

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of)
)
Request by State Broadcasters Associations)
For Declaratory Ruling Concerning the)
Application of the Commission's Political)
Programming Regulations to Three Internet)
"Airtime Sales Programs")

MB Docket No. 07-137

To: The Commission

FILED/ACCEPTED

AUG - 8 2007

Federal Communications Commission
Office of the Secretary

COMMENTS
OF
HAUGO BROADCASTING, INC

HAUGO BROADCASTING INC ("HAUGO"), by Counsel hereby files comments in response to the State Broadcasters Associations' request for declaratory ruling as to whether a broadcast station that participates in Internet sales programs must include the sale price of online-sold airtime in calculating a station's lowest unit charge ("LUC") for each class of time sold. For the reasons set forth herein, Haugo believes that regardless of the technology used, when advertising is sold online it is purchased at rates unavailable to even the most favored commercial advertiser who seeks to purchase time directly from the station and, therefore, is exempt from the LUC pricing requirements. In support hereof, Haugo submits the following:

1. Haugo is the licensee radio stations KSQY-FM (Deadwood, South Dakota) and KIQK-FM & KTOQ-AM (Rapid City, South Dakota).

2. Although Congress enacted the 1971 Federal Election Campaign Act to promote greater candidate access to the broadcast media at reasonable rates, for more than thirty-two years the FCC has distinguished individual station rates from group or "network" rates for LUC purposes. In 1975 the FCC held that airtime sold by third parties to target a national or regional audience for a buy on a defined group of stations is a "special rate package" essentially exempt from LUC calculations. See, *Letter to Michael H. Bader*, 56

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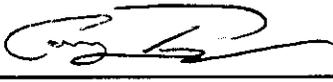
FCC 2d 840 (1975). Nine years later the FCC reaffirmed this position in its *1984 Political Primer (100 FCC 2d 1476)*.

3. Although the formats and structures of these advertising programs has differed over time, the underlying common theme is that these programs offer lower advertising rates than that which an individual advertiser could obtain on its own from an individual station. And, that is exactly what is presented in this proceeding by virtue of the Internet sales programs of such parties as Bid4Sports, Inc., SoftWave MediaExchange and dMarc Broadcasting, Inc. Today's use of the Internet is merely a more modern version of the unwired network analysis of the past. Since the rates generated on these Internet sites continue to be "market-wide" determined by the aggregate of advertisers -- and not sold by the individual stations -- they are consistent with prior FCC precedent and Congressional intent. They should be exempt from an individual station's LUC calculation.

For the reasons set forth herein, Haugo supports the State Broadcasters Association Petition.

Respectfully submitted,

HAUGO BROADCASTING, INC.

By: 
Cary S. Tepper

Its Counsel

Booth, Freret, Imlay & Tepper, P.C.

7900 Wisconsin Avenue

Suite 304

Bethesda, MD 20814-3628

(301) 718-1818

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