



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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BROADCASTERS PAY \$12.5 MILLION TO RESOLVE POSSIBLE “PAYOLA” VIOLATIONS

Washington, D.C. – The Federal Communications Commission (FCC) today released Orders adopting Consent Decrees with CBS Radio, Citadel Broadcasting Corporation, Clear Channel Communications, Inc. and Entercom Communications Corp. (collectively, “the broadcasters”). Under the Consent Decrees, the broadcasters agree to pay a combined \$12.5 million to close investigations into each broadcaster’s possible violations of the Commission’s sponsorship identification rules for the practice commonly referred to as “payola.” Specifically, the Consent Decrees resolve allegations that the broadcasters may have accepted cash or other valuable consideration from record labels in exchange for airplay of artists from those labels, without disclosing those arrangements.

In addition to the \$12.5 million in voluntary contributions, the broadcasters agree to implement certain business reforms and compliance measures. Key provisions of the Consent Decrees include:

- Prohibition on company stations and employees exchanging airplay for cash or other items of value except under specified conditions
- Limits on gifts, concert tickets, and other valuable items from record labels to company stations or employees
- Appointment of Compliance Officers and market-level Compliance Contacts responsible for monitoring and reporting company performance under the Consent Decrees
- Regular training of programming personnel on payola restrictions

These and other measures by the broadcasters should ensure their future compliance with the sponsorship identification rules.

Action by the Commission on March 21, 2007, by Order (FCC 07-29), Order (FCC 07-28), Order (FCC 07-27), and on March 23, 2007, by Order (FCC 07-42). Chairman Martin and Commissioners Copps, Adelstein, Tate, and McDowell, with Chairman Martin, Commissioners Copps, Adelstein, Tate, and McDowell issuing separate statements.

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