

**State of New Jersey  
State Treasurer**

Request for Proposals

For

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

Issued: February 7, 2011

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

## 1.0 PURPOSE AND INTENT

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1.1 This Request for Proposals ("TV 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") television broadcast network (the "NJN Television 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 Television Network as a noncommercial educational and public media service, including the following NJN Television Network stations (each a "Station" or collectively, the "Stations"):

- (1) WNJT (TV), Trenton, New Jersey;
- (2) WNJB (TV), New Brunswick, New Jersey;
- (3) WNJN (TV), Montclair, New Jersey;
- (4) WNJS (TV), Camden, New Jersey; and
- (5) TV Translators:
  - (a) W36AZ, Sussex, New Jersey;
  - (b) W49BE, Hackettstown, New Jersey; and
  - (c) W43CH, Belvidere, New Jersey.

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

(c) Hire and manage staff (other than FCC-required main studio staff) required for operation of the NJN Television 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 Television Network;

(e) Consistently improve the NJN Television 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 Television Network pursuant to this RFP for Operation of the NJN Television Network, including an operating subsidy or management fee. The State will not assume capital costs related to existing or future equipment maintenance, replacement, or capital improvements.

## **2.0 BACKGROUND**

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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 Television Network and the NJN radio broadcast network ("NJN Radio Network"). The Transfer Act does not authorize the State Treasurer to sell the NJPBA's Federal Communications Commission ("FCC") television broadcast licenses, but does permit the State Treasurer to sell the NJPBA's FCC radio 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 Television 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 Television

Network to one or more nonprofit corporations or other eligible entities. Pursuant to this RFP, the State Treasurer’s office will receive proposals for the operation and management of the NJN Television Network.

NOTE: In addition to this RFP for the NJN Television Operations, two separate Requests for Proposals will be issued at the same time to the same list of bidders. One Request for Proposals (“Radio Operations RFP”) asks for proposals for operating and managing the NJN Radio 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 RFP, the Radio 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 “Television Operating Agreement”).

### **3.0 TRANSFER ACT MINIMUM REQUIREMENTS**

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For bidders interested in operating and managing all or a portion of the NJN Television 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 station 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 operation of a public broadcast system.
- c. Upon entering into the Television Operating Agreement, the bidder shall provide public broadcasting services and operate a public broadcasting system consistent with all license 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**

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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**

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Certain information concerning the NJPBA and the NJN Television 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 Television 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**

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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 TELEVISION OPERATING AGREEMENT(S)**

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

## **8.0 REQUIRED COMPONENTS OF THE PROPOSAL**

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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 Television 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 Television Operations RFP, the Radio 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 Television Network or specific Stations, as well as the number and type of any TV programming streams that you intend to provide.<sup>1</sup> If you intend to manage specific Stations, please list the call letters of the Stations and any suggestions or partnership proposals, etc., related to the operation of any

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<sup>1</sup> At present, NJPBA operates one HD program stream and one SD program stream.

remaining Stations that are not included in your Proposal. If you intend to manage fewer Stations than the entire NJN Television Network, your Proposal 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 noncommercial educational public television network including:

- (a) The entity or entities that would be the party to any Television Operating Agreement and would operate the NJN Television Network;
- (b) The ability, capacity, and authority of your entity to operate FCC licensed television 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/tv/generalprovisions/cpb\\_11TV\\_CSG\\_General\\_Provisions.pdf](http://www.cpb.org/stations/grants/tv/generalprovisions/cpb_11TV_CSG_General_Provisions.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 all or a portion of the NJN Television 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, as well as a comparison of the bidder's plans with NJPBA's existing New Jersey-centric programming, which consists of six hours of news and information programming per week, including 30-minutes of a local newscast on weekdays.
- (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, consisted 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 Television 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 Television 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 Television Network, in whole or in part as follows:
- (a) Budget information and business modeling that includes existing services and NJN Television 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 Television Network which you would like to provide in your Proposal.
- 8.8 Describe your operating plans for the NJN Television 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 Television Network studios, transmission and interconnection facilities, if any;
  - (b) Initial NJN Television Network programming grid including New Jersey-centric news and 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 Television 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 Television 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 Television Network.

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

## **9.0 SUBMISSION OF PROPOSALS**

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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](mailto: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 Television 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 addresses:

For the State Treasurer:

[Steven.Petrecca@treas.state.nj.us](mailto:Steven.Petrecca@treas.state.nj.us)

For Public Radio Capital:

[Dlopez@publicradiocapital.org](mailto:Dlopez@publicradiocapital.org)

**Proposals must be received by March 11, 2011, 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**

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The dates set forth below for the closing and for the assumption by the winning bidder(s) of the NJN Television 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:	Television Operations RFP is released.
February 17, 2011:	All questions on the Television 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 Television Operation Proposals Due.
March 25, 2011:	Initial Television 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 Television Operation Proposals Due.
June 30, 2011:	Closing Complete.
July 1, 2011:	Operator(s) assume operation of NJN Television Network pursuant to executed Television Operating Agreements.

## **11.0 SELECTION PROCESS**

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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 Television Network or for portions of the NJN Television Network, while providing solutions for the remainder of the NJN Television Network;
- (h) Quality of the overall response; and
- (i) Programming solutions that offer suitable amounts of New Jersey-centric public television news and 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 Television Operating Agreement(s) shall be drafted and negotiated.

11.12 Upon completion of negotiation of the Television 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 Television Operating Agreement(s) during such period, the closing process shall be undertaken.

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

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

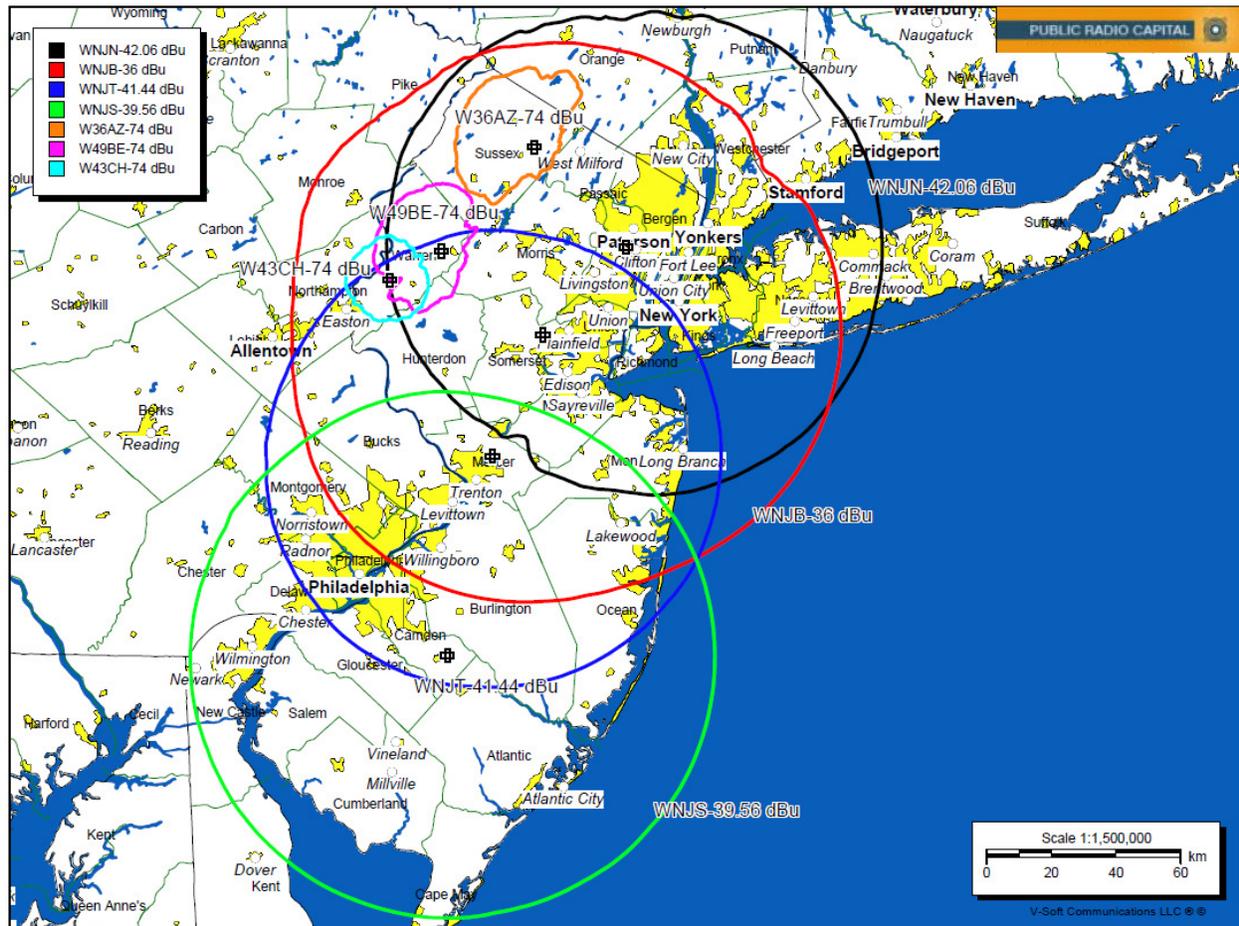
**ATTACHMENT B:  
INFORMATION ON THE NJN TELEVISION NETWORK**

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## SUMMARY OF KEY ASPECTS

- Currently, the NJPBA owns and operates four noncommercial educational television stations and three television translators: WNJT (TV), WNJB (TV), WNJN (TV), WNJS (TV), W36AZ, W49BE, and W43CH. The following map shows the coverage area of the NJN Television 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).<sup>2</sup>
- The NJN Television Network reaches two Nielsen-rated television markets (DMA, or Designated Market Areas): New York, NY (market 1) and Philadelphia, PA (market 4).

<sup>2</sup> [http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=Search&\\_state=04000US34&\\_lang=en&\\_sse=on](http://factfinder.census.gov/servlet/ACSSAFFacts?_event=Search&_state=04000US34&_lang=en&_sse=on)

As of January 2011, The New York, NY market covers over 7.5 million and the Philadelphia, PA market covers over 3 million households.

- NJN Television Network airs noncommercial educational television format. During the day, the NJN Television Network carries such children’s programs as Sesame Street, Curious George, Barney & Friends, and Clifford the Big Red Dog. In the afternoon cooking and travel shows are aired on the network. The evening spots are filled with news and information programming including such shows as NJN new, BBC World News, State of the Arts, and Nova.
- NJN Television Network reaches approximately 20 million people in New Jersey and neighboring states.
- Over the past five years, the NJN Television Network, on average, has had 53 underwriters and generated \$2.1 million in underwriting income. For the same period, membership income has ranged between \$2.1 million (FY2010) and \$3.7 million (FY2008).

## STATION DETAILS

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Currently, the NJPBA owns and operates four noncommercial educational television stations and three television translators:

- (1) WNJT (TV), Trenton, New Jersey;
- (2) WNJB (TV), New Brunswick, New Jersey;
- (3) WNJN (TV), Montclair, New Jersey;
- (4) WNJS (TV), Camden, New Jersey; and
- (5) Translators:
  - (a) W36AZ, Sussex, New Jersey;
  - (b) W49BE, Hackettstown, New Jersey; and
  - (c) W43CH, Belvidere, New Jersey.

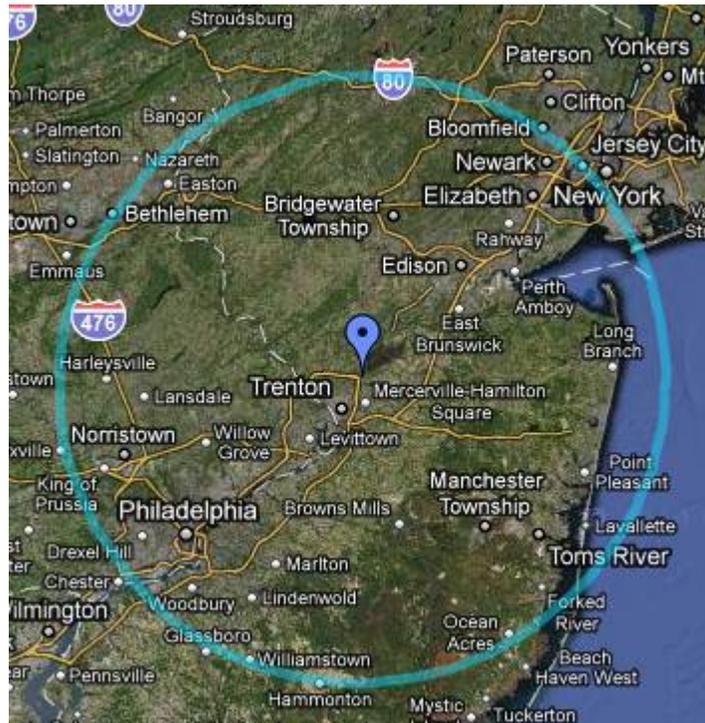
These stations currently operate as PBS members purchasing 25% of the PBS National Program Service. It includes children’s programs, arts, drama, documentary, others (see “Programming Details” for more information).

### WNJT (TV)

#### Technical/Engineering Overview

WNJT, licensed to Trenton, NJ, broadcasts on digital Channel 43 and operates with 46 kW of power from an antenna HAAT of 266 meters. The station holds a CP to upgrade its power to 59.4 kW. WNJT is assigned to the Philadelphia, PA TV market (ranked 4th of 210 rated Nielsen TV markets) with approximately 3 million households.

Coverage Map: 41dBu Contour



Source: <http://www.fcc.gov/fcc-bin/tvq?list=0&facid=48465>

FCC Filings

*Renewal:* Renewal of License, BRET-20070201BKC, was granted on 5/31/2007 for a term expiring on 6/01/2015.

Source: [http://licensing.fcc.gov/prod/cdbs/pubacc/Auth\\_Files/1167150.pdf](http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1167150.pdf)

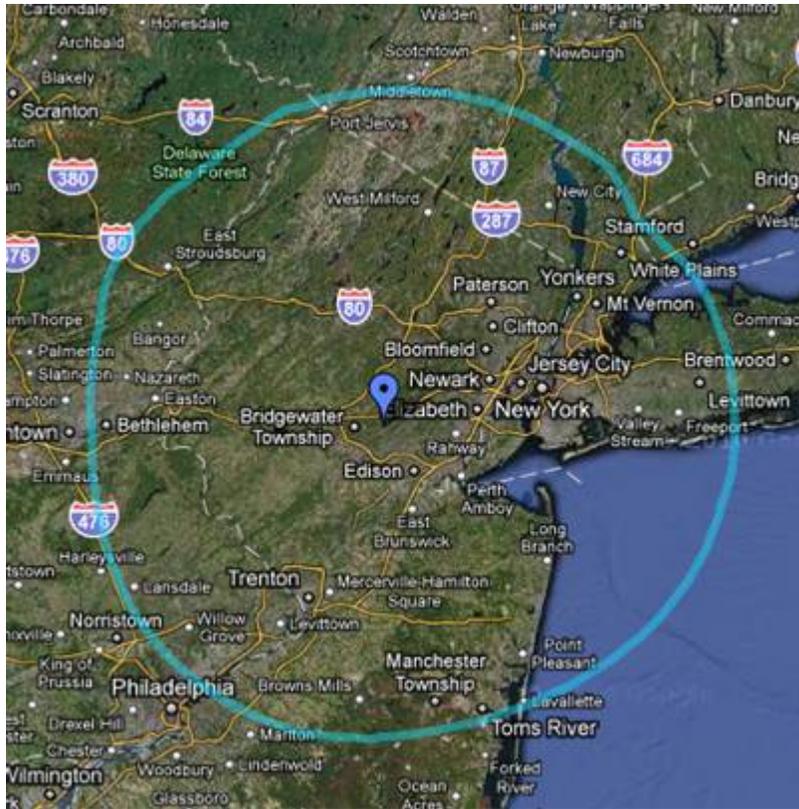
**WNJB (TV)**

Technical/Engineering Overview

WNJB, licensed to New Brunswick, NJ, broadcasts on digital Channel 8 and operates with 17.9 kilowatts (kW) of power from an antenna height above average terrain (HAAT) of 215 meters. WNJB is assigned to the New York, NY TV market (ranked 1st of 210 rated Nielsen TV markets). The market has approximately 7.5 million households<sup>3</sup>.

Coverage Map: 36dBu Contour

<sup>3</sup> <http://www.nielsen.com/content/dam/corporate/us/en/public%20ofactsheets/tv/2010-2011%20DMA%20Ranks.pdf>



Source: <http://www.fcc.gov/fcc-bin/tvq?list=0&facid=48457>

### FCC Filings

*Renewal:* Renewal of License, BRET-20070201BKJ, was granted on 5/31/2007 for a term expiring on 6/01/2015.

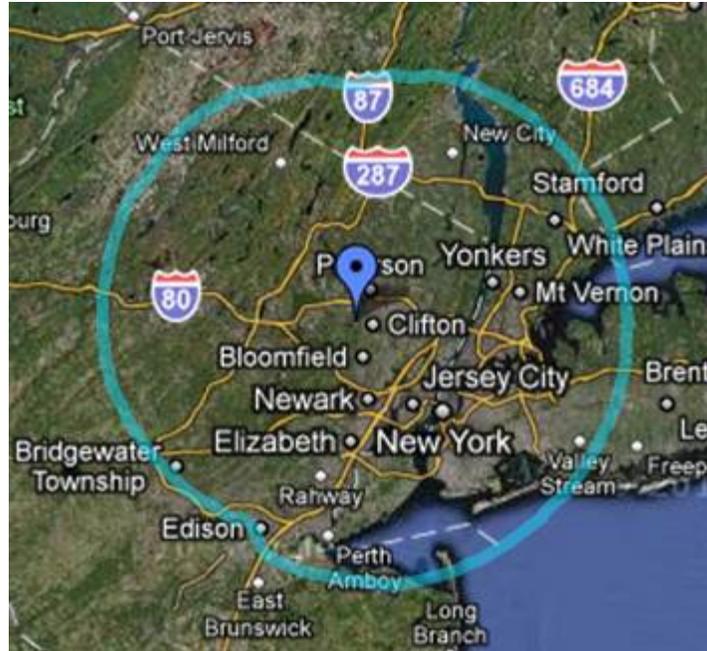
Source: [http://licensing.fcc.gov/prod/cdb/pubacc/Auth\\_Files/1167142.pdf](http://licensing.fcc.gov/prod/cdb/pubacc/Auth_Files/1167142.pdf)

### **WNJN (TV)**

#### Technical/Engineering Overview

WNJN, licensed to Montclair, NJ, broadcasts on digital Channel 51 and operates with 200 kW of power from an antenna HAAT of 233 meters. The station holds a construction permit (CP) to upgrade its power to 443 kW and its HAAT to 237 meters. WNJN is assigned to the New York, NY TV market (ranked 1st of 210 rated Nielsen TV markets) with approximately 7.5 million households.

Coverage Map: 41dBu Contour



Source: <http://www.fcc.gov/fcc-bin/tvq?list=o&facid=48477>

### FCC Filings

*Renewal:* Renewal of License, BRET-20070201BKF, was granted on 7/18/2007 for a term expiring on 6/01/2015.

Source: [http://licensing.fcc.gov/prod/cdbs/pubacc/Auth\\_Files/1167145.pdf](http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1167145.pdf)

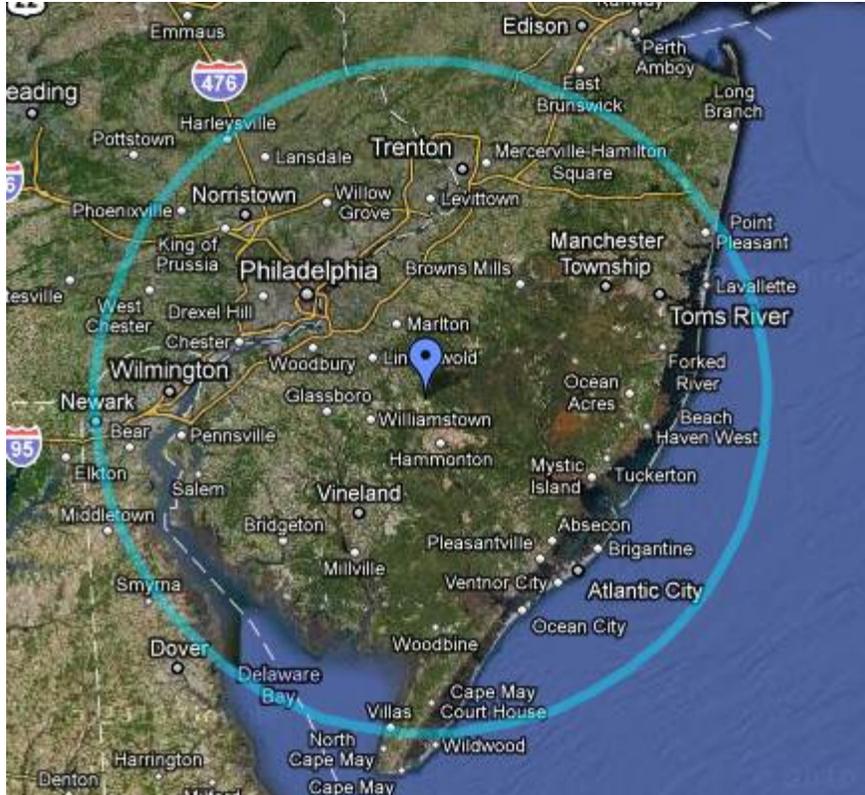
### **WNJS (TV)**

#### Technical/Engineering Overview

WNJS, licensed to Camden, NJ, broadcasts on digital Channel 22 and operates with 197 kW of power from an antenna HAAT of 264 meters. The station holds a CP to upgrade its power to 566 kW and its HAAT to 265 meters. WNJS is assigned to the Philadelphia, PA TV market (ranked 4th of 210 rated Nielsen TV markets) with approximately 3 million households<sup>4</sup>.

Coverage Map: 41dBu Contour

<sup>4</sup> <http://www.nielsen.com/content/dam/corporate/us/en/public%20ofactsheets/tv/2010-2011%20DMA%20Ranks.pdf>



Source: <http://www.fcc.gov/fcc-bin/tvq?list=0&facid=48481>

### FCC Filings

*Renewal:* Renewal of License, BLET-20070611AAZ, was granted on 8/21/2007 for a term expiring on 6/01/2015.

Source: [http://licensing.fcc.gov/prod/cdbs/pubacc/Auth\\_Files/1187198.pdf](http://licensing.fcc.gov/prod/cdbs/pubacc/Auth_Files/1187198.pdf)

### **W36AZ**

#### Technical/Engineering Overview

W36AZ, licensed to Sussex, NJ, broadcasts on Channel 36 with 14.6 kW of ERP from an antenna HAAT of 509 feet. The station acts as a translator station for WNJB. Within its 64dBu contour, the station serves 270,446 people<sup>5</sup>.

#### Coverage Map: 74dBu Contour

<sup>5</sup> Provided by BIA/Kelsey, based upon 2000 US Census data.



Source: <http://www.fcc.gov/fcc-bin/tvq?list=o&facid=48465>

### FCC Filings

*Renewal:* The license, BLTT-19970806JC, has a term expiring on 6/01/2015.

Source:

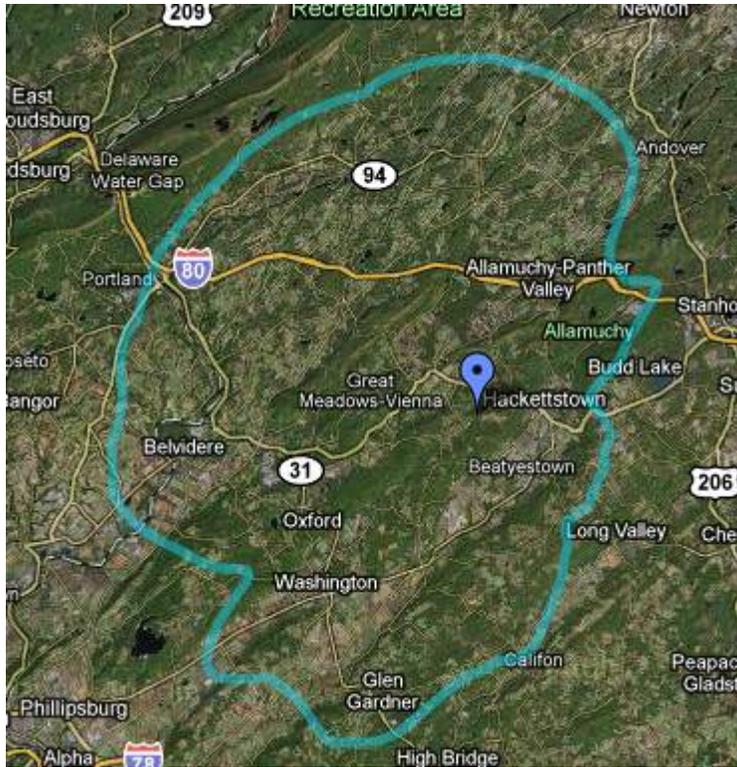
[http://licensing.fcc.gov/cgi-bin/ws.exe/prod/cdbs/pubacc/prod/sta\\_det.pl?Facility\\_id=48466](http://licensing.fcc.gov/cgi-bin/ws.exe/prod/cdbs/pubacc/prod/sta_det.pl?Facility_id=48466)

### **W49BE**

#### Technical/Engineering Overview

W49BE, licensed to Hackettstown, NJ, broadcasts on Channel 49 with 10 kW of ERP from an antenna HAAT of 518 feet. The station also acts as a translator station for WNJB. Within its 64dBu contour, the station serves 271,421 people.

Coverage Map: 74dBu Contour



Source: <http://www.fcc.gov/fcc-bin/tvq?list=0&facid=48482>

### FCC Filings

*Renewal:* The license, BLTT-19930517IG, has a term expiring on 6/01/2015.

Source:

[http://licensing.fcc.gov/cgi-bin/ws.exe/prod/cdbs/pubacc/prod/sta\\_det.pl?Facility\\_id=48482](http://licensing.fcc.gov/cgi-bin/ws.exe/prod/cdbs/pubacc/prod/sta_det.pl?Facility_id=48482)

### **W43CH**

#### Technical/Engineering Overview

W43CH, licensed to Belvidere, NJ, broadcasts on Channel 43 with 1.0 kW of ERP from an antenna HAAT of 814 feet. The station acts as a translator station for WNJT. Within its 64dBu contour, the station serves 61,439 people.

#### Coverage Map: 74dBu Contour



Source: <http://www.fcc.gov/fcc-bin/tvq?list=0&facid=48484>

### FCC Filings

*Renewal:* The license, BLTT-20060622AAE, has a term expiring on 6/01/2015.

Source:

[http://licensing.fcc.gov/cgi-bin/ws.exe/prod/cdbs/pubacc/prod/sta\\_det.pl?Facility\\_id=48484](http://licensing.fcc.gov/cgi-bin/ws.exe/prod/cdbs/pubacc/prod/sta_det.pl?Facility_id=48484)

## **NEW JERSEY ECONOMIC AND DEMOGRAPHIC DATA**

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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 department<sup>6</sup>.

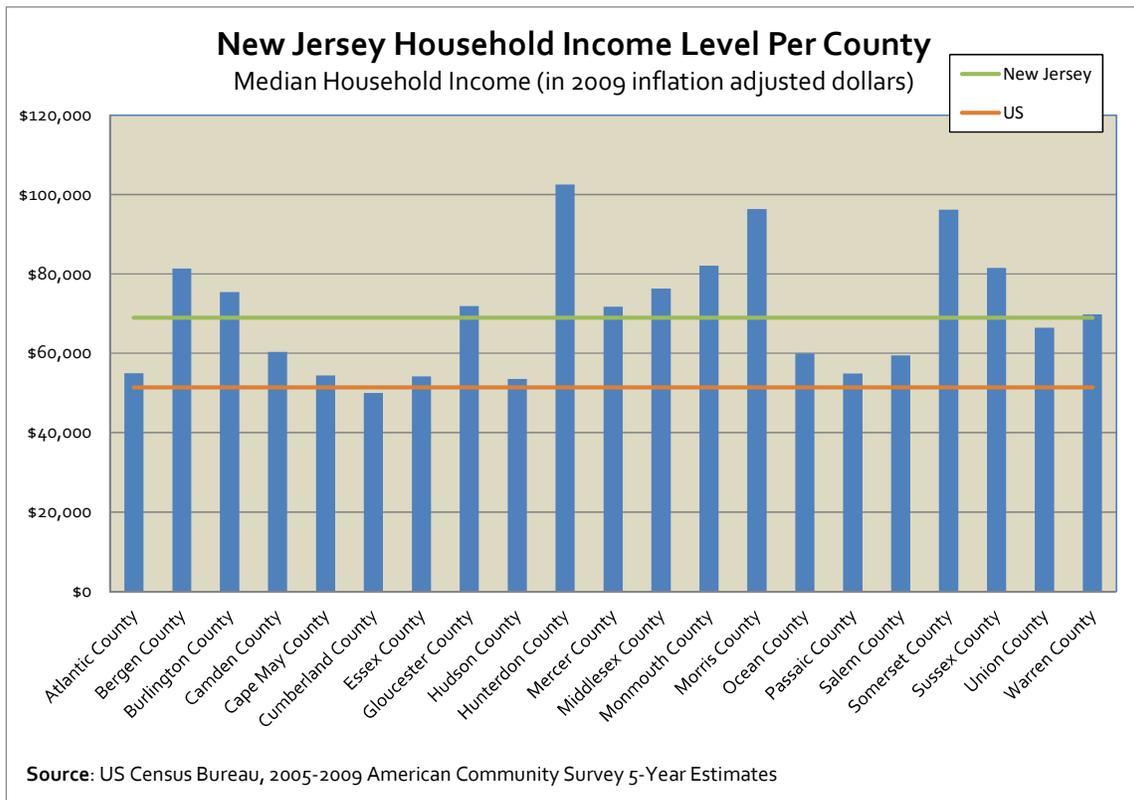
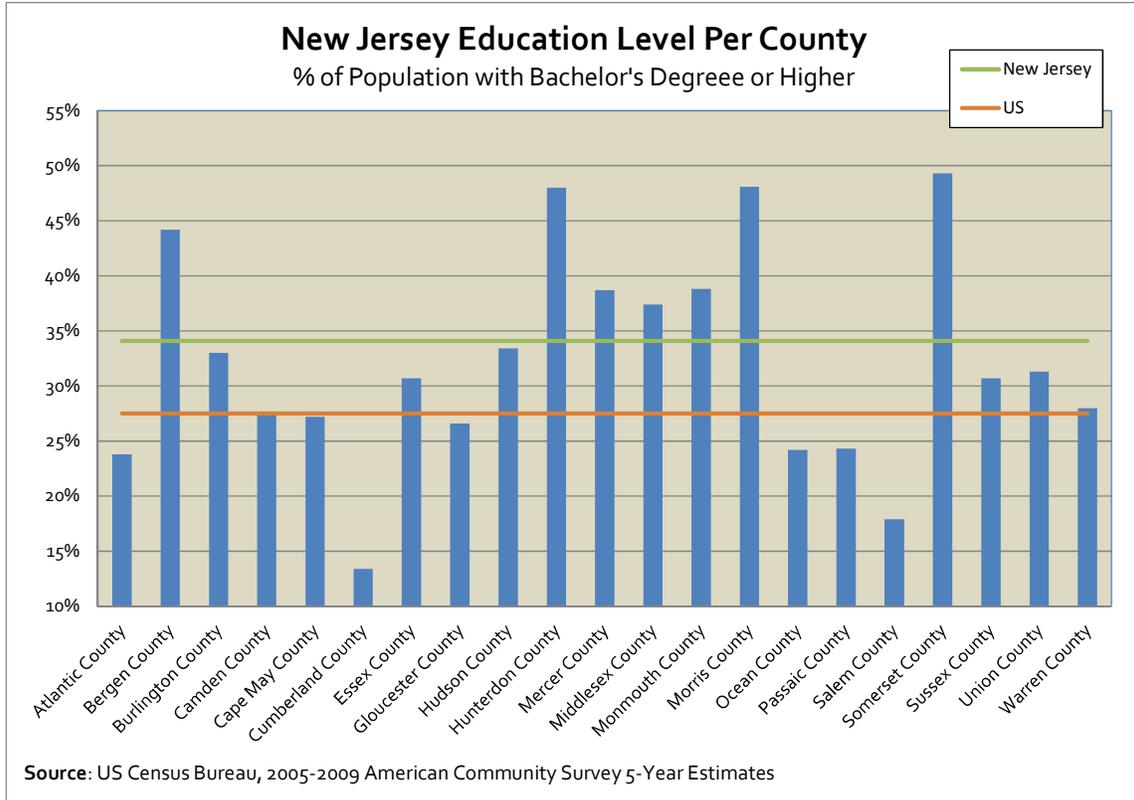
The people of New Jersey are well served by all sorts of media, educational, and cultural activities. Most households receive more than 100 cable (or satellite) TV channels, and dozens of radio stations. At 69%, NJ's broadband access is among the highest in the nation (USA average = 63%), and New Jersey's 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).<sup>7</sup>

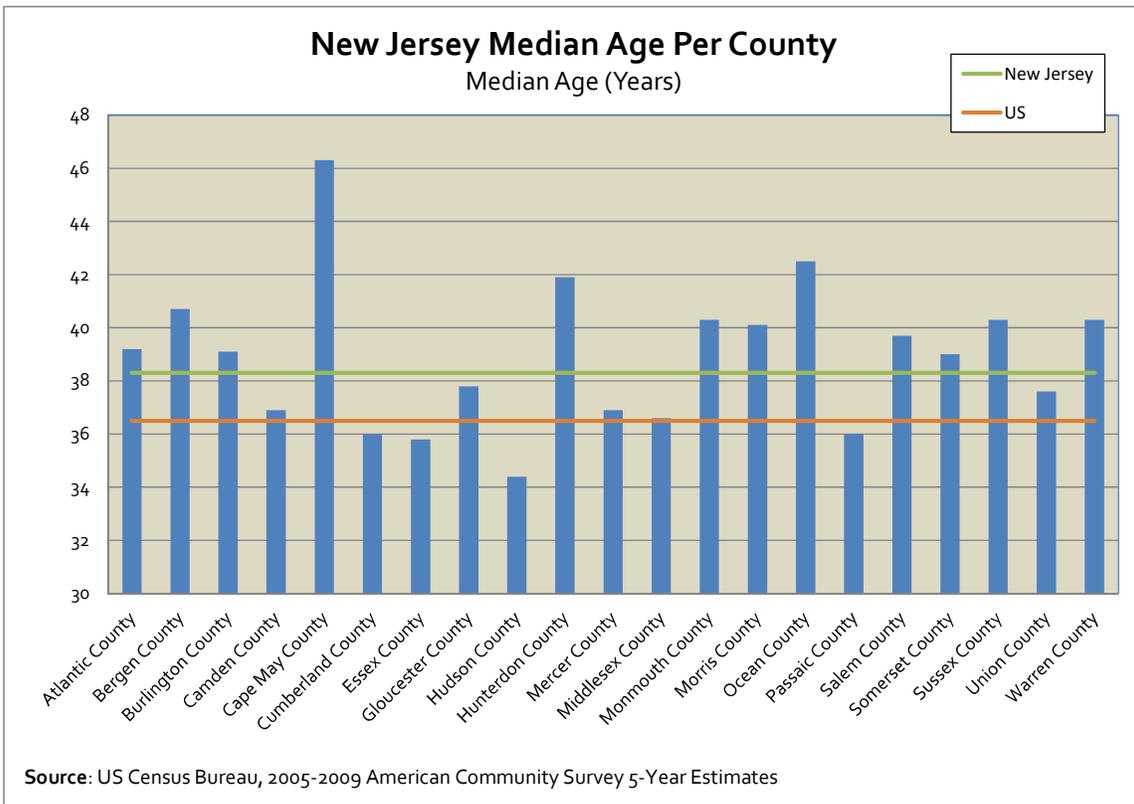
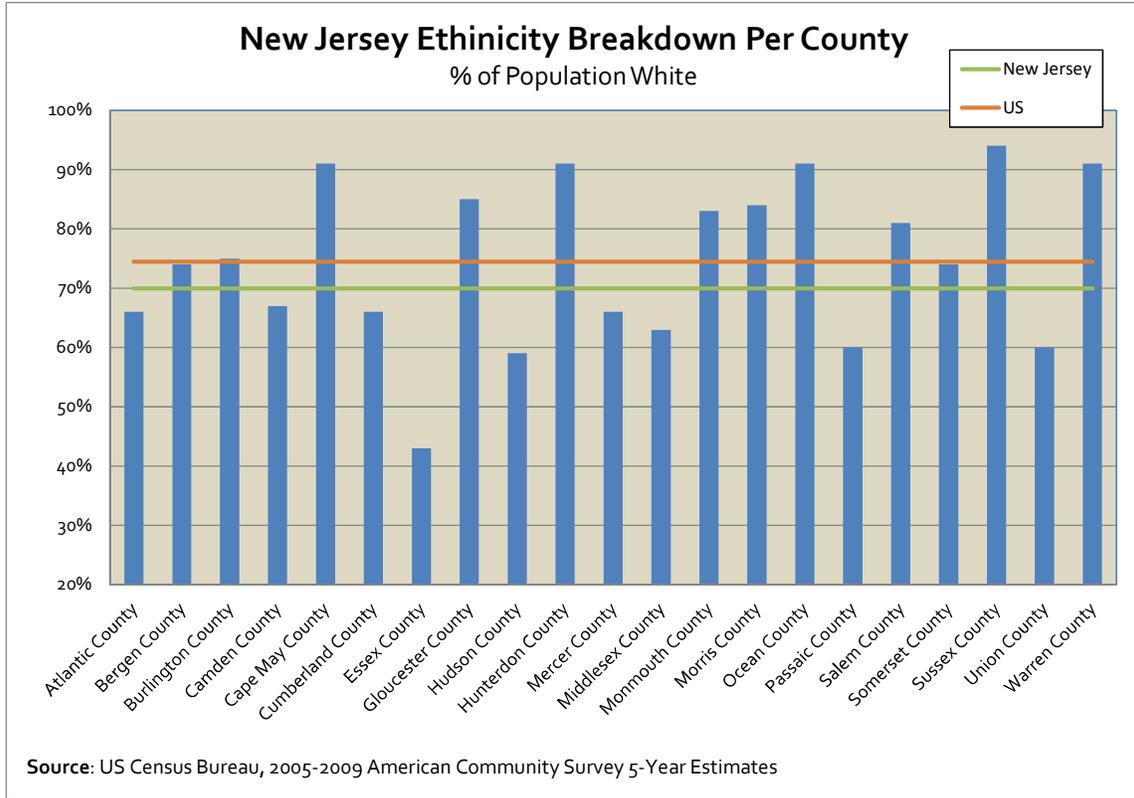
The following charts illustrate a demographic breakdown of the 21 counties in New Jersey, along with the N.J. and the U.S. averages.

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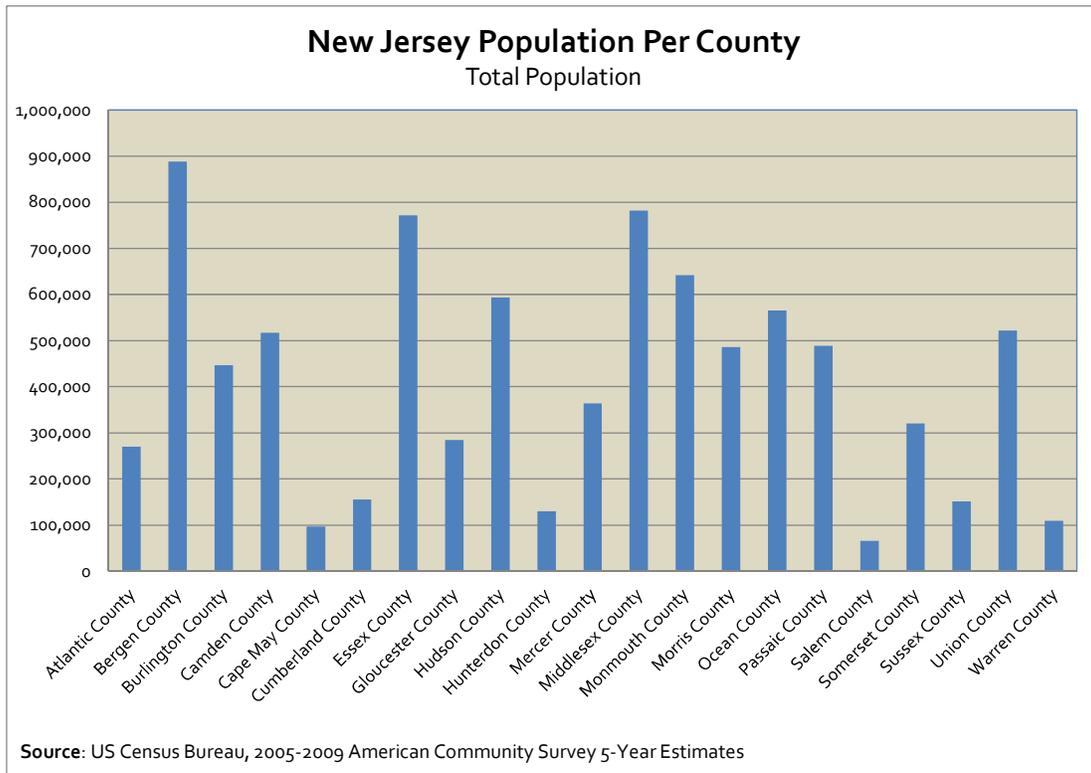
<sup>6</sup> Bloomberg Business Week January 19, 2011

<sup>7</sup> [http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=Search&\\_state=04000US34&\\_lang=en&\\_sse=on](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 TV MARKET DATA

The NJN Television Network reaches two Nielsen-rated television markets (DMA, or Designated Market Areas). These two markets and their rankings (as of January 2011) are as follows:

### RATED MARKETS

- New York, NY (market 1): The New York, NY market is the number one largest television market<sup>8</sup> with 26 total licensed stations. The New York, NY market covers over 7.5 million households as of 2011. Of the 26 licensed stations, five air PBS programming: WNET and WLIW, both owned by WNET.ORG; WNYE, owned by New York City Department of Education; WNJN and WNJB, both owned by the NJPBA.
- Philadelphia, PA (market 4): The Philadelphia, PA market is the 4<sup>th</sup> largest television market with 20 total licensed stations. The Philadelphia, PA market covers over 3 million households. Of the 20 licensed stations, four air PBS programming: WHYY,

<sup>8</sup> TV markets ranked by Nielsen

owned by WHYY, Inc.; WLVT, owned by Lehigh Valley Public Telecommunications Corporation; WNJT and WNJS, both owned by the NJPBA.

## PROGRAMMING DETAILS

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The NJN Television Network airs a noncommercial educational television format. During the day, the NJN Television Network carries such children’s programs as Sesame Street, Curious George, Barney & Friends, and Clifford the Big Red Dog. In the afternoon cooking and travel shows are aired on the network. The evening spots are filled with news and information programming including such shows as NJN News, BBC World News, State of the Arts, and Nova. The programming on the NJN Television Network keeps viewers well informed on recent events and promotes involvement in the community. For more information on the individual programs, visit <http://www.njn.net/television/schedules/>.

## NETWORK REACH

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### ***Distribution:***

NJN derives its power in the marketplace from a scarce resource: non-commercial educational FCC television licenses. These licenses allow the NJN Television Network to reach approximately 20 million people in New Jersey and neighboring states. The following table shows the number of people and households reached by the television network.

	<b>New Jersey</b>	<b>NY, CT, PA, DE</b>
Over the Air TV	3.2 million HHs	8.1 HHs
	8.7 million Persons	19.6 million Persons
Cable (incl. FiOS)	2.6 million HHs (81%)	1.5 million <sup>9</sup> (e) HHs
	7.3 million Persons	4.2 million Persons
Satellite	350,000(e) HHs	600,000(e) HHs

*Through this document, "e" = estimated*

*HH: Households*

NJN TV Broadcast Coverage Area:

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<sup>9</sup> In these areas, NJN’s cable carriage may be light because NJN waived carriage rights in exchange for compensation (contract until 2011); and either because NJN had not secured carriage on non-NJ cable systems, or because local cable companies have rebuffed NJN’s attempts to secure carriage on non-NJ cable systems.



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 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.

<b>New Jersey Public Broadcasting Authority Revenues and Expenses For Year End June 30, 2009 &amp; 2010</b>		
	<b>2009</b>	<b>2010</b>
<b>Support and Revenues</b>		
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 <sup>1</sup>	\$ 543,661	\$ 252,000
<b>Total Support and Revenues</b>	<b>\$ 14,786,210</b>	<b>\$ 17,568,617</b>
<b>Expenses</b>		
<b>Program Services</b>		
Programming and Production	\$ 12,827,953	\$ 11,680,262
Awards	\$ 1,234,899	\$ 1,243,571
Broadcasting	\$ 9,261,724	\$ 8,732,720
<b>Total Program Services</b>	<b>\$ 23,324,576</b>	<b>\$ 21,656,553</b>
<b>Supporting Services</b>		
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
<b>Total Supporting Services</b>	<b>\$ 8,145,006</b>	<b>\$ 7,181,859</b>
<b>Total Expenses</b>	<b>\$ 31,469,582</b>	<b>\$ 28,838,412</b>
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
<b>Change in Net Assets</b>	<b>\$ (5,006,279)</b>	<b>\$ 52,566</b>

Note:

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

### ***Viewer Sensitive Income for the NJN Television Network***

Over the past five years, the NJN Television Network, on average, has had 53 underwriters and generated \$2.1 million in underwriting income. In FY2010, the underwriting revenues, generated through 47 different underwriters, was approximately \$1.5 million. The following table illustrates the five-year history in underwriting.

<b>New Jersey Public Broadcasting Authority Underwriting Revenue: Television</b>		
<b>Year</b>	<b>Underwriter Count</b>	<b>Underwriting Revenue</b>
<b>2006</b>	55	\$ 2,389,387
<b>2007</b>	61	\$ 2,628,705
<b>2008</b>	56	\$ 2,140,750
<b>2009</b>	46	\$ 1,725,556
<b>2010</b>	47	\$ 1,533,029

The NJN Television Network's membership income has ranged between \$2.1 million (FY2010) and \$3.7 million (FY2008). The number of members has been relatively stable, ranging between 17,421 (FY2010) and 24,439 (FY2006). The following table shows the five-year history in membership.

<b>New Jersey Public Broadcasting Authority Membership Revenue: Television</b>		
<b>Year</b>	<b># of Members</b>	<b>Membership Revenue</b>
<b>2006</b>	24,439	\$ 3,434,288
<b>2007</b>	23,336	\$ 3,158,742
<b>2008</b>	21,655	\$ 3,669,878
<b>2009</b>	18,499	\$ 2,598,433
<b>2010</b>	17,421	\$ 2,104,052

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 OVERVIEW**

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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 FNJB 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>.

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## **STATION FACILITIES**

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### **STUDIOS AND OFFICE FACILITY**

All four of the NJN Television Stations normally simulcast the same statewide-networked program feed, originating from the NJN Technical Operations Center (TOC) in Trenton, New Jersey and consisting of one HD channel and one SD channel. The TOC, with four full production studios, live production control rooms, multiple post-production facilities, master control facilities, main newsroom for the state network, and operations and executive offices, occupy a 100,000 square foot building (shared with NJN Radio Network) with six stories above ground, basement electrical and woodworking shops, and a sub-basement containing an emergency generator and main power conditioning, switching, and power and telephone distribution equipment. The sixth floor includes a microwave and satellite equipment room, with the rest being rooftop on which the satellite receive antennas are mounted. An approximately 60 foot tall self-supporting studio-to-transmitter link (STL) tower, which appeared to be in good condition, is mounted atop the sixth floor equipment room. This facility, constructed specifically for NJN's use in 1992, is owned by the New Jersey Economic Development Authority and is occupied by the NJPBA. The facility is located at 25 South Stockton Street, Trenton, N.J.

The NJN radio studios are co-located at the Trenton TOC. The radio studios, work room, tape storage room and office occupy six rooms, primarily on the fourth floor, and rack space in the central rack room and sixth floor microwave and satellite equipment room. In addition, the NJN radio stations maintain one satellite dish on the roof. The rest of the building is occupied

by the television operations, and by administrative, operations, and engineering offices and shops that support both the television and radio operations.

The NJN Newark studios occupy three leased floors of a hotel building, and are located at 50 Park Place, in Newark, New Jersey with the current lease due to expire in April 2012. NJN also operates a news bureau, identified as the South Jersey News Bureau, located near Atlantic City, New Jersey in leased office space located at Room E035, The Richard Stockton College of New Jersey, in Pomona, New Jersey.

## **STUDIO EQUIPMENT**

NJN Television stations WNJT, WNJN, WNJB, and WNJS own and maintain technical equipment for use in their daily broadcast operations. The air control rooms, the "master control" center that controls the distribution of the signals to the transmitter sites, have been recently refitted (2008-09) with new Barco and Miranda Kaliedo visual monitoring systems, are completely automated and digital, providing a nearly tapeless operating environment. The air control rooms utilize video and audio storage of most, if not all, programming and announcements on Omneon video servers. The NJN stations can receive, store and transmit programming in High Definition. Most local origination is in standard definition, often up-converted from analog. While the production suites are being converted to second or third generation AVID desktop editing suites, many with High Definition capability, the live studios are operating with aging production switching systems, manufactured primarily by Grass Valley, often dating to the original equipping of the TOC in 1992. The studios were designed to support both analog video and audio, and serial digital standard definition signal distribution when they were installed in the early 1990's. The studios have both aging analog and more recent serial digital routing systems manufactured by Grass Valley and nVision. The studio cameras are standard definition, studio configured Sony cameras, capable of being switched from 4:3 to 16:8 aspect ratios. The news operation is utilizing primarily Sony serial digital standard definition field camcorders, and editing equipment that is a mix of analog and desktop editing system equipment to produce the news. Where videotape is still being used, Sony MPEG IMX digital multi-format recorders are the primary choice of format, with aging capability for BetacamSP, Betacam, Umatic and 1 inch type C still available for use in utilizing archive and ingesting (converting to digital) outside source material arriving on videotape.

Other equipment in use at the NJN television studios and production suites in Trenton includes: Grass Valley, Panasonic, Yamaha and Mackie audio consoles; JBL, Electro-Voice, Crown, Symetrix, Fostex, Roland, and Wohler audio monitoring; RTS intercom and cue systems; Leitch master and slave clock display systems; Vinten studio pedestals and pan-tilt heads; QTV teleprompters; Mole, Strand-Century, Kliegl, and Desisti lighting fixtures and elevator-equipped studio lighting systems; Colortran studio dimming systems; Electro-Voice, Shure and Sony wired and wireless microphones; Sony, Ikegami, Panasonic, Electrohome, and JVC video monitoring; Tektronix and Videotek waveform monitoring; Orban, Symetrix, Rane and Yamaha audio processing; 360 systems digital audio storage and editing systems; Evertz, Leitch, and Grass Valley routing, distribution, and format conversion systems; Sony, Tektronix

and For-A frame synchronizers; and ADC video and audio patch panels and audio and video studio interface wiring panels. The Trenton studio technical equipment, except as noted, is in overall fair-to-good condition.

## **PROGRAM DELIVERY NETWORK**

The stations are connected with an extensive, two-way, microwave relay system and electronic news-gathering system. Most of the microwave transmitters and receivers have been replaced by new NuComm microwave equipment, controlled by Troll remote control systems, within the past two years, as per the nationwide swap-out of equipment agreement resulting from the FCC microwave band realignment. Some links are still utilizing older Microwave Radio Twin Stream and FLR-series transmitters and receivers. The NJN Radio stations also utilize additional subcarriers on the television station's microwave relay system for a major part of their signal relay system, out to the co-located television and radio transmitter sites.

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

The microwave STL relay system delivers the television signals from the TOC, in downtown Trenton, to the co-located WNJT and WNJT-FM transmitter site located in the northeast suburbs of Trenton, via two-way 13 GHz microwave television STL relay links.

From the WNJT transmitter site, the signal path splits north and south. The northern leg utilizes microwave intercity relay links to the WNJB New Brunswick television transmitter site in Warren Township. From the WNJB site, microwave intercity relay links feed to the WNJN television transmitter in Montclair. The microwave intercity relay system also extends to the Newark Studios. From the WNJB site, the radio audio signals are relayed onward via NJN radio's 94.4 MHz FM radio STL links, one to Hamburg Mountain, where television translator W36AZ and the WNJP-FM transmitter are located, and one to WNJY-FM at Netcong.

The southern microwave relay link leaves the WNJT transmitter site, and is relayed, via 7 GHz television intercity relay links to the Mt. Laurel (formerly Mt. Holly) microwave relay site at 1020 Briggs Road, in Mt. Laurel. From the Mt. Laurel site, the signal is again relayed via 7 GHz television intercity relay links to the WNJS Camden television transmitter site in Waterford Township, at which the WNJS-FM radio transmitter is co-located. From the Waterford Township site, television intercity relay links extend to the Stockton Microwave relay site tower located at 46 W. Jimmie Leeds Road, at Stockton State College, near Pomona, New Jersey, near where the NJN South Jersey News Bureau is located. The radio audio signals arriving via the television microwave relay system are also demodulated and relayed from the WNJS-TV and WNJS-FM Waterford Township site via NJN radio's 94.5 MHz radio STL links to WNJZ, WNJN-FM, WNJM-FM, and from WNJM-FM over the air to WNJO-FM.

At the three television translator sites, W36AZ, W43CH, and W49BE, the primary digital television program feed is received off-the-air from the associated full-power DTV transmitter, and down-converted to provide a single analog program feed to the still-analog translator transmitters.

The microwave relay antennas and transmission line systems utilize a mix of Andrew, Mark, Cablewave, Nurad, Microwave Radio and RFS equipment. Overall, the microwave relay systems, not including the nearly new NuComm equipment, are in fair-to-good condition.

The Trenton operations center has multiple satellite receive antennas mounted atop the roof; the larger dishes have permanent roof mounts and range up to 5 meters in size, several of which are heater-equipped for snow or ice conditions. The satellite dish antennas include those by ADC, Vertex, Miralite and Andrew Receivers include MPEG receivers by Standard and General Instruments. The satellite receive equipment is in overall fair condition.

Other tangible assets inspected include program/production materials and supplies, furniture and fixtures, office equipment, and spare parts. The custom wood and Formica studio technical furniture, which had been primarily professionally built in-house, are in overall good condition. The office furniture and studio chairs are in overall fair-to-good condition.

## **NJN VEHICLES**

The general-use vehicles utilized by the NJN are part of the state motor pool. Parking space for the general-use vehicles and NJN employees is in the parking garage across the street, which is part of the Department of Motor Vehicles offices

The specialty ENG/EFP and production vehicles owned and utilized by the New Jersey Public Broadcasting Association include a production remote truck utilizing a box-bed mounted on a cab-over Sterling chassis. This production remote truck is equipped with roll-in racks for rapid reconfiguration, and capable of High Definition digital production. A separate satellite uplink truck is also equipped for microwave relay use. Two ENG microwave relay vans are based out of Trenton. The newer van is equipped for multiple-camera basic operation and editing as well as microwave relay, while the older van is a basic ENG microwave relay-only truck. The NJN production truck, the satellite truck, and the newer ENG van, are parked in garages that are part of the NJN TOC building, and the oldest ENG truck is parked on adjacent, fenced-in property. The NJN ENG/EFP vehicles are in average-to-good condition for their age and use.

## **TRANSMITTER SITES**

### WNJT Transmitter Site

The WNJT transmitter site is located at 301 Grover's Mill Road in Lawrence Township, Mercer County, on the northeast outskirts of Trenton near the intersection of U.S. Route 1 and I-295. This land is owned by the Division of Parks (DEP) and currently leased by NJN. However, the purchase of this land by NJPBA has been in negotiation for some time and remains in

negotiation. WNJT owns the transmitter building and an 812-foot tall Stainless G-8 guyed tower structure at this site, which was constructed in 1971.

The building is in fair to good condition. The relatively recent Comark analog television transmitter, made obsolete by the digital transition in June 2009, and now surplus, is still installed and in place.

The tower is in fair condition, with weakening of the outer northwest tower anchor due to ground water damage resulting from a beaver dam, for which corrective funding has been authorized. In addition, a calculation error during a pre-digital refit tower analysis, performed by the tower manufacturer, resulted in a tower overloading error created during refitting for digital transmission.

The antenna system for WNJT includes a Dielectric TUA-04-12/48H-1-R wideband antenna, approximately 1,000 feet of rigid transmission line, and a multi-station combiner that is currently in use by the DTV transmission and for a lessee, and previously for the analog transmission. The antenna system is in good condition. The WNJT DTV transmitter is a Thales solid state UHF transmitter in good condition. Other transmitter equipment includes Sencore, Belar and Tektronix monitoring, and Access remote control systems, all of which are in overall fair-to-good condition.

#### WNJS Transmitter Site

The WNJS transmitter site is located at 1647 Arrowhead Drive in Waterford Township, Camden County. The ownership of the land at this transmitter site continues to be in dispute. The NJPBA owns the transmitter building and an 820-foot guyed tower structure at this site, which was constructed in 1972. The WNJS antenna system includes a Dielectric TFU-30GBH-R 06 DC non-directional UHF pylon antenna, and 900 feet of rigid transmission line. The WNJS DTV transmitter is a Thales TDU-2-12KOO LV solid state UHF Channel 22 DTV transmitter, which has been upgraded by Thales from a 1.25 to 12 kilowatt output. WNJS-FM's transmitter and antenna are co-located at this site. The obsolete analog television transmitter, now a surplus asset, is still in place. The building, tower, and equipment are in overall fair-to-good condition.

#### WNJN Transmitter Site

The land is leased at the WNJN transmitter site, located at 42 Clove Road, Montclair (Little Falls), in Passaic County. The lease between the NJPBA and Montclair State University with respect to this transmitter site expired in May 2010. The NJPBA and Montclair State University are in preliminary discussions concerning a new long-term lease for this transmitter site. Currently, the NJPBA is occupying the transmitter site on a month-to-month basis under the terms of the expired lease. The NJPBA owns the transmitter building and a 567-foot tall Stainless 656-SS self-supporting tower structure at this site, which was constructed in 1973. The WNJN antenna system includes a Dielectric TFU-30GBH-R 08 DC non-directional DTV top-

mount pylon antenna and 600 feet of rigid transmission line. The WNJN DTV transmitter is a Thales TDU2-12KOO Channel 51 UHF transmitter.

### WNJB Transmitter Site

The WNJB transmitter site is located at 7 Geiger Lane, in Warren Township, Somerset County. The appraiser did not inspect this site, so this section of the report is based on the NJN inventory and records alone. At this site, the land, transmitter building and a 353-foot tall Stainless G-8 guyed tower structure are owned by the NJPBA. The site, including the building and tower, is listed in the NJN inventory as having been originally constructed in 1971-1972. The FCC Antenna Site Record, however, lists the tower as having been constructed in 1992, which may be due to significant modification and refitting of the tower, including new strobe lighting, for digital operation at that time. The WNJB antenna system includes a top-mount Dielectric TVU-32GTH/6HV-R 06/S190 antenna system that is used to transmit a VHF DTV signal, and 400 feet of rigid transmission line. The WNJB DTV transmitter is a Thales TDV2K50LV solid-state Channel 8 VHF DTV transmitter.

### NJN Translators

The W36AZ translator is located on Hamburg Mountain, on land leased from the Department of Fish, Game and Wildlife and accessed via leased use of a right-of-way easement held by Service Electric Cable TV Company, leading from Sand Point Road, Hardyston Township, Sussex County, to the transmitter site. The equipment shelter and tower at this site are owned.

The W43CH translator occupies leased building and tower space at 1 Demeter Road, in Washington, New Jersey, and the W49BE translator occupies leased building and tower space near the intersection of Thomas Drive and Cheryl Drive, in Hackettstown, New Jersey.

The Mt. Laurel microwave relay site utilizes leased equipment shelter and tower space at 1020 Briggs Road, Mt. Laurel. The Stockton Microwave relay site leases the land and equipment shelter space from Stockton State College, and owns a 90-foot tall Rohn self-supporting tower, located at 46 W. Jimmie Leeds Road, in Pomona.

The NJN television translators utilize Information Transmission Systems translator transmitters and Scala antennas.

Three, now terminated facilities, for the W25BB TV translator, located on Pittstown Road (County Road 615) in Frenchtown, for TV Booster WNJB2(58) located on Hope-Blairstown Road in Blairstown, and for TV Booster WNJB1(58), located on West Bangs Avenue at Route 18 in Long Branch, all in New Jersey utilized leased land, equipment shelter space and tower space. Despite being terminated, the sites are still represented on the NJN equipment inventory.

Digital Conversion Status of the Television Translators

The three owned active NJN Television translators are reported as having not been upgraded to digital, and currently utilize DTV converters to down-convert the over-the air digital signal from the television stations, for analog re-transmission. The FCC currently has open a Notice of Proposed Rulemaking (NPRM) that proposes to establish a date of June 12, 2012, three years from the initial date of conversion to digital broadcasting for full power television stations, as the date by which all remaining analog television transmissions, including LPTV stations, Class A television stations, and television translators, must convert to digital transmission. Final action on this NPRM is expected in the Spring of 2011.

**ATTACHMENT C:  
APPRAISAL**

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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**

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

**ATTACHMENT E:  
LETTER OF INTENT TEMPLATE**

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[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 Operation and Management of One or More Stations of the New Jersey Public Broadcasting Television 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 television 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 television 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 facilities of the Stations during the Term, including Stations 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 of the Stations, including the right to preempt, as set forth below, any of the Programming; (b) Licensee will maintain responsibility for oversight of the Stations' finances; and (c) Licensee will cause the Stations to comply with the 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 Television 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 agrees 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 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**

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