

WBAI Treasurer's Report
February 12, 2025

The National Finance Committee (NFC) met on January 14, and February 11, 2025. The WBAI local Finance Committee met on January 15, 2025. These meetings were held by teleconference.

At the January 14, 2025, NFC meeting the Executive Director delivered a report which outlined the efforts by the engineer at Pacifica station KPFK in Los Angeles to keep the station on the air during the extensive wildfires that were raging in the Los Angeles area at that time. He succeeded in keeping the emergency generator going and KPFK did not go off the air at all during the wildfire crisis. The Executive Director noted that the Pacifica Radio Archives were safe in an underground cold storage facility, which was not threatened by the wildfires. She told the committee that WBAI's Webmaster had been pivotal in helping KPFK keep its website updated with public safety announcements and links and she noted that the WBAI interim General Manager and interim Program Director had also provided support for KPFK with news coverage and PSAs encouraging listeners to donate through WBAI to help cover KPFK's additional expenses during the crisis. She said that Pacifica has an Emergency Response Team that is making plans for keeping Pacifica going through future disasters.

The Executive Director said that Pacifica's Accounts Payable were \$508,494 as of January 14, 2025. She said that the FJC loan principal was \$1,945,201 at the time of this meeting. The quarterly FJC interest is about \$48,000. She said that Pacifica was working with the audit firm on the IRS 990 forms for FY22 and FY23 and that the audits would begin soon after the taxes were paid on February 15. She said that the audits would cost about \$101,000. (The document "ED Report for NFC 01 14 25 Meeting CAN BE SHARED" is appended to this Treasurer's Report.)

The NFC passed a motion to meet via Zoom instead of Maestro, "As soon as practicable."

The NFC discussed Central Services fees. The current Central Services formula of 15% of total station revenue is to stay in effect for FY25 and Central Services payments will be reviewed on a quarterly basis when the budgets are reviewed.

The NFC talked about the Chair's report to the PNB which would summarize the committee's activities over 2024. There was a short discussion of the timeline for the FY26 budgets. After the meeting I sent several years of NFC budget timelines to the NFC mailing list.

At the January 15, 2025, local Finance Committee meeting the interim General Manager attended and disagreed with my figures in the January 8, 2025, Treasurer's Report. He said that with lower costs due to fewer consultants and no premiums expenses WBAI only costs about \$70,000 to 75,000 a month to run. I noted that I had based my numbers in that Treasurer's Report on the FY25 budget that the interim General Manager had submitted and which had been approved by the LSB, NFC and PNB. The interim General Manager said that he was the biggest fund raiser in Pacifica.

In his oral report the interim General Manager said that WBAI had about \$44,000 in the

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Bank of America account at the time of that meeting and that payroll had been made. He noted that the stated goal for the December on-air fund raiser had been \$125,000 and it had actually raised about \$144,000. He said the on-air fund raiser had resulted in 108 new donors joining for the first time. He said that WBAI had gotten a bequest for about \$22,000 and that about \$18,000 in Union contributions would be coming in soon. He said that in the Spring there would be another on-air fund raiser based on the same framework as had been used in December 2024. He said that WBAI had been working with the Pacifica Affiliates Network and has built up a deep relationship with them. He said that WBAI has become the voice of labor in New York City.

At this meeting committee members discussed the paucity of financial documents we've seen from the National Office.

The February 11, 2025, NFC meeting was run a little differently from the usual. Since new Directors had not yet been elected to the NFC the former Chair, who is no longer a Director, was assigned by the PNB to convene this meeting. We then went through a ritual which we were informed was one that the PNB does where we had to elect *pro-tem* officers. Seemed like a strange, time wasting ritual to me. The former Chair was the only one nominated to that position and she was elected by acclamation. There were two candidates for NFC Secretary *pro-tem* and I was elected to the position by one vote.

The Executive Director delivered a report that she had given to the PNB on January 30. She said that Pacifica's Accounts Payable were \$496,494. She said that a payment of \$23,790.94 was due this month on the interest on the FJC loan. She reported that WBAI and KPFFK had not made any Central Services payments in FY25. She said that Pacifica would be filing its taxes by February 15, 2025. The Executive Director said that the National Office was working with the auditing firm that it's contracted with and that once the taxes are paid the IRS 990 forms would be posted to the Pacifica Web site. She said that all of the forms and fees would be sent to the California Attorney General's Office after that and Pacifica's status would officially go from "Delinquent" to "Active." (A copy of the "ED REPORT for PNB Meeting January 30, 2025 – CAN BE SHARED WITH LSBs and COMMITTEES" is appended to this Treasurer's Report.)

The Executive Director talked about the letter from FCC Chairman Brendan Carr which was sent to NPR and PBS. She stressed how important it was for Pacifica to be in compliance with *all* of the rules, especially considering the current administration.

The Executive Director talked about a large number of training sessions and workshops that Pacifica will be holding in 2025.

Just before this meeting began **we were sent the consolidated financials for FY24**. They are not yet to be released to the public, but the Executive Director went over them a bit during this meeting. They show Pacifica ending FY24 with a surplus of \$48,446 which is a lot better than FY23's deficit of about \$1.9 Million. For WBAI the news is not so good. The Executive Director said that WBAI's Total Revenue was down by about \$494,000, and although the station's expenses were lessened by not having to pay for premiums and the expenses around them **WBAI is showing a deficit for FY24 of \$578,742**. This is worse than WBAI's FY23 deficit of \$233,765. The Executive Director said that at the next NFC meeting we'd delve into WBAI in great detail!

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When the entire consolidated financials are released to the public I'll send them to the LSB and local Finance Committee right away.

So the FY24 consolidated financials are finally out and they show WBAI with a quite large deficit. The Executive Director's most recent report shows that WBAI is very deficient in paying its Central Services fees in FY25. At the next NFC meeting WBAI's finances are going to be looked at in great detail. In addition it should come as no surprise to anyone that there are people in Pacifica who harbor hostile feelings toward WBAI. And then there's the uncertainty of what might come from the current administration in Washington, D.C. which is acting out scenarios presented in the "Project 2025" document; a document in which the Pacifica Foundation is mentioned in an unfriendly way on page 247. In my opinion WBAI is in peril and I am pessimistic about the future of the station and of Pacifica as a whole.

The next NFC meeting is scheduled for Tuesday February 25, 2025, at 8:30 PM (ET). The next local Finance Committee meeting is scheduled for Wednesday, February 19, 2025, at 7:00 PM (ET). These meetings will be held by teleconference.

R. Paul Martin
WBAI LSB Treasurer

APPENDIX

PAYABLES as of 1/30/25: \$496,494

FJC LOAN

- \$48,790.94 was due on December 31, 2024.
- The November invoice from FJC did not include December's interest in the amount due. Upon identifying this error, FJC issued an updated invoice on December 19, 2024, reflecting the corrected total.
- After speaking with FJC, we were able to pay a smaller amount this month. We have made a \$25,000 payment and will make an additional payment of \$23,790.94 in February.

LOAN INFORMATION		
Total outstanding principal		\$ 1,945,201.40
Payment due December 31, 2024		\$ 48,790.94
Payment made 1/16/25		\$ (25,000.00)
Balance of payment due (to be paid February 2025)		\$ 23,790.94

CENTRAL SERVICE PAYMENTS as of 1/30/25

DIVISION	Central Service Payments Received January 1-31, 2024
Pacifica National Office (PNO)	n/a
Pacifica Affiliates Network (PAN)	\$ 3,200
Pacifica Radio Archives (PRA)	n/a
KPFA	\$ 34,666
KPFK	\$ -
KPFT	\$ 11,884
WBAI	\$ -
WPFW	\$ 25,280
PAYROLL	\$ -
TOTAL	

AUDIT AND TAXES UPDATE

- We are working with the audit firm finalizing the information needed for the FY22 and FY23 990s. Taxes will be filed by 2/15/25. Upon completion of the 990s, the audit process will officially begin.
- When the taxes are filed, we will be able to file our Annual Registration Renewal forms and Pacifica Foundation's status with the California Attorney General's office will be updated from "Delinquent" to "Active." The ED has been in ongoing conversations with the State of California Attorney General's office regarding this matter.

LETTER FROM THE FCC TO NPR AND PBS

- Yesterday, the new FCC Chairman, Brendan Carr, sent a letter to NPR and PBS (letter attached) informing them that he has “asked the FCC’s Enforcement Bureau, with assistance from the FCC’s Media Bureau, to initiate an investigation into the underwriting announcements and related policies of NPR, PBS, and their broadcast member stations.” Specifically, Chairman Carr indicated that he is “concerned that NPR and PBS broadcasts could be violating federal law by airing commercials. In particular, it is possible that NPR and PBS member stations are broadcasting underwriting announcements that cross the line into prohibited commercial advertisements.”
- Pacifica has been successfully adhering to an FCC Consent Decree, effectively managing underwriting policy regulations for over six months. We continue to ensure that all underwriting announcements comply with FCC requirements.
- A Reference Memo from our FCC attorney, Brad Deutsch of Foster Garvey, on the FCC’s Underwriting Requirements is attached.
- The letter to NPR and PBS and the reference memo have been shared with our station GMs, PDs, and the Affiliate directors.

PACIFICA TRAININGS AND WORKSHOPS

- As we enter 2025, we are committed to fostering a workplace environment that supports our staff and volunteers’ well-being and helps people thrive both personally and professionally. To further this goal, we have partnered with Your Peace, Balance & Harmony, a woman-owned, minority-owned business, specializing in human resources, employee relations, and workforce development. Trainings and workshops are being managed by the Founder of Your Peace, Balance & Harmony - Auaja Lovest, MPA, SUDCC, Peer Support Specialist and Mental Health Counselor.
- We will offer Work-Life Balance Workshops and Workplace Development Trainings to provide practical tools and strategies for maintaining a healthy balance between work responsibilities and personal life. By investing in our staff, programmers, and volunteers, we hope to cultivate a more fulfilling work-life balance and foster a more positive and productive work environment.
- The first training in 2025, “Anti-bullying and Creating a Respectful Workplace” will be held throughout February for staff, programmers, PNB, and LSB members. Dates to be determined. Although voluntary, we are encouraging everyone associated with Pacifica to participate.
- Open to staff, programmers, LSB, CAB, PNB, and committee members, trainings and workshops will include:
 - Anti-Harassment
 - Sexual Harassment
 - Title IX: Preventing Sexual Misconduct
 - Diversity
 - Diversity & Inclusion
 - Creating Diversity & Inclusion
 - Cultural Competency
 - Bias | Prejudice | Judgement
 - LGBTG+ Inclusion
 - Religion, Spirituality & Belief
 - Managing Diverse Teams
 - Health & Wellness

- Occupational, Intellectual, Emotional, Social, Spiritual wellness
- Legal and Workplace Compliance
 - Workplace Violence Prevention
 - Speaking for the company
 - Code of Conduct
 - Whistleblower
 - HIPPA
 - Records/Data Management
 - Protecting Intellectual Property
 - Cyber Security Awareness
 - Parliamentary Procedures
 - Conflict Resolution
 - Ethical Leadership
 - Labor Relations
- Professional Expectations
 - Communication etiquette
 - Use of foundation resources
 - Intergenerational workplace

Additional topics will be introduced throughout the year, and we will encourage and welcome suggestions to ensure they remain relevant and impactful.

- In addition, we will be hosting bi-weekly voluntary workshops for staff, covering a variety of subjects centered on work-life balance, personal growth, and professional development. Again, our goal is to cultivate a positive and supportive work environment for everyone.

PACIFICA ARCHIVES AND LEGACY PROJECT

- We are collaborating with the marketing teams of the American Archive of Public Broadcasting and the WGBH Educational Foundation to draft a press release announcing the preservation of our highly significant collection. This milestone marks a culturally important step in making the collection accessible to educators, historians, and researchers.
- Below is a basic statement about the status of the Pacifica Radio Archives:

The Pacifica Radio Archives department has been restructured and is currently being managed by the Pacifica Foundation national office, this includes licensing and material requests, as well as continuing to oversee the Pacifica Foundation Archive Legacy Project. The Pacifica Foundation Archive Legacy Project, in collaboration with the American Archive of Public Broadcasting, the WGBH Educational Foundation, the Library of Congress, and the Mellon Foundation, is the cataloguing, digitization, transcription, curation, and storage of the historic 80,000+ collection of the Pacifica Radio Archives. In addition to saving this priceless collection, the Pacifica Foundation will maintain the intellectual property and licensing rights of the collection and will continue to own the physical materials after digitization.
- We are currently meeting with IT specialists regarding updating the Pacifica Radio Archives website to accommodate licensing and safely hosting our materials. The current website has not been updated, backed up, or maintained since 2020.
- Attached are images of the areas housing our archive materials, images of what has already been digitized and cataloged, as well as the next 18,000 pieces prepared for shipment.



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

Brendan Carr
Chairman

January 29, 2025

Katherine Maher
President and Chief Executive Officer
National Public Radio

Paula A. Kerger
President and Chief Executive Officer
PBS

RE: Federal License Obligations of NPR and PBS Member Stations

Dear Ms. Maher and Ms. Kerger,

I am writing to inform you that I have asked the FCC's Enforcement Bureau to open an investigation regarding the airing of NPR and PBS programming across your broadcast member stations.

As you know, NPR and PBS distribute their programming through a network of approximately 1,500 NPR and PBS member broadcast stations. The relevant broadcast stations, which are licensed to operate by the FCC, are limited by the terms of their federal authorizations to operating as noncommercial educational broadcast stations—or NCEs.

Federal law prohibits any NCE station from running commercial advertisements. More specifically, Section 399B of the Communications Act prohibits an NCE station from airing commercials or other promotional announcements on behalf of for-profit entities. For-profit entities that contribute funds to NCE stations may receive on-air acknowledgements, but the FCC has long held that these underwriting announcements are for identification purposes only. These announcements should not promote the contributor's products, services, or businesses, and they may not contain comparative or qualitative descriptions, price information, calls to action, or inducements to buy, sell, rent, or lease.

I am concerned that NPR and PBS broadcasts could be violating federal law by airing commercials. In particular, it is possible that NPR and PBS member stations are broadcasting underwriting announcements that cross the line into prohibited commercial advertisements.

It is important to me, as Chairman of the FCC, that NCE broadcast stations stay true to their important missions and refrain from operating as noncommercial in name only. That is why, as noted above, I have asked the FCC's Enforcement Bureau, with assistance from the FCC's

Media Bureau, to initiate an investigation into the underwriting announcements and related policies of NPR, PBS, and their broadcast member stations.

For your awareness, I will be providing a copy of this letter to relevant Members of Congress because I believe this FCC investigation may prove relevant to an ongoing legislative debate. In particular, Congress is actively considering whether to stop requiring taxpayers to subsidize NPR and PBS programming. For my own part, I do not see a reason why Congress should continue sending taxpayer dollars to NPR and PBS given the changes in the media marketplace since the passage of the Public Broadcasting Act of 1967.

To the extent that these taxpayer dollars are being used to support a for profit endeavor or an entity that is airing commercial advertisements, then that would further undermine any case for continuing to fund NPR and PBS with taxpayer dollars.

Thank you in advance for your cooperation and attention to these matters.

Sincerely,

A handwritten signature in blue ink, appearing to read "B Carr", with a long horizontal flourish extending to the right.

Brendan Carr

2025

FCC Underwriting Requirements

Overview

The Communications Act contains two distinct and sometimes competing requirements concerning underwriting. First, Section 317 requires all stations to accurately identify sponsors of broadcast programs by announcing, at the time of broadcast, that the program material was “paid for or furnished by” the sponsor (so-called, “Sponsorship ID”). Second, Section 399B prohibits noncommercial stations from airing any “advertisement,” which is defined as programming material broadcast in exchange for remuneration (any form of consideration – e.g., cash, in-kind donations, or even the program material itself), that *promotes* a service, facility, or product which is offered “for-profit.”

The FCC’s underwriting policies have evolved out of the tension between the required sponsorship identification and the prohibition against “advertising.” Please note that this memo is limited to announcements regarding for-profit entities and their products, services or facilities. Different considerations apply to announcements on behalf of non-profit entities, political candidates, and advocacy groups.

The FCC’s Underwriting Requirements

The FCC allows noncommercial broadcasters to air enhanced underwriting announcements sponsored by for-profit entities under the following conditions:

- 1) Sponsor ID. All announcements aired in exchange for consideration must contain an appropriate on-air sponsorship identification, accurately identifying the “true” sponsor of the announcement.
- 2) Content. Announcements may include the location, telephone number, email address of the underwriter and an established logo or tagline.
- 3) Value-Neutral. Any description of goods or services must be value neutral. The more adjectives or detailed descriptions an announcement contains, the more likely the announcement will be considered promotional.
- 4) Duration. While the Commission has not imposed a strict temporal restriction on announcements, it has found that the longer announcements are, the more likely they are to be considered promotional. Announcements of more than 30 seconds duration are suspect.
- 5) No Program Interruption. Announcements (a) may not interrupt “regular programming;” and (b) may not substantially alter or suspend regular programming in order to conduct fundraising activities for another entity.

REFERENCE MEMO

Content to Avoid

The FCC has identified four things that will result in an announcement being considered promotional and therefore a violation of the FCC's underwriting requirements. They are:

Price Information

- 1) Announcements containing price information. Any mention of value associated with a product or service is prohibited. This includes statements about interest rates, money down, or any other indication about savings or value associated with a product or service.

E.g., "2.5% interest available now."

Call to Action

- 2) Announcements containing a call to action.

E.g., "Stop by our showroom to see for yourself."

"Try Product X the next time you buy motor oil."

Inducement to Buy

- 3) Announcements containing an inducement to buy, sell, rent, or lease.

E.g., "Be one of the first fifty visitors and receive a free gift."

"Six months free service."

"A bonus is available this week only."

Comparative or Qualitative Language

- 4) Announcements containing comparative or qualitative language.

E.g., "The *best* place for a new car."

"Our pizza is delicious."

Announcement Analysis

The FCC will seek to impose higher penalties for repetitive violations of the underwriting requirements. Civil penalties were assessed in each of the following cases because the broadcaster repeatedly violated the Commission's underwriting policies:

- 1) Ongoing and Repetitive: \$20,000 penalty for eleven for-profit entity announcements over a year; ten messages, containing comparative and qualitative language, were repeated approximately 3,149 times.
- 2) Ongoing and Repetitive: \$115,000 penalty for announcements that ran on two stations over a seven-month period; announcements included comparative language, price information, and calls to action.
- 3) Comparative Language: \$2,500 penalty for two underwriting announcements aired over a three-month period because the messages contained language such as "quality craftsmanship" or "the best cleaning system," in a "unique environment."
- 4) Call to Action: \$5,000 penalty for eight underwriting announcements over a week-long period because the announcements encouraged patronage with phrases such as "how about doing something fun...let me suggest a visit to [underwriter]."
- 5) Price Information: \$2,500 penalty for four underwriting announcements over a two-day period because the underwriter referenced price.
- 6) Qualitative Language: \$20,000 penalty for eight underwriting announcements over a year and two-month period in which the station

REFERENCE MEMO

aired announcements containing language such as “made only with the freshest ingredients” and “[underwriter] takes pride in their honest and reliable service.”

- 7) Qualitative and Comparative Language: \$115,000 penalty for underwriting announcements over a seven-month period in which the stations aired announcements containing comparative language such as “There are times that we fear going to see cars because we don’t know who to trust. You can trust the [name of] car dealership.”

Conclusion

The guiding purpose of the FCC underwriting requirements is to preserve the noncommercial nature of noncommercial broadcast stations. While noncommercial broadcasters are permitted to make good faith judgments about the application of FCC’s underwriting requirements, that judgment must be based on a reasoned analysis of FCC policies and rulings, rather than on a broadcaster’s intuition.

If you have any questions regarding the FCC’s Underwriting Requirements, please call Foster Garvey at 202.965.7880.

Washington, D.C.
Foster Garvey Communications, Telecom & Media Group



Brad C. Deutsch
202.298.1793
brad.deutsch@foster.com

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Below are before and after pictures of the organization and clean up being done in the storage units housing our materials:

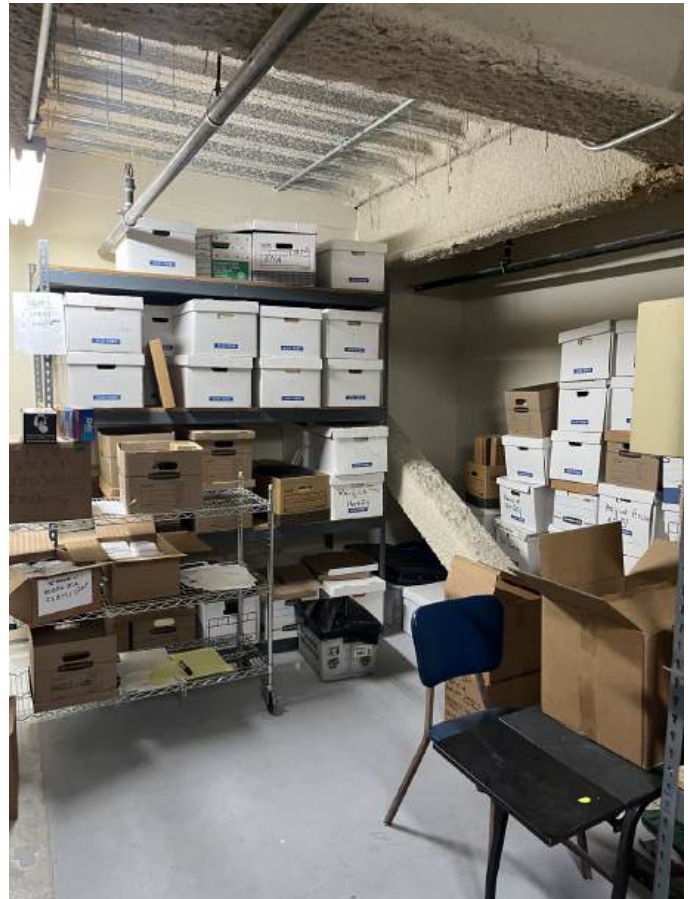
LARGE UNIT BEFORE (April 23, 2024)



LARGE UNIT AS OF 10/14/24 (Red and Blue containers are ready for shipment for digitization)



Pacifica Archive Materials being processed for Digitization
(from 12/19/24 ED Report)



Pacifica Archive Materials Digitized to be prepped for storage
(from 12/19/24 ED Report)



10,000 Pacifica Archive Materials ready for packaging and shipment for Digitization

