

ATTACHMENT A

**INDEPENDENT RADIO VOICES
IN RADIO MARKETS**

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Much has been written concerning the consolidation in the ownership of radio stations. One concern expressed has been the diminution of independent voices available to the American public. Yet, there is still a considerable amount of radio stations that are **not** part of local cluster of stations.

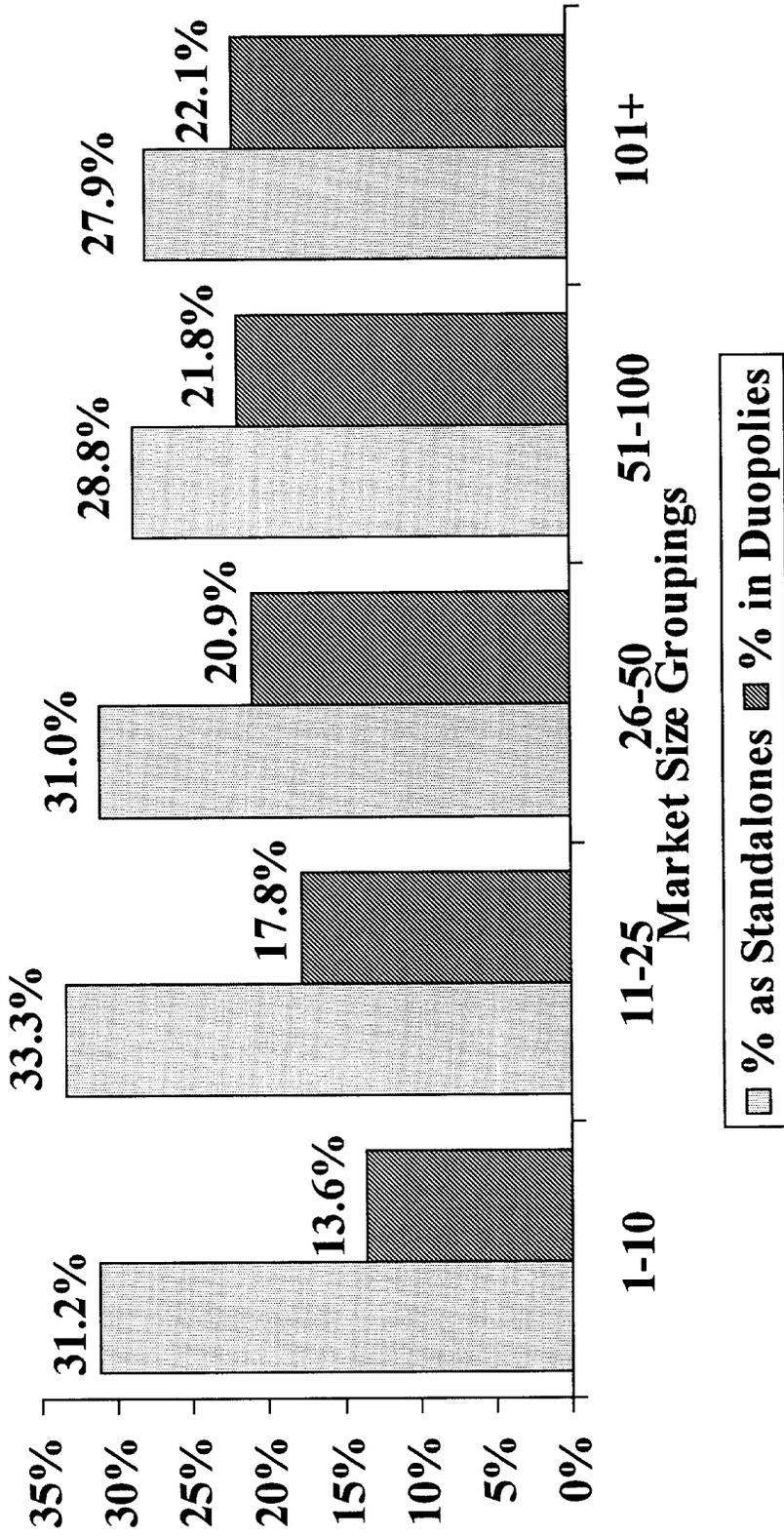
To examine the number of independent stations, we used BIA Media Access Pro™¹ database of information on ownership for all commercial radio stations. In order to provide a frame of reference within specific markets, we analyzed only stations located within the 268 Arbitron metro areas. Within each Arbitron metro, the number of stations owned by the same group was calculated. We then calculated the number of local groups owning the similar number of stations. Included as Appendix A is a listing by Arbitron metro of the number of groups locally owning different numbers of stations.²

What is very interesting upon examination of this table is the large numbers of “groups” that own only one or two stations in these markets. Nationally, 28.8% of all commercial radio stations in the 268 Arbitron metros are standalone stations, while another 21.4% are part of a local two-station operation. The following chart shows the average percentage of local commercial stations that are standalones or parts of a local two-station operation by market size grouping.

¹ Broadcast Investment Analysts, Chantilly, VA. This database is updated frequently with new radio stations and ownership changes announced by the Federal Communications Commission.

² In eight Arbitron metros, there are local groups that own more than eight stations. This occurs since the relevant geographic markets for local radio ownership regulations are not Arbitron metros.

% of Local Commercial Stations that are Standalones or in Local Duopolies by Market Size Grouping



Source: Analysis of BIA Media Access Pro™ Database, Research and Planning Department, National Association of Broadcasters

APPENDIX A

Number of Groups Owning Different Numbers of Local Radio Stations by Metro

<i>Market</i>	<i>Metro Rank</i>	<i>Numbers of Local Radio Stations</i>										
		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
New York	1	12	10	1	3	0	1	0	0	0	0	0
Los Angeles	2	18	0	4	2	2	1	0	1	0	0	0
Chicago, IL	3	26	6	5	2	1	1	0	2	0	0	0
San Francisco	4	8	5	1	2	0	0	2	0	0	0	0
Philadelphia	5	19	2	0	2	1	1	0	0	0	0	0
Detroit	6	10	2	3	1	0	1	1	0	0	0	0
Dallas - Ft. Worth	7	13	3	1	2	1	2	0	1	0	0	0
Boston	8	28	4	2	0	2	0	0	0	0	0	0
Washington, D.C.	9	16	2	2	2	1	0	0	1	0	0	0
Houston-Galveston	10	17	2	3	1	0	1	1	1	0	0	0
Miami-Ft. Lauderdale-Hollywood	11	14	4	2	1	1	0	1	0	0	0	0
Atlanta, GA	12	22	5	4	1	0	1	0	0	0	0	0
Puerto Rico	13	31	6	2	1	1	0	1	0	0	0	0
Seattle-Tacoma	14	15	3	1	2	2	0	0	1	0	0	0
Phoenix, AZ	15	20	2	1	1	1	0	0	1	0	0	0
San Diego	16	12	4	2	1	0	0	0	0	0	1	0
Nassau-Suffolk	17	8	3	2	0	0	0	1	0	0	0	0
Minneapolis - St. Paul	18	5	8	1	1	0	1	1	0	0	0	0
St. Louis	19	16	5	2	0	0	2	0	0	0	0	0
Baltimore, MD	20	10	2	2	1	0	0	1	0	0	0	0
Pittsburgh, PA	21	15	8	3	1	0	1	0	0	0	0	0
Tampa-St. Petersburg-Clearwater	22	13	2	1	1	0	0	1	1	0	0	0
Denver - Boulder	23	11	1	3	1	1	0	0	1	0	0	0
Cleveland	24	11	1	2	0	0	2	0	0	0	0	0
Portland, OR	25	14	4	0	1	0	1	1	0	0	0	0
Cincinnati	26	10	2	2	1	0	0	0	1	0	0	0
San Jose	27	6	3	1	0	0	0	0	0	0	0	0
Sacramento, CA	28	5	5	1	1	2	0	0	0	0	0	0
Riverside-San Bernardino	29	13	5	1	0	0	0	0	0	0	0	0
Kansas City	30	8	4	1	1	1	0	1	0	0	0	0
Milwaukee - Racine	31	6	5	2	2	1	0	0	0	0	0	0
Providence-Warwick-Pawtucket, RI	32	9	4	2	0	0	1	0	0	0	0	0
Columbus, OH	33	7	6	3	0	1	0	0	0	0	0	0
San Antonio, TX	34	12	2	1	0	0	1	0	1	0	0	0

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Salt Lake City - Ogden	35	12	4	1	0	2	0	1	0	0	0	0
Norfolk-Virginia Beach-Newport News	36	8	3	3	3	0	0	0	0	0	0	0
Charlotte-Gastonia-Rock Hill	37	15	3	3	1	0	0	1	0	0	0	0
Indianapolis, IN	38	6	3	4	0	1	0	0	0	0	0	0
Orlando	39	8	2	1	1	0	2	0	0	0	0	0
Las Vegas, NV	40	11	0	1	2	0	1	0	0	0	0	0
New Orleans	41	13	3	1	0	0	1	1	0	0	0	0
Greensboro-Winston Salem-High Point	42	15	5	0	3	0	0	0	0	0	0	0
Buffalo-Niagara Falls, NY	43	10	1	1	1	0	1	0	0	0	0	0
Nashville	44	21	6	2	0	2	0	0	0	0	0	0
Hartford-New Britain-Middletown	45	6	3	1	1	1	0	0	0	0	0	0
Memphis	46	8	4	2	1	1	0	1	0	0	0	0
Monmouth-Ocean, NJ	47	4	1	0	0	1	0	0	0	0	0	0
Raleigh - Durham, NC	48	11	5	0	1	1	0	1	0	0	0	0
Austin, TX	49	6	1	1	3	1	0	0	0	0	0	0
Rochester, NY	50	12	2	0	2	0	1	0	0	0	0	0
W. Palm Beach-Boca Raton	51	7	4	0	1	0	0	1	0	0	0	0
Jacksonville, FL	52	14	2	0	0	1	2	0	0	0	0	0
Louisville, KY	53	9	3	1	1	1	0	1	0	0	0	0
Oklahoma City	54	9	1	0	2	0	1	0	0	0	0	0
Dayton, Ohio	55	7	2	1	0	1	0	1	0	0	0	0
Birmingham, AL	56	13	4	0	1	1	1	0	0	0	0	0
Richmond, VA	57	8	2	2	1	0	1	0	0	0	0	0
Greenville-Spartanburg, SC	58	11	5	1	2	1	0	0	0	0	0	0
Albany-Schenectady-Troy	59	11	3	1	1	1	1	1	0	0	0	0
Honolulu	60	9	3	2	0	1	0	1	0	0	0	0
Tucson, AZ	61	6	1	2	2	1	0	0	0	0	0	0
McAllen-Brownsville-Harlingen, TX	62	6	4	2	1	0	0	0	0	0	0	0
Tulsa, OK	63	4	4	2	0	1	1	0	0	0	0	0
Wilkes Barre - Scranton	64	8	3	1	1	0	0	0	0	2	0	0
Fresno	65	8	3	2	0	0	1	0	1	0	0	0
Grand Rapids, MI	66	4	5	1	1	1	1	0	0	0	0	0
Allentown - Bethlehem	67	7	3	0	1	0	0	0	0	0	0	0

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Market	Metro Rank	Numbers of Local Radio Stations										
		1	2	3	4	5	6	7	8	9	10	11
Akron, OH	68	2	2	1	0	0	0	0	0	0	0	0
Knoxville, TN	69	10	4	0	3	1	0	0	0	0	0	0
El Paso, TX	70	3	3	2	0	1	0	0	0	0	0	0
Albuquerque, NM	71	5	1	1	0	1	1	1	1	0	0	0
Omaha - Council Bluffs	72	5	1	0	2	0	0	0	1	0	0	0
Syracuse, NY	73	4	3	0	1	2	1	0	0	0	0	0
Ft. Myers-Naples-Marco Island	74	8	1	3	0	2	0	0	0	0	0	0
Wilmington, DE	75	5	1	1	1	0	0	0	0	0	0	0
Harrisburg-Lebanon-Carlisle, PA	76	8	3	0	1	0	1	0	0	0	0	0
Monterey-Salinas-Santa Cruz	77	6	4	1	1	1	1	0	0	0	0	0
Toledo, OH	78	8	3	0	0	1	0	1	0	0	0	0
Sarasota - Bradenton, FL	79	5	1	0	0	1	0	0	0	0	0	0
Springfield, MA	80	5	3	2	0	0	0	0	0	0	0	0
Greenville-New Bern-Jacksonville	81	9	5	1	1	0	2	0	0	0	0	0
Baton Rouge, LA	82	5	1	1	0	2	0	0	0	0	0	0
Little Rock, AR	83	9	1	0	0	2	0	0	0	0	1	0
Bakersfield, CA	84	5	3	4	1	1	0	0	0	0	0	0
Stockton, CA	85	1	4	0	0	0	0	0	0	0	0	0
Mobile, AL	86	9	3	1	0	0	1	0	0	0	0	0
Spokane, WA	87	8	2	0	1	1	0	1	0	0	0	0
Columbia, SC	88	8	1	1	1	0	1	0	0	0	0	0
Wichita, KS	89	3	3	0	0	1	0	0	0	1	0	0
Des Moines, IA	90	6	2	3	0	0	1	0	0	0	0	0
Daytona Beach, FL	91	9	0	0	1	0	0	0	0	0	0	0
Youngstown - Warren, OH	92	3	1	0	0	2	0	0	1	0	0	0
Colorado Springs, CO	93	5	4	1	1	0	0	0	0	0	0	0
Johnson City-Kingsport-Bristol	94	14	3	1	1	0	1	0	0	0	0	0
Melbourne-Titusville-Cocoa, FL	95	7	1	0	0	1	0	0	0	0	0	0
Lakeland-Winter Haven, FL	96	9	0	0	1	0	0	0	0	0	0	0
Lafayette, LA	97	6	3	1	2	1	0	0	0	0	0	0
Gainesville - Ocala, FL	98	6	5	1	1	0	0	0	0	0	0	0
Morristown, NJ	99	2	1	0	0	0	0	0	0	0	0	0
Ft. Wayne, IN	100	8	3	0	1	1	0	0	0	0	0	0
New Haven, CT	101	3	1	1	0	0	0	0	0	0	0	0
Chattanooga, TN	102	13	0	0	3	1	0	0	0	0	0	0

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York, PA	103	4	3	0	0	0	0	0	0	0	0	0
Charleston, SC	104	11	2	0	0	1	0	0	1	0	0	0
Roanoke-Lynchburg, VA	105	12	4	0	1	0	0	0	0	0	0	1
Oxnard - Ventura, CA	106	2	0	2	0	1	0	0	0	0	0	0
Lexington-Fayette, KY	107	8	1	1	0	2	1	0	0	0	0	0
Bridgeport, CT	108	5	1	0	0	0	0	0	0	0	0	0
Visalia-Tulare-Hanford	109	6	3	0	0	0	0	0	0	0	0	0
Augusta, GA	110	7	2	1	1	1	1	0	0	0	0	0
Lancaster, PA	111	4	2	0	0	0	0	0	0	0	0	0
Worcester, MA	112	5	1	1	0	0	0	0	0	0	0	0
Santa Rosa, CA	113	4	2	0	1	0	0	0	0	0	0	0
Lansing-East Lansing, MI	114	5	1	1	0	0	1	0	0	0	0	0
Huntsville, AL	115	12	2	0	1	0	1	0	0	0	0	0
Flint, MI	116	6	1	1	0	1	0	0	0	0	0	0
Portsmouth-Dover-Rochester, NH	117	1	2	1	0	0	1	0	0	0	0	0
Ft. Pierce-Stuart-Vero Beach, FL	118	5	0	1	0	1	0	0	0	0	0	0
Jackson, MS	119	8	3	2	0	1	1	0	0	0	0	0
Madison, WI	120	5	2	1	0	0	2	0	0	0	0	0
Pensacola, FL	121	7	1	2	0	0	0	0	0	0	0	0
Modesto, CA	122	3	1	2	0	1	0	0	0	0	0	0
Canton, OH	123	5	2	0	0	0	0	0	0	0	0	0
Saginaw-Bay City-Midland	124	4	3	1	1	0	0	0	0	0	0	0
Fayetteville, NC	125	11	1	0	1	0	1	0	0	0	0	0
Boise, ID	126	6	2	0	0	2	1	0	0	0	0	0
Reno, NV	127	5	3	0	2	0	1	0	0	0	0	0
Corpus Christi, TX	128	8	1	4	0	0	1	0	0	0	0	0
Shreveport, LA	129	8	2	2	0	1	0	0	0	0	0	0
Beaumont-Port Arthur, TX	130	5	1	0	2	0	0	0	0	0	0	0
Reading, PA	131	3	1	0	0	0	0	0	0	0	0	0
Quad Cities, IA-IL	132	3	3	0	0	1	1	0	0	0	0	0
Ft Collins-Greeley, CO	133	5	2	0	1	0	0	0	0	0	0	0
Peoria, IL	134	4	2	0	1	1	0	0	0	0	0	0
Appleton - Oshkosh, WI	135	4	3	2	0	0	0	0	0	0	0	0
Atlantic City - Cape May, NJ	136	7	3	2	0	1	0	0	0	0	0	0
Biloxi-Gulfport-Pascagoula, MS	137	7	1	0	1	0	1	0	0	0	0	0

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Stamford-Norwalk, CT	138	2	0	0	1	0	0	0	0	0	0	0
Trenton, NJ	139	3	1	0	1	0	0	0	0	0	0	0
Tyler - Longview, TX	140	6	1	1	0	2	0	0	0	0	0	0
Montgomery, AL	141	5	0	2	0	0	1	0	0	0	0	0
Newburgh-Middletown, NY	142	1	4	0	0	0	0	0	0	0	0	0
Huntington, WV - Ashland, KY	143	3	3	0	1	0	0	0	0	0	1	0
Eugene - Springfield, OR	144	7	1	4	0	0	0	0	0	0	0	0
Ann Arbor, MI	145	3	0	0	1	0	0	0	0	0	0	0
Springfield, MO	146	7	1	2	0	1	0	0	0	0	0	0
Macon, GA	147	3	1	0	1	0	1	0	1	0	0	0
Rockford, IL	148	1	2	2	0	0	0	0	0	0	0	0
Killeen-Temple, TX	149	7	0	1	0	0	0	0	0	0	0	0
Utica - Rome, NY	150	1	2	2	0	0	2	0	0	0	0	0
Evansville, IN	151	4	3	1	1	0	0	0	0	0	0	0
Salisbury-Ocean City, MD	152	9	0	0	0	0	1	0	2	0	0	0
Savannah, GA	153	4	0	0	1	1	0	1	0	0	0	0
Palm Springs, CA	154	3	3	0	1	0	0	1	0	0	0	0
Erie, PA	155	4	2	1	0	1	0	0	0	0	0	0
Fayetteville, AR	156	6	0	1	1	0	1	0	0	0	0	0
Poughkeepsie, NY	157	5	3	1	1	0	0	0	0	0	0	0
Wausau-Stevens Point, WI	158	2	2	2	0	0	1	0	0	0	0	0
South Bend, IN	159	9	3	0	1	0	0	0	0	0	0	0
Portland, ME	160	5	0	1	0	1	0	0	1	0	0	0
Hagerstown-Chambersburg- Waynesboro	161	1	4	1	1	0	0	0	0	0	0	0
Charleston, WV	162	2	2	0	0	1	1	0	0	0	0	0
Tallahassee, FL	163	5	1	0	0	2	0	0	0	0	0	0
New London, CT	164	3	1	0	0	1	0	0	0	0	0	0
New Bedford-Fall River, MA	165	4	2	0	0	0	0	0	0	0	0	0
Binghamton, NY	166	3	2	0	0	2	0	0	0	0	0	0
San Luis Obispo, CA	167	11	1	2	0	0	0	0	0	0	0	0
Johnstown, PA	168	5	5	0	0	1	0	0	0	0	0	0
Columbus, GA	169	3	1	1	0	0	0	1	0	0	0	0
Ft. Smith, AR	170	6	4	1	0	1	0	0	0	0	0	0
Anchorage, AK	171	3	2	1	0	0	2	0	0	0	0	0

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Lincoln, NE	172	0	0	0	3	0	0	0	0	0	0	0
Myrtle Beach, SC	173	6	1	2	1	0	1	0	0	0	0	0
Kalamazoo, MI	174	2	1	2	1	0	0	0	0	0	0	0
Lubbock, TX	175	7	0	2	0	0	1	0	0	0	0	0
Odessa - Midland, TX	176	11	1	1	0	1	0	0	0	0	0	0
Wilmington, NC	177	4	1	2	1	0	0	0	0	0	0	0
Tupelo, MS	178	6	3	2	0	0	0	0	1	0	0	0
Asheville, NC	179	5	4	0	0	0	0	0	0	0	0	0
Topeka, KS	180	4	2	0	1	0	0	0	0	0	0	0
Waterbury, CT	181	4	0	0	0	0	0	0	0	0	0	0
Dothan, AL	182	6	4	3	0	0	0	0	0	0	0	0
Green Bay, WI	183	2	2	0	1	0	0	0	0	0	0	0
Cape Cod, MA	184	5	1	1	1	0	0	0	0	0	0	0
Manchester, NH	185	7	2	1	1	0	0	0	0	0	0	0
Santa Barbara, CA	186	5	1	0	0	0	0	1	0	0	0	0
Morgantown-Clarksburg-Fairmont	187	2	3	3	1	0	0	0	0	0	0	0
Amarillo, TX	188	6	3	0	1	0	1	0	0	0	0	0
Danbury, CT	189	0	0	2	0	0	0	0	0	0	0	0
Terre Haute, IN	190	6	3	2	1	0	0	0	0	0	0	0
Waco, TX	191	3	1	0	0	0	1	0	0	0	0	0
Chico, CA	192	1	2	2	0	1	0	0	0	0	0	0
Yakima, WA	193	4	0	0	1	1	1	0	0	0	0	0
Springfield, IL	194	1	0	2	0	0	1	0	0	0	0	0
Merced, CA	195	6	1	2	0	0	0	0	0	0	0	0
Northwest Michigan	196	4	0	0	0	3	0	1	0	0	0	0
Santa Maria-Lompoc, CA	197	4	4	0	0	0	0	0	0	0	0	0
Florence, SC	198	3	1	0	0	0	0	0	1	1	0	0
Elmira-Corning, NY	199	3	3	0	1	1	1	0	0	0	0	0
Frederick, MD	200	4	2	0	0	0	0	0	0	0	0	0
Cedar Rapids, IA	201	3	0	1	1	0	0	0	0	0	0	0
Alexandria, LA	202	9	1	0	1	0	0	0	0	0	0	0
Ft. Walton Beach, FL	203	3	3	0	0	1	0	0	0	0	0	0
Champaign, IL	204	9	3	0	0	0	0	0	0	0	0	0
Lake Charles, LA	205	4	1	0	1	0	0	0	0	0	0	0
Medford-Ashland, OR	206	3	0	1	0	1	1	0	0	0	0	0

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Richland-Kennewick-Pasco, WA	207	5	2	0	1	1	0	0	0	0	0	0
Laredo, TX	208	4	2	0	0	0	0	0	0	0	0	0
Laurel-Hattiesburg, MS	209	6	2	2	0	0	0	0	0	0	0	0
Sioux Falls, SD	210	2	2	0	0	1	1	0	0	0	0	0
Fargo, ND - Moorhead, MN	211	3	1	1	0	0	1	0	0	0	0	0
Marion-Carbondale, IL	212	5	0	0	0	0	2	0	0	0	0	0
Duluth, MN - Superior, WI	213	6	1	1	0	0	1	0	0	0	0	0
Tuscaloosa, AL	214	2	2	1	1	0	0	0	0	0	0	0
Blacksburg-Christiansburg-Radford-Pulaski	215	8	0	0	0	1	0	0	0	0	0	0
St. Cloud, MN	216	2	1	1	1	1	0	0	0	0	0	0
Redding, CA	217	2	1	1	0	0	1	0	0	0	0	0
Winchester, VA	218	2	2	1	1	0	0	0	0	0	0	0
Dubuque, IA	219	2	1	0	2	0	0	0	0	0	0	0
Wheeling, WV	220	5	0	1	0	0	1	0	0	0	0	0
Parkersburg-Marietta, WV-OH	221	2	2	0	1	1	0	0	0	0	0	0
Charlottesville, VA	222	4	0	0	1	1	0	0	0	0	0	0
Burlington, VT	223	5	4	2	0	0	0	0	0	0	0	0
Lima, OH	224	3	0	0	2	0	0	0	0	0	0	0
Joplin, MO	225	2	4	0	2	0	0	0	0	0	0	0
Abilene, TX	226	3	1	0	1	0	1	0	0	0	0	0
Panama City, FL	227	4	0	1	1	1	0	0	0	0	0	0
Waterloo-Cedar Falls, IA	228	1	2	1	2	0	0	0	0	0	0	0
Bloomington, IL	229	0	1	1	0	0	0	0	0	0	0	0
Lafayette, IN	230	3	1	1	1	0	0	0	0	0	0	0
Eau Claire, WI	231	3	2	0	0	1	1	0	0	0	0	0
Monroe, LA	232	8	2	2	0	0	0	0	0	0	0	0
Sussex, NJ	233	0	0	1	0	0	0	0	0	0	0	0
Santa Fe, NM	234	4	1	1	0	0	0	0	0	0	0	0
Battle Creek, MI	235	1	0	0	1	0	0	0	0	0	0	0
Wichita Falls, TX	236	1	0	1	1	0	0	0	0	0	0	0
State College, PA	237	3	2	1	0	0	0	0	0	0	0	0
Bryan-College Station, TX	238	4	3	0	1	0	0	0	0	0	0	0
Pueblo, CO	239	3	2	1	0	0	0	0	0	0	0	0
Altoona, PA	240	3	3	0	0	1	0	0	0	0	0	0

Number of Groups Owning Different Numbers of Local Radio Stations by Metro

<i>Market</i>	<i>Metro Rank</i>	<i>Numbers of Local Radio Stations</i>										
		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
Columbia, MO	241	5	3	0	0	0	1	0	0	0	0	0
Texarkana, TX-AR	242	6	3	0	1	0	0	0	0	0	0	0
Billings, MT	243	1	1	1	1	1	0	0	0	0	0	0
Sioux City, IA	244	1	4	0	0	1	0	0	0	0	0	0
Williamsport, PA	245	3	1	1	2	0	0	0	0	0	0	0
Albany, GA	246	3	1	0	1	0	1	0	0	0	0	0
Augusta-Waterville, ME	247	1	0	1	1	0	1	0	0	0	0	0
Bluefield, WV	248	3	1	0	0	0	0	0	0	1	0	0
Grand Junction, CO	249	2	2	0	0	0	1	0	0	0	0	0
Watertown, NY	250	2	0	0	2	0	0	0	0	0	0	0
Lawton, OK	251	3	3	0	0	0	0	0	0	0	0	0
Rapid City, SD	252	2	2	1	0	0	1	0	0	0	0	0
Harrisonburg, VA	253	1	2	1	0	1	0	0	0	0	0	0
San Angelo, TX	254	4	2	1	0	0	0	0	0	0	0	0
Lewiston-Auburn, ME	255	1	1	0	0	0	0	0	0	0	0	0
Ithaca, NY	256	3	3	0	0	0	0	0	0	0	0	0
Grand Forks, ND-MN	257	1	1	2	0	0	1	0	0	0	0	0
Cookeville, TN	258	4	1	0	1	0	0	0	0	0	0	0
Owensboro, KY	259	2	0	0	2	0	0	0	0	0	0	0
Bismarck, ND	260	2	1	0	0	0	1	0	0	0	0	0
Bangor, ME	261	2	5	0	0	1	0	0	0	0	0	0
Jackson, TN	262	5	1	2	0	0	0	0	0	0	0	0
Beckley, WV	263	5	2	0	0	0	0	0	0	0	0	0
Great Falls, MT	264	2	0	1	1	0	0	0	0	0	0	0
Cheyenne, WY	265	1	5	0	0	1	0	0	0	0	0	0
Meridian, MS	266	5	2	0	1	0	0	0	0	0	0	0
Brunswick, GA	267	3	0	0	0	0	1	0	0	0	0	0
Casper, WY	268	3	1	2	0	0	0	0	0	0	0	0

ATTACHMENT B

**FORMAT AVAILABILITY
AFTER CONSOLIDATION**

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Vice President/Economist
August 1999**



Executive Summary

Only three years have passed since the enactment of the Telecommunications Act of 1996 and the dramatic deregulation of rules governing ownership of radio stations. During these years the U.S. economy has continued to grow which has led to strong growth in radio industry revenues. Due to these reasons, as well as several others, there has been a significant amount of ownership consolidation in the radio industry.

One question that was asked at the time of the Act's passage was whether consolidation in the radio industry would lead to greater and better radio service. In particular, proponents of the bill argued that there would be better service with more format diversity once groups were allowed to own more stations locally. Even though only three years have passed, there is clear evidence that prediction has come true. The Federal Communications Commission, one and a half years after enactment, showed some indications of more format diversity. In this paper we first use the FCC approach with more recent data from the same source, and show that trend continuing. Moreover, we examine the trend using more specific format information and show even larger increases since the passage of the Act.

While there are many aspects of the radio industry to consider after the rapid consolidation, it is abundantly clear that one immediate result has been an increase in the number of formats available to the American public. Given that consolidation is continuing, and some recent acquisitions have not been finalized, we can only expect this trend to continue.

INTRODUCTION

Even with this recent consolidation in the ownership of radio stations, it is important to remember that the deregulating legislation is just three years old. Groups that were very active in acquiring properties soon after the passage of the Act are already being acquired themselves. Several large radio corporations now own large numbers of radio stations.

Of course not all of this station trading activity can be laid at the feet of the 1996 Telecommunications Act. The economy continues to chug along at strong growth rates, boosting radio station advertising revenues. Interest rates continue to remain low, providing low cost funds for acquisitions. The stock market, increasingly a source for investment funds for radio companies, continues to show strong gains, also providing funds for growth.

This confluence of positive economic events and the increase flexibility afforded radio companies under the 1996 Telecommunications Act has allowed radio companies to take full advantage of the tremendous efficiencies with increased common ownership. These efficiencies occur both in the expense side with prudent cost cutting and in the revenue side where stations and groups can offer a wider selection of stations and formats for advertisers.¹ Both public and private lending institutions have recognized the increased value of owning radio stations and have made investments funds available to growing radio companies.

Among the efficiencies posited in advocating the relaxation of the ownership rules was the probable increase in the formats offered to the American public.² With more stations commonly owned, it was argued, group owners would not compete for the same audiences with commonly owned local stations. Instead they would try to expand their audiences, thus being more likely to experiment with new and different formats.

The FCC staff has already presented evidence of this prediction coming true.³ The FCC staff found that even after only one year and a half, the average number of formats in all market size groupings increased.⁴ They conclude,

Rather than concentrating on particular formats, these owners [owning more stations locally] are choosing to operate stations with a variety of formats. A variety of formats may allow the owner to appeal to more advertisers and in particular to the advertiser who wants to reach a variety of different audiences.⁵

In this report we build upon that earlier study and further examine the changes in formats being offered. Another year's worth of data on formats allows us to see if that early trend continues. Further, we examine in more detail the different specific formats

¹ Revenue gains have been quite substantial in recent years. "Radio Ad Sales Surpass \$15 Billion in 1998 to Extend Industry's Record-Setting Run," Radio Advertising Bureau News Release, February 8, 1999.

² "Even if I own two radio stations in the same market, would I program them the same? Would I want the diversity to capitalize on an advertising market so that I can expand the advertising base? . . . I seriously doubt it." Search of Thomas.loc.gov, Telecommunications Act of 1996, Congressional Record, S8424 (June 15, 1995) (statement of Sen. Burns).

³ *Review of the Radio Industry, 1997*, Mass Media Bureau, Federal Communications Commission, MM Docket No. 98-35, March 13, 1998.

⁴ *Ibid.*, Appendix E.

⁵ *Ibid.*, p. 11.

being offered for we believe that there is a limitation in studying the general format categories as was previously done.⁶

What we conclude is simply that the process of format diversification continues to grow even after only one more year of consolidation.⁷ The increase in format availability is seen slightly in even the general classification analysis in most markets, but is more clearly seen in the other two format-specific classification analyses across all market sizes. Since all of the already announced transactions involved in this consolidation enthusiasm have not been finalized, and further consolidation is expected, we only expect that this trend would continue to grow.

GENERAL FORMAT ANALYSIS

Classifying radio station programming into pre-defined formats is a very tricky undertaking. While many music stations have similar general themes of music, stations sometimes try to distinguish themselves by being a “little different,” by emphasizing certain artists, for example. This differentiation especially occurs in markets where there are many stations and competition for listeners is fierce.

⁶ The earlier study used the 21 general format classifications provided in the database. While we initially conduct that same classifications, we also analyze the actual specific formats listed in that same database, as well as a new adjusted format classification we construct. Both analyses allow narrower changes in formats to be recognized, which would not be noted in a general format classification analysis. Given the vast proliferation of formats already available, especially in some of the largest markets, we would expect some of the narrower changes to occur more often.

⁷ Of course there are more commercial radio stations on air. But that increase in the number of stations on air, 1.8% between 1996 and 1998 (FCC station data), does not completely explain the increase in the number of formats that are now being offered.

The database which the previous FCC study and we use has two format fields listed for these radio stations.⁸ One is the specific format for the station, which may involve situations where there is a split format between two or even three programming types.⁹ The second field classifies all of these different formats into 21 general categories.¹⁰

Our first analysis examines the change in the general format field during the last three years. General format specification for the spring of 1996,¹¹ 1997 and fall 1998 (most recent completed survey period covering all markets) were compared, similar to the analyses presented in the previous study. We changed the analysis in two important ways. First, we did not include any of the stations that were Dark and off the air, since this is not a “format” being offered to the public. Second, we also did not include stations for which a format was not specified.

⁸ Media Access Pro™, BIA, Chantilly, VA. This database does have some missing values for formats of a few of the stations. An attempt was made to work with the supplier to fill in as many of the missing values as possible.

⁹ For example a station may list its format as “Adult Contemporary/News/Oldies,” where some of the day they program either of these three types.

¹⁰ These classifications are Adult Contemporary, Album Oriented Rock/Classic Rock, Classical, Contemporary Hit Radio/Top 40, Country, Easy Listening/Beautiful Music, Ethnic, Jazz/New Age, Middle of the Road, Miscellaneous, News/Sorts, Nostalgia./Big Band, Oldies, Religion, Rock, Spanish, Talk, Urban, Dark (not on air), No Format reported.

¹¹ While this was technically after the passage of the Telecommunications Act of 1996, we use this as a proxy for Pre-Act formats since most of the consolidation occurred long after this period. Further even for those stations that were sold between the passage of the Act and the Spring ratings period, there is little likelihood that formats were quickly changed for those changes often involves a considerable amount of research which takes, at the very least, a few months.

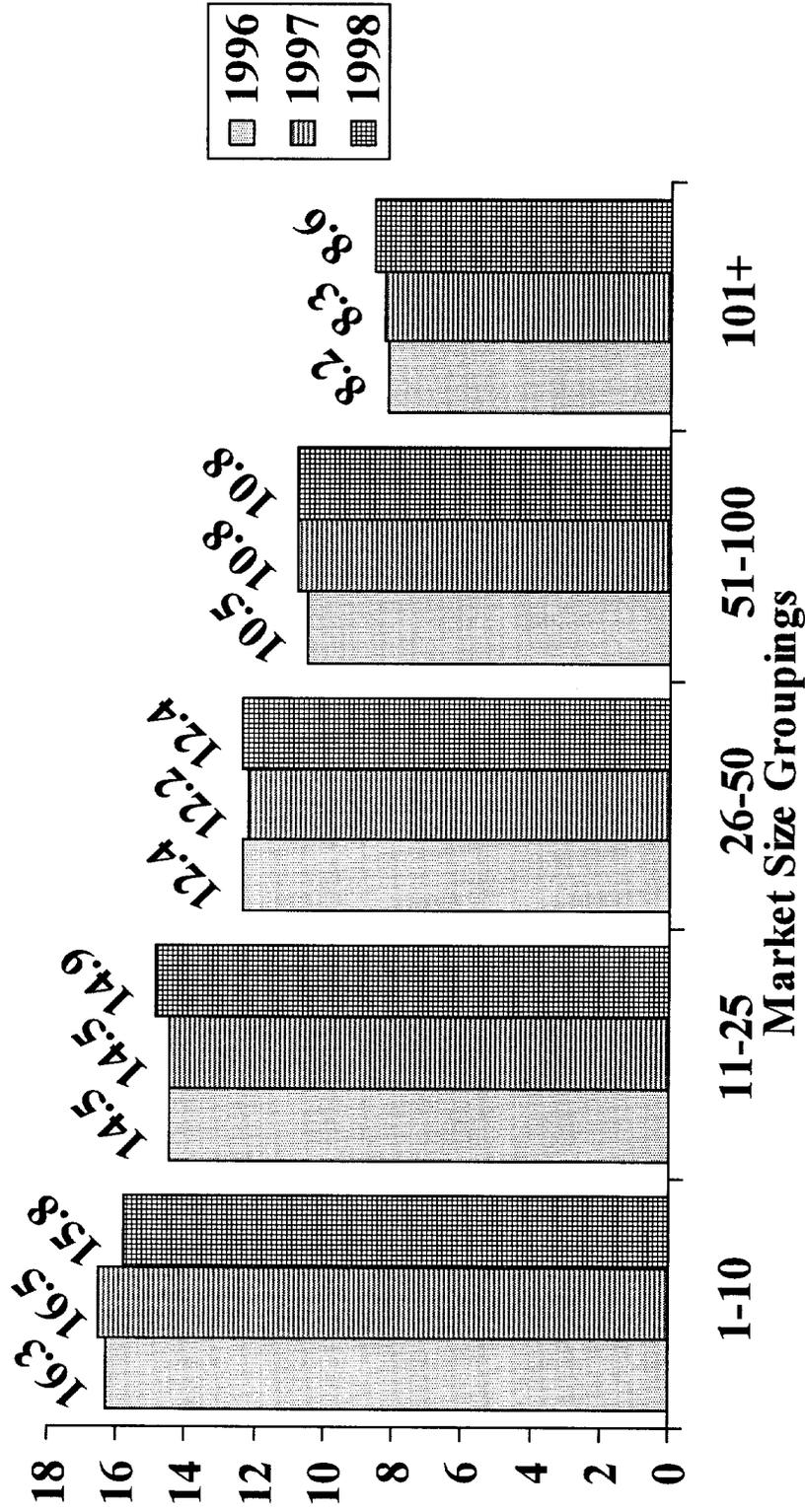
Nationally, the average number of general formats offered in all 268 Arbitron surveyed markets increased between the two years, going from 9.7 in Spring 96 to 9.8 in Spring 1997 to 10.0 in Fall 1998. Figure 1 shows the averages for these periods for five market size groupings.¹²

As shown, all but one market size grouping saw increases in the number of general formats being offered, with only the largest markets showing a decrease. We believe, and will show later, this has more to do with the classification scheme of these general formats than in the reduction of diversity of programs being offered in these markets.

¹² The results for 96 and 97 are similar those not completely identical to the ones presented in the earlier study due to the slight changes in methodology in not classifying Dark and missing values stations, as well as the inclusion of the new markets now being surveyed by Arbitron. One large market (the fourteenth largest) now being surveyed, and included in our analysis is Puerto Rico.

Figure 1

Average Number of General Format Categories by Market Size Grouping



SPECIFIC FORMAT ANALYSIS

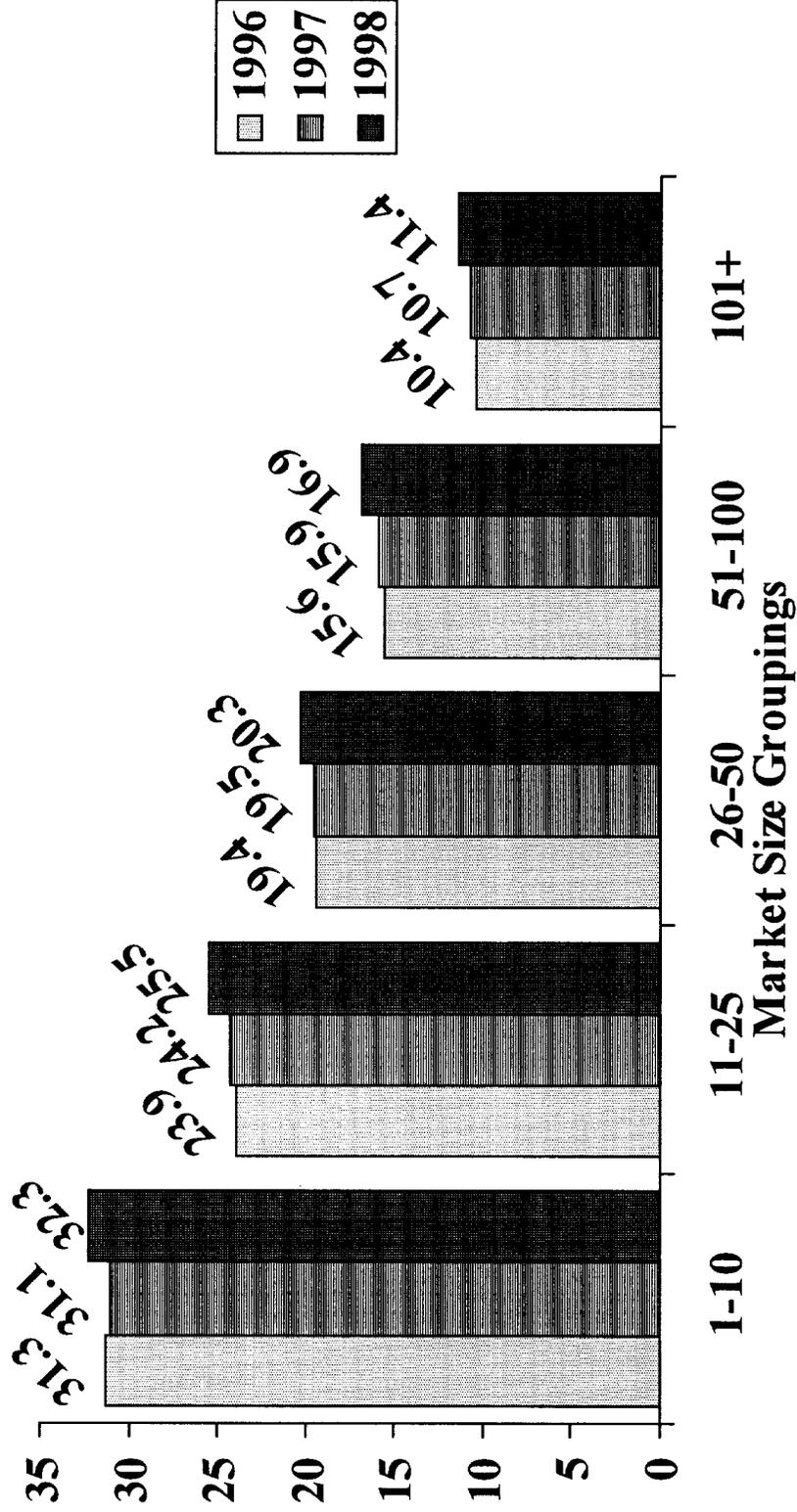
Instead of classifying all of the different formats into general formats, we kept the database-noted specific formats and analyzed the changes during the two-year period. Stations with mixed formats were classified as having different formats as stations with either of the components.¹³

Nationally the number of formats offered in the average markets increased 5% going from 13.8 in 1996 to 14.8 in 1998. Figure 2 shows the average number of formats offered in each of the five market size groupings. All market size groupings saw an increase, with some of the mid-size markets (market sizes 11-25 and 51-100) showing the largest absolute increases.

¹³ For example, an Adult Contemporary/Urban station was coded as having a different format than either a pure Adult Contemporary or pure Urban station.

Figure 2

Average Number of Formats by Market Size Grouping



ADJUSTED FORMAT ANALYSIS

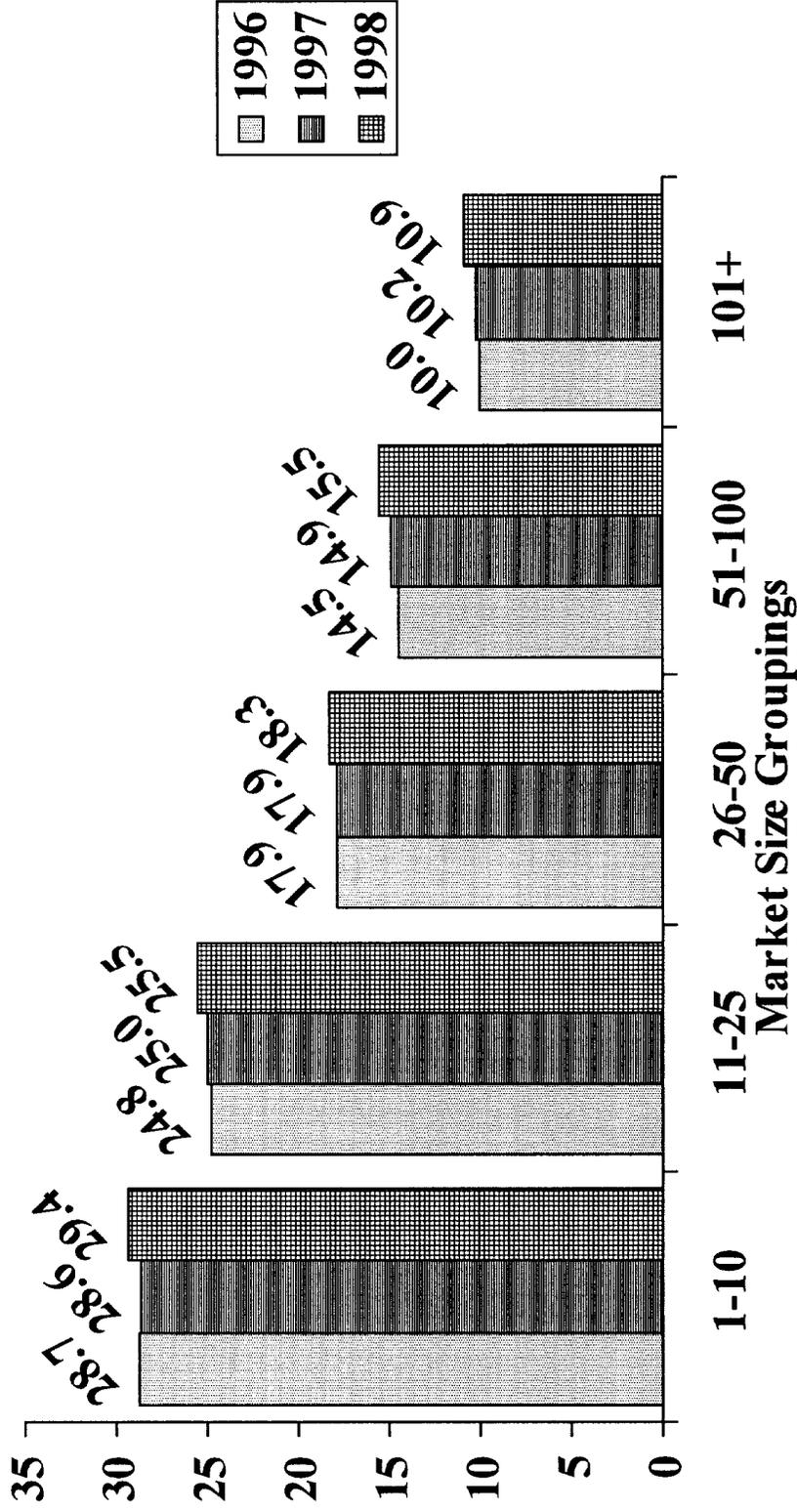
While a secondary or tertiary format in a split-formatted station may provide a new format in a market, it may overstate the diversity of formats in a particular market. To err on the conservative side we made adjustments to those split-formatted stations and reanalyzed the data. Specifically, for all split-formatted stations, we assigned the first mentioned format as that station's format and conducted similar analyses as mentioned above.¹⁴

Nationally, the average number of adjusted formats offered in a market increased from 13.0 formats offered in 1996 to 13.8 formats in 1998. Figure 3 shows the averages for the different market sizes, and once again all markets saw increases, and markets of the smallest size showed the largest absolute increases.

¹⁴ Using the example from before, the Adult Contemporary/Urban station would now be classified as an Adult Contemporary station.

Figure 3

Average Number of Adjusted Formats by Market Size Grouping



CONCLUSION

The radio industry has long been viewed as a hotly competitive business with stations trying every imaginable way to attract additional listeners to sell to advertisers. Consequently, radio stations and groups have always tinkered with changes in their formats to “be a little different.” New formats are proposed and tested and some succeed and some fail.

With the passage of the Telecommunications Act of 1996 format experimentation has continued and grown. Groups owning more stations are in better financial situations to experiment and, more importantly, have greater incentives to offer a wider array of formats. Previous research by the FCC showed an immediate increase in the number of formats one and half years after the act passage. Moreover, in this paper we continue to see that trend and further document that marketplace outcome by examining the format proliferation in more detail.

Given expectations that consolidation will continue to take place, we can only expect continued increases in the formats offered. The competitive pressure to distinguish radio stations, along with the incentives of groups owning more local stations will lead to continued experimentation and differentiation, providing a wider diversity of programming offered to the American public.