

KFUO-FM Sale “Frequently Asked Questions”

October 9, 2009

The Lutheran Church—Missouri Synod’s Board of Directors offers this “Frequently Asked Questions” document to provide additional information about the recent sale announcement of KFUO-FM to Joy FM. More questions may be added in the future if necessary. If, after reading this document, you have additional questions or concerns, please contact the LCMS Church Information Center at 888-THE-LCMS (843-5267) or at infocenter@lcms.org.

Who is Joy FM?

Joy FM is a station that currently broadcasts Christian contemporary music over two frequencies (97.7 FM and 94.1 FM) in the St. Louis area.

What is the timetable to transition the station to Joy FM?

On October 6, 2009, The Lutheran Church—Missouri Synod (LCMS) and Joy FM announced an “asset purchase agreement” to transfer ownership of KFUO-FM from the LCMS to Joy FM. However, no change will be in effect until the Federal Communications Commission approves the sale. We expect the approval within six months.

What happens to the call letters?

As a term of sale, the LCMS will retain the KFUO call letters.

What are the details of the “agreement to sell” including the selling price?

The sale price is \$18 million, plus interest scheduled over the 10-year term, for a total of \$26 million.

Was this the best offer?

This was by far the most attractive offer received by the LCMS.

Will the sale affect KFUO-FM’s current classical music format?

KFUO-FM will continue to play classical music until the final closing, which we expect will occur with FCC approval. Joy FM currently broadcasts Christian contemporary music and is expected to continue that format on 99.1.

What effect will the sale have on employees of KFUO-FM?

We are an organization that values our employees and takes no delight in making operational and ministry decisions that negatively impact employees. At this time, there will be no changes in employment. We are exploring ways to continue classical music programming in St. Louis. Until we know more, we cannot make definitive statements about employment. If employees are displaced after the final closing of the sale, the LCMS will provide those employees with transition assistance, just as we would if any other employee’s position was going to be eliminated. An initial meeting was held with employees, and future meetings will be held to keep employees informed.

What happens to KFUE-AM?

The LCMS will continue to own and operate KFUE-AM, the world's longest continually-broadcasting religious radio station. The station will continue to uplift and inspire listeners with inspirational Christian radio that includes on-air talk shows, Bible studies, and discussions of modern issues from a Christian perspective.

Why is the LCMS selling KFUE-FM?

The LCMS Board of Directors routinely evaluates church assets and makes regular stewardship decisions about the best ways to fund mission and ministry. This decision comes after a thorough evaluation of assets in light of the best ways to fund LCMS mission and ministry. Proceeds from the sale will be used to fund new opportunities for mission and ministry, including broadening the use of technology to proclaim the Gospel worldwide.

Is this sale a sign the LCMS is struggling financially because of the country's economic decline?

No. This sale is intended to enable the LCMS to pursue new and exciting opportunities in the area of digital communications that can be used to accomplish our mission: In grateful response to God's grace and empowered by the Holy Spirit through Word and Sacraments, the mission of The Lutheran Church—Missouri Synod is vigorously to make known the love of Christ by word and deed within our churches, communities and the world. Discussions about the possible sale of the station began before the economic downturn occurred.

Were there others interested in purchasing the station?

Once the board's interest in selling the station was made public, the LCMS received dozens of inquiries from individuals, groups, commercial and specialty broadcasters, and media brokers.

Did the KFUE Radio Arts Board make an offer to purchase the station and if so, why was this offer not accepted?

The LCMS met with and conversed with representatives of the KFUE Radio Arts Board on multiple occasions. The arts board expressed an interest in purchasing the station, but its most recent proposal was to buy KFUE-FM for \$4.1 million, leaving the LCMS with minority ownership and bearing all operational costs. Clearly, this was not viable.

There have been allegations of secrecy regarding the decision to sell KFUE-FM. Was information about the decision to sell the station made public?

*The Synod's board has been open about its intentions regarding the FM station. Since as early as February 2008, this item has been on the board meeting agenda. Minutes from board meetings are posted on the LCMS Web site. The LCMS newspaper **Reporter** – which is provided free of charge to every pastor and teacher of the church and to certain congregational lay leaders – carries news of board meetings and "Board Briefs," a regular insert that summarizes board activity. Also, at various stages, information regarding the sale of KFUE-FM was shared with several groups of church leaders, including the presidents of the Synod's 35 districts and the Board of Regents of Concordia Seminary, St. Louis.*

Was the LCMS only interested in selling the station to another Christian broadcaster?

No such limitation was ever imposed.

What about the board’s statement of being committed to providing uninterrupted classical music, as discussed at its August 2009 meeting?

As part of the asset purchase agreement, Joy FM has agreed to purchase high definition broadcast equipment for our use for the next two years. The LCMS is still working out the details of how to provide classical music on the station’s HD channel (99.1-2). The LCMS also is investigating a way to provide classical music at another location on the FM dial.

Some people believe HD has little if any future. Is this a viable possibility?

Some experts – and listeners – believe HD radio provides an unrivaled listening experience and that it just has not truly caught on yet. In fact, Microsoft has just launched the first portable media player that combines a built-in HD radio receiver and HD video output capabilities that some are calling revolutionary. While special equipment is required in order to listen to HD radio, the receivers are relatively inexpensive to purchase. There are at least two dozen HD broadcasters in St. Louis already, including KMOX Radio, the leading station in the St. Louis market.

How long has KFUO-FM been broadcasting classical music?

KFUO-FM “CLASSIC99” aired its first public broadcast in 1948. KFUO’s FM and AM stations aired simulcast programming until 1975 when the FCC began requiring stations with multiple frequencies to air separate programming. At that time, KFUO-AM committed itself to Christian talk programming and KFUO-FM began broadcasting all classical and sacred music.

Is this sale a sign the LCMS does not care about classical music?

The LCMS considers it an honor and privilege to have provided the St. Louis community with classical music for the past 34 years. We value the heritage of the station and the support the station has received through the years. We are especially grateful to the station’s listeners, patrons, and corporate partners for their generous support.

Martin Luther often referred to music as a gift of God, a gift that can proclaim the Good News of Jesus Christ’s salvation of all people. The heritage of Lutheran church music owes much to classical composers, such as Johann Sebastian Bach. Music is an integral part of the Lutheran faith. In no way does this sale diminish our church body’s appreciation for classical music.

Was KFUO given as a gift for evangelism and not to be resold?

Three legendary Lutheran men – Dr. Walter A. Maier, Rev. Richard Kretzschmar, and Dr. John Fritz – began operating KFUO-AM in 1924. In 1926, the KFUO license was given to the LCMS, and the station became an official LCMS entity. KFUO added the FM channel in 1948. The church is free to sell the station, if so desired.