

BUSINESS



The Miami Herald



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THE MARKETS

STOCKS, MUTUAL FUNDS, 6-7C

DOW 30	12,226.17	+115.76	▲
S&P 500	1,402.06	+15.11	▲
NASDAQ	2,394.41	+21.75	▲
10-YR NOTE	4.57	+0.02	▲
CRUDE OIL	56.59	-.52	▼

Markets bounce back

Stocks spiked higher as Wall Street joined overseas markets in riding a wave of merger news to bounce back from a losing week. Investors await today's start of the U.S. Federal Reserve's meeting on interest rates.

BUSINESS BRIEFS

• BUYOUTS Triad sold for \$5.1B

Community Health Systems will buy **Triad Hospitals (TRI)** for about \$5.1 billion, topping a previous bid by private equity buyers.

The deal would make it the nation's largest publicly traded hospital company, CHS said, with about 130 hospitals in 28 states. The \$54 per share deal represents a 7.5 percent premium over the earlier offer.

In other buyout news, troubled lawn care and pest control provider **ServiceMaster (SVM)** agreed to be bought by an investment group in a deal valued at \$4.5 billion.

• AIRLINES Delta workers get payout

About 39,000 Delta employees will share \$480 million in lump-sum payouts and equity in the company when the carrier emerges from Chapter 11 protection in May, according to a bankruptcy court filing.

The cash payment for noncontract employees is based on 8 percent of their 2006 earnings; an average of \$12,000. The total equity stake employees will get equals 3.5 percent of the company, valued at an estimated \$350 million. For managers, the average equity payout would be \$200,000, but would vest over time.

• COURTS Ex-Qwest CEO trial begins

The insider trading trial of former **Qwest Communications** CEO Joe



NACCHIO

Nacchio got under way as the judge began questioning potential jurors about how they got their news.

Nacchio, 57, is accused of improperly selling about \$101 million worth of

stock based on nonpublic information that the firm was at financial risk.

Nacchio's defense is built around the argument that he believed revenue projections were accurate because he secretly knew Qwest might win classified government contracts that would improve business.

• CLIMATE POLICY Groups call for CO2 limits

Large pension funds and companies called for Congress to place limits on emissions of carbon dioxide and other gases blamed for **global warming**, the latest among several business-oriented groups to call for a national climate policy.

The letter promotes a market-based system that would give companies the incentive to curtail growth of these emissions.

The White House opposes mandatory, economy-wide carbon caps to deal with climate, instead citing its efforts to spend almost \$3 billion a year on energy-technology research and development to slow climate change.

• TAXES Countdown to April 17

Tax time is prime time for identity thieves, so make sure you keep what you need and destroy the rest.

Keep: Tax returns and supporting records like W-2s and 1099s for at least seven years.

Keep: Annual statements from brokerage firms. Shred: Monthly and quarterly statements.

Keep: Credit card statements for big purchases and statements that document charitable contributions.

Shred: Pay stubs, unless you're applying for a mortgage. Then keep three months worth.

Shred: Canceled checks after one year. ATM receipts after balancing your accounts.

CORPORATE OVERSIGHT

Lax laws promote laundering

■ **The United States' vulnerability to money laundering was addressed at Money Laundering Alert's 12th Annual International Conference at the Westin Diplomat Resort & Spa in Hollywood.**

BY JANE BUSSEY
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Former IRS special agent Steven Smith managed to form shell corporations in Florida, New York and Panama and transfer \$11,000 around the globe without ever leaving his laptop or listing an owner of the phony companies. To top it off, Smith named a chocolate Labrador to succeed him as man-

ager.

No one was checking these details as Smith formed his fictitious companies and opened bank accounts for them. He could have been a drug trafficker or a terrorist.

Smith — who undertook the exercise to highlight lax incorporation requirements and the potential for virtually anonymous U.S. corporations and limited liability partnerships to be used for laundering money — described his financial antics Monday at Money Laundering Alert's 12th Annual International Conference at the Westin Diplomat Resort & Spa in Hollywood.

•TURN TO LAUNDERING, 5C



MOVING MONEY: Charles Intriago, head of Global Media Alert, takes part in a demonstration at Money Laundering Alert's 12th Annual International Conference in Hollywood.

J. ALBERT DIAZ/
MIAMI HERALD STAFF

BROADCASTING



EMILY MICHOT/MIAMI HERALD STAFF

DIGITAL DJ: Mitch Wein, Hot 105's chief engineer, works at an HD 2 radio operations center with a digital audio computer and HD 2 encoding equipment.

AIRWAVE EVOLUTION

As more stores begin selling HD radio receivers, South Florida broadcasters are expanding their programming

BY MICHAEL HIBBLEN
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Kevin Kerwin wasn't sure what to make of the HD radio he received for Christmas. But after tuning in, he was surprised by what he found.

"It was great," he said. "I was just scanning the dial to see what was on it, came across Hot 105, and they were playing a bunch of soul oldies."

It was not the station's regular broadcast that the Fort Lauderdale man was listening to, but a secondary channel that can only be heard with an HD radio receiver.

Since then Kerwin, who works as a naval architect, has been telling others how much he enjoys WHQT's HD 2 channel, which delves deep into R&B music of the '50s, '60s and '70s.

While most consumers aren't familiar with HD radio, broadcast companies are spending hundreds of thousands of dollars per station to upgrade their equipment in an effort to attract more listeners. The digital format allows existing FM stations to "multicast," meaning they can offer more than one stream of audio on each frequency. The quality is



CARL JUSTE/MIAMI HERALD STAFF

MAKING WAVES: WKIS-FM 99.9 program director Bob Barnett broadcasts HD radio programs on his computer.

also better than traditional radio.

With the popularity of iPods growing and more cars coming equipped with satellite radio, listeners have more options than ever before. Radio companies are hoping to keep listeners from being siphoned away by providing more choices and better content.

"It is a testament to innova-

tion and technology and a huge set of opportunities that are ahead for just about everybody to improve their listening on

•TURN TO HD RADIO, 5C

MIAMIHERALD.COM: CLICK ON TODAY'S EXTRAS TO HEAR INTERVIEWS WITH RADIO PROGRAMMERS, LISTENERS AND INDUSTRY ANALYSTS

LEGISLATURE

Chamber title faces challenge

■ **For-profit groups that have 'chamber of commerce' in their name could face misdemeanor charges under a new House bill.**

BY JIM WYSS
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TALLAHASSEE — Not all chambers of commerce are created equal — at least not under a bill working its way through the Florida Legislature.

House Bill 979 would make it illegal for any for-profit business to have "chamber of commerce" in its name.

The measure could affect dozens of groups including the South Florida Chamber of Commerce, the South Florida International Chamber of Commerce and the Internet Coast Chamber of Commerce, all of which have a for-profit status.

Backers of the bill, principally the Florida Chamber of Commerce, say most business owners cannot distinguish between nonprofit groups like itself and those being run as business ventures. Stella Tokar, president and chief executive of the Miramar Pembroke Pines Regional Chamber of Commerce, said her nonprofit chamber has been losing members to for-profit competitors that have "chamber of commerce" in their

•TURN TO CHAMBER, 5C

CRUISE LINES

Carnival's Caribbean bookings up

■ **Lower prices seem to have helped Carnival increase its Caribbean bookings a record 28 percent from Feb. 5 through March 18, compared to 2006.**

BY ADRIAN SAINZ
Associated Press

Carnival Cruise Lines reported Monday a record 28 percent increase in reservations for a six-week booking period, a sign that lower prices have helped the Miami company spur demand in the sluggish Caribbean market.

The world's largest cruise brand said net individual reservations from Feb. 5 through March 18 for its 22 ships were up 28 percent compared to a year ago. The number of reservations was the highest in the cruise line's 35 years. Capacity also increased 6 percent during the same period.

•TURN TO CARNIVAL, 5C

BROADCASTING | FROM THE FRONT



EMILY MICHOT/MIAMI HERALD STAFF

CONTEST: Jerry Rushin, general manager of WHQT-Hot 105, displays a couple of the 100 or so HD radios that the station plans to give away as part of a promotion.

HD radio catches on in South Florida

• HD RADIO, FROM 1C

radio,' said Jimmy Schaeffler, senior analyst with the Carmel Group. He says having good programming that gets people excited will be vital in prompting people to buy the receivers.

Hot 105 general manager Jerry Rushin jumped at the chance to offer a broad mix of R&B oldies on the station's HD 2 channel.

"We have a chance to play a lot of those 'oh, wow' tunes," said Rushin, "where people say, 'Wow, I haven't heard that since I was 7 or I was 9.'"

While most regular radio stations select their music based on extensive research to target a specific audience, for Hot 105's HD 2 station, Rushin and Hot 105 chief engineer Mitch Wein simply choose songs they like to hear.

Hot 105 is one of many stations in the Miami-Fort Lauderdale market that are now broadcasting in the digital format. Eleven of those are also airing secondary HD radio channels.

While HD radios have been on sale for a couple of years in electronics stores, the little-known technology got a key boost earlier this month when Wal-Mart, the world's largest retailer, began selling a model, which costs just under \$200.

"What you see in the Wal-Mart deal, especially with its 2,000 U.S. outlets, is what a consumer electronic device needs to really take hold," analyst Schaeffler said.

Another boost is that BMW is offering HD radio as an option in all of its 2007 vehicles. Schaeffler says having satellite radio receivers in cars as they roll off the assembly line has been vital to the growth of XM and Sirius and will be equally important for HD radio.

THE INITIAL PHRASE

During this initial phase, all the secondary channels are commercial free, so there is no source of revenue for the stations. And with few people listening, they need to be run as cheaply as possible. Most at this point are little more than a computer hard drive rotating songs and recorded station announcements. There are no live DJs.

In choosing what kind of programming to put on their secondary HD channels, most broadcasters are going with niche formats close to what is being aired on their primary existing stations.

When country music station WKIS-FM 99.9 decided what to put on its second channel, program director Bob Barnett said they stuck

with what they knew.

"It would be pretty difficult to go to the country audience and say, 'Hey, check out our new classical station on HD 2,'" Barnett said. "So we figured what we'd do is program something that would be compatible to this audience and develop it from there."

Barnett explained that since today's mainstream country music tends to be targeted toward women, they decided to make WKIS's HD 2 channel male oriented. The station calls itself Gretchen, after singer Gretchen Wilson, who Barnett credits with redirecting country away from the crossover sounds of recent years, returning it to its red-neck roots. The new HD channel can also be heard on the station's website.

Bob Starkey of Cutler Bay first heard it earlier this month on his home computer. Now he's a regular listener and is considering buying an HD radio receiver for his truck.

"These guys are playing some of the older country, they're playing southern rock, just stuff I really like," he said.

NEW FORMATS

While most HD stations program their secondary channels with music similar to their existing stations, not all are. Clear Channel's latin urban station WMGE-Mega 94.9, which markets itself as "Latino and Proud," airs gay-oriented programming on its HD 2 channel, which is called "Pride Radio."

Classical music fans in South Florida lamented the death of WTMI when its format changed in 2002. But today two stations, WLRN-FM 91.3 and WLVE-Love 94, air classical music on secondary channels.

Some companies, however, are waiting for more HD radio receivers to be sold. Lincoln Financial's WMXJ-Majic 102.7 broadcasts its main station in HD, but program director Bob Hamilton says they haven't decided what to do with an additional channel.

"We're putting some ideas together, but don't have any immediate plans," he said.

But in the coming months many broadcasters are hoping to spread the word about HD radio.

Rushin, Hot 105's GM, is confident the new form of radio will eventually find an audience.

"It's just something different, and people find it very refreshing," he said. "I think it's going to grow like crazy. Probably in the next year, it's going to really take off."

LISTEN UP

In radio, HD does not stand for high definition. It's merely a brand name of iBiquity Digital Corp., which created the standard for HD radio equipment. FM stations can broadcast up to three channels of programming, and more are expected in the years ahead as compression technology gets better. Here are the Miami-Fort Lauderdale FM stations broadcasting secondary HD radio channels:

- WLRN-FM 91.3 Classical
- WHDR-FM 93.1 Classic Rock
- WLVE-FM 93.9 Classical
- WMGE-FM 94.9 Gay Pride Radio
- WPOW-FM 96.5 Dance
- WFLC-FM 97.3 '80s Music
- WEDR-FM 99.1 Extreme Hip Hop
- WKIS-FM 99.9 Outlaw Country
- WHYI-FM 100.7 New CHR
- WMIB-FM 103.5 Urban Oldies
- WHQT-FM 105.1 R&B Classics