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FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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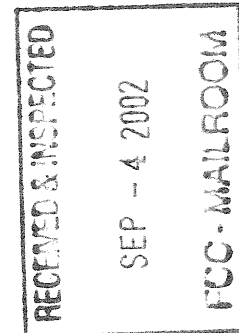
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In re: NEW(FM), Ojai, California
Family Stations, Inc.
File No. BPED-19840907IB
Facility ID No. 60140

NEW(FM), Ojai, California
EB Broadcasting of Ventura Co., Inc.
File No. BPED-19890526MF
Facility ID No. 21004

NEW(FM), Ojai, California
Shepherd Communications, Inc.
File No. BPED-19890531MD
Facility ID No. 18811

NEW(FM), Santa Barbara, California
KCBX, Inc.
File No. BPED-19890530MB
Facility ID No. 33708

Joint Request for Settlement Agreement
MX Group 84091E

Request for Waiver of 47 C.F.R. §73.1125
(Main Studio Rule)

Dear Counsel:

This is in reference to the above-captioned mutually exclusive construction permit applications for new noncommercial FM stations in Ojai and Santa Barbara, California and the Joint Petition for Approval of Agreements ("Joint Request") filed July 18, 2001 by Family Stations, Inc. ("Family"), EB Broadcasting of Ventura Co., Inc. ("EBVC"), Shepherd Communications, Inc. ("Shepherd") and KCBX, Inc. ("KCBX").

We have examined the Joint Request and the Settlement Agreements ("Agreements") attached thereto. Under the terms of the Agreements, the Family and EBVC applications will be dismissed and the Shepherd and KCBX applications will be granted as amended. As consideration for dismissal, Shepherd shall pay Family \$125,000.00 and pay EBVC \$48,500.00. This consideration is authorized pursuant to the temporary waiver of the reimbursement limitations contained in 47 C.F.R. § 73.3525(a)(3) in *Reexamination of the Comparative Standards for Noncommercial Educational Applicants, Memorandum Opinion and Order* 16 FCC Rcd 5074, 5107-08 (2001) ("NCE Comparative Standards"). The waiver was extended to settlement agreements filed by July 19, 2001. See *Public Notice*, "Deadline for Noncommercial Educational FM Settlements and Supplements," DA 01-1245 (MM Bur. May 24, 2001). In addition, Shepherd and KCBX have filed technical amendments to their respective applications which will remove the mutual exclusivity between the proposals. Shepherd shall reimburse the expenses of KCBX in preparing and prosecuting its application, up to \$7,500.00.

After careful consideration of the Agreements, we find that approval of the Joint Request would serve the public interest and the Family, EBVC, Shepherd and KCBX applications were not filed for the purpose of reaching or carrying out the Agreement. Accordingly, the applicants have complied with the provisions of 47 U.S.C. § 311(c)(3) and 47 C.F.R. § 73.3525. Since the dismissing applicants propose to serve the same community as Shepherd, no Section 307(b) questions have been presented and no republication is required under 47 C.F.R. § 73.3525(b). Furthermore, we find that Shepherd and KCBX are fully qualified and that grant of their applications would serve the public interest by expediting new noncommercial FM service to Ojai and Santa Barbara, California.

Main Studio Waiver Request. KCBX has requested a waiver of the main studio requirement, 47 C.F.R. § 73.1125, in order to operate the Santa Barbara station as a satellite of its commonly-owned NCE FM station KCBX(FM), San Luis Obispo, California¹. For the reasons set forth below, we will waive Section 73.1125.

Pursuant to Section 73.1125(a), a main studio must be located either (1) within a station's community of license, (2) within the principle community contour of any other broadcast station licensed to its community, or (3) within 25 miles of the center of its community of license. See *Review of the Commission's Rules regarding the Main Studio and Local Public Inspection Files of Broadcast Television and Radio Stations*, 13 FCC Rcd 15,691 (1998); *recon. granted in part*, 14 FCC Rcd 11, 113 (1999) ("*Reconsideration Order*"). However, under Section 73.1125(b)(2), the Commission will waive these requirements where good cause exists to do so and where the proposed studio location "would be consistent with the operation of the station in the public interest." Each waiver request by an NCE station seeking to operate as a satellite of another NCE station is considered on a case-by-case basis. The Commission has recognized the benefits of

¹ A "satellite" station meets all of the Commission's technical rules. However, it originates no programming and instead rebroadcasts the parent station's programming. See *Amendment of Multiple Ownership Rules*, Memorandum Opinion and Order, 3 RR 2d, 1554, 1562 (1964).

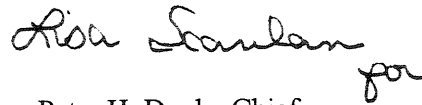
centralized operation for NCE stations, given their limited funding, and thus found good cause exists to waive the main studio location requirement where satellite operations are proposed. *Id.* A satellite station must, however, demonstrate that it will meet its local service obligation to satisfy the Section 73.1125 public interest standard. *Id.*

KCBX's request is based on the economies of scale which would be realized by grant of its waiver, *e.g.*, avoiding the cost of equipping, staffing, and operating a studio in the Santa Barbara area. We agree and conclude that there is good cause to waive 47 C.F.R. §73.1125(a) under these circumstances. As noted above, KCBX proposes to operate the Santa Barbara station as a satellite of KCBX(FM), San Luis Obispo, California, approximately 35 kilometers from Santa Barbara, California. Where there is considerable distance between the parent and the satellite station, we are particularly concerned that the licensee takes adequate measures to maintain its awareness of the satellite community's needs and interests. To that end, KCBX has pledged to meet its local service obligations by: (1) conducting ascertainment of community needs through review and analysis of Santa Barbara audience mail, email, and telephone calls and input from Community Advisory Board meetings; (2) adding a representative from the Santa Barbara area to the KCBX Community Advisory Board; (3) consulting with the educational organizations and institutions in the Santa Barbara coverage area, including the University of California; (4) consulting with the numerous arts and community-based organizations; (5) subscribing to and reviewing Santa Barbara newspapers for information on relevant Santa Barbara issues; (6) maintaining an Internet Web site, which will provide a convenient means to communicate with KCBX staff and will also provide extensive program and service information; (7) announcing and promoting Santa Barbara cultural events of interest to the listeners in the service area; (8) producing stories of topical relevance to the Santa Barbara community, such as politics, the environment, education and health reform, population growth and transportation issues and (9) broadcasting the Santa Barbara County Board of Supervisor's meetings and other local organizations' activities.

Under these circumstances, we are persuaded that KCBX will meet its local service obligations and thus, that grant of the requested waiver is consistent with the public interest. We remind KCBX, that, notwithstanding its commitment to maintain a public inspection file in Santa Barbara, it must also maintain a public file for the station at the main studio of the parent station, KCBX(FM), San Luis Obispo, California. It must also make reasonable accommodations for listeners wishing to examine the public file's contents. *See Reconsideration Order*, 14 FCC Rcd at 11, 129, ¶45. We further remind KCBX that, notwithstanding the grant of the waiver requested here, the public file for the station must contain the quarterly issues and programs list as required by 47 C.F.R. § 73.3527(e)(8).

Accordingly, pursuant to 47 C.F.R. § 0.283, the Joint Request and Settlement Agreements and the request for waiver of 47 C.F.R. § 73.1125 filed by KCBX, Inc. ARE GRANTED; the applications filed by Family Stations, Inc. (File No. BPED-19840907IB), and EB Broadcasting of Ventura Co., Inc. (File No. BPED-19890526MF) ARE DISMISSED and the applications filed by Shepherd Communications, Inc. (File No. BPED-19890531MD) and KCBX, Inc. (File No. BPED-19890530MB) ARE HEREBY GRANTED as amended. The construction permit authorization will follow under separate cover.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peter H. Doyle", followed by a small flourish or mark.

Peter H. Doyle, Chief
Audio Division
Media Bureau