with new communications technologies and services. Moreover, because the Commission is faced with a situation in which all applicants can be accommodated, it is not necessary to adopt the strict financial standards utilized in the domestic fixed-satellite service.[100] The Commission has correctly chosen a standard which addresses the situation of the DARS proceeding, just as it has crafted different financial standards and milestone requirements suitable for the circumstances of its other satellite services.[101]

VIII. CONCLUSION

For all the foregoing reasons, the Commission should proceed with licensing the full 50 MHz of spectrum, to be shared equally by the current four SDARS applicants. In developing service rules and regulations, the Commission should adopt the least restrictive regulations for SDARS, allowing market forces and negotiations to determine the best form of service. In addition, because the four applicants can share the spectrum without

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[100] Licensing Space Stations in the Domestic Fixed-Satellite Service, 50 Fed. Reg. 36071 (September 5, 1985). The Commission did not adopt strict financial standards until it was faced with a situation where it could not accommodate all the applicants.

[101] See Direct Broadcast Satellite, 90 FCC 2d 676 (1982); see also Establishment of Satellite Systems Providing International Communications, Report and Order, 101 FCC 2d 1046 (1985), recon. granted in part, 61 RR 2d 649, recon. denied, 1 FCC Rcd 439 (1986).

interference, no mutual exclusivity exists between the applicants that warrants the use of auctions or reopening the filing window to allow additional applications.

Respectfully submitted,

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APPENDIX A

SATELLITE DARS IMPACT STUDY

An Assessment of the Impact of Satellite DARS Upon Terrestrial Radio

Prepared for

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September 15, 1995

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Tables and Exhibits:

Satellite DARS Impact Study

1. Financial Impact of Satellite DARS on Local Radio Industry

The purpose of this study is to forecast the economic impact of the development of Satellite Digital Audio Radio Service (Satellite DARS) on terrestrial radio stations, with a detailed focus on the impact on typical FM stations in a variety of market sizes. The study analyzes the impact of Satellite DARS on FM stations only because the majority of audience share (hence revenue and operating profit) in the industry today is generated by FM stations. Listening on the AM band has stabilized in recent years, and it is reasonable to expect that AM listeners will remain stable because of a combination of factors, including a long tradition of AM listening and satisfaction with AM service, in terms of content and sound quality. MTA-EMCI does not foresee Satellite DARS attracting AM listeners, thereby causing economic impact to AM stations. Consequently, this study addresses only the impact of Satellite DARS on FM radio.

2. General Methodology

This study analyzes a typical FM station in each of five market sizes. MTA-EMCI has developed five sets of operating/financial projections for the typical FM station in markets ranging in size from $100 million to $5 million in revenue. The projections cover an eight-year period, beginning in 2000. In each market, station net revenue, expenses, and operating profits have been compared under two scenarios. The first scenario assumes a continuation of station operations and no introduction of Satellite DARS. The second scenario assumes an impact on the market and the FM stations by Satellite DARS. Although the markets and stations are hypothetical, the variables which define them portray realistic operating conditions observable in the radio industry. The analyses are presented following this narrative.

Factors Considered

The impact of Satellite DARS on terrestrial FM radio has been projected, taking into account a number of factors, including:

- Satellite DARS listeners will continue to listen to their local FM radio stations.
- The impact of Satellite DARS will be greater in smaller markets, with fewer stations to satisfy a variety of listening preferences.
- Advertisers, including national advertisers, will continue to use local radio as an important advertising outlet because it is familiar, accessible, and the advertising results are validated.

3. Conclusions

Based on the analyses in this study, the projected economic impact of Satellite DARS on terrestrial FM radio is minimal. The reduction of FM radio listening attributable to Satellite DARS in 2007 (the final year of the projection period) is projected to range from 0.64% in the largest market examined to 1.06% in the smallest market examined. The reduction in listening is not directly correlated to the reduction in station revenue. Initially, Satellite DARS is forecast to generate a substantial portion of revenue from advertisers not presently advertising on radio.

The decline in station net revenues generated in 2007 ranges from 0.32% in the largest market to 0.53% in the smallest market. Operating expenses for FM stations, particularly programming and advertising/promotional expenses, are projected to increase in response to Satellite DARS. The resulting decline in operating profit in 2007 ranges from 2.1% in the largest market to 3.5% in the smallest market.

4. Projection of Satellite DARS Listeners

Based on 1) the introduction of FM radio as a new technology and the slow penetration growth of receivers experienced in early years, and 2) the more recent experience of the DBS industry and the aggressive penetration rate achieved during its first year, the number of Satellite DARS listeners is projected at 750,000 in 2000, the assumed first year of operations. Penetration growth is forecast to be relatively slow for the first four years, with rapid growth in penetration thereafter.

To assess the financial impact of Satellite DARS on the average FM radio station, projections of the number of Satellite DARS listeners/receiver owners were required. In order to make such projections MTA-EMCI has examined the development of other new technology-based services and products. The growth pattern of the penetration of FM radio during its early years appears to be the most comparable to the introduction of Satellite DARS. During the first several years after the introduction of the FM receiver, penetration increases were very modest given the requirement that FM listeners purchase new equipment. Steeper growth rates were not achieved until later years when equipment costs were reduced and additional programming became available. Another model considered was the direct broadcast satellite (DBS) multichannel video service. In this industry an aggressive penetration rate was achieved during the first year of operations, with reported sales of approximately 650,000 satellite dish receivers.[1]

For purposes of this study, the number of users of Satellite DARS has been forecast at 750,000 in the first year. This is an aggressive projection similar to the experience of DBS. However, the DBS industry has driven its penetration by aggressively promoting itself on broadcast and cable television. Moreover, consumers have historically been willing to spend more to enhance

[1] Paid subscribers (including those renting receivers) to DBS grew to approximately one million in the first year.

television viewing than radio listening. Nevertheless, MTA-EMCI believes an aggressive projection is appropriate given the recent experience of a related industry (DBS) introducing a new technology-based service. The projected Satellite DARS first-year penetration level exceeds the DBS level, given that a portion of Satellite DARS listeners will pay no monthly subscriber fee, as required by users of DBS.

During the second and third years Satellite DARS listeners are projected to increase by 25%, and over the subsequent five years listener growth rates reach 65%. Accordingly, the number of listeners is forecast to reach 10.4 million by the eighth year of operations. These figures are presented in tabular form in Table 1.1 and graphically in Chart 1.1.

5. Impact of Satellite DARS Upon Traditional Radio Listening

To project the impact of Satellite DARS on radio listening, projected Satellite DARS listeners/receiver owners have been viewed as a percentage of the total U.S. population. It has been assumed that the typical Satellite DARS listener will continue to devote the majority of listening time to terrestrial radio. In addition, the smaller market stations have been assumed to be more vulnerable because there are fewer stations to satisfy different listening preferences. Accordingly, listeners in small markets will spend a greater portion of listening time tuned to Satellite DARS.

Table 1.2 projects the impact of Satellite DARS on the amount of terrestrial FM radio listening. The number of Satellite DARS listeners (Table 1.1) is divided by the total U.S. population as projected over eight years. The percentage of the population using Satellite DARS grows from 0.27% in 2000 to 3.53% in 2007. These percentage figures were then applied to Average Quarter Hour (AQH[2]) levels, after adjustments were made for the projected percentage of radio listening time devoted to Satellite DARS.

The percentage of radio listening time devoted to Satellite DARS by Satellite DARS receiver owners was forecast to increase as market size declines. It is reasonable to anticipate that the impact of Satellite DARS will be felt most strongly in smaller markets with fewer stations to serve listening needs and preferences. Because larger markets provide listeners with more programming choices, MTA-EMCI has forecast the typical Satellite DARS listener in Market A, the largest market, to devote 3% of his or her radio listening time to Satellite DARS. The remainder is spent listening to terrestrial FM. This figure grows to 18% by 2003. In Market E, the smallest market, the typical Satellite DARS listener is forecast to devote 15% of radio listening time to Satellite DARS. By the fourth year of operations, Satellite DARS listeners in small markets are forecast to spend 30% of their radio listening time tuned to Satellite DARS.

[2] Average Quarter Hour (AQH) of listening represents the increment in which ratings and audience share data is measured per station by Arbitron Ratings Service.

In projecting the radio time spent listening to Satellite DARS, MTA-EMCI has considered the cable television industry experience with broadcast television. Over the course of approximately 30 years, cable television has increased its share of television viewing in all TV households to roughly 30%, leaving the majority of viewing with traditional over-the-air broadcasters (see Exhibit 2.3, p. 56).

6. Summary Data to Assess Impact of Satellite DARS On Average FM Stations in Selected Markets

Tables 1.3 through 1.8 present, in summary form, the impact of Satellite DARS on certain market variables. These data are taken directly from the five separate operating projections developed for average FM stations in markets ranging in size from $100,000,000 to $5,000,000 in annual revenue. Table 1.3 presents the listening and financial impact of Satellite DARS for all markets in 2007, the last year of the projection term. As shown, the reduction in average FM station operating profits ranges from 1.60% in Market A to 2.65% in Market E. Table 1.4 summarizes the station impact in Market E, the smallest market examined. In Tables 1.5 through 1.8 data are compiled for the impact upon the AQH levels of listening, the Cost Per Thousand[3] (CPM), Market Revenue, Average Station Revenue, and Average Station Operating Profit.

Table 1.9 summarizes the projected impact of Satellite DARS on revenue generated by the terrestrial radio industry as a whole, in the years 2000 and 2007. The industry is segmented into groups with ranges corresponding to Markets A through E. As shown, in 2000, the industrywide revenue impact is projected at 0.09%. Over the eight-year period ending in 2007, the impact increases to 1.28%.

7. Individual Market Scenarios

For each of the Markets A through E, MTA-EMCI has developed operating projections to measure the economic impact on a typical FM station of the introduction of Satellite DARS into the market. The operating projections take into account market size (revenue and population), expected levels of AQH listening (for terrestrial and Satellite DARS), the CPM for radio advertisers, audience shares, operating expenses and operating profits. The operating parameters for these markets were based on information published in the 1995 edition of Duncan's Radio Market Guide, BIA's Investing In Radio '95 Market Report, and the 1992 National Association of Broadcasters (NAB) Radio Financial Report.

The operating scenarios cover an eight-year period, based on a typical FM radio valuation scenario. The methodology does not vary among the markets. A detailed discussion of the

[3] Cost Per Thousand (CPM) refers to the cost to an advertiser to reach 1,000 listeners in a given market.

operating scenario developed for an average FM station in Market A with $100,000,000 in annual revenue, follows.

Audience Share Analysis

The audience share analysis for each of the markets (Exhibit A) was based on population and the average quarter hours (AQH) of listening. The impact on radio listening (as forecast in Table 1.2) was applied directly to the AQH level in the market Exhibit A also illustrates radio listening patterns by location (car home, other) and the impact of Satellite DARS upon listening location patterns.

Exhibit A presents an Audience Analysis and illustrates the effect of Satellite DARS on the market's AQH of listening. Markets with approximately $100,000,000 in advertising revenue are generally supported by a population base ranging from 2.5 to 3.5 million. Total population was forecast to grow by 1.0% annually. Population forecasts for the U.S. as a whole increase by 0.89% annually through 1999 in Market Statistics' Demographics USA County Edition 1995.

The break-out of terrestrial radio listening (vehicle, home, other) was based on information published in Veronis, Suhler & Associates Communications Industry Forecasts, July 1995. The forecast trends merely continue those previously identified. The terrestrial market AQH was based on the level of AQH seen in similar sized markets. These data are published on a per market basis by Arbitron.

The percentage loss of AQH by the terrestrial radio station to Satellite DARS is taken from Table 1.2, as discussed earlier. As shown, the amount of Satellite DARS AQH listening, which is equal to the lost terrestrial listening, is forecast to grow from 0.01% in Year 1 to 0.64% in Year 8. MTA-EMCI has projected that 70% of Satellite DARS listening will occur in vehicles given the nature of the technology.

As indicated, the impact upon listening in Market A, the largest market, is slight. Patterns of listening by location (home, vehicle, other) change slightly. The percentage of terrestrial AQH listening in vehicles dips from 31.8% in Year 8 (without Satellite DARS impact) to 31.5% with the Satellite DARS impact. The percentage of terrestrial listening in the home is forecast to rise incrementally, from 37.0% to 37.1%, while other listening increases from 31.3% ot 31.4%.

Revenue Share Analysis

In Exhibit B, a portion of the reduction in market AQH was applied to the market's cost per thousand (CPM) paid by market advertisers. The impact is reflected in total market revenue projections. It was assumed that the advertisers attracted to Satellite DARS would generally be new to radio. Over time, it was forecast that additional advertising would migrate to Satellite DARS from terrestrial radio stations. Terrestrial radio stations were expected to maintain their share of terrestrial listening; however, the pool of revenue available will be affected.

Exhibit B projects market and station revenue, as impacted by Satellite DARS. The breakout of market revenue between national and local advertising was based on information taken from BIA's Investing in Radio '94 Market Report. Markets with roughly $100,000,000 in revenue tend to generate approximately 22% of revenue from national sources and 78% from local sources.

The CPM was calculated by dividing market revenue ($100,000,000) by the total market AQH (3,500). The resulting annual amount spent by advertisers per AQH ($28,571.40) was divided by the total market population (2,750,000) and multiplied by 1,000 for a CPM of $10.39. The cost per thousand was forecast to increase at an annual rate of 5% per year, or at a real rate of 2% annually in addition to 3% inflationary growth. As shown, market revenue without the initiation of Satellite DARS would be $100,000,000 in Year 1 and would grow annually by 6.1% to $150,860,211 in Year 8.

The percentage reduction in AQH with the impact of Satellite DARS was taken from Table 1.2. This, however, was not a completely accurate predictor of the impact on the market's CPM. The impact on CPM would be lessened by the fact that, during the early years of operation, Satellite DARS operators are expected to derive the majority of advertising revenue from sources currently not using radio advertising. This assumption was based on the experience of MTV, an alternate provider of a niche market music product offered over cable television. A new body of advertisers with requirements previously unmet was generated.

Accordingly, during Year 1, Satellite DARS operators are projected to generate 80% of revenue from new advertising sources. Over the following four years this percentage declines to 50%. As of Year 5, one-half of Satellite DARS revenue is forecast to be derived from advertisers that have traditionally used terrestrial radio. The resulting percentage decline in the CPM is forecast at 0.01% in Year 2 and grows to 0.32% by Year 8. The impact on the level of market revenues is slight, as shown. Summary information regarding the impact of Satellite DARS upon AQH and CPM levels for all markets, is presented in Table 1.5. Summary information for market revenues is presented in Table 1.6.

The audience share generated by an average FM station in this market size is 4.5%. The extent to which the audience share is matched by revenue share due to less or more favorable audience demographics, is reflected by the power ratio.[4] The average FM was assigned a revenue share equal to its audience share. Station net revenues were projected with and without the impact of Satellite DARS. Again, the impact in Market A is slight. Summary information regarding the impact of Satellite DARS on station net revenues for all markets, is presented in Table 1.7.

[4] A station's power ratio reflects the extent to which audience share is converted into revenue share. Generally, a station would be expected to convert a 4.5% audience share into a 4.5% revenue share. However, stations whose listeners fall into very attractive (to advertisers) demographics often convert the audience share into an even greater revenue share. Stations with less attractive demographics often fail to generate a revenue share as large as their audience share.

Operating Expense Analysis

Exhibit C illustrates the projected impact of Satellite DARS on operating expenses. With the initiation of Satellite DARS, terrestrial radio stations were forecast to increase their budgets in the areas of programming and advertising/promotion.

Exhibit C presents average FM operating expenses as they might appear in a market of this size assuming no added competition and alternatively, assuming the impact of Satellite DARS. The forecasts were based on data published in the 1992 NAB Radio Financial Report. Initially, operating expenses for the differing functional areas were projected as a percentage of net revenue. Annual percentage increases were projected at 4% for all expenses, with the exception of Technical expenses which grow by 3% per year. The initiation of Satellite DARS is forecast to spur operators to make increases in their programming and advertising/promotional budgets. These two categories have a more direct bearing on the actual service and listener awareness of the service than do the technical or administrative functions.

Operating Income Analysis

The operating income analysis demonstrates the bottom line impact of Satellite DARS on the terrestrial FM station. The impact hovers between roughly 1.5% to 2.1% over the eight year projection term for Market A. The impact on operating profit increases as the size of the market decreases.

Exhibit D presents the resulting operating income levels and operating margins based on the two scenarios. As shown, the operating margins for both scenarios start at approximately 25% and grow to 35%. The annual difference in operating cash flow for an average FM station in Market A due to the presence of Satellite DARS was projected at $16,366 in Year 1. The loss of cash flow grows to $25,484 by Year 5 and $42,889 by Year 8. On a percentage basis, the operating cash flow difference hovers between 1.5% to 2.1% per year. Summary information regarding the impact of Satellite DARS upon station operating profit for all markets, is presented in Table 1.8. As would be expected, the impact of Satellite DARS upon the average FM station increases as market revenue size grows smaller.

GROWTH IN SATELLITE DARS LISTENERS
&
REDUCTION IN RADIO LISTENING ATTRIBUTABLE TO SATELLITE DARS

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Table 1.1 Growth In Satellite Digital Audio Radio Service Listeners

	2000	2001	2002	2003	2004	2005	2006	2007
SDARS Listeners	750,000	937,500	1,171,875	1,699,219	2,463,867	3,818,994	6,301,340	10,397,212
Annual Increase in Listeners		187,500	234,375	527,344	764,648	1,355,127	2,482,346	4,095,871
Percentage Increase		25%	25%	45%	45%	55%	65%	65%

Chart 1.1 Growth in Satellite Digital Audio Radio Service Listeners

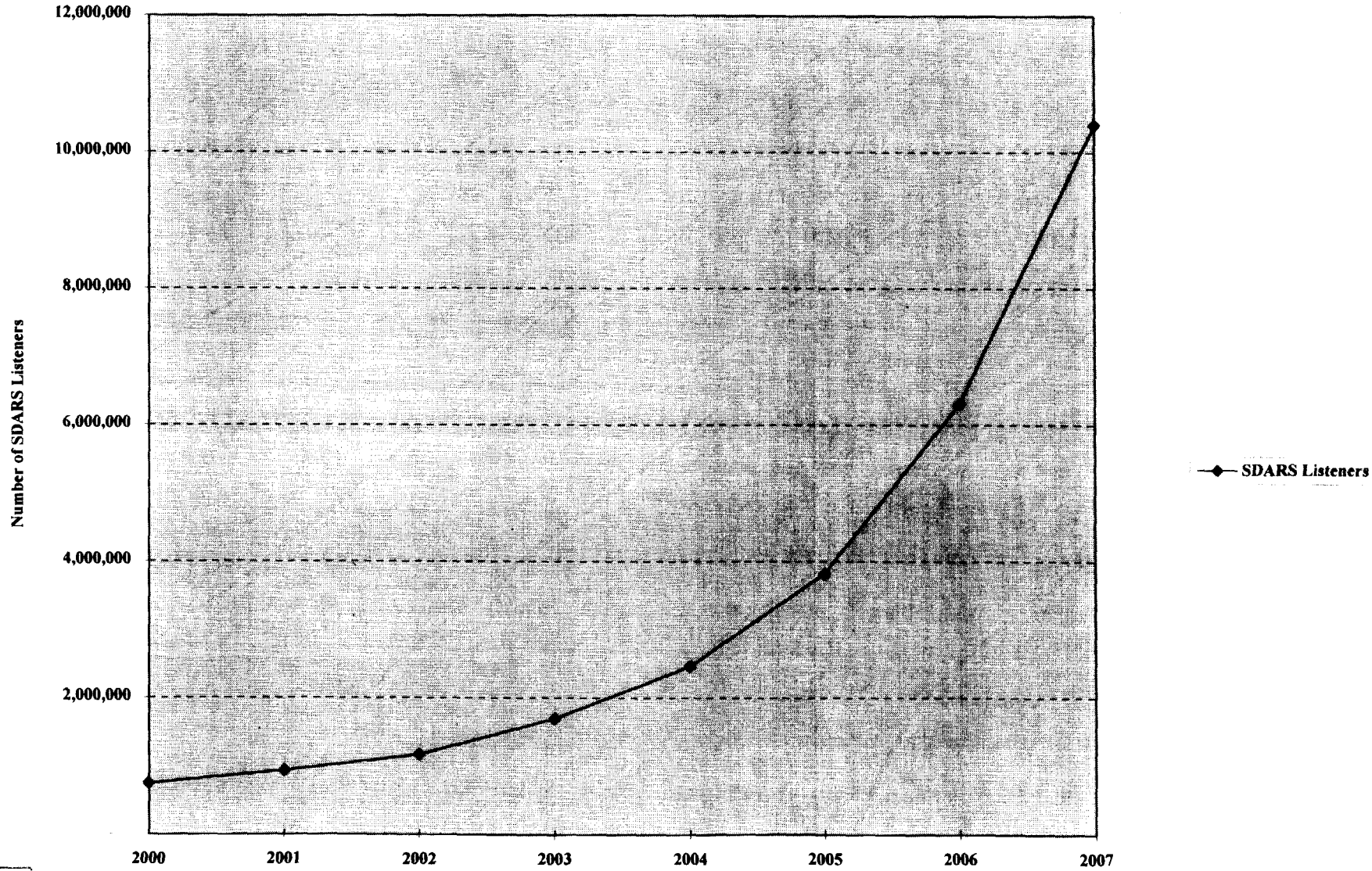

Table 1.2 Reduction In Radio Listening Attributable To Satellite Digital Audio Radio Service

	2000	2001	2002	2003	2004	2005	2006	2007
Total US Population	276,530,761	278,991,885	281,474,912	283,980,039	286,507,461	289,057,378	291,629,988	294,225,495
SDARS Receiver Owners/US Pop.	0.27%	0.34%	0.42%	0.60%	0.86%	1.32%	2.16%	3.53%
Percentage of Radio Listening Time Devoted to SDARS*								
Market A	3.00%	8.00%	13.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Market B	6.00%	11.00%	16.00%	21.00%	21.00%	21.00%	21.00%	21.00%
Market C	9.00%	14.00%	19.00%	24.00%	24.00%	24.00%	24.00%	24.00%
Market D	12.00%	17.00%	22.00%	27.00%	27.00%	27.00%	27.00%	27.00%
Market E	15.00%	20.00%	25.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Impact On Average FM Station**								
Market A	0.01%	0.03%	0.05%	0.11%	0.15%	0.24%	0.39%	0.64%
Market B	0.02%	0.04%	0.07%	0.13%	0.18%	0.28%	0.45%	0.74%
Market C	0.02%	0.05%	0.08%	0.14%	0.21%	0.32%	0.52%	0.85%
Market D	0.03%	0.06%	0.09%	0.16%	0.23%	0.36%	0.58%	0.95%
Market E	0.04%	0.07%	0.10%	0.18%	0.26%	0.40%	0.65%	1.06%

*Assumes listeners in larger markets will use SDARS less frequently due to greater choice among terrestrial stations.

**SDARS Receiver Owners/US Population times Listening Time Devoted to SDARS

SUMMARY DATA GAUGING IMPACT OF SATELLITE DARS ON AVERAGE FM STATION IN SELECTED MARKETS:

1.3 OPERATING & FINANCIAL IMPACT IN 2007
1.4 IMPACT IN MARKET E IN YEAR 2007
1.5 AQH & CPM
1.6 MARKET REVENUE
1.7 STATION NET REVENUE
1.8 STATION OPERATING PROFIT
1.9 RADIO INDUSTRY IMPACT

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Table 1.3 Impact of Satellite DARS on Terrestrial FM Radio Industry in 2007

	Without Satellite DARS	With Satellite DARS	Percentage Difference
AQH			
Market A	3,500	3,478	0.64%
Market B	1,200	1,191	0.74%
Market C	650	644	0.85%
Market D	400	396	0.95%
Market E	175	173	1.06%
NET REVENUE			
Market A	$5,804,347	$5,785,887	0.32%
Market B	$2,515,217	$2,505,884	0.37%
Market C	$1,451,087	$1,444,933	0.42%
Market D	$1,289,855	$1,283,701	0.48%
Market E	$773,913	$769,811	0.53%
OPERATING PROFITS			
Market A	$2,042,309	$1,999,420	2.10%
Market B	$830,868	$811,169	2.37%
Market C	$448,117	$436,110	2.68%
Market D	$370,566	$359,322	3.03%
Market E	$202,308	$195,168	3.53%

Table 1.4 Impact of Satellite DARS on Terrestrial FM Radio in Smallest Market in 2007

	Without Satellite DARS	With Satellite DARS	Percentage Difference
MARKET REVENUE	$7,543,011	$7,503,028	0.53%
AQH	175	173	1.06%
STATION NET REVENUE	$773,913	$769,811	0.53%
OPERATING PROFITS	$202,308	$195,168	3.53%

Table 1.5 AQH and CPM

% AQH REDUCTION WITH DARS IMPACT

	2000	2001	2002	2003	2004	2005	2006	2007
Market Size A	0.01%	0.03%	0.05%	0.11%	0.15%	0.24%	0.39%	0.64%
Market Size B	0.02%	0.04%	0.07%	0.13%	0.18%	0.28%	0.45%	0.74%
Market Size C	0.02%	0.05%	0.08%	0.14%	0.21%	0.32%	0.52%	0.85%
Market Size D	0.03%	0.06%	0.09%	0.16%	0.23%	0.36%	0.58%	0.95%
Market Size E	0.04%	0.07%	0.10%	0.18%	0.26%	0.40%	0.65%	1.06%

% CPM REDUCTION WITH DARS IMPACT

	2000	2001	2002	2003	2004	2005	2006	2007
Market Size A	0.00%	0.01%	0.02%	0.05%	0.08%	0.12%	0.19%	0.32%
Market Size B	0.00%	0.01%	0.03%	0.06%	0.09%	0.14%	0.23%	0.37%
Market Size C	0.00%	0.01%	0.03%	0.06%	0.10%	0.16%	0.26%	0.42%
Market Size D	0.01%	0.02%	0.04%	0.07%	0.12%	0.18%	0.29%	0.48%
Market Size E	0.01%	0.02%	0.04%	0.08%	0.13%	0.20%	0.32%	0.53%

Note: AQH reduction does not fully impact reduction in CPM. SDARS operators are projected to generate 80% of their revenue, during year one of operation, from advertisers currently not using radio. By year five this figure declines to 50%.

Table 1.6 Market Revenue

MARKET REVENUE WITHOUT INITIATION OF DARS

	2000	2001	2002	2003	2004	2005	2006	2007
Market Size A	$100,000,000	$106,050,000	$112,466,025	$119,270,220	$126,486,068	$134,138,475	$142,253,853	$150,860,211
Market Size B	$30,000,000	$31,815,000	$33,739,808	$35,781,066	$37,945,820	$40,241,542	$42,676,156	$45,258,063
Market Size C	$15,000,000	$15,907,500	$16,869,904	$17,890,533	$18,972,910	$20,120,771	$21,338,078	$22,629,032
Market Size D	$10,000,000	$10,605,000	$11,246,603	$11,927,022	$12,648,607	$13,413,847	$14,225,385	$15,086,021
Market Size E	$5,000,000	$5,302,500	$5,623,301	$5,963,511	$6,324,303	$6,706,924	$7,112,693	$7,543,011

MARKET REVENUE WITH DARS IMPACT

	2000	2001	2002	2003	2004	2005	2006	2007
Market Size A	$99,998,373	$106,041,447	$112,441,677	$119,212,413	$126,388,171	$133,978,975	$141,977,218	$150,380,418
Market Size B	$29,999,024	$31,811,472	$33,730,817	$35,760,833	$37,911,557	$40,185,717	$42,579,333	$45,090,136
Market Size C	$14,999,268	$15,905,255	$16,864,566	$17,878,972	$18,953,331	$20,088,871	$21,282,751	$22,533,073
Market Size D	$9,999,349	$10,603,183	$11,242,482	$11,918,351	$12,633,922	$13,389,922	$14,183,890	$15,014,052
Market Size E	$4,999,593	$5,301,431	$5,620,960	$5,958,694	$6,316,145	$6,693,632	$7,089,640	$7,503,028

PERCENTAGE REDUCTION IN MARKET REVENUE

	2000	2001	2002	2003	2004	2005	2006	2007
Market Size A	0.00%	0.01%	0.02%	0.05%	0.08%	0.12%	0.19%	0.32%
Market Size B	0.00%	0.01%	0.03%	0.06%	0.09%	0.14%	0.23%	0.37%
Market Size C	0.00%	0.01%	0.03%	0.06%	0.10%	0.16%	0.26%	0.42%
Market Size D	0.01%	0.02%	0.04%	0.07%	0.12%	0.18%	0.29%	0.48%
Market Size E	0.01%	0.02%	0.04%	0.08%	0.13%	0.20%	0.32%	0.53%

Table 1.7 Station Net Revenue

AVERAGE FM AUDIENCE/REVENUE SHARE

Market Size A	4.5%
Market Size B	6.5%
Market Size C	7.5%
Market Size D	10.0%
Market Size E	12.0%

AVERAGE FM STATION NET REVENUE WITHOUT INITIATION OF DARS

	2000	2001	2002	2003	2004	2005	2006	2007
Market Size A	$3,847,500	$4,080,274	$4,327,130	$4,588,922	$4,866,551	$5,160,978	$5,473,217	$5,804,347
Market Size B	$1,667,250	$1,768,119	$1,875,090	$1,988,533	$2,108,839	$2,236,424	$2,371,727	$2,515,217
Market Size C	$961,875	$1,020,068	$1,081,783	$1,147,230	$1,216,638	$1,290,244	$1,368,304	$1,451,087
Market Size D	$855,000	$906,728	$961,585	$1,019,760	$1,081,456	$1,146,884	$1,216,270	$1,289,855
Market Size E	$513,000	$544,037	$576,951	$611,856	$648,874	$688,130	$729,762	$773,913

AVERAGE FM STATION NET REVENUE WITH DARS IMPACT

	2000	2001	2002	2003	2004	2005	2006	2007
Market Size A	$3,847,437	$4,079,945	$4,326,194	$4,586,698	$4,862,785	$5,154,841	$5,462,573	$5,785,887
Market Size B	$1,667,196	$1,767,923	$1,874,590	$1,987,408	$2,106,935	$2,233,321	$2,366,346	$2,505,884
Market Size C	$961,828	$1,019,924	$1,081,440	$1,146,489	$1,215,382	$1,288,199	$1,364,756	$1,444,933
Market Size D	$854,944	$906,572	$961,232	$1,019,019	$1,080,200	$1,144,838	$1,212,723	$1,283,701
Market Size E	$512,958	$543,927	$576,711	$611,362	$648,037	$686,767	$727,397	$769,811

PERCENTAGE REDUCTION IN AVERAGE FM STATION REVENUE

	2000	2001	2002	2003	2004	2005	2006	2007
Market Size A	0.00%	0.01%	0.02%	0.05%	0.08%	0.12%	0.19%	0.32%
Market Size B	0.00%	0.01%	0.03%	0.06%	0.09%	0.14%	0.23%	0.37%
Market Size C	0.00%	0.01%	0.03%	0.06%	0.10%	0.16%	0.26%	0.42%
Market Size D	0.01%	0.02%	0.04%	0.07%	0.12%	0.18%	0.29%	0.48%
Market Size E	0.01%	0.02%	0.04%	0.08%	0.13%	0.20%	0.32%	0.53%

Table 1.8 Station Operating Profit

AVERAGE FM STATION OPERATING PROFIT WITHOUT INITIATION OF DARS

	2000	2001	2002	2003	2004	2005	2006	2007
Market Size A	$981,113	$1,100,385	$1,229,235	$1,368,335	$1,518,403	$1,680,202	$1,854,548	$2,042,309
Market Size B	$383,468	$433,568	$487,759	$546,327	$609,583	$677,854	$751,492	$830,868
Market Size C	$197,184	$225,175	$255,490	$288,294	$323,764	$362,089	$403,469	$448,117
Market Size D	$153,900	$177,968	$204,071	$232,355	$262,974	$296,096	$331,897	$370,566
Market Size E	$76,950	$90,801	$105,850	$122,184	$139,894	$159,081	$179,848	$202,308

AVERAGE FM STATION OPERATING PROFIT WITH DARS IMPACT

	2000	2001	2002	2003	2004	2005	2006	2007
Market Size A	$964,746	$1,083,100	$1,210,664	$1,347,771	$1,492,919	$1,651,479	$1,820,415	$1,999,420
Market Size B	$376,473	$426,155	$479,753	$537,396	$598,463	$665,167	$736,143	$811,169
Market Size C	$193,206	$220,942	$250,895	$283,130	$317,305	$354,631	$394,292	$436,110
Market Size D	$150,414	$174,245	$200,008	$227,754	$257,193	$289,344	$323,454	$359,322
Market Size E	$74,856	$88,557	$103,390	$119,381	$136,357	$154,908	$174,562	$195,168

REDUCTION IN OPERATING PROFIT

	2000	2001	2002	2003	2004	2005	2006	2007
Market Size A	$16,366	$17,285	$18,571	$20,564	$25,484	$28,723	$34,133	$42,889
% reduction	**1.7%**	**1.6%**	**1.5%**	**1.5%**	**1.7%**	**1.7%**	**1.8%**	**2.1%**
Market Size B	$6,994	$7,414	$8,006	$8,931	$11,120	$12,687	$15,349	$19,699
% reduction	**1.8%**	**1.7%**	**1.6%**	**1.6%**	**1.8%**	**1.9%**	**2.0%**	**2.4%**
Market Size C	$3,979	$4,233	$4,595	$5,164	$6,460	$7,458	$9,177	$12,007
% reduction	**2.0%**	**1.9%**	**1.8%**	**1.8%**	**2.0%**	**2.1%**	**2.3%**	**2.7%**
Market Size D	$3,486	$3,723	$4,063	$4,600	$5,782	$6,753	$8,443	$11,245
% reduction	**2.3%**	**2.1%**	**2.0%**	**2.0%**	**2.2%**	**2.3%**	**2.5%**	**3.0%**
Market Size E	$2,094	$2,244	$2,460	$2,802	$3,538	$4,172	$5,286	$7,140
% reduction	**2.7%**	**2.5%**	**2.3%**	**2.3%**	**2.5%**	**2.6%**	**2.9%**	**3.5%**