

DOCKET FILE COPY ORIGINAL

**UNITED STATES  
FEDERAL COMMUNICATIONS COMMISSION**

In the Matter of ) EB Docket No. 02-21  
Peninsula Communications, Inc. )  
Licensee of stations ) File No. EB 01-1H-0609  
KGTL, Homer, Alaska; ) FRN: 0001-5712-15  
KXBA(FM), Nikiski, Alaska; ) Facility ID Nos. 52152  
KWVV-FM, Homer, Alaska; and ) 86717  
KPEN-FM, Soldotna, Alaska. ) 52145  
 ) 52149  
Licensee of FM translator stations )  
K292ED, Kachemak City, Alaska; ) 52150  
K285DU, Homer, Alaska; ) 52157  
K285EG and K272DG, Seward, Alaska ) 52158 and 52160  
Former licensee of FM translator )  
stations )  
K285EF, Kenai, Alaska; )  
K283AB, Kenai/Soldotna, Alaska; )  
K257DB, Anchor Point, Alaska; )  
K265CK, Kachemak City, Alaska; )  
K272CN, Homer, Alaska; and )  
K274AB and K285AA, Kodiak, Alaska )

Witness: Eileen Becker  
Volume: 4  
Pages: 293 through 365  
Place: Homer, Alaska  
Date: August 15, 2002

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**ORIGINAL**

Before the  
Federal Communications Commission  
Washington, D.C. 205545

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K274AB and K285AA, Kodiak, Alaska)	)	

DEPOSITION OF EILEEN BECKER

August 15, 2002

Pursuant to Notice, the deposition of Eileen Becker was taken before Merriam Warrington, Notary Public in and for the State of Alaska, and Reporter for H & M Company, at Homer, Alaska, on the fifteenth day of August, 2002, beginning at the hour of 1:00 p.m.

Heritage Reporting Corporation  
(202) 628-4888

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TABLE OF CONTENTS

WITNESS	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
Eileen Becker	297	354	357	362

P R O C E E D I N G S

August 15, 2002

(On record at 1:02 p.m.)

1  
2  
3 THE REPORTER: On record. My name is Merriam  
4 Warrington, I am the recording clerk for H & M Company who  
5 is taking this deposition today for Kron Associates  
6 Reporting. Today's date is Thursday, August 15, 2002, and  
7 the time is 1:02. We are taking this deposition at the Best  
8 Western Bidarka Inn, 575 Sterling Highway, Homer, Alaska  
9 99603.  
10

11 The case is before the Federal Communications  
12 Commission, Washington, D.C., EB Docket Number 02-21, File  
13 Number EB 01-1H-0609, FRN 0001-5712-15, in the matter of  
14 Peninsula Communications, Incorporated. The deponent's name  
15 is Eileen Becker. Would counsel please identify themselves  
16 for the record?

17 MS. LANCASTER: My name is Judy Lancaster, I am an  
18 attorney for the Federal Communications Commission. With me  
19 is Mr. Jim Shook who also is an attorney with the Federal  
20 Communications Commission.

21 MR. SOUTHMAYD: This is Jeff Southmayd, Southmayd and  
22 Miller, Washington, D.C., counsel to Peninsula  
23 Communications, Inc.

24 THE REPORTER: Are there any stipulations to go on the  
25 record today?

1 MS. LANCASTER: No.

2 THE REPORTER: Would you please raise your right hand?

3 MS. BECKER: Uh-huh (affirmative).

4 (Oath administered)

5 MS. BECKER: I do.

6 EILEEN BECKER

7 a witness, called for examination by counsel on behalf  
8 of the Federal Communications Commission, being first duly  
9 sworn, examined and testified as follows:

10 THE REPORTER: Okay. Would you please state your name.

11 THE WITNESS: It's Eileen Becker, E-I-L-E-E-N, Becker,  
12 B-E-C-K-E-R.

13 THE REPORTER: And your address?

14 THE WITNESS: Post Office Box 109, Homer.

15 THE REPORTER: 99603?

16 THE WITNESS: Uh-huh (affirmative). That's right.

17 THE REPORTER: And your phone number?

18 THE WITNESS: Area code (907) 235-7526.

19 THE REPORTER: Okay. And your occupation?

20 THE WITNESS: Mainly I'm a homemaker.

21 THE REPORTER: Very good. Thank you. Counsel, you may  
22 proceed.

23 DIRECT EXAMINATION

24 BY MS. LANCASTER:

25 Q Good morning Ms. Becker.

- 1 A Good afternoon.
- 2 Q Or good afternoon. Well, we know where my mind is.
- 3 Good afternoon, you're right. You may remember, my
- 4 name is Judy Lancaster.....
- 5 A Yes, I do.
- 6 Q .....I believe we met yesterday.
- 7 A Yes.
- 8 Q I have a couple of preliminary questions to ask you.
- 9 First of all, have you ever had a deposition taken
- 10 before?
- 11 A No.
- 12 Q Or have you attended one before?
- 13 A Other than just David's.....
- 14 Q Okay.
- 15 A .....the other day.
- 16 Q Okay. Well, as you know from that one, what I'm going
- 17 to do is ask you some questions and you just need to
- 18 answer me as completely as you can and truthfully. If
- 19 you don't understand a question then just tell me you
- 20 don't understand it, ask me to explain it, if you
- 21 didn't hear me clearly ask me to repeat it. I'm not
- 22 trying to trick you in any way, okay?
- 23 A Okay.
- 24 Q Your responses need to be verbal, you -- clearly
- 25 verbal, you can't say uh-huh and unh-unh because the

- 1 tape doesn't pick that up.....
- 2 A Okay.
- 3 Q .....so you need to say yes and no or whatever. Are
- 4 you on any medication that would affect your testimony
- 5 today?
- 6 A No.
- 7 Q Any other reason that you are unable to testify.....
- 8 A No.
- 9 Q .....today? Okay. The phone number that you gave, is
- 10 that your home phone number or your work phone number?
- 11 A Yes, it's home.
- 12 Q Okay. You're married to Mr. David Becker, right?
- 13 A Yes.
- 14 Q When did you get married?
- 15 A August 21, 1975.
- 16 MR. BECKER: '65.
- 17 THE WITNESS: '65, that's right. You're not supposed
- 18 to say anything.
- 19 Q It's just been so idyllic it doesn't seem like it's
- 20 been.....
- 21 A It goes fast.
- 22 Q ..... that long, right?
- 23 A No, we had kids by then.
- 24 MR. SHOOK: Excuse me for laughing.
- 25 Q And you have children?

- 1 A Yes.
- 2 Q How many children?
- 3 A Six.
- 4 Q Wow, you and my co-counsel here both have a lot of  
5 kids. And what are the ages of your children?
- 6 A Our oldest son is 33, we have identical twins that are  
7 30, the next biological son is 25 and then we took  
8 guardianship on a 26 year old son and then we adopted  
9 our daughter when she was two and she's now 18.
- 10 Q Some of the documents that I read indicated that you  
11 had several employees -- formerly had several employees  
12 by the name of Becker. Were those your children, PCI?
- 13 A Probably so, yes.
- 14 Q Okay. And what type of education have you had?
- 15 A I finished high school.
- 16 Q Okay. How about work history, did you work other than  
17 at PCI?
- 18 A Yes, when I met David I was working at the County Tax  
19 Collector's Office in San Luis Obispo and after we  
20 married I continued on till he finished college. And  
21 then I worked part-time for different things within the  
22 City of Santa Barbara until I got pregnant. And then  
23 the next thing we did was running a hotel business  
24 together, we did that -- started that 30 years ago.  
25 And we.....

- 1 Q Where was the hotel?
- 2 A Right down the road here, it's Heritage Hotel, it's a  
3 historical log cabin on Pioneer Avenue. And it was the  
4 Heady Hotel when we bought it. We did that for seven  
5 long years.
- 6 Q And you sold that.....
- 7 A Yes.
- 8 Q .....hotel?
- 9 A Yes, we did.
- 10 Q When did you sell it?
- 11 A David?
- 12 MR. BECKER: 1980.
- 13 Q We're doing a dual deposition here evidently.....
- 14 A He knows numbers, I don't.
- 15 Q .....today. Okay. You have -- prior to becoming  
16 involved with Peninsula Communications, which I  
17 sometimes refer to as PCI.
- 18 A That's fine.
- 19 Q So if I'm saying PCI I want to make sure you understand  
20 what I mean. Did you have any radio or broadcast  
21 background at all?
- 22 A None.
- 23 Q What is -- do you make a salary or have any kind of  
24 income from PCI?
- 25 A No.

- 1 Q Mr. Becker does I'm assuming, is that correct?
- 2 A When it's available, yes.
- 3 Q What does that mean?
- 4 A Well, our staff and our bills get paid first. And  
5 there are times when we don't get salary.
- 6 Q How often does that occur?
- 7 A Just depends on the time of the year. You know, I -- I  
8 don't have a schedule in front of me, but it does  
9 happen.
- 10 Q What would your -- Mr. Becker's annual income generally  
11 be from PCI?
- 12 A Lately it's been under \$40,000.00.
- 13 Q What's lately?
- 14 A Within the last probably four years.
- 15 Q What's the most that he's made, do you know?
- 16 A I'm not really sure. I'd have to go back on the books.  
17 Probably maybe \$85,000.00 to \$90,000.00 in a good year.
- 18 Q Do you have any perks -- as what I'm calling perks from  
19 PCI, for example is your house paid -- is that in the  
20 name of PCI or somehow.....
- 21 A No.
- 22 Q .....you have payment.....
- 23 A No.
- 24 Q ..... help on that? How about car, vehicle, that  
25 either you or Mr. Becker drive?

- 1 A We make payments on those.
- 2 Q Okay, so they're not leased or paid for.....
- 3 A No.
- 4 Q .....through PCI either.
- 5 A No.
- 6 Q Okay. And you are the Secretary Treasurer.....
- 7 A That's right.
- 8 Q .....of PCI, is that correct?
- 9 A Yes, uh-huh (affirmative).
- 10 Q Have you been the Secretary Treasurer since PCI's
- 11 inception?
- 12 A No, unh-unh (negative).
- 13 Q Okay. How long have you done it?
- 14 A Just since our partnership was dissolved with the
- 15 Goodwins. And that was probably about two years after
- 16 we went into business.
- 17 Q Which would be 1980 approximately, is that correct?
- 18 A '81.
- 19 Q '81 for Goodwins?
- 20 MR. BECKER: '82.
- 21 A '82.
- 22 Q Okay. I'm a little bit slow because I write my notes
- 23 on the computer. The -- PCI was incorporated when?
- 24 A In '78.
- 25 Q Okay. And it's always been an Alaska corporation.....

- 1 A Yes.
- 2 Q .....is that correct?
- 3 A Yes.
- 4 Q And my understanding is that you own -- currently own  
5 half of the stock?
- 6 A I have 50 percent, yes.
- 7 Q Do you actively participate in the business decisions  
8 of PCI?
- 9 A The big ones I do, the day to day things I don't.
- 10 Q What would be considered a big decision?
- 11 A Probably a format change or adding another station or  
12 taking out a loan or just doing a major -- major change  
13 in some area, buying a large piece of equipment or, you  
14 know.
- 15 Q How about matters that concern the FCC, do you  
16 participate in those.....
- 17 A No.
- 18 Q .....types of decision?
- 19 A No. No, I have -- I have working knowledge of what's  
20 going on but I don't have any of the technical. I  
21 always look everything over but, you know, it's just -  
22 - just so I can be -- stay up on -- on kind of what's  
23 happening.
- 24 Q Do you recall when Bruce Willard was a Director?
- 25 A You know, when we talked about it yesterday -- or for

1 David, I didn't even remember that he had been. It was  
2 such a short time and his involvement was so limited I  
3 really -- I didn't remember it until the other day.  
4 But.....

5 Q And what do you remember about it?

6 A I just remember that -- I really don't. I don't even  
7 remember why we brought him on. He did a program part-  
8 time for us and he was just a -- a really special  
9 friend and just a neat Christian man and somebody that  
10 we had formed a friendship with and just seemed like  
11 somebody good to -- to be able to -- to be part of our  
12 lives. But his decisions with the station was, you  
13 know, nothing as far as daily involvement or the  
14 financial end.

15 Q He had no -- he didn't participate.....

16 A No.

17 Q .....in any of the decision making?

18 A No.

19 Q Was he given any stock?

20 A No, no.

21 Q Was he paid any money?

22 A No.

23 Q Do you recall -- I believe you just answered this, but  
24 I'm going to ask you anyway, do you recall why he was  
25 made a Director?

- 1 A No, I don't. You'd have to ask David.
- 2 Q I'd like to go over the call signs of the stations that  
3 you've got and have you tell me the city of license and  
4 the frequency and the range of them if you can. Okay?  
5 W -- I'm sorry, KTGL AM, where is that station located?
- 6 A It's KGTL and that's primary to Homer and it's 620 AM.
- 7 Q And do you know how many watts that is?
- 8 A Five thousand.
- 9 Q Okay. KXBA FM.
- 10 A That's licensed to Nikiski and I'm not sure. I don't.  
11 We just built it, I think it's 10,000 watts but I'm not  
12 sure.
- 13 Q Do you know the frequency?
- 14 A It depends on where you're at. It's 99.3.
- 15 Q Okay.
- 16 A FM.
- 17 MR. BECKER: 93.
- 18 A Ninety-three, that's right, because the country is --  
19 that's right, 93.3.
- 20 Q KWVV FM?
- 21 A That's licensed to Homer and that's 103.5 or 104.9 FM.
- 22 Q Do you know what the wattage is?
- 23 A Of? Of K Wave?
- 24 Q Uh-huh (affirmative).
- 25 A It's 100,000.

- 1 Q Okay. KPEN?
- 2 A That's our country station FM and it's -- it's 93.3 or  
3 102.5. And it's licensed to Soldotna and I'm not sure  
4 what the wattage is on that.
- 5 Q And you said that's 93.3 or 102.5?
- 6 A Or seven. We're everywhere.
- 7 Q It comes in on either, is that what you're saying?
- 8 A These are translators.
- 9 Q Okay.
- 10 A Yeah.
- 11 Q How about -- I'm going to name off the translators and  
12 tell me what station they rebroadcast.....
- 13 A I have no.....
- 14 Q .....if you know.
- 15 A .....idea. No, no, no, no. I hear we do the legal ID  
16 and I hear all that but it doesn't -- I just -- I don't  
17 do well with numbers.
- 18 Q Okay. So you wouldn't know the -- the translator in  
19 Homer, you wouldn't know what station it's  
20 rebroadcasting.
- 21 A The translator in Homer brings down KPEN, but I don't  
22 know the actual call letters. I mean the -- the.....
- 23 Q No, I.....
- 24 A Yeah.
- 25 Q .....what I wanted to know, for example, K292ED is

- 1 licensed to Kachemak City, what does that -- what  
2 station does -- is rebroadcasted over.
- 3 A I'm not sure.
- 4 Q Okay.
- 5 A Yeah.
- 6 Q What are -- do you have any duties or responsibilities  
7 associated with PCI?
- 8 A Some.
- 9 Q All right, what are they?
- 10 A I'm the notary so I do that. If we have remotes where  
11 we go to different businesses and do a remote broadcast  
12 a lot of times I help with that. We usually do several  
13 trade fairs and I help with that. I'm planning a staff  
14 party on Monday night. I pick up the mail, make  
15 deposits and probably -- I think the other big thing I  
16 do is I probably keep everybody in their supplies.  
17 Because they know David doesn't have that kind of time.  
18 So they make lists and -- you know, I'm just overall  
19 just a -- kind of mothering everybody.
- 20 Q When you say that you make deposits, do you collect the  
21 monies.....
- 22 A No.
- 23 Q .....that come in?
- 24 A My secretary accountant does all of that. I just take  
25 the checks and the deposit slips to the bank and bring

1 her back the receipts.

2 Q And who is the secretary accountant that does that?

3 A The main one in the office is Heather Lewis. She's  
4 really our Traffic Manager, she's more than just a  
5 bookkeeper. But she also does bookkeeping, all the  
6 accounts receivable and traffic and -- yeah.

7 Q So she -- does she also do accounts payable?

8 A Yes.

9 MR. BECKER: No.

10 A Well, no, you do that, don't you? Yeah. Yeah, David  
11 pays all the bills.

12 Q I would prefer if you don't know just to tell me you  
13 don't know.

14 A Okay.

15 Q Because I'm trying to get what your knowledge is.

16 A Okay.

17 Q Okay?

18 A Well, I'm tense right now too, so, you know.

19 Q Okay. Well, I'm not trying to be ugly, I just.....

20 A I know, I know.

21 Q It's difficult to depose you.....

22 A Yeah.

23 Q .....when you're getting answers from somewhere else.

24 So she does the accounts receivable and the accounts  
25 payable.

- 1 A No, David does the payables.
- 2 Q Okay, okay. Have your duties changed over the years?
- 3 A No, I don't think so, it's stayed about the same, it's
- 4 -- no, it's been the same.
- 5 Q Okay. Who is responsible for figuring the payroll?
- 6 A We have an outside accounting firm, we send in the
- 7 hours and she's aware of their wages and then she gives
- 8 us back what their breakdown of their salary is and
- 9 then also what we have to pay for FICA and the rest of
- 10 it.
- 11 Q And who is that?
- 12 A Her name is Kris Curtis.
- 13 Q Is she with a firm?
- 14 A She's an independent bookkeeper, yeah.
- 15 Q Okay. Here in Homer?
- 16 A Yes.
- 17 Q Does she also figure commissions?
- 18 A I'm not sure, I'm not sure how that's figured.
- 19 Q You don't -- do you know who does it?
- 20 A I think David does it.
- 21 Q Do you know what the commission amount is?
- 22 A On a monthly -- no, unh-unh (negative).
- 23 Q No, just what the percentage is for example.
- 24 A Yes, yes.
- 25 Q What's the commission percentage that salespeople.....

- 1 A It's 15 percent.
- 2 Q And they're all paid the same commission amount?
- 3 A Yes.
- 4 Q Are all sales -- all type of sales, are they paid the  
5 same amount for all types of sales? In other  
6 words.....
- 7 A No.
- 8 Q Okay. You understand what I'm trying to say.
- 9 A Yes.
- 10 Q Explain -- tell me what the breakdown is.
- 11 A Well, it's my understanding that like if it comes from  
12 an agency there's a different rate. And it also  
13 depends on the longevity of the -- of the contract.  
14 There's not very many things that change that, but it -  
15 - it -- it can be -- it can vary slightly.
- 16 Q Do you know what the rate is if it comes from an  
17 agency?
- 18 A No, unh-unh (negative>. I think even that varies, I'm  
19 not sure.
- 20 Q Do you know the approximate salary of each of the  
21 salesmen.....
- 22 A No.
- 23 Q .....during the last year?
- 24 A No. I have -- I can -- I could look it up and find  
25 out, but it's -- I don't know.

1 Q Okay. Do any of the any of the salesmen receive any  
2 other perks? For example, do they get a car or a house  
3 or anything else like that?

4 A It -- it varies with everyone. We've had times where  
5 we've had an apartment for them, we've leased cars,  
6 they get gas allowance and they have operating expenses  
7 that they -- they -- they get. But that's all  
8 receipted and then paid back.

9 Q Do you currently have anyone that you're supplying a  
10 living quarters to?

11 A No, not now.

12 Q How about currently have anyone that you're supplying a  
13 vehicle to?

14 A No.

15 Q So the other expenses that you're talking about would  
16 be basically for travel expenses, that sort of thing?

17 A For their -- for their operating expenses during their  
18 sales time, yeah.

19 Q Okay. What would be the largest broadcast related --  
20 or what's PCI's largest expense?

21 A Oh, gosh. There's several big ones that I'm aware of,  
22 ASCAP and BMI, those payments, and then our utilities,  
23 electricity especially. Probably our insurance.

24 Q Hold on just -- hold on, my computer just did a weird  
25 thing and I got to go find where I am.

- 1 A And of course salary.
- 2 Q So you're saying utility -- it won't let me type where  
3 I want to type, I'm sorry, hold on just a second.  
4 Utilities, then by ASCAP and B -- I don't know what  
5 you.....
- 6 A BMI. It's.....
- 7 Q Is that payroll taxes or something?
- 8 A No, it's -- it's -- it's payments that we have to pay  
9 to the Mafia. No.
- 10 Q Is that the Alaska thing? No?
- 11 A No, it's -- it's what we pay to the -- the producers of  
12 the music and
- 13 Q Oh, okay.
- 14 A .....all that stuff.
- 15 MR. SOUTHMAYD: You were right the first time.
- 16 THE WITNESS: I think so too.
- 17 A And then our salary of course and insurance.
- 18 Q Now you stated that you didn't have much to -- you  
19 don't have much to do with anything that concerns the  
20 FCC, is that.....
- 21 A That's right.
- 22 Q .....what I understand?
- 23 A That's right.
- 24 Q Who is in -- who's responsible for FCC related matters?
- 25 A Our attorney and -- and David.

1 Q Anyone else that's employed by BM -- PCI have anything  
2 to do with.....

3 A No.

4 Q .....FCC related matters?

5 A No, unh-unh (negative).

6 Q So David and the attorney would be responsible for  
7 PCI's compliance with FCC rules?

8 A That's right.

9 Q Do you participate in the discussions when they're  
10 deciding on how to respond to an FCC inquiry, for  
11 example, would you participate in those discussions?

12 A Not with -- not with Mr. Southmayd, but I would with  
13 David. I mean we share about everything and -- and  
14 then he -- he deals directly with Mr. Southmayd?

15 Q Okay. Who -- I've got a question, who's responsible  
16 for the advertising billing that.....

17 A Heather does that.

18 Q Heather does all that.

19 A Uh-huh (affirmative). Yeah.

20 Q And there are monthly invoices sent out, how does that  
21 work, do you know?

22 A The system that we use is called Darts. And when a  
23 contract is entered in then it's put into the computer  
24 for running the schedule and then it's also the  
25 billing. And then that particular computer also proves

1 that each one of those advertising things ran. So it's  
2 kind of a check and balance. So at the end of the  
3 month she has printouts that are all the ads that have  
4 run for the month and she has -- and that's what we use  
5 for our billing, and there will be a final amount. And  
6 it also does the accounts receivable so she knows what  
7 they pay and what they owe and that sort of thing.

8 Q So one system that -- one -- you enter it one time and  
9 it takes care of all that stuff.

10 A Well, basically it does, you keep tab on it daily, but  
11 that's what it's supposed to do.

12 Q Okay.

13 A Yeah.

14 Q Who's responsible for figuring the taxes for  
15 advertising?

16 A Heather does that, just depends on the area that it  
17 comes from.

18 Q And do you know how -- how are those taxes figured, do  
19 you charge tax on every invoice or how does that work?

20 A Alaska has different laws and every area has a  
21 different tax rate. And then you also have a maximum  
22 and a minimum amount you can charge with any sale. So  
23 every contract would vary just depending on how long  
24 it's going to run and actually what the -- the actual  
25 buy is.

1 Q And who makes that determination?

2 A State of Alaska.

3 Q I know, but who -- for you.....

4 A Oh at -- Heather would as she.....

5 Q Okay.

6 A .....as she gets the contracts.

7 Q Okay. Have you ever had any responsibility regarding  
8 advertising sales?

9 A Before we went on the air. I sold for like a week and  
10 a half. And that was interesting selling nothing, you  
11 know. Yes, we're going to be on the air. So, it was -  
12 - it was interesting.

13 Q That's quite a long time ago.

14 A Yes.

15 Q Have you done it -- nothing since then.

16 A The only thing that I do now is if there's non-profit  
17 groups or something that we're going to do as an in  
18 house promotion I will write up the contract for that  
19 where there's no money involved. My -- my salesmen are  
20 being paid by commission and I feel like it's important  
21 to give them that work. But if it's something -- some  
22 kind of a freebie that we're doing because we believe  
23 in whatever the situation is I -- I'll do that, I can  
24 write up contracts.

25 Q Okay. What are Dave's duties -- David's, your

- 1 husband's, duties and responsibilities at PCI?
- 2 A He is the General Manager, he oversees the staff, makes  
3 the equipment work and -- and deals with every -- day  
4 to day operations.
- 5 Q Has his -- have his duties or responsibilities changed  
6 since PCI was started, does he do something different  
7 now than he used to do?
- 8 A Well yeah, it's -- I would say that probably a half of  
9 his life is consumed with legal -- legal matters.
- 10 Q And that's because of this proceeding, is that.....
- 11 A That's right.
- 12 Q Aside from that have his duties changed?
- 13 A No, unh-unh (negative).
- 14 Q What are the sources of the revenue for PCI? Does all  
15 of your revenue come from advertising?
- 16 A That's right. Yes, all advertising.
- 17 Q Can you list the -- tell me the names of the  
18 advertising salespeople that PCI has and what territory  
19 -- if they have a territory which one is theirs?
- 20 A Certainly. We have Terry Coval that you met this  
21 morning and he's basically responsible for Ninilchik on  
22 through Kenai Soldotna and he oversees Seward and then  
23 he also services Kodiak. And then under him is Gary  
24 Hondel and he's a sale agent and he takes care of Kenai  
25 Soldotna and then he is over Seward occasionally too.

1 Terry takes care of any of the ad agencies and the  
2 accounts in Anchorage. And then here in the Homer  
3 Ninilchik south we have Tim White. And he's just part-  
4 time because he's our Operations Manager.

5 Q And he's in Homer I think you said?

6 A Yes, yes, uh-huh (affirmative). Yeah, he's been with  
7 us two weeks before we went on the air.

8 Q Okay. Do you have any idea what each of these made,  
9 what their salaries, what their take home was.....

10 A No.

11 Q .....last year?

12 A No. I would -- if I was curious I -- I know where I  
13 could find out, but I just -- it's not been a concern.

14 Q Do you know anything about the advertising rates that  
15 PCI charges?

16 A I look at the charts occasionally just to see what  
17 we're doing. Right now it's -- it's at one particular  
18 rate because we're going into a political season and we  
19 have to be real careful of that because we have to  
20 always sell to politicals under our rates. So this is  
21 kind of a -- a time of the year I am aware of that.

22 Q So normally if you were not in a political season how  
23 are the rates determined for a particular ad?

24 A The guys are flexible, they can do whatever they feel  
25 like the client is able to handle. We have large

1 corporations and businesses that are established that  
2 do a lot of buying and -- and their rates are set. You  
3 have the little ma and pa operations that are going to  
4 start an ice cream store say and you're not -- you're  
5 certainly not going to expect them to be able to pay  
6 the things that -- that -- you know, like McDonalds or  
7 Safeway or something. So my salesmen have the  
8 flexibility to basically wheel and deal as they want to  
9 and as they feel like the market will handle.

10 Q Okay. Can each of them independently do that or do  
11 they have to consult with anyone

12 A They consult. If it's something that's -- you know,  
13 they have a -- a guideline within certain perimeters  
14 that they do, that they can be pretty flexible with.  
15 But if it's -- if it's say a major buy that maybe is  
16 going to go on for the next year and we want to give  
17 them a really reasonable rate and -- and not sure how  
18 they're going to work it and that sort of thing they  
19 will -- they will get together and talk about it.

20 Q Okay. So tell me how that differs from what you're  
21 doing now since it's a political season.

22 A It's a set rate and that's what we have to sell.

23 Q And everybody gets the same.....

24 A Yeah.

25 Q .....rate.....

- 1 A Yeah.
- 2 Q .....for the same service.
- 3 A Yeah.
- 4 Q Okay. And when did that go into effect?
- 5 A The FCC -- I mean not the FCC but the APOC rules, I  
6 think it's -- it's either -- I think it's either 60 --  
7 it's been a long time since I've even been involved.  
8 But it's like 90 or 60 days before the first election,  
9 the primary's going to be the 20 -- 27th. So we have  
10 so many days that we have to adhere to it and then  
11 there's a -- a time that you don't and then you get  
12 ready to go back into the November elections.
- 13 Q Is this normally a slow season for advertising because  
14 of that?
- 15 A No. No, this is -- this is a normal time right now  
16 just because it's the summer time and there's -- you  
17 know, the economy's fairly good and -- and money's --  
18 money's flowing.
- 19 Q What would be the slowest time of the year normally?
- 20 A Normally from mid-January, all of February, mostly  
21 through March and part of -- first part of April.
- 22 Q So January through April?
- 23 A Yeah, pretty much.
- 24 Q First part of April?
- 25 A Yeah.

1 Q Has your advertising income been relatively consistent  
2 say the last three years?

3 A No.

4 Q Okay. Why? Tell me how it hasn't been consistent,  
5 what's been going on and why.

6 A I think it's just a -- it's a multi-faceted thing, I  
7 don't think you can blame any one thing, I think  
8 Alaska's economy, one of the things is there was -- our  
9 oil was \$45.00 a barrel and now it's \$21.00 and that  
10 affects the whole state. We -- we see in our -- in our  
11 business a rippling effect of how the fish prices are  
12 and -- and -- and what the oil revenue is. And as  
13 there's money flowing in the state then people are more  
14 apt to spend. And maybe they're -- they're a lot  
15 bolder to step out in a business enterprise or  
16 something like that. With us too we've had to defend  
17 ourselves greatly over the last few years because of  
18 the -- of the adver -- publicity of this situation. My  
19 salesmen spend time out on the field just answering  
20 questions and dealing with clients that are wondering  
21 what's happening. So, yeah, this -- this definitely  
22 has impacted us.

23 Q And how would you rate the impact of this proceeding?

24 A This today, what you and I are talking about?

25 Q Well, this whole FCC proceeding, uh-huh (affirmative).

1 A Personally it's probably been about the hardest most  
2 devastating six years I've ever lived. Watching my  
3 husband work extremely hard and have to run a business,  
4 raise a family and deal with this. For me it's made me  
5 have to cut back on everything I've done, my outreach  
6 with other people, my personal expenditures. We've not  
7 been able to give pay raises for the last four years  
8 and my staff have -- each one come to David and I and  
9 said, you know, we're sticking with you and we're --  
10 we're going to see this thing through. That's pretty  
11 incredible for the -- the quality of men that we have.  
12 It's -- it's -- it definitely affected us.

13 Q Well, can you put a dollar figure to it?

14 A When I say that we had a -- like a -- a \$85,000.00 to  
15 \$90,000.00 income and we dropped below \$40,000.00,  
16 yeah, better -- it's devastated us at least 50 percent.

17 Q And I'm assuming you -- by saying cut 50 percent that  
18 your advertising revenue has been cut by 50 percent?

19 A No, that I'm not sure of, I'd have to look back on the  
20 records. But I would think so. Because since David  
21 and I are the last ones basically to get paid that  
22 would be reflective of our income.

23 Q Well, but could it al.....

24 A Because my salary -- my salary -- my staff salaries all  
25 stayed the same, they don't take a cut.

1 Q But couldn't it be that your expenses have increased  
2 because you're paying legal fees?

3 A We have an understanding with Mr. Southmayd, we have a  
4 retainer, a monthly retainer, because we're not able to  
5 catch up on our legal fees. And Mr. Jacobus has never  
6 billed us yet, and that will probably come eventually.

7 Q So the legal fees have not impacted.....

8 A Not yet.

9 Q .....the income.

10 A Like I say, we pay -- we pay a -- a -- a monthly fee  
11 just as a retainer.

12 Q As far as you know have the commissions for your  
13 advertising salespeople stayed consistent during the  
14 last couple of years?

15 A No, they have each one taken a hit.

16 Q You are not -- PCI is not currently trying to get  
17 business in Kodiak, is that correct?

18 A We're not aggressively going after it, we have some  
19 clients over there and it's expensive to go over there,  
20 it's several hundred dollars to just go to Kodiak and  
21 then you have to spend time and hotel and rental car.  
22 And so you have to figure out what's -- what's the most  
23 valuable time for my men to go. And right now we just  
24 haven't been that much over there. We need to -- to  
25 see how this all goes before we make any aggressive

1 moves for anybody.

2 Q Well, don't they do some of the sales call -- sales  
3 work by phone?

4 A Some, but you're -- one on one you're PR with your  
5 person, meeting your client and -- and having coffee  
6 with them and stuff is very important and seeing their  
7 business and -- for the period of time that we were off  
8 to when we were able to go back on some of the  
9 businesses that we had already established a  
10 relationship with had changed hands. So, you know,  
11 it's -- it's changed over there. We'd like to go over  
12 and -- and we're ready to start marketing that area a  
13 lot more aggressively but we just haven't.

14 Q What percentage of PCI's revenue do you estimate comes  
15 from ads obtained or to go to translator locations, do  
16 you understand my question?

17 A I understand it but there's no way of breaking it down,  
18 I don't have any idea.

19 Q Do you have customers who place ads with you that only  
20 want to advertise, for example, in Seward?

21 A No.

22 Q How about Kodiak?

23 A Unh-unh (negative), no.

24 Q None of the places where you just have translator  
25 service you don't get ads.....

- 1 A No.
- 2 Q .....people asking for that.
- 3 A No.
- 4 Q Okay. So you sell ads to people who want to advertise  
5 primarily over larger areas.
- 6 A That's right. Yeah, full packages with a -- with a big  
7 area.
- 8 Q Okay. And in fact one of your biggest selling points  
9 is that you cover such a large area, is that correct?
- 10 A Well, that helps. Because you're after your audience  
11 and you need to have a listening audience.
- 12 Q Okay. How would loss of the translators impact PCI?
- 13 A I'm really not sure. I -- I -- Dave and I have talked  
14 about it and kind of weighed back and forth but I'm not  
15 sure. I think it would definitely have a -- a  
16 tremendous impact. But, you know, to say 40, 50  
17 percent, I don't know, I don't know.
- 18 Q Do you -- does PCI normally have annual meetings of its  
19 Board of Directors?
- 20 A Oh yeah.
- 21 Q Since you and Mr. Becker.....
- 22 A We go out to dinner, yeah.
- 23 Q .....are the only Board of Directors?
- 24 A Yeah, oh yeah. It's fun.
- 25 Q When was the last one held?

1 A June I think of this year. We normally do it in the  
2 summertime when it's nice.

3 Q And you go out to dinner.....

4 A Uh-huh (affirmative).

5 Q .....is that what you said? And where do you normally  
6 go, any particular place?

7 A Oh, there's lots of good places in town. Lands End or  
8 Connelly House or Homestead, you know. Just depends on  
9 how flush we're feeling that night.

10 Q And how often have you -- do you normally have these?

11 A Just once a year.

12 Q Do you normally takes minutes of your meeting?

13 A No. We take minutes -- we get home and we write them  
14 up basically following a format that we've used most of  
15 the time. Very simple.

16 Q Would you say that Mr. Becker has the ultimate decision  
17 making authority at PCI?

18 A Oh yes. Yeah.

19 Q Do you generally agree with the decisions that he  
20 makes?

21 A I would say most of the time yes.

22 Q What happens if you don't agree?

23 A We talk about it, we usually give it a period of time.

24 We lay out the pros and cons of how we're feeling and -  
25 - he's very -- very generous to listen to me and

1           there's been times when I've, you know, persuaded him  
2           my way and -- and other times that he's convinced me  
3           that he's right, you know.

4       Q     But if both of you don't agree who gets the  
5           ultimate.....

6       A     Oh, David does.

7       Q     Okay. I want to show you a series of documents and  
8           just -- I don't know that you've seen them or have --  
9           are familiar with them in any way, but I just want to  
10          see if you are. First of all let me show you a rate  
11          card that -- I guess this is what you call it.

12      A     Uh-huh (affirmative).

13      Q     Are you familiar with this?

14      A     Yes. Uh-huh (affirmative), yeah.

15      Q     And is this the most current rate card?

16      A     Yeah, 24 would be.

17      Q     Can you explain to me how that works by looking at the  
18          rate card, how you could determine how much an ad would  
19          cost?

20      A     Sure. It depends on if you want your 60 of 30 second  
21          ads. And it also depends on if you want triple A or  
22          daily advertising time or total audience plan. And  
23          those rates vary just because of when they're going to  
24          be put in the timing of the radio station. If -- if  
25          something is played during what they call drive time

1           which is like 6:00 to 9:00 which is more prime time  
2           listening you would have, you know, a little more  
3           expensive rate.  Midnight on the stations are very,  
4           very cheap.  You know, a lot of times those are just  
5           ads that we just throw in just because.  So then that's  
6           why you have the different rates.  It's divided up too  
7           by the audi -- the stations, you have K Wave, KPEN and  
8           K Bay and KGTL which is just really locally.  Those are  
9           sold either -- this just is a base that our -- our  
10          agents start with.  And then they can be flexible  
11          within that to -- to put together the combination  
12          that's going to work best for the person.

13        Q     And if you want to advertise on more than one station  
14              do you just multiply the base rate out?

15        A     You can, yeah.  If that's -- if.....

16        Q     Or do you get a package deal of some sort?

17        A     You usually get a package deal.  Just depending on --  
18              like again, it -- if somebody's coming in and -- and  
19              she has a dress shop and she wants to run an ad for a  
20              week and just advertise for 50 percent off, then her  
21              rate would be different than somebody that's going to  
22              buy for two or three months.  Because just the workload  
23              and the overhead and everything from dealing with --  
24              with a one time buy versus, you know, a quarterly buy  
25              is different.

- 1 Q Okay. Okay, thank you.
- 2 A Uh-huh (affirmative).
- 3 Q I stick these in front of you, I think I've got all but  
4 one of them. And let's just kind of go through them.  
5 The top document is a letter dated July 24, 1981 that  
6 was received by the FCC evidently on August 4, 1981.
- 7 A Uh-huh (affirmative).
- 8 Q And is a letter to Mr. William J. Tricarico, Secretary,  
9 Federal Communications Commission, and I may not have  
10 pronounced his name correctly because.....
- 11 A I don't know either.
- 12 Q .....I wasn't there then.
- 13 A Yeah.
- 14 Q But it was -- it appears to be signed by David F.  
15 Becker.
- 16 A Uh-huh (affirmative).
- 17 Q Are you familiar with this letter?
- 18 A Not really.
- 19 Q Have you seen it?
- 20 A I've seen it now. And I'm sure I saw it before, maybe  
21 back in '81.
- 22 Q Okay.
- 23 A I recognize it, you know, as being something that David  
24 did right.
- 25 Q Okay. Attached to that is an Opposition underneath

- 1           that. Do you see that?
- 2    A       Uh-huh (affirmative).
- 3    Q       Did you participate in any way in the preparation of
- 4           the letter.....
- 5    A       No.
- 6    Q       .....or the Opposition?
- 7    A       No, not at all.
- 8    Q       Did you review it prior to it being sent to the FCC?
- 9    A       No.
- 10   Q       Okay. The next document, just go ahead and -- yours
- 11           became unstapled, but.....
- 12   A       There is attachments, right?
- 13   Q       The next document that I want you to look at is this
- 14           one.
- 15   A       Okay.
- 16   Q       Which is a Memorandum Opinion and Order entered in FCC
- 17           Number -- case number 81-484, FC Order Number,
- 18           regarding Peninsula Communications. Have you seen this
- 19           document before?
- 20   A       I don't remember it, no. It doesn't look like anything
- 21           familiar to me.
- 22   Q       Okay.
- 23   A       No.
- 24   Q       Do you recall that Peninsula attempted to terminate a
- 25           translator licensed to KSRM?