On Minot, N.D., Radio, a Single Corporate Voice

By JENNIFER 8. LEE

MINOT, N.D., March 29 — Across the sparsely populated prairie, radio signals connect people in far-flung communities to one another and the world outside. They carry valuable updates on weather, commodity prices and tornados as well as recipes and birth announcements. And for those who spend a lot of time outdoors doing things with their hands, radio is a medium that is taken very seriously.

Even as the radio industry has consolidated, station owners say that it remains one of the least concentrated media sectors. The nationwide leader, Clear Channel Communications, owns about 1,200 of the 11,000 radio stations in the country.

But here in North Dakota, where there are about 80 commercial stations, Clear Channel owns 23 of them. And through a quirk in the rules governing radio concentration, it owns all six commercial stations in Minot, the state's fourth-largest city, with a population nearing 37,000. (There is a public radio station, and a Christian station in the city as well.)

As the Federal Communications Commission reconsiders media ownership rules for television and newspapers, many are examining the effects of the radio industry's consolidation, unspoken by the

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consolidation, speeded by the Telecommunications Act of 1996. Opponents may try to drive the debate over media consolidation to the edges. Minot is one of those edges.

Clear Channel's stronghold in Minot has become a political lightning rod. In January 2002, a train derailment at 1 a.m. spilled a vast white cloud of suffocating anhydrous ammonia fertilizer over Minot. One person died.

The police were unable to reach anyone by phone at the local radio station, KCJB, that is the designated emergency broadcaster. Station employees had to be roused from their homes, causing a big delay.

The police said that because Clear Channel was piping in a satellite feed from elsewhere, human presence at the station was dispensable — an assertion that Senator Byron L. Dorgan, a North Dakota Democrat, repeated in hearings on media consolidation. Clear Channel said that someone was always on duty during the night, but busy phone lines and technological misunderstandings resulted in the emergency failure.

Local officials now acknowledge that may have been true, but the event seems to have crystalized a sense of anxiety here and elsewhere over Clear Channel's grip on Minot and many other small cities and towns around the country, where the effects of consolidation can be disproportionately felt.

"Over time, concentration of markets means less competition and we know that less competition is always bad for consumers," Senator Dorgan said. "The question is, Where does this stop?"

Clear Channel says it is simplistic to say that its radio monopoly in Minot threatens to squelch competing voices. After all, residents can receive satellite radio signals; they have access to television, newspapers and the Internet. And radio signals blow like the wind here, so listeners in Minot can receive some programs from other areas.

"We have to compete with television, newspapers, billboards," said Rick Stensby, general manager of Clear
Channel's Minot stations. "If we got out of whack, we would be whacked with the advertisers."

Still, now that one company controls all the stations in town, some say that the quality of local news coverage has declined. "The old radio stations used to cover the local news," said Fred Debowey, the Minot police chief. "We very seldom hear local news anymore."

Ken Crites, a Minot Daily News reporter who used to work in radio, also complained about the situation. "I get up in the morning and it's a disc jockey reading A.P. copy," he said. "The Canadians could come over the border, and we would never know it."

Among the six stations, Clear Channel now has only one full-time news employee, who is often heard reading statewide and national wire service dispatches. Local reporters feign shock when they see him at news conferences.

Former radio employees say Clear Channel has also trimmed its nonnews staff, something the company disputes. "They don't nearly have the quality of employees that they used to have," said Rod Romine, 71, a retired general manager at KCJB.

On a recent afternoon, two of the working disc jockeys were students studying broadcasting at Minot State University. Some days, they run around substituting as D.J.'s at different stations when others are out. That can take some adjusting, given the six separate program formats: country, oldies, classic rock, adult contemporary, top 40 and news talk.

"It gets confusing sometimes," said J. D. Black, a 20-year-old with a vibrant voice who also works full time at Clear Channel. "You have to keep which station you are on in your head."

Even as Clear Channel has monopolized the market, advertising rates have not gone up noticeably. But advertisers note something else — the stations do not offer ratings information anymore.

"There's no audience ratings done because they control all the stations," said Charlie Ferguson, a former general manager of three of the stations, who now buys a lot of radio advertising for local businesses. "They say, We're the only ones here."
Clear Channel says it stopped buying ratings information because it is expensive and not statistically accurate for a market as small as Minot's.

How did Minot's stations end up under a single owner?

The 1996 telecommunications act lifted ownership limits on the radio industry, which was then floundering financially from the proliferation of media. Instead, the limits were replaced by a sliding scale that was supposed to restrict a single owner to 8 commercial radio stations in a market with 45 stations, up to 7 stations in a market with 30 stations, and so on. But idiosyncrasies in the F.C.C.'s method for defining radio markets have resulted in unexpected pockets of concentration.

In defining the market, the F.C.C. lumped Minot with Bismarck, the state capital about 100 miles away. While some signals overlap, commercially they are far apart. The combination puts the market at 45 stations, most in Bismarck; Clear Channel owns 8, most in Minot.

Similar concentrations, while not as dense as in Minot, pop up all over the state. Of roughly a dozen commercial stations operated out of Fargo, for example, six are owned by Clear Channel and five are owned by Triad Broadcasting.

The technicalities that allow media companies to stretch the limits are not restricted to rural areas. Clear Channel used the rules to propose that it own nine stations in the Youngstown, Ohio, metropolitan area. But Youngstown has only 23 commercial stations as defined by Arbitron, the commercial rating service, causing the F.C.C. to delay action to ask for public comment.

From a business standpoint, it makes sense to cluster radio stations so they can share overhead costs. Clear Channel has stations in 250 markets, an average of five stations an area. In 2000, Clear Channel bought the six Minot stations from two companies, West Dakota Radio and Reiten Broadcasting.

"I was shocked that the F.C.C. allowed them to buy all six," said Mr. Ferguson, Reiten's former radio general manager.

Clear Channel says the consolidated ownership has been good for the Minot stations and listeners, as it has been for troubled stations across the country.
Under one owner, Clear Channel has been able to diversify into six formats. Earlier competition between groups had led to redundant country stations.

"To some degree, the advertising pool has grown because we are tapping into listeners that weren't there before," said Rick Stensby, Clear Channel's general manager for Minot.

Clear Channel has also invested money to spruce up the stations, spending $1.5 million to buy a new building to consolidate two stations. It bought computers to bring the stations into the digital age and installed air-conditioning.

Perhaps most important for the radio die-hards, Clear Channel bought a new transmitter for KCJB, replacing a clunky one dating from 1958.

"They had a rubber band holding them on the air," said Alan Brace, a Clear Channel engineer who upgraded the system, explaining that the rubber band held a critical switch in place. "Where is the reliability in this?"

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