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Shining a Light on Campaign Ad Rates

Technically, the amount of money campaigns spend to run attack ads on TV is public information. By law, all broadcasters have to keep records of political ad buys, including their cost, and show them to anyone who asks. That doesn't mean the data are easily accessible. You have to trek to TV stations during business hours, persuade a worker to fetch the records, and sometimes even produce exact change if you want to photocopy them.

"In a broadband world, that just doesn't make any sense," Julius Genachowski, chairman of the Federal

Communications Commission, said last fall. The agency is weighing a regulation that would force broadcasting companies to report political-ad sales data on a centralized website the FCC would manage. Putting records online—broadcasters would have to upload an ad buy the same day they close the sale—could make it easier to trace spending by super-PACs and other outside groups, especially those that aren't required to disclose their donors.

Opponents of Genachowski's proposal, such as Jerald Fritz, senior vice president of Allbritton Communications, which owns six ABC (DIS) stations, say online reporting would reveal proprietary information and make the overall market less competitive. It "would ultimately lead to a Soviet-style standardization of the way advertising should be sold, as determined by the government," Fritz told the FCC earlier this year. Robert McDowell, the lone Republican FCC commissioner, says the regulation could result in price collusion, noting in a recent speech at the Conservative Political Action Conference that it "would put the government's thumb on the scale during advertising negotiations."

Broadcasters are required to offer candidates the lowest going rate for the time slot they want. Disclosure "ensures that candidates are not gouged" as they rush to buy airtime in the run-up to an election, says Meredith McGehee, policy director for the Campaign Legal Center, one of several open-government groups lobbying the FCC for online reporting. Some broadcasting companies may oppose the rule because they're manipulating the system, McGehee says: "They know if they put this stuff where it's easily accessed, the game they're playing will be more revealed." Dennis Wharton, a spokesman for the Washington-based National Association of Broadcasters, says she's wrong: "Broadcasters take

seriously our obligations to afford discounted time to candidates.”

ABC, CBS ([CBS](#)), Fox ([NWSA](#)), and NBC, which all own broadcast stations, are fighting the regulation, telling the FCC it would “impose significant new administrative burdens.” Commissioner McDowell estimates the rule may cost the industry \$15 million to scan and upload existing paper files and could cost each station an average \$120,000 to \$140,000 annually. That “would require broadcasters to divert funds from their news-gathering operations and local programming,” McDowell said at CPAC, adding, “This idea is likely to be a jobs destroyer.”

Genachowski hasn’t set a deadline for the commission’s final vote on the regulation. “This notion of someone walking in and looking at pieces of paper—in the 21st century—it’s ridiculous on its face,” says McGehee, “and it merely is meant to obfuscate.”

The bottom line: An FCC commissioner opposing a move to mandate online reporting of political-ad buys says it would cost \$15 million up front.