



# PUBLIC NOTICE

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## MEDIA BUREAU PROVIDES GUIDANCE ON POLITICAL ADVERTISING LOWEST UNIT CHARGE DURING CORONAVIRUS (COVID-19) PANDEMIC

### Free Advertisements Need Not be Included in Lowest Unit Charge Calculation

The Media Bureau herein provides guidance on the calculation of the lowest unit charge for political advertising under the circumstances created by the coronavirus (COVID-19) pandemic.

Under the Communications Act of 1934, as amended, broadcast licensees must charge legally qualified candidates who use their facilities in connection with their campaigns no more than the lowest unit charge for the same class and time during the same period.<sup>1</sup> The lowest unit charge requirement is applicable during the 45 days preceding a primary or primary runoff election, and during the 60 days preceding a general or special election.<sup>2</sup>

The National Association of Broadcasters and a number of broadcast station group owners have informed the Commission staff that, because of current financial difficulties arising from the coronavirus (COVID-19) pandemic, many commercial customers are cancelling their advertising contracts with broadcast radio and television stations, in whole or significant part. To fill excess inventory and build goodwill, broadcasters are seeking to air free advertisements for merchants. They have asked for guidance on whether such free advertisements must be included in the calculation of the lowest unit charge.

Given the current circumstances, the public interest dictates that broadcasters and other regulatees that are subject to Section 315(b) may exclude the free time that they provide to commercial advertisers when calculating their lowest unit charges, *provided* the free time is not associated with an existing commercial contract for paid time or otherwise considered bonus spots. We do not believe that broadcasters should be discouraged at this time from airing free advertisements because of the impact that doing so could have on the calculation of their lowest unit charges. This guidance is also intended to assist broadcasters in understanding their obligation in calculating lowest unit charge under the current prevailing market conditions and is consistent with our interpretation of the lowest unit charge provisions in Section 315(b) of the Act.<sup>3</sup> Because the pandemic is a rapidly evolving situation and information and market conditions are changing quickly, we anticipate that this guidance is applicable only to the current period and not necessarily applicable when more ordinary conditions are restored.

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<sup>1</sup> See 47 U.S.C. § 315(b)(1); 47 CFR § 73.1942(a)(1).

<sup>2</sup> See 47 U.S.C. § 315(b)(1)(A).

<sup>3</sup> See 47 CFR § 73.1942(a)(1)(i), (xi). See also *Codification of the Commission's Political Programming Policies*, Report and Order, 7 FCC Rcd 678, 695, para. 102 (1991); *Fred Fickenwirth*, Letter Order 7 FCC Rcd 4311 (MMB 1992).

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