

**State of New Jersey
State Treasurer**

Request for Proposals

For

**Operation of the New Jersey Network (NJN) Radio Broadcast
Network**

Issued: February 7, 2011

Request for Proposals For Operation of the New Jersey Network (NJN) Radio Broadcast Network

1.0 PURPOSE AND INTENT

1.1 This Request for Proposals ("Radio Operations RFP") is being issued by the New Jersey State Treasurer ("State Treasurer") to solicit proposals from qualified entities (hereinafter referred to as "bidder," "vendor," "firm" or "respondent") to operate and manage all or a portion of the New Jersey Network ("NJN") radio broadcast network (the "NJN Radio Network") which is currently owned and operated by and licensed to the New Jersey Public Broadcasting Authority ("NJPBA"), while at the same time maintaining a New Jersey-focused public broadcasting operation.

1.2 The State Treasurer seeks proposals from potential bidders that will:

(a) Operate the NJN Radio Network as a public media news and information service, including the following NJN Radio Network stations ("Station" or "Stations"):

- (1) WNJT-FM 88.1 FM, Trenton, New Jersey;
- (2) WNJS-FM 88.1 FM, Berlin, New Jersey;
- (3) WNJM 89.9 FM, Manahawkin, New Jersey;
- (4) WNJO 90.3 FM, Toms River, New Jersey;
- (5) WNJY 89.3 FM, Netcong, New Jersey;
- (6) WNJN-FM 89.7 FM, Atlantic City, New Jersey;
- (7) WNJZ 90.3 FM, Cape May Court House, New Jersey;
- (8) WNJP 88.5 FM, Sussex, New Jersey;
- (9) WNJB-FM 89.3 FM, Bridgeton, New Jersey; and
- (10) New Construction Permit¹, Bernardsville, New Jersey (upon construction and licensing of the new station).

(b) Retain and/or generate customized New Jersey-centric issue-responsive programming, including New Jersey news and public affairs programming.

¹ This permit is currently tolled due to a pending Federal Communications Commission ("FCC") administrative proceeding and any bid to operate and manage the Bernardsville Station must be in compliance with Sections 73.7002(c) and 73.7005(b) of the FCC rules. Construction and operation of the Bernardsville station is at the option of the bidder and the State Treasurer expects that all costs of construction, including equipment, would be absorbed by the bidder, subject to applicable FCC requirements.

- (c) Hire and manage staff (other than FCC-required main studio staff) required for operation of the NJN Radio Network, including plans (if any) for providing post-employment opportunities for former staff of the NJPBA.
- (d) Operate and manage all aspects of the NJN Radio Network;
- (e) Consistently improve the NJN Radio Network's staff skills, program quality, community image, audience and services; and
- (f) Demonstrate short- and long-term sustainability.

NOTE: The State shall not assume any liability or responsibility for providing a subsidy in any way to the firm(s) selected to operate the NJN Radio Network pursuant to this RFP for operation of the NJN Radio Network, including an operating subsidy or management fee. Neither the State nor NJPBA will assume capital costs related to existing or future equipment maintenance, replacement, or capital improvements.

2.0 BACKGROUND

The NJPBA was created pursuant to the New Jersey Public Broadcasting Authority Act of 1968 (L. 1968, c. 405) by the New Jersey State Legislature (the "State Legislature") in response to the lack of New Jersey public affairs and cultural programming broadcasted by television and radio stations serving the citizens of the State of New Jersey (the "State").

In December 2010, the State Legislature enacted the "New Jersey Public Broadcasting System Transfer Act (L. 2010, c. 104) (the "Transfer Act"). A copy of the Transfer Act is attached hereto as Attachment A. The Transfer Act permits the State Treasurer to enter into one or more contracts for the management and operation of the NJN Radio Network and the NJN television broadcast network ("NJN Television Network"). In addition, the Transfer Act also provides the State Treasurer with the authorization to sell the NJPBA's FCC radio broadcast licenses, but does not permit the State Treasurer to sell the NJPBA's FCC television broadcast licenses.

The State Treasurer has begun to implement the Transfer Act, including:

- (a) Compiling an inventory of the NJPBA's assets and liabilities;
- (b) Identifying the methods or mechanisms required to transfer NJPBA assets and liabilities;
- (c) Receiving and approving proposals for the transfer of any or all of the NJPBA's assets; and

- (d) Assuring that the operators of the NJN Radio Network can fulfill the responsibilities of maintaining a New Jersey-focused public broadcasting operation.

The inventory and appraisals of the NJN television and radio stations have been submitted to the Governor of the State and the State Legislature for their information and are attached hereto as Exhibit C and Exhibit D.

The Transfer Act authorizes the State Treasurer to solicit proposals and to negotiate a contract to delegate responsibility for the operations and management of the NJN Radio Network to a nonprofit corporation or another eligible entity. Pursuant to this RFP, the State Treasurer's office will receive proposals for the operation and management of the NJN Radio Network.

NOTE: In addition to this RFP for the NJN Radio Operations, two separate Requests for Proposals will be issued at the same time to the same list of bidders. One Request for Proposals ("Television Operations RFP") asks for proposals for operating and managing the NJN Television Network. The other Request for Proposal ("Radio Sale RFP") asks for proposals for buying the NJN Radio Network and operating it until the sale is completed. Respondents may respond to this Radio Operations RFP, the Television Operations RFP and the Radio Sale RFP or any combination thereof. One response may be made, provided that the bidder provides all of the information required by each of the RFPs to which the bidder is responding.

The winning bidder(s) of this RFP must be able to enter into and execute an operating and management agreement with the NJPBA (each, a "Radio Operating Agreement").

3.0 TRANSFER ACT MINIMUM REQUIREMENTS

For bidders interested in operating and managing all or a portion of the NJN Radio Network, there are certain minimum requirements a prospective bidder must meet as set forth in the Transfer Act:

- a. The bidder must be either (1) a nonprofit corporation, organized as an educational and charitable corporation validly existing and in good standing under the New Jersey Nonprofit Corporation Act (N.J.S.15A:1-1 et seq.) and incorporated, organized and operated in such a manner as to qualify as a nonprofit corporation under section 501 (c)(3) of the Internal Revenue Code (or any successor provision), exempt from taxation under section 501 (a) of the Internal Revenue Code (or any successor provision); or (2) an other eligible entity permitted to operate a public broadcast system under FCC rules and regulations.
- b. On or before closing, the certificate of incorporation and by-laws of the bidder must authorize the ability to operate the FCC operating licenses currently assigned to the NJPBA and provide that the purposes of the entity include the operation of a public broadcast system.

c. Upon entering into the Radio Operating Agreement, the bidder shall provide public broadcasting services and operate a public broadcasting system consistent with all FCC requirements, including the FCC licenses for the Stations.

PLEASE NOTE: The above is not intended as a summary of the entire Transfer Act and bidders should read the copy of the Transfer Act attached hereto as Attachment A to obtain information essential for a complete understanding of the requirements and conditions set forth in the Transfer Act.

4.0 ADVISORS TO THE STATE TREASURER

To assist in implementation of the Transfer Act, the State Treasurer has engaged Public Radio Capital to act as a financial advisor through the RFP and negotiation processes authorized by the Transfer Act. Public Radio Capital shall, as financial advisor, be acting as agent for the State Treasurer in distributing this RFP, receiving Proposals, and assisting the State Treasurer in the review and negotiation processes required to effectuate the purposes of the Transfer Act.

The State Treasurer will also be represented in this matter by the State Attorney General and Dow Lohnes, PLLC, which has been engaged as special counsel on FCC matters.

5.0 NO REPRESENTATIONS AND WARRANTIES AS TO INFORMATION SET FORTH IN THIS RFP

Certain information concerning the NJPBA and the NJN Radio Network has been provided as part of this RFP in Attachment B. However, please note that Attachment B is for the convenience of the bidders only and, except as shall be specifically represented and warranted in the Radio Operating Agreement among the parties, the State Treasurer and/or the NJPBA, in NJPBA's capacity as FCC licensee, do not and will not make any representations or warranties as to these materials, financial information, market shares, potential revenue, competitive factors, costs of operations or any other matters that are forward-looking.

Neither Public Radio Capital, as financial advisor to the State Treasurer, legal counsel, the State Treasurer or the NJPBA represents or warrants the accuracy of this information nor of any estimates contained herein. All documents and estimates should therefore be independently verified and confirmed by potential bidders.

The selected bidder(s) will have an opportunity, and are encouraged, to make an independent evaluation and confirmation of all such matters during a due diligence period which is described in the Letter of Intent attached hereto as Attachment E.

6.0 LETTER OF INTENT

Potential bidders should review the attached Letter of Intent in order to understand the scope and provisions of each parties' responsibilities under the Letter of Intent. The selected bidder(s) shall be required to enter into the Letter of Intent upon notice by the State Treasurer that they have been selected. Bidders should note in their Proposals any exceptions, objections or additions to the terms of the Letter of Intent.

7.0 TERM OF RADIO OPERATING AGREEMENT(S)

The initial term of the Radio Operating Agreement(s) and any option to renew the Radio Operating Agreement(s) shall be negotiated by the parties as part of the definitive Radio Operating Agreements. Bidders should propose an initial term and options for renewal terms.

8.0 REQUIRED COMPONENTS OF THE PROPOSAL

Each firm submitting a Proposal must follow the instructions contained in this RFP in preparing and submitting its Proposal. The proposing firm is advised to thoroughly read and follow all instructions. A Proposal must contain all of the information in the order and format indicated below. In addition, bidders are directed to review the Standard Terms and Conditions attached hereto as Attachment F for the various State law requirements which the selected bidders will be required to comply with upon entering into the Radio Operating Agreement. Bidders should note in their responses any exceptions, objections or additions to the Standard Terms and Conditions set forth in Attachment F Bidders may also include any other information, background documents or supporting materials which the bidder would like to provide in their Proposal.

8.1 In lieu of a cover letter, please state the RFP(s) to which you are responding to: e.g., the Radio Operations RFP, the Television Operations RFP, and/or the Radio Sale RFP. Provide an executive summary of not more than one page identifying and substantiating the basis of your contention that your firm is the best qualified to provide the required services or acquire the assets, as may be applicable in the RFPs to which you are responding. Include your proposal for the initial term and options for renewal terms.

8.2 Provide the name, title, business address, e-mail address, telephone number and fax number of the individual whom the State Treasurer should contact regarding your Proposal.

8.3 Provide a brief description of your firm, its ownership structure, and its state/country of incorporation of formation. Describe your firm's physical presence in the State, including the number of offices, number of employees and the type of activity conducted in the State. Also, please describe the participation of women and minorities in your firm and its organizational structure. Please indicate the percentage of your firm's governing board and management that are women and minorities.

8.4 Indicate if you intend to manage and operate the entire NJN Radio Network or specific Stations. If it is the latter, please list the call letters of the Stations and any suggestions or partnership proposals, etc., related to the operation of any remaining Stations that are not included in your Proposal. If you intend to manage fewer Stations than the entire NJN Radio Network, your responses below should be based upon that intention and reflect only the Stations that you intend to manage.

8.5 Provide supporting documentation that qualifies you as an operator of a public media news and information network including:

(a) The entity or entities that would be the party to any Radio Operating Agreement and would operate the NJN Radio Network;

(b) The ability, capacity, or authority of your entity to operate FCC licensed radio stations;

(c) Certification of or proof that your entity is either qualified or can meet the qualification criteria for Corporation for Public Broadcasting financial support (http://www.cpb.org/stations/grants/radio/generalprovisions/cpb_11RadioCSG_GeneralProvisions.pdf);

(d) 501(c)3 incorporation documentation and bylaws; or other demonstration of qualifications as a nonprofit educational corporation, as applicable or a demonstration of intent to qualify with a plan and timeline for doing so;

(e) Documentation of your entity's Board or Executive Committee support for your proposal to operate the NJN Radio Network;

(f) Existing public broadcast service description/profile/mission;

(g) Proposed plans for the provision of customized New Jersey-centric issue-responsive programming, including specific amounts and types of programming;

(h) Annual budgets, prior three years audited financial reports and any other organizational materials you would like to provide.

8.6 Include the total value of all consideration to be paid to the State Treasurer under the proposed agreement, consistent with FCC requirements for noncommercial educational stations. Such consideration may include, without limitation:

(a) Cash consideration in a lump sum or on an annual basis, subject to FCC requirements for noncommercial educational stations;

(b) Reimbursement of any or all direct or indirect operating costs for the NJN Radio Network, including, without limitation, utilities, tower rent, insurance, and other costs consistent with FCC requirements for agreements to manage and operate noncommercial educational broadcast stations,

(c) Any other consideration, including in-kind consideration;

(d) Proposals to forgive or forgo any consideration to the State Treasurer based on services to be provided specific to the State of New Jersey, including New Jersey-centric programming and/or other services of value that may offset any cash contributions; and

(e) Payments to an annual capital expense reserve fund to be used to fund future capital costs for the NJN Radio Network. The State Treasurer expects that operators will pay for future capital costs for the Stations out of this fund, without additional funding provided by the State.

8.7 Include documentation that shows your entity's financial capacity to operate the NJN Radio Network, in whole or in part as follows:

(a) Budget information and business modeling that includes existing services and NJN Radio Network operating costs/revenue;

(b) Any intention to pursue financing/loans/or other funds, including:

(1) Information on your expected sources;

(2) Information regarding reserves;

(3) Existing financing; and

(4) Lines of Credit or other new financing needs.

(c) Any other information on your entity's financial capacity to manage and operate the NJN Radio Network which you would like to provide in your Proposal.

8.8 Describe your operating plans for the NJN Radio Network, including, but not limited to:

(a) Studio and equipment needs, including plans to use bidder's existing studio arrangements and plans for use of NJN Radio Network studios, transmission and interconnection facilities, if any;

(b) Initial NJN Radio Network programming grid including New Jersey-centric news and public information programs and services; and

(c) Online and mobile applications.

8.9 Proposed staff lists and an organizational chart.

(a) Staffing plan for operating all or a part of the NJN Radio Network; and

(b) Proposed plans, if any, for offering post-employment opportunities to former staff of the NJPBA.

8.10 Address your motivation, interest and/or intention for assuming management and operation of the NJN Radio Network.

8.11 Describe any partnerships, new entities, new corporations, operating contracts or other arrangements or agreements you will undertake to manage and operate the NJN Radio Network.

8.12 Provide any additional information you believe is important for the consideration of your Proposal.

9.0 SUBMISSION OF PROPOSALS

Communications with representatives of the State Treasurer, the NJPBA or Public Capital Radio by your firm or your firm's representatives concerning this RFP is NOT permitted during the term of the submission and evaluation process except as specified below. Communications regarding this RFP in any manner (except as set forth below) will result in the immediate rejection of your firm's Proposal. If you have questions or require clarification on any aspect of this RFP, please forward the request via e-mail to: pba@treas.state.nj.us

Questions will be accepted via email only until 5:00 p.m. Eastern Time on February 17, 2011. Questions should be directly relevant to the RFP to which the bidder is responding and the bidder should so indicate in the question. Questions should be asked in consecutive order, from beginning to end, following the organization of the RFP to which the bidder is responding. Each question should begin by referencing the RFP, the RFP page number and the section number to which it relates. The State will post answers on the State Treasury website at <http://www.nj.gov/treasury/administration/pba/> on or before 5:00 p.m., Eastern time on February 24, 2011.

The State Treasurer reserves the right to hold oral interviews with any or all of the firms submitting Proposals. Such oral interviews, if any, will in no way change the original proposal. If oral interviews are to be held with any or all of the firms submitting Proposals, the State Treasurer will notify such firms in a reasonable amount of time prior to such oral interview.

The State Treasurer will not be responsible for any expenses in the preparation and/or presentation of the Proposals and oral interviews, if any, or for the disclosure of any

information or material received in connection with this solicitation, whether by negligence or otherwise.

The State Treasurer reserves the right to request additional information or clarification if necessary, or to reject any and all Proposals with or without cause, and waive any irregularities or informalities in the Proposals submitted. The State Treasurer further reserves the right to make such investigations as he deems necessary as to the qualifications of any and all firms submitting Proposals. In the event that all Proposals are rejected, the State Treasurer reserves the right to re-solicit Proposals. The State Treasurer reserves the right, in his sole and absolute discretion, to negotiate with responding firms as determined by the State Treasurer to be in the best interests of the State.

Responding firms may withdraw their Proposals at any time prior to the final filing date and time, as indicated below, by written notification signed by an authorized agent of the firm(s). Proposals may thereafter be resubmitted, but only up to the final filing date and time.

The responding firm assumes the sole responsibility for the complete effort required in this RFP. No special consideration shall be given after the Proposals are opened because of a firm's failure to be knowledgeable about all requirements of this RFP. By submitting a Proposal in response to this RFP, the firm represents that it has satisfied itself, from its own investigation, of all of the requirements of this RFP.

Documents and information submitted in response to this RFP shall become property of the State Treasurer and generally shall be available to the general public as required by applicable law, including the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq. This is the case notwithstanding any statement to the contrary made by a vendor in its Proposal.

Proposals must be submitted by email in an MS- Word format attachment. The body of the email must include the following:

Respondent's Name
Organization's Name
Street Address or P.O. Box Number
City, State, Zip Code
RE: NJN Radio Network Operations RFP

In order to be considered for selection, the Proposal must be received by Public Radio Capital, as financial advisor to the State Treasurer, and by the State Treasurer at the following email addresses:

For the State Treasurer:

Steven.Petrecca@treas.state.nj.us

For Public Radio Capital:

Dlopez@publicradiocapital.org

Proposals must be received by March 11, 2011, by no later than 5:00 p.m., Eastern Time.

No faxed or hard copy Proposals will be accepted. **Proposals received after the time and date listed above will not be considered.**

10.0 TIMELINE

The dates set forth below for the closing and for the assumption by the winning bidder(s) of the NJN Radio Network operations are estimated and may change in the sole discretion of the State Treasurer as determined to be in the best interests of the State.

- | | |
|--------------------|--|
| February 7, 2011: | Radio Operations RFP is released. |
| February 17, 2011: | All questions on the Radio Operations RFP are due by 5:00 pm Eastern Time. |
| February 24, 2011: | Answers to questions posted on the State Treasury website. |
| March 11, 2011: | Initial Radio Operation Proposals Due. |
| March 25, 2011: | Initial Radio Operation Proposals analyzed by PRC and legal counsel and evaluated by State Advisory Committee. Recommendations for selection of first tier of bidders made by State Advisory Committee to State Treasurer. |
| April 8, 2011: | Completion of negotiation with first tier of bidders by State Treasurer. |
| April 15, 2011: | Final Radio Operation Proposals Due. |
| June 30, 2011: | Closing Complete. |

July 1, 2011: Operator(s) assume operation of NJN Radio Network pursuant to executed Radio Operating Agreements.

11.0 SELECTION PROCESS

11.1 All Initial Proposals will be reviewed to determine responsiveness. Non-responsive Initial Proposals will be rejected without evaluation.

11.2 Responsive Initial Proposals will be reviewed by Public Radio Capital and legal counsel. Public Radio Capital and legal counsel will provide their analyses to the State Advisory Committee. The State Advisory Committee will review the Initial Proposals pursuant to the criteria specified below and will review Public Radio Capital's and legal counsel's analyses.

11.3 Proposals will be reviewed and scored pursuant to the selection criteria set forth below in Section 11.4. The State Advisory Committee will be composed of staff members of the State. In addition to Public Radio Capital and legal counsel, the State Advisory Committee may choose to make use of the expertise of other outside consultants, if necessary.

11.4 Selection criteria will include, but not be limited, to:

- (a) Public media operation, programming and distribution expertise;
- (b) Adherence to the criteria and goals included in the Transfer Act;
- (c) Demonstration of credible service and business models;
- (d) Demonstrable interest on the part of the respondent's governance board;
- (e) Willingness to act quickly and be responsive, flexible and creative in negotiations and agreement drafting;
- (f) Demonstration of actionable, innovative solutions;
- (g) Solutions for the operation of the entire NJN Radio Network or for portions of the NJN Radio Network, while providing solutions for the remainder of the NJN Radio Network;
- (h) Quality of the overall response; and
- (i) Programming solutions that offer New Jersey - centric public radio news and public information programming.

11.5 The State Advisory Committee will make its recommendation to the State Treasurer of the first tier of bidders based upon the process set forth above. The State Treasurer will review the recommendations, make any additional inquiries, request clarification and obtain such further information as he deems necessary.

11.6 Final Proposals will then be solicited. The Final Proposals will be analyzed by PRC and legal counsel and evaluated by the State Advisory Committee which shall make its recommendations to the State Treasurer.

11.7 The review of the Initial and Final Proposals will be based upon the information provided to the State Treasurer in response to this RFP and any necessary verification of such information provided thereof. The award shall be made by written notice to those responsible bidder(s) whose Final Proposal(s), conforming to the RFP, will be the most advantageous to the State as determined by the State Treasurer in his sole and absolute discretion. The State Treasurer reserves the right to negotiate and/or request best and final offers from the selected bidder(s), as the State Treasurer may deem appropriate in his sole and absolute discretion.

11.8 Notwithstanding anything herein to the contrary, the State Treasurer has no obligation to make an award and he expressly reserves the right, in his sole and absolute discretion, to modify, alter, or waive any provisions or informalities of this RFP and to reject any submission which, in the State Treasurer's sole judgment, is not in compliance with the terms of the RFP or any part thereof, or which is deemed by the State Treasurer to be in the best interest of the State.

11.9 The State Treasurer reserves the right to proceed or not to proceed with this RFP, based solely on the determination of the State Treasurer or to terminate the selection process at any time.

11.10 Upon selection, the State Treasurer shall negotiate the Letter of Intent with the selected bidder(s) which Letters of Intent shall then be executed.

11.11 Upon execution of the Letter(s) of Intent, the selected bidder(s) shall be authorized to conduct due diligence during which they can inspect the facilities and have questions addressed which arise during such due diligence period. During this same period, the Radio Operating Agreement(s) shall be drafted and negotiated.

11.12 Upon completion of negotiation of the Radio Operating Agreement(s), they shall be submitted to the State Legislature as required by the Transfer Act.

11.13 Upon the expiration of the review period for the State Legislature as required by the Transfer Act, assuming that the State Legislature does not disapprove the Radio Operating Agreement(s) during such period, the closing process shall be undertaken.

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**ATTACHMENT A:
COPY OF THE NEW PUBLIC BROADCASTING SYSTEM TRANSFER ACT**

Available electronically at: <http://www.nj.gov/treasury/administration/pba/>

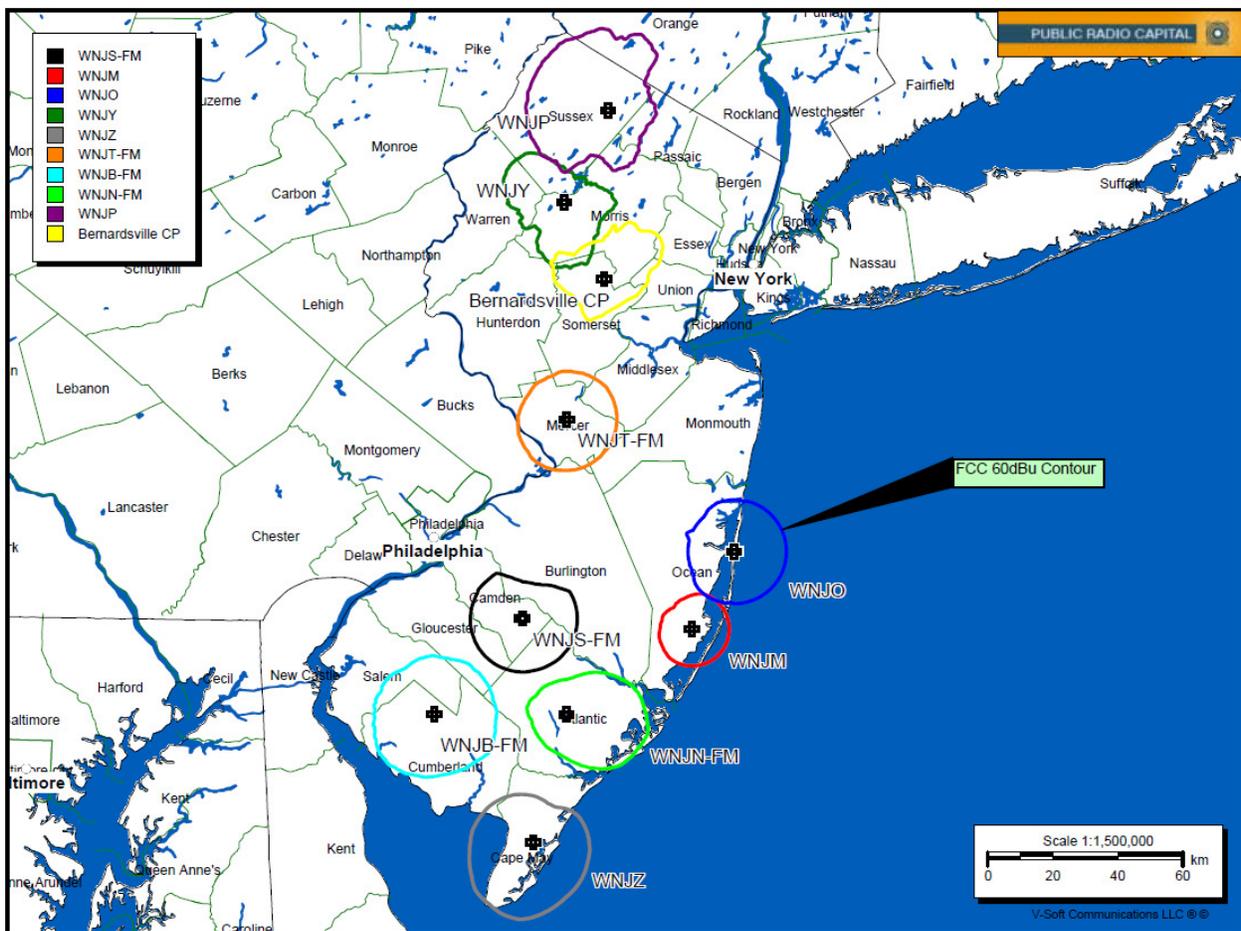
**ATTACHMENT B:
INFORMATION ON THE NJN RADIO NETWORK**

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SUMMARY OF KEY ASPECTS

- Currently, the NJPBA owns and operates nine noncommercial educational radio stations: WNJT-FM, WNJS-FM, WNJM, WNJO, WNJY, WNJB-FM, WNJZ, WNJP and WNJB-FM. In addition, NJPBA holds one unbuilt construction permit licensed to Bernardsville, New Jersey. The following map shows the coverage area of the NJN Radio Network.



- From a demographic and economic perspective, the state of New Jersey offers a unique opportunity for public broadcasters. In comparison with the rest of the USA, New Jersey's population is somewhat better educated (34% with a Bachelor's Degree or higher, vs. 27.4% nationwide); wealthier (median household income of \$69K vs. \$51K

nationwide); more diverse (70% of whites, vs. 74.5% nationwide)--with a slightly older population (median age of 38, vs. 37 nationwide).²

- The state of New Jersey encompasses six Arbitron rated markets. These markets and their rankings³ (as of January 20, 2011) are as follows:
 - Atlantic City-Cape May, NJ (market 142)
 - Middlesex-Somerset-Union, NJ (market 40)
 - Monmouth-Ocean, NJ (market 51)
 - Morristown, NJ (market 116)
 - Sussex, NJ (market 247)
 - Trenton, NJ (market 143)
- NJN Radio Network airs a News/Talk/Info format with primarily National Public Radio (NPR) programming. The NJN Radio Network carries such syndicated programs as Morning Edition, Weekend Edition, The Diane Rehm Show, Talk of the Nation, All Things Considered, Car Talk, and BBC Newshour along with unique programs such as NJN News, State of the Arts, and Straight Talk.
- The NJN Radio Network reaches a large audience base with a CUME of 46,600 people in the Spring 2010 Arbitron survey. Within the network, WNJP-FM reaches the largest audience with a CUME of 11,300 people.
- Over the past five years, the NJN Radio Network has had an average of 24 underwriters and approximately \$140,000 in underwriting income. For the same period, membership income has ranged between \$56,000 (FY2009) and \$110,000 (FY2006)

STATION DETAILS

Currently, the New Jersey Public Broadcasting Authority ("NJPBA") owns and operates nine noncommercial educational radio stations: WNJT-FM, WNJS-FM, WNJM, WNJO, WNJY, WNJN-FM, WNJZ, WNJP and WNJB-FM. In addition, NJPBA holds one unbuilt construction permit licensed to Bernardsville, New Jersey. These stations currently air primarily a news and information format with jazz music overnight (see "Programming Details" for more information).

WNJT-FM

Technical/Engineering Overview

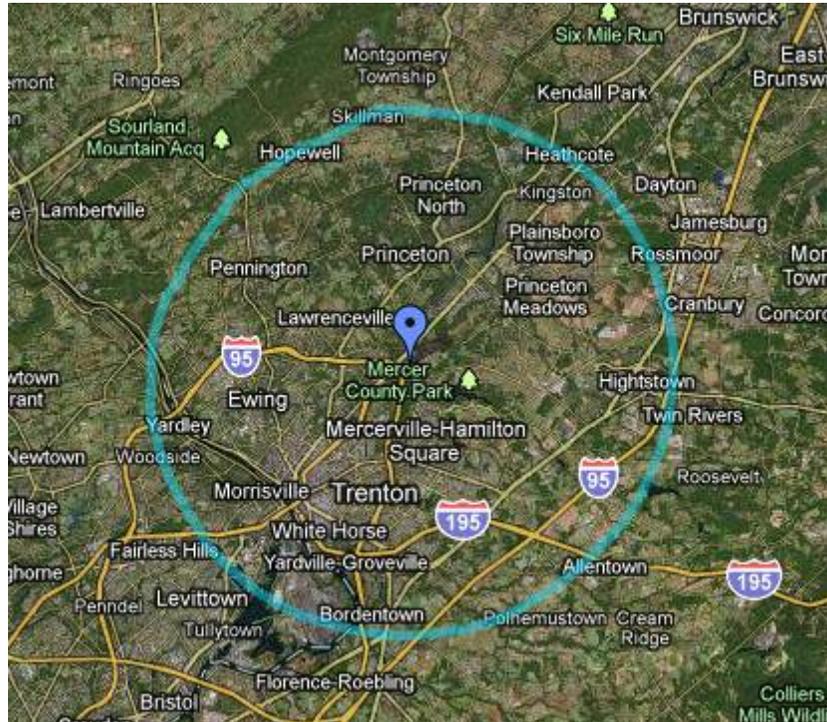
WNJT-FM is a Class A radio station licensed to Trenton, New Jersey. WNJT-FM operates with

² http://factfinder.census.gov/servlet/ACSSAFFacts?_event=Search&_state=04000US34&_lang=en&_sse=on

³ The higher the market rank the smaller the population coverage is. There are approximately 300 Arbitron rated markets.

an ERP of 110 watts vertically-polarized, at a HAAT of 689 feet, on an assigned frequency of 88.1 MHz. The station is listed in the Trenton, NJ market (ranked 143rd by Arbitron) and serves 428,571 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=48488>

FCC Filings

Renewal: Renewal of License, BRED-20060201ATB, was granted on 6/22/2006 for a term expiring on 6/01/2014.

Source: http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1106646.pdf

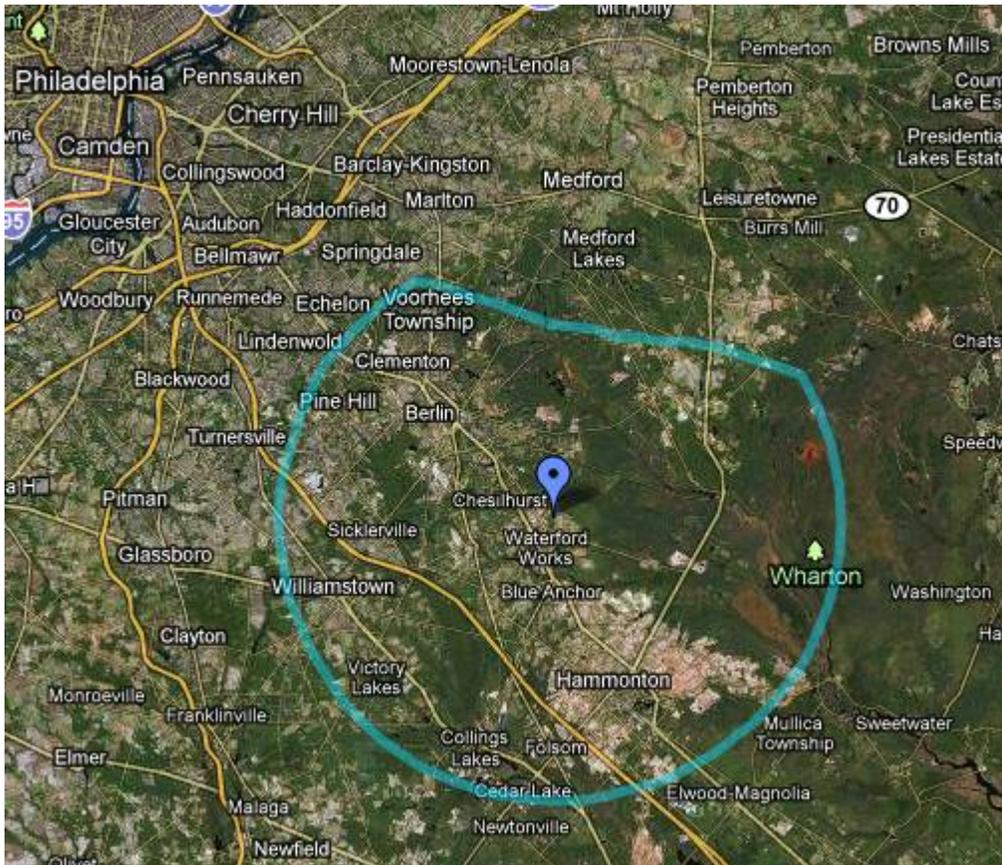
WNJS-FM

Technical/Engineering Overview

WNJS-FM is a Class A radio station allotted to Berlin, New Jersey. WNJS-FM operates with an effective radiated power (ERP) of 80 watts vertically-polarized, and one watt horizontally-polarized, at a height above average terrain (HAAT) of 942 feet, on an assigned frequency of 88.1 megahertz (MHz). The station is listed in the Philadelphia, PA radio market (ranked 8th by Arbitron) and serves 47,570 people within the 60dBu contour⁴.

⁴ Provided by BIA/Kelsey based upon the FCC service contour and 2000 US Census data.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=48486>

FCC Filings

Renewal: Renewal of license, BRED-20060201ASU, was granted on 05/26/2006 for a term expiring on 06/01/2014.

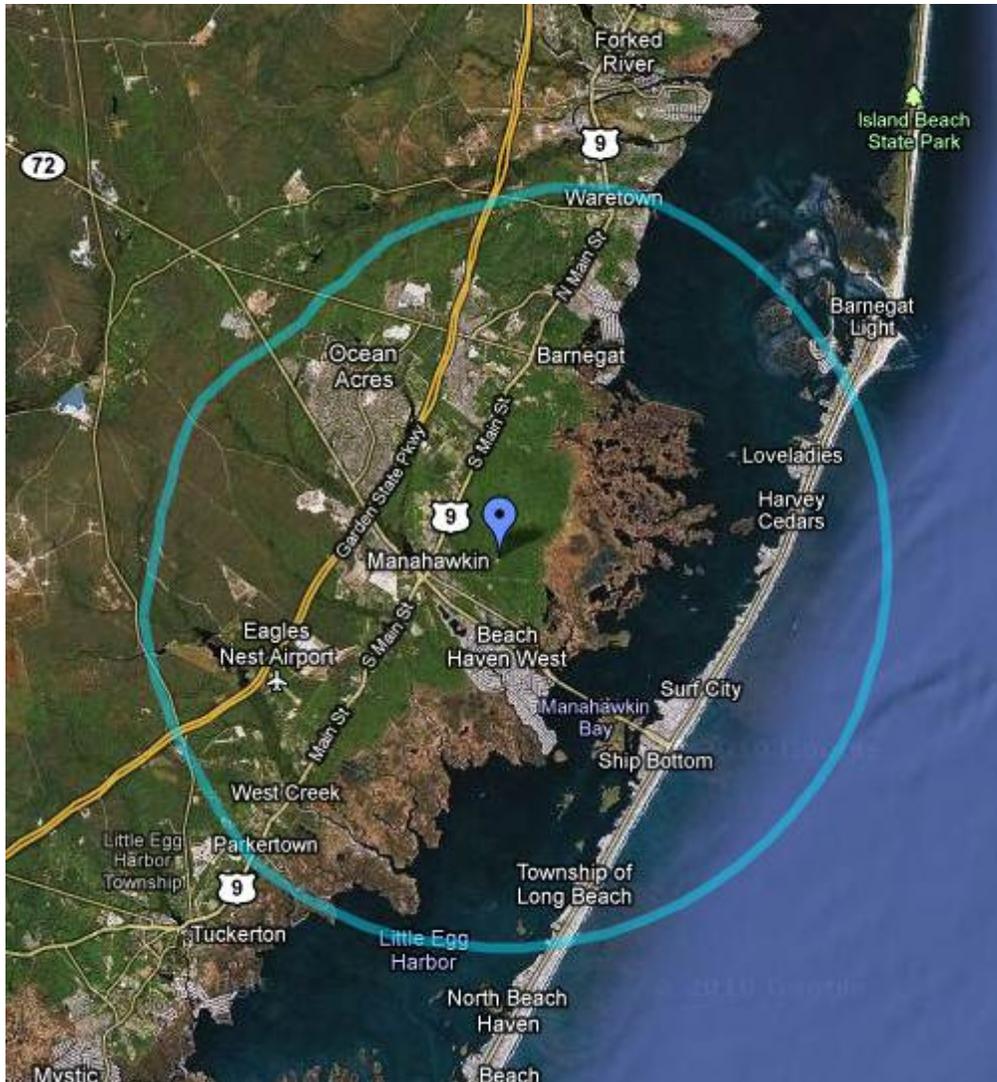
Source: http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1106645.pdf

WNJM

Technical/Engineering Overview

WNJM-FM is a Class A FM radio station licensed to Manahawkin, New Jersey. WNJM-FM operates with an ERP of 200 watts vertically-polarized, one watt horizontally-polarized, at a HAAT of 259 feet, on an assigned frequency of 89.9 MHz. The station is listed in the Monmouth-Ocean, NJ market (ranked 51st by Arbitron) and serves 48,509 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=48460>

FCC Filings

Renewal: Renewal of License, BRED-20060201ASG, was granted on 05/26/2006 for a term expiring on 06/01/2014.

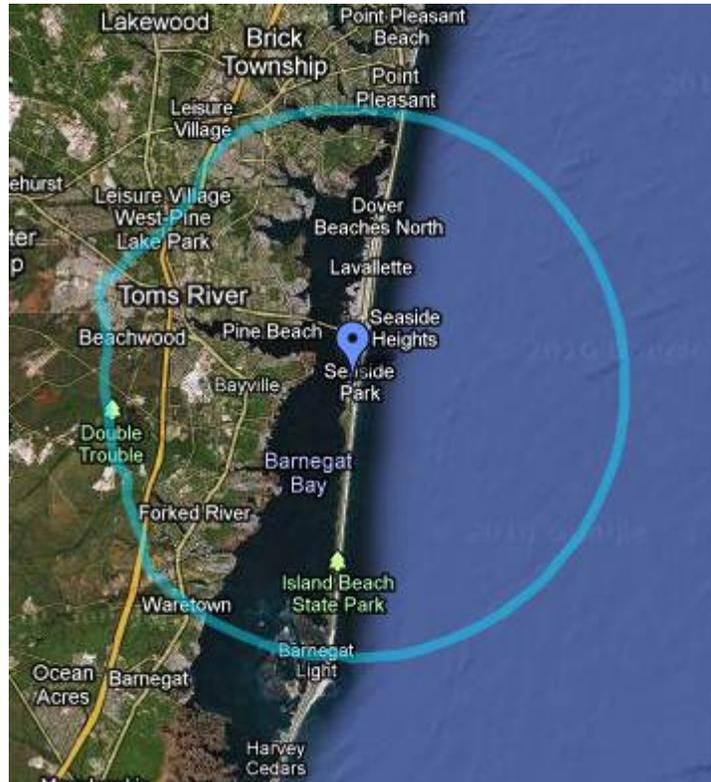
Source: http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1106627.pdf

WNJO

Technical/Engineering Overview

WNJO-FM is a Class A FM radio station licensed to Toms River, New Jersey. WNJO-FM operates with an ERP of four kilowatts (kW) vertically-polarized, one watt horizontally-polarized, at a HAAT of 121 feet, on an assigned frequency of 90.3 MHz. The station is listed in the Monmouth-Ocean, NJ market (ranked 51st by Arbitron) and serves 166,526 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=123020>

FCC Filings

License to cover: License to cover, BLED-20080821ADE, was granted on 4/30/2009 for a term expiring on 6/01/2014.

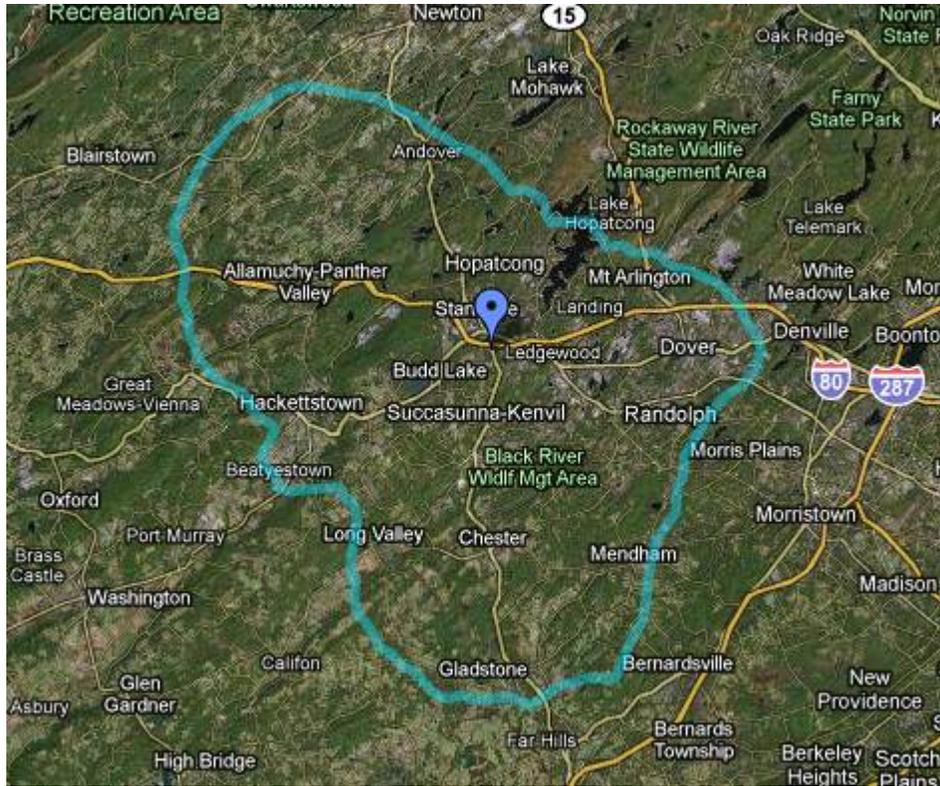
Source: http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1262155.pdf

WNJY

Technical/Engineering Overview

WNJY-FM is a Class A FM radio station licensed to Netcong, New Jersey. WNJY-FM operates with an ERP of 520 watts vertically-polarized and one watt horizontally-polarized, at a HAAT of 430 feet, on an assigned frequency of 89.3 MHz. The station is listed in the Morristown, NJ market (ranked 116th by Arbitron) and serves 195,173 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=93964>

FCC Filings

License to cover: License to cover, BLED-20080707AEO, was granted on 7/30/2008 for a term expiring on 6/01/2014.

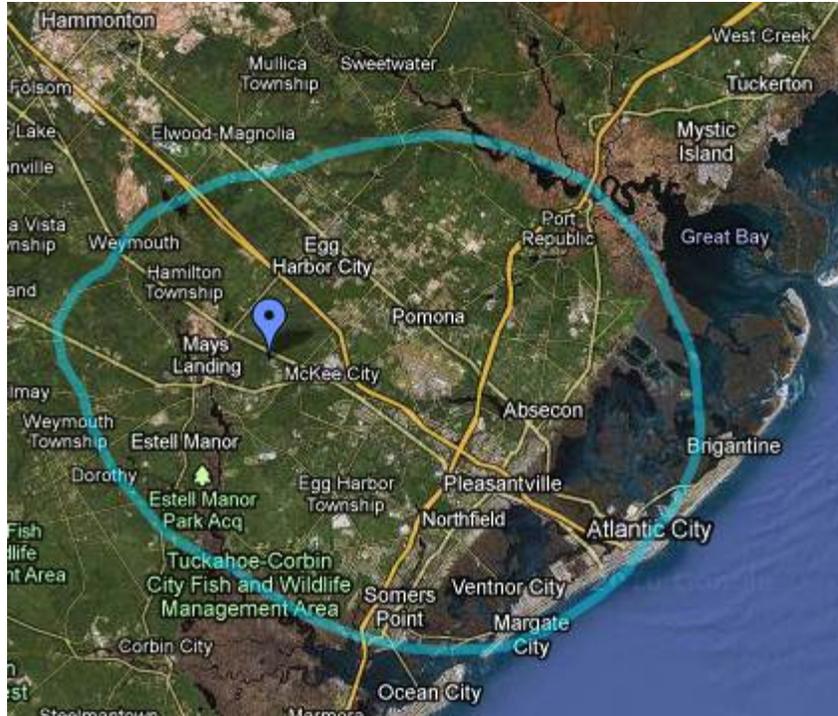
Source: http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1253902.pdf

WNJN-FM

Technical/Engineering Overview

WNJN-FM is a Class A radio station licensed to Atlantic City, New Jersey. WNJN-FM operates with an ERP of 6.0 kW vertically-polarized, 25 watts horizontally-polarized, at a HAAT of 276 feet, on an assigned frequency of 89.7 MHz. The station is listed in the Atlantic City-Cape May, NJ market (ranked 142nd by Arbitron) and serves 189,140 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=48483>

FCC Filings

Renewal: Renewal of License, BRED-20060201ASK, was granted on 6/22/2006 for a term expiring on 6/01/2014.

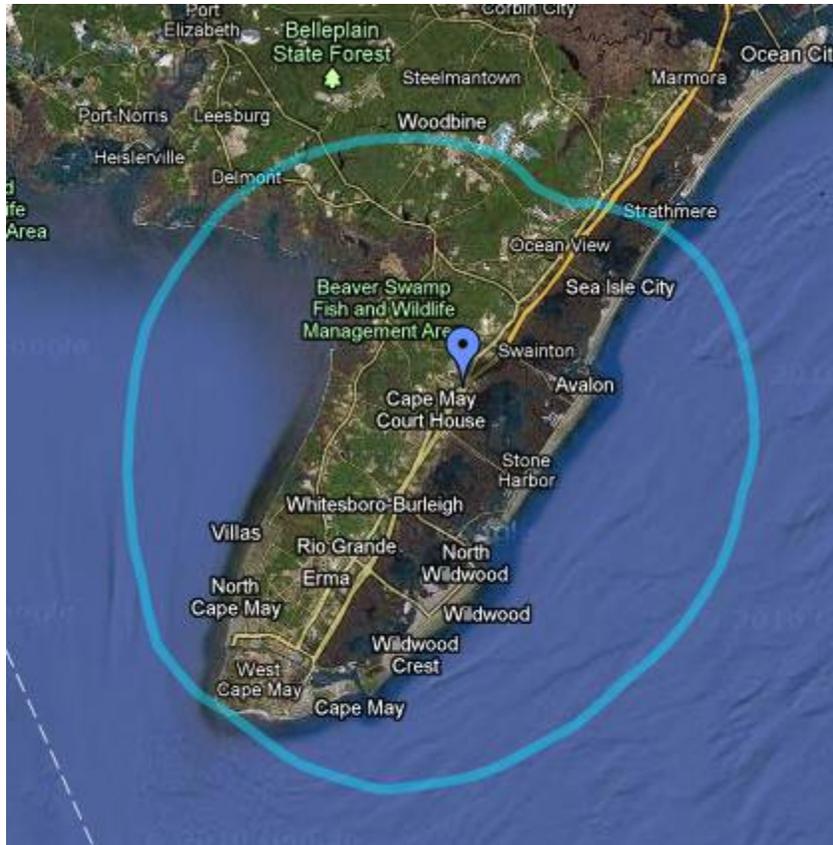
Source: http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1106629.pdf

WNJZ

Technical/Engineering Overview

WNJZ-FM is a Class A FM radio station licensed to Cape May Court House, New Jersey. WNJZ-FM operates with an ERP of 6.0 kW circularly-polarized, at a HAAT of 236 feet, on an assigned frequency of 90.3 MHz. The station is listed in the Atlantic City-Cape May, NJ market (ranked 142nd by Arbitron) and serves 73,721 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=48464>

FCC Filings

Renewal: Renewal of License, BRED-20060201ATD, was granted on 5/26/2006 for a term expiring on 6/01/2014.

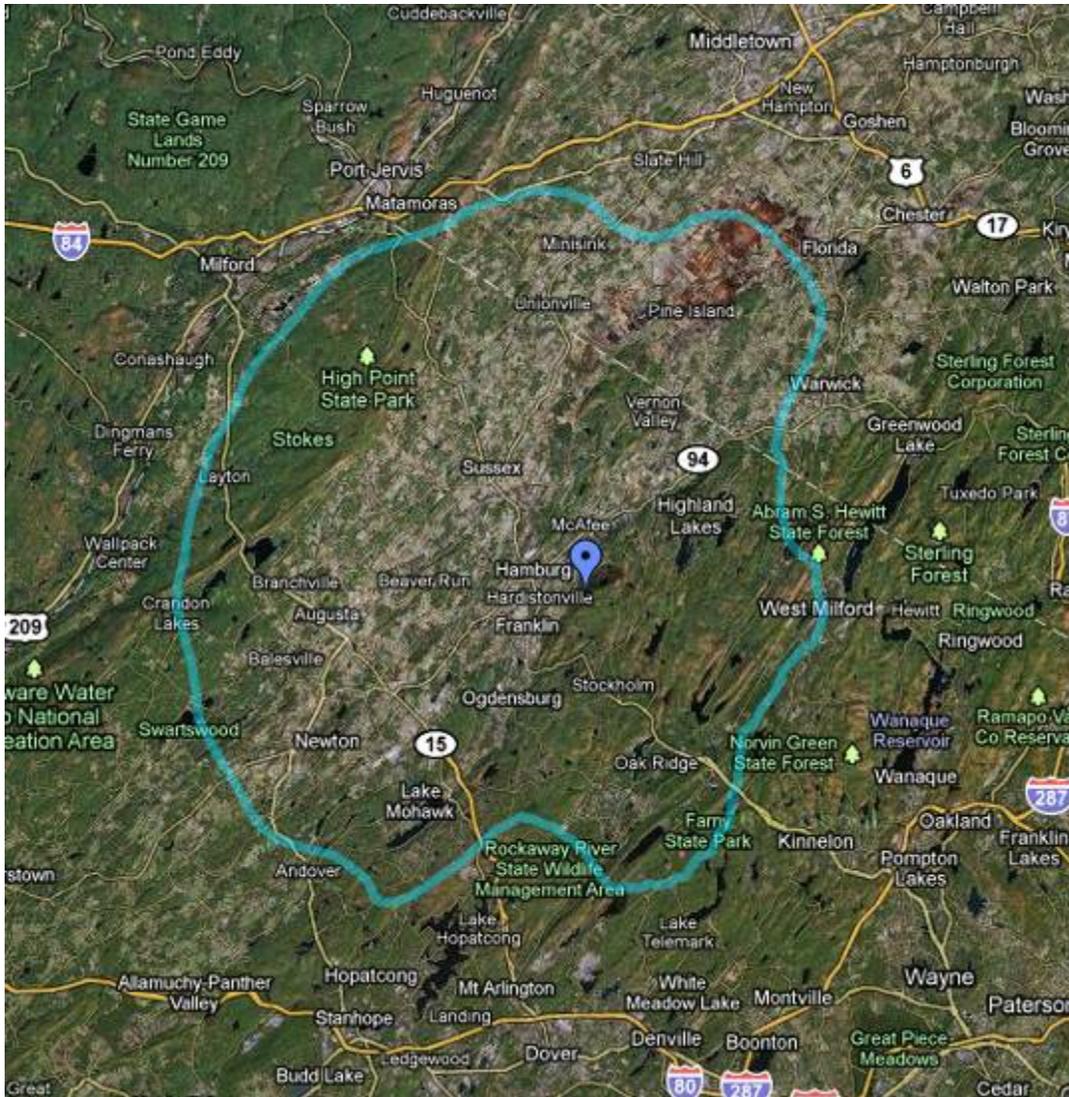
Source: http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1106647.pdf

WNJP

Technical/Engineering Overview

WNJP-FM is a Class A FM radio station licensed to Sussex, New Jersey. WNJP-FM operates with an ERP of 450 watts circularly-polarized, at a HAAT of 637 feet on an assigned frequency of 88.5 MHz. The station is listed in the Sussex, NJ market (ranked 247th by Arbitron) and serves 135,585 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=48471>

FCC Filings

Renewal: Renewal of License, BRED-20060201ASS, was granted on 5/26/2006 for a term expiring on 6/01/2014.

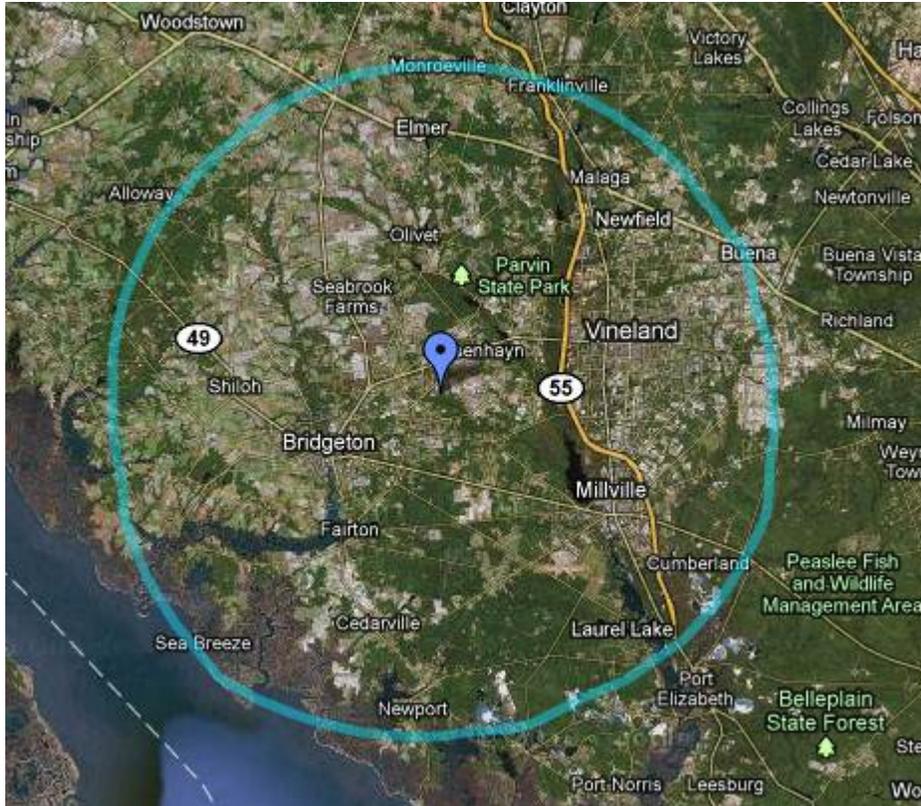
Source: http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1106637.pdf

WNJB-FM

Technical/Engineering Overview

WNJB-FM is a Class A radio station licensed to Bridgeton, New Jersey (non-rated market). WNJB-FM operates with an ERP of 2.5 kW vertically-polarized and one watt horizontally-polarized, at a HAAT of 220 feet on an assigned frequency of 89.3 MHz. The station serves 157,668 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=48934>

FCC Filings

Renewal: Renewal of License, BRED-20060201ASE, was granted on 6/22/2006 for a term expiring on 6/01/2014.

Source: http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1106626.pdf

Bernardsville, NJ Construction Permit

Technical/Engineering Overview

The CP is a Class A radio station to be located in Bernardsville, New Jersey. The CP will operate with an ERP of 1.9 kW, at a HAAT of 259 feet on an assigned frequency of 88.9 MHz. The station will be listed in the Middlesex-Somerset-Union, NJ market (ranked 40th by Arbitron) and will serve 232,236 people within the 60dBu contour.

Coverage Map: 60dBu service contour



Source: <http://www.fcc.gov/fcc-bin/fmq?list=0&facid=93886>

FCC Filings

Original Construction Permit: Construction permit, BPED-19990716MB, was granted on 2/27/2009 for a term expiring on 2/27/2012, but the construction permit has been tolled pending the outcome of an FCC proceeding. In addition, the construction permit has a special operating condition requiring compliance with Sections 73.7002(c) and 73.7005(b) of the FCC rules.

Source: http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1042222.pdf

NEW JERSEY ECONOMIC AND DEMOGRAPHIC DATA

New Jersey is the second wealthiest U.S. state with a per-capita income of \$50,009 in 2009. This is 26 percent higher than the national average of \$39,626. As the eleventh most populous state, New Jersey has a population of 8,791,894 according to the 2010 census. New Jersey's GDP in 2009 was \$483.0 billion, ranked seventh in the U.S, according to the Bureau of Economic Analysis.

New Jersey's economy is centered on the pharmaceutical industry, chemical development, telecommunications, health care and finance. The State is home to major pharmaceutical firms such as Johnson and Johnson, Sanofi-Aventis, Novartis, Pfizer, Wyeth, Hoffman-LaRoche, Bristol-Myers-Squibb, and Schering-Plough. New Jersey also hosts the headquarters of major telecommunications firms such as Verizon Wireless, Avaya, Alcatel-Lucent and AT&T Communications.

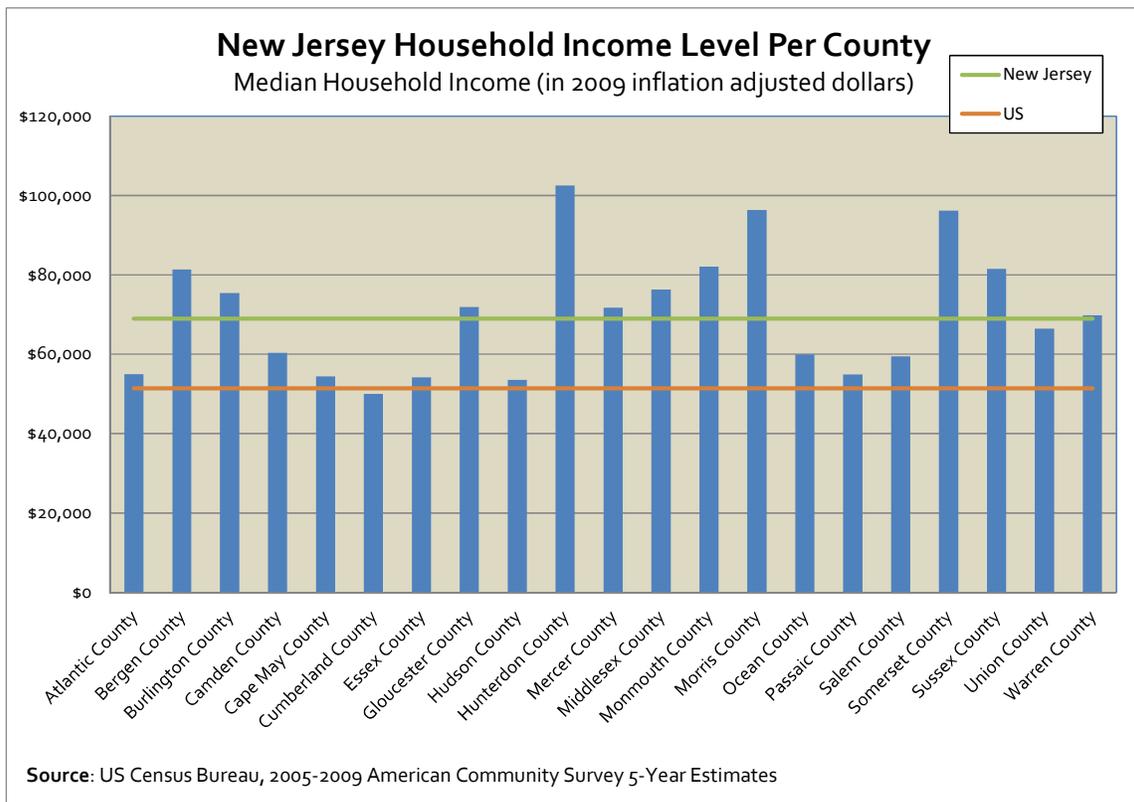
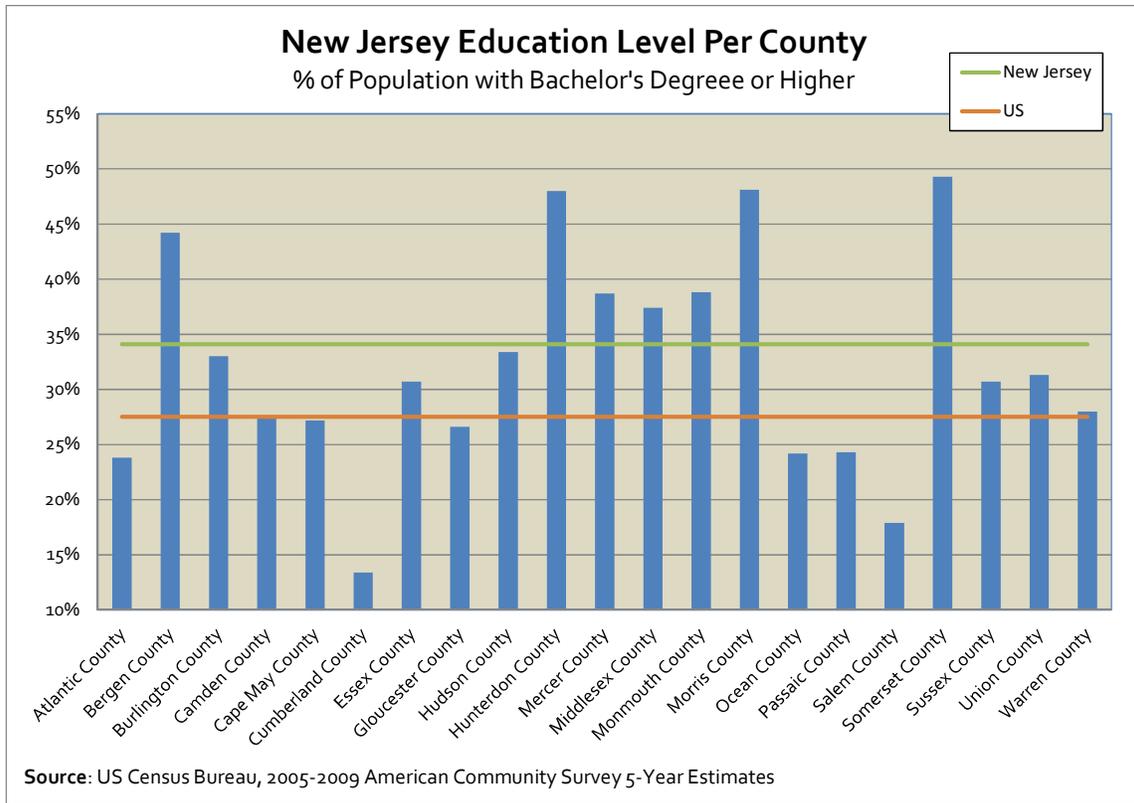
Approximately 65% of New Jersey's adult residents are in the workforce (approximately 4.5 million people), of which a little more than 4.0 million are employed. A substantial number of New Jersey residents work in either New York or Philadelphia. As of December 2010, the unemployment rate is 9.1 percent. New Jersey's jobless rate may decline to an average of 8.7 percent this year according to forecasts by the State's treasury department⁵.

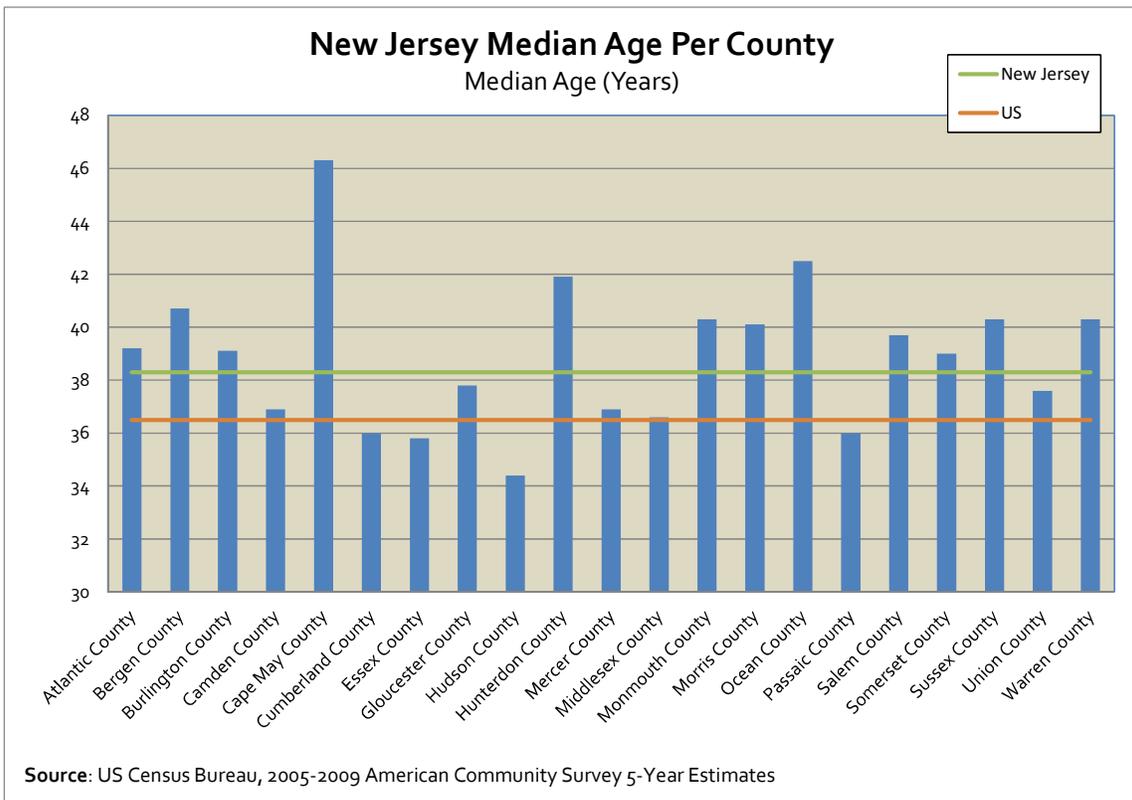
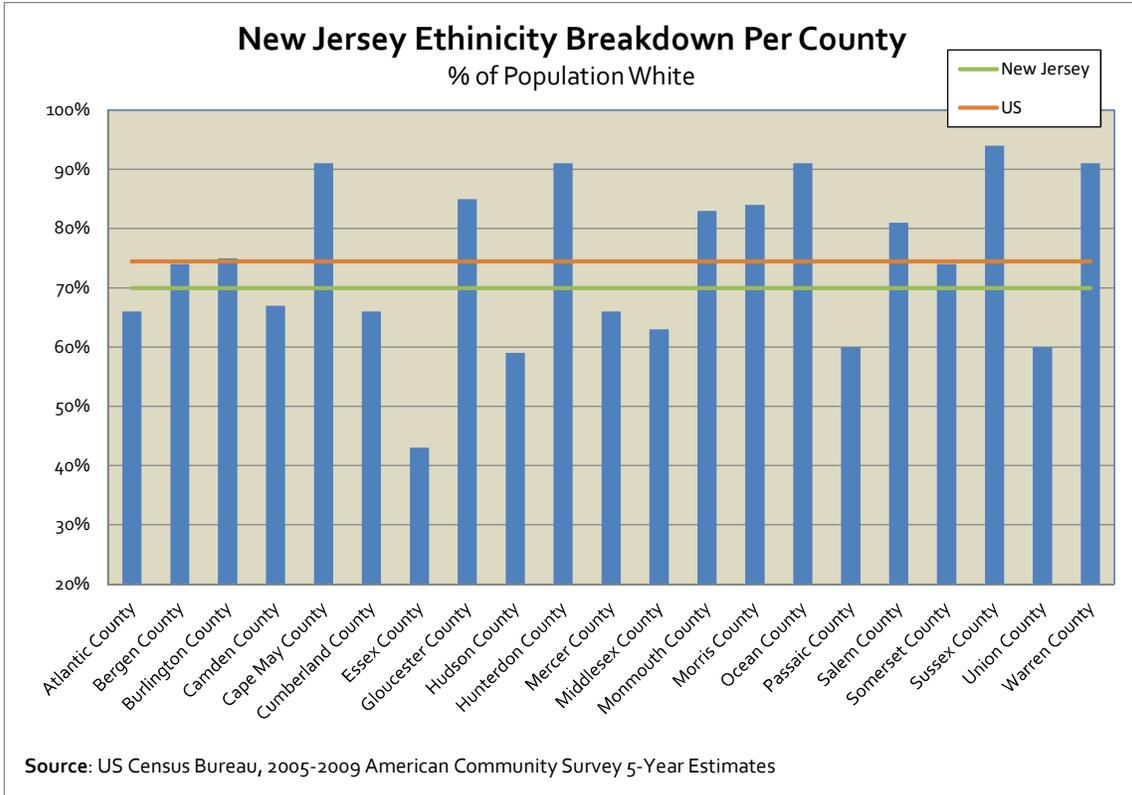
The people of New Jersey are well served by all sorts of media, educational, and cultural activities. Most households receive more than 100 cable (or satellite) TV channels, and dozens of radio stations. At 69%, NJ's broadband access is among the highest in the nation (USA average = 63%), and New Jersey's popular nj.com website—a joint venture of the *Star-Ledger* and eleven other New Jersey newspapers—is visited by more than 2.5 million unique visitors monthly—equal to nearly half of all New Jersey adults. Dozens of daily newspapers are available, some published in New Jersey, and some published in adjacent states. New Jersey has an abundance of public libraries, educational institutions, museums, arts organizations, and more. In comparison with the rest of the U.S., New Jersey's population is somewhat better educated (34% with a Bachelor's Degree or higher, vs. 27.4% nationwide); wealthier (median household income of \$69K vs. \$51K nationwide); more diverse (70.0% of whites, vs. 74.5% nationwide)—with a slightly older population (median age of 38, vs. 37 nationwide).⁶

The following charts illustrate a demographic breakdown of the 21 counties in New Jersey, along with the N.J. and the U.S. averages.

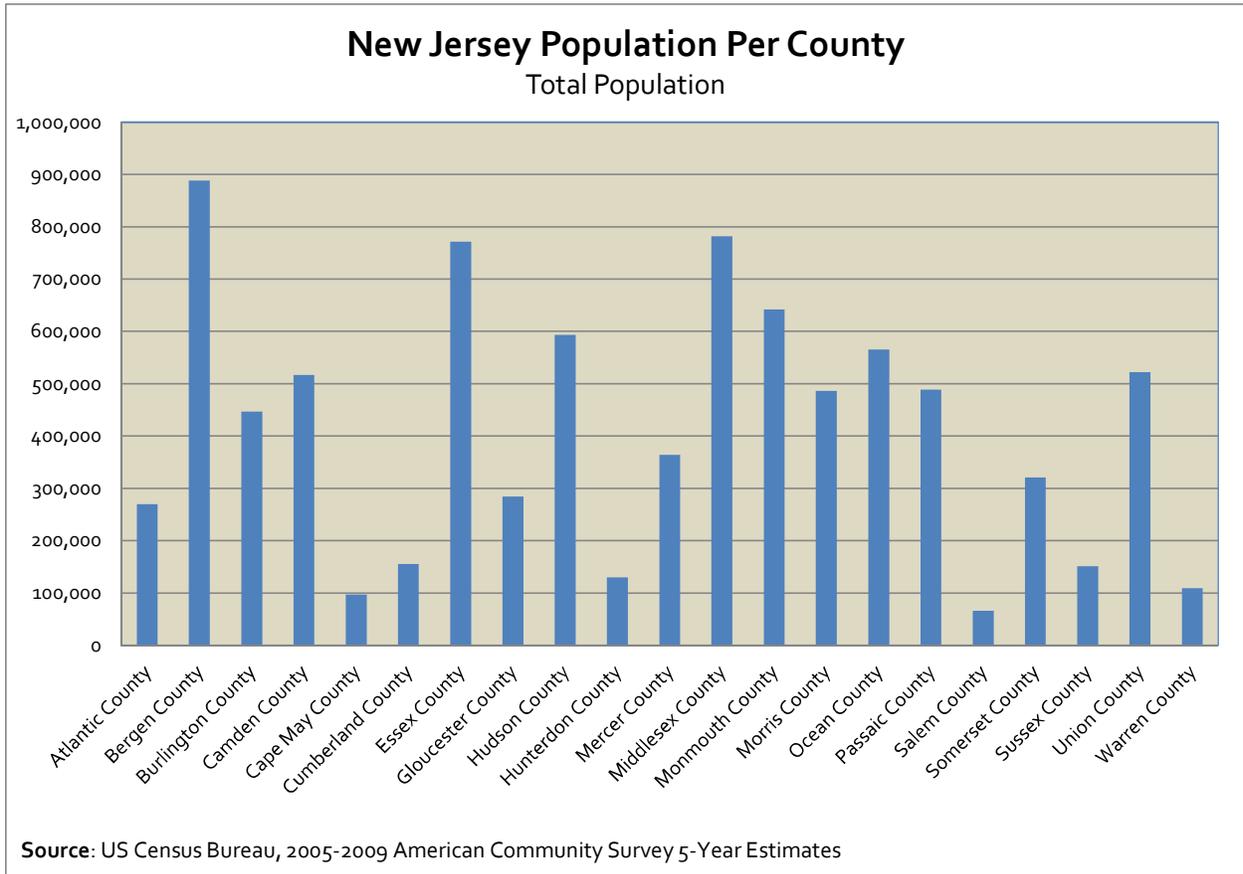
⁵ Bloomberg Business Week January 19, 2011

⁶ http://factfinder.census.gov/servlet/ACSSAFFacts?_event=Search&_state=04000US34&_lang=en&_sse=on





The following shows the population breakdown of New Jersey by county. The top three most populated counties include Bergen County, Middlesex County and Essex County.



NEW JERSEY RADIO MARKET DATA

NEW JERSEY STATION INVENTORY

As of January 20, 2011, there are a total of 153 AM and FM stations that are licensed in the State of New Jersey. These stations are owned by 83 different broadcasters. The following table shows the main group owners (excluding translators and multicast signals, including construction permits that are not on the air) in the State:

Licensee Name	Number of Stations Owned in NJ
New Jersey Public Broadcasting Authority	10
Millennium Radio Group LLC	10
Equity Communications LP	9
Greater Media Inc	7
Atlantic Broadcasting of Linwood NJ LLC	6
MultiCultural Broadcasting	6
Press Communications LLC	6

New Jersey's station inventory includes 40 AM, 106 full-power FM and seven lower-power FM stations and nine construction permits (not on the air). In addition, there are 32 FM translator stations licensed in the state. Of the 106 full-power FM stations, only ten have HD multicast channels.

Of the 153 stations (excluding translators and multicast channels), 71 are noncommercial and 82 are commercial. Among the noncommercial stations licensed in New Jersey, 46 are owned by 36 different public/community (non-religious) groups. Other than the NJPBA, the only other community/public (non-religious) group owner is Mercer County Community College with three FM stations airing a classical music format.

The State of New Jersey encompasses six Arbitron rated markets. These markets and their rankings⁷ (as of January 20, 2011) are as follows:

- Atlantic City-Cape May, NJ (market 142)
- Middlesex-Somerset-Union, NJ (market 40)
- Monmouth-Ocean, NJ (market 51)
- Morristown, NJ (market 116)
- Sussex, NJ (market 247)
- Trenton, NJ (market 143)

⁷ The higher the market rank the smaller the population coverage is. There are approximately 300 Arbitron rated markets.

RATED MARKETS

- Atlantic City-Cape May, NJ (market 142): The Atlantic City-Cape May, NJ market is the 142nd largest radio market⁸ with 35 total licensed stations and 16 station owners.

There are 13 noncommercial stations listed in the market. Among the 13 noncommercial stations four are supported by the Corporation for Public Broadcasting (CPB) through Community Service Grants (CSG). These stations include WWCJ-FM, licensed to Mercer County Community College, WRTQ-FM, licensed to Temple University of Commonwealth System of Higher Education, and WNJN-FM & WNJZ, licensed to the NJPBA.

- Middlesex-Somerset-Union, NJ (market 40): The Middlesex-Somerset-Union, NJ market is the 40th largest radio market with eight total licensed stations and seven station owners.

There are three noncommercial stations listed in the market. These noncommercial stations include WKNJ-FM, licensed to Kean University, WVPH-FM, licensed to Piscataway Board of Education, and WRSU-FM, licensed to Rutgers University Board of Governors. In addition, the NJPBA's construction permit in Bernardsville, New Jersey is listed in the market.

- Monmouth-Ocean, NJ (market 51): The Monmouth-Ocean, NJ market is the 51st largest radio market with 21 total licensed stations and 13 station owners.

There are ten noncommercial stations listed in the market. Among the ten noncommercial Monmouth-Ocean, NJ-market stations, three are supported by CPB through CSGs. These stations include WBJB-FM, licensed to Brookdale Community College, and WNJM-FM & WNJO-FM, licensed to the NJPBA.

- Morristown, NJ (market 116): The Morristown, NJ market is the 116th largest radio market with six total licensed stations and six station owners.

There are three noncommercial stations listed in the market. Among the three noncommercial Morristown, NJ-market stations, only one is supported by CPB through CSGs. This station is WNJY-FM, licensed to the NJPBA.

- Sussex, NJ (market 247): The Sussex, NJ market is the 247th largest radio market with six total licensed stations and four station owners.

⁸ Based on total population coverage

There are two noncommercial stations listed in the market. Among the two noncommercial Sussex, NJ-market stations, only one is supported by CPB through CSGs. This station is WNJP-FM, licensed to the NJPBA.

- Trenton, NJ (market 143): The Trenton, NJ market is the 243rd largest radio market with 12 total licensed stations and 11 station owners.

There are six noncommercial stations listed in the market. Among the six noncommercial Trenton, NJ-market stations, only two are supported by CPB through CSGs. These stations include WWFM-FM, licensed to Mercer County Community College, and WNJT-FM, licensed to the NJPBA.

PROGRAMMING DETAILS

NJN Radio Network airs a news/talk/info format with primarily National Public Radio (NPR) programming. The network carries such syndicated programs as Morning Edition, Weekend Edition, The Diane Rehm Show, Talk of the Nation, All Things Considered, Car Talk, and BBC Newshour along with unique programs such as NJN News, State of the Arts, and Straight Talk. The programming on the NJN Radio Network keeps listeners well informed on recent events and promotes involvement in the community.

Included in the NJN Radio Network schedule are programs that are audio taken from NJN TV programs, sometimes live simulcasted. These programs include three plays of NJN News during the week, Due Process, Images/Imagenes, Caucus NJ, State of the Arts, Reporters Roundtable, and On the Record. For more information on the individual programs, visit <http://www.njn.net/radio/programs.html>

Below is the current program schedule for the NJN Radio Network:

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY					
5:00 am	Morning Edition					WBGO Jazz						
6:00 am						Prime Time	The Parent's					
7:00 am						Only A Game	Fresh Air					
8:00 am						BBC Newshour					Weekend Edition	
9:00 am												
10:00 am	The Diane Rehm Show					Car Talk						
11:00 am	Fresh Air with Terry Gross											
12:00 pm	Tell Me More					Wait, Wait...	A Prairie Home Companion					
1:00 pm	Talk of the Nation					Car Talk	Wait, Wait...					
2:00 pm						Science Friday	Sound Opinions	Wait, Wait...				
3:00 pm	All Things Considered					The Sound of	On the Media					
4:00 pm						The Splendid	Hearing Voices					
5:00 pm						Weekend All Things Considered						
6:00 pm	NJN News					A Prairie Home Companion	The Splendid Table					
6:30 pm						Marketplace					A Prairie Home Companion	Travel with Rick Steves
7:00 pm	NJN News					On your Health	Living on Earth					
7:30 pm	Talk of the Nation					People's	Special of the					
8:00 pm	As It Happens					Left, Right and	Soundprint					
9:00 pm	Marketplace					On The Record						
10:00 pm	Due Process	Images / Imagenes	Caucus: New Jersey	State of the Arts	Reporters Roundtable	Transition	Straight Talk					
10:30 pm	NJN News					Humankind	Latino USA					
11:00 pm	Outlook					WBGO Jazz						
11:30 pm	WBGO Jazz					WBGO Jazz						
12:00 am	WBGO Jazz					WBGO Jazz						

AUDIENCE DATA

The NJN Radio Network reaches a large audience base with a total CUME of 46,600 people in the Spring 2010 Arbitron survey. Within the network, WNJP-FM has the highest CUME of 11,300 people. The following table shows the individual station audience data for Spring 2010.

New Jersey Public Broadcasting Radio Network Listening Data Philadelphia & New York Non-Met Areas - Spring 2010*		
Persons 12+ in Total Market, Mon-sun, 6A-12M		
	CUME	AQH
WNJB-FM	1,800	100
WNJM-FM	6,300	200
WNJN-FM	10,900	800
WNJO-FM	3,100	100
WNJP-FM	11,300	800
WNJS-FM	-	-
WNJT-FM	10,800	600
WNJY-FM	1,500	-
WNJZ-FM	2,500	100
Network Total	46,600	2,700

*Produced by RRC LPC Version 3.0 from Arbitron Diary Data

FINANCIAL OVERVIEW

Note: The audited financial results presented here are combined for the NJPBA and the Foundation for New Jersey Public Broadcasting Inc. ("FNJPB"), the fundraising arm of the NJPBA (see "Organizational Details" above for more information). Typically, all revenues except membership and underwriting are reported under the NJPBA. In addition, expenses are incurred at the NJPBA level, except for the fundraising expenses, which are reported under the FNJPB. The audited financial statements are available upon request.

In FY2010 (as of June 30, 2010), on a combined basis, the NJPBA generated over \$17.5 million in total revenues, up significantly from \$14.8 million in FY2009. This increase in total revenues was due largely to a major lease agreement on one of the educational broadband services ("EBS") licenses yielding an initial payment of \$3 million in FY2010. This EBS lease agreement will yield an annual payment of approximately \$1 million thereafter⁹. Overall, the NJPBA combined revenues are diversified among five major sources: state funding, contributions & grants, underwriting, CPB CSG income, tower rentals, facilities rentals & contract productions. The state funding encompasses general appropriations (direct), contributed services (indirect) and facilities (indirect). Amid an improving but still weak economy, the FNJPB experienced a \$281,000 decrease in listener sensitive income (contributions, underwriting and grants), a significant improvement over that of FY2009, which had shown a decrease of \$2.55 million from that of FY2008.

Total operating expenses for FY2010 amounted to \$28.8 million, down by \$2.6 million over that of FY2009. This significant decrease in expenses was a result of drastic cuts across all expense categories. Between FY2009 and FY2010, programming, production and broadcasting

⁹ Note that the EBS licenses and revenue are not part of this Radio Operations RFP.

costs decreased by \$1.7 million while total support services decreased by \$970,000.

In FY2010, on a combined basis, the change in NJPBA net assets was \$52,566, indicating an increase of approximately \$5.1 million compared to the prior year.

The following table shows a summary of the NJPBA's Statement of Activities on a combined basis.

New Jersey Public Broadcasting Authority Revenues and Expenses For Year End June 30, 2009 & 2010		
	2009	2010
Support and Revenues		
Contributions and Grants	\$ 3,532,139	\$ 3,680,584
Underwriting	\$ 2,907,692	\$ 2,477,999
Community Service Grants from Corporation for Public Broadcasting	\$ 3,082,296	\$ 3,078,007
Programming Rights	\$ 628,570	\$ 871,429
Workforce Development	\$ 665,170	\$ 411,560
Tower Rentals	\$ 1,369,920	\$ 4,555,455
Facilities Rentals/Contract Productions	\$ 2,056,762	\$ 2,241,583
Other Revenue ¹	\$ 543,661	\$ 252,000
Total Support and Revenues	\$ 14,786,210	\$ 17,568,617
Expenses		
Program Services		
Programming and Production	\$ 12,827,953	\$ 11,680,262
Awards	\$ 1,234,899	\$ 1,243,571
Broadcasting	\$ 9,261,724	\$ 8,732,720
Total Program Services	\$ 23,324,576	\$ 21,656,553
Supporting Services		
Underwriting and Grant Solicitations	\$ 855,070	\$ 798,116
Fundraising and Membership Development	\$ 2,263,456	\$ 1,806,598
General and Administrative	\$ 5,026,480	\$ 4,577,145
Total Supporting Services	\$ 8,145,006	\$ 7,181,859
Total Expenses	\$ 31,469,582	\$ 28,838,412
Excess of Expenses over Revenues	\$ (16,683,372)	\$ (11,269,795)
General Appropriations and Contributed Services and Facilities From State of New Jersey	\$ 11,677,093	\$ 11,322,361
Change in Net Assets	\$ (5,006,279)	\$ 52,566

Note:

1) Other Revenue includes Grants, Trade agreements, Program and Video Sales and Rentals, Investment Return, and Telecasting Production/Other Rental Income

Membership and Underwriting Details for NJN Radio Network

Over the past five years, the NJN Radio Network, on average, has had 24 underwriters and generated \$140,000 in underwriting income. In FY2010, the underwriting revenues, generated through 34 different underwriters, reached approximately \$240,000. The following table illustrates the five-year history in underwriting.

New Jersey Public Broadcasting Authority		
Underwriting Revenue: Radio		
Year	Underwriter Count	Underwriting Revenue
2006	26	\$ 125,242
2007	21	\$ 104,301
2008	19	\$ 135,612
2009	22	\$ 103,017
2010	34	\$ 241,263

The NJN Radio Network's membership income has ranged between \$56,000 (FY2009) and \$110,000 (FY2006). While the membership income has been relatively stable, the number of members fluctuated steeply, ranging between 616 (FY2009) and 1,470 (FY2006). The following table shows the five-year history in membership.

New Jersey Public Broadcasting Authority		
Membership Revenue: Radio		
Year	# of Members	Membership Revenue
2006	1,470	\$ 109,364
2007	1,193	\$ 80,690
2008	1,066	\$ 86,158
2009	616	\$ 55,948
2010	769	\$ 77,690

NOTE: As some of the membership and underwriting income is general (not directly tied to either radio or TV), the sum of radio and TV figures may not amount to those shown in the audited financials.

ORGANIZATIONAL DETAILS

The NJPBA is an agency, in but not of, the Department of the Treasury of the State of New Jersey. The NJPBA is responsible for providing non-commercial educational television, radio, internet and public broadcasting services and coordinating advisory assistance to state, local and regional agencies on matters pertaining to public broadcasting. The NJPBA holds authorizations and licenses from the Federal Communications Commission. Programs are

produced at its Trenton and Newark studios and on location. Through memberships and affiliations, the NJPBA has access to programs from the Public Broadcasting Service, the American Program Service, National Public Radio, Public Radio International, and various audio and videotape libraries.

The FNJB has been the fundraising arm of the NJPBA and was established by statute to develop broad community interest in, involvement with, and volunteer service to public broadcasting. The FNJPB also generates financial support, sponsorship and/or assistance with fundraising projects for the benefit of the NJPBA and its several purposes. The FNJPB solicits funds in the name of, and with approval from, the NJPBA. However, upon enactment of the Transfer Act, all funds received by the FNJPB will no longer be for the exclusive support and promotion of the NJPBA but for the support of public broadcasting in New Jersey.

For more information on the organizational structure and departments, visit <http://www.njn.net/about/departmentscontacts.html>

STATION FACILITIES

STUDIOS AND OFFICE FACILITY

The studio and office facilities of WNJS-FM, WNJM-FM, WNJO-FM, WNJY-FM, WNJN-FM, WNJZ-FM, WNJT-FM, WNJP-FM, and WNJB-FM are located at 25 South Stockton Street in Trenton, N.J. The building is owned by the New Jersey Economic Development Authority and primarily occupied by the New Jersey Public Broadcasting Authority ("NJPBA"), which NJN Radio is a part. Management, financial, and engineering staff and offices are shared with the television operations. Two primary radio studios, a combination interview studio and telethon phone room, a workroom equipped with an audio editor, a radio programming office, and an equipment rack room is located on the fourth floor. The rest of the fourth floor is occupied by NJN television operations and engineering offices. The satellite receive equipment, network audio processing, and studio-to-transmitter link (STL) equipment is located on the sixth floor, and a NJN radio-owned satellite receive dish is installed on the roof of the building with a weighted fixed mount. The engineering department, as well as the NJN management and financial staff, are shared by NJN's radio and television operations. The studios were relocated and rebuilt within the past two years, with new-appearing technical furniture custom-built by the television production carpenter shop on-site. However, some of the equipment, including the Wheatstone digital audio consoles, were obviously relocated, as they had already been in service long enough to be listed as "retired" from service. The studios are attractively appointed, and the studio technical furniture and main equipment are clean, well maintained, and in good working order. The status of the office furniture and chairs ranges from average condition to heavy wear and tear.

STUDIO EQUIPMENT

The NJPBA owns and maintains technical equipment for use in the radio stations' daily broadcast operations. At the NJN Radio studios in Trenton, this equipment includes: Wheatstone and Behringer audio consoles, Broadcast Electronics AudioVault digital audio storage and editing systems, Electro-Voice microphones mounted on shock mounts and O.C. white boom arms, Leitch slave clock display systems, RTS intercom and cue systems, Sony digital audio tape recorders, Sony portable digital audio recorders, 360 systems and Denon audio cart recorders, audio distribution, digital encoding and decoding, and switching equipment by Grass Valley and Leitch, Telos and Radio Systems studio telephone interface systems, Orban audio processing, TFT EAS systems, ADC and Bittree audio patch panels, Bose, Fostex, Wohler, Electro-Voice, JBL, and Crown audio monitoring, ESE timers, Microvision control interface relays, and Tascam cassette recorders. Overall, the technical equipment has been well-maintained and is in fair-to-good condition.

The NJPBA owns a one-meter Ku band satellite receive antenna located on the roof of the studios. The satellite receive equipment includes Satellite Systems downconvertors, Comstream receivers, and Microphase Communications demodulators. The satellite receive equipment is in overall fair condition.

The custom studio technical furniture is in good condition, and the office furniture and studio chairs are in fair condition.

PROGRAM DELIVERY NETWORK

The radio stations are connected with an extensive microwave relay audio system starting out as digitally encoded audio subcarriers piggybacked on the NJN television digital microwave STL and intercity relay system. The NJN television STL and intercity relay system utilizes Microwave Radio dual-stream equipment, and was installed new, along with upgrading the radio audio relay system to digital encoding, during the television digital transition. From the television transmitter sites, the digitally encoded radio program feed is carried on 950 MHz band radio STL links to all but one NJN radio station, WNJO in Toms River, which retransmits a signal received over-the-air.

Note: In the event multiple, different entities are selected to manage and operate the NJN Radio Network and NJN Television Networks or own the NJN Radio Network, those entities will be responsible for submitting a joint plan to cooperate, enter into contracts or otherwise agree on the use of shared infrastructure, including the program delivery network.

At the studios, the audio feed is processed by an Orban audio processor, and then encoded onto digital subcarriers in a dual-redundant 13 GHz television STL microwave system, with the backup side using a Microwave Radio Digi-Pro subcarrier encoder, and the primary side utilizing a Moseley digital audio subcarrier encoder. This STL link transmits to the WNJT-TV Trenton transmitter site northeast of Trenton, where the WNJT transmitter site is also co-

located. From this point the television relay system, with the radio audio digitally encoded and piggybacked, splits north and south.

The northern leg relays to the WNJB-TV New Brunswick transmitter site, via a 7 GHz digital television STL link. At New Brunswick, the radio network feed is passed onto a 944.5 MHz radio STL link using Moseley equipment, feeding two sites; the NJN Sussex TV tower on Hamburg Mountain, which serves as the WNJP transmitter site, and to the WNJY transmitter site at Netcong.

The southern radio program feed leg leaves the Trenton transmitter site via a 7 GHz TV intercity relay link to the Mt. Holly relay site, where a second television 7 GHz TV intercity relay link relays the signal to the co-located WNJS-TV and WNJS-FM transmitter site in Waterford Township. From the WNJS-FM transmitter site, the radio network signal is again digitally encoded and transmitted via a 945 MHz radio STL link, utilizing Moseley equipment; this STL link is received at three locations. The first receive site for the 945 MHz STL link is at the WNJB transmitter site near Bridgeton. The second receive site for the 945 MHz STL link is at the WNJN transmitter site at Mays Landing, where the signal is then retransmitted on a 949.5 MHz STL link to the WNJZ transmitter site at Cape May Court House. The third receive site for the 945 MHz STL link transmitted from the WNJS-FM transmitter site is at the WNJM-FM transmitter site at Manahawkin. The signal from the WNJM-FM transmitter at Manahawkin is then received over-the-air at the WNJO transmitter site at Seaside Park, and retransmitted on WNJO.

The television microwave relay equipment on which the signal is piggybacked, the digital encoders and decoders, and the 950 MHz band radio STL link equipment, along with the Scala and Mark STL antennas and Andrew and Cablewave coaxial transmission lines are in fair-to-good condition.

TRANSMITTER SITES

NJN Radio Transmitter Sites

The tower space and equipment shelter space for all of the NJN radio stations are leased from other state agencies, incorporated cities or townships, private entities, or owned by the NJPBA. The transmitter sites for WNJS-FM, WNJT-FM, WNJP-FM, and the New Brunswick STL subcarrier relay point are co-located at NJN television transmitter sites, and the Mt. Holly relay site primarily serves the television intercity relay system.

WNJT-FM Transmitter Site

The WNJT-FM transmitter site is at the end of Grover's Mill Road, one-half mile east of the intersection of US Route 1 and Interstate 295. The site is co-located with the WNJN-TV transmitter site. The antenna system consists of a dB Products five-bay FM antenna and 800 feet of 7/8 inch coaxial transmission line. The transmitter consists of a Harris Digit exciter. Other transmitter equipment includes: Orban audio processing, Belar monitoring equipment

and a Gentner Silence Sensor. All antenna system and transmitter equipment are in fair-to-good condition.

WNJS-FM Transmitter Site

The WNJS-FM transmitter site is co-located at the WNJS-TV transmitter site on Arrowhead Drive, in Waterford Township, near Berlin, and southeast of Camden. The antenna system consists of a dB products six-bay low power FM antenna, 125 feet of 1 5/8 inch coaxial transmission line, and a RF splitter system that combines the FM signal and STL signal onto one transmission line. The transmitter is a Harris Digit exciter and a Vocom Products 100 watt FM RF amplifier. Other transmitter equipment includes: Burk and Gentner remote control systems and Belar monitoring equipment. All antenna system and transmitter equipment appeared to be in fair-to-good condition. Other technical equipment at this site includes an Orban audio processor, and an Nvision powered rack frame with digital audio distribution modules. It was noted that some of the Gentner remote control system components, both in the rack and spares, need new backup batteries. As a result of the digital upgrade realignment, there are two good spare Orban audio processors that have been removed from individual sites and stored at this site.

WNJM-FM Transmitter Site

The WNJM-FM transmitter site is located at 1001 Beach Avenue, in Manahawkin. The antenna system consists of a two-station combiner; the SWR three-bay antenna and transmission line are leased and shared. The transmitter is a Crown FM250E 250 watt FM transmitter. Other transmitter equipment includes a Gentner remote control system and Belar monitoring equipment. Other technical equipment includes a pair of Fostex powered loudspeakers and a metal equipment rack.

WNJO-FM Transmitter Site

The WNJO-FM transmitter site is located at 13th Avenue and Barnegat Avenue in Seaside Park. The transmitting and receive antennas are mounted on a water tower. The transmitter, transmitter equipment and technical equipment are mounted in a weatherproof, air-conditioned cabinet similar to those commonly used at cellular sites, which is mounted atop a four foot square metal platform supported by four 4-foot high concrete piers. The antenna system consists of a Jampro two-bay FM antenna and 150 feet of 7/8 inch coaxial transmission line. The transmitter consists of a Crown FM150 exciter and a Crown PA2000, a two kW FM RF amplifier. Other transmitter equipment includes: Sine Systems remote control systems, Belar monitoring equipment, and Modulation Sciences audio processing. Other technical equipment includes a temperature monitor, a pair of Fostex powered loudspeakers, and an Inovonics professional FM receiver with associated off-air antenna.

WNJY-FM Transmitter Site

The WNJY-FM transmitter site is located at the intersection of Route 206 and Route 80, Mountain Road, in Netcong. The antenna system consists of a Scala two-bay FM antenna and 250 feet of 7/8 inch coaxial transmission line. The transmitter is a Crown FM300 FM transmitter. Other transmitter equipment includes: Orban audio processing and Belar monitoring equipment. Other technical equipment includes a pair of Fostex powered loudspeakers and a metal equipment rack.

WNJN-FM Transmitter Site

The WNJN-FM transmitter site is located adjacent to the west parking lot, on the grounds of the Atlantic Coast Community College, in Mays Landing. The antenna system consists of a Jampro three-bay FM antenna, 250 feet of 1 5/8 inch coaxial transmission line, and an Andrew air dryer. The transmitter is a Harris PT-2CD, a 2.2 kW FM transmitter. Other transmitter equipment includes: Gentner remote control and Belar monitoring equipment. All antenna system and transmitter equipment appeared to be in fair-to-good condition.

WNJZ-FM Transmitter Site

The WNJZ-FM transmitter site is located adjacent to the J.F. Kelly Construction building, at 916 Route 9 North, in Cape May Court House. The antenna system consists of a SWR three-bay FM antenna, Cablewave 1 5/8 inch coaxial transmission line, and a Cablewave air dryer. The transmitter is a Broadcast Electronics (BE) FM-2C, equipped with a BE FXi exciter. Other transmitter equipment includes: Orban audio processing, Gentner remote control and Belar monitoring equipment. Other technical equipment includes a metal equipment rack.

WNJP-FM Transmitter Site

The WNJP-FM transmitter site is located at a NJN-owned tower identified as the "Sussex" TV tower, FCC ASR# 1045122, located one-half mile southeast of NJ Route 517 and Sand Point Road in Hardistonville, New Jersey. The WNJP-FM antenna system consists of a Jampro two-bay FM antenna and 225 feet of 7/8 inch coaxial transmission line. The transmitter is a Harris Quest 500 watt FM transmitter. Other transmitter equipment includes: Orban audio processing and Belar monitoring equipment. The other technical equipment includes a metal equipment rack.

WNJB-FM Transmitter Site

The WNJB-FM transmitter site is located at 637 Bridgeton Avenue (a.k.a. County Road 666), in Bridgeton. The antenna system consists of a Jampro four-bay FM antenna and 250 feet of 1 5/8 inch coaxial transmission line. The transmitter is a Harris Quest 500 watt FM transmitter. Other transmitter equipment includes: a Gentner remote control system and Belar monitoring equipment. The other technical equipment includes a Wohler audio monitor and a metal equipment rack.

**ATTACHMENT C:
APPRAISAL**

An independent appraisal of the NJN Radio Network assets was prepared by BIA/Kelsey in January 2011. The appraisal is available electronically at <http://www.nj.gov/treasury/administration/pba/>

**ATTACHMENT D:
INVENTORY**

The complete inventory list is available electronically at <http://www.nj.gov/treasury/administration/pba/>

**ATTACHMENT E:
FORM OF LETTER OF INTENT**

[Insert Letterhead]

February __, 2011

[Name]

[Title]

[Address 1]

[Address 2]

Re: ***Operating Agreement with the State of New Jersey, New Jersey Public Broadcasting Authority (the "Licensee") to assume the Management and Operation of One or More Stations of the New Jersey Public Broadcasting Radio Network ("Network")***

Dear []:

This letter sets forth certain non-binding understandings and certain binding agreements of the parties hereto regarding the principal terms pursuant to which [], directly or indirectly through one or more affiliates ("Operator"), proposes to enter into an Operating Agreement with the Licensee (the "Agreement"), by which the Operator shall assume the operation and programming of [] (the "Stations") consistent with FCC rules and regulations for noncommercial educational radio stations (the "Transaction").

With the exception of Sections 7, 8, 9 and 10 (the "Binding Provisions"), the provisions of this LOI are intended only as an expression of the basic terms upon which Operator is willing to continue to evaluate and potentially pursue the Transaction, and such provisions are subject in all respects to the conditions specified herein and reflect the mutual understanding of Operator and Licensee with respect to the matters described herein. In addition, with the exception of the Binding Provisions, the parties hereto mutually agree that provisions of this letter of intent ("LOI") shall not create any legally binding obligations between the parties, and neither Operator nor Licensee shall have any liability to the other with respect to, based on, arising from or relating to this LOI.

1. Stations' Assets/Liabilities.

(a) **Assets Used and Useful in the Operation of the Stations.** Subject to the conditions herein described, including the negotiation and execution of the definitive Operating Agreement, which shall set forth the terms and conditions for the proposed Transaction, Licensee shall allow Operator, for the purpose of assuming the operation and

programming of the Stations, to use assets used and useful in the operation of the Stations, including, but not limited to, certain equipment detailed in Attachment A (the "Assets").

(b) **Assumed Liabilities.** Operator shall not assume any liabilities of Licensee other than those pursuant to the assumption of obligations to be performed on and after the closing date on those specific leases, contracts, and agreements that Operator designates and agrees to assume.

2. **Consideration.** Subject to the conditions herein described, including the negotiation and execution of the Agreement, and consistent with all FCC requirements for noncommercial educational radio stations, the following may be offered (the "Consideration") by Operator to Licensee in consideration for the right to operate the Stations for [insert period of time]:

- (1) Cash consideration valued at [], paid on an annual basis and/or;
- (2) Reimbursement of all direct and indirect operating costs associated with the Stations, which will include utilities, tower rent, insurance, and other costs and/or;
- (3) In-kind consideration of a total value of [], which will include [] and/or;
- (4) Funding of a capital reserve account for future capital costs of the Stations;
- (5) No consideration in lieu of operating value to the Licensee

3. **Operation, Ownership and Control of the Stations.** Operator understands and acknowledges that as long as Licensee remains the licensee of the Stations it will have ultimate authority, power, and control over the Stations and facilities of the Stations during the Term, including Station finances, personnel and programming. Licensee will bear ultimate responsibility for the Stations' compliance with all applicable provisions of the rules and policies of the FCC and all other applicable laws and regulations. Without limiting the generality of the foregoing, (a) Licensee will retain ultimate control over the programming and format of the Stations, including the right to preempt, as set forth below, any of the Programming; (b) Licensee will maintain ultimate responsibility for oversight of the Stations' finances; and (c) Licensee will cause the Stations to comply with FCC main studio rules (except as such may have been waived by the Commission). Nothing herein shall prevent or hinder Licensee from (y) rejecting or refusing programs which Licensee believes to be unsatisfactory or unsuitable or contrary to the public interest, or (z) substituting a program which, in Licensee's opinion, is of greater local or national importance or which is specifically designed to address the problems, needs, and interests of the communities served by the Stations.

During the Term, Operator will maintain and deliver to Licensee such records and information required by the FCC to be placed in the public inspection file of the Stations pertaining to certain FCC rules. Operator will promptly notify and advise Licensee of any public or FCC complaint or inquiry concerning the programming and be given copies of any letters from the public, including complaints, concerning such programming.

Operator will have day to day responsibility for compliance with applicable laws for management and operation of the Stations, including FCC rules and regulations. Responsibility for routine maintenance for the Stations' transmitters, any studio-transmitter link used in conjunction with the Stations and ancillary equipment will reside with Operator. Operator agrees to produce daily logs for the Stations, and perform the required transmitter readings.

4. **Diligence.** Upon Licensee's acceptance of this LOI, Operator will submit to Licensee a list of materials that Operator expects to review as part of Operator's due diligence investigation. During Operator's due diligence investigation, Licensee will cooperate with Operator by making available to Operator and its representatives and advisors, during business hours or as otherwise agreed upon by the parties hereto, the information requested, to the extent reasonably available to Licensee, and allowing inspection of the Stations' facilities, tower and transmitter by Operator and its representatives and advisors.

5. **Conditions.** The closing of the Transaction shall be conditioned upon the following:

(a) Completion by Operator of its due diligence review of the Stations and Operator's satisfaction, in its sole discretion, of the results of its due diligence review. Upon completion of its due diligence review, but in no event later than fifteen (15) days after the execution of this LOI, Operator will inform Licensee in writing of whether Operator intends to continue to pursue the Transaction.

(b) The negotiation and execution of the Agreement, which shall contain terms and conditions mutually acceptable to the parties, including covenants, representations, warranties, and indemnification reasonably satisfactory to Operator and Licensee and customary in a transaction of this nature including, without limitation the Terms and Conditions for the State of New Jersey set forth in Attachment F of the Radio Operations RFP and including, without limitation in the case of the representations and warranties contained in the Agreement, provisions that the Stations are operating in material compliance with FCC rules and regulations, and otherwise within the limits of all material local, state and federal laws governing the businesses of the Stations. Both parties agree that time is of the essence in the preparation of the Agreement and in preparing all other documents and applications required for filing with the proper local, state, and federal agencies in order to implement this Transaction. Both parties agree that if the Agreement is not executed within thirty (30) days from the date of executing this LOI, pending appropriate New Jersey legislative approval, neither party shall have any further legal obligation under this LOI other than the Binding Provisions.

(c) Approval by Operator's and Licensee's Board of Directors or Trustees or appropriately designated officials or governmental entities of the contemplated transaction and any other approvals required by statute, including the New Jersey Public Broadcasting System Transfer Act (L. 2010, c. 104) (the "Transfer Act").

(d) Operator's reasonable satisfaction that the Stations' conditions are as represented during the course of the negotiations, that there have been no material adverse changes in the Stations' condition, and that there are no material regulatory, legal, engineering, or other impediments to Operator's operation of the Stations in accordance with their respective licenses.

(e) The absence of any pending or threatened litigation regarding the Agreement, the Transaction and any other transactions contemplated by the Agreement, unless waived by the parties.

6. **Expenses and Brokers.** Operator and Licensee shall each bear its respective costs and expenses for attorneys, accountants, brokers and advisors retained by or representing it in connection with this transaction.

7. **Exclusive Dealing.** In consideration of the efforts and expenses to be incurred by Operator between the date of this LOI and the execution by the parties hereto of the Agreement, Licensee agrees that during the term of this LOI neither Licensee nor its officers, directors, employees, agents, affiliates or brokers shall solicit, discuss or negotiate with anyone other than Operator a possible transaction for the assumption of the operation of the Stations.

8. **Confidentiality.** Operator agrees to treat confidentially all information exchanged or acquired in connection with the negotiation and execution of the Agreement and in connection with its due diligence, including the terms of this proposal, the identity of Licensee, and the fact that discussions are taking place between Operator and Licensee in connection with this LOI, except that such information may be disclosed to Operator's lenders, prospective donors, counsel, accountants and other representatives and principals assisting such party with the transactions contemplated hereby, and as required by law, including the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq. This paragraph 8 shall not apply to information generally known in the broadcast industry as of the date hereof or that becomes so known following the date hereof, unless such information becomes generally known due to the negligence, willful misconduct or failure to fulfill an obligation in this LOI or the Agreement by the Operator. In the event that the Transaction is not consummated, Operator will, and will cause any third parties in receipt thereof to, return to Licensee all documents and materials obtained from Licensee with regard to this transaction and all copies, electronic or otherwise, thereof; *provided, however,* that Operator and any of its representatives and advisors in receipt of such confidential information shall be permitted to retain such confidential information in accordance with each party's respective document retention policies; *provided further,* that any confidential information retained pursuant to document retention policies shall be kept confidential in accordance with this LOI. Operator shall not use any information obtained from Licensee for any purpose other than evaluating the transaction proposed herein.

9. **Press Release.** Prior to the Closing, Operator that it shall not make any public announcement or issue any press release regarding this LOI or the Transaction without the

prior written consent of the Licensee.

10. **Governing Law.** The laws of the State of New Jersey shall govern this LOI. Jurisdiction shall be exclusively in the State courts of the State of New Jersey. The State does not consent to federal court jurisdiction. This LOI supersedes all prior understandings and agreements among the parties hereto relating to the subject matter hereof.

11. **Miscellaneous.** This LOI does not purport to include all the essential terms of the transaction contemplated hereby (which will only be contained in the Agreement) and, accordingly, is not intended to be a legally binding agreement; provided, however, that the provisions set forth in paragraphs 7, 8, 9 and 10 shall be binding upon the parties hereto in accordance with their terms. This LOI may be executed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument. The parties hereto may sign facsimile or scanned copies of this LOI which shall each be deemed originals. All clauses and covenants contained in this LOI are severable and in the event any of them is held to be invalid by any court, this LOI shall be interpreted as if such invalid clauses and covenants were not contained herein.

12. **Expiration.** This LOI shall expire if not replaced by the Agreement (and, if replaced by the Agreement, the terms of the Agreement shall govern) within thirty (30) days after the signing of this LOI by Operator and Licensee, pending appropriate New Jersey legislative approval. The term of this LOI may be extended with the agreement of Operator and Licensee.

*****Signature Page Follows*****

**ATTACHMENT F:
STANDARD TERMS AND CONDITIONS**

The Standard Terms and Conditions are available electronically at
<http://www.nj.gov/treasury/administration/pba/>