



Commercial FM PROJECT SCHEDULE

I. FIRST STEP: In order to determine exactly what frequencies are available in your area we must run a **Frequency Search**. This search will analyze the commercial FM frequencies, and tell us which ones are available for your use, and at what power of transmission. The search will be valid over a 30 mile radius from the point of origin you give us (city you wish to broadcast from). This will cover 2,827 square miles, and take approximately four weeks to prepare.

ACCUMULATED TIME: Four Weeks
COST FOR FREQUENCY SEARCH \$595

II. Once we have analyzed the Frequency Search, we will determine the best frequency for your purpose. When applying for a commercial frequency, you must petition the FCC to have the new frequency assigned to your area. This is done by filing a "Petition For Rulemaking." This will request the FCC to change their Table of Assignments to include the new frequency at your location. This will take about two weeks for us to do the work.

ACCUMULATED TIME: Six Weeks.
COST FOR PETITION FOR RULEMAKING \$1795

III. After you file a Petition For Rulemaking, the FCC will take approximately 90 days to respond by issuing a public notice, known as the Notice of Proposed Rulemaking. At the time of Notice the

FCC will set aside a period for Comments to be filed. This comment period will begin 30 days after Notice, and close 30 days later. Then, there will be 15 days set aside for Replies to Comments. Comments and Replies to Comments are periods of time that anyone supporting or opposing the prospective assignment of a new frequency to your location can make their interest known.

ACCUMULATED TIME: 28 WEEKS. COST FOR COMMENTS AND REPLY COMMENTS IS ALREADY PAID FOR BY PETITION FOR RULEMAKING FEE.

IV. After Comments and Replies are concluded, the FCC will take approximately nine months to issue a Report and Order, which is a public notice declaring their decision to agree with your Petition and add the new frequency to the Table of Assignments, or to decline your petition altogether.

ACCUMULATED TIME: Sixty-Four Weeks.

V. If the FCC agrees with your petition, then they will assign a thirty day period of time in which you, or any other party may file a FCC Form stating your interest in participating in FCC Auctions to bid for the station using the newly assigned frequency. This thirty day period usually begins thirty days after the Report and Order is issued.

ACCUMULATED TIME: Seventy-Two Weeks.

VI. The new frequency has been found and authorized. The Commercial frequency must now be applied for. To do this, you must file a FCC Form 175, which is a short form detailing you, and the engineering work from FCC Form 301 necessary to properly inform the Commission about your plans of location, and operation. The time it takes to complete these forms is determined by how long it will take you to provide us with the information we will request from you. You must have all information we request returned to Sterling at least two weeks before the filing deadline for us to guarantee the forms will be accepted for filing.

**THE COST FOR COMPLETING THIS APPLICATION FOR CONSTRUCTION PERMIT:
COMMERCIAL CHANNELS \$6,950**

NOTE: The FCC requires that an electronic filing of FCC Form 175 be received. This Form states your interest in participating in the auction process, and shows the pertinent engineering is acceptable as proposed within the requirement of FCC rules. Sterling Communications, Inc. guarantees that the FCC will accept your application for filing. (The FCC has very stringent guidelines which must be adhered to, or else the application will be refused.) Sterling does not guarantee that the FCC will award you the frequency. The FCC will base its award on the outcome of the auctions, buyout or merger between you and your competitors.

a) The FCC will acknowledge receipt of your FCC Form 175 in a public notice (generally in 30 days). They will then take another 30 days to issue a public notice declaring your Form "Accepted For Filing."

ACCUMULATED TIME: Eighty weeks.

b) If no one else files an Application for the frequency, then you have no competition. You will then be required to file a complete FCC Form 301 for submission to the FCC before being awarded the Construction Permit. The FCC will review the Application and will award the Construction Permit in approximately three months.

ACCUMULATED TIME: Ninety-two weeks.
Accumulated fees paid toward Construction Permit :
COMMERCIAL CHANNEL \$9,340

NOTE: You now have 36 months to build your facilities including a tower with antenna, and a broadcast studio. You can look at our "FM Equipment List" for estimated cost involved in building a 3,000 Watt FM Radio Station.

c) If someone else applies for the frequency and their Form 175 is "Accepted For Filing", then you have a competitor and must continue the next several steps in order for the FCC to determine who the successful applicant will be.

NOTE: As a standard rule of thumb, each Commercial Application normally has three or more competitors who apply.

VII. If you have competition from a Competing Applicant, then one of you must prevail. This can be accomplished in one of three ways, or a combination of these three.

A) Auction Process - The FCC has adopted competitive bidding procedures to select among mutually exclusive applicants for commercial broadcasting services.

There are to many steps involved to list here, but the basic steps are as follows:

(1) From the time your FCC Form 175 is announced to be mutually exclusive (you have a competitor), it could take up to one year to get it "Designated For Auctions."

(2) The FCC will announce in a rulemaking when the Auction process will begin for your particular channel. Each applicant may participate in the auction or work with other applicants in a merger or buyout. The FCC will announce the winner of the bidding process based on the amount of the bid, plus a series of points the FCC gives for preferences.

(3) A winning bidder will file a FCC Form 301 before being awarded a Construction Permit. After the FCC issues the Construction Permit you must then complete construction within the time allowed to be awarded a license.

NOTE: The Auction Process could take between twelve and eighteen months to complete, and can cost in the millions. The variable on which expenses will be calculated during the auctions would be the market size, market ratings, advertising rates and broadcast transactions determined by the FCC. Prior to every auction the FCC will release various public notices concerning the auction with procedures to be followed in the auction, this will also include FEE requirements for auction involvement.

B) MERGERS - Quite often, Competitors determine that it would be better to merge with the competition and settle for a percentage of ownership rather than go through the lengthy and expensive route of "Competitive Bidding," in order to have 100% exclusive ownership. The FCC encourages mergers which ultimately declare just one applicant for the frequency. Once a merger has been completed, the applicant can expect to receive the CP in approximately 90 days. Legal expenses are also greatly reduced by a merger.

C) BUY-OUT SETTLEMENT - Occasionally, one competitor will buy out the competition by offering to compensate the competitor if he will withdraw his application for the frequency. This is a perfectly acceptable method of reducing the number of applicants in the eyes of the FCC, because it again reduces the work load, and speeds up the time the station can be put on the air to serve the public good. Again, once a settlement has been reached and only one applicant remains, then the CP can be awarded in about 90 days.

NOTE: Over the past several years, Sterling Communications has assisted scores of individuals and organizations to enter the world of broadcasting through station ownership. Our experience has helped us to properly advise our clients when it was to their advantage to pursue one of the three methods mentioned for securing a Construction Permit. Once all Applications have been Accepted For Filing, Sterling can assist our Clients in determining which direction they should choose in pursuing a frequency to keep the cost of legal expenses at a minimum by doing an "Applicant Analysis". This Applicant Analysis will involve performing a frequency contour check, a site check, a population study, and a study of the entity with which we are competing by verifying their local residence status, other broadcast interest, and several other criteria upon which the FCC may render points in an auction. Sterling Communications will charge a fee of \$1,050.00 per competing applicant on which we do an Applicant Analysis.

After proper review of all the applicants vying for a particular frequency, some of our clients choose to withdraw their application in exchange for compensation from the other applicants, and receive an amount over and above their expenses in applying for the frequency. At our suggestion, other clients choose to contend for the frequency and win it under the "Competitive Bidding Process." Each application requires a different course of action, and Sterling is experienced enough to assist you in making the best and most economical choice.

Our track record of successful applicants since 1979 speaks for itself. Attached on the back of this sheet is a list of references of some of our successful applicants. We hope you will contact them to learn how we have helped them get into broadcasting.

