

**DELTA COLLEGE
BOARD OF TRUSTEES SPECIAL MEETING
Delta College Main Campus
Thursday, December 3, 2015
6:00 p.m.**

BOARD PRESENT	R. Emrich, K. Houston-Philpot, K. Lawrence-Webster, D. Middleton, M. Morrissey, M. Nash, M. Rowley, E. Selby, E. Wacksman
BOARD ABSENT	None
OTHERS PRESENT	T. Bennett, T. Brown, P. Clark, E. Crane, V. Curren, R. Curry, J. Gleason, J. Goodnow, D. Lutz, T. Nadolski, M. Mosqueda, L. Peters, L. Ramseyer, K. Schuler, A. Ursuy, B. Webb
PRESS PRESENT	J. Hall (WSGW)
CALL TO ORDER	Board Chair, M. Rowley, called the meeting to order at 6:00 p.m.
APPROVAL OF AGENDA	Board Chair, M. Rowley called for the approval of the agenda. R. Emrich made a motion to approve the agenda with support from E. Wacksman. The motion passed unanimously.
PUBLIC COMMENTS	Board Chair, M. Rowley called for public comments. Hearing none, the meeting proceeded.
PRESENTATION ON THE MANDATORY, REGULATORY CHANGES BEING DICTATED BY THE FCC (FEDERAL COMMUNICATIONS COMMISSION), WHICH COULD AFFECT DELTA COLLEGE'S WDCQ-TV PUBLIC BROADCASTING STATION. PER THE WDCQ-TV AUDITED FINANCIAL STATEMENTS OF JUNE 30, 2015, THIS IS A COMPLEX ISSUE.	<p>J. Goodnow noted that this is an extremely complex topic. She gave kudos to Pam Clark, Executive Director of institutional Advancement and Tom Bennett, General Manager of Broadcasting for all of their work in pulling all of this information together. They have gathered as much information as possible in order for the Board to make the best decision. She then turned the presentation over to P. Clark.</p> <p>P. Clark introduced T. Bennett and gave an outline of the presentation. She introduced Vincent Curren, an external consultant. He is a retired executive vice president and chief operation officer of the Corporation for Public Broadcasting (CPB). He has experience as development director, program director, chief engineer and business manager and has worked in both public and commercial television.</p> <p>P. Clark gave a brief history of WDCQ-TV. The station was launched in 1964 as WUCM (<u>U</u>niversity <u>C</u>enter <u>M</u>ichigan) and the call letters were later changed to WDCQ (<u>D</u>elta <u>C</u>ollege <u>Q</u>uality). Delta is currently one of only 12 community college owned PBS Stations nationwide and only one of two League for Innovation community college schools along with Central Piedmont Community College. Delta's WDCQ-TV channel is 15, which is a UHF station close to the bottom of the UHF band.</p> <p>V. Curren began his presentation with a short video explaining spectrum and the auction. The purpose of the auction is to reallocate the upper UHF TV band to wireless broadband. The FCC will pay TV stations an "incentive" to give up their spectrum. The auction is:</p> <ul style="list-style-type: none">• Voluntary, UHF stations that don't participate will remain on UHF• A reverse auction for broadcasters as the lowest price wins

- A forward auction for the wireless companies with the highest bid winning
- Forward proceeds must be adequate to cover all broadcaster bids; plus \$1.75 billion repacking fund and another \$1 billion for FCC costs.

Following the auction, all remaining UHF TV stations will be squeezed together in the lower UHF TV band.

V. Curren outlined the timeline for the process.

- January 12, 2016: deadline for applications to participate in the auction. This is also the start of the “quiet period.”
- March 29, 2016: final declaration of auction intentions are due.
- April 2016: FCC will choose the clearing target
- Around May 2016: bidding begins
- Late 2016: auction concludes, quiet period ends
- 2017-2020: UHF Band repacking

V. Curren then discussed opening bids. They are a function of station volume and are largely correlated with the number of people a station’s signal reaches. It also includes a factor theoretically related to “interference value.” They are not necessarily related to whether or not the FCC actually needs to buy the station and the price the station will receive.

This will mean big numbers for some but not for others. In most areas of the country, the FCC will achieve its objectives without purchasing any stations in the auction. Many stations that opt to participate will receive a thank you note from the FCC instead of a check. In most areas of the country, those stations that have bids accepted will receive significantly less than they might anticipate from the opening bid. V. Curren stressed that it’s an auction, so anything can happen.

V. Curren discussed what will drive the final bids. This will depend largely on the amount of UHF spectrum the FCC decides to relocate. For Delta that means the number of stations in the Flint-Saginaw DMA and in the Detroit DMA that do or don’t participate. Another contributor is the “walk-away” or reserve price of auction competitors. WDCQ-TV’s opening bid is \$166,036,500.

The FCC will announce its clearing target goal after the March 29, 2016, final application date. This information will not be known ahead of time. Also predictions are all over the map. WDCQ-TV’s relinquishment price ranges from the opening bid level of \$166 million, down to a level of \$0 to \$3 million, without Delta College having a firm idea of what figure from high to low could be anticipated.

There are four options available to WDCQ-TV:

1. Continue operation as a UHF television channel.
2. Bid to relinquish and go off the air.
3. Enter a channel sharing agreement.
 - Share bandwidth, auction proceeds and transmitter expenses.
 - Time is short and the potential partners are limited.

- Sharing agreements are expensive, complex and contain terms that are difficult for colleges and universities.
4. Bid to move to VHF channel.
- High VHF is unlikely due to lack of available channels.
 - Low VHF presents significant technical challenges.

V. Curren then gave an overview on the history of television. Over-the-air broadcast is growing in importance. Ultra-high definition is predicted to grow and advanced television (ATSC 3.0) is right around the corner and will be a game changer. He also shared some statistics on the demographics of over-the-air TV consumers:

- 14.7% of US TV households
- 22% of African-American household, an 83% increase from 2010
- 25% of Latino households
- 17.6 million homes and 46.2 million people

V. Curren also highlighted some of WDCQ-TV's values which include:

- Significant power from a hardened facility
- High degree of public trust and a deep connection with public service institutions
- Delta's history of innovation and expertise along with our important role in training first-responders
- Ability to broadcast, one to many delivery capability

Delta College and WDCQ-TV can leverage these assets to create a new level of public service. With new technology of advanced television coming in the near future, Delta College and WDCQ-TV will have opportunities to expand and grow.

The FCC has adopted anti-collusion rules that are complex, wide-reaching, highly punitive and run from January 12, 2016, through the end of the auction. The only two statements that Delta College will be able to say is:

"We have applied to participate in the auction." or
 "We have not applied to participate in the auction."

The penalties include license revocation and/or loss of auction revenue. Law firms, consulting firms, PBS and institutional license holders could be accused of being conduits. Bona-fide reporting is permitted by open to FCC scrutiny. The best guidance is to have clear policy and consult your FCC attorney.

V. Curren noted that the FCC's need for WDCQ-TV and its auction value will be determined by the clearing target. If Delta College chooses to retain part or all of its spectrum, that station will continue to be a significant asset as spectrum will have value in the future. WDCQ-TV has significant potential to develop powerful new services and revenue streams using advanced television technology.

P. Clark and T. Bennett presented the Board with a summary of selected programming, statistics and services that are provided by WDCQ-TV. They also highlighted the Electronic Media Broadcast (EMB) Program and all of the Q-TV and Q 90.1 FM academic partnerships. In recent years, WDCQ-TV has received more than 40 state and national awards for broadcasting

excellence. Finally they noted the investments from the community. They also provided them with a copy of the required annual report for CPB highlighting WDCQ-TV's community involvement.

P. Clark also noted that this is a tough decision that will affect many people within Delta College and the community.

R. Emrich indicated the need for the Board to make a decision and also to set a walk away price. A recommendation from the administration will be coming forward to the Board at next Tuesday's, regular Board Meeting in regards to this topic. There was also a concern as to what details can be discussed in both open session and closed session. It was indicated that the Board would be receiving a written legal opinion for next Tuesday's meeting.

M. Rowley stressed the concerns about the anti-collusion statement. He also wanted everyone to keep in mind the staff that are currently working in Broadcasting, currently working a pledge drive.

**TRUSTEE
COMMENTS**

Board Chair Rowley called for comments from the Trustees.

R. Emrich extended congratulations to the consultant for presenting such a difficult topic in such a distinct and clear manner.

CHAIR COMMENTS

Board Chair Rowley extended a big thank you to all the staff involved in this process so far.

ADJOURNMENT

There being no further business, Board Chair Rowley adjourned the meeting at 9:26 p.m.

Talisa Brown, Assistant Board Secretary

Andrea Ursuy, Board Secretary