



Department of Justice

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CAPSTAR ABANDONS ACQUISITION OF KATQ RADIO IN TEXARKANA, TEXAS AFTER JUSTICE DEPARTMENT EXPRESSES ANTITRUST CONCERNS

WASHINGTON, D.C. -- Capstar Broadcasting Partners abandoned its acquisition of KATQ Radio Inc. after the Department of Justice expressed concern that the acquisition would have reduced competition and increased prices in the Texarkana, Arkansas-Texas radio market, the Department announced today.

By purchasing the Texarkana, Texas-based KATQ Radio, Austin, Texas-based Capstar would have acquired KTWN-FM and KTFS-AM, both competitors of Capstar's radio stations in the Texarkana, Arkansas-Texas market. According to industry estimates, the additional stations would have boosted Capstar's share of advertising revenues in the market to 62 percent.

"If the acquisition had gone forward, businesses that rely upon radio to sell their products would have had to pay more to advertise," said Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division. "The abandonment of this acquisition means that consumers will continue to receive the same benefits of competition they're now getting in Texarkana."

As a result of the contract termination, Capstar will continue to operate the five Texarkana stations it owned previously, KRMD-FM, KKYR-FM, KYGL-FM, KTHN-FM, and KKYR-AM, and KATQ Radio will continue to operate its two stations.

Capstar owns approximately 300 radio stations in 75 U.S. cities. Its 1997 net revenues were approximately \$569 million. KATQ Radio's 1997 revenues were about \$400,000.

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