

THE BOARD OF REGENTS
OF HIGHER EDUCATION
Montana University System

CONFERENCE CALL MEETING
MINUTES

DATE & TIME OF CALL: FEBRUARY 27, 1995 —2:00 P.M.

LOCATION: MONTANA HIGHER EDUCATION BUILDING
COMMISSIONER'S OFFICE
2500 BROADWAY
HELENA, MONTANA

REGENTS PARTICIPATING: JIM KAZE (CHAIRMAN), CORDELL JOHNSON, PAUL BOYLAN, PAT DAVIDSON, AND KERMIT SCHWANKE

REGENTS NOT PARTICIPATING: JIM BROWN AND COLLEEN CONROY (EXCUSED)

PRESENT IN COMMISSIONER'S OFFICE: JEFF BAKER, LEROY SCHRAMM, ROD SUNDSTED, ROSE BOND

OTHER PARTICIPANTS: IN MISSOULA: GEORGE DENNISON, JOHN CLEVELAND; IN DILLON: SHEILA STEARNS

Chairman Jim Kaze called the conference call meeting to order at 2:00 p.m. Roll call showed that a quorum was present.

- a. Item 86-1001-C0295—Authorization to Revise the Approved Grant and License for Channel 11, KUFM-TV and to Proceed with Construction for the University of Montana—Missoula

George Dennison, President of The University of Montana, asked John Cleaveland, Executive Director of Information Technology at UM, to present Item 86-1001-C0295. President Dennison said Mr. Cleaveland had been involved in negotiations and discussions with the area's low-power stations.

Mr. Cleaveland said the 30-day moratorium enacted by the Board of Regents at its January 1995 meeting had concluded, and UM had met with each of the three low-power stations. He said a greatly scaled-back starting point was being recommended for KUFM-TV, including (1) a reduction in audience area of about 42 percent from the original proposal; (2) a shift of transmitter site to Dean Stone Mountain; and (3) a reduction in signal strength from 125,000 watts to the minimum required to obtain FCC coverage of Missoula, the city of license, speculated in the 3,000- to 5,000-watt range. Mr. Cleaveland said a combination of these three factors would preclude any broadcast coverage north of Frenchtown and would eliminate the occurrence of duplicative programming in Plains, Paradise, Thompson Falls, and the entire Flathead Indian Reservation. From the site as proposed, a line of

vision down the Bitterroot Valley with Grade B signal reception was projected to overlap a significant portion of the BV-TV translator serving Hamilton. It was not projected to reach the BV-TV primary transmitter site licensed for operation in the city of Darby.

President Dennison urged approval of the item and said UM would continue to work with the area's low-power stations to try to resolve additional conflicts. The proposal made clear that they had no intention of over-broadcasting. President Dennison said they did need to serve the city of Missoula, however.

Chairman Kaze called for discussion among the Regents.

Regent Kermit Schwanke noted that the previous legislature had designated \$480,000 for public television for UM and Montana State University. He asked about the wording of that designation between KUSM and KUFM and whether the current KUFM-TV recommendation would have any effect with the legislature and the funds that were designated to the system.

Mr. Cleaveland said he did not know if it would have an effect since they would continue to support the program to provide PBS to all of Montana. He said the link between Bozeman and Missoula would remain an important contribution.

In response to a question from Chairman Kaze concerning conditions or pre-conditions in the legislation, Chief Legal Counsel LeRoy Schramm said he did not know the answer at that time since he had not reviewed the legislation recently.

Regent Pat Davison said he understood that the UM proposal eliminated concerns north of Missoula but left concerns south of Missoula.

Mr. Cleaveland said they had looked at existing transmission facility sites in the area, and TV Mountain as originally proposed at the lower signal strength would not allow them to provide minimum coverage of Missoula as would be required, which necessitated the shift to Dean Stone Mountain, the only other site considered acceptable.

In response to a question from Chairman Kaze concerning the ability to receive two different PBS stations, Mr. Cleaveland said research indicates that less than 5 percent of the 900 low-power television stations in the nation have access to provide public television programming. In fact, the overwhelming majority exist within the off-air broadcast signal of fully affiliated, PBS high-power public television stations.

Jacque Coppage, Chair of the Bitterroot Valley TV Board of Directors, addressed BV-TV's concerns and opposition to UM's proposal. She said the Board of Directors was adamant in insisting that UM find an alternate transmitter location that would shield its signal from spilling over into BV-TV's broadcasting area.

Chairman Kaze asked her what BV-TV proposed that Missoula do if it wanted to get public television programming in Missoula.

Ms. Coppage said they proposed that a directional antenna be used. She said that would meet with the FCC's approval.

Mr. Cleaveland said there was a slim possibility that the antenna on Dean Stone Mountain could be directionalized. Their investigation indicated that it would be a very expensive proposition to which they could not commit at that time, though they were willing to investigate it. He said it was also the position of the FCC that directionalizing an antenna be used as a mechanism to enhance service,

not block a broadcast area. Concerning the audience coverage area, UM included in its grant the audience of the Bitterroot Valley covered by the Grade B contour as required by the FCC. They did that assuming the directional antenna would not be approved, and therefore included in that audience projection all those people who would fall within the Grade B contour of a transmitter site not directionalized emerging from Dean Stone Mountain.

In response to a question from Chairman Kaze concerning the grant application, Mr. Cleaveland said UM had to submit an amendment request and it was likely that given the fall-back they were in with an audience loss of 42 percent from that approved, they would have to renegotiate the amount of money as part of the grant.

Chairman Kaze asked whether PBS would pull its programming from BV-TV, as Ms. Coppage suggested.

Mr. Cleaveland said that was a possibility. He said the three low-power stations operated as an exception to the PBS full affiliation rule. They had access to public programming via that exception through a private service called RTS (Rural Television Service). Mr. Cleaveland said the rule stated that when a full-service, public-affiliation television station emerged, the exception would be revoked. He said UM had told BV-TV that the station would have UM's full support in continuing to work with the FCC and PBS to allow BV-TV to maintain that affiliation, though it was not something that could be guaranteed at that time. Mr. Cleaveland said if BV-TV should lose that excepted affiliation, it could become a translator site of the KUFM-TV signal off air and re-broadcast that with the most liberal insertion policy for local programming that regulations would allow.

Regent Schwanke referred to item "a" on the last page of President Dennison's February 20, 1995 memo to Commissioner Jeff Baker (on file), which stated: "Return of twenty-five percent of the unrestricted funds raised that originate south of the city of Lolo." Regent Schwanke asked how much money was involved.

Mr. Cleaveland said they did not have an economic projection of that figure. With KUFM Radio, the audience participation in the Bitterroot Valley was substantial. Next to the city of Missoula, they were the second largest identifiable audience in terms of support for public radio. Given time for fundraising to mature, that would also be likely in the Bitterroot Valley with respect to the television station.

Regent Schwanke referred to item "d" on the same page of the memo, which stated: "KUFM assumption of all licensing fees associated with PBS in the initial area of coverage overlap." He asked how many dollars were involved.

Mr. Cleaveland said they were required to pay the same access fee for PBS programming as anyone else, and it was based on the audience projected underneath the coverage signal. He said KUFM would agree to assume the cost of all PBS fees for the area of duplication, which he thought was based on a figure in the range of 30 cents per person.

Regent Schwanke said he was reluctant to make changes that involved money without knowing the dollar amounts.

Mr. Cleaveland said they could get the figures for the cost of PBS programming in the overlap coverage area, but he did not know of a good way to project the potential income for the television station support from that area because the offer was not in dollars but rather a percentage of future income from community support. He said they would have to wait until fundraising matured to realize that extent.

In response to a question from Regent Boylan, Ms. Coppage said she would request at least another week's delay on any decision by the Regents, since BV-TV was not informed of the 30-day moratorium until they were two weeks into it, and the time to gather information was insufficient.

Regent Boylan asked whether the decision could be delayed.

President Dennison said he felt they had gone as far as they could in the negotiations, noting that some dissension would likely exist regardless of the final decision. He said they were down to the power levels needed, and they were willing to continue discussions with BV-TV to determine areas of cooperation. President Dennison said they were trying to preserve the grant in whatever level possible so they could have this inter-connect, and then they would pursue further discussions with BV-TV.

In response to a question from Chairman Kaze, Commissioner Baker said he supported going forward with the revision. He said he did not think that a delay to continue trying to resolve all the issues was the best solution at that time. He suggested reaffirming the commitment made by President Dennison to continue discussions of the concerns.

Chairman Kaze said he would like some assurance that no legislative directives would be violated by the Board's action. Commissioner Baker said he would do that.

- ▶ **After further discussion, Regent Davison moved that the Board approve Item 86-1001-C0295 with the provisions that (1) no legislative directives be violated and (2) UM continue discussions with BV-TV. A roll call vote showed unanimous approval of the motion with the two provisions stated.**

President Dennison noted that UM would proceed on both those provisions.

b. **Item 85-1601-C0295—Increase in Authorization to Replace the Roof on the Physical Education Complex; Western Montana College of The University of Montana**

Sheila Stearns, Chancellor at Western Montana College, said a change in specifications was discovered by the project contractor, and additional authorization of \$50,000 was being requested. She said she would be glad to answer any questions.

- ▶ **Regent Davison moved that the Board approve Item 85-1601-C0295. A roll call vote showed unanimous approval of the motion.**

In reference to an earlier question from Regent Schwanke on legislative directives concerning Item 86-1001-C0295, Chief Counsel Schramm said he and Rod Sundsted had reviewed the Office of the Legislative Fiscal Analyst's appropriations report for the 1993 biennium. Under "Public Television," the following was stated: "The University of Montana and Montana State University received a total of \$480,000 in the 1993 biennium for the support and enhancement of public television services in Montana." Chief Counsel Schramm said it did not appear that any conditions were placed on the appropriation.

With no other business to come before the Board, the meeting adjourned at 2:40 p.m.

Mailed to the Board of Regents on

May 5, 1995
(Date)

Approved by the Board of Regents on

(Date)

Rose M. Bond

Rose M. Bond
Secretary to the Board of Regents

Jim Kaze, Chairman
Board of Regents of Higher Education