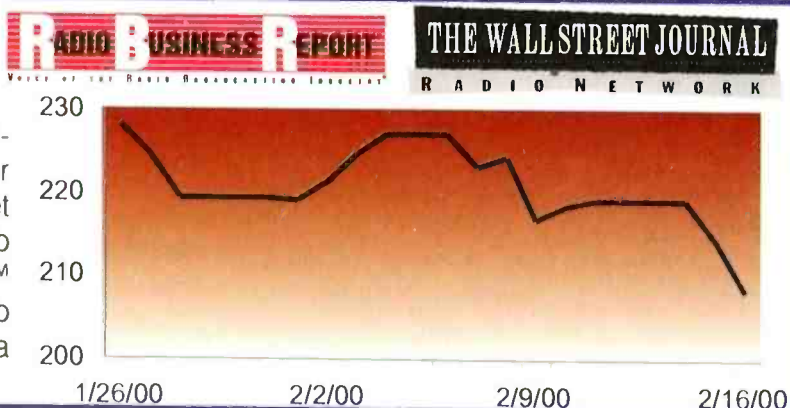
## Nestor selling to two buyers

**Brett & Mel Paradis'** Paradis Broadcasting is buying KSTQ-FM Alexandria, MN from **Steve Nestor's** Branstock Communications for \$900K.

Nestor is also selling KMSR-FM Sauk Centre, MN to **John Linder's** Linder Broadcasting for \$200K. Broker: (both deals) Johnson Communication Properties

## The Radio Index™

Despite strong financial reports and even stronger forward pacing, Wall Street has been battering radio stocks. The Radio Index™ fell 8.58 for the week to close 2/16 at 208.18—a year-to-date low.



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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.

**\$14,250,000 WAFX-FM Worcester MA** (Southbridge MA) from WBA Inc. (Jeffrey Wilks) to Citadel Broadcasting Co. (Larry Wilson), a subsidiary of Citadel Communications (O:CITC). \$712.5K letter of credit as escrow, \$14.25M cash. Daisy-chain **duopolies** with WORC-FM and WXLO-FM. **Broker:** Bergner & Co.

**\$2,500,000 KRCO-AM, KJK-FM & KWEG-FM Bend OR** (Prineville-Warm Springs OR) from Jay Man Productions Inc. (Jonathan Mann) to Horizon Broadcasting Group LLC (William Ackerley, Keith Shipman, Dan Walker, Base Capital LLC). \$125K escrow, balance in cash at closing. Existing **duopoly**. **Broker:** The Exline Co.

**\$2,340,000 WOHI-AM & WELA-FM East Liverpool OH** from The Luzerne Company (Margaret Mango) to Keymarket Licenses LLC, a subsidiary of Keymarket Communications LLC (Donald Alt as Trustee of The Judy Slichio Alt Irrevocable Trust, Kirby Confer as Trustee of The Judy Marie Confer Irrevocable Trust, Lynn Deppen). \$1.8M in cash at closing, \$540K under consulting/non-compete agreement. **Broker:** Blackburn & Co.

**\$1,927,968 WXCW-FM Tampa-St. Petersburg FL** (Homosassa Springs FL), 100% stock sale of West Wind Broadcasting Inc. from Robert & Cynthia Snow, Jim Kimbrough Sr. and Steve & Barbara Manuel to WXOF Inc. (Carl & Betty Lou Marcocci & others). \$100K escrow, \$800K (less escrow) in cash at closing for stock, \$400K note, additional \$727,968 under non-compete agreement. **Superduopoly** with WINV-AM, WGUL-FM & WXOF-FM.

**\$1,200,000 WIZZ-AM, WSTQ-FM & WYYS-FM Streator IL** from Streator Broadcasting Company (Stephen Bellinger) and Kleven/Rodriguez Partners (Carolyn Kleven, Jeff Rodriguez) to

Mendota Broadcasting Inc. (Owen, Cole, Kimberly, Melinda, Lamar & Doris Studstill). \$8K cash to Kleven/Rodriguez, \$292K cash to Streator, \$900K note payable to Streator. **Superduopoly** with WALB-FM Oglesby, IL. LMA since 12/20/99. **Broker:** The Thorburn Co.

**\$600,000 WZXI-FM Buffalo Gap VA** from Ridle Radio Inc. (Robert Ridle) to Easy Radio Inc. (Jason, Joshua & Elizabeth Cave). \$25K escrow, additional \$450K in cash at closing, \$125K note. Note: No contour overlap with Easy's WRAA-AM & WMXH-FM Luray VA.

**\$450,000 WMVB-AM Millville NJ** from Richard Francis Arsenault & Anita Arsenault to Quinn Broadcasting Inc. (James Quinn). \$1K downpayment, \$449K note.

**\$185,000 KEZZ-AM Fort Collins-Greeley CO** (Estes Park CO) from Michael Radio Enterprises of Colorado Inc. (Victor Michael Jr.) to MK Inc. (Monte & Kristi Spearman). \$185K cash. **Duopoly** with KHPN-AM.

**\$2,500 WVUV-AM Leone, American Samoa** from Radio Samoa Ltd. (Lawrence Berger) to South Seas Broadcasting Inc. (Larry & Fenty Fuss, Asotau Lutu). \$2.5K cash.

**N/A WRQM-FM Raleigh-Durham** (Rocky Mount NC) from Friends of Down East Public Radio Inc. (James Dickens Sr., pres.) to The Board of Trustees of the University of North Carolina at Chapel Hill (Anne Cates, chairman). Transfer from one non-profit corp. to another for no consideration. LMA since 3/12.

**N/A KPMV-FM Haliimaile HI**, 75% stock transfer of Rey-Cel Broadcasting Inc. from Cecilia Piros to Ryan Piros. Transfer from mother to son for estate planning purposes.

**N/A KRLL-FM Malta Bend MO** from Miles J. Carter to KANZA Inc. (Michael & Carol Carter, Paul Steele). Transfer for assumption of all outstanding obligations, which are not quantified. **Duopoly** with KAOL-AM & KMZU-FM Carrollton MO. Note: 10 stations in market.

## Feb 16—RBR Stock Index 2000

Company	Mkt:Symbol	2/9/00 Close	2/16/00 Close	Net Chg	Pct Chg	2/16/00 Vol	Company	Mkt:Symbol	2/9/00 Close	2/16/00 Close	Net Chg	Pct Chg	2/16/00 Vol
Ackerley	N:AK	16.813	15.063	-1.750	-10.41%	21600	Hearst-Argyle	N:HTV	22.563	22.063	-0.500	-2.22%	46700
Alliance Bcg.	O:RADO	0.156	0.250	0.094	60.26%	241000	Hispanic Bcg.	O:HBCCA	98.500	91.375	-7.125	-7.23%	254800
Am. Comm. Ent.	O:ACEN	2.688	2.813	0.125	4.65%	3900	Infinity	N:INF	36.500	33.313	-3.187	-8.73%	3515600
Am. Tower	N:AMT	41.875	46.000	4.125	9.85%	479400	Interep	O:IREP	12.250	10.500	-1.750	-14.29%	14100
AMFM Inc.	N:AFM	77.000	71.500	-5.500	-7.14%	1704100	Jeff-Pilot	N:JP	57.000	55.125	-1.875	-3.29%	323500
Beasley	O:BBGI	15.500	13.313	-2.187	-14.11%	182300	Launch Media	O:LAUN	24.875	21.625	-3.250	-13.07%	53200
Belo Corp.	N:BLC	15.563	14.438	-1.125	-7.23%	264700	NBG Radio Nets	O:NSBD	2.188	2.125	-0.063	-2.88%	22500
Big City Radio	A:YFM	7.750	8.000	0.250	3.23%	52200	New York Times	N:NYT	47.500	45.938	-1.562	-3.29%	628900
CBS Corp.	N:CBS	63.188	59.125	-4.063	-6.43%	4293800	Pinnacle Hldgs.	O:BIGT	52.375	53.750	1.375	2.63%	281000
Ceridian	N:CEN	15.250	17.375	2.125	13.93%	1609800	PopMail.com	O:POPM	5.563	4.875	-0.688	-12.37%	312100
Cir.Rsch.Labs	O:CRLI	4.750	5.125	0.375	7.89%	2400	Radio One	O:ROIA	87.625	85.750	-1.875	-2.14%	87700
Citadel	O:CITC	50.313	44.375	-5.938	-11.80%	592600	Radio Unica	O:UNCA	16.750	15.688	-1.062	-6.34%	212300
Clear Channel	N:CCU	85.750	80.625	-5.125	-5.98%	3950500	RealNetworks	O:RNWK	87.500	86.438	-1.062	-1.21%	1607800
Cox Radio	N:CXR	90.000	89.750	-0.250	-0.28%	456400	Regent	O:RGCI	13.938	12.500	-1.438	-10.32%	630100
Crown Castle	O:TWRS	33.813	34.063	0.250	0.74%	755900	Saga Commun.	A:SGA	21.625	24.000	2.375	10.98%	3100
Cumulus	O:CMLS	40.906	41.500	0.594	1.45%	290700	Salem Comm.	O:SALM	17.938	16.875	-1.063	-5.93%	26400
DG Systems	O:DGIT	8.375	9.688	1.313	15.68%	285200	Sirius Sat. Radio	O:SIRI	53.000	56.813	3.813	7.19%	1100600
Disney	N:DIS	37.625	36.938	-0.687	-1.83%	4413700	Spanish Bcg.	O:SBSA	26.250	20.813	-5.437	-20.71%	553900
Emmis	O:EMMS	100.000	117.750	17.750	17.75%	359100	SpectraSite	O:SITE	19.875	25.125	5.250	26.42%	1297600
Entercom	N:ETM	61.500	53.688	-7.812	-12.70%	160700	SportsLine USA	O:SPLN	37.000	39.625	2.625	7.09%	309900
First Entertain.	O:FTET	1.340	1.260	-0.080	-5.97%	21300	TM Century	O:TMCI	0.813	0.750	-0.063	-7.75%	54000
Fisher	O:FSCI	57.580	57.000	-0.580	-1.01%	100	Triangle	O:GAAY	0.035	0.050	0.015	42.86%	623000
FTM Media	O:FTMM	9.500	11.500	2.000	21.05%	700	Tribune	N:TRB	43.813	38.688	-5.125	-11.70%	826000
Gaylord	N:GET	29.063	27.813	-1.250	-4.30%	41700	WarpRadio.com	O:WRPR	3.875	4.000	0.125	3.23%	3000
Gentner	O:GTNR	15.688	15.500	-0.188	-1.20%	166100	Westwood One	N:WON	62.063	68.938	6.875	11.08%	318200
Global Media	O:GLMC	7.125	8.125	1.000	14.04%	210700	WinStar Comm.	O:WCII	81.688	75.250	-6.438	-7.88%	615100
Harman Intl.	N:HAR	61.000	61.063	0.063	0.10%	24200	XM Satellite	O:XMSR	28.000	39.578	11.578	41.35%	1567600
Harris Corp.	N:HRS	33.250	31.938	-1.312	-3.95%	508700							

### Network TV deal flips dollar flow

**Don Cornwell's** Granite Broadcasting (O:GBTVK) sent a shockwave through the TV industry (2/14) by agreeing to a network affiliation deal with GE's (N:GE) NBC in the San Francisco market which will reverse the usual network compensation arrangement. Instead of getting network comp from NBC, Granite will pay the network \$362M over nine years as part of a 10-year affiliation deal for KNTV-TV (Ch. 11)—licensed to San Jose and currently the ABC affiliate for the Monterey-Salinas market. NBC will also get warrants to purchase an 18% equity stake in Granite, the nation's largest African-American-owned TV group, and Granite renewed its NBC affiliations in Duluth, MN, Fresno, CA and Peoria, IL for 10 years as well.

Young Broadcasting (O:YBTVK), which is paying a record \$823M for KRON-TV (Ch. 4) rejected a similar proposal to continue the station's NBC affiliation and said the station would become an independent, leaving NBC without an affiliate in the San Francisco market.

The NBC flip from KRON to KNTV will take place 1/1/2002, giving Granite plenty of time to complete a pending signal upgrade. Even so, the Channel 11 signal won't cover nearly as much of the market as Channel Four, so Granite and NBC will be working to get widespread cable carriage. Granite also owns the WB affiliate in San Francisco, KBWB-TV (Ch. 20).

**RBR observation:** Making the move from market #119 to #5 certainly explains why Cornwell is willing to do this deal. Just to break even though, KNTV will have to triple its annual billings to more than \$60M. That would be more than any UHF in the San Francisco market, but still far less than any of the four VHF's. Suppose, for example, that the NBC affiliation and signal upgrade boosts KNTV's 2002 billings to \$75M, still fifth place in the market. NBC would get more than half, \$40M, but Granite would still keep \$35M (before operating expenses) and more than double the cash flow it now gets from Monterey-Salinas. If Cornwell can pull it off there'll be a sizeable reward for him and his shareholders—even if his fellow broadcasters all hate his guts

### Jeff-Pilot boosts dividend

Shareholders of Jefferson-Pilot Corp. (N:JP) will be seeing a little something extra. The company has increased its quarterly dividend from 33 cents per share to 37 cents. The change is effective with the Q2 payment to be made 6/5/2000 to shareholders of record 5/12/2000.

Jeff-Pilot also announced that its directors have authorized the company to buy back up to 5M shares of the company's stock, when and if market conditions warrant.

### SBS boasts big gains

Spanish Broadcasting System (O:SBSA) completed its fiscal Q1 12/26/99 with impressive gains. Net revenues rose 18.9% to \$28.9M and broadcast cash flow increased 24.2% to \$16.4M. Also, the company's cash flow margin improved to 56.7% from the previous year's 54.3%.

On a same station basis, SBS posted a revenue gain of 13.6% and a cash flow increase of 25%.

# "My Two Stations Save \$130,000 per Year Using Scott Studios Voice Trax"



Ron Castro, co-owner and GM, KRPQ Q-105 and KMHX MIX 104.1 Santa Rosa, California

A former San Francisco and nationally syndicated Concept Productions air personality, Ron has recorded 300,000 voice tracks for automated stations across three decades. Ron's own stations have used Scott Studios' Voice Trax systems for several years.

(Continued from upper right) "I wouldn't ask the staff to use anything I don't use myself. If it didn't work great, it wouldn't be here."

Scott Studios has money-saving features you can't get anywhere else. Scott's exclusive Voice-Music Synchronizer guarantees every voice track plays *only* with the intended songs, in spite of log updates. Worst case, you'll still sound great because your Scott system airs replacement tracks with the right voice for the shift. Scott has exclusive watchdog circuits that make our systems more self-healing than any other. Scott also predicts most problems *before* they occur, usually as soon as logs are done. Scott also pages people who can make last minute adjustments off-site by modem if needed. After years of trouble-free operation, Ron Castro says his two "Scott Systems are truly 'lock-the-door-and-go-home' reliable."

Ron's "two station combo saves at least \$130,000 a year using Scott Studios' Voice Trax. When we put our second station on the air 3 years ago, we debuted with the best ratings of any sign-on in the history of the market!"

Scott Systems are delivered with pre-dubbed custom music libraries, time-saving CD rippers that digitally transfer music to hard drive in seconds, no-dub instant LAN spot uploads from Sonic Foundry multi-track production, MPEG and uncompressed digital audio (at a compressed price) and a week of staff training at your station. You get Cart Walls for instant requests, a phone recorder with waveform and audible scrub editing, AutoPost to make announcers sound better and minimize re-cuts, title and artist displays for your website, time announce, plus Cat. 5 audio wiring for fast installation. Our SS32 System plays 8 simultaneous recordings thru 8 separate console channels, feeds different spots to webcasts or second stations, plus auto-transfers spots and Voice Trax to distant stations over Internet or WAN. Scott Studios offers optional temperature announcers, wire capture and newsroom editors, unattended school closing reports and 24/7 live support via toll-free cell phones.

Scott Studios' unequalled money-saving features mean more U.S. stations use Scott than *any* other digital air studio systems (5,500 workstations in 2,250 U.S. Stations and nine of the top ten groups). See our web site and toll-free phone at the right.

Ron Castro says his KRPQ and KMHX, Santa Rosa, California *save serious money* because "Scott Studios' Voice Trax automation cuts voice-tracking time to 5 minutes per hour for a 'live-sounding' show. Our Air Personalities are freed up to do other work at the stations, drastically reducing the need for additional management, music, production and promotion staff. That cuts boredom, burn-out and turnover, while increasing productivity.

"Scott Studios' Voice Trax lets the talent hear their music, spots and voice-over, running the show the way they would live, including air-tight talk-ups. Scott's whole recording process is handled with just one button. We hardly ever use a mouse or keyboard. Each voice track takes only seconds.

"Not only am I an owner and GM, but I'm also an Air Personality. I produce 34 hours each week of voice tracked programming using Scott Studios' Voice Trax.

9:23:13	<b>Breathe Faith Hill</b> :11/3:30/F HIT HM9834 9:23 #1 for 2 weeks in January, 2000	Born Country Alabama L 6/28 2p N 7/10 3p	Close En... Perfect Alabama L 7/5 5p N 7/13 6a	Dixieland Delight Alabama L 7/2 3a N 7/9 3p
On-Air 2	<b>When I Said I Do Clint Black</b> :17/4:13/F HIT HM2608 9:27	Down Home Alabama L 7/9 4p N 7/12 7a	Face To Face Alabama L 7/6 11a N 7/18 8p	Feels So Right Alabama L 7/4 2a N 7/12 7p
Start 3	<b>Clint Black Backsell Ron Castro</b> :00/0:13/C VT JU1094 9:31	Forever's As Far.. Alabama L 7/7 4p N 7/10 2a	Forty Hour Week Alabama L 7/2 7p N 7/13 8a	Give Me One More Alabama L 7/1 5a N 7/8 10p
Start 3	<b>Dodge Trucks Q: Your Dodge Dealer</b> :00/0:60/F COM DA2215 9:32	Here We Are Alabama L 6/30 5a N 7/13 9a	High Cotton Alabama L 7/2 8p	Hometown Honey Alabama L 7/4 3a N 7/11 5p
Start 3	<b>California Country Cookin' Q: Kids Eat Free Tonight</b> :00/0:60/C COM DA1234 9:33	If I Had You Alabama L 7/2 9p N 7/15 4p	If You're Gonna PI Alabama L 7/2 10a N 7/15 3p	I'm In A Hurry (& I Alabama L 7/1 3p N 7/13 7a
Start 3	<b>Q-105 Fast Jingle Q: Q-105</b> :00/0:13/C JIN DA4315 9:34	In Pictures Alabama L 7/4 10a N 7/12 11	It Works Alabama L 7/1 9p N 7/20 10a	Jukebox In...Mind Alabama L 7/2 2a N 7/14 3p
Stack	Time Year Cal	Lady Down On Lo Alabama L 7/5 8p N 7/13 5a	Love In the 1st De Alabama L 7/5 12m N 7/9 11	Mountain Music Alabama L 7/5 7p N 7/18 8a
Auto	Back Forward Preview :08	Once Upon A Life Alabama L 7/3 1p N 7/17 9p	Pass It On Down Alabama L 7/3 7p N 7/12 5a	Reckless Alabama L 7/1 11p N 7/12 3p
		Roll On (18 Wheel Alabama L 7/6 1p N 7/14 8a	Say I Alabama L 7/4 12n N 7/13 8p	She Ain't Your Ord Alabama L 6/27 1p N None
		Small Stuff Alabama L 7/9 2a N 7/10 7p	Straight Tequila N Alabama L 7/2 3p N 7/16 6p	Song of the South Alabama L 7/1 10a N 7/15 6p
		A B C D E F G H I J K L M N O P Q R S T U V W X Y Z		

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 and graphic waveform editing and scrub of phone calls, all in one computer!

**Scott Studios**

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