



# NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.  
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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## COMMISSIONER ADELSTEIN APPLAUDS NEW FCC FACT SHEET ON PAYOLA RULES

Commissioner Adelstein applauded the issuance by the FCC of a Fact Sheet on “FCC’s Payola Rules” that provides critical information about “*What the Payola Rules Say*” and “*What You Can Do if You Think the Rules Have Been Violated*.”

Adelstein said, “**We are enlisting everyone who watches and listens to the media in the effort to catch violations of our payola rules. Like a Neighborhood Watch program, putting viewers on alert will help us enforce the law and deter future abuses. It serves as another reminder that there is an unequivocal, legal obligation -- up and down the chain of production and distribution -- to disclose all forms of payola.**”

“**Broadcasters and cable operators really need to take these rules seriously. There are major penalties involved that can include up to a year in jail. But even beyond the penalties, it is the longstanding policy of this country that the American people have a right to know who is promoting a product, policy or message to them,**” said Adelstein.

On April 13<sup>th</sup>, 2005, the Commission issued a Public Notice on Video News Releases (VNRs), in response to public and congressional inquiries about broadcast licensees and cable operators who failed to disclose the sponsorship of certain “prepackaged news stories.” In the Notice, the FCC said the payola rules “are grounded in the principle that listeners and viewers are entitled to know who seeks to persuade them with the programming.” Public comments are due June 22, 2005.

In a speech before the Media Institute, on May 25<sup>th</sup>, 2005, Commissioner Adelstein challenged the industry to reform its practice, and he openly called for the American public to help the FCC in monitoring and enforcing the rules against airing undisclosed promotions, including VNRs and product placements. ([http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-258962A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-258962A1.pdf))

FCC Fact Sheet on Payola Rules attached.  
(<http://www.fcc.gov/cgb/consumerfacts/PayolaRules.html>)

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