

Gallup Public Radio / KGLP 91.7 FM  
University New Mexico Gallup Branch, Gurley Hall  
705 Gurley Avenue  
Gallup, NM 87301-6979

Received & Inspected  
OCT 25 2013  
FCC Mail Room

October 18, 2013

Federal Communications Commission  
Office of the Secretary  
Attn: Peter H. Doyle, Audio Division - Media Bureau  
445 12th Street, S.W.  
Washington D.C. 20554

2013 OCT 28 A 6:40  
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**Subject : Response - NAL/Acct. No. MB201341410014. Facility I.D. No. 23052**

## **I. INTRODUCTION**

This writing is in response to *Memorandum Opinion and Order AND Notice of Apparent Liability for Forfeiture NAL/Acct. No. MB201341410014* dated September 25, 2013.

We, the board of radio station KGLP-FM, formally request that the Commission consider reducing or cancelling the issued monetary forfeiture of twelve thousand dollars (\$12,000) based on our inability to pay the mandated amount. This writing is not an appeal of the Commissions' finding that KGLP violated Section 73.3527 of the Rules.

## **II. BACKGROUND**

KGLP-FM is a small community radio station that was founded in 1991. Beginning in 2005, KGLP began operating and broadcasting as an independent station. Prior to that, the station functioned as a "repeater" for a public station, KSUT, based in Ignacio, CO.

The station's facilities are located on a branch campus of the University of New Mexico, located in the city of Gallup, within McKinley County, New Mexico. The station's signal beams across a rural "micropolitan" area that encompasses the northwestern portion of New Mexico and the Northeastern portion of Arizona, including portions of the Navajo Nation. As a frame of reference, our production studios are approximately a two hour drive from the state's largest city, Albuquerque.

KGLP broadcasts a mix of locally produced programming and nationally syndicated content. The station broadcasts twenty-four hours per day, seven days per week, and is managed and operated by one full time employee. The station maintains a board of directors that are made up of members of the community from various walks of life, none of whom have any professional experience in radio or communications.

Demographically, the listeners who live within the range of our signal represent a diverse cross section of ethnicity, education, and income levels. Per 2012 census data, McKinley County has an almost an eighty percent non white population, unique by even the state of New Mexico's diverse standards. The vast majority of this number is made up of Native Americans, mostly from the Navajo or Zuni Tribes.

### **III. DISCUSSION**

We acknowledge that in the current economic environment, all public and community based broadcasters struggle to meet the financial needs required to offer listeners quality broadcasting. KGLP, like all non-commercial public broadcasters, is always exploring creative ways to increase revenue while at the same time make prudent financial decisions in preparation for the unknown. It is with this understanding that we plead on the behalf of our

small community radio station and ask that the Commission reconsider the forfeiture amount of twelve thousand dollars as it would be devastating to finances of KGLP as a whole.

In submitting a request to cancel the issued forfeiture, the Commission requires that KGLP submit supporting financial documents. In the "supporting documents" section of this memorandum you will see tax returns for the most recent three year period and a financial statement prepared according to generally accepted accounting practices. While these documents are a useful tool for doing a snapshot review of KGLP's finances, they do not tell the whole story.

Beginning in mid 2010, the then board of directors at KGLP made the decision to hire a paid full time station manager for the radio station. Prior to this time, the station was managed in an ad hoc fashion. The goal of hiring a full time radio professional was to bring an element of professionalism to KGLP and provide structured management. Included in this goal was hope that the board of KGLP along with a new station manager could stabilize the finances of the station, which at that point were in dire straits.

Since hiring station manager Rachel Kaub in early 2011, KGLP has made amazing strides in stabilizing the finances of the station. This has been accomplished by way of sound fiscal management, pro-active grant writing, solicitation of local business partners for underwriting opportunities, and continued efforts for outreach to our individual members. KGLP has been put in the new and unique position of having adequate cash reserves necessary to meet operating expenses several months out and has given us the ability to invest in our infrastructure by updating antiquated equipment. This is a far cry from where the station was even a few years ago.

While the finances are radically different then they were even a few years ago, that success is relative to the greater picture. KGLP is still in a position where tough financial

decisions must often be made due to external unforeseen events. Such events as the recent federal government sequester, which held up vital and expected monies or the need to immediately replace old malfunctioning equipment lest the station go off the air. If it were not for our cash balances, either one of the events could have taken KGLP off the air. Our current cash balances, and the maintenance of healthy reserves, are vital to insuring that KGLP has the ability to weather future choppy waters. The suggested forfeiture would represent an almost fourteen percent (14%) hit to our current balance sheet.

In addition to prudent fiscal management, KGLP is always exploring ways of driving and diversifying our revenue streams. The greatest challenge we face in doing this is that our station resides in an economically depressed region. The community we pull our individual members and business underwriting from was recently listed by [creditreport.com](http://creditreport.com) as the second poorest city in the United States. Census data shows that our community median income is approximately \$31, 947. This is far below both New Mexico's Median income of \$44,631 and the nation's median income number of \$50,054. Other community data that presents challenges, is the fact that census data shows that only 11% of the population have attained a bachelors degree or higher, while 56% of the community live in a home where a language other than english is spoken. As a comparison, according to Arbitron Inc. and Lightspeed Inc. surveys, on a national average National Public Radio listeners median income is \$93,100 and 69% have a bachelors degree or higher. The point of discussing all of these data points is to show the demographic challenges our station face in raising funds and how difficult it would be to replenish the funds that would be used in paying the forfeiture. The suggested forfeiture would represent the entire proceeds from one of our semi-annual pledge drives.

#### IV. CLOSING

As an organization, we understand the concept of crime and punishment and recognize that administrative lapses that pre-date KGLP's current management need to be addressed. We plead upon the mercy of the commission to cancel or reduce the forfeiture amount of twelve thousand dollars due to our inability to pay and the devastating effect it would have on our finances. We are a small non-commercial radio station that depends on the donations of members, in an economically depressed region. The reduction to our cash reserves, coupled with the inability to quickly replenish those funds, would undoubtedly hurt the community and listeners that KGLP serves.

Sincerely,

Raymond D. Calderon  
President, Board of Directors  
KGLP-FM, Radio Gallup