

**BUSINESS**

**DOWN TO BUSINESS**

**Telecommunications Act could end black radio**

By John Templeton  
Special to Sentinel-Voice

As pervasive as headphones and portable radios are among young blacks, it might shock them to know that 30 years ago black music received scant radio play.

In the 1960s, large portions of the South had but one clear-channel station, in Nashville, Tenn., playing R&B. And as of 1970, black radio station owners were rarities.

In recent years, black music formats have topped the ratings in most metropolitan areas, often at black-owned stations. Owners have diversified formats, adding news and talk segments. That diversity was a direct result of a policy by the Federal Communications Commission that provided tax advantages for companies that sold stations to minority buyers.

But a hostile Supreme Court and the new Telecommunications Act could erase those gains, by removing market-based incentive for selling stations to minority buyers.

The Texas Instruments firm of Hicks, Tate and Muse just announced plans to become the largest radio owner in the country with more than 300 stations.

Westinghouse, the parent of CBS, has corralled more than 100 stations since the act removed the limit of 12 radio stations that a single company could own. Now, a company can own as many as eight stations in a single market, leaving in dire straits black-owned companies - who have a much tougher time getting financing for expansion and advertising revenues for their day-to-day expenses.

Thus, it may be necessary to decrease the number of black-owned radio owners in order to preserve and expand the number of stations.

Several African-American media firms have already collaborated in bids for the expanded telecommunications spectrum. Unlike the heavy capital costs and uncertain markets for these arenas, old-line radio stations offer lower costs to entry and reviving market.

California-based Douglas Broadcasting has made AM radio stations a solid investment strategy by acquiring a dozen stations and wholesaling their programming time to a variety of producers.

Other owners who want to stay in the business may have to adapt some of Douglas' strategy to diversify their revenue streams. Some of the very promising avenues are the onset of digital satellite radio covering the entire African continent in mid-1998 and webcasting over the Internet.

Whatever strategies employed, owners and prospective owners will have to act fast. The consolidation of the industry has happened within 12 months as 10 companies now control 30 percent of the radio stations in the country.

The access to radio has been a primary means of communication for African-American urban communities, particularly when matched with committed ownership like the Sutton family's Inner City Broadcasting.

John William Templeton is executive editor of "Griot," African-American, African and Caribbean business daily.

**Blacks' business in the world economy**

Special to Sentinel-Voice

What does the current upheaval in Kenya have to do with you and the life you live?

How does the recent war in the Democratic Republic of the Congo impact the lives of the average African-American?

If you think that these events and issues don't have anything to do with you, the imported alarm clock that woke you this morning illustrates where you are in the global community and its economics. In more ways than most of us can imagine, blacks are a significant part of the world economy. What is needed now is for more of us to understand and utilize the opportunities we have in international trade in general and trade with Africa in particular.

Black Americans are among the world's best consumers. What is needed now is engagement in trading in the goods and services that we buy.

When we drink imported coffee and use our foreign-made videocassette recorder or television we are participating in international trade and finance. From the investments made overseas with our pension fund money, to funding by the World Bank and International Monetary Fund, our lives are increasingly being influenced by international economics and politics.

Whoever we are — black or white, professional or farmer — we need to understand the basics of the world economy if

**Business Exchange**

By William Reed



we are to be as effective as we can be as citizens and consumers.

The first step for blacks seeking to increase their incomes and lifestyles is to become economically literate. For many of us, however, the study of economics is an exercise in futility and out of touch with our daily lives.

Actually, the world economy is no more complicated than the domestic economy we experience every day. By understanding the basics of the world economy, we can begin to make better political and economic decisions. And with economically literate voters pushing them on, our politicians will finally start making more rational decisions, leading to a more prosperous and environmentally sound world in the years to come.

As far as doing business in Africa is concerned, no one denies its potential. But blacks have to become as knowledgeable and active about Africa as the world's Jews are about Israel. The

world's second largest continent is rich in minerals and agricultural products. The continent makes up one-fifth of the world's land mass and has 54 markets and a population of 900 million people.

Yes, there are problems in Kenya, Nigeria and the Sudan, resulting from corruption, political violence and ethnic rivalry, but Africa also has thousands of emerging small and medium-sized companies eager for new trading partners and capital, technology and know-how.

Black Americans have to stop letting Congress and foreign administrators put Africa and its development on the back burner. Everywhere in Africa entrepreneurship is being encouraged, and the private sector is being celebrated as a viable catalyst for economic, social and political development.

Instead of just talking about "The Motherland" and its problems, African-Americans have an opportunity to get involved in its growth and development. There are

numerous resources available to blacks getting involved in providing goods for import and export to Africa.

Opportunities abound. U.S. government agencies offer financial and technical assistance for business that partner with Africa.

Since the African economy is 30 years our junior, an astute entrepreneur can realize tremendous profits by providing to Africans things we take for granted every day. The largest potential markets include fast food outlets, clothing items, communications, energy and other consumer items.

"A Guide to Trade Opportunities in Africa" can help forge business links to Africa. It is available for \$10 from the International Exchange Network, 2054 National Press Building, Washington, D.C. 20045.

William Reed is publisher of Who's Who in Black Corporate America.

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