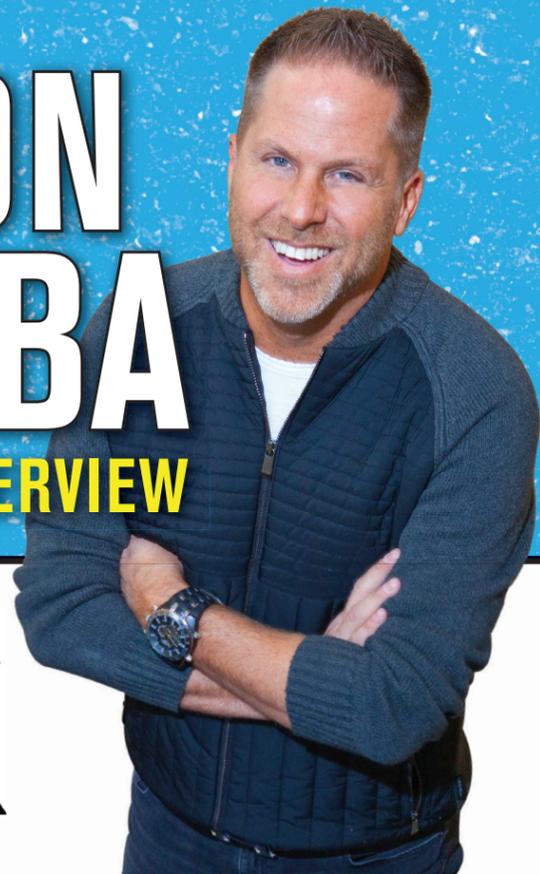


TOP
STORIES
2018



JON
LOBA
THE INTERVIEW



COUNTRY
AIRCHECK

DECEMBER 2018



THANK YOU
country radio and all
of our amazing artists

for making Capitol Nashville
**LABEL OF
THE DECADE**

JASON ALDEAN

CONGRATS ON ONE OF YOUR BEST YEARS EVER!

3X ACM ENTERTAINER OF THE YEAR

#1 CONSUMPTION ARTIST OF THE YEAR

FIRST GOLD CERTIFIED COUNTRY ALBUM OF 2018

FIRST PLATINUM CERTIFIED COUNTRY SINGLE OF 2018



BMG



For those who have confused radio's capital market problems with operational weakness, 2018 might have introduced a new spin. The nation's largest broadcaster **iHeartMedia** filed for Chapter 11 bankruptcy protection, reaching an agreement with creditors in March that would more than halve its \$20 billion debt load. Filed in April, the initial plan went through dozens of amendments before being approved in December by 90% of creditors and shareholders. The company expects to emerge from bankruptcy in early 2019.

iHeart will then join **Cumulus**, which emerged from its own reading of Chapter 11 in June, reducing its debt load from \$2.34 billion to \$1.3 billion. "The completion of our financial restructuring process is a monumental step forward on our turnaround path," said President/CEO **Mary Berner**. "We emerge today ... with the financial foundation that we need to move forward decisively with the initiatives that will produce the greatest benefits for the company."

Moving forward in an entirely different way was **Entercom**, which closed on its acquisition of CBS Radio in late 2017. Comprised of more than 230 stations, the new Entercom began with aggressive operational commitments that included a 5% reduction in spot loads. "We look forward to capitalizing on our unique positions in sports, news, music, podcasting, live events, digital and more to provide

outstanding experiences for our listeners and compelling integrated marketing opportunities for our advertisers," President/CEO **David Field** said at the time.

After decades of financial challenges tracing back to the Telecom Act of 1996's ownership deregulation and an ensuing game of debt hot potato, the new year portends new hope. Rather than proof of the medium's impending demise, bankruptcy might just allow radio to begin investing more of its still prodigious revenue in its product and people (2017 totals noted in the above illustration).

And for anyone still clinging to a dim view of radio compared to its shinier media competitors, iHeart Chairman/CEO **Bob Pittman** and President/COO Rich Bressler had an answer. Though the company was still grappling with debt and bankruptcy, its viability was never in question, as noted in an early December memo to staff:

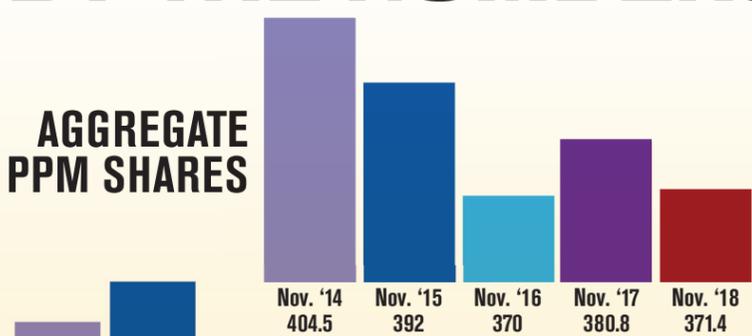
"As the number one audio company in America, we have a greater reach than any media property in the U.S., including Facebook and Google. We reach 91% of Americans every month. Our broadcast audience is twice the size of the next radio competitor and seven times their size in digital audience. Our social footprint eclipses everyone in audio and is twice as big as Netflix. [And] we are the No. 1 commercial podcasting company by a wide margin."

Radio's dead? Long live radio.

THE YEAR'S TOP STORIES

BY THE NUMBERS

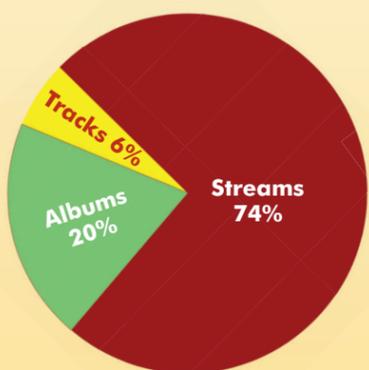
AGGREGATE PPM SHARES



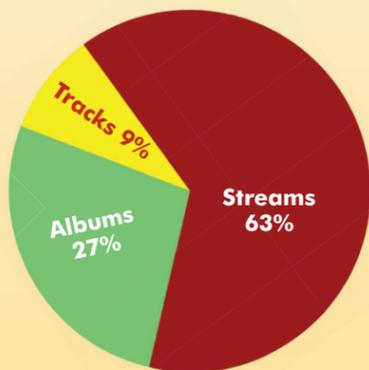
COUNTRY'S SHARE OF RECORDED MUSIC



ALL MUSIC CONSUMPTION BY FORMAT



COUNTRY CONSUMPTION



Sources: Nielsen Audio, Sony/Nashville

Following a year marked by natural disasters, national tragedies and a direct attack on its fan base, the country community carried 2017's lessons forward. Far from an abatement, the new year brought more mass shootings, mudslides, wildfires, earthquakes, hurricanes and flooding. It also brought a greater sense of preparedness and focus on reacting and recovering.

"Eventually, one of these things will land in your backyard," says KFRG/Riverside PD **Scott Ward**, whose listening area was affected by mudslides, the Borderline Bar shooting and devastating wildfires. "Makes me sad to say it, but it's the truth." To that end, many stations upgraded their policies and practices. KSNI/Santa Maria, CA PD **Jay Turner** and the station's parent company, American General Media, are now taking part in a Preparedness Expo each fall. "We bring in an earthquake simulator, Cal Fire, California Highway Patrol and others to provide useful information for residents of our signal area, and it is always well-attended," he says. "The bottom line is, we encourage our listeners to have a plan, so we need to lead by example."

In areas most directly impacted by disaster or tragedy where relief efforts are needed and recovery is ongoing, some are finding that programming has been

Deep Impact

continually impacted, and on-air delivery has permanently shifted. "Before Hurricane Harvey, minor flooding events might not have called for anything out of the ordinary, but we are now all so sensitized to it that we give constant updates during those minor events," explains KILT/Houston APD/MD **Chris Huff**. "As much as it is about updating our listeners, it is also partly about reassurance. Letting our listeners know that, yes, there is some high water, but nobody is flooding. 'Don't worry. This is not another Harvey.'"

Even if it is, there's a plan for that, too – as seen when Hurricanes Florence and Michael made landfall across the Florida and Carolina coasts. "There is a lot of coordination of efforts to make sure the correct information is out there," says Dick/Greenville OM **Crystal Legends**. "Hurricanes are something we are used to, but each one is different and you have to adjust accordingly. We are still in recovery mode; WRNS studios and our business offices still don't have flooring or walls, to be honest. We are working in a construction zone, and that is what everyone here is calling our new normal. This applies to our listeners as well." As radio's new normal continues to evolve with the increase of disasters and tragedies, Ward reminds fellow broadcasters that there is only one option: "Be prepared."

THE YEAR'S TOP STORIES



MMA Victory!

A creative community battered by decades of diminishing compensation got a much-needed win in October as President Trump signed into law the **Orrin G. Hatch-Bob Goodlatte Music Modernization Act** (no, MMA doesn't stand for Mixed Martial Arts). Up next, establishing the **Music Licensing Collective (MLC)**, which commences operation Jan. 1, 2021.

"We have two years to build the first-ever songwriter and music publisher-run mechanical licensing collective," NSAI Exec. Dir. **Bart Herbison** said at the time. "This will be the first collection agency that pays songwriters 100 cents from every royalty dollar since the digital streaming companies will pay operational costs of the MLC."

Two months later, songwriter and publisher submissions were underway for the MLC Selection Committee. "The Music Modernization Act doesn't change a single songwriter's royalties," explained Herbison in December. "It changes the way those royalties are set. We expect those royalties to grow. As ASCAP and BMI have different rate agreements

expire with the streaming companies, they will negotiate. And if they can't negotiate and [end up in] a rate court, the new law means we're much more likely to get the breaks. On the mechanical royalty side, it's the same thing. That next procedure, called the Copyright Royalty Board, is in four years. So you will see raises come for many years, as different agreements expire and different rate opportunities come up.

"We had a Copyright Royalty Board trial that ended in 2017, with NSAI and the National Music Publishers Association (NMPA) winning the largest increase in world history – 44.5%. That begins in January. There will be an 8.5% increase in digital mechanical royalties in January for the next five Januaries. We'll also see performance increases and then we'll have another mechanical negotiations trial."

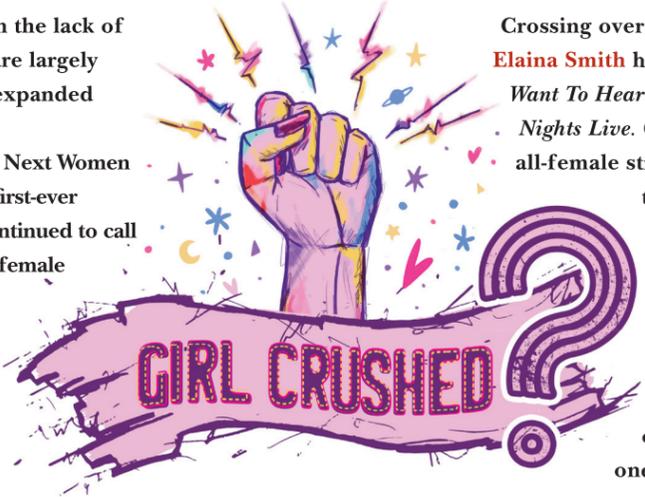
Challenges remain when it comes to market-based rate negotiations, YouTube and social media, but consider this round won. Herbison: "There's still more work to be done, but the MMA was a heck of a start."

In Memoriam

- Sammy Allred
- Jeff Beck
- Lisa McKay Blake
- Steve "Bogie" Bogdanovich
- John "Bucks" Braun
- Don Bustany
- Dorothy Kathryn Campbell
- Lari White Cannon
- Jeff Carlton
- James R. "Wahoo" Carson
- Roy Clark
- Conrad Delaney
- "Uncle Len" Ellis
- Helen Farmer
- D.J. Fontana
- Mark Grantin
- Rick Hall
- Mark Harmon
- Freddie Hart
- Hairi Hensley
- Frank Edward Holladay
- Freddie James
- Richard H. Frank, Jr.
- Mike Kennedy
- Jim Malloy
- Eric Marshall
- Eddie Mascolo
- George McCormick
- Bill Mortimer
- Jerry "Murph" Murphy
- Kenny O'Dell
- Mike Owens
- Eddie Reeves
- Leon Rhodes
- Wylie Rose
- Dave Rowland
- Jaime Sarrantonio
- Randy Scruggs
- Wayne Secrest
- Steven L. Sharp
- Daryle Singletary
- Hazel Smith
- Harvey J. Steele
- Dr. Bruce Nelson Stratton
- Joe Sullivan
- Bob Vizza
- Harry Warner
- Tony Joe White
- John "The Canuck" Wiechenthal
- Al Woody
- Roy Wunsch

Three years after TomatoGate put a spotlight on the lack of female airplay on Country radio, the metrics are largely unchanged (see page 27) but an emphasis on expanded opportunity is readily apparent.

CMT continues to champion female artists with their Next Women of Country initiative, and in 2018, the brand hosted its first-ever female-focused *Artists of the Year* special. **CMT Radio** continued to call attention to new music from upcoming and established female artists with their *Woman Crush Wednesday* on-air feature while **iHeartMedia** launched its *Women of iHeartCountry* weekend programming with show hosts **Bobby Bones** and **Amy Brown**. Bones also gives female artists an additional platform via his *Female Fridays* on the nationally syndicated *The Bobby Bones Show*.



Crossing over from the digital space, **Cumulus/Westwood One's Elaina Smith** has added a weekly on-air component to her *Women Want To Hear Women* podcast via the nationally syndicated *Nash Nights Live*. **Country Content's Christa Williams** launched an all-female streaming channel, **She**, and **Slacker Radio** continued to promote female-driven music with its *Woman Crush Everyday* channel. Whether those and other endeavors move the consumption, airplay and ticketing needles remains to be seen. In the meantime, the conversation seems to be shifting. "Female artists are feeling more empowered and willing to evoke change thanks to the topic being open," says Smith. "It's also been great for everyone to hear they're not alone."

Whether gazing at the skyline, staring at eye level with a newly rising condo building or watching the industry's rosters, the 2018 Nashville constant was change. The year was kicked off with **Kenny Chesney** leaving Sony/Nashville – his label home of more than 20 years – to sign with **Warner Music Nashville**. "It is a big deal to change labels," Chesney said at the time, perhaps unaware how big those deals might get later in the year. Happily for him, Chesney's Warner debut *Songs For The Saints* bowed No. 1 country and No. 2 all genre. The **Big Machine Label Group** roster saw two major



shifts, starting with the addition of **Lady Antebellum** to the BMLG Records imprint. The move connected the trio with some familiar faces at the label after 10 years and six albums for Capitol. "[BMLG President/CEO Scott Borchetta] and I worked with Linda Davis, Hillary [Scott]'s mom (as well as her father Lang Scott) when we were both at DreamWorks," said BMLGR President **Jimmy Harnen**. "Michelle Tigard Kammerer worked closely with Lady A when they signed to CAA, and Matthew Hargis and I helped break the band at radio on their debut album."

On the other end of the spectrum, flagship artist Taylor Swift's signing with **Universal** brought an end to

a long and storied association with **Big Machine**. Swift's new multi-album global recording agreement makes Republic Records her U.S. label partner, something few would have thought possible a decade ago. "I want to express my heartfelt thanks to Scott Borchetta for believing in me as a 14-year-old," Swift posted, "and for guiding me through over a decade of work that I will always be so proud of." At the corporate level, **BBR Music Group's Red Bow** was folded into the label group's other imprints – Broken Bow, Stoney Creek, Wheelhouse – as part of parent company BMG's long-term growth plan. "The restructuring of our team allows us to focus and allocate the resources in order to achieve the results we are targeting and continue developing the opportunities and growth of our artist's careers both in the US and internationally," said BBRMG EVP **Jon Loba**. Read the interview with Loba on page 37.

Volume 13, Issue 4, December 2018
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