

Richard H. Erickson  
*outdoor advertising specialist*

3707 Westcenter Dr., Suite 200  
Houston, TX 77042

phone: 713-515-1923  
fax: 281-367-3622  
[billboardsdirect@gmail.com](mailto:billboardsdirect@gmail.com)

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Margaret Lloyd  
Policy Director  
Scenic Houston  
3015 Richmond, Suite 220  
Houston, TX 77098

Dear Ms. Lloyd:

I have been following with great interest the recent controversy regarding billboards in Houston.

You may find that I have a unique perspective on this subject, as I spent 30+ years inside the outdoor advertising industry before becoming an independent consultant to landowners, advertisers and others who do business with billboard companies. I have even offered my expertise to municipalities, including Houston, Louisville and San Diego, and they dealt with the complex billboard industry. Local Houston anti-billboard activists Carroll Shaddock and Bob Randolph may remember discussing this subject with me some 15 years ago.

The purpose of this letter is to enlighten your group as to the underlying reasons behind Clear Channel's recent efforts to negotiate an agreement with the City of Houston which allows them to 'swap' some existing billboards for new ones in new locations. In the outdoor industry, this is known as "Rope-A-Dope." And, before the City falls for Clear Channel's pitch, I would like to offer you a perspective that has not been discussed by City officials, to my knowledge.

First, some 'Billboards 101": There are basically three types of standardized outdoor advertising structures: 8-sheets, 30-sheets and bulletins. Sizes are 6'x12', 12'x24' and 14'x48' respectively.

Bulletins are by far the premium structures, commanding mega-prices from advertisers. Some high-spot bulletins in Houston yield upwards of \$15-\$20,000 a month in revenue. The profit margin for the outdoor companies is enormous.

On the other hand, 30-sheets and 8-sheets have seen their heyday and have become almost obsolete in the advertising marketplace, at least in Houston. The reason for this is that these smaller boards were designed to be sold in large, well-distributed packages (showings, or GRPs) and delivered in a wide pattern of complete market coverage. However, they no longer do so due to several reasons: attrition, loss of land leases, buildings going up where the signs were placed, degradation of visibility caused by tree growth or new nearby construction, and the inability to build new 8-sheets and 30-sheets on roadways built after the moratorium went into effect. The bottom line is that national advertisers are no longer major buyers of poster showings in fractured markets like Houston. They simply cannot get good distribution. It's a dead medium.

This is why Clear Channel is trying to pull a fast one on the City of Houston. (Although there are several major outdoor advertising firms in Houston, Clear Channel is the only one owning 8-sheets and 30-sheets. That's why they approached the City with this idea and other billboard companies haven't.)

This gets a little complicated, but it should be easy to understand why Clear Channel wants to exchange its obsolete signs for new ones. I suspect that they would eventually sell or remove all of its 8-sheets and 30-sheets voluntarily and without compensation simply as a matter of business economics. However, if they believe they can get the City to allow them to swap these relics for brand new signs, then it would be an unprecedented victory that would seem just too-good-to-be-true for the billboard interests.

I just wanted to share these views with your organization, and I would be happy to discuss this in person with you or others.

Thank you.

Cordially,

A handwritten signature in cursive script, appearing to read "Richard H. Erickson".

Richard H. Erickson