

BOARD OF REGENTS BRIEFING PAPER

1. Agenda Item Title: Transfer of Radio License

Meeting Date: June 5-6, 2014

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

In 1993, TMCC was granted a construction permit for an educational FM station KRNC that was inadvertently allowed to lapse. The College requested the reinstatement of the permit, but that request was denied. A new application for a construction permit was filed in 1995, and at that time three competing applicants emerged. The College proceeded to raise funds and purchase equipment to support the station. The FCC did not reach the applications for processing until 2007, when the FCC Media Bureau staff issued the KJIV permit to TMCC. St. Thomas Aquinas School, one of the competing applicants, timely filed a request for review of that staff decision by the FCC Commissioners. The term of an FCC construction permit is three years. However, because there was a cloud on the TMCC permit because of the appeal, the College had the opportunity to file requests every six months to "toll" the permit so that the three years would not start to run. In 2013 our attorney learned that St. Thomas Aquinas School had gone out of business and requested its attorney to withdraw the appeal. The appeal was withdrawn and tolling ended on December 2, 2013, so that the construction period now extends to December 2, 2016.

TMCC has through the years explored a number of options to get the station on the air once the legal matters were resolved. Equipment was purchased at a cost of approximately \$65,000. A radio tower was put in place. An institutional committee charged with developing plans for the station recently recommended that the KJIV permit be transferred to either KUNR or KNPB, if either were willing to cover the accrued costs. (Transfer to KNPB would also require FCC approval.) Changes over the years in Internet technology coupled with decreased resources have led TMCC's committee to shift the direction of TMCC's broadcast goals toward an online, student-guided "radio station," rather than the more costly operation for an over-the-air station such as KJIV. Since 1995, the value of the original investment in equipment has been lost due to age and changes in technology.

The ownership of KJIV is held by the Nevada System of Higher Education Board of Regents. Thus, this station, on approval by the Board, may be operated by any NSHE entity under the terms of the construction permit and, when the station is constructed, of the eventual license. The University of Nevada, Reno through KUNR has reached an agreement with TMCC pending Board of Regents approval to assume responsibility for KJIV. Because KUNR is an NSHE entity, no FCC approval is required. This station will provide additional broadcast capability to KUNR, which has equipment and fundraising capacity for support in place. Additionally, this agreement retains KJIV (call letters may be changed) as a valuable and irreplaceable asset within the NSHE system. KUNR has agreed to reimburse TMCC \$40,000 for this transfer of the construction permit.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

Board approval is sought to transfer the rights under the construction permit for FM station KJIV, held by the Board, from TMCC to UNR/KUNR and approve the payment by KUNR to TMCC in the amount of \$40,000 with the transfer process commencing upon Board of Regents approval no later than July 1, 2014.

4. IMPETUS (WHY NOW?):

The resolution of the pending appeal by the FCC has started the clock toward an immovable three-year deadline of December 2, 2016 to complete construction and activation of the station. This action by the FCC requires TMCC to move forward either to construct and operate the station or to transfer the rights under the construction permit to another entity that is prepared to construct and operate the station.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- This is the only available frequency in the noncommercial band of the FM dial in the Reno

market. KUNR views the KJIV permit as an important community resource and will work to raise the funds and necessary support to get the station on the air by the deadline of December 2, 2016 on which the time is now ticking.

- It will be helpful in the years ahead for KUNR to have a separate station to serve the community, most likely with a greater offering of music than it can currently provide, while expanding KUNR's news and information programming.
- This construction permit is a valuable asset, and since TMCC lacks the resources to proceed with the construction permit and go on the air within the remaining two and one-half years, deferring to KUNR seems to be the best course of action for TMCC, KUNR, and NSHE interests.
- While KUNR's plans for the new station's format and content are yet to be determined, KUNR's management has demonstrated a spirit of NSHE cooperation and welcomes exploring future broadcast opportunities involving TMCC.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- TMCC could turn in the permit to the FCC, which might eventually invite new applications for use of the frequency and might make it available in the interim for use by a low-power station
- TMCC could choose to construct and operate the station and make the necessary financial investment to do so, but funds are not available and we have no internal expertise nor strong interest by students or faculty for this station.

7. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

None currently contemplated.

8. COMPLIANCE WITH BOARD POLICY:

- ☐ Consistent With Current Board Policy: Title # _____ Chapter # _____ Section # _____
- ☐ Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____
- ☐ Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____
- ☐ Other: _____
- ☐ Fiscal Impact: Yes ☒ No ☐
Explain: KUNR reimburses TMCC in the amount of \$40,000.