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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

RECEIVED
MAY 27 1997

In the Matter of)	
)	
Amendment of Section 73.202(b))	MM Docket No. 96-103
Table of Allotments)	RM-8794
FM Broadcast Stations)	
(Smith and Reno, Nevada, Susanville)	
and Truckee, California)	

RESPONSIVE COMMENTS OF
SUNBELT BROADCASTING COMPANY
TO ORDER TO SHOW CAUSE

To: Chief, Allocations Branch

Sunbelt Broadcasting Company, the licensee of Station KRNV-FM, Reno, Nevada, through its counsel, respectfully submits its Responsive Comments to the Order to Show Cause issued by the Commission on April 2, 1997, in the above referenced matter.

Background Statement

The above proposal was triggered by a rulemaking request filed by Donegal Enterprises, Inc. ("Donegal") seeking to add Channel 271C3 to Smith, Nevada. In response to a Notice of Proposed Rulemaking, 11 FCC Rcd 5298 (1996), by Chris Kidd d/b/a Kidd Communications ("Kidd"), filed a counterproposal asking that Channel 268A be allotted to Truckee, California, as that community's first local transmission service. But to accommodate the allotment at Truckee, Kidd also requested that Channel 271C3 be

substituted in Reno, Nevada for Channel 269C-3 on which Station KRNV-FM presently operates. Kidd further requested that Sunbelt's license for KRNV-FM be modified to specify operation on 271C-3.

Kidd also requested that the license of Station KHJQ, Quincy, California (formerly licensed to Susanville, California) also be modified to specify operation of Channel 222C-2 instead of Channel 271C-2. Finally, Kidd asks that Channel 259A be added to Smith instead of Channel 271C-3.

In its Order to Show Cause the Commission determined that the proposed allocation to Truckee was technically feasible if Stations KRNV-FM and KHJQ were required to relocate to new channel positions. Although Donegal, the original petitioner did not file the requisite further expression of interest in the Smith allocation, nonetheless the Commission went forward with a resolution to the objection of Kidd to the Smith allocation and proposed the substitution of Channel 222C-3 instead of Channel 271C-3, with a minor site restriction. However, before proceeding with the proposals advanced by Kidd, the Commission has sought the comments of Sunbelt as to why its license for Station KRNV-FM should not be modified and to object to the proposed channel change. In response thereto the following is shown:

Argument

Station KRNV-FM operates on 101.7 MHz with 1.3 kw of power using a directional antenna. The station, which went on the air in 1986, utilizes an all news format. Any change in frequency will impose substantial engineering and technical costs on Sunbelt as well as substantial expenses to be incurred if Station KRNV-FM is to maintain its news

listenership and revenue base. As set forth below, the total costs for the channel shift for the station is projected at almost \$350,000.00. For this reason, combined with the fact that Kidd has made no showing of his financial ability to meet these costs, or the expenses which may be incurred in the shift of Station KHIQ's frequency, Sunbelt objects to the proposed order to show cause.

Engineering: Not only will Sunbelt be required to modify and retune its transmitter to a new frequency, it will also have to modify its directional antenna to accommodate the new frequency. In addition to the modification to the antenna, the directional nature of the antenna requires that the new antenna be range tested in order to certify the pattern. Range testing typically requires up to five days at rates that average \$1700 per day. In the meantime, if a station is to remain on the air, a temporary antenna and operation must be arranged--usually at reduced power. If range testing demonstrates that a modified antenna will not provide the proper pattern, Sunbelt may be required to purchase a new directional antenna. Sunbelt has determined, based on outside engineering estimates, that its technical costs for antenna and transmitter modification alone will total approximately \$50,000.00. See Attachment A. This figure does not include any loss for down time if a temporary operation during the conversion period is not feasible.

Special Transmitter Site Costs: Station KRNV-FM operates from a transmitter site known as Red Peak. Red Peak is a multiple user site compacted into a small area approximately 400 feet square. Presently there are eight towers located on the site with a ninth tower to be built shortly. In addition to three FM stations on site, there are three television stations (Ch. 5, 11 and 21), two FM translators and five LPTV operations (43, 45,

47, 52 and 55). But by far the largest number of site users are two-way paging and trunking operations which total some 50 different operations.

The fact that KRNv-FM operates from a high-density user site involving multiple frequencies across the spectrum has not been taken into account by Kidd. Thus, he has not submitted any engineering or interference studies examining the impact the proposed channel switch will have on the 60+ users already licensed on Red Peak. Nor has Kidd given any attention to the inter-modulation problems or the potential downtime which will likely result if a new FM frequency commences operation amidst 60 other operations. At a minimum, Kidd is obligated to provide a detailed engineering study demonstrating the impact his proposal will have on the other users at the KRNv-FM site. This should be done prior to any decision by the Commission on the proposed rulemaking. Moreover, Kidd has the further responsibility for any costs or expenses incurred by the other users at the KRNv-FM site stemming from the proposed channel change. Absent such a technical showing and commitment from Kidd, the Commission should refuse to go forward with this proceeding and dismiss the Show Cause Order.

Other Costs. Sunbelt anticipates that the major expense it will incur in the channel shift will arise from the promotional efforts to inform and educate the Reno listening public as the station's new dial position. To determine these costs, Sunbelt sought an estimate from R.G. Horn & Company, a marketing and advertising agency, as to the costs of an educational campaign designed to prevent listener loss. As shown in the attached plan R.G. Horn projected costs in excess of \$300,000.00 for a multi-media campaign conducted over three months. See Attachment B. The agency also pointed out that another station in the

Reno market spent \$180,000 in outdoor advertising alone to promote only a format switch.

Sunbelt believes that a three month campaign is minimum if it is to retain its news audience. News audiences are comprised of both daily and seasonal listeners. With some it is to "sample" throughout the broadcast day. With others news listening varies with the season. Over time a news listener establishes an identity with his or her radio news source. In almost all instances the identity is with a station's dial position. Typically, that station is button set on their car radio, or dial set on the bedside or kitchen radio.

Establishing and sustaining a viable news audience is a difficult, time consuming and expensive task. The critical factor in building a news audience is creating a "top of the mind" awareness of the news station's dial position. This is particularly important for Station KRNV-FM for while it is the only all news formatted station in the Reno market, it must compete directly with three other stations in the market which feature news-talk or some form thereof. In addition there are 22 other radio stations serving the Reno market BIA, Investing in Radio, 1996. In short, the Reno market is a highly competitive market served by some 26 radio stations. A channel switch, accompanied by down time to implement the shift, in such a competitive environment poses a significant threat to a station's viability.

Sunbelt began the process of building KRNV-FM's audience more than three years ago after it began operation on the station which at the time had no audience. In essence it was a start up operation. Since operating Station KRNV-FM Sunbelt has emphasized its dial position in print and television in an effort to maintain its audience. Without an aggressive campaign to inform its listening public of any change in dial position, the Station will lose

that audience.

The Show Cause Order Provides No
Assurance that Sunbelt Will Receive Reimbursement

In its Show Cause Order the Commission notes that Kidd has stated he will reimburse Sunbelt for the costs associated with shifting channels should his counterproposal of Channel 268A in Truckee be granted. However, the Commission imposes no express obligation on Kidd in its Order to require him, or any other applicant who might prevail should multiple applicants file for the Truckee allocation, to actually reimburse Sunbelt for such reasonable and prudent expenses which might be incurred. Here the magnitude of the costs and expenses anticipated with the KRNV-FM channel shift should mandate that the Commission require Kidd demonstrate the present financial ability to meet Sunbelt's anticipated expenses before going forward with the rulemaking. This is particularly important in this instance because of the nature of the rulemaking proposal. Here a proponent for a class A channel in the small community of Truckee, California (pop. 3484), is asking KRNV-FM, an established C-3 operation in Reno, Nevada (pop. 133,850), to incur costs equal to or in excess of the cost of building the Truckee facility. Sunbelt's only assurance is that Kidd promises to reimburse Sunbelt for those expenses.

The proposal is dubious at best and economically makes no sense. Under such circumstances Kidd should be required to demonstrate with convincing proof that sufficient funds are available to undertake both the construction of his proposed facility as well as meet the costs and expenses Sunbelt will incur. Thereafter, if such proof is provided and the Truckee allocation is approved, and awarded, Kidd (or the selected permittee) should be

required to escrow or otherwise place funds in a protected reserve sufficient to meet the Sunbelt expenses once incurred. Too often the Commission has made new FM allocations in small markets at the behest of a petitioner only to later find the original petitioner has lost interest in the proposal once granted and has not filed the application as promised. Notwithstanding the unused channel remains on the Table of Allotments, restricting further use of the channel and in cases like KRNK-FM, leaving the future uncertainty as to a channel shift. Clearly without substantiated assurances that innocent parties forced to disrupt their operations will be fully compensated such rulemaking proposals should not be considered.

WHEREFORE, in view of the above, Sunbelt Broadcasting Company, the licensee of Station KRNK-FM, respectfully opposes the Order to Show Cause that it be required to shift its operation from Channel 269C3 to Channel 271C3 and requests the proposal of Kidd Communications be dismissed unless all conditions set forth herein are fully met.

Respectfully submitted,

SUNBELT BROADCASTING COMPANY


J. Dominic Monahan, Its Counsel

J. Dominic Monahan
LUVAAS, COBB, RICHARDS & FRASER, P.C.
777 High Street
Suite 300
Eugene OR 97401
(541) 484-9292

ATTACHMENT "A"

XMT Services, Inc.
P.O. Box 12397
Reno, NV 89510-2397

April 13, 1997

Frank Haynes
1790 Vaasar
Reno, NV 89502

Dear Frank,

I am attaching all relevant information that I have to this letter and forwarding it to you. I have not been able to speak with several key vendors to determine the actual costs for this frequency change. I have spoken with others in the engineering field and have come up with a rough figure.

Cost for modification and retune of antenna to 102.1 MHz	\$34,000
Cost for retuning transmitting equipment to service on 102.1 MHz	\$16,000
Total cost	\$50,000

I can firm these figures up a bit after calling the manufacturers of the respective items.

If I can be of further assistance, please feel free to contact me.

Sincerely,

Shawn Taylor
XMT Services, Inc.

ATTACHMENT "B"

R. G. Horn & Co.
MARKETING AND ADVERTISING

July 31, 1996

Mr. Ralph Toddre
Vice President and General Manager
KRNV-TV/KRNV Radio
1790 Vassar Street
Reno, Nevada 89502

Dear Mr. Toddre:

We have been retained by your firm to assess the inherent problems and to compute the financial resources required should it become necessary that KRNV Radio 101.7FM move to a different dial position.

We started out by putting ourselves in your place. These were the questions that had to be addressed:

1. How do we prevent a loss of listeners if we move to a different dial position?
2. Which media can we utilize considering the obvious limitations on the broadcast side?
3. Once we launch, how long will we have to keep it up to guarantee impact and desired recognition?
4. How vulnerable will we become to our competition and what could they do to hurt us?
5. Will the synergy and morale of our own staff be affected during the transition?

The short answer is: you have to hit 'em fast, hit 'em hard and hit 'em **all at once** from multiple directions. If you don't you could lose ratings points and it could take years and a lot more money than this proposal recommends to make up for the lost ground.

The longer answer is contained in the adjoining ten-page media plan. Let me review it briefly with you:

All aspects of the campaign would start at the same time – there would be no step by step build-up to a crescendo – using (6) different media not including KARNV 101.7FM for a total expenditure of \$307,251.88. This amount includes production costs (page 10) and is based on a 3-month schedule, the exception being the three rotary billboards which would stay up for a 6-month period.

The television attack involves the use of both KARNV-TV and (6) cable networks covering the Reno, Sparks, Washoe Valley and Carson City regions. By virtue of the fact that KARNV radio is an all-news format, it is imperative that new commercials be produced for each month of the campaign to reflect the “freshness aspect” and by incorporating the latest-breaking stories. The budget calls for a total of nine and we think that’s a minimum.

Overall, nothing would be more important to the success of the campaign than the use of outdoor. Not just because of our limited access on broadcast stations, but because it’s such a natural and powerful fit with radio. That’s why we included the 30-sheets as well as the rotary panels. The budget reflects a 200 showing each month which in the Reno Market equates to 36 boards per month. All 36 would change locations monthly. The three rotary boards would change in a 60-day cycle – one in Reno metro, one in Sparks metro and one on the I-80 freeway.

Because listeners of news-format radio read to a higher degree than the general population, it would be to our advantage to get a lot more print exposure than merely the Reno Gazette-Journal. We also need those niche publications. We selected (5) newspapers and formatted quarter-page ads in all of them. The three dailies, The Reno Gazette-Journal, Daily Sparks Tribune and Nevada Appeal in Carson City would carry two ads during the week and one ad in the weekend edition throughout the campaign. The Reno News and Review only comes out once a week and would carry an ad in every issue for all three months. And finally, the Senior Spectrum is the one monthly publication we could use to re-direct our 55+ audience.

The addition of bus and taxi panels is a natural extension of the outdoor campaign and the message would be the same on all three. Not only are these two transit media economical but they could give us a much-needed push into high density areas where our goal would be to get “instant listeners” even for brief periods of time – pump up the cumes! The quantities we are recommending are not high but the coverage is still extremely wide even at these levels. More so, both of these outlets are under-utilized by the industry and more specifically by your direct competition.

The magazine section switches you out of advertising and much more into community involvement. It’s absolutely essential to continue to be represented in both the annual Rodeo Program and the University Football/Basketball Program as well as the newly-published local

business magazine. You have been in all three of these in the past and we recommend you continue a full-blown, 4-color, full-page assault in each.

As for the press kits and press party, I don't think I need to elaborate on the value of this for your station. You have already used similar occasions to cement relations with clients and the press to a much greater degree of success than anyone else in town. The event cost vs. the publicity, free advertising and word of mouth makes it a no-brainer!

So there's no confusion, the production costs on the final page include all artwork, layouts, printing or silk-screening, separations and photography as well as the agency charges for our involvement. It comes in at 10.8% of the total budget which is 5 to 7% less than normal due mainly to the cooperation coming from your staff for the television and radio production.

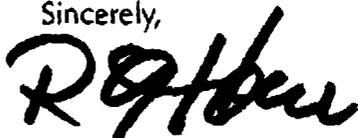
In closing, we remind you of these three things:

1. If we don't hit 'em hard and fast from all directions we risk losing market share for a long time to come.
2. People are creatures of habit, so if the time comes that we do ask them to move on the dial along with us, we'll only have one chance to get it right. Not only does the advertising have to be executed perfectly, but your programming must be tighter than ever.
3. Our research discovered that earlier this year one of your competitors spent in excess of 180,000 dollars on outdoor alone to get the message out... and they didn't switch dial positions, only formats! It's a jungle out there.

Thank you for the opportunity to prepare this media plan for KRNV 101.7FM. We enjoyed it immensely.

Much success on all your future endeavors.

Sincerely,



R. G. Horn
President
R. G. Horn Advertising

CLIENT KRNV Radio P.2
 MEDIA KRNV TV
 TITLE "Dial Position"
 LENGTH 3 Months
 MONTH Not Determined

R. G. Horn & Co.
 MARKETING AND ADVERTISING

1000 BIBLE WAY #22 • RENO, NEVADA 89502 • TEL (702) 786-8931
 FAX (702) 786-5903

APPROVED *RGH*
 DATE 7-13-96

MEDIA	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	REMARKS	TOTAL NUMBER SPOTS/INCHES	RATE PER UNIT	TOTAL GROSS	
News At 6AM #1																																	(2) M-F	40X	70.00	2800.00
News At 5PM #1																																	(1) M-S	30X	250.00	7500.00
ET/HC/IE #1																																	(2) M-F	40X	175.00	7000.00
News At 11PM #1																																	(1) M-S	30X	150.00	4500.00
ID's #1																																	4 Weeks	40X	Package	1000.00
News At 6AM #2																																	(2) M-F	40X	70.00	2800.00
News At 5PM #2																																	(1) M-S	30X	250.00	7500.00
ET/HC/IE #2																																	(2) M-F	40X	175.00	7000.00
News At 11PM #2																																	(1) M-S	30X	150.00	4500.00
ID's #2																																	4 Weeks	40X	Package	1000.00
News At 6AM #3																																	(2) M-F	40X	70.00	2800.00
News At 5PM #3																																	(1) M-S	30X	250.00	7500.00
ET/HC/IE #3																																	(2) M-F	40X	175.00	7000.00
News At 11PM #3																																	(1) M-S	30X	150.00	4500.00
ID's #3																																	4 Weeks	40X	Package	1000.00
TOTAL:																																		540X		68,400.00

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CLIENT KRNV Radio P.3
 MEDIA Cable Adnet
 TITLE "Dial Position"
 LENGTH 3 Months
 MONTH Not determined

R. G. Horn & Co.
 MARKETING AND ADVERTISING

1000 BIBLE WAY #22 • RENO, NEVADA 89502 • TEL (702) 786-8931
 FAX (702) 786-5903

APPROVED *RGH*
 DATE 7-13-96

MEDIA	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	REMARKS	TOTAL NUMBER SPOTS/INCHES	RATE PER UNIT	TOTAL GROSS
Month #1																																R-S W - CC	960X	11.56	11,100.00
Month #2																																R-S W - CC	960X	11.56	11,100.00
Month #3																																R-S W - CC	960X	11.56	11,100.00

INT KRNV Radio P.6
 NA Newspaper
 LE "Dial Position"
 DTH 3 Months
 NTH Not Determined

R. G. Horn & Co.

MARKETING AND ADVERTISING

1000 BIBLE WAY #22 • RENO, NEVADA 89502 • TEL (702) 786-8931
 FAX (702) 786-5903

APPROVED *FGH*
 DATE 7-13-96

MEDIA	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	REMARKS	TOTAL NUMBER SPOTS/INCHES	RATE PER UNIT	TOTAL GROSS
RGJ #1																																(12) 3X10	360"	32.16	12,072.60
DST #1																																(12) 1/4 PG	360"	6.17	2,221.20
RN&R #1																																(4) 1/4 PG	----	252.94	1,011.76
SS #1																																(1) 1/4 PG	----	250.00	250.00
NA #1																																(12) 3X10	360"	9.23	3,322.80
RGJ #2																																(12) 3X10	360"	32.16	12,072.60
DST #2																																(12) 1/4 PG	360"	6.17	2,221.20
RN&R #2																																(4) 1/4 PG	----	252.94	1,011.76
SS #2																																(1) 1/4 PG	----	250.00	250.00
NA #2																																(12) 3X10	360"	9.23	3,322.80
RGJ #3																																(12) 3X10	360"	32.16	12,072.60
DST #3																																(12) 1/4 PG	360"	6.17	2,221.20
RN&R #3																																(4) 1/4 PG	----	252.94	1,011.76
SS #3																																(1) 1/4 PG	----	250.00	250.00
NA #3																																(12) 3X10	360"	9.23	3,322.80
TOTAL:																																			56,635.08

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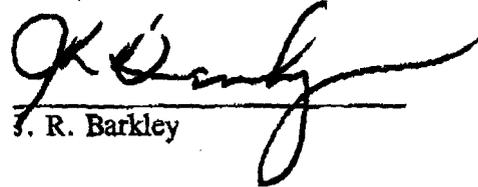
CERTIFICATE OF SERVICE

I, J. R. Barkley, a secretary in the law offices of Luvaas, Cobb, Richards & Fraser, P.C., certify that I have on this 27th day of May, 1997, sent by first class mail, postage prepaid, on behalf of Sunbelt Broadcasting Company, copies of the foregoing Responsive Comments of Sunbelt Broadcasting Company to Order to Show Cause to:

Dan Alpert
Counsel for Sierra
Broadcasting Corp.
2120 N. 21st Road
Suite 400
Arlington, VA 22201

Chris Kidd
P.O. Box AM
3453 Lake Tahoe Boulevard
South Lake Tahoe, CA 96150

High Sierra Communications, Inc.
Attn: David Metts
6137 Torrington Drive
Reno, NV 89511


J. R. Barkley