

1 there are so many variables involved. You know, when
2 you're taking a sales position they'll always tell you
3 the best numbers because they want you to think that
4 that's what you can obtain. So.....

5 Q And what do you mean by station talk, who told you?

6 A I don't remember, we're talking six years ago now.

7 Q So does.....

8 A Over six years ago now.

9 Q People that work at the station generally just talk
10 about how much money's being made in certain areas?

11 A No. No, I don't know where I heard it. But I know it
12 was through the station.

13 Q But you have no basis for knowing it, it's just a rumor
14 that you've heard basically, is that correct?

15 A It's probably something that I heard from Dave Becker
16 through the course of conversation as to what revenue
17 used to be pulled out of Kodiak adverse to, you know,
18 lost income. But I can't.....

19 Q Well, that's very interesting because we've.....

20 A I can't say that for sure.

21 Q we've been asking what the revenues are and we
22 keep getting told that it's -- you're unable to
23 determine what the revenues are from these various
24 areas. So now you're saying that evidently.....

25 A I'm sorry, who told you that?

1 Q Mr. Becker.

2 A Okay.

3 Q So now you're saying that evidently PCI is able to
4 determine how much revenue is generated by those
5 translators.

6 A Well, once again, I must reiterate that you're asking
7 me to -- to speculate and that's all you and Jeff have
8 asked me to do is speculate on what I think is going on
9 in those areas. I do not handle the books, I do not
10 know what goes on as far as the bookkeeping and what
11 revenue is generated from what area. That -- my job is
12 basically sales.

13 Q And you speculated for Mr. Southmayd and I want to know
14 the basis for your speculation. I want to know where
15 you're getting these figures that are coming -- you
16 know, that you're talking about.

17 A From what I've heard basically around the station from
18 previous conversations, I don't -- I can't say that any
19 one person at one particular point in time has ever
20 said what it was that we did or did not make in -- in
21 that area prior to my taking over.

22 Q So it's rumor.

23 A I guess you could say it's rumor, yes.

24 Q Okay. You also told Mr. Southmayd that the FCC
25 proceeding is a factor in your leaving PCI.

1 A Yes.

2 Q Do you recall saying that?

3 A Yes, I do.

4 Q When I asked you why you were leaving PCI I believe you
5 stated that you didn't know now whether you were even
6 going to leave.....

7 A Uh-huh (affirmative).

8 Qbut that you -- and your family had contemplated
9 leaving because of -- you wanted to be closer to your
10 families, particularly since they had health concerns.
11 Do you recall that testimony?

12 A Yes, I do.

13 Q You didn't say a thing about this proceeding being a
14 factor in your leaving.

15 A Mr. Southmayd I believe asked me if this is one of the
16 reasons why I had considered leaving.

17 Q Okay. And how does this affect your decision to leave
18 or stay?

19 A Well, where to even begin on that one. I come into
20 work in the morning and not only do I have to deal with
21 making sales but I have to work on collections because
22 cash flow is down at the station. So in addition to
23 trying to make new sales and keeping sales up I'm
24 responsible for collections on accounts that are mine
25 as well as aren't mine, doesn't seem to matter, it

1 falls on my desk. I make a sale, it takes me six weeks
2 to make a sale. I no sooner make the sale and I have
3 the agency or the client calling me and demanding to
4 know why I didn't tell them about this proceeding
5 that's going on and how is that going to affect their
6 advertising. You know, and then I wind up seeing the
7 sale that I worked so hard for reduced from what it was
8 because it's being split between -- what I'm assuming
9 between two stations, they call and they say what's
10 going on and then I tell them and then I get a revision
11 on that order that says that, you know, it's now half
12 the money that it used to be. The pressures of not
13 knowing whether or not I'm going to have a job from day
14 to day. And going out into the community and having to
15 listen to my clients ask me every time something like
16 this comes out if this is it, you know, should they
17 start looking to place their money elsewhere for
18 advertising or whatever else. It gets depressing after
19 awhile. And every chance that John Davis has had he's
20 tried to nail another -- put another nail in the coffin
21 as far as K Wave and KPEN are concerned. And quite
22 honestly I'm tired of the constant fighting and
23 bickering.

24 Q Okay.

25 A It affects my ability to do my job. In addition to

1 that we saw that both out parents' health were failing
2 and we looked into the -- the possibility of leaving
3 due to that.

4 Q Okay. I believe I asked you earlier which clients had
5 refused to advertise or -- with you because of this
6 proceeding and you mentioned.....

7 A Kodiak Wireless.

8 Q Kodiak Wireless, Safeway you mentioned you thought
9 reduced their order because of.....

10 A Correct.

11 Q this and Peninsula McDonalds and Nerland Agency.
12 What other clients have you had a problem with -- has
13 this been a problem with?

14 A Kenai Chrysler Center, with BBDO.

15 Q One minute. What's BBDO?

16 A It's an ad agency out of Los Angeles.

17 Q Who'd you talk to there?

18 A Mita (ph) Queto, Q-U-E-T-O.

19 Q And when was that?

20 A Last year.

21 Q They place any advertising with you?

22 A This year they did. Last year they placed \$100,000.00
23 worth of advertising and cut it all.

24 Q Did it come back this year?

25 A Yes.

1 Q Anybody else?

2 A Not off the top of my head, no.

3 Q Okay. If you're doing collections for the ad then you
4 should have some idea of what kind of in -- revenues
5 are, shouldn't you?

6 A I know basically what's outstanding on some of the
7 accounts, but I don't take the time to add them all up,
8 no.

9 Q Can you make an educated guess based on what you've
10 seen on all these accounts as to what the revenues are?

11 A No, because I see different lists at different points
12 in time. I mean I might see a list of two or three
13 that are fairly substantial outstanding accounts and
14 then I might see one that's 120 days and out. I mean
15 there's different variables, it's not like I see the
16 same list all of the time.

17 Q What other employees have -- has PCI lost because of
18 this proceeding?

19 A Jim Childers was hired on and he just didn't want to
20 deal with having to make the explanations all of the
21 time so he left.

22 Q Where did he go?

23 A I don't know. I don't know if he's.....

24 Q He's not still in this area?

25 A He was in Anchorage last I heard. But he has family

1 down here so he might be back on the peninsula by now,
2 I don't know.

3 Q Anybody else?

4 A I don't think Dan really qualifies, I think he was just
5 kind of looking for a fill in job before he left,
6 Daniel Meeks. So I can't really say that he left
7 because of the proceedings.

8 Q Jim Childers have any other complaints?

9 A No.

10 Q Okay.

11 A No. Kelly Leavitt is leaving us and he's moving up to
12 Wasilla. He claims family problems.

13 Q Moving to where?

14 A Wasilla.

15 THE REPORTER: W-A-S-I-L-L-A.

16 Q And that's Leavitt, L-E-A-V-I-T-T?

17 A I believe so. Kelly's been with us, gosh, 14, 15
18 years. At least, probably even longer than that now.

19 Q What's he do?

20 A DJ.

21 Q And he said that he's moving because of this
22 proceeding?

23 A No, he's -- I've talked with Kelly on several occasions
24 and -- and morale at the station isn't real high
25 because of everything that's going on. And combined

1 with his family situation at home. I think he's just
2 looking for a change of -- change of places too.

3 Q Anybody else?

4 A Well, I turned in my resignation in April. Dave
5 wouldn't accept it, but I had turned it in.

6 Q And you said that you're now reconsidering that.

7 A Yeah.

8 Q So I want to go back to this revenue. You're talking
9 about -- the FCC, you told Mr. Southmayd that the FCC
10 proceeding has hurt the business of the station and you
11 estimated the impact of -- to be somewhere between
12 seven to -- four to seven degrees. Well, seven's
13 pretty severe, seven out of 10. And what's your basis
14 for making that estimate?

15 A Well, every time an article hits the paper it's about a
16 seven. My phone rings off the hook and I can't do
17 anything for two or three days but calm everybody's
18 fears. At that point in time it's -- it's about a
19 seven in my opinion because I'm not able to do the job
20 that I have to do, or that I'm hired to do, because I'm
21 justifying everybody that's currently on the air
22 staying on the air and trying to talk them into doing
23 that. Other times it's nothing more than a
24 inconvenience. But, you know, there again, you're
25 trying to -- at different points in time its affected

1 the station differently.

2 Q Well, I think -- my understanding of Mr. Southmayd's
3 question to you was how it's impacted the revenue of
4 the station.

5 A And there again, from four to seven depending on --
6 when a story breaks in the paper and I'm not able to
7 handle new accounts and -- and make new sales because
8 I'm justifying what's already on the air, I think that
9 that pretty much affects the income and the revenue of
10 the station. If I lose three, four, five days of
11 potential selling time because I'm having to go back
12 and -- and reassure everybody, that affects the revenue
13 that's coming into the station.

14 Q So how much money do you anticipate total figure has
15 been lost due to negative publicity of this proceeding?

16 A I don't know and I'm not going to go there. I haven't
17 a clue.

18 Q I can agree with your last statement. On the money,
19 I'm not trying to be ugly. Anything else?

20 MR. SOUTHMAYD: I have one clarification.

21 RE CROSS EXAMINATION

22 BY MR. SOUTHMAYD:

23 Q Terry, you indicated that -- in response to some
24 questions on follow up that you've had collection --
25 was it collection problems or collection duties?

1 A Duties.

2 Q Has it been your -- based on your experience and your
3 tenure there at the station has it been your experience
4 that this proceeding has had any sort of impact on your
5 ability to collect revenue?

6 A I would have to say no. It's just a matter of -- of
7 getting a hold of the people. You know, basically what
8 we've been able to weather in the past we can't weather
9 now. When a client, you know, owes \$9,000.00 or
10 \$10,000.00 we can't wait for them to pay that, we have
11 to go out and request payment in order to have that
12 revenue in house.

13 Q Why, what's changed?

14 A The amount of money that's in the bank.

15 Q And why has that changed?

16 A Well, because of the proceedings that have been going
17 on in my opinion. We didn't have the problem before
18 they all started.

19 Q Okay, thanks.

20 FURTHER REDIRECT EXAMINATION

21 BY MS. LANCASTER:

22 Q Do you not think that the economy might have some
23 affect on your percentage of accounts that go into
24 collection?

25 A No. No, I don't.

1 Q I have one other question if, Jeff, you'll allow me a
2 li -- well, it's not a recross but I just.....

3 MR. SOUTHMAYD: Sure.

4 Qhappened to think of it. Why doesn't -- what is
5 your understanding of why PCI did not try to build a
6 full power station in Kodiak? I know you stated
7 earlier that there was no need before all this stated.
8 But since all this FCC proceeding started why didn't
9 they then go put one there?

10 A It's my understanding that there's been a freeze on --
11 on translators and transmitters. I'm not sure. It
12 seems to me the FCC was moving from one location to
13 another in Washington, D.C. and we had actually applied
14 for some translator permits in I believe it was
15 Unalaska for the Alaska Village Missions and Moody
16 Network out there, and they were froze for two years
17 during the process.

18 Q But I'm talking about a full power station, not a
19 translator.

20 A I don't know. That's not a question I could answer, I
21 don't know.

22 Q Okay.

23 MS. LANCASTER: Okay. I have no further questions.

24 MR. SOUTHMAYD: Thanks. We reconvene at -- in an hour?

25 MS. LANCASTER: Yeah, I got to go check out of the

1 hotel.

2 MR. SOUTHMAYD: Oh. So.....

3 THE REPORTER: Hope it doesn't take you an hour.

4 MS. LANCASTER: No. I hope not.

5 THE REPORTER: Are we ready to go off record?

6 MS. LANCASTER: Yes.

7 THE REPORTER: Okay. Off record.

8 (Deposition adjourned at 11:50 a.m.)

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I have read the foregoing pages 180 through 290,
and they are a true and accurate record of my
testimony therein recorded, and any changes and/or
corrections appear on the attached errata sheet
signed by me.

TIARNAN COVAL

Subscribed and sworn to before me
this ____ day of _____, 2002.

Notary Public

My Commission expires: _____

REPORTER'S CERTIFICATE

FCC DOCKET NO.: 02-21
CASE TITLE: Peninsula Communications, Inc.
HEARING DATE: August 15, 2002
LOCATION: Kenai, Alaska

I hereby certify that the proceedings and evidence are contained fully and accurately on the tapes and notes reported by me at the hearing in the above case before the Federal Communications Commission.

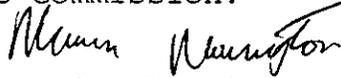
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Merriam Warrington
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I hereby certify that the proceedings and evidence were fully and accurately transcribed from the tapes and notes provided by the above named reporter in the above case before the Federal Communications Commission.

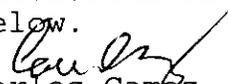
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I hereby certify that the transcript of the proceedings and evidence in the above referenced case that was held before the Federal Communications Commission was proofread on the date specified below.

Date: 8/15/02


Carlos Gamez
Official Proofreader
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