



News with Views

Publication of CWA Local 1032, AFL-CIO



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NJN Managers Propose Multi-Million Dollar Give Away of State Assets

The Foundation for NJ Public Broadcasting and managers of the state owned New Jersey Network are floating a proposal to state legislators to give state owned NJN assets to the Foundation and to the managers themselves. The proposal is to turn over NJN assets to the Foundation, a not-for-profit organization with a Board dominated by business executives. The current managers would run the new entity free from state control and oversight.

At stake are state purchased physical assets (including a \$20 million studio and production facility, and, about \$4 million in broadcast towers) and over 60 television, radio and broadband associated licenses which may be worth more than \$200 million. With the advent of digital broadcasting, the potential value of these licenses has dramatically increased. Deals to lease digital spectrum to private entities are sprouting up everywhere.

Charles Loughery, who until his retirement last fall was the engineer in charge of NJN transmitters, pointed out Nextel Corporation offered NJN a \$20 million signing fee and \$3 million a year for 30 years to lease just 5 of the educational broadband service licenses. The deal was put on hold in order for NJN to comply with state competitive bidding regulations. However, the Nextel offer did establish a value for the 5 licenses at \$110 million over 30 years.

Jim Marketti, President of CWA Local 1032 which represents employees at NJN, said that "once control of these assets are moved from the state to the new entity, what is to stop the managers from selling the licenses on the open market. Equally troubling is the prospect of politically well-connected leasers

purchasing long term license leases at fire-sale prices when the licenses are likely to escalate substantially in value in the near future."

Marketti added, "Once NJN is privatized, it is only a matter of time before market forces re-align the use of NJN assets with New York and Philadelphia market needs rather than New Jersey's. When people think of New Jersey now, they think of the

Jersey shore, Rutgers, and NJN. That will no longer be the case if New Jersey loses control of these major television and radio assets."

Many NJN employees are asking what the new privatized entity intends to do with any proceeds gained from the sale or lease of state owned licenses. Union officials pointed out that at WHYI, a privatized public broadcast station in Philadelphia/Wilmington, the Executive Director makes more than \$400,000 a year compared to the \$125,000 a year paid to

the current NJN Executive Director. Larry LiMato, an employee of NJN and Local 1032 steward said, "one of their own internal documents on the privatization proposal says NJN managers want the opportunity to establish a new workforce with a salary schedule based on industry benchmarks. Our members believe this means higher salaries for managers."

Marketti called for the state to conduct an independent audit on the value of licenses and physical assets at NJN before it considers the management proposal. "If the state is going to give NJN away, the taxpayers should at least know the real value of the give away." ●





Alternatives to the NJN Management Plan

Employee critics of the plan to give state assets to a non-profit organization such as the Foundation point to a couple of paths not considered. "NJN's management has never made a serious effort to sell the station's mission to the Legislature and to seek an appropriate level of state funding," said Grace Bethea, a Technical Coordinator and 34 year employee of NJN. "This has been true since the Whitman administration. We have concluded that the managers are more comfortable dealing with the power elite on the NJN Foundation Board rather than talking to the peoples' representatives in the Legislature," added Bethea.

Burdge noted that "there is no reason to take the NJN operation out from under state ownership and control. They could get the flexibility they claim they need by restructuring NJN along the lines of the state Sports & Exposition Authority. This approach would enable the state to maintain ownership of the valuable assets it paid for and would lose under the management proposal. In South Carolina, the legislature is moving in the direction of exempting the state operated public television network from the normal bidding procedures to allow the state to best take advantage of the new leasing possibilities." ●

What Happens to the Current Employees of NJN?

NJN currently employs over 150 state workers. These include producers, directors, behind the camera and in front of the camera workers, professionals, technicians, clerical and some blue collar employees. These employees have not seen a written proposal from NJN as to what their terms and conditions of employment would be under the new entity.

In preliminary discussions with representatives of the employees, the NJN management team have suggested that the only employees who would be safe are those who might take an early retirement if the state offers one and those who might be eligible for retirement in the next four years.

Dudley Burdge, CWA Local 1032 Senior Staff Representative, said: "The NJN proposal was very broad and vague while in union contract negotiations, we all know the devil is in the details. The NJN management team wants the union to sign off on their privatization proposal before they go any further. Our members at NJN are substantially opposed to the management privatization initiative and we intend to follow their wishes on the issue." ●



South Carolina Sets a Different Course for Wireless Broadband



Wireless Broadband Resources

The Basics on the Wireless Broadband Issue in SC

- *South Carolina has a unique opportunity to lease its excess spectrum, currently controlled by ETV, to provide wireless broadband access to residents and businesses in every corner of the state, therefore creating additional business and economic development opportunities.*

Signed Legislation Below,

South Carolina General Assembly
117th Session, 2007-2008

R291, H4735

STATUS INFORMATION

Joint Resolution

Sponsors: Reps. Harrell, Cato, Funderburk, Loftis, Sandifer, Thompson, Owens, Harvin, Bedingfield, Leach, Bales, Whipper and R. Brown

Document Path: I:\council\bill\dt\27082bb08.doc

Introduced in the House on February 21, 2008

Introduced in the Senate on March 6, 2008

Last Amended on May 1, 2008

Passed by the General Assembly on May 20, 2008

Governor's Action: May 27, 2008, Signed

Summary: Educational Television Network

(R291, H4735)

A JOINT RESOLUTION TO CREATE THE SOUTH CAROLINA EDUCATIONAL BROADBAND SERVICE COMMISSION FOR THE PURPOSE OF OBTAINING AND EVALUATING PROPOSALS FROM COMMERCIAL ENTITIES FOR THE LEASING OF SPECTRUM CAPACITY LICENSED TO THE SOUTH CAROLINA EDUCATIONAL TELEVISION NETWORK, TO PROVIDE A PROCESS FOR APPROVAL OF THE LEASES, TO PROVIDE THAT REVENUE RECEIVED FROM THE LEASE OF SPECTRUM CAPACITY MUST BE DEPOSITED INTO THE STATE GENERAL FUND, TO EXEMPT THE LEASES FROM THE CONSOLIDATED PROCUREMENT CODE, AND TO PROVIDE FOR THE MEMBERSHIP, POWERS, AND DUTIES OF THE COMMISSION.



It's Time for the Current Management to Go

Jim Marketti, President of CWA Local 1032, called for an ouster of the senior management team at NJN. "NJN has first class physical assets, bought and paid for by taxpayers, has first class facilities and a first class group of skilled employees who have held the operation together on a shoe string for many years. The only thing it lacks is a management group with a vision on how to properly meet the future. If the best they can do is come up with an outlandish plan to give away many millions of dollars of taxpayer paid assets and to turn the station over to themselves to run, it's time for the managers to go."



Marketti called for a new management team "willing to go back to the drawing board to find a way for the state to preserve and realize the value of the station's considerable assets for the taxpayers who paid for them and to work with the Legislature to find a new formula to make the station grow and to serve the state's citizens as it was intended to do when first created." ●



CWA LOCAL 1032 **COMMUNICATIONS WORKERS OF AMERICA** **A.F.L.- C.I.O.**

67 SCOTCH ROAD

EWING, NEW JERSEY 08628

PHONE: (609) 434-1032 • FAX (609) 883-8184

E-MAIL: cwadudley@aol.com

www.cwalocal1032.org