

REQUEST FOR WAIVER OF MAIN STUDIO RULE

This is a request for waiver of Section 73.1125 of the Commission's rules to permit Calvary Chapel Aurora ("CCA"), the proposed assignee of FM station KXWA, Loveland, Colorado (Facility ID 89401), to locate its main studio at CCA's headquarters at 18900 East Hampden Avenue, Aurora, Colorado, approximately 50 air miles from Loveland. As shown below, there is good cause for approval of this request.

Nature of the Proposal

CCA owns no other broadcast stations and will not, at least in the near term, be operating KXWA as a satellite of another station. Instead, the proposal is to place the main studio in Aurora, where CCA will, in any event, establish the station's principal program production facilities. Aurora is approximately 50 miles from Loveland and outside the authorized 60 dBu contour of KXWA. Because all of CCA's other operations are located in Aurora, establishing the main studio there will result in significant cost savings as compared to maintaining a main studio in Loveland or a nearby community. Establishing an additional fully-staffed studio at Loveland not only would be redundant, it would be a drain on precious resources and, for that reason, would be counterproductive in terms of the station's efforts to meet its public service obligations.

CCA is not purchasing KXWA's studio equipment in connection with its acquisition of KXWA from WAY-FM Media Group, Inc. ("WAY-FM"), and thus must construct its own studio facilities. WAY-FM did not include such equipment in the transaction because KXWA's current studio facilities will be used by another area station being operated by WAY-FM.

CCA's long-term plan is to establish a network of NCE stations with its hub in Aurora. As shown in Form 314, CCA is the permittee of KHWD, Wiggins, Colorado, and KZWD, Bennett, Colorado, both of which are NCE FM facilities. It is anticipated that when these stations become operational both will become satellites of KXWA and have their main studios located in Aurora, also pursuant main studio rule waivers.

Cost Savings

CCA will be establishing a fully-equipped broadcast production facility in Aurora. Most of the station's programming will be originated from this facility. The studio facility will be in CCA's headquarters and thus will be accessible to senior CCA management and corporate decision-makers. The headquarters building has ample building space to accommodate the FM studio and has direct access to Loveland via Interstate Highway 25. This headquarters studio facility will be interconnected to the KXWA transmitter through microwave STL links or a T-1 line.

CCA would have to incur the following additional expenses if it were to establish redundant facilities at Loveland:

Equipment Costs. The equipment costs for establishing a separate main studio in Loveland have been estimated to be \$54,339.81 as shown in Exhibit 1.

Staffing. Having at least one full-time employee and two part-time employees at a separate studio in Loveland, would involve annual salaries approximately as follows:

Station manager/announcer (including benefits)	\$55,000.00
Sales (acknowledgements)	10,000.00
Contract engineer	<u>4,000.00</u>
Total	\$69,000.00

Operating Costs. The annual costs of operation of a separate Loveland studio facility are estimated as follows:

Rent (annually for 750 square feet of office space)	\$20,000.00
Utilities	5,000.00
Maintenance and janitorial	<u>4,000.00</u>
Total:	\$29,000.00

Total Extra Costs. Using these figures, the total cost for construction of a separate Loveland studio and operating it for one year will be approximately \$152,339.81.

Impact of These Extra Costs. Most, if not all of these costs can be saved if the requested waiver is approved. As stated above, CCA's headquarters, management team and program production facilities will be located at CCA's Aurora headquarters in any event. The Loveland studio would at best be a lightly-manned outpost of this headquarters facility. There is little benefit to be gained from this arrangement, and much to be lost. CCA, itself a charitable organization, will be operating KXWA as a non-commercial facility dependent on voluntary contributions. The additional cost for a redundant studio facility in Loveland will

cause a significant drain on CCA's already small budget for staffing and programming. Indeed, CCA views expenditures for a second studio facility as poor stewardship of donor dollars. These resources would be better put to use in acquiring high-quality programming and maintaining experienced staff members at the headquarters facility. From there, CCA can produce local news, educational and informational programs for broadcast KXWA that will be directed to public issues in Loveland and the surrounding area.

Other Financial Issues

While CCA may employ a "sales" person who would sell acknowledgment announcements and solicit contributions in the Loveland area, this effort would not come close to meeting the local operating costs outlined above. According to U.S. census data, Loveland had a 2000 population of 50,608. This population is not sufficient to support a local studio operation, much less the larger overall costs of operating the station. For this reason, too, establishing a fully-staffed studio facility at Loveland would be counterproductive and threaten the long-term viability of the station.

Continuing Contacts with the Community

In order to assure the new FM station serves local needs and interests in Loveland and surrounding areas, the following will be done:

- CCA management-level personnel from Aurora will meet with or otherwise contact Loveland-area community leaders at least quarterly to ascertain community issues, and based on these contacts will develop responsive programming.
- A community bulletin board program will be broadcast regularly, and will include information and announcements concerning news and events in Loveland and the surrounding area.
- Based on the contacts outlined above, public affairs or other programs covering local issues will be broadcast weekly or monthly as needs dictate.
- A toll-free telephone line from Loveland to the Aurora studio will be established.
- A duplicate public file will be maintained in Loveland and updated when new material is added to the public file in Aurora.

Summary

While the proposed Aurora main studio will not be, at least initially, a part of a network of "satellite" noncommercial educational FM stations—as is the case with many other models where main studio waivers have been routinely approved—the public interest benefits of a waiver in this instance are even more compelling than in the standard waiver case. Approximately \$152,000 would be saved during the first year of operations alone, and that money would be available to increase staffing levels and produce better quality programming, including programs directed to the Loveland area. Loveland is not large enough to support a stand-alone noncommercial radio station. Moreover, CCA's program production facilities will be located at its Aurora headquarters in any event. Thus, a second studio facility in Loveland is unnecessary and will cause significant hardships in terms of dissipation of resources that could be used to develop programming. Moreover, CCA will meet its public service responsibilities to Loveland, 50 miles away via Interstate 25, through implementation of the initiatives listed above. The cost savings which will be realized will permit the station to be responsive to local issues in Loveland and to broadcast news and other information about the community in its bulletin board and other public affairs programs. The toll-free telephone line from the community will make the main studio immediately available, at no cost, to Loveland-area residents. And a complete public file will be maintained in Loveland. This is significantly more in terms of local service than could be provided if the station were the satellite of a distant, out-of-state station.

Case Precedent for Waiver Approval

The Commission previously has granted waivers where, as here, significant cost savings were shown and the licensee demonstrated how, with a stand-alone station, it would still meet its public service obligations with a distant studio. See *Letter to Harry C. Martin, Esquire* (re WWTE, Wellfleet, Massachusetts, Facility ID 122299), March 21, 2006; *Letter to Living Proof, Inc.* (re WTSE, Cypress Quarters, Florida, Facility ID 93012, File No. BMPED-20030206ACR), June 11, 2003 (unpublished); *Letter to Ernest T. Sanchez* (re KTBR AM/FM, Roseburg, Oregon, File Nos. BML-20020328AAB and BMLED-20020410AAO), released April 19, 2002 (unpublished); *Letter to Amelia L. Brown, Esquire* (re WMKV(FM), Reading, Ohio, File No. BMPED-19930616IA), released February 9, 1996

(unpublished). On the basis of these decisions, and the representations made above, the instant request also should be approved.

Exhibit 1

Equipment and Installation Cost Estimates

Description	
STL System	\$8000.00
Grid STL Dishes	\$1800.00
1/2" RF Transmission Line	\$210.00
Hoisting Grip for LDF4-50A	\$15.00
Box of 10 Hanger Kits for LDF4-50A	\$42.00
Box of 10 Round Member Adapters for LDF4-50A (1" to 2" Diameter)	\$35.79
Grounding Kits for LDF4-50A	\$27.00
Type N Male Connector for LDF4-50A	\$68.00
8 Channel Broadcast Radio Console	\$4086.00
Simple Phone Module	\$549.00
Dual OJ CD Players	\$467.00
CD Recorder	\$749.00
1000 ft Box of	\$115.00
Punch Blocks	\$300.00
Punch Tools	\$200.00
Punch Block Standoffs	\$100.00
Punch Block Covers	\$100.00
Emergency Alert System Unit	\$2000.00
EAS Receiver Rack	\$800.00
Program Interrupt Unit	\$506.00
Monitor Speaker	\$398.00
Audio Amplifier	\$578.00
Announce Microphones	\$379.00
Shock Mount for RE-20 Microphones	\$180.00
Microphone Booms	\$218.00
40 Space Equipment Rack	\$663.00
36" Black Laminate Equipment Racks	\$97.00
Pair of 36" Rack Rails	\$80.00
Power Conditioners/Strips	\$180.00
Pair of Speaker Risers	\$100.00
Broadcast Remote Control Unit	\$1518.00
Interface Panel for RFC-1 B	\$338.00
Interface Panel Surge Protector	\$75.00
Microphone Processors	\$469.00
Make XLR Connectors	\$59.76
Female XLR Connectors	\$57.36
Satellite Grade RG-6 Cable	\$60.00
Star Quad Microphone Cable (Black)	\$98.00
Type F Connectors for RG-6 Cable	\$11.40
1.2 Meter Offset Receive Only KU Band Satellite Dish	\$205.00
Non-Penetrating Roof Mount for 1.2 Meter Dish	\$139.00
PLL KU-Band LNB	\$279.00
1x6 Phone Hybrid	\$1648.00
2x4 Distribution Amplifier	\$216.00
Stereo Headphones	\$84.00
KU Band SCPC Digital Satellite Receiver	\$2000.00
Type N Female Barrell Connectors	\$60.00
Flexwell Jumpers N-Male to N-Female	\$230.00
100 10/32 Rack Screws (Black)	\$20.00

1/4" Tip-Ring-Sleeve Connectors	\$22.50
RCA Male Connectors	\$17.00
Unbalanced to Balanced Matchbox	\$130.00
Latch Relay Interface for Transmitter	\$100.00
RDL Power Supply	\$30.00
FM Receiver	\$130.00
Equipment Shipping and Handling	\$1500.00
Automation Playout System	\$12,000.00
Computer Monitor Riser Arms	\$300.00
Custom Furniture for On-Air Control Room	\$2500.00
45 Ft Tower Kit	\$3000.00
Studio Installation Consulting and Equipment Installation	\$4000.00
Total Studio Equipment/Installation Cost	\$54,339.81