Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of	
CALVARY CHAPEL LAKE CITY) File No. BNPL-20010122AGW Facility ID No. 132369
Application for a Construction Permit for a New LPFM Station at Lake City, Idaho	
HAYDEN CHRISTIAN BROADCASTING CORPORATION	File No. BNPL-20010119ADW Facility ID No. 132087
Application for a Construction Permit for a New LPFM Station at Hayden, Idaho)))

MEMORANDUM OPINION AND ORDER

Adopted: February 6, 2008 Released: February 8, 2008

By the Commission:

I. INTRODUCTION

1. The Commission has before it the captioned applications of Calvary Chapel Lake City ("Lake City") for a new Low Power FM ("LPFM") station at Lake City (Coeur d'Alene), Idaho¹ and Hayden Christian Broadcasting Corporation ("Hayden") for a new LPFM station at Hayden, Idaho. The Hayden and Lake City applications were accepted for filing, and each applicant claimed two points under the selection procedure set forth in Section 73.872 of the Commission's Rules (the "Rules"). In accordance with our procedures,² the staff tallied the comparative point totals claimed by each applicant and listed those point totals in a Public Notice accepting the applications for filing, establishing a petition to deny period, and specifying the applications' tentative selectee status.³ Therein, both were designated tentative selectees for the subject authorization.⁴ The Public Notice accepting the applications also announced a

¹ The Lake City application was dismissed by the staff on March 16, 2004, for failing to distinguish Lake City from other Calvary Chapel applicants that had filed similar applications for LPFM stations, or national Calvary Chapel radio companies such as CSN International and Calvary Chapel of Twin Falls that own numerous full-service and FM translator radio stations throughout the country. *Letter to Listed Applicants*, Ref. 1800B3-GDG/SW (MB Mar. 16, 2004). The staff subsequently granted Lake City's Petition for Reconsideration and reinstated its application on July 20, 2005. *Letter to Harry C. Martin, Esq.*, Ref. 1800B3-MW (MB Jul. 20, 2005).

² See Creation of a Low Power Radio Service, Report and Order, 15 FCC Rcd 2205 (2000) ("LPFM Report and Order"); recon. generally denied, Memorandum Opinion and Order on Reconsideration, 15 FCC Rcd 19208 (2000); regulation modification granted by Second Report and Order, 16 FCC Rcd 8026 (2001); Third Report and Order and Second Further Notice of Proposed Rulemaking, FCC 07-204 (rel. Dec. 11, 2007) ("Third Report and Order").

³ See Closed Groups of Pending Low Power FM Mutually Exclusive Applications Accepted for Filing, Public Notice, 19 FCC Rcd 1034 (MB Jan. 28, 2004).

⁴ 47 C.F.R. § 73.872(a) and (b) require that, following the close of each window for new LPFM stations and for modifications in the facilities of authorized LPFM stations, the Commission is to issue a public notice identifying all (continued . . .)

30-day period for filing petitions to deny the listed applications. Lake City timely filed a Petition to Deny the Hayden application on February 26, 2004 (the "Lake City Petition"), and WTL Communications, Inc. ("WTL") filed an Informal Objection to the Hayden application on May 19, 2004 (the "WTL Objection"). Hayden filed a Petition to Deny the Lake City application on February 27, 2004 (the "Hayden Petition"). For the following reasons, we: (1) grant the Lake City Petition and WTL Objection to the extent indicated; (2) deny the Hayden Petition; (3) dismiss the Hayden application; and (4) grant the Lake City application.

II. DISCUSSION

- 2. Lake City timely filed its Petition on February 26, 2004. Because WTL submitted its Objection after the petition period, its pleading will be considered as an informal objection under Section 73.3587 of the Rules. We have evaluated the merits of Lake City's Petition and Hayden's Opposition and conclude that Hayden is not entitled to the comparative point that it claimed for "established community presence." Accordingly, we will disallow that point and reevaluate the applications on a comparative basis.
- 4. Section III, Item 1 of the LPFM construction permit application form, FCC Form 318, requests that the applicant demonstrate that it has an "established community presence" by certifying that "[the applicant], for a period of at least two years prior to application, has been physically headquartered, has had a campus, or has had seventy-five percent of its board members residing within 10 miles of the coordinates of the proposed transmitting antenna." Hayden indicated "Yes" to that certification, attaching a supporting exhibit "certifying" that three of its four directors have lived within 10 miles of the proposed antenna site at least two years before the application was filed.
- 5. In its Petition, Lake City maintains that Hayden "overstated its comparative position" under the Commission's point system by certifying that it had an "established community presence." Specifically, Lake City argues that Hayden did not exist as an entity for two years prior to filing its application, as required by the Rules, but rather based its certification on the two-year residence of the members of its governing board, which by itself, is not sufficient to establish a community presence under Section 73.872(b)(1) of the Rules. In support, Lake City refers to Exhibit 2 of the Hayden application wherein Hayden states it was organized under the laws of the state of Idaho "in 2001," the same year it filed its application.

groups of mutually exclusive applications. Such applications will be awarded points to determine the tentative selectee. Unless resolved by settlement, the tentative selectee will be the applicant within each group with the highest point total. Each mutually exclusive application is awarded one point, based on application certification, for: (1) established community presence (*see* discussion *infra*); (2) proposed operating hours (if the applicant proposes operation for at least 12 hours per day); and (3) local program origination (if the applicant pledges to originate locally at least eight hours of programming per day).

^{(...}continued from previous page)

⁵ Hayden filed an Opposition to the Lake City Petition on March 17, 2004.

⁶ WTL, an applicant for a new LPFM facility in Grants Pass, Oregon (File No. BNPL-20010615BDF), claims to have discovered flaws in a number of pending LPFM applications to which it has filed objections, including that of Hayden here.

⁷ Lake City filed an Opposition to Hayden's Petition on March 19, 2004, to which Hayden filed a Reply on April 7, 2004.

⁸ 47 C.F.R. § 73.3587.

- 6. In its Opposition to the Lake City Petition, Hayden maintains that Section 73.872 is silent as to the requirement that an applicant be in existence for at least two years prior to filing its application, and that there "is no logical reason" that the language in the *LPFM Report and Order* should not apply also to individuals. In this regard, Hayden submits that community presence can only be attained by the actions of the individuals that comprise the corporation, not the corporate entity itself, and concludes that the residence of its governing board, alone, is sufficient to demonstrate "established community presence." We disagree.
- 7. Section 73.872 of the Rules, entitled "Selection Procedure for Mutually Exclusive LPFM Applications," provides, in pertinent part, that:

[e]ach mutually exclusive application will be awarded one point for each of the following criteria, based on application certification that the qualifying conditions are met: (1) *Established community presence*. An applicant must, for a period of at least two years prior to application, have been physically headquartered, have had a campus, or have had seventy-five percent of its board members residing within 10 miles of the coordinates of the proposed transmitting antenna. . . . ⁹

- 8. The language of the Rule requires that a LPFM applicant must be in existence for at least two years prior to filing its application in order to claim a point for established community presence. Further, in the proceeding establishing the low power FM service, the Commission discussed the underpinning for its requirement that an applicant must make a threshold showing that it existed two years prior to filing its application. Therein, the Commission contemplated that the organization filing the application would have been in existence and based in the community for at least two years at the time of filing. For example, the Commission stated that the criterion for demonstrating established community presence favors *organizations* that have been operating in the communities where they propose to construct an LPFM station and thus have "track records" of community service and established constituencies within their communities. The Commission believed that such applicants, because of their "longstanding organizational ties" to their communities, are likely to be more attuned to, and have "organizational experience" addressing, the needs and interests of their communities. Further, the Commission stated that "preferring organizations that have been in existence and physically present in the community for two years" would "help prevent maneuvering of the point system by those who might otherwise establish multiple organizations to file the LPFM applications." 12
- 9. Further, the Instructions to FCC Form 318, regarding claiming the point for established community presence, expressly provide that:

⁹ 47 C.F.R. § 73.872(b)(1).

¹⁰ LPFM Report and Order, 15 FCC Rcd 2205.

¹¹ *Id.* (emphasis added).

¹² *Id.* at 2260 ¶ 140.

To qualify for a point under this criterion, the applicant must have an established community presence of at least two years duration in the community it proposes to serve. Educational institution and organization applicants must be able to certify that, during the two years prior to application, (a) it has been in existence as a nonprofit educational institution or organization, **and** (b) has been physically headquartered, has had a campus, or has had seventy-five percent of its governing board members residing within 10 miles of the coordinates of the proposed transmitting antenna. ¹³

- 10. The Rule language, the Commission's decision adopting the Rule, and the instructions to the application for an LPFM construction permit all contradict Hayden's position that Section 73.872 is silent regarding the two-year prior existence prescription for applicants. If an applicant desires to claim the point for establishment of a community presence, it must meet the threshold requirement of existing as an entity for at least two years prior to filing its application. Hayden's incorporation during the same year that it filed its application does not demonstrate the "longstanding organizational ties" to Hayden envisioned by the rule. Although the information Hayden submits regarding the local residence of the members of its governing board is sufficient to demonstrate that Hayden is "community-based" for purposes of fulfilling the basic eligibility requirement under Section 73.853(b), it is not sufficient to demonstrate that it had an "established community presence" for two years prior to the filing of the application, entitling it to claim the comparative point for the criterion set forth in Section 73.872(b)(1).
- 11. Finally, Hayden's contention that a corporation, as a legal entity, is incapable of establishing a community presence, as opposed to the actions of individuals composing the corporation, is devoid of merit. Many LPFM applicants have established such presence. The point claimed by and tentatively awarded to Hayden for "established community presence" will be disallowed.
- 12. WTL Objection. In its Objection, WTL asserts, as did Lake City, that Hayden improperly claimed a comparative point for "established community presence" because it did not exist for at least two years prior to filing the application. WTL also argues that: (1) Hayden failed to prove that it is a nonprofit legal entity because the application did not provide "a document showing its articles of incorporation or the status of its incorporation as of the filing date, and does not give an exact date of its incorporation;" and (2) Hayden "appears" to be controlled by a central organization and "will not" serve Hayden, based on the similarity of the language and generic references, found in Hayden's and other applications. ¹⁶

¹³ Page 8, A. Question 1: Established Community Presence (emphasis added).

¹⁴ *Id.* We do not question whether Hayden's listed principals have lived in Hayden for more than two years. However, the Commission does not license LPFM stations to individuals, and the Hayden principals' individual ties to the community do not provide the established "organizational ties" for which the comparative credit is awarded.

¹⁵ *Id.* at ¶ 33. *See also* 47 CFR § 73.853.

¹⁶ In support of its allegation, WTL states that, while doing research against an application mutually exclusive with its LPFM application for a facility in Grants Pass, Oregon, it discovered that the applicant there used "almost the identical text to state their educational purpose" and used the same rationale and text to claim a comparative point for established community presence. WTL observes that there is nothing in the statement to demonstrate any connection to Hayden, only to "the proposed service area." WTL charges that it cannot be a coincidence that the same text and "flawed reasoning" could be used in multiple applications unless it was directed by a "central organization." WTL does not identify that "central organization."

13. For the reasons stated above, we agree with WTL that Hayden is not entitled to comparative credit for "established community presence." Accordingly, WTL's additional arguments as to this point are non-decisional, and in any event, without merit. We note, however, that pursuant to the applicable Rules and procedures, an applicant for an LPFM station must certify its eligibility to own and operate such station at the time it files its application. ¹⁷ Section 73.853(a)(1) of the Rules states that an LPFM station may be licensed to a noncommercial educational ("NCE") organization for the advancement of an educational program.¹⁸ Because individuals are not eligible to own and operate LPFM stations, ¹⁹ the certification requires that the applicant be a noncommercial educational institution, corporation, or entity that is recognized under state law. ²⁰ Thus, an LPFM applicant must be incorporated, registered, or otherwise organized as a nonprofit entity under state law at the time its application is submitted.²¹ However, there is no requirement that LPFM applicants submit documentation of their corporate status with their original applications. Furthermore, mere allegations are insufficient to rebut such a certification. WTL's claim that Hayden failed to demonstrate its corporate status is incorrect because Hayden's application specifies that it was "organized under the laws of the state of Idaho in 2001."²² Moreover, WTL offers no evidence beyond mere allegation that Hayden fails to comply with Section 73.853(a)(1), and thus, its objection is without merit. To the extent that Hayden's failure to provide the exact date of its incorporation renders the application not grantable, that minor defect can be corrected by the applicant by amendment.²³ This omission is not the type of defect that would cause dismissal of an LPFM application.²⁴ Finally, WTL's unsupported allegation that it "appears" that Hayden is controlled by a central organization amounts to mere speculation. WTL identifies neither this "central organization" nor an alleged rule violation that would warrant dismissal of the application.²⁵

Under this provision a local chapter of a national organization will not have the attributable media interests of the national organization attributed to it, provided that the local chapter: (1) is incorporated in its local area separately from the national organization with which it is affiliated; and (2) has a distinct local presence and mission. To satisfy the second element of this standard, an applicant must demonstrate that it has significant membership within its local area and that it has a local purpose that can be distinguished from the purpose of the national organization with which it is affiliated.

¹⁷ See Instructions for FCC Form 318, Section II, Question 2. See also FCC Form 318, Section II, Question 2.

¹⁸ 47 C.F.R. § 73.853(a)(1).

¹⁹ LPFM Report and Order, 15 FCC Rcd 2205 at paragraph 20, footnote 40. See also Instructions for FCC Form 318, Section II, Question 2(b).

²⁰ *Id.* at ¶¶ 18 and 19. *See also* 47 U.S.C. § 397(6)(A).

²¹ The Commission restricted the initial LPFM filing windows to "local" applicants. 47 C.F.R. §§ 73.853(b). *See also, LPFM Report and Order,* 15 FCC Rcd at 2215.

²² See captioned Hayden application at Exhibit 2.

²³ See 47 C.F.R. § 73.781(c)(4).

²⁴ Cf. Superior Broadcasting Of California, Decision, 94 FCC 2d 904 (1983) (light comparative demerit imposed for failure to report information already on public file with FCC) and Post-Newsweek Stations, Florida, Inc., Memorandum Opinion and Order, 49 FCC 2d 92 (1974) (supplemental filings falling within certain parameters were properly accepted and considered by the Bureau).

²⁵ See, e.g., 47 C.F.R. § 73.858(b) and the Instructions for FCC Form 318, pp. 5-6, which reads:

- 14. *Hayden Petition*. In its Petition, Hayden maintains that Lake City's originally-filed application specifies "Lake City, Idaho" as the proposed community of license, but "Lake City" does not have any of the indicia of a "community" typically required for the allotment of an FM channel under established precedent. Hayden argues that: (1) there is no community by that name recognized by local residents; (2) there is no United States post office with that name; and (3) there is no concentration of businesses, churches, or other institutions seeking to identify themselves with such a place by including it in their own corporate or institutional names. Thus, argues Hayden, because "Lake City, Idaho" does not exist as a *bona fide* community, the Commission should dismiss Lake City's application.²⁶
- 15. In its Opposition, Lake City explains that "Lake City" is actually an unofficial name for Coeur d'Alene, Idaho, given its proximity to Lake Coeur d'Alene, and "many local businesses" include the words "Lake City" in their names.²⁷ Nevertheless, it acknowledges that "Coeur d'Alene" is the more accurate name for the community, and it has proffered an amendment to its application filed pursuant to Section 73.871(c)(4) of the Rules²⁸ to specify Coeur d'Alene as its proposed community of license. Lake City claims that this would be a minor amendment to its pending proposal under Section 73.871.
- 16. Although Lake City filed the amendment to its application to specify Coeur d'Alene as the proposed community of license, we will dismiss this amendment as moot for the reasons set forth below. The specification of "Lake City" provides an identifiable geographic population grouping sufficient for LPFM purposes. Where a proposed location is neither an incorporated area nor listed in the census reports, the proponent of a filing proposing that location is required to supply the Commission with information adequate to establish that such place is a geographically identifiable population grouping, and thus, a "community." Typically, in determining whether or not there exists such a population grouping, the Commission seeks to determine whether or not the location has sufficient attributes of a "community," such as political, commercial, social, and religious organizations and services serving the community, or whether there is a sense of unity and involvement in community concerns shown by evidence that "the residents function as and conceive of themselves as a community around which their interests coalesce." "
- 17. Although Coeur d' Alene is an incorporated area, we believe that some flexibility should be accorded LPFM applicants in the specification of communities. One hundred-watt, and particularly, 10-watt LPFM stations when that service has commenced, are designed to provide service to communities and neighborhoods, such as Lake City, not to an entire city of license, such as Coeur d'Alene.³¹ Indeed,

²⁸ 47 C.F.R. § 73.871(c)(4). This section limits LPFM amendments filed after the close of the pertinent filing window to minor amendments such as changes "in general or legal information."

²⁶ Hayden refers to the Commission's statement that LPFM licensees are to "meet the needs and interests of their communities," *LPFM Report and Order*, 15 FCC Rcd at 2270, and notes that an LPFM station is required to identify its community of license in accordance with the Commission's station identification rule, 47 C.F.R. § 73.1201.

²⁷ Lake City Opposition at 2.

²⁹ See, e.g., FM Channel Policies/Procedures, Second Report and Order, 90 FCC 2d 88, 101 (1982).

³⁰ See, e.g., Mighty Mac Broadcasting Co., Decision, 58 RR 2d 599, 601 (1985).

³¹ See Creation of a Low Power Radio Service, Notice of Proposed Rule Making, 14 FCC Rcd 2471 (1999) ("We believe that these new LPFM stations would provide a low-cost means of serving urban communities and neighborhoods, as well as populations living in smaller rural towns and communities. . . . Our goals are to address unmet needs for community-oriented radio broadcasting. . . ."). See also LPFM Report and Order, 15 FCC Rcd at 2208 ("Our goal in creating a new LPFM service is to create a class of radio stations designed to serve very localized communities or underrepresented groups within communities"). LPFM stations are also exempt from the city coverage requirements of Section 73.315(a). See 47 C.F.R. § 73.801.

in establishing the LPFM service, we stated that, "[g]iven the very small nature of LPFM service contours and prospective audiences, we [did] not expect LPFM service areas to be coincident with traditional political boundaries that we use to define communities in other contexts. . . ."³² Although we will not as a general rule accept an unofficial community nickname as a valid community of license, there are numerous civic and business entities, as well as churches and schools, bearing the name "Lake City."³³ In this case, therefore, "Lake City" has sufficient attributes of a "community" in the Coeur d'Alene area to permit that application specifying Lake City as the proposed community of license to be processed.

- 18. *LPFM Selection Process*. Before applying the LPFM mutually exclusive selection procedure preferences to determine the number of merit points to be awarded to each applicant, we first ascertain the basic eligibility of the applicants. In order to further our diversity goals and foster local, community-based service, we do not allow any broadcaster or other media entity subject to our ownership rules to control or to hold an attributable ownership interest in an LPFM station or enter broadcast-related operating agreements with an LPFM licensee.³⁴ Additionally, to foster the local nature of LPFM service, we have limited eligibility to local entities during the first two years that LPFM licenses are available.³⁵ Based on the record before us, we conclude that Lake City and Hayden are each qualified to hold an LPFM authorization
- 19. Mutually exclusive LPFM applications filed by qualified applicants are subject to the comparative selection procedures set forth in Section 73.872 of the Rules.³⁶ This procedure awards a maximum of three points based on three criteria deemed to be most relevant to predicting the applicant best qualified to provide the service for which LPFM spectrum has been allocated, with the applicant with the highest points awarded named the tentative selectee:³⁷
 - Each applicant that certified that it has had an *established community presence of at least two years' duration* is awarded one point. An applicant is deemed to have an established community presence if, for a period of at least two years prior to application, the *applicant* has been physically headquartered, has had a campus, or has had 75 percent of its board members residing within 10 miles of the reference coordinates of the proposed transmitting antenna.

³² LPFM Report and Order, 15 FCC Rcd at 2216, para. 25.

For example, the website link provided by Lake City for the Coeur d'Alene Chamber of Commerce, www.cdachamber.com, lists the following representative Lake City businesses: Lake City Fast Photo, a photo finishing shop; Lake City Ford Lincoln Mercury, an automobile dealership; Lake City Transmission, an automobile service and repair shop; and Lake City Playhouse, a community theatre. The site also lists the Lake City Community Church. The Lake City Development Corporation (see www.lcdc.org), the urban redevelopment agency serving the city of Coeur d'Alene, was established by the Coeur d'Alene City Council and provides some evidence that Coeur d'Alene identifies with "Lake City." Furthermore, the city contains Lake City Junior Academy, a private middle school, and Lake City High School, home of the Timberwolves, which is part of the Coeur d'Alene School District.

³⁴ See 47 C.F.R. § 73.860.

³⁵ See 47 C.F.R. § 73.853(b). The *Third Report and Order* amends this rule section. Pursuant to the amended 47 C.F.R. § 73.853(b), "[o]nly local applicants will be permitted to submit applications." The amended rule takes effect on March 17, 2008.

³⁶ 47 C.F.R. § 73.872.

³⁷ *Id*.

- An applicant that has *pledged to operate at least 12 hours per day* is awarded one point.
- An applicant that has pledged to originate locally at least eight hours of programming per day is awarded one point. For purposes of this criterion, local origination is defined as the production of programming within 10 miles of the reference coordinates of the proposed transmitting antenna.³⁸
- 20. Under this comparative selection process, the applicants here are awarded the following points:
 - Established Community Presence. Lake City is not entitled to a point because it did not certify that, for a period of at least two years prior to the filing date of its application, it has existed as an educational institution or organization and has been physically headquartered, has had a campus, or has had 75 percent of its board members residing within 10 miles of the coordinates of the proposed transmitting antenna.³⁹ Hayden is not entitled to a point because, as discussed above, it did not exist for at least two years prior to filing its application.
 - Proposed Operating Hours. Lake City and Hayden are each entitled to a point because they each pledge to operate at least 12 hours per day. 40
 - Local Program Origination. Lake City is entitled to a point because it pledges to originate at least eight hours of local programming per day. 41 Hayden is not entitled to one point because it has not so pledged.⁴²

Total Points. Accordingly, Lake City is entitled to two points, and Hayden is entitled to one point. Thus, Lake City is the prevailing tentative selectee in LPFM Mutually Exclusive Group No. 38. We conclude that grant of Lake City's application would serve the public interest, convenience and necessity.

III. ORDERING CLAUSES

- 21. Accordingly, IT IS ORDERED, that the Petition to Deny the application of Hayden Christian Broadcasting Corporation (File No. BNPL-20010119ADW) filed by Calvary Chapel Lake City IS GRANTED to the extent indicated, and is otherwise DENIED.
- 22. IT IS FURTHER ORDERED, that the Informal Objection to the application of Hayden Christian Broadcasting Corporation filed by WTL Communications, Inc. IS GRANTED to the extent indicated, and is otherwise DENIED.
- 23. IT IS FURTHER ORDERED, that the Petition to Deny the application of the application of Calvary Chapel Lake City (File No. BNPL-20010122AGW) filed by Hayden Christian Broadcasting Corporation IS DENIED.

³⁸ See id.

³⁹ See Lake City application at Section III, Question 1(a).

⁴⁰ See Lake City application at Section III, Question 2; see also Hayden application at Section III, Question 2.

⁴¹ See captioned Lake City application at Section III, Question 3.

⁴² See captioned Hayden application at Section III, Question 3.

- 24. IT IS FURTHER ORDERED, that the application of Hayden Christian Broadcasting Corporation IS DISMISSED.
- 25. IT IS FURTHER ORDERED, that the application of Calvary Chapel Lake City IS GRANTED, and the amendment to that application filed March 18, 2004, IS DISMISSED as moot.
- 26. Finally, IT IS FURTHER ORDERED that copies of this *Memorandum Opinion and Order* shall be sent, by First Class and Certified Mail, Return Receipt Requested, to Calvary Chapel Lake City, 180 West Clayton Street, Coeur d'Alene, Idaho 83815, and to its counsel Harry C. Martin, Esq., Fletcher, Heald, and Hildreth, PLC, 1300 North 17th Street, 11th Floor, Arlington, Virginia 22209; and to Hayden Christian Broadcasting Corporation, P.O. Box 2197, Hayden, Idaho 83835, and to its counsel Donald E. Martin, Esq., P.O. Box 8433, Falls Church, Virginia 22041, and WTL Communications, Inc., P.O. Box 1199, Merlin, Oregon 97532, and to its counsel Dan J. Alpert, Esq., 2120 N. 21st Rd., Arlington, Virginia 22201.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch Secretary