Learfield Data

There was no shortage of news and information in 1972 (my first year in radio) but it was difficult to move it from one place to another. A small town might have a local or weekly newspaper and a radio station that covered and reported what was happening locally but everything else had to "come in" from the outside. You could subscribe to a big city newspaper and get the news a day or two after it was printed. But real-time news didn't really exist.

Wire Service: AP and UPI

Most local newspapers subscribed to a wire service. There were two "newswires" in the U.S.: The <u>Associated Press</u> (AP) and <u>United Press International</u> (UPI). Some newspapers might have subscribed to both but over time AP came to dominate. Much of what was printed in the daily paper was provided taken from "the wire." I have no experience with newspaper wires so let's talk about the "broadcast wire."

In 1935, UPI was the first major news service to offer news to broadcasters. At its peak, UPI had more than 6,000 media subscribers but started struggling in 1982 with several sales and staff cutbacks and in 1999 was forced to sell its broadcast client list to rival AP. AP entered the broadcast field in 1941 when it began distributing news to radio stations (Wikipedia)

In the early 70's, most radio stations had an AP teletype machine, usually in the newsroom on somewhere close to the main on-air studio. It was like a big electric typewriter that was connected -- by telephone company line -- to the nearest Associated Press office. Big boxes of fanfold paper paper fed these beasts which printed non-stop, twenty-four hours a day, seven days a week.

"Ripping the wire" meant gathering up this printed news and tearing it into categories (news, sports, entertainment, etc). Some of this was used to prepare a news report but most of it was "rip-and-read" -- the announcer would read the wire copy as written. The stories fed on the broadcast wire were shorter (than those fed to newspapers) and written in a different style.

There were set feed times for different types of information. A five minute (reading time) World and National Summary might "clear" the wire fifteen minutes before each hour. If there was a paper jam or the teletype ribbon broke, the latest news was lost.

Information moved slowly in those days. A daily (or weekly) newspaper. The evening newscast from one of the three TV networks. A weekly or monthly magazine. Having near real-time news gave a radio station a competitive advantage. Here's short list of some of the types of information provided by the wire services:

- World and National news
- State and regional news
- Sports stories and scores
- Zone forecasts from the National Weather Service

- Watches and Warnings from NWS
- Agriculture Weather Reports
- Commodity and Livestock future prices
- Feature stories

A specialty wire service for agriculture information, Commodity News Service, provided agriculture news; commodity and livestock futures prices; etc. Information vital to farmers and ranchers who needed up-to-the-minute price information to know when to sell crops or livestock.

On January 1, 1973, The Brownfield Network began feeding agriculture news and information to a handful of radio stations in mid-Missouri. Derry Brownfield was one of the best farm broadcasters in the country and these small market stations were thrilled to have him on the air.

The following year (1/2/74) a regional farm network called the Delta/Net was launched that reported on crops specific to the Mississippi Delta region of northeast Arkansas, Western Tennessee and southeast Missouri.

The relative importance of news tended to be geographic. Local news at the top of the list; followed by state or regional news; then world and international news. The wire services fed news from the state capitol but it lacked the one thing radio did best: audio. The voices of the people making news.

On January 2, 1975, The Missourinet launched, providing live, hourly news reports from Jefferson City, featuring those voices. It was a huge hit with stations, most of whom did not have a national network (CBS, NBC and -- later -- ABC). The CBS and NBC radio networks rarely affiliated with small market stations. ABC did but on a market-exclusive basis. One station per market.

[Brownfield Network, Delta/Net and Missourinet were owned and operated by Missouri Network, Inc. which changed its name to Learfield Communications, Inc. in 1982]

That changed in 1968 when ABC split into four different networks and one station in a market might be affiliated with the ABC Information Network and the station across town with the ABC Entertainment Network. Even with these new audio networks, most stations considered having a wire service a must. And since they were the only source for real-time news, they were expensive. Even a small market station would have paid thousands of dollars a year and been locked into a five year contract.

As satellite distributed news networks provided more and more information, station managers realized they were using less and less from the wire services.

Switching from "landline" to satellite

When the Brownfield Network launched in 1972, programs were delivered to radio stations by <u>expensive telco landlines</u>. In 1983 Learfield switched to satellite delivery, the first regional network in the country to do so. This was a huge financial investment, so affiliated stations were

required to purchase the the downlink equipment (dish and receiver) at a cost of about \$5,000 per station, a lot of money in 1983. Some stations refused most eventually came around.

Harris Corporation designed the satellite system with two audio channels but there was a small amount of "left over" bandwidth and the Harris folks suggested it could be used to transmit data and during one of these early station visits it was suggested (to Kent Malinowski) that it would be great if the network could figure out a way to transmit the NOAA weather wire by satellite and save him the cost of line charges. After some conversation with engineers at Harris and the National Weather Service, they determined it could be done. There was, however, no great urgency or push to use this data channel -- known as the Affiliate Data System (ADS) -- for any other purposes for the first couple of years.

Affiliate Data System

In the mid-1980s it could take as long as four days for a network log or advisory to travel (via USPS) from Jefferson City, MO to a radio station in Iowa. Fax machines didn't become common in American businesses until the late 1980s. ADS was instantaneous.

In addition to NOAA Weather, Leafield used ADS to transmit highway crash reports from MULES. These were two important news categories to small radio stations. A dedicated teletype feed from the National Weather Service was prohibitively expensive and the weather the got from the Associated Press wire was minimal and sometimes late. Learfield gave them as much weather as they wanted.

<u>The MULES system</u> connected all of the law enforcement agencies in Missouri for communication purposes. The Highway Patrol, sheriff's department, police departments, etc). Most of that information was (and remains) proprietary and not for public dissemination, but the system also fed accident reports (the MHP preferred the term "crash reports").

An early-morning ritual for every small market news person was a call to the nearest Missouri Highway Patrol Troop Headquarters to get reports of any traffic accidents in their area. Many stations called more than once throughout the day. The troop dispatcher had to read each report for the reporter to transcribe or record. If there were a dozen stations within a troop, the dispatcher had to read the same reports over and over. They hated it so when Learfield made this information available via satellite, dispatchers were quick to encourage stations to sign up.

But you had to be affiliated with one of our networks (Brownfield, DELTA/Net, Missourinet) and these were market exclusive. Only one station per market.

Throughout the mid-1980s the Affiliate Data System (ADS) was seen as an affiliate relations tools with a lot of effort going toward getting stations to use the service. But we also started thinking about the potential for other ways to use the system. A 1986 memo by Missourinet News Director Bob Priddy contains and early reference to expanding the system as an alternative (AP/UPI) newswire.

Learfield Data

In July of 1989 Virginia Lee, a reporter for The Missourinet, left that job to start selling what was by then being called "Learfield Data." We had 39 subscribers.

Another Missourinet reporter, Dan McPherson, became the first full-time editor in October and wrote three state news summaries a day, six days a week. The first one went out around 6:00 a.m., a second feed at 10:00 a.m. and the final feed of the day at 1:00 p.m.

We started with Iowa, Missouri, Illinois and Nebraska. Dan rewrote scripts from The Missourinet and Radio Iowa for those states and we had an arrangement with a station in Nebraska who faxed us news copy but Illinois was always a challenge. We had a stringer in Springfield who wasn't reliable and left stories on our voicemail, so they had to be transcribed.

We were providing state news and weather but stations were asking for sports and in June of 1989 we worked out a deal with Mickey Charles' Sports Network for sports news and scores, paying a flat fee of \$225 per month.

In December of 1989, <u>Clyde shuffled some management responsibilities</u>, moving Greg Brown to Dallas to manage the newly-acquired Southwest Conference sports properties. Roger Gardner -- who had been in charge of the Farm and Satellite divisions -- took over Sports and Steve Mays was given responsibility for the Brownfield Network, in addition to the two news networks.

In January of 1990 <u>Virginia Lee was promoted to GM of the Satellite division</u> with responsibility for the data project. That same month a former AP executive named Jim Hood launched Zapnews, a low-cost alternative wire service, a competitor to the our evolving wire service.

WireReady

By May of 1990 Learfield Data had 78 paying subscribers who were starting to notice how much paper and ribbon their printers were burning through, a new expense. In September, while attending the NAB conference in Boston, Steve Mays met a new college graduate named David Gerstmann had developed software to capture and manage wire service data on a personal computer. He called it <u>WireReady</u>. The UPI wire in the Missourinet newsroom was chewing up paper, too, so we purchased a PC and the WireReady software.

By December of 1990, Gerstmann had created a version of WireReady that could capture Learfield Data and solve the paper and ribbon problem for our subscribers.

<u>Learfield had been a long-time subscriber to UPI</u>, using it in the Missourinet, Brownfield and Radio lowa newsrooms but by the end of 1990 the relationship between our two companies was strained. From a <u>memo dated December 14, 1990</u>:

"Current agreement with UPI (includes Missourinet, Brownfield and Radio Iowa) expires 12/31/90. Virginia Lee and I (Mays) have been negotiating with UPI for months in effort to barter UPI wire service for distribution of their Headline service on our data system. We presently pay about \$26,000 annually for UPI at all LCI locations.

The most recent counter proposal from UPI not one I feel we should accept given the poor quality of the product. They wanted about \$10,000 in cash, access to news from all of our newsrooms, and we sign up radio stations to UPI headline service. They get the income. Not a good deal. I've told them <u>we'll turn off their machines January 1</u> and they can pick them up.

We've asked AP to give us a price for MO and IA and have not heard back. It will be based on a formula that includes a base charge: our highest 60 second (advertising) rate and the rates of all affiliates. Has been in the range of \$35,000 in the past."

Adding UPI's headline service would have solved a big problem but it took five more years and many meetings and phone calls to make it happen. [Mike Aulabaugh and Mike Winkle on 6/6/89; David Lippman, an exec from DC on 1/31/94; and UPI CEO L. Brewster Jackson visited Learfield in Jefferson City on 4/12/95.]

By the middle of 1991 we were working on a business plan and pro forma for Learfield Data and in August Clyde Lear gave a "green light" to the project. Virginia Lee left in December of that year.

Learfield wasn't the only company trying to market an alternative to AP/UPI. The topic came up at the annual meeting of the <u>National Association of State Radio Networks</u> (NASRN), later rebranded StateNets in November, 1991. Only two companies, besides Learfield, had a service.

- American Networks (TN, KY, SC) Sideband audio channel; feeds Contel NOAA weather; World/National headlines (rewriting AP); state news headlines; feeding world/ national headlines to KY and SC which do NOT have a wire service; network provides printers to affiliates; using office-wide computer network for input.
- Texas Network 300 baud, sideband data channel; state news headlines \$125/mo; weather (NOAA \$30/mo); no national wire.

One of the smarter decisions someone made, early on, was to require subscribers to pay by bank draft. Each month the subscription fee was automatically taken from a station account. This saved countless hours and hassle with collections. Stations didn't like it but they did it.

In December of 1991, <u>Clyde "dissolved" Learfield's satellite division</u>. Virginia Lee's duties were transferred to Charlie Peters who was in charge of engineering for Learfield. Virginia was given responsibility for selling subscriptions to Learfield Data. She left the company shortly thereafter to go to work for Scientific Atlanta.

Now that Learfield Data had moved from "project" to a budding business unit, we needed to expand our product lineup (I don't think we were using the term "content" yet). Mays spent much of 1992 trying to aggregate news and information from any source he could find.

The Des Moines Register; Iowa Department of Public Safety (crash reports); Iowa Farmer (magazine); St. Louis Post (PostLink); The LINK (news release service in Iowa Falls); Missouri Press Association; Missouri High School Activities Association; Illinois Department of *Transportation; Sangamon State Capitol News Service (IL); Topeka Capital Journal; Kansas State Police.*

By May of 1992 we had 128 subscribers (MO-56; IA-30; IL-21; NE-8)

ABC Newswire

The ABC Radio Network was a customer of the Learfield Satellite Division. We redistributed one of their audio networks via our satellite system. This saved ABC money because they didn't have to put in downlink equipment. Because of this relationship, they were well aware of Learfield Data and must have thought it was a good idea. From Broadcasting Magazine (6/22/92) <u>ABC Newswire</u>

"state, national and international news, local weather forecasts and advisories, sports scores and business and stock market summaries."

"The bulk of the news will be provided by Reuters America, Inc, which will provide national and international news, and by Gannett New Media, which will provide state and regional reports through the resources of USA Today and Gannett News Services."

"ABC's wire service actually began in 1987, when the network launched its ABC Data service, which sends printed news reports and advisories to stations."

"...available only to ABC affiliates and priced according to market size, ranging from about \$2,500 per year to \$5,000 per year. ABC Radio Networks serve about 2,000 stations; another 1,000 are served by ABC's Satellite Music Network."

AP DriveTime, CBS Zapnews

We had also shown up on the radar at the Associated Press. From Broadcasting Magazine (6/29/92) "Big Guns Escalate Radio Wire War"

"AP, which provides news to roughly half the nation's commercial stations, planned to announce today (June 29) the launch of its fourth and least expensive radio news service, AP DriveTime, a real-time service targeted to music-intensive stations that need news only in the morning."

"In addition, the AP was to announce today that it is reducing its contract terms from five years to two years."

"CBS, meanwhile, announced last week that it has joined forces with Zapnews to launch a customized news service available only to CBS affiliates. CBS Zapnews, which will be avilable July 1, will offer a variety of daily news and information packages produced by Zapnews, delivered via fax or computer, and linked to audio reports over CBS networks."

"AP DriveTime, debuting July 21, will be priced from \$40 to \$325 per week, depending on a station's market size and class and whether it's part of a combination. [...] From 2 a.m. to 10 a.m., AP DriveTime will deliver state and national news headlines, weather forecasts, lottery

results, sports news and AP's new new entertainment-heavy morning prep package. In addition, stations will get bulletins and severe-weather information 24 hours per day."

"CBS Zapnews, which will be priced starting at slightly more than \$100 per week, will be available to roughly 1,000 CBS affiliates starting July 1."

Our competitive advantage was a little less competitive.

Finding a source for world and national news proved to be one of our greatest challenges. In late 1992 we started talking to Journal Graphics, a Denver-based company that transcriptions of TV programs. For example, at the conclusion of a program like Meet the Press there would be an announcement: "For a printed transcript of today's program, contact Journal Graphics at..."

One of their customers was CNN Headline News so we contacted them to see if they'd let us "resell" their world/national news as a product on Learfield Data. After almost a year of negotiations and talks we started feeding headlines in August of 1993. We knew that CNN was a subscriber to the Associated Press but the Journal Graphics guys insisted there was nothing in their contract with CNN that prohibited them from reselling their service. AP put the screws to CNN who, in turn, put the screws to Journal Graphics and they pulled the plug. Once again we were without world/national news.

Sam Bartow

Sam Bartow joined Learfield in 1990 as an engineer. In 1993 his wife was expecting their first child and he was working lots of nights and weekends and was looking for other opportunities within Learfield. He was familiar with what we were then calling the "Data Project" (more on that later) so one weekend he put together a business plan. Data was something of a pet project for Steve Mays -- the manager of Learfield's News Division -- and he was making it up as he went.

Sam showed the plan to his boss, Charlie Peters (Chief Engineer) who was immediately impressed and urged him to present the plan to Mays. Mays -- not really a business plan kind of guy -- also saw the value and took Bartow to see Learfield CEO Clyde Lear.

Sam's two-year business plan was to position Learfield Data as a low-cost alternative to the existing broadcast wire services (Associated Press and UPI). Both were expensive and required long contracts (5 years?). Learfield Data featured a "30-day out" which meant a subscriber could cancel at any time with 30 days written notice. When Sam took over in 1993 there were fifty subscribers.

Clyde *was* a business plan guy and instantly bought into Sam's plan. According Sam, Clyde shouted "Let's do it!" and headed down the hall to Charlie Peters' office to tell him to start looking for a new engineer because Bartow was taking over the data project. Sam managed Learfield Data (later Learfield Newswire) from 1993 until he left the company to start his own business in 1998.

The initial product lineup when Sam started his sales push was: **NOAA weather, state news** (MO IA, IL and NE) and the **MULES wire**. Most stations were paying \$10. Some were paying

more. The highest was \$50 or \$60 per month. We were "covering" four states (MO, IA, NE, IL) and later added KS, NC and WI.

1993 was a busy and pivotal year for Learfield Data. We continued to aggregate content while recognizing the high cost of our distribution system was limiting our growth (and profit). By March of 1993 we were charging subscribers \$175 per month with a one-time setup fee of \$550.

Our efforts to work with other state networks were rebuffed either because they didn't want to work with us or they thought they'd get around to creating their own wire service. (Some probably did but not before it was too late. More on that later.) One network that *did* work with us was the North Carolina News Network. The details of the arrangement are lost in the mists of time but I think they fed their state news summaries (via modem) into Learfield Data and we marketed Learfield Data to their affiliates. It was branded <u>CapitolLink</u>. This came together sometime in 1993.

Learfield CEO Clyde Lear had taken an interest in our sales and marketing effort by this time and suggested we work with a marketing outfit in St. Louis called Business Response Inc. From March until October they attempted to generate sales leads but were unsuccessful.

In March we started working with a designer named Mark Sackett who came up with a very slick (and expensive) set of marketing materials. Logo, letterhead, etc. Certainly as professional as anything the Big Boys were sending out.

In May we started buying entertainment news from a London-based company called WENN (<u>World Entertainment News Network</u>). We paid them \$400 per month for the entertainment stories and \$100 per month for a Celebrity Almanac.

In June Dan McPherson -- who had been editing our state news product for the past four years -- left to go to law school. He was replaced by Lisa Gruenloh.

In our never-ending effort to aggregate content, we met with Dennis Vercler with the Illinois Farm Bureau. He liked our idea so much they decided to start their own wire service. IFB already had a satellite distribution system in place, using a company headquartered in West Des Moines, IA, called Broadcast Partners.

We started talking with Larry Kline and Mike Murphy of Broadcast Partners in July of 1993 and by August had an agreement worked out for redistributing the Learfield Data stream over their K-Band system. The BP receivers were about the size of a desktop computer and used small satellite dishes that were easy to install and maintain. Thousands of farmers all over the country had these units for receiving agriculture news and market information and -- most importantly for our purposes -- color radar weather.

We made a proposal to Broadcast Partners in August of 1993. We'd pay \$69.95/mo per receiver, contingent on BP adapting their software to handle our data. If they were only able to provide straight data transmission to a printer or PC, we'd get a lower price.

Weather radar was a big deal for radio stations and the arrangement with Broadcast Partners was a big boost to our sales effort. We received our first Broadcast Partners receiver on November 24, 1993.

We had been making ever-greater use of the WireReady software to transmit and manage our data stream and company-founder David Gerstmann's believed he could solve this hardware problem as well. The plan was he'd design an inexpensive alternative to the \$1,000 demod card. Sometime in 1993 (1994?) we gave him \$5,000 to get started to design and build a prototype. He was unsuccessful but <u>it's a good story</u>.

In April of 1996, <u>Broadcast Partners was acquired by Data Transmission Network</u> (DTN), a competing company headquartered in Omaha. DTN continued the distribution agreement we had with Broadcast Partners but they saw us more as a competitor (to their service) than customer. We we still working with them as of March 1999.

All of our sales efforts to this point had been by phone and Clyde was strong believer in face-toface selling so we hired Steve Curran to make in-station presentations, including setting up Broadcast Partners receiver to show off the radar weather feature. Steve made calls for about a month before this effort was abandoned.

Throughout 1993 we kept scrounging for new content: Indianapolis Star; Minnesota News Network; <u>The LINK</u> (a news release service); Arkansas Radio Network; Arkansas Democrat Register; Arkansas Highway Patrol, Southeast Missourian, etc.

We continued to look for content source throughout 1994 but the low-hanging fruit had been harvested. We met with the Missouri High School Activities Association; Missouri Association of State Librarians (the idea was to put one of our receivers in every library as a resources); Harris News Service, Topeka, KS (small chain of daily papers. Did get Kansas news from them for a while but it wasn't very reliable); KVOO, Tulsa, OK; Lincoln Star-Journal; KFOR (NE).

In December of 1994 Cherie Thomas took over editing duties (title was now Coordinating Editor).

A note to Phil Kaiser, one of Learfield's lawyers, in March of 1995 stated "all UPI state news subscribers have separate contract with UPI." The exact date of that deal is unknown.

In April of 1995 UPI CEO L. Brewster Jackson visited Learfield.

On April 25, 1995, the Associated Press threatened a lawsuit because our stringer in Lincoln, Nebraska (KFOR) sent an AP story to Learfield Data subscribers without bothering to rewrite. To avoid the suit we had to send an advisory to all subscribers "confessing" to this and send the AP a copy of every Nebraska story we moved for the next two years.

By August of 1995 we had some sort of arrangement with The Des Moines Register (based on advisory to Iowa subscribers). Not sure what they were providing but we had had numerous conversations with Diane Glass regarding high school scores.

In September of 1995 there were 240 subscribers using Sports Network content. Our arrangement had changed from a flat fee (\$225/mo in June of 1989) to a two-tier pricing model. There were 75 subscribers taking the "Basic" package (\$20 for us, \$10 for Sports Network) and 37 subscribers taking the "Deluxe" package (\$40 for us, \$20 for Sports Network). By the end of 1995 Learfield Data had 255 subscribers and was given "division" status within Learfield.

David Brazeal was hired to replace Cherie Thomas on September 25, 1995. He wrote for Learfield Data until leaving the company in 2011 spent 90% of his time writing state news summaries, far and away our most valuable product. We added another editor -- Julie (Anderson) Harker in 1998 and started feeding world/national headlines a few times a day, as well as some "show prep" material (used by on-air talent at subscriber stations). We also had a good country music news product for a while, produced by Steve Holstein.

We were down to 170 subscribers by 2000 and only about half of those were taking one of our news products, the rest subscribed for the color radar weather provided by DTN/Broadcast Partners.

Wheeler News (with 23 clients) was purchased from Goetz in June 2003 and we transitioned all subscribers to the Learfield platform (billing, delivery, etc.) in September 2003. The addition of Wheeler brought Data's annual gross revenue to around \$285k per year.

Thom Gerretsen was the chief editor of Wheeler and still holds that position today. Thom wrote most (if not all) of their feeds. At that time, Wheeler had 8 daily state news feeds, three state sports feeds, two state weather feeds, and two national sports feeds (all M-F). It also offered (at additional cost) emergency weather, high school prep scores, a daily fax or email of the news summaries (condensed). Three state news feeds were offered on Saturday and Sunday mornings.

Today, Wheeler has 27 subscribers receiving four daily state news feeds and two daily state sports feeds (M-F). Subscribers also receive National news and Entertainment News.

By 2005 most subscribers were getting Learfield Data from a website designed by Andy Waschick (Gestalt, Inc.) with just a handful taking a satellite feed. In 2012, the website crashed and for the next two years all content (no weather or sports) was posted to blog.

Longtime Radio lowa reporter Dar Danielson became managing editor in 2013 and in 2014 we acquired the Minnesota Wire Service (as part of the purchase of the Minnesota News Network).

With the launch of a new website in 2015, Learfield Data was 100% web delivery except for weather, which was still provided by satellite. Stations could also get Learfield Data content via email.

As of this writing (April 5, 2017), Learfield Data has only one contract content provider, TTWN Media Networks (formerly called Metro or 24/7 News Source). They provide National news, Minnesota morning drive news, Entertainment news and Nebraska morning drive news. There are 74 subscribers generating a total gross revenue of \$206K.

Updated April 8, 2017, 8:00 p.m.