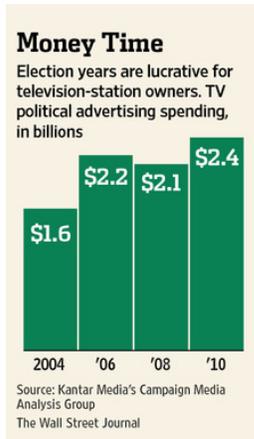


## Broadcasters Balk At FCC Proposal For Enhanced Disclosure of Public File

At the ABC affiliate television station here, a mountain of folders contains a wealth of data on station operations, including the cost of every political ad aired in recent years. Broadcast stations have been required for decades to make that information public—although until now "public" meant putting papers into a file cabinet. Now broadcasters are upset about a proposal by federal regulators to put all such information online, where everyone, including other advertisers curious about real-world local TV ad rates, can see it.



"As I think about so many things that TV stations do for the viewer, I'm hard pressed to find out how this satisfies a consumer need," says Bill Hoffman, executive vice president at Atlanta-based Cox

Media Group, which owns 15 broadcast TV stations. He calls the information "proprietary."

In election years, political ads are a multibillion-dollar business for broadcasters. But they also bring their share of headaches for TV stations because of regulations that make the ads different from those for cars or beer.

Congress decreed in 1971 that candidates must get the lowest price for ads in the weeks before an election. The Federal Communications Commission followed up by requiring that stations make political-ad information public so candidates can be assured they're all getting the same deal.

The information goes into folders at station headquarters that also contain various government-mandated reports on indecency complaints, signal reach and the like. Broadcasters bear this paperwork burden because they have free use of broadcast spectrum, an FCC-regulated public resource.

In October, the FCC proposed that all public disclosures by broadcast stations, including the political ad rates, should be put online instead of kept at station offices in paper form. The FCC

suggested stations could put the information on their own websites or submit it to the agency for posting in a single master database.

"It's such a modest modernization proposal. They're just asking that broadcasters join the rest of companies in the 21st century," said Corie Wright of Free Press, a public interest group that has lobbied in favor of the change.

Broadcasters are fuming. Lobbyists for ABC owner [Walt Disney](#) Co., [Comcast](#) Corp.'sNBCUniversal and [News Corp.](#), owner of the Fox network, say it isn't fair to make them post ad rates when other recipients of political ad dollars, including cable television and websites, get a pass.

(News Corp. owns The Wall Street Journal.)

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*Needham estimate.*

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Posting individual advertising rates online means "competitors in the market and commercial advertisers may anonymously glean highly sensitive pricing data" that could lead to "distortion in the market for commercial advertising," Fox, NBC and Disney lobbyists told FCC officials during a meeting last month, according to a letter filed with the FCC disclosing the meeting.

Disney ad executives argued to FCC officials that if political ad buyers want to make sure they're getting the best rate, they're welcome to ask for "dates and dollars" information over the phone.

And the National Association of Broadcasters, laying the groundwork for possible legal action, said last week that Congress didn't give the FCC the authority to require online disclosure of political ad information.

This isn't the first time the FCC has tried to get stations to put more documents online. In 2007, it sought to require broadcasters to post indecency complaints and other public documents, though not political ad data. The effort stalled after broadcasters complained to the White House about the financial burden of complying.

An FCC spokesman declined to discuss when the agency might cement the new rule. That would require a vote of the agency's three-member board.

Political advertising on television is expected to reach about \$3.2 billion this election season, says Laura Martin of investment bank Needham & Co. In 2008, political advertising on TV totaled \$2.1 billion, according to Kantar Media's CMAG unit.

Only candidates themselves qualify for the price break, which assures them of getting a rate equal to the best deal any other advertiser has managed to cut with the station. They are eligible for the best price in the 45 days before a primary election and 60 days before a general election. Outside groups, including "super PACs"—political action committees that can collect unlimited donations from corporations and unions for their ads—are charged market rates, and those are also disclosed in the paper files.

At WJLA, the ABC affiliate in Arlington, the file fills two large cabinet drawers at a receptionist's desk. Issue ads run by interest groups such as the U.S. Chamber of Commerce and American Lung Association fill hundreds of orange folders.

Broadcasters say they're getting caught up in efforts by Democratic activists who are angry about recent court decisions opening the way for the super PACs and the large sums they are spending on campaigns. Legislation to force greater disclosure has bogged down in Congress, but some critics of campaign-finance rules see the FCC action as a backdoor route to building an online database of super PAC spending and improving transparency.

Jerald Fritz, vice president at WJLA owner Allbritton Communications Co., said those critics are picking the wrong target. "There's no reason to disrupt the market of selling advertising by one subset of the media to police campaign financing," he said.