

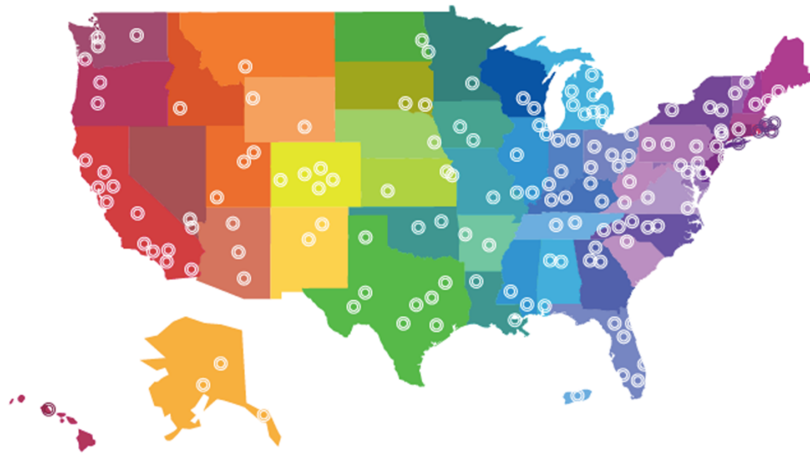
Upcoming Opportunities to Apply for New Radio Stations

March 11, 2021



ABOUT PUBLIC MEDIA COMPANY

Public Media Company is a nonprofit consulting firm dedicated to serving public media. We leverage our business expertise to increase public media's impact across the country.



Public Media Company works in partnership with stations in urban and rural communities to find innovative solutions and grow local impact. We have worked with **over 300 radio and TV stations in all 50 states**

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WEBINAR PRESENTERS



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TODAY'S WEBINAR

Part I: Background and Key Strategic Considerations

- FM Radio Universe
- 2007 Filing Window
- Introduction to the 2021 NCE Filing Window
- Key Strategic Considerations
- Determine Short and Long-Term Financial Impact

Part II: Designing Your Application

- Basic Qualifications
- Filing Requirements
- Selection Process
- Point System and Tie Breakers

Other Opportunities: Auction 109

FM STATION UNIVERSE

- The FM reserved band (88.1MHz – 91.9MHz) is more crowded than ever, making it challenging to find available channels, particularly in the mid to large-size markets
 - Number of noncommercial educational (NCE) FM stations has almost doubled in two decades from 2,140 in 2000 to approximately 4,200 in 2020
- Number of commercial FMs increased at a much slower rate from 5,900 to approximately 6,700
- Number of translator and booster stations grew from 3,250 to 8,300
- Low-Power FMs total approximately 2,150

2007 FILING WINDOW

- Resulted with approximately 3,600 applications, of which about 2,700 were mutually exclusive
- The FCC issued over 1,300 CPs for new NCE services
 - Oregon Public Broadcasting (news), Maine Public Broadcasting (news/classical)
- Increased transaction activity in the noncommercial radio market

STRATEGIC CONSIDERATIONS: New Entities

- What are the key objectives of owning and operating a new station?
 - First NCE/public radio service
 - Educational/ cultural content that is currently not available in the market
- What are the sources of start-up funding for the new station?
 - Gifts/ loans from the founding board members
 - Gifts from founding donors
 - Bank loan/ line of credit
 - Volunteers

STRATEGIC CONSIDERATIONS: Existing Licensees

- What are the key advantages of owning and operating a new station?
 - First NCE/public radio service
 - Educational/ cultural content that is currently not available in the market
 - Financial (additional revenues)
 - Demographic factors (population growth, income, education level)
 - Competitive factors
- Does the new signal help expand your existing radio footprint, or does it give you an opportunity to differentiate your existing format or launch a new service?
- Does the new station require additional staff capacity (engineering, membership, sales, etc.)?

STRATEGIC CONSIDERATIONS: Existing Licensees

- What are the sources of funding for the new station operations?
 - Operating reserves/ unrestricted or board designated investment account
 - Operating cash flow
 - Capital campaign
 - Bank loan/ line of credit
- NCE licenses have a value
 - Once fully built, a full-power NCE FM station could be worth between \$1 per person and \$3 per person, depending on the market
 - Attaching a value to the broadcast license help strengthen the asset side of your balance sheet

DETERMINE SHORT AND LONG-TERM FINANCIAL IMPACT

1. Discuss the key strategic benefits of owning a new signal
2. Determine the most viable option(s) for the new station operations/format
3. Select a project manager
4. Prepare a filing window budget to cover the legal, engineering, and filing costs
5. Prepare both a short-term (1-2 years) and a long-term (3-5 years) budget to project expenses and potential revenues associated with the new station

INTRODUCTION TO THE 2021 FILING WINDOW

- Nonprofit organizations, schools and native tribes can apply
- Individuals cannot apply for NCEs
- The filing window is for full-power NCE FMs on reserved frequencies and up to 100,000 watts in power depending on station class
- The FCC does not identify potential slots, so there is no way to know yet how many new NCE licenses might be issued

FCC'S NEW STATION FILING WINDOWS IN 2021 – KEY CONSIDERATIONS FOR APPLICANTS

Presented by: Melodie Virtue

Public Media Co Webinar

March 11, 2021

Foster
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Opportunities to Apply for New Stations in 2021

Comparative Filing Window

NCE Window – TBD Fall 2021

Singleton or MX'd

- Commission to choose a winner from among two or more applications proposing technically conflicting facilities (i.e., “mutually exclusive” applications)



Basic Qualifications

- Educational purpose advanced by a radio station
- Character qualifications
- Alien ownership

A man in a dark suit is giving a thumbs up gesture. In the background, a white hard hat sits on a ledge. The scene is set in a bright, possibly industrial or construction-related environment.

Site Certification

Must have a reasonable assurance of a site

Financial Qualifications

- Must have resources to build the proposed station and operate it for three months with no revenues
- Develop a budget for expenses
 - Engineer
 - Legal
 - Construction
 - Operation
- Plan to meet expenses

The background of the slide features a series of blue-tinted silhouettes of people standing in a line. Overlaid on these silhouettes is a semi-transparent image of a city skyline, likely New York City, with prominent skyscrapers like the Empire State Building visible. A dark blue rectangular box is centered over the middle of the image, containing the title and list.

Limit on Number of Applications

- Maximum of 10???
- Beware board members on multiple boards



Engineering Plans for Coverage

The FCC's point system awards signal coverage in two different ways

- 307(b) preference
- Technical points

Threshold Preference

Section 307(b) of the Communications Act

- Two or more mutually exclusive applications specify different communities
- “Fair distribution of service” preference, per Section 307(b) of the Communications Act
- Provide first or second full-service NCE service
 - to at least 10% of the total population in its predicted (60dBu) contour and
 - at least 2,000 people
 - at least 5,000 people more than next best applicant if both qualify for 307(b) preference
- Tribal Priority

Comparative Preferences

- Apply when no applicant is entitled to a 307(b) preference and two or more applicants are MX'd
- The possible points are:
 - Established Local Applicants 3 points
 - Diversity of Ownership or Stateside Network 2 points
 - Technical Parameters 1 – 2 points

The background of the slide is a stylized map with various colored location pins (red, blue, green, purple) and a large red bullseye target in the center. The map shows streets and green spaces.

Localism Credit (3 points)

- Must be both “established” and “local”
- “Established” = exist for at least 2 years
- “Local” = headquarters, campus or 75% of its board members reside within 25 miles of the reference coordinates for the community of license
- A governmental entity will be “local” within its area of jurisdiction



Diversity (2 points)

- No attributable interest in another overlapping station
- Held by the applicant or its board members at the time the application is filed
 - Divestiture pledge
- Statewide Network for educational institutions in furtherance of school curriculum



Best Technical Proposal (1-2 points)

Must serve more area and population than the “next best” applicant

- 10% more = 1 point
- 25% more = 2 points

Tie Breakers

- 1st tie breaker
 - Applicant with fewest authorizations
- 2nd tie breaker
 - Applicant with fewest pending applications
- 3rd tie breaker
 - Unsuccessful applicants in prior NCE filing windows with no NCE stations



Time Share

- If still tied, FCC will select a maximum of three applicants that have remained local for the longest uninterrupted period of time
- Time Share - voluntary agreement or FCC-imposed schedule

A glowing red rectangular sign with the words "ON AIR" in white, bold, sans-serif capital letters. The sign is mounted on a dark, textured wooden wall. The sign is illuminated from within, creating a bright red glow that contrasts with the dark wood. The sign is slightly angled, and its reflection is visible on the wood below it.

ON AIR

Maintenance of Qualifications

Maintain 307(b) preference or comparative points for four years of on-air operations

**Auction 109 — FM and AM Broadcast
DA 21-131
Attachment A**

Auction 109 – July 27, 2021

FM Allotments		Auction 109 – July 27, 2021													
Construction Permit	Market		Channel	Class	Coordinates						Bidding Units	Upfront Payment	Minimum Opening Bid		
	State	City			Latitude			Longitude							
MM-FM1067-C *	AZ	First Mesa	281	C	35	41	8	N	100	21	43	W	15,000	\$15,000	\$15,000
MM-FM027-A **	CA	Boonville	300	A	39	1	33	N	123	29	33	W	7,500	\$7,500	\$7,500
MM-FM1069-A *	CA	Cottrellville	284	A	38	5	12	N	122	17	22	W	35,000	\$35,000	\$35,000
MM-FM1082-A *	LA	Haynesville	286	A	33	0	12	N	93	8	19	W	3,500	\$3,500	\$3,500
MM-FM1083-A *	MI	Custer	290	A	43	58	16	N	86	19	42	W	7,500	\$7,500	\$7,500
MM-FM216-A *	NH	Jefferson	277	A	43	31	55	N	71	55	47	W	10,000	\$10,000	\$10,000
MM-FM241-A **	NY	Narrowsburg	275	A	41	38	0	N	74	59	46	W	40,000	\$40,000	\$40,000
MM-FM1090-A ****	NY	Westfield	265	A	42	18	51	N	79	37	4	W	25,000	\$25,000	\$25,000
MM-FM1091-A *	OK	Clayton	262	A	34	32	48	N	95	29	45	W	1,500	\$1,500	\$1,500
MM-FM1093-C2 *	OK	Millerton	263	C2	34	3	37	N	94	54	4	W	10,000	\$10,000	\$10,000
MM-FM1096-C3 *	OR	Boast	291	C3	42	53	1	N	124	4	19	W	15,000	\$15,000	\$15,000
MM-FM1099-C2 *	OR	Powers	293	C2	42	53	1	N	124	4	19	W	15,000	\$15,000	\$15,000
MM-FM1101-A *	TN	Englewood	290	A	35	21	5	N	84	36	18	W	25,000	\$25,000	\$25,000
MM-FM1107-A *	TX	Garrizo Springs	295	A	28	27	0	N	99	50	30	W	3,500	\$3,500	\$3,500
MM-FM1108-A *	TX	Centerville	274	A	31	15	0	N	95	56	0	W	2,500	\$2,500	\$2,500
MM-FM1118-C1 *	TX	Hale Center	236	C1	34	13	0	N	101	34	0	W	20,000	\$20,000	\$20,000

- 136 new construction permits in commercial FM band
- 4 AM Permits (St. Louis)
- List of permits at <https://docs.fcc.gov/public/attachments/DA-21-131A2.pdf>
- Public Notice announcing auction at <https://www.fcc.gov/document/auction-109-am-and-fm-broadcast-announced-comment-sought>

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Pre-Auction Procedures

- File Form 175 to participate
 - Ownership info
 - ID permits
 - IMPORTANT - select commercial permit
 - Bidding credits
 - 35 percent for new entrant
 - 25 percent if have fewer than 3 mass media facilities (excludes low power)
 - If no overlap
- Submit upfront payment
- Anti-collusion rule – limits discussion among other applicants in auction

Auction Process

- If application is MX'd, bid in auction
- Simultaneous multiple rounds
- Several rounds per day
- Stay active each round
 - 3 activity waivers
- 10% bid increase between rounds
 - Can select 5% bid increments within rounds
- Open until no new bids on all permits

Post-Auction Procedures

- Pay balance of new winning bid
- File long form
 - With application filing fee - \$3,870
- Penalties if renege on bid or if application is denied
 - Difference in high bid with the next time permit is auctioned
 - + 20% default payment (proposed)
- 3 years to build

QUESTIONS?



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Thank You!

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