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

In re)	
)	
Hyde County Board of Education)	Facility I.D. No. 28177
)	NAL/Acct. No. 201641410008
Licensee of WHYC(FM),)	FRN: 001688649
Swan Quarter, North Carolina)	BLED-19980527KD
	j	BRED-20110729ADL

MEMORANDUM OPINION AND ORDER AND NOTICE OF APPARENT LIABILITY FOR FORFEITURE

Adopted: April 28, 2016 Released: April 28, 2016

By the Chief, Audio Division, Media Bureau:

I. INTRODUCTION

- 1. We have before us a Petition for Reconsideration and Reinstatement of License (Petition) filed by the Hyde County Board of Education (Board) on March 12, 2010. The Petition challenges staff's cancellation of the license for and deletion of the call sign of noncommercial educational (NCE) FM station WHYC(FM), Swan Quarter, North Carolina (Station) for failure to broadcast for a period of 12 consecutive months. The Petition requests reinstatement of the Station's license. Also before us is the captioned, timely filed, application for renewal of the Station's license (Renewal Application).
- 2. In this *Memorandum Opinion and Order and Notice of Apparent Liability for Forfeiture* (*NAL*),³ we grant the Petition and reinstate the Station's license and call sign. Additionally, we find that the Board apparently willfully and repeatedly violated Section 73.561 of the Rules,⁴ by failing to notify the Commission that the Station was silent for ten or more days and by failing to seek Commission approval when a number of these periods of silence lasted for more than 30 days. We also find that the Board apparently willfully and repeatedly violated Section 73.3527 of the Rules by failing to retain all required documentation in the Station's public inspection file,⁵ and willfully and repeatedly violated Section 73.3615 of the Rules by failing to file biennial ownership reports.⁶ Based upon our review of the record before us, we conclude that the Board is apparently liable for a monetary forfeiture in the amount of eighteen thousand dollars (\$18,000). Finally, we conclude that the Renewal Application should be granted for a period of two years instead of a full term of eight years.

⁵ 47 CFR § 73.3527.

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¹ The Board supplemented the Petition with additional information at the request of the Staff on March 25, 2010 (Supplement).

² WHYC(FM), Letter Order (MB Feb. 3, 2010) (Letter Order).

³ This *NAL* is issued pursuant to Sections 309(k) and 503(b) of the Communications Act of 1934, as amended (Act), and Section 1.80 of the Commission's Rules (Rules). 47 U.S.C. §§ 309(k), 503(b); 47 CFR § 1.80. The Bureau has delegated authority to issue the *NAL* under Section 0.283 of the Rules. 47 CFR § 0.283.

⁴47 CFR § 73.561.

⁶ 47 CFR § 73.3615.

II. BACKGROUND

- 3. Section 312(g) of the Act provides that if a broadcast station "fails to transmit broadcast signals for any consecutive 12-month period," its license expires automatically at the end of that period. At the time staff issued the *Letter Order* in February 2010, the Commission's records indicated that the Station had been silent since September 5, 2006, well over the twelve months specified in Section 312(g) of the Act. Accordingly, staff notified the Board that the Station's license had expired as a matter of law, and deleted the Station's call sign.
- 4. The Board timely filed the Petition,¹⁰ asserting the Station "never failed to transmit a broadcast signal for any consecutive 12-month period" and requesting reinstatement of the Station's license.¹¹ Concurrently, the Board requested special temporary authority (STA) to resume operations pending consideration of the Petition.¹² The staff granted this request on May 18, 2010¹³ and the Station resumed operations on May 26, 2010. Since then, the Station has broadcast at all required times with the exception of four brief periods of silence necessitated by technical issues.
- 5. The Board filed the Renewal Application on July 29, 2011, and amended it on January 16, 2014. Therein, the Board indicates that, on eight occasions, it failed to notify the Commission when the Station went silent and that silence lasted for ten or more days. ¹⁴ The Board further discloses that, on four occasions, it failed to seek STA for the station to remain silent when the Station's silence lasted 30 days or more. The Board also admits that, since the Station's last license renewal, it has failed to prepare and timely place any quarterly issues and programs lists in the Station's public inspection file. ¹⁵ Finally,

⁷ 47 U.S.C. § 312(g).

⁸ *Letter Order* at 1. Commission records reflected that the Station went silent initially on September 5, 2006. File No. BLSTA-20060911ABP; *WHYC(FM)*, Letter Order (MB Oct. 13, 2006) (granting STA to remain silent through April 13, 2007). The records include an additional request for STA to remain silent filed on May 31, 2007. File No. BLSTA-20070531BGO; *WHYC(FM)*, Letter Order (MB Jun. 1, 2007) (granting STA to remain silent through September 6, 2007). The Board did not file any notice indicating that the Station resumed operation on or before September 6, 2007. Instead the Board filed a third silent STA request on September 25, 2007. File No. BLSTA-20070925AKH; *WHYC(FM)*, Letter Order (MB Oct. 10, 2007) (granting STA to remain silent through April 1, 2008). Staff erred in granting this third STA request without confirming that the Station had resumed operations prior to September 6, 2007. As discussed herein, though, the Station did in fact resume operations.

⁹Letter Order at 1.

¹⁰ Concurrently, the Board requested STA to resume Station operations pending consideration of the Petition. BLSTA-20100312AAF. The staff granted this STA request on May 18, 2010. *See DWHYC(FM)*, Letter Order (MB May 18, 2010). The Board filed a timely request for extension of the STA on November 9, 2010, File No. BELSTA-20101109AAV, which remains pending. The Station recommenced operation on May 26, 2010. Since then, the Station has broadcast at all required times with the exception of four periods of silence necessitated by technical issues.

¹¹ Petition at 2.

¹² File No. BLSTA-20100312AAF.

¹³ See DWHYC(FM), Letter Order (MB May 18, 2010). The Board filed a timely request for extension of the STA on November 9, 2010, File No. BELSTA-20101109AAV, which remains pending.

¹⁴ Renewal Application, Exh. 13. The Station failed to broadcast its minimum operating schedule on a number of occasions. The majority of these periods of silence were attributable to technical issues. The remaining periods were required to address complaints that the Station's signal interfered with television reception at locations near the Station's antenna. The digital television transition ultimately resolved the television reception issues.

¹⁵ Renewal Application, Exh. 13. No issues and programs lists were required for the periods during which the Station was silent with Commission authorization.

the Board discloses that it did not file any biennial ownership reports during this same time period. 16

III. DISCUSSION

A. Petition for Reconsideration

6. The Board asserts that staff erred in finding the Station's license expired as a matter of law. It argues that "the Station operated repeatedly, if somewhat irregularly, throughout the period from September 5, 2006, through September 22, 2009." The Board attaches a declaration from the station's general manager, Vanessa Bryant (Bryant), attesting to dates of operation in 2007, 2008, and 2009, all within less than one year of each other. Finally, in the Renewal Application, the Board indicates that, while the Station was silent for part of 2010, it did operate during that year and our records indicate that the Station has operated at virtually all required times since 2011. We conclude that, between the declarations made in the Petition and the Supplement, the information contained in the Renewal Application and the evidence proffered, the Board has demonstrated conclusively that the Station never ceased to "transmit broadcast signals" for more than twelve consecutive months. We find that the Station's license did not expire pursuant to Section 312(g) of the Act. Accordingly, we grant the Petition and reinstate the Station's license and its call sign.

B. Renewal Application

- 7. *Minimum Operating Schedule*. Section 73.561(a) of the Rules requires that NCE FM stations "operate at least 36 hours per week, consisting of at least 5 hours of operation per day on at least 6 days of the week." However, if, like the Station, an NCE FM station is licensed to an educational institution, it is not "required to operate on Saturday or Sunday or to observe the minimum operating requirements during those days designated on the official school calendar as vacation or recess periods." Section 73.561(d) of the Rules states that if causes beyond the control of the licensee make it impossible to adhere to the minimum operating schedule set forth in the Rules, "the station may limit or discontinue operation for a period not exceeding 30 days without further authority from the Commission provided that notice is sent to the Commission . . . no later than the 10th day of limited or discontinued operation." Then, if "causes beyond the control of the permittee or licensee make it impossible to comply within the allowed period ... [an STA] must be requested to remain silent for such additional time as deemed necessary."
- 8. In the Renewal Application, the Board reveals that the Station was off the air for extended periods of time between 2006 and 2010.²⁴ In each instance, the Station either faced technical issues or could not operate without causing interference to television reception near its transmitting

¹⁶ Renewal Application, Exh. 9.

¹⁷ *Id*.

¹⁸ Petition at 3 and Attach. D. The Board also submits copies of the transmitter logs confirming the station's operation and a declaration under penalty of perjury from Bryant that the submission contains "exact copies" of the transmitter logs she signed. Supplement.

¹⁹ Renewal Application, Exh. 13.

²⁰ See generally Petition. See also 47 U.S.C. § 312(g).

²¹ 47 CFR § 73.561(a).

^{22 47} CFR § 73.561(d).

²³ Id.

²⁴ Renewal Application, Exh. 13.

antenna. The Board explains that it worked diligently to resolve the technical issues faced by the Station. It also notes that the completion of the digital television transition resolved the television interference issues. Since the Station returned to the air on May 26, 2010, it has broadcast at all required times with the exception of four periods of silence related to technical issues.²⁵

- 9. While we applaud the Board's efforts, we find that it violated Section 73.561(d) of the Rules by failing to inform—or failing to timely inform—the Commission of eight periods of non-operation lasting 10 days or more, and by failing to seek Commission approval when four of those periods of non-operation extended beyond 30 days.
- 10. Public Inspection File. Section 73.3527 of the Rules requires the licensee of an NCE broadcast station to maintain a public inspection file containing specific types of information related to station operations. The purpose of this requirement is to provide the public with timely information about the station at regular intervals throughout the license period. Among the materials required for inclusion in the file are the station's quarterly issues/programs lists, which must be retained until final Commission action on the station's next license renewal application.
- 11. In the Renewal Application, the Board indicates that, since its license was last renewed, it failed to prepare and timely place any quarterly issues/programs lists in the Station's public inspection file.²⁸ The Board states that "this oversight has been remedied and all such lists have been recreated and placed in the file."²⁹ While we acknowledge the Board's efforts, where lapses occur in maintaining the public file, these remedial actions cannot excuse or nullify rule violations.³⁰ Accordingly, we find that the Board violated Section 73.3527 of the Rules by failing to timely place the required issues and programs lists in the Station's public inspection file from the date its license was last renewed until the date it filed the Renewal Application.
- 12. Biennial Ownership Reports. Section 73.3615 of the Rules requires broadcast licensees to file a Biennial Ownership Report when filing a station's application for renewal of license and every two years thereafter on the anniversary of the date the station's renewal application is due to be filed.³¹ In the Renewal Application, the Board indicates that it was not aware of the requirement to file a biennial ownership report and therefore did not file such reports in 2005, 2007 and 2009.³² The Board states that it filed an ownership report contemporaneously with the Renewal Application and will comply in the future with the Rules regarding the filing of such reports.³³ To date, the Board has done so, filing ownership reports in 2013 and 2015. We find that the Board violated Section 73.3615 of the Rules on three occasions during the Station's current license term.
 - 13. Proposed Forfeiture. Under Section 503(b)(1)(B) of the Act, a person who is found to

³⁰ See Padre Serra Commc'ns, Inc., Letter Order, 14 FCC Rcd 9709 (MMB 1999).

²⁵ We take into account the Station's operations after the expiration date of its license because, the filing of the Renewal Application, continued the Station's license in effect. 47 U.S.C. § 307(c)(3). That term will end when we grant the Renewal Application.

²⁶ WEZB(FM), Letter Order, 13 FCC Rcd 4102 (MMB 1997).

²⁷ See 47 CFR § 73.3526(e)(12).

²⁸ Renewal Application, Exh. 12.

²⁹ Id

³¹ 47 CFR § 73.3615.

³² Renewal Application, Exh. 9.

³³ *Id*.

have willfully or repeatedly failed to comply with any provision of the Act or any rule, regulation, or order issued by the Commission shall be liable to the United States for a forfeiture penalty.³⁴ Section 312(f)(1) of the Act defines willful as "the conscious and deliberate commission or omission of [any] act, irrespective of any intent to violate" the law.³⁵ The legislative history to Section 312(f)(1) of the Act clarifies that this definition of willful applies to both Sections 312 and 503(b) of the Act,³⁶ and the Commission has so interpreted the term in the Section 503(b) context.³⁷ Section 312(f)(2) of the Act provides that "[t]he term 'repeated,' when used with reference to the commission or omission of any act, means the commission or omission of such act more than once or, if such commission or omission is continuous, for more than one day."³⁸

- 14. The Commission's *Forfeiture Policy Statement* and Section 1.80(b)(4) of the Rules establish base forfeiture amounts of \$5,000 for unauthorized discontinuance of service, \$10,000 for violation of the public inspection file rules, and \$3,000 for failure to file required forms or information.³⁹ In determining the appropriate forfeiture amount, we may adjust the base amount upward or downward by considering the factors enumerated in Section 503(b)(2)(D) of the Act, including "the nature, circumstances, extent and gravity of the violation, and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require."
- 15. In this case, the Board violated Section 73.561 of the Rules by failing to inform the Commission of eight periods of non-operation lasting 10 or more days, and by failing to seek Commission approval for four of those periods when they extended for more than 30 days. Taking into consideration that that the Board appears to have made good faith efforts to keep the Commission apprised of the Station's operational status, ⁴¹ that the Station is licensed to an educational institution and thus is not required to operate on days designated on the official school calendar as vacation or recess periods, and that this complicates the calculation of the dates on which the filing of a notice or STA request is required, and all of the factors required by Section 503(b)(2)(D) of the Act and the *Forfeiture Policy Statement*, we find that an the base forfeiture amount is appropriate, and propose a forfeiture of five thousand dollars (\$5,000) for the Station's unauthorized discontinuances of service.
- 16. In this case, although the Board admitted to violating the public inspection file rule and failing to file biennial ownership reports, it did so only in the context of the questions contained in the Renewal Application that compelled such disclosure. Moreover the violations were extensive, involving

³⁴ 47 U.S.C. § 503(b)(1)(B). See also 47 CFR 1.80(a)(1).

³⁵ 47 U.S.C. § 312(f)(1).

³⁶ See H.R. Rep. No. 97-765, 97th Cong. 2d Sess. 51 (1982).

³⁷ See Southern California Broad. Co., Memorandum Opinion and Order, 6 FCC Rcd 4387, 4388 para. 5 (1991) recon denied, 7 FCC Rcd 3454 (1992).

³⁸ 47 U.S.C. § 312(f)(2).

³⁹ Forfeiture Policy Statement and Amendment of Section 1.80(b) of the Rules to Incorporate the Forfeiture Guidelines, Report and Order, 12 FCC Rcd 17087, 17113-15 (1997) (Forfeiture Policy Statement), recon. denied, 15 FCC Rcd 303 (1999); 47 C.F.R. § 1.80(b)(4), note to paragraph (b)(4), Section I.

⁴⁰ 47 U.S.C. § 503(b)(2)(D); see also Forfeiture Policy Statement, 12 FCC Rcd at 17100 para. 27; 47 CFR § 1.80(b)(4).

⁴¹ For instance, on three occasions, the Board failed to notify the Commission of the Station's silence on the 10th day but did ultimately notify the Commission and request STA when those periods of silence extended beyond 30 days. Also, while we have no record of receiving the letter, the Board has submitted a letter and sworn declaration that together demonstrate its intent to notify us of a fourth occasion on which the Station went silent and to request STA for the Station to remain silent. Petition at Attach. F.

all times during the Station's eight-year license period when the Station was on air and involving all of the required biennial ownership reports. Considering the record as a whole, including the fact that the Board recreated all of the missing issues and programs lists and placed them in the Station's public file and has filed every required ownership report since 2011, we believe that the \$10,000 base forfeiture is appropriate for the public file violations and the \$3,000 base forfeiture is appropriate for the failure to file biennial ownership reports.

- 17. Renewal Application. In evaluating an application for license renewal, the Commission's decision is governed by Section 309(k) of the Communications Act of 1934, as amended ("Act"). ⁴² That Section provides that if, upon consideration of the application and pleadings, we find that: (1) the station has served the public interest, convenience, and necessity; (2) there have been no serious violations of the Act or the Rules; and (3) there have been no other violations which, taken together, constitute a pattern of abuse, we are to grant the renewal application. ⁴³ If, however, the licensee fails to meet that standard, the Commission may deny the application after notice and opportunity for a hearing under Section 309(e) of the Act or grant the application "on terms and conditions that are appropriate, including a renewal for a term less than the maximum otherwise permitted."
- 18. It is clear to us that the Board's conduct prior to filing the Renewal Application fell far short of that which would warrant routine license renewal. The Board failed to meet its commitment to provide service to the Station's community of license; the Station was silent for extended periods during its eight-year license term. Moreover, the Board failed to timely prepare and file any issues and programs lists for the times during that period when the Station was on-air. The issues and programs lists are a significant and representative indication that a licensee is providing substantial service to meet the needs and interests of its community.⁴⁵
- 19. That said, on the facts presented here, we believe that a short-term renewal, rather than designation for evidentiary hearing, is the appropriate sanction. We base this conclusion on the following facts: (1) the Board appears to have made good faith efforts to keep the Commission apprised of the Station's operational status; (2) the Station is licensed to an educational institution and thus is not required to operate on days designated on the official school calendar as vacation or recess periods, which complicates the calculation of the dates on which the filing of a notice or STA request is required; (3) the Station has operated at virtually all required times since November 2010; (4) each of the periods of silence were related to technical or interference issues; and (5) since discovering the violations, the Board has complied with Sections 73.561(d), 73.3527 and 73.3615 of the Rules. Accordingly, we do not believe the violations discussed herein warrant designating the Renewal Application for evidentiary hearing. Moreover, we find no evidence of violations that, when considered together, evidence a pattern of abuse. Thus, pursuant to Section 309(k)(2) of the Act, we will grant the renewal application by separate

⁴³ 47 U.S.C. § 309(k)(1). The renewal standard was amended to read as described by Section 204(a) of the Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996). See Implementation of Sections 204(a) and 204(c) of the Telecommunications Act of 1996 (Broadcast License Renewal Procedures), Order, 11 FCC Rcd 6363 (1996).

⁴² 47 U.S.C. § 309(k).

⁴⁴ 47 U.S.C. § 309(k)(2)-(3).

⁴⁵ Formulation of Policies and Rules Relating to Broadcast Renewal Applicants, Third Further Notice of Inquiry and Notice of Proposed Rule Making, 4 FCC Rcd 6363, 6365 para. 17 (1989). Section 73.3527 of the Rules also safeguards the public's ability to assess a station's service and to meaningfully participate in the renewal process, and ensure the station's accessibility to and nexus with its community, to serve and respond to community programming needs. Forfeiture Policy Statement, 12 FCC Rcd at 17104-05 para. 39.

⁴⁶ For example, we do not find here that the Licensee's Stations operations "[were] conducted in an exceedingly (continued....)

action upon the conclusion of this forfeiture proceeding, if there are no issues other than the apparent violations that would preclude grant of the application. The new license term will be limited to a period of two years.⁴⁷ This limited renewal period will afford the Commission an opportunity to review the Station's compliance with the Act and the Rules and to take whatever corrective actions, if any, that may be warranted at that time.

IV. ORDERING CLAUSES

- 20. Accordingly, IT IS ORDERED, pursuant to Section 503(b) of the Communications Act of 1934, as amended, and Section 1.80 of the Commission's Rules, that the Hyde County Board of Education is hereby NOTIFIED of its APPARENT LIABILITY FOR FORFEITURE in the amount of eighteen thousand dollars (\$18,000) for its apparent willful and repeated violation of Sections 73.561(d), 73.3527 and 73.3615 of the Commission's Rules.
- 21. IT IS FURTHER ORDERED, pursuant to Section 1.80 of the FCC's rules, that, within thirty (30) days of the release date of this *NAL*, the Hyde County Board of Education SHALL PAY the full amount of the proposed forfeiture or SHALL FILE a written statement seeking reduction or cancellation of the proposed forfeiture.
- 22. Payment of the proposed forfeiture must be made by check or similar instrument, wire transfer or credit card, and must include the NAL/Acct. No. and FRN No. referenced herein. Regardless of the form of payment, a completed FCC Form 159 must be submitted. When completing the FCC Form 159, enter the NAL/Account number in block number 23A (call sign/other ID), and enter the letters "FORF" in block number 24A (payment type code). Licensee will also send electronic notification on the date said payment is made to Heather.Dixon@fcc.gov. Below are additional instructions that should be followed based on the form of payment selected:
 - Payment by check or money order must be made payable to the order of the Federal Communications Commission. Such payments (along with the completed Form 159) must be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.
 - Payment by wire transfer must be made to ABA Number 021030004, receiving bank TREAS/NYC, and Account Number 27000001. To complete the wire transfer and ensure appropriate crediting of the wired funds, a completed Form 159 must be faxed to U.S. Bank at (314) 418-4232 on the same business day the wire transfer is initiated.

⁴⁷ See, e.g., LKCM Radio Group, LP, Memorandum Opinion and Order and Notice of Apparent Liability for Forfeiture, 29 FCC Rcd 1045, 1049-50 para. 16 (MB 2014) (short-term renewal granted and NAL issued where station failed to timely file a number of issues and programs lists during its license term and was silent for nearly half its license term); South Seas Broad., Inc., Memorandum Opinion and Order and Notice of Apparent Liability, 23 FCC Rcd 6474, 6480 para. 19 (MB 2008) (short-term renewal granted, NAL issued, for operating from unauthorized site and leaving the station silent without the proper authorization).

- Payment by credit card must be made by providing the required credit card information on FCC Form 159 and signing and dating the Form 159 to authorize the credit card payment. The completed Form 159 must then be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.
- 23. The response, if any, must be mailed to Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Washington DC 20554, ATTN: Peter H. Doyle, Chief, Audio Division, Media Bureau, and MUST INCLUDE the NAL/Acct. No. referenced above.
- 24. The Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the respondent submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices ("GAAP"); or (3) some other reliable and objective documentation that accurately reflects the respondent's current financial status. Any claim of inability to pay must specifically identify the basis for the claim by reference to the financial documentation submitted.
- 25. Requests for full payment of the forfeiture proposed in this *NAL* under the installment plan should be sent to: Associate Managing Director-Financial Operations, 445 12th Street, S.W., Room 1-A625, Washington, DC 20554.⁴⁸
- 26. IT IS FURTHER ORDERED that copies of this Order shall be sent, by First Class and Certified Mail, Return Receipt Requested, to the Hyde County Board of Education, 1430 Main Street, Swan Quarter, NC 27885, and to its counsel, Harry F. Cole, Esq., Fletcher Heald & Hildreth, PLC, 1300 North 17th Street, 11th Floor, Arlington, VA 22209.

FEDERAL COMMUNICATIONS COMMISSION

Peter H. Doyle Chief, Audio Division Media Bureau

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⁴⁸ 47 CFR § 1.1914.