

**In the
UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT**

NATIONAL ASS'N OF BROADCASTERS,)	
)	
PETITIONER)	
)	
v.)	No. 12-1225
)	
FEDERAL COMMUNICATIONS COMMISSION)	
AND THE UNITED STATES OF AMERICA,)	
)	
RESPONDENTS)	

**OPPOSITION OF FEDERAL COMMUNICATIONS
COMMISSION TO PETITIONER'S EMERGENCY
MOTION FOR A STAY PENDING JUDICIAL REVIEW**

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INTRODUCTION

The National Association of Broadcasters (NAB) seeks a stay pending judicial review of an FCC order requiring broadcasters to post their political files – which have long been required to be available for public inspection in paper form – to a Commission-hosted online website. *See Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations*, 27 FCC Rcd 4535 (2012), 77 Fed. Reg. 27631 (May 11, 2012) (*Order*).¹ The *Order* establishes no new recordkeeping or reporting obligations. Moreover, all the information at issue here is *already* public, and has been by law for decades. The *Order* merely updates existing requirements by enlisting the Internet to make it easier for the public to access public political file information without having to travel to a station’s main studio, search the station’s paper files, and pay for paper copies.

NAB is wholly unable to satisfy the stringent standards for obtaining a stay of the *Order* pending judicial review – it cannot demonstrate that it is likely to succeed on the merits of its claims, that it will suffer irreparable injury, or that the public interest supports a stay.

NAB does not suggest that the decades-old requirement that broadcasters maintain and allow public access to political files in paper form is in any way

¹ NAB attached to its motion a copy of the Federal Register summary of the *Order*. A copy of the complete *Order* is included in the attached Appendix.

unlawful. Instead, it contends that the Commission's decision to make those files accessible online will have anti-competitive effects. The Commission, however, found both that (1) the parties with a commercial interest in the information already have ready access to it, and (2) the data that must be placed online do not reveal detailed information about individual commercial transactions. NAB cannot come to grips with those facts, nor does it explain why, in light of these findings, its concerns are significantly exacerbated by online posting, or why they are not outweighed by the substantial benefits to the public from improved accessibility. Under the circumstances, NAB's decision to oppose online access to files that are already publicly available in paper form appears to stem from a fear that such access will subject NAB members to more, not less, competition.

NAB also argues that, because the Bipartisan Campaign Reform Act requires the Federal Election Commission to post certain election-related information online, *see* 2 U.S.C. §§ 434(a)(11)(B), 438a(a), it implicitly forbids the FCC from doing the same. But BCRA, which amended the Communications Act, expressly requires broadcasters to make the information in their political files "available for public inspection," 47 U.S.C. § 315(e), and despite NAB's claim, does not limit the Commission's authority to implement that requirement in any way. That lack of restriction is particularly significant given that, at the time BCRA was adopted, the Commission had already tentatively concluded that it would require online posting of political files. Even if there were ambiguity, the Commission's decision is, at the least, within its broad discretion to interpret the

Communications Act.

NAB also cannot demonstrate that its members will suffer irreparable harm if the *Order* is not stayed. The information in stations' political files is already available to the public – including stations' competitors – in paper form. NAB's contention that the *Order* will give an unfair advantage to competitors of broadcast stations is entirely unproven. In any event, exposure to greater competition is not irreparable injury. Additionally, NAB's contention that there will be substantial costs of compliance is grossly overstated. In fact, if anything, online access to a Commission-hosted website should lessen the burden on stations to copy political file information each time an interested party requests.

Finally, a stay pending judicial review would harm other parties as well as the interests of the public, who would be deprived of the substantial benefits of online access to information that until now has been available only in paper form during business hours at the station's main studio.

NAB's motion for a stay pending judicial review should be denied.

BACKGROUND

1. In 1938, the Commission first adopted a rule to require broadcasters to maintain a publicly available "political file" concerning political advertising, including both candidate requests for time and the disposition of those requests, as

well as the “charges made” for broadcast time.² Since 1965 broadcasters have been required by FCC rules to keep this political file as well as other materials in what is now known as a “public file” on paper as part of their longstanding obligation to disclose community-relevant information for public review.³

Until now, the public has been able to exercise its right to view this publicly available information only by visiting a broadcast station and asking to see the paper political file and the paper public file. In the *Order* under review, the Commission revised its rules, without introducing any new substantive requirements, to move these public files from paper to the Internet. As the Commission explained, the modernization “is plain common sense,” because it allows members of the public to perform “a quick and essentially costless Internet search” of the relevant records instead of bearing “the substantial expense and inconvenience of traveling to the station and paying for paper copies.” *Order* ¶10.⁴

² See 3 FED.REG. 1691, 1692 (1938). Materials currently required to be included in the political file are specified by Commission rule and by Section 315(e) of the Communications Act. See 47 C.F.R. § 73.1943, 47 U.S.C. § 315(e).

³ *Order* ¶¶68-80; see *Commission’s Rules Relating to Inspection of Records*, 4 Radio Reg.2d (P&F) 1664 (1965), *reconsid. granted in part and denied in part*, 6 Radio Reg.2d (P&F) 1527 (1965). Materials that television stations currently are required to include in their public file are set out in 47 C.F.R. §§ 73.3526 and 73.3527.

⁴ The revised rules were to become effective 30 days after review and approval by the Office of Management and Budget (OMB). See *Order* ¶116. OMB approved the rules on June 21, 2012. The Commission published notice in the Federal Register that the rules would become effective August 2, 2012. 77 FED.REG. 39439 (July 3, 2012).

The procedures adopted in the *Second Report and Order* reflect the Commission's commitment to maximizing the public benefits of an online public file while avoiding unnecessary burdens on broadcasters. *Order* ¶1. Under these procedures, the Commission will host all television stations' online public files in a centralized database; stations will not be required to post their public files on their own websites. *Id.* ¶14.⁵ Television stations will not be responsible for uploading to the Commission-hosted database materials in the public file that have previously been filed with the Commission or are otherwise available on the Commission's website. *Id.* ¶20. The Commission specifically "decline[ed] to adopt any new recordkeeping requirements," *id.* ¶22, *see also* ¶¶81-84, and refused to require stations to post files "in a particular format," *id.* ¶¶23, 85.

To minimize burdens on broadcasters, the *Order* significantly tailors the political file requirements. Rather than uploading their existing political files to

⁵ In an earlier action in this proceeding, the Commission adopted rules requiring television stations to make the contents of their public files, although not their political files, available on the stations' websites or on websites maintained by state broadcasters' associations. *In the Matter of Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations*, 23 FCC Rcd 1274 (2007). The 2007 rules never went into effect. In October 2011, the Commission vacated the 2007 order and adopted a further notice of proposed rule making soliciting comments on various proposals to improve public access to information about how broadcasters are serving their communities while minimizing the burden on broadcasters. *In the Matter of Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations*, 26 FCC Rcd 15788 (2011); *see Order* ¶¶6-9.

the online public file, broadcasters will be required to upload political file documents to the online public file only on a going-forward basis. Further, for the next two years, only stations that are affiliated with the top four national networks (ABC, NBC, CBS, and Fox) and licensed to serve communities in the fifty largest markets are required to post political file documents online. *Order* ¶¶21, 33, 44-48. The Commission emphasized that, in “moderniz[ing] the procedures television broadcasters use to inform the public about information they are already required to disclose,” it was “merely changing the form of disclosure to the public of information already required to be in the public file,” *id.* ¶¶40-41.

The Commission observed that advertisers and competitors review information in stations’ existing political files “on a regular basis” and that the online posting requirement would not materially increase their incentive to do so. *Id.* ¶39, nn. 121, 122. Rather, it explained, the general public (who are unlikely to undertake the cost and inconvenience of travelling to stations to physically access the existing public files) would principally benefit. *Id.* ¶13; *see also* n.122.

The Commission concluded that “making public file information available through the Internet should facilitate public access and foster increased public participation in the licensing process ... and ultimately [be] less burdensome for stations to have their public files available in a centralized location.” *Order* ¶¶12, 14.

2. On July 3, 2012, NAB filed a petition with the Commission requesting a stay of implementation of the *Order* pending judicial review. The Commission’s

Media Bureau, acting pursuant to delegated authority, denied the petition. *In the Matter of Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations*, DA 12-1122 (MB July 12, 2012) (*Stay Order*) (see Appendix). The Bureau concluded that “NAB has satisfied none of the four factors in the stay calculus,” and, in particular, it noted that “[c]ritically, NAB has failed to demonstrate irreparable injury.” *Id.* ¶7. It observed that the revised rules do “not require broadcasters to make any information public that they are not already required to make public,” and that NAB’s claims of harm arising from the online availability of this information are “not persuasive given that the information is already publicly available under existing rules.” *Id.* ¶9. In the end, the Bureau explained, “the public has a strong interest in implementation of the online public file rules as currently scheduled because these new rules will largely eliminate the substantial expense and inconvenience to the public of traveling to the station and paying for paper copies and greatly enhance transparency in political spending in particular.” *Stay Order* ¶19.

ARGUMENT

THE STAY REQUEST SHOULD BE DENIED

Before a party can obtain a stay preserving the status quo pending judicial review, it must show that: (1) it will likely prevail on the merits; (2) it will suffer irreparable harm unless a stay is granted; (3) other interested parties will not be harmed if a stay is granted; and (4) a stay will serve the public interest. *Washing-*

ton Metro. Area Transit Comm’n v. Holiday Tours, Inc., 559 F.2d 841, 843 (D.C. Cir. 1977); D.C. Cir. Rule 18(a)(1). The Supreme Court has underscored that a “stay is an ‘intrusion into the ordinary processes of administration and judicial review,’ ... and accordingly ‘is not a matter of right, even if irreparable injury might otherwise result to the appellant.’” *Nken v. Holder*, 556 U.S. 418, 427 (2009) (citation omitted); *see also Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 24 (2008) (because injunctive relief is “an extraordinary remedy,” it “may only be awarded upon a clear showing that the plaintiff is entitled to such relief”). An applicant “*must* establish that . . . he is *likely* to suffer irreparable harm in the absence of preliminary relief.” *Winter*, 555 U.S. at 22 (emphasis added). A mere possibility of harm is insufficient. *Id.* As we explain below, petitioners have failed to satisfy this stringent standard.

A. NAB Has Failed To Show That It Is Likely To Prevail On The Merits.

NAB focuses nearly its entire argument on the assertion that it is likely to prevail on the merits. In doing so, it does not challenge in any respect the long-standing requirement that television stations maintain public files, including their political file, in paper form. Instead, NAB contends that the Commission’s decision to require broadcast station political files to be moved online is arbitrary and capricious because the files will therefore be more easily accessible – in other words, they will be *too* public. That consequence is a decided benefit, not an infirmity, of the *Order* under review, as the Commission reasonably explained.

1. Antitrust Concerns and Effect on Competition

NAB claims that the revised rules raise “serious antitrust concerns” because they require broadcasters to post information online (and thus make available to their non-broadcast competitors) information concerning the rates charged for political advertising. Mot. at 7-13. In this case, as the Commission noted, “[b]roadcasters had been required to make political file information including rates charged for political advertising, available in some form since 1938, and anyone, including broadcasters’ competitors and customers can currently access these data in the paper files.” Order ¶¶39; *see also Stay Order* ¶13. Indeed, “since 2002” the Communications Act “has specifically required that the political file include ‘the rate charged for the broadcast time.’” *Id.* (quoting 47 U.S.C. § 315(e)).

Accordingly, the Commission specifically determined that parties with a commercial interest in this information were already obtaining it, albeit in more burdensome and costly ways. Thus, the Commission pointed out, “to the extent it is economically beneficial for competitors, potential advertisers, or buyers who seek to represent advertisers, to access this data, they already have the ability to review the material at the stations.” Order ¶¶39; *see also id.* nn. 121, 122 (evidence that advertisers and competitors currently review station files “on a regular basis”); *Stay Order* ¶13.⁶

⁶ NAB cites a number of cases for the proposition that “exchanging information about current prices on specific transactions generally is impermissible under the antitrust laws.” Mot. at 8. *But see United States v. United States Gypsum Co.*, (footnote continued on following page)

Moreover, the Commission further determined that the information in the file is not as commercially significant as NAB alleges. As the Commission explained, “[w]hile the political file lists the lowest unit charge that a candidate receives” for candidate advertising, “it does not reveal significant information about the commercial transaction that established the lowest unit charge.” *Order* ¶39; *see also Stay Order* ¶14. “Various factors unknown to another commercial buyer – including that the advertiser establishing the lowest unit charge bought a higher volume of ads, committed to a long-term advertising relationship, or other variables – can justify denying the lowest unit charge rate to a different commercial buyer under different circumstances.” *Order* ¶39; *see also id.* n.123 (observing also that every station “may not sell the same classes of time”).

Based on “the mutual, long-standing public availability” of political advertising information in the stations’ political files “and the likely knowledge of this availability among major commercial and political buyers,” the Commission reasonably found no basis to believe that “the increased access to broadcasters’

438 U.S. 422, 441 n.16 (1978) (observing that exchanging price information among competitors “does not invariably have anticompetitive effects” and that in some circumstances “such practices can ... increase economic efficiency and render markets more, rather than less, competitive.”). However, the cases NAB cites all involve claims under Section 1 of the Sherman Act, which makes illegal “[e]very contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce” 15 U.S.C. § 1. NAB concedes that, since “television stations will be compelled to publish the price information, there will be no ‘agreement’ in restraint of trade for purposes of Section 1 of the Sherman Act.” Mot. at 8 n.16.

public files will lead to significant distortions in the marketplace.” *Order* ¶39; *see also Stay Order* ¶13 (while “detailed political rate information has been available to broadcasters and non-broadcast competitors for decades, we have seen no evidence, and NAB has offered none, that broadcasters have used this information anticompetitively to fix advertising rates or will be more likely to do so when this information is available online.”).

NAB contends that the revised rules making information about political advertising on television available on the Internet is problematic because they “greatly reduc[e] the time and effort” required to obtain the information in station political files, and result in the more “efficient exchange of information.” *Mot.* at 10. As noted above, however, the Commission reasonably concluded that this would not significantly distort the market because entities with commercial interests were already obtaining this information. *Order* ¶39. Instead by removing the need for other interested persons to “visit the main studio during regular business hours,” the revised rules “greatly improve the accessibility” of broadcast station political files. *See Id.* ¶13. They thereby further enhance the goal of providing candidates the ability to ensure that stations comply with their political advertising obligations, *id.* ¶17, and the public the ability to become better informed about the nature and magnitude of political advertising expenditures, *id.* ¶16.

NAB contends that the “informational asymmetry” associated with online disclosure of station political files “will give non-broadcasters an opportunity to shift advertising away from over-the-air television stations to those other media.”

Mot. 11-12. In this regard, “‘NAB’s real concern is apparently . . . that increased disclosure will lead to greater competition and ad prices will go down as a result.’” *Stay Order*, ¶13 (quoting PIPAC Opp. at 6). The Commission found no basis for NAB’s concerns about the effect of the revised rules on competition. *E.g.*, *Order* ¶39. In any event, exposure to *greater* competition, by definition, cannot raise anti-competitive concerns. At the very least, NAB has not carried its heavy burden of showing that it is likely to prevail in its claim that the Commission’s order is arbitrary and capricious in failing adequately to take into account the competitive effect of the revised rules.⁷

2. Failure to Consider Alternative Policies

NAB contends that the Commission failed to explain adequately why it rejected an alternative proposal by broadcasters, according to which “television stations would be required to report online the total number of dollars spent” on

⁷ NAB claims that the Commission’s “failure to impose an Internet disclosure obligation on cable and satellite providers, as well as television stations, is arbitrary and capricious.” Mot. at 11 n.20. Agencies need not, however, address all problems “in one fell swoop.” *NAB v. FCC*, 740 F.2d 1190, 1207 (D.C. Cir. 1984) (citation omitted)); *see Order* n.323 (noting Commission discretion “to implement changes in a step-by-step fashion.”). In this case, the Commission decided against extending the online public file rules to radio broadcasters and cable and satellite providers because the proceeding had “long focused only on television stations,” and therefore the agency did not have a “sufficient record” concerning those other entities. *Order* ¶111. The Commission also noted that it would ease its “initial implementation of the online public file” if it started with a “smaller number of television licensees, rather than with all broadcasters and MVPDs.” *Id.*

political advertising, “compiled on a weekly, every other day, or daily basis depending on the political season.” Mot. at 13-14. The Commission amply explained why it was not persuaded by this alternative. *Order* ¶ 57 n.177; *Stay Order* ¶ 15.

As the Commission stated, the broadcasters’ proposal would “deprive the public of the benefits of immediate online access to all the information in the political file.” *Order* ¶ 57 n.177. Moreover, it would “impose a new substantive public file reporting obligation on stations,” and thereby conflict with the Commission’s goal of “limiting the burdens on broadcasters.” *Id.* And, as the Commission noted, the information in the political file supports the right of political candidates to “equal opportunities” to use station facilities. *See* 47 U.S.C. § 315(a). Because those rights “exist for only 7 days,” 47 C.F.R. § 73.1941(c), they are of value online only if the political file information is “posted immediately.” *Order* ¶57 n.177

“The FCC need not demonstrate that it has made the *only* acceptable decision, but rather that it has based its decision on a reasoned analysis supported by the evidence before the Commission.” *Association of Public-Safety Communications Officials-Int’l, Inc. v. FCC*, 76 F.3d 395, 398 (D.C. Cir. 1996). That a petitioner might have chosen another policy if it had been the decisionmaker does not provide a basis to reject the agency’s choice. *National Tank Carriers, Inc. v. EPA*, 907 F.2d 177, 183 (D.C. Cir. 1990) (“As long as the agency’s regulations are not arbitrary and capricious, the fact that alternative regulatory mechanisms exist – even attractive or viable ones – does not mean that the agency’s first choice is

unlawful.”).

3. The Bipartisan Campaign Reform Act

Lastly, NAB contends (Mot. at 15) that requiring broadcast station political files to be published online is inconsistent with the Bipartisan Campaign Reform Act (BCRA), 2 U.S.C. §§ 434(a)(11)(B), which requires the FEC to make certain election-related information “accessible to the public on the Internet.” *See also* 2 U.S.C. § 438a(a) (requiring the FEC to “maintain a central site on the Internet to make accessible to the public all publicly available election-related reports and information”).⁸

But BCRA also added Section 315(e) to the *Communications Act*, which requires broadcasters to “maintain, and make available for public inspection, a complete record of a request to purchase broadcast time” and to place that information “in a political file as soon as possible.” 47 U.S.C. §315(e). Nothing in that provision “adopt[s] a hard-copy inspection requirement for broadcasters,” as NAB maintains. Mot. at 15. As the Supreme Court has pointed out, BCRA’s amendment to Section 315 is “virtually identical to [the requirements] contained in a regulation that the Federal Communications Commission (FCC) promulgated as

⁸ The information made public by the FEC does not duplicate the information in a television station’s political files. *See Order* ¶54. The FEC does not collect, for example, information about whether a candidate request to purchase broadcast time was accepted or rejected, the rate charged for the time, the date and time on which the communication aired or the class of time purchased, as do the political files required by the Commission’s rules and Section 315(e). *Id.*

early as 1938 and which with slight modifications the FCC has maintained in effect ever since.” *McConnell v. Fed. Election Comm’n*, 540 U.S. 93, 234 (2003).

Contrary to NAB’s claims, requiring online access to station political files falls within the statutory obligation to make such files “available for public inspection” – particularly considering, as the Commission noted, “the ubiquity and general expectation of electronic access to records today.” *Order* ¶52. The Commission observed that Congress’s decision in Section 315(e) to “place[] no new restriction on the Commission’s discretion to implement the public access policy” was “particularly significant” because at the time Congress passed BCRA the Commission had tentatively concluded that stations should place their public inspection files – which included their political files – online. *Order* ¶52; *Stay Order* ¶17. *See In the Matter of Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations*, 15 FCC Rcd 19816, 19829 ¶31 (2000).⁹

The Supreme Court has recognized that the political file records “permit

⁹ NAB contends that the compelled disclosure under the *Order* “raises First Amendment concerns.” Mot. 17-18. It fails to explain, however, how online access to information about political advertising that has long been required to be contained in the stations’ publicly available paper political files could materially chill speech or invade privacy. On the other hand, as the Commission explained, “the disclosures included in the political file further the First Amendment goal of an informed electorate that is able to evaluate the validity of messages and hold accountable the interests that disseminate political advocacy.” *Order* ¶16. *See Citizens United v. FEC*, 130 S.Ct. 876, 916 (2011); *see also Order* ¶80.

political candidates and others to verify that licensees have complied with their obligations relating to use of their facilities by candidates for political office’ pursuant to the ‘equal time’ provision of 47 U.S.C. § 315(a)” and “help the FCC determine whether broadcasters have violated their obligation to sell candidates time at the ‘lowest unit charge.’” 47 U.S.C. § 315(b). *McConnell*, 540 U.S. at 237. In addition, the records required by BCRA’s amendment of Section 315 of the Communications Act “will help the FCC, the Federal Election Commission, and ‘the public to evaluate whether broadcasters are processing [candidate] requests in an evenhanded fashion,’ [and] make the public aware of how much money candidates may be prepared to spend on broadcast messages.” *Id.* NAB’s cramped and unsupported view of Congress’ intention in amending Section 315 in BCRA sharply conflicts with the Supreme Court’s recognition of the broader and more important purposes of BCRA. The Commission’s decision to move television stations’ political files online is in keeping with these purposes as reflected in Section 315(e)’s public access requirement.

When it amended Section 315 in adopting BCRA, Congress specified that the records television stations must maintain are to be made “available for public inspection,” but it did not specify the manner in which they were to do so. Thus, the question for the court is “whether the agency’s answer is based on a permissible construction of the statute.” *Chevron, U.S.A., Inc. v. NRDC*, 467 U.S. 837, 843 (1984). Unless the statute “unambiguously forecloses the agency’s interpretation,” a reviewing court must “defer to the interpretation so long as it is reason-

able.” *NCTA v. FCC*, 567 F.3d 659, 663 (D.C. Cir. 2009). NAB has not come close to demonstrating that the Commission’s decision to require television stations to make their political file records available for public inspection online is unambiguously foreclosed by BCRA or is unreasonable.

B. NAB Has Failed To Demonstrate That Its Members Will Suffer Irreparable Injury Absent A Stay.

Apart from failing to demonstrate a likelihood of success on the merits, NAB has failed to show that its members will suffer irreparable harm if the *Order* is not stayed pending judicial review.

NAB asserts that, because of the revised disclosure rules, television stations’ non-broadcast competitors will be able to “acquire an unfair advantage over broadcasters in the competition for political and commercial advertising” Mot. at 19. “If the FCC’s *Order* allows non-broadcast media to shift even a small percentage of this advertising away from television,” NAB speculates, its members “will lose millions of dollars in revenue.” *Id.* (emphasis added). However, “[b]roadcasters have failed to provide any evidence” – beyond rank conjecture – “to support their claims of commercial harm.” *Order* at ¶39 & n.117. A stay applicant must demonstrate that the irreparable injury it alleges is both “certain and great,” “actual and not theoretical.” *Wisconsin Gas Co. v. FERC*, 758 F.2d 669, 674 (D.C. Cir. 1985). NAB has not explained why “requiring television stations to post the rates they charge for specific advertising spots immediately to the Internet will give non-broadcast competitors an unfair advantage . . . [when] the information is already

publicly available under existing rules.” *Stay Order* ¶9. *See Order* ¶39 (noting that competitors and advertisers who have an economic incentive to obtain the political file information have been able to obtain such information from the existing paper files and already regularly do so).

NAB also complains that broadcasters will be unable to recoup “the costs of complying with the *Order*,” which they contend will be “substantial.” Mot. at 19. But as the *Stay Order* found, the declarations the broadcasters submitted in support of this claim “greatly overstate” the burden imposed by the rules. *Stay Order* ¶11; *see also Order* ¶24 (“[B]roadcast commenters vastly overstate the burden of moving their public files online.”). For example, the broadcasters’ declarations provide estimates of the costs of complying with the revised rules *in addition to* the costs of complying with the prior rules. However, the Commission found that since the online filing requirement “will replace rather than add to the existing file requirements,” it expected that stations would face little or no additional costs. *Order* ¶31.¹⁰ The *Stay Order* also noted that the declarations illustrated the fact that many

¹⁰ The Commission based this finding in part on a study conducted by its staff involving the public files of television stations in Baltimore. *See Order* ¶28. It estimated that the average cost for a station to upload the existing public file ranges from \$80-\$400. *Id.* Moreover, it did “not believe that uploading public file documents on a going-forward basis to an online public file is likely to be any more burdensome than placing such documents into a paper file.” *Id.* ¶29. When faced with similar claims of burdens imposed by the recordkeeping requirements of BCRA’s amendment of Section 315, the Supreme Court dismissed broadcasters’ complaints about the costs of complying with the statute’s requirements as involving “at most, a microscopic amount compared to the (footnote continued on following page)

stations already maintain a substantial portion of their existing political file in electronic form and that “the transition to an online public file should result in significant cost savings on a going-forward basis.” *Stay Order* ¶11. In any event, the *Order* makes clear that stations “may seek a waiver” of the online disclosure requirement if they “believe filing new political file materials online will impose an undue hardship.” *Order*, ¶50.¹¹

Even if there were some basis for NAB’s injury claims, “[i]t is . . . well settled that economic loss does not, in and of itself, constitute irreparable harm. . . . ‘The key word in this consideration is *irreparable*.’” *Wisconsin Gas*, 758 F.2d at 674 (quoting *Virginia Petroleum Jobbers*, 259 F.2d at 925). Even if NAB’s injury claims were accurate, exposure to greater competition does not constitute irreparable injury. *See, e.g., Central & Southern Motor Freight Tariff Ass’n v. United States*, 757 F.2d 301, 309 (D.C. Cir. 1985) (“revenues and customers lost to competition which can be regained through competition are not irreparable”).

C. A Stay Would Harm Other Parties And the Public Interest.

Lastly, a stay pending judicial review would harm other parties as well as

many millions of dollars of revenue broadcasters receive from candidates who wish to advertise.” *McConnell*, 540 U.S. at 235.

¹¹ The Commission emphasized in the *Order* its commitment to minimizing the burden on broadcasters of complying with the online public file requirement. *Order* ¶106. As part of that effort, the Commission recently conducted a public demonstration of the database it has developed to implement the revised rules. *See* <http://www.fcc.gov/events/demonstration-online-public-inspection-file-interface>.

the public interest. If the *Order* were stayed, interested parties would be deprived of the considerable convenience and savings associated with online access to information in broadcast stations' political files. *See Stay Order* ¶19 (citing intervenor PIPAC's statement that a stay would harm its members and other organizations "because they would need to devote many more resources to gathering political advertising information directly from broadcast stations, rather than a single website.")).

As the Commission found, "placing the political file online will enable candidates, as well as the public, journalists, educators, and the research community, to identify and investigate those sponsoring political advertisements." *Order* ¶16. It will also further promote "an informed electorate that is able to evaluate the validity of messages and hold accountable interests that disseminate political advocacy." *Id.* And it will "enhance the underlying purpose of the political file rule" by promoting the ability of candidates to ensure that stations comply with their statutory obligations to provide "equal opportunities" for the use of their stations, *see* 47 U.S.C. § 315(a), as well as airtime at the "lowest unit charge," *see* 47 U.S.C. § 315(b). *See Order* ¶17. The "substantial . . . public benefits of posting this information online," *id.* ¶13, would be delayed if the *Order* is prevented from going into effect.

CONCLUSION

For the foregoing reasons, the motion should be denied.

Respectfully submitted,

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APPENDIX

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**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Standardized and Enhanced Disclosure)	
Requirements for Television Broadcast Licensee)	MM Docket No. 00-168
Public Interest Obligations)	
)	
Extension of the Filing Requirement)	MM Docket No. 00-44
For Children's Television Programming)	
Report (FCC Form 398))	

SECOND REPORT AND ORDER

Adopted: April 27, 2012

Released: April 27, 2012

By the Commission: Chairman Genachowski and Commissioner Clyburn issuing separate statements;
Commissioner McDowell approving in part, dissenting in part, and issuing a statement.

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I. INTRODUCTION

1. In this *Second Report and Order* we modernize the procedures television broadcasters use to inform the public about how they are serving their communities, by having stations post their public files online in a central, Commission-hosted database, rather than maintaining the files locally at their main studios. This updating of our rules harnesses current technology to make information concerning broadcast service more accessible to the public and, over time, reduce broadcasters' costs of compliance.¹ This Order is another step in our modernization of the Commission's processes to transition from paper filings and recordkeeping to digital technology. Without imposing any new reporting obligation, it will help bring broadcast disclosure into the 21st Century.

2. Specifically, we adopt—with significant modifications—the proposal discussed in the *Further Notice of Proposed Rulemaking* (“*FNPRM*”) to replace the decades-old requirement that commercial and noncommercial television stations² maintain a public file at their main studios with a requirement to post most of the documents in that file to an online public file to be hosted by the Commission. We have departed from the proposal in a number of respects to maximize public benefits while avoiding compliance costs that the record suggests would not be justified at this time. First, because many stations' existing political files are large, and the retention period for the political file is shorter than for other portions of the public file, we will not require stations to incur the cost of upload their existing political files to the online public file. Rather, stations may upload documents in that portion of the public file only prospectively. Second, broadcasters will be responsible for uploading only those items now required to be in the public file but not otherwise filed with the Commission or available on the Commission's website. In particular, the Commission will itself import to the online public file any document or information now required to be kept in the public file and that must already be filed with the Commission electronically in the Consolidated DataBase System (“*CDBS*”), so that stations do not need to post that information. Third, we do not adopt new disclosure obligations for sponsorship identifications and shared services agreements at this time, as had been proposed in the *FNPRM*. Rather, broadcasters will only be required to place in their online files material that is already required to be placed in their local files.³ Fourth, we do not impose specific formatting requirements on broadcasters at this time, although stations should upload relevant documents either in their existing electronic format or in a simple, easily created electronic format such as .pdf. Finally, we will provide an organized file system for uploading documents so that the resulting public file for each station is orderly, and organizationally similar for all stations, thus promoting ease of use by stations and the public.

3. To better ensure that the Commission can accommodate television broadcasters' online filings and to limit any unforeseen start-up difficulties to those stations that are best able to address them, we will phase-in the new posting requirements. For the next two years we will only require stations that are affiliated with the top four national networks (ABC, NBC, CBS and Fox) and that are licensed to serve communities in the top 50 Designated Market Areas (“*DMAs*”)⁴ to post political file documents

¹ *Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations*, 26 FCC Rcd 15788, ¶ 1(2011) (“*FNPRM*”).

² All permittees and licensees of a “TV or Class A TV station” in the commercial and noncommercial educational broadcast services must maintain a public inspection file. See 73.3526(a)(2), 73.3527(a)(2).

³ We use the term “local file” in this *Second Report and Order* to refer to the file maintained at the station's main studio under our current rules, and note that under those rules stations are permitted to make their public inspection files available electronically or in paper form. See 47 C.F.R. § 73.3526(b), 73.3527(b).

⁴ A DMA is a geographic area defined by The Nielsen Company as a group of counties that make up a particular television market.

online.⁵ We exempt all other stations from posting their political file documents to their online public file until July 1, 2014.⁶ The Media Bureau will issue a Public Notice no later than July 1, 2013 to seek comment on the impact of this posting requirement, to enable us to consider whether any changes should be made before it takes effect for the other stations. We also defer considering whether to adopt online posting for radio licensees and multichannel video programming distributors until we have gained experience with online posting of public files of television broadcasters.

II. BACKGROUND

4. One of a television broadcaster's fundamental public interest obligations is to air programming responsive to the needs and interests of its community of license.⁷ Rather than dictating how broadcasters must meet that obligation, the Commission affords broadcasters broad latitude,⁸ subject to a reporting requirement under which broadcasters must maintain a public inspection file that gives the public access to information about the station's operations.⁹

5. Almost seventy-five years ago – in 1938 – the Commission promulgated its first political file rule.¹⁰ That initial rule was essentially identical to our current political file regulation in its requirements that the file be available for “public inspection” and include both candidate requests for time and the disposition of those requests, including the “charges made” for the broadcast time.¹¹ More than 45 years ago – in 1965 – the Commission additionally adopted a broader public inspection file rule.¹² The public file requirement grew out of Congress' 1960 amendment of Sections 309 and 311 of the Communications Act of 1934 (the “Act”), which allowed greater public participation in broadcast licensing.¹³ Finding that Congress, in enacting these provisions, was guarding “the right of the general

⁵ The top 50 DMAs, for the purposes of this phase-in, are the DMAs ranked 1-50 by The Nielsen Company for 2011-2012. See Nielsen Local Television Market Universe Estimates, *available at* <http://www.nielsen.com/content/dam/corporate/us/en/public%20factsheets/tv/nielsen-2012-local-DMA-TV-penetration.pdf>.

⁶ We will not exempt these stations from posting other public file documents online; the exemption applies only to the political file.

⁷ *Revision of Programming and Commercialization Policies, Ascertainment Requirements, and Program Log Requirements for Commercial Television Stations*, Report and Order, 98 FCC 2d 1075, ¶ 32 (1984).

⁸ *Id.* at ¶ 89.

⁹ *Review of the Commission's Rules regarding the Main Studio Rule and Local Public Inspection Files of Broadcast Television and Radio Stations*, Report and Order, 13 FCC Rcd 15691, ¶ 18 (1998), *recon. granted in part*, Memorandum Opinion and Order, 14 FCC Rcd 11113 (1999).

¹⁰ See 3 Fed. Reg. 1691 (1938).

¹¹ *Id.*

¹² *Commission's Rules Relating to Inspection of Records*, Report and Order, 4 R.R.2d 1664 (1965); *recon. granted in part and denied in part*, Memorandum Opinion and Order, 6 R.R.2d 1527 (1965).

¹³ 47 U.S.C. §§ 309 (Application for License) and 311 (Requirements as to Certain Applications in Broadcasting Service). See also *Commission's Rules Relating to Inspection of Records*, 4 R.R.2d at ¶ 9-10 (1965) (1960 amendment to Section 309 to allow any “party in interest” to participate in the licensing process applied to the general public and required the Commission to ensure that station “information is readily accessible, locally, to all who seek it”), *id.* (1960 amendment to Section 311(b) to authorize the Commission to hold hearings “at a place in, or in the vicinity of, the principal areas to be served by the station involved” required the availability of a local public file in order to “permit any interested person to participate in such hearings.”).

public to be informed, not merely the rights of those who have special interests,”¹⁴ the Commission adopted the public inspection file requirement to “make information to which the public already has a right more readily available, so that the public will be encouraged to play a more active part in dialogue with broadcast licensees.”¹⁵

6. In October 2000, in the first *Notice of Proposed Rulemaking* issued in this proceeding, the Commission concluded that “making information regarding how a television broadcast station serves the public interest easier to understand and more accessible will not only promote discussion between the licensee and its community, but will lessen the need for government involvement in ensuring that a station is meeting its public interest obligation.”¹⁶ The Commission tentatively concluded that it should require television licensees to make the contents of their public inspection files, including a standardized form reflecting the stations’ public interest programming, available on their stations’ websites or, alternatively, on the website of their state broadcasters association.¹⁷ In 2007, the Commission adopted a *Report and Order* implementing these proposals.¹⁸

7. Following the release of the 2007 *Report and Order*, the Commission received petitions for reconsideration from several industry petitioners and public interest advocates. The industry petitioners raised a number of issues, generally contending that the requirements were overly complex and burdensome.¹⁹ Public interest advocates argued that the political file²⁰ should be included in the online public file requirement rather than exempted as provided in the 2007 *Report and Order*.²¹ In addition, five parties appealed the 2007 *Report and Order*, and the cases were consolidated in the United States Court of Appeals for the District of Columbia Circuit.²² The court granted a petition to hold the proceeding in

¹⁴ *Commission's Rules Relating to Inspection of Records* at ¶ 9 (citing, e.g., *Senate Report No. 690*, 86th Cong., 1st Sess., to accompany S. 1898, “New Pre-Grant Procedure” (Aug. 12, 1969) page 2).

¹⁵ *Id.* at ¶ 11.

¹⁶ *Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations*, Notice of Proposed Rulemaking, 15 FCC Rcd 19816 (2000) (“*NPRM*”) at ¶ 1.

¹⁷ *NPRM* at ¶ 31.

¹⁸ *In the Matter of Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations*, Report and Order, 23 FCC Rcd 1274 (2007) (“2007 *Report and Order*”). The standardized form component of the 2007 *Report and Order*, which was vacated in its entirety by the Commission in 2011, ¶ 9, *infra*, is being addressed in a separate proceeding. See *Standardizing Program Reporting Requirements for Broadcast Licensees*, Notice of Inquiry, 26 FCC Rcd 16525 (2011).

¹⁹ See, e.g., Association of Public Television Stations and PBS Petition for Reconsideration (“APTS & PBS Petition”) at 3-5; Broadcasting Licenses Limited Partnership Petition for Reconsideration at 3,7; Joint Broadcasters Petition for Reconsideration at 18-22; Joint Public Television Licensees Petition for Reconsideration at 9-10.

²⁰ Sections 73.3526(e)(6), 73.3527(e)(5) and 73.1943 of the Commission’s rules require that stations keep as part of the public inspection files a “political file.” 47 C.F.R. §§ 73.3526(e)(6), 73.3527(e)(5), 73.1943. The political file chiefly consists of “a complete and orderly record . . . of all requests for broadcast time made by or on behalf of a candidate for public office, together with an appropriate notation showing the disposition made by the licensee of such requests, and the charges made, if any, if the request is granted.” 47 C.F.R. §73.1943(a).

²¹ CLC *et al.* Petition for Reconsideration at 3-7.

²² *National Association of Broadcasters v. FCC*, No. 08-1135 (D.C. Cir.); *Office of Communication of the United Church of Christ, Inc. v. FCC*, No. 08-1151 (D.C. Cir.); *ABC Television Affiliates Ass’n v. FCC*, No. 08-1185 (D.C. Cir.); *The Walt Disney Company v. FCC*, No. 08-1186 (D.C. Cir.); *CBS Corporation v. FCC*, No. 08-1187 (D.C. Cir.).

abeyance while the Commission reviewed the petitions for reconsideration.²³ Challenging the rules in a third forum, several parties opposed the *2007 Report and Order*'s "information collection" under the Paperwork Reduction Act.²⁴

8. In June 2011, Commission staff released "The Information Needs of Communities" Report ("*INC Report*"), a comprehensive report on the current state of the media landscape created by a working group including Commission staff, scholars, and consultants.²⁵ The *INC Report* discussed both the need to empower citizens to ensure that broadcasters serve their communities in exchange for the use of public spectrum, and the need to remove unnecessary burdens on broadcasters who aim to serve their communities. The *INC Report* recommended an online system for public inspection files in order to ensure greater public access.²⁶ It also recommended that stations be required to disclose online shared services agreements and "pay-for-play" arrangements.²⁷ The *INC Report* further suggested that governments at all levels collect and publish data in forms that make it easy for citizens, entrepreneurs, software developers, and reporters to access and analyze information to enable them to present the data in more useful formats,²⁸ and noted that greater transparency by government and media companies can help reduce the cost of reporting, empower consumers, and foster innovation.²⁹

9. In October 2011, the Commission vacated the *2007 Report and Order*, determining that technological and marketplace changes since 2007 may be pertinent to our consideration of television broadcasters' public disclosure obligations, and that the best course of action would be to take a fresh look at the policy issues raised in this proceeding.³⁰ The Commission also adopted an *FNPRM* to refresh the record in this proceeding. It solicited comment on various proposals, including some of the proposals

²³ Order, *National Association of Broadcasters v. FCC*, Nos. 08-1135 *et al.* (D.C. Cir.) (July 11, 2008).

²⁴ The Paperwork Reduction Act of 1995, Pub. L. No. 104-13, requires that the Office of Management and Budget ("OMB") approve any information collections. As required, the Commission published a notice in the Federal Register seeking comment on the projected burdens of the rules. See 73 FR 13462 (Mar. 13, 2008); 73 FR 30316 (May 27, 2008). Because of pending petitions for reconsideration requesting substantial revisions to the *2007 Report and Order* that would affect the projected burdens, the Commission did not formally transmit the information collection to OMB for its approval, choosing instead to address the petitions for reconsideration, and therefore the rules adopted in the *2007 Report and Order* never went into effect.

²⁵ "The Information Needs of Communities: The Changing Media Landscape in a Broadband Age," by Steven Waldman and the Working Group on Information Needs of Communities (June 2011), available at www.fcc.gov/infoneedsreport. As noted in the *INC Report*, the views of the report "do not necessarily represent the views of the Federal Communications Commission, its Commissioners or any individual Bureaus or Offices." *Id.* at 362.

²⁶ *INC Report* at 28, 348.

²⁷ *INC Report* at 28, 348-49. The Commission has previously noted that "pay-for-play" is "particularly common with regard to the airplay of music." *Broadcast Localism*, Report on Broadcast Localism and Notice of Proposed Rulemaking, 23 FCC Rcd 1324, ¶ 98 (2008). In this item, we use the term "pay-for-play" more broadly to refer to any kind of payola situation. "Payola" is the "unreported payment to, or acceptance by, employees of broadcast stations, program producers or program suppliers of any money, service or valuable consideration to achieve airplay for any programming." *Commission Warns Licensees About Payola and Undisclosed Promotion*, Public Notice, 4 FCC Rcd 7708 (1988).

²⁸ *INC Report* at 29, 351.

²⁹ *Id.* at 28, 360.

³⁰ *Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations*, Order on Reconsideration and Further Notice of Proposed Rulemaking, 26 FCC Rcd 15788, ¶¶ 7-9 (2011).

parties raised on reconsideration, to improve public access to information about how broadcasters are serving their communities while minimizing the burdens placed upon broadcasters.³¹

III. DISCUSSION

10. The updated rules we adopt today modernize disclosure procedures to improve access to station files that, for decades, have been public more in theory than in practice. Today, reviewing a television station's public file typically involves the substantial expense and inconvenience of traveling to the station and paying for paper copies. Under our rules, review will involve a quick and essentially costless Internet search. This modernization is plain common sense. The evolution of the Internet and the spread of broadband Internet access has made it easy for stations to post material online and for many consumers to find information online.³² The television broadcast industry should not be left out of the online revolution that has improved the delivery of products and services across our economy, as well as the availability of government services and government information to the public.

11. At the same time, we are committed to updating the outdated procedures for public access to television stations' public files in a manner that avoids unnecessary burdens on broadcasters. We have significantly departed from the proposals in the *FNPRM* to achieve this goal. Based on this balance of considerations, the online public file requirements we adopt today will replace the existing in-station retention requirements as follows:

- Each station's entire public file will be hosted online, by the Commission.³³
- Television broadcasters will be responsible for uploading only those items now required to be in the public file but not otherwise filed with the Commission or available on the Commission's website. These items include citizen agreements, certain EEO materials, issues/programs lists, children's television commercial limits records, donor lists for NCEs, local public notice announcements, time brokerage agreements, must-carry or retransmission consent elections, joint sales agreements, Class A continuing eligibility documentation, materials related to FCC investigations (other than investigative information requests from the Commission), and any new political file materials.
- Any document or information now required to be kept in a television station's public file and that must already be filed with the Commission electronically in the Consolidated DataBase System ("CDBS") will be imported to the online public file and updated by the Commission. This includes authorizations, applications and related materials, contour maps, ownership reports and related

³¹ *Id.* at ¶¶ 8-41.

³² See Pew Research Center's Project for Excellence in Journalism, Pew Internet & American Life Project, and the Knight Foundation, *How People Learn about their Local Community* at 22 (Sept. 2011), available at <http://pewinternet.org/~media/Files/Reports/2011/Pew%20Knight%20Local%20News%20Report%20FINAL.pdf> ("Among the 79% of Americans who are online, the internet is . . . the first or second most important source for 15 of the 16 local topics examined [including weather, politics and elections, breaking news, arts and cultural events, local businesses, schools and education, community and neighborhood events, restaurants, traffic, taxes, housing, government, job openings, social services, and zoning]."); Pew Research Center for the People and the Press, *Internet Gains on Television as Public's Main News Source* (Jan. 4, 2011), available at <http://pewresearch.org/pubs/1844/poll-main-source-national-international-news-internet-television-newspapers> (In a 2010 survey "41% said they get most of their news about national and international news from the internet, . . . up 17 points since 2007.").

³³ Excepted from this requirement are existing political file material and letters and emails to the station, which will be retained in the station's local file. See Section III.C.2, *infra*.

materials, EEO materials, The Public and Broadcasting manual, children's television programming reports, and Letters of Inquiry and other investigative information requests from the Commission, unless otherwise directed by the inquiry itself.

- Television stations will not be required to upload their existing political files to the online file; rather, they will be permitted to maintain at the station those documents placed in their political file before the effective date of our rules, and only upload documents to the online political file on a going-forward basis.
- To smooth the transition for both stations and the Commission and to allow smaller broadcasters additional time to begin posting their political files online, we will exempt all stations that are not in the top 50 DMAs and all stations not affiliated with the top four national television broadcast networks, regardless of the size of the market they serve, from having to post new political file materials online until July 1, 2014.
- Stations will not be required to upload letters and emails from the public to their online public file; rather, they will continue to maintain them in a correspondence file at the main studio.
- Stations will not be required to include in their online public file any documents not already required to be included in their local file.

We believe these procedures will substantially advance the original goals of the public file requirements and better enable the public to engage with their local broadcasters. Further, while broadcasters will incur a modest, one-time transitional cost to upload some portions of their existing public file to the Commission's online database, that initial expense will be offset by the public benefits of online disclosure. Over time, moreover, broadcasters will benefit from the lower costs of sending documents electronically to the Commission, as opposed to creating and maintaining a paper file at the station.

A. A Commission-Hosted Online Public File Will Serve the Public Interest.

12. We agree with commenters who maintain that placing the public file online will improve the public's access to information and facilitate dialogue between broadcast stations and the communities they serve.³⁴ As the Commission noted in the *FNPRM*, making public file information available through the Internet should facilitate public access and foster increased public participation in the licensing process.³⁵ The information provided in the public file is beneficial to persons who wish to participate in a station's license renewal proceeding. For example, as the Public Interest, Public Airwaves Coalition ("PIPAC") notes, when broadcasters fall short of their obligations or violate Commission rules, the public's ability to alert the Commission by filing complaints or petitions to deny the renewal of a station's broadcast license is essential, and the public file provides information necessary to file such complaints or petitions.³⁶

³⁴ Association of Public Television Stations and the Public Broadcasting Service ("APTS and PBS") Comments at 1-2; PIPAC Comments at 6; LUC Media at 1; United States Conference of Catholic Bishops Media and Democracy Coalition Comments; The Carnegie-Knight Task Force Comments.

³⁵ *FNPRM* at 15796.

³⁶ PIPAC Comments at 6. During the 1980s, when the Commission eliminated several of its longstanding requirements for television with respect to non-entertainment programming, commercialization, ascertainment and program logging, it continued to rely on the public's access to quarterly issues/programs lists found in station's public files as the basis for citizens' complaints and petitions to deny filed to ensure that licensees' continued to

(continued....)

13. We also agree with commenters that access to the public files has been inconveniently (and unnecessarily) limited by current procedures.³⁷ Currently, the public can access a station's public files only by visiting the main studio during regular business hours. Several commenters discussed the inconvenience of this limited access and identified problems they experienced in attempting to access stations' public files.³⁸ Making the information available online will permit 24-hour access from any location, without requiring a visit to the station, thereby greatly increasing public access to information on how a station is meeting its public interest obligations. The Internet is an effective and low-cost method of maintaining contact with, and distributing information to, broadcast viewers. Indeed, given the considerable flexibility that stations have in locating their main studios³⁹ and the fact that many members of a station's audience may be working during "normal business hours" – the only time stations are obliged to make the file available – there seems little doubt that 24-hour Internet access would greatly improve the accessibility of these files.⁴⁰ The public benefits of posting this information online, while difficult to quantify with exactitude, are unquestionably substantial.

14. We further conclude that it will be efficient for the public and ultimately less burdensome for stations to have their public files available in a centralized location. The Commission will, therefore, host the online public file. A Commission-hosted online public file will allow consumers to easily find the public files of all stations in their viewing area, making the Commission's website a one-stop shop for information about all broadcast television stations in a viewer's market and eliminating the need to access multiple stations' websites. As we further discuss below, a uniform organizational structure among all files will allow consumers to more easily navigate the public files of all stations of interest.⁴¹ The public will be able to review the online public file of any station, and quickly navigate to where each category of documents is found, because each station's online public file will be organized in the same format.

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serve the public interest. *Revision of Programming and Commercialization Policies, Ascertainment Requirements, and Program Log Requirements for Commercial Television Stations*, Report and Order, 98 FCC 2d 1075, ¶ 3 (1984), *recon. denied*, 104 F.C.C.2d 357 (1986), *aff'd in part, remanded in part, Action for Children's Television v. FCC*, 821 F.2d 741 (D.C. Cir. 1987). Similarly, the Commission relied on the public's continued access to licensees' public inspection files when it implemented its expedited license renewal process, as granting a simplified renewal application presumes it will serve the public interest – a presumption which can be rebutted by complaints or petitions to deny filed by the public. *See Revisions of Applications for Renewal of License of Commercial and Noncommercial AM, FM, and Television Licensees*, Report and Order, 49 RR 2d 740, 46 Fed. Reg. 26236 ¶¶ 14, 26, 29 (1981), *recon. denied*, 87 FCC 2d 1127 (1981), *aff'd sub nom. Black Citizens for Fair Media v. FCC*, 719 F.2d 407 (D.C. Cir. 1983).

³⁷ PIPAC Comments at 8, LUC Media Reply at 3, Michigan Campaign Finance Network Comments at 2.

³⁸ *See, e.g.*, Association for Education in Journalism and Mass Communication Reply; Media Reform of South Carolina Comments; Michigan Campaign Finance Network Comments; Public Interest, Public Airwaves Coalition ("PIPAC") Comments at 8-9; Media and Democracy Coalition Comments.

³⁹ *See* 47 C.F.R. §73.1125(a), which permits a station to locate its main studio anywhere within its community of license, within 25 miles of the center of its community of license or anywhere within the principal community signal contour of any AM, FM or TV station licensed to its community, which could be even farther away than permitted by the 25-mile criterion.

⁴⁰ Although Section 73.3526(c)(2) of the Commission's public file rule, 47 C.F.R. §73.3526(c)(2), requires stations with main studios located outside their communities of license to make copies of materials in their public file available to people within their geographic service area and assist them in identifying relevant material, this "remote" process is complicated and less transparent than permitting individuals to examine the file at their convenience from any computer or Internet access device.

⁴¹ Common Frequency Comments at 2; LUC Media Comments at 6; Sunlight Foundation Comments at 2; PIPAC Comments at 7; Media and Democracy Coalition Comments; Comments of D. Herzog.

15. The Commission's hosting of the public file also addresses concerns expressed by many broadcasters about the burden of hosting files online themselves. The rules adopted in 2007 would have required stations to host their public files on their own websites. In petitions for reconsideration, two broadcast trade associations proposed that the Commission host the files instead, suggesting that such a solution would be less burdensome to licensees, who would not have to devote resources to creating and maintaining an online public file. They also contended this approach would be more efficient, since many public file items are already filed with the Commission.⁴² For instance, the Named State Broadcasters Associations estimated that the Commission's hosting of the files would save broadcasters more than \$24 million in first-year costs, and almost \$14 million in annual costs thereafter.⁴³ We agree that having the Commission host stations' public file information will ultimately reduce costs for stations – compared to the existing local file requirements.

16. We agree with commenters who reject the argument that there is no public need that can be met by placing online the political file portion of the station's public inspection file.⁴⁴ As noted by commenters, placing the political file online will enable candidates, as well as the public, journalists, educators, and the research community, to identify and investigate those sponsoring political advertisements.⁴⁵ Under current rules, the political file must contain, among other things, all specific requests for broadcast time made by or on behalf of a candidate and the disposition of those requests.⁴⁶ It must also contain information regarding other appearances by candidates (excluding those in certain news programming exempt from the equal opportunities provision),⁴⁷ and information about issue advertising that "communicates a message relating to any political matter of national importance."⁴⁸ As noted by some commenters, political ad spending is rapidly increasing,⁴⁹ and often the only way to track such expenditures is through stations' political files.⁵⁰ We also agree with PIPAC's assertion that the disclosures included in the political file further the First Amendment's goal of an informed electorate that is able to evaluate the validity of messages and hold accountable the interests that disseminate political advocacy.⁵¹ As the Supreme Court stated in *Citizens United v. FEC*, "transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages" and that, "[w]ith the advent of the Internet, prompt disclosure of expenditures can provide shareholders and citizens with the information needed to hold corporations and elected officials accountable for their positions and

⁴² Named State Broadcasters Assn. Petition at 8; Association of Public TV Stations and PBS Reply at 8.

⁴³ Named State Broadcasters Assn. Petition at 8, citing estimates from one "experienced and well-respected vendor." We note that Named State Broadcasters Association is now suggesting that we consider allowing stations to host their public files on their own websites. Named State Broadcasters Assn. Comments at 18. For the reasons we discuss below, we decline to adopt this option.

⁴⁴ North Carolina Assn. of Broadcasters *et al.* Comments at 8.

⁴⁵ Association for Education in Journalism and Mass Communication Comments at 1; Sunlight Foundation Comments at 1-2; Brennan Center for Justice Comments at 1-2; Michigan Campaign Finance Network Comments at 2.

⁴⁶ 47 C.F.R. § 73.1943

⁴⁷ *See Id.*

⁴⁸ 47 U.S.C. § 315(e).

⁴⁹ LUC Media Reply at 2; PIPAC Reply at 4.

⁵⁰ Brennan Center for Justice Comments at 2.

⁵¹ PIPAC Reply at 5.

supporters.”⁵²

17. Campaigns and candidates will be among those who benefit from being able to obtain political file information online. Some industry comments argue that candidates will obtain only limited benefits and possibly experience detrimental effects from moving the political file online.⁵³ Broadcasters argue that the existing process serves the candidates and the stations well, and there is no reason to believe that changing the process will benefit candidates or campaigns.⁵⁴ Other broadcasters argue that it is more meaningful and efficient for a candidate’s representatives to speak with a station’s sales department on the phone or in person.⁵⁵ According to these broadcasters, personal interactions would be lost if the political file were to be placed online, which would be frustrating and create inefficiencies for advertising buyers and station staff.⁵⁶ Although some stations may elect to continue to make information routinely available to candidates through personal interaction at the station during business hours, which we do not intend to discourage, we expect that candidates and their representatives will use the online political file to obtain information from source documents without filtering by station personnel and at any time of day. LUC Media, a candidate media buyer, argues that “the only way that candidates can make sure that they receive the availabilities and prices that the law requires is to have access to stations’ and cable television systems’ political files.”⁵⁷ LUC Media claims that the political file is necessary because “stations and cable television systems have learned over the years that, if they can limit the information that candidates have about availabilities and rates, they can get candidates to overpay for the airtime that they buy.”⁵⁸ While LUC Media notes that this is not the practice of all stations, LUC Media routinely reviews stations’ political files to ensure that they are providing candidates with equal opportunities, which is why “the Commission requires that this information be available for public inspection.”⁵⁹ LUC argues that “Internet access to those files will enable more candidates to become better informed about availabilities and pricing and, thus, demand that they receive the lowest unit charge for the time that they buy.”⁶⁰ Internet access will also eliminate the need for such buyers to travel to every

⁵² *Citizens United v. Federal Election Commission*, 130 S.Ct. 876, 916 (2011). We are also persuaded by commenters claiming that “the public must have access to information about the messenger as well as the message to fully understand an ad’s content.” Sunlight Foundation Comments at 2. See also Comments of Glenn Frankel, Journalism Professor at 2. As discussed below, under Commission rules, when “material broadcast is political matter or matter involving the discussion of a controversial issue of public importance and a corporation, committee, association or other unincorporated group, or other entity is paying for or furnishing the broadcast matter,” stations must disclose “a list of the chief executive officers or members of the executive committee or of the board of directors of the corporation, committee, association or other unincorporated group, or other entity” 47 U.S.C. § 317(a)(1); 47 C.F.R. § 73.1212(e); see ¶ 79, *infra*.

⁵³ Joint Broadcasters Comments at 5; Joint Television Parties Reply at 11; North Carolina Assn. of Broadcasters *et al.* Comments at 13; Joint Broadcasters at 5; NAB Reply at 15-16.

⁵⁴ Joint Television Parties Reply at 11; NAB Reply at 15.

⁵⁵ North Carolina Assn. of Broadcasters *et al.* Comments at 13; NAB Reply at 15.

⁵⁶ *Id.* We fail to see how the online availability of past political time purchases will discourage buyers from having contact with the station concerning current and future time buys or how this information’s availability will interfere with ongoing relationships between the stations and buyers. The fact that buyers and candidates will have increased ease of access to relevant information should not preclude or hinder candidates or buyers from a continuing dialogue with stations as they purchase time.

⁵⁷ LUC Media Reply Comments at 4.

⁵⁸ *Id.*

⁵⁹ LUC Media Comments at 3-4.

⁶⁰ LUC Media Reply Comments at 4-5.

station in a market to verify the contents of the public file, and to ask for help from station employees who have to take time away from their normal duties to accommodate such requests.⁶¹ We agree with LUC Media that placing the political file online will enhance the underlying purpose of the political file.

18. Some broadcasters argue that the Commission's focus in this proceeding has inappropriately changed from increasing broadcast dialogue with the public to enabling access to information about the stations for research and public advocacy groups with no ties to the broadcast stations' communities.⁶² We do not perceive the dichotomy these broadcasters suggest. While the public file is first and foremost a tool for community members, it is also a tool for the larger media policy community. Public advocacy groups, journalists, and researchers act in part as surrogates for the viewing public in evaluating and reporting on broadcast stations' performance. And as we stated in the *FNPRM*, easy access to public file information will assist the Commission, Congress, and researchers as they fashion public policy and recommendations relating to broadcasting and other media issues.⁶³ For example, the Commission has said that "the quarterly issues/programs lists will provide the public and the Commission with the information needed to monitor licensees' performance under this new regulatory scheme and thus permit us to evaluate the impact of our decision. Existing procedures such as citizen complaints and petitions to deny will continue to function as important tools in this regard."⁶⁴ Academic analysis of such lists help the Commission monitor whether stations are meeting their responsibilities to their local community, and can provide information relevant to citizen complaints and petitions to deny. We recognize the efforts of public interest groups and academics to analyze publicly available information and educate the public about how their local stations are serving their communities, and believe that this work is an important aspect of educating viewers about their local television broadcast stations.

B. Broadcasters' Initial Costs To Comply Will Be Minimized and the Online Public File Will Ultimately Lead To Cost Savings.

1. We Are Tailoring the Requirements to Minimize Costs of Moving the Public Files Online.

19. We have adopted a variety of measures to minimize the efforts broadcasters must undertake to move their public files online. In addition, we have declined to adopt certain proposals in the *FNPRM* at this time, to further ensure that the costs of compliance with the new posting procedures are outweighed by the benefits of online disclosure.

20. First, we are minimizing burdens on stations by not requiring them to upload documents that are currently part of the public file but which are also filed in the Consolidated DataBase System ("CDBS") or that the Commission already maintains on its own website. The Commission will import these documents into the online public file. Documents that fall in this category include station authorizations, applications and related materials, contour maps, ownership reports and related materials, EEO materials, The Public and Broadcasting manual, children's television programming reports, and Letters

⁶¹ LUC Media Comments at 5, Reply Comments at 3.

⁶² Named State Broadcasters Assn. Comments at 3; Network Station Owners Reply at 12; Channel 51 of San Diego *et al.* ("Four Commercial and NCE Licensees") Comments at 3; North Carolina Assn. of Broadcasters *et al.* Comments at 12.

⁶³ *FNPRM* at ¶ 14.

⁶⁴ *Revision of Programming and Commercialization Policies, Ascertainment Requirements, and Program Log Requirements for Commercial Television Stations*, Report and Order, 98 FCC 2d 1075, ¶ 3 (1984).

of Inquiry and other investigative information requests from the Commission, unless otherwise directed by the inquiry itself. Broadcasters will be responsible for uploading only those items not otherwise filed with the Commission or available on the Commission's website.

21. We recognize that stations' need to upload other items in the public file – including citizen agreements, certain EEO materials, issues/programs lists, children's television commercial limits records, donor lists for NCEs, local public notice announcements, time brokerage agreements, must-carry or retransmission consent elections, joint sales agreements, Class A continuing eligibility documentation, materials related to FCC investigations (other than investigative information requests from the Commission), and new political file materials – will entail some burden initially, inasmuch as stations will have to upload electronic versions or scan and upload paper versions of existing public files to the online public file. But not all stations will have all of these documents. For example, a station may not have time brokerage agreements,⁶⁵ joint sales agreements,⁶⁶ or citizen agreements,⁶⁷ and may not be a Class A station. In that situation, there will be nothing in these categories for the station to upload. Moreover, many of the items in the public file will not require frequent updating. An LMA, for example, may have a term of 5 or more years and would not require any further action on the part of the station unless the agreement was amended or replaced. Joint sales agreements, citizen agreements, retransmission and must-carry consent elections similarly involve extended periods of time. In addition, as discussed below,⁶⁸ stations will not be required to upload any of their existing political file documents. Rather, stations may upload documents to the political file component of the online public file only prospectively. We conclude that, for those public file items that stations do have to post, the transitional costs would involve only a one-time burden on broadcasters that, as further explained below, we find is outweighed by the significant benefits of transitioning the public file online.

22. Second, we minimize burdens on broadcasters by declining to adopt any new recordkeeping requirements. As discussed below,⁶⁹ we are not adopting the proposal in the *FNPRM* to require stations to include sponsorship identification information in the online public files or to include shared services agreements that are not already required to be included in the local file. Instead, only information already required to be included in the local file will need to be posted online.

23. Third, we are not requiring stations to post files online in a particular format at this time.⁷⁰ Thus, they will not need to undertake the costs of developing new electronic forms or of conforming their current recordkeeping practices to accommodate a Commission-designed form.

⁶⁵ A time brokerage agreement is a type of contract that generally involves a station's sale of blocks of airtime to a third-party broker, who then supplies the programming to fill that time and sells the commercial spot announcements to support the programming. Commercial radio and television stations must keep in their public files a copy of every agreement involving time brokerage of that station or of any other station owned by the same licensee. These agreements must be maintained in the file for as long as they are in force. *See* 47 C.F.R. § 73.3526(e)(14).

⁶⁶ A joint sales agreement is a type of contract that involves a station's sale of advertising time with that of another station, whether the agreement involves a station in the same market or different markets. Commercial stations must keep these agreements in the public file for as long as they are in effect. *See* 47 C.F.R. § 73.3526(e)(16).

⁶⁷ A citizen agreement is any written agreement that a licensee makes with local viewers or listeners that addresses programming, employment, or other issues of community concern. The station must keep these agreements in the public file for as long as they are in effect. *See* 47 C.F.R. § 73.3526(e)(3).

⁶⁸ *See* ¶¶ 43-44, *infra*.

⁶⁹ *See* Section III.C.4, *infra*.

⁷⁰ *See* Section III.D, *infra*.

2. Broadcast Commenters Greatly Overstate the Costs Involved.

24. Based upon the actions we are taking to minimize burdens, discussed above, and our analysis of some television stations' public files, we conclude that the broadcast commenters vastly overstate the burdens of moving their public files online.

25. The Commission is taking steps to ensure that the process of uploading files to the online public file – both initially and prospectively – will be simple and efficient. We are developing the online public file system to permit broadcasters simply to drag and drop documents into the relevant folders of their online public file.⁷¹ As a result, although the initial upload of existing documents – that is, those documents maintained in the paper file before the effective date of our new rules – will impose some costs on stations, we do not believe these costs will be unduly burdensome, particularly compared to the resulting benefits.⁷²

26. Some broadcasters argue that uploading the existing public file will be unduly burdensome.⁷³ They argue that we should implement the online public file requirement solely on a forward-looking basis, encompassing either all documents created after a certain date or all documents created after a station's next renewal.⁷⁴ Joint TV Broadcasters notes that many materials must be retained until final action is taken on a station's next license renewal application, and a decision requiring all existing local files to be scanned and uploaded would require stations to upload eight years of information that may soon be obsolete.⁷⁵ It argues that some of the materials, like the issues/programs lists, commercial limit certifications, and the political file, should be required to be uploaded to the online public file only on a going-forward basis.⁷⁶

27. We find that the one-time electronic upload or scanning and upload of existing documents is not unduly burdensome and that adoption of a grandfathering approach would be confusing to those seeking access to the information. Such an approach would necessitate the continued maintenance of a robust local file, which could diminish the benefits to the public of the online file with respect to improved public access to information, and would diminish the benefits to the stations of moving their files online.

⁷¹ The Commission will create a folder for each of the required items to be placed in the online public file. Stations will merely be required to place their relevant documents into the applicable folder.

⁷² See ¶ 28, *infra*.

⁷³ Joint Television Parties Reply at 21-22; Joint Broadcasters Comments at 21; Joint TV Broadcasters Comments at 15. We note that the public file may contain documents generated by the existing and prior licensees of a station. See 47 C.F.R. § 73.3527(d) (noting that when a transfer occurs, stations are required to retain public file documents that were created by the prior licensee for the requisite retention period.)

⁷⁴ Joint Television Parties Reply at 21-22.

⁷⁵ Joint TV Broadcasters Comments at 15. This commenter also notes that many television stations have not received a grant of their last renewal application due to holds of their renewals, and suggests that in such instances the public file could contain material that is now as much as 15 years old. *Id.* at 15-16. We note that stations are not required to keep all the items in the public file until final action is taken on the next license renewal. For example, citizens' agreements, time brokerage agreements, and joint sales agreements are retained for the terms of the agreements themselves, while must carry and retransmission elections are kept for three years and donor lists are retained for two years. Further, all stations will be exempted from uploading their existing political file, as the commenter proposes, and many will be exempt from providing it on a going-forward basis until July 1, 2014. Moreover, the political file is subject to a two-year retention requirement. Finally, as noted earlier, no station will be required to upload letters or emails received from its viewers.

⁷⁶ Joint TV Broadcasters Comments at 17. See also Joint Broadcasters Comments at 21.

We agree with Common Frequency that scanning existing paper documents does not constitute an extraordinary burden, as it is a rote process that can be affordably outsourced if necessary.⁷⁷ In addition, if the documents are currently maintained in electronic form, as some are likely to be, the one-time burden will be de minimis.⁷⁸

28. Our determination that the transition process will not be unduly burdensome is based in part on a review, in March 2012, of the public files of stations in the Baltimore DMA.⁷⁹ Our review of the Baltimore DMA public files indicates that most stations will only need to upload a fraction of their existing public file to the online public file – or approximately 250 to 2200 pages, as reflected in the second column of the chart below. Columns three and four reflect what we believe the costs are likely to be for stations to upload this information. We estimate that stations that choose to scan and upload this information in-house can do so for \$.10 per page,⁸⁰ while stations can outsource such work for approximately \$.50 per page. Based on this assumed cost of \$.10 to \$.50 per page, we calculate a range of the average cost for a station to upload their existing public file in accordance with this Order, with the average cost per station ranging from approximately \$80-\$400 per station. We believe that this modest one-time expenditure (even if it were not offset by later costs savings as we believe it will be) is worth the benefits of providing the public with access to a station's existing public file.⁸¹

	Public file pages to upload w/in 6 months ¹	In-House cost per page ¹	Outsourced cost per page	In-House Total	Outsourced Total
WBAL-TV	998	0.1	0.5	\$99.80	\$499.00
WMAR-TV	987	0	0	\$0.00	\$0.00
WJZ-TV	844	0.1	0.5	\$84.40	\$422.00
WNUV	251	0.1	0.5	\$25.10	\$125.50
WBFF	2094	0.1	0.5	\$209.40	\$1,047.00
WUTB	2126	0.1	0.5	\$212.60	\$1,063.00
WMPT	2180	0	0	\$0.00	\$0.00
WMPB	2180	0	0	\$0.00	\$0.00
Total	11660			\$631.30	\$3,156.50
Average	1457.5			\$78.91	\$394.56

⁷⁷ Common Frequency Comments at 3.

⁷⁸ FCC staff reviewed the public files for all eight television stations in the Baltimore DMA. One station provided the entirety of their public file to us electronically. Two others provided virtually all of their materials electronically. Stations that maintain records in this manner will be able to upload their existing files to the FCC database especially easily.

⁷⁹ Commenters provided little data based on actual station records. The Commission therefore determined that it was advisable to supplement the record with empirical data from a sample market. Baltimore was selected because its proximity to Commission headquarters in Washington, DC, and the relatively compact size of the Baltimore DMA allowed staff to visit stations there without great difficulty.

⁸⁰ Under the Freedom of Information Act, the Commission is allowed to charge for our research and reproduction services under certain conditions. See <http://www.fcc.gov/guides/how-file-foia-request>. We have determined those costs to be \$.10 per page. See Modification of the Freedom of Information Act Fee Schedule, D.A. 10-97 (Jan. 19, 2010). We believe this to be an accurate reflection of actual reproduction costs, and we expect that scanning costs would be equal to this or lower, because paper, ink, and fasteners are not required.

⁸¹ As discussed below, we reach a different conclusion with respect to the political file, concluding that stations need not upload their existing political files.

29. We agree with commenters that, once they incur these modest costs, stations will realize savings by no longer having to keep a local file on a going-forward basis.⁸² Placing the information online will minimize disruptions in the daily operation of a station, and reduce the burdens placed on station staff that currently field phone calls and chaperone in-person requests to inspect the files.⁸³ When Commission staff sought to obtain the public files of the Baltimore stations, as well as those of five other stations around the country, stations dedicated staff resources to copying the files, and were in no case able to provide the copies on the same day as the request. Further, once broadcasters have completed the initial upload of documents in the existing public files, as specified herein, we do not believe that uploading public file documents on a going-forward basis to an online public file is likely to be any more burdensome than placing such documents into a paper file. Indeed, in many instances, using the online public file will be less burdensome, because uploading (or even scanning, then uploading) a file may be easier and more efficient than photocopying it, walking it to the local paper file, finding the appropriate folder and inserting it in the proper order.⁸⁴

30. The industry's arguments regarding the costs involved with uploading documents to the online public file focus on the political file, which they identify as the most active element of the public file. NAB states that two stations have estimated that the time involved in completing political ad buys will "essentially double" in an online environment, at a cost of \$80,000 per station.⁸⁵ Joint Broadcasters estimates that "creating electronic versions of all political time requests" and uploading such documents will take one half hour per record, which would amount to almost 16 hours per week per station during the political season, compared to the 2.5 hours a week that stations spend under the current paper filing system.⁸⁶ We find unpersuasive the argument that the time required to assemble the online political file will double or quadruple. Instead of photocopying documents and placing them in a paper public file, stations will upload to the online public file documents already stored in electronic format or scan paper documents (a process akin to photocopying) and upload the electronic versions.⁸⁷ Given that the

⁸² PIPAC Comments at 10-11; Reply at 10; LUC Media Comments at 3; Sunlight Foundation Comments at 3. We recognize that stations will be required to maintain and make publicly available a correspondence file with letters and emails from the public, but we agree with commenters that stations will nonetheless realize significant reductions in burdens by not having to maintain a more robust local file.

⁸³ PIPAC Comments at 10-11, 17. Our current rules do not require stations to accommodate political file requests over the phone, because such a requirement could disrupt station operations. 47 C.F.R. § 3526(c)(2)(i). We expect that requiring stations to place the public files online will have a similar beneficial effect; reducing rather than expanding, disruptions to operations at the station as station personnel would no longer have to process requests for access to this information in person, as they are currently required to do. Instead of accommodating each candidate or their campaign representatives personally on a frequent basis, an online requirement will allow a station to upload the most up-to-date information periodically for all interested parties. As discussed below, however, we are requiring stations to maintain a back-up of the political file for use in the event the Commission's database becomes unavailable or disabled.

⁸⁴ See fn 89, *infra*.

⁸⁵ NAB Comments at 18-19, Reply at 12.

⁸⁶ Joint Broadcasters Comments at 13-14.

⁸⁷ One commenter notes that not all stations own a scanner, or a scanner of sufficient quality to make copies of documents adequate for uploading to the Commission's online public file. North Carolina Assn. of Broadcasters *et al.* Comments at 10-11. For stations that do not wish to make this minor investment, other business solutions are available, including creating documents electronically or outsourcing the scanning functions. Scanning costs may be higher on a per-page basis if outsourced, just as it would be more expensive per page to outsource the copying and filing of paper copies. Given that stations will be uploading fewer documents into the online public file than they currently place in their paper files, we expect that station costs going forward will be lower than under the existing requirements.

requirement to drag and drop the files into our online public file will *replace* the requirement to photocopy and walk the documents to the local file, we expect that fulfilling this requirement will not take substantially more time and may take less time to accomplish. Broadcasters provide no specific support for their facially implausible assertion that creating electronic versions of political file requests and uploading them would take a half hour. Moreover, they fail to acknowledge that the time involved in uploading documents electronically should decrease substantially with time as station personnel become more accustomed to this process.⁸⁸

31. We also disagree with the commenter who projects that the proposed online public file, and specifically the political file and sponsorship identification requirements, will require each station to hire one to three employees at an average cost of \$30,000 to \$140,000 per station per year.⁸⁹ On the contrary, given that the requirement to upload the files will replace rather than add to the existing file requirements, we expect that stations will be able to assign these responsibilities to existing staff, rather than hire additional staff. We fail to see how this requirement could legitimately result in the need to hire three additional staff members, even in the heat of an election. Moreover, the commenters' estimated figures include the costs of complying with the *FNPRM*'s proposed new public file requirement for sponsorship identification, which, as we discuss below, we are not adopting. Further, to the extent these figures include costs associated with the initial upload of the existing political file, they overestimate the burden on broadcasters because we do not require the existing political file to be uploaded.

32. We note that because the size of the political file appears to roughly correlate with a station's political advertising revenues, stations with little or no revenue will have little to no obligations under these rules, and stations with larger numbers of pages to upload will tend to have similarly large income associated with those pages.⁹⁰ When balanced against the revenues earned from political advertising – which brought broadcasters an estimated \$2.29 billion in 2010 and are expected to bring in even more in 2012⁹¹ – the costs of complying with the online posting requirement seem even less significant. Indeed, political files reviewed by Commission staff, from markets across the country, generally reflect that stations receive political advertising revenues of thousands of dollars per page of political file that must be uploaded. We also agree with commenters who note that ad buyers, candidates, and the public must today undertake burdens to obtain information about the political file, including traveling from station to station to obtain political file information.⁹² Our collection of the Baltimore DMA public files required, in total, dozens of person-hours, driving back and forth to stations (first to request the copies and then to collect them), and copying costs that were estimated at close to \$1,700 by the stations themselves. Our action today will substantially reduce or eliminate each of those burdens.

⁸⁸ As discussed further in Section III.C.1 below, stations are required to “keep and permit public inspection of a complete and orderly record (political file) of all requests for broadcast time made by or on behalf of a candidate for public office, together with an appropriate notation showing the disposition made by the licensee of such requests, and the charges made, if any, if the request is granted.” 47 C.F.R. § 73.1943. We note that political files that Commission staff reviewed frequently contained more information than is required by our rules. Stations that are concerned about the burdensomeness of placing their political file online on a going-forward basis may wish to review their political file retention practices.

⁸⁹ Letter from Mark Prak, Counsel for Hearst Television, Inc., to Marlene Dortch, Secretary, FCC, MM Docket No. 00-168 (filed Dec. 14, 2011); *see also* Named State Broadcasters Assn. Comments at 12.

⁹⁰ In addition, although candidate advertising must be sold at the lowest unit charge, issue advertisers are not entitled to reduced rates and therefore pay market rates for advertising on broadcast stations.

⁹¹ PIPAC Reply at 4. *See also* LUC Media Reply at 4 (stating that projections estimate that broadcasters will make roughly \$3.2 billion in political advertising this year).

⁹² LUC Media Comments at 4-5.

C. Application of Online Posting Rule to Specific Public File Components.

1. Political File.

33. We consider public access to stations' political files particularly important. Therefore, we will adopt the proposal in the *FNPRM* that political files be included in the online public file, but will exempt all stations not in the top 50 DMAs, and all stations in the top 50 DMAs that are not affiliated with the top four national television broadcast networks, from posting their political file documents online until July 1, 2014. Prior to this exemption expiring – by July 1, 2013 – the Media Bureau will issue a Public Notice seeking comment on the impact of moving online the political files for these 200 stations, to enable us to consider whether any changes should be made before the requirement takes effect for the other stations. In addition, as discussed above, we will not require any stations to upload their existing political file; rather, they will be required to upload new political file content on a going-forward basis.

34. We believe circumstances have changed to warrant reaching a different conclusion about posting the political file online than we reached in the *2007 Report and Order*. In the *2007 Report and Order*, the Commission excluded the political file from the requirement that stations post their public files on their websites.⁹³ The Commission determined that the frequent requests for access by campaigns and the need for stations to update the file frequently during an election season made an online posting requirement inappropriate.⁹⁴ The Commission also reasoned that political campaigns generally have greater resources than individual viewers and, therefore, access to the in-station political file would tend to be less burdensome for campaign organizations.⁹⁵ Petitioners for reconsideration argued that such a decision focused exclusively on the interests of the candidates and broadcasters, and not on the public.⁹⁶ In addition, as the Commission noted in the *FNPRM*, television stations now handle many political advertising transactions electronically, through emails and a variety of software applications.⁹⁷ As a result, requiring stations to make this information publicly available online will impose far less of a burden under current circumstances than under previous conditions.⁹⁸ We thus disagree with arguments that the Commission does not have a sufficient basis to reverse the decision of the *2007 Report and Order* to exclude the political file from the online requirement.⁹⁹ Our understanding of how stations manage their political transactions and their traffic systems,¹⁰⁰ technological advances that have occurred since the *2007 Report and Order*, and our decision to host and centralize the online public file support our revised approach. Below, moreover, we respond to specific arguments that we should exclude the political file from the online public file.

⁹³ See *2007 Report and Order* at ¶¶ 19-20; see also *FNPRM* at ¶¶ 20-22.

⁹⁴ See *2007 Report and Order* at ¶ 20.

⁹⁵ *Id.*

⁹⁶ Campaign Legal Center *et al.* Petition for Reconsideration at 3.

⁹⁷ *FNPRM* at ¶ 23.

⁹⁸ *Id.*

⁹⁹ North Carolina Assn. of Broadcasters *et al.* Comments at 8, Reply at 4; Joint Broadcasters at 4-5; Network Station Owners Reply at 7-8; Joint Television Parties Reply at 4.

¹⁰⁰ A traffic system is a “system for scheduling of program material, and in particular the advertisements, for the broadcast day. The result of this scheduling is a daily playlist for a channel.” See http://documentation.vizrt.com/viz-multichannel-guide/2.6/01_overview_important_terms.html

35. *Electronic Processes.* Some industry commenters argue that our understanding that stations now conduct political advertising transactions electronically is incorrect.¹⁰¹ They argue that for some candidates the purchasing process is not electronic, but done through a variety of means, including phone, fax, and in person.¹⁰² For political ad buys, the process can be multi-staged. They state that negotiations may result in many entries into the political file before an agreement to provide time is reached.¹⁰³ After an agreement is reached, the actual times the advertisement is aired can still change if the spot is purchased on a preemptible basis.¹⁰⁴ In addition, NAB states that national advertising sales representatives communicate with the stations they represent using proprietary software that varies among companies and may not include information about classes of time or rates in the documents they generate, and therefore do not provide sufficient information to fulfill the political file documentation requirements.¹⁰⁵ Thus, these parties argue, stations do not collect information in a uniform manner, and the Commission cannot assume that all of the information that must be in the public file will be included on one form.¹⁰⁶ Further, commenters argue that computerized traffic management systems used to sell and schedule television advertising time will not in any way facilitate compliance with an online political file requirement, as there are many different types of automated systems that collect, track, and process information in different ways.¹⁰⁷

36. Notwithstanding these arguments, broadcasters' record descriptions of how stations actually track advertising purchases and manage the scheduling of such transactions confirms our understanding that stations are capable of, and often do, include electronic processes in their assembly of the political file.¹⁰⁸ While we recognize that there are still some portions of the sales process and political file assembly that are not fully automated, and that some stations use electronic means to a larger extent than others, our review of Baltimore political files confirms that many of the records that would be required to be in the public file originate as or are reduced to electronic files and would thus be relatively easy to upload in a universally readable format, such as .pdf. To the extent that a required document is not automatically converted to electronic form by the sales or invoice and reconciliation process, they can

¹⁰¹ Named State Broadcasters Assn. Comments at 6; Joint TV Broadcasters at 4; Joint Broadcasters at 6; North Carolina Assn. of Broadcasters *et al.* Comments at 9.

¹⁰² NAB at 10; Joint TV Broadcasters Comments at 4; Network Station Owners Reply at 5; Bouchard Broadcasting at 1; Joint Television Parties Reply at 5.

¹⁰³ NAB Comments at 10. As discussed below, the political file rule does not require stations to include a record of the negotiations or back-and-forth discussions between the licensee and the candidate after the initial request is made. *See* ¶ 42, *infra*.

¹⁰⁴ NAB Comments at 11. Advertising time sold on a preemptible basis means that the advertising spot may be preempted by another advertiser and re-scheduled for another time. *Id.*

¹⁰⁵ NAB Comments at 10. *See also* North Carolina Assn. of Broadcasters *et al.* Comments at 9; Joint Broadcasters Comments at 6-7; Joint Television Parties Reply at 5.

¹⁰⁶ Joint TV Broadcasters Comments at 4; NAB Comments at 11. NAB goes on to explain that billing systems commonly used by stations generate a separate series of reports for each order. During the political season, advertisers generally order time on a weekly basis. A typical billing system will generate three documents for the political file relating to each order – one report showing the original order placed into the station's traffic system, another showing the exact times that spots ran, and a third showing the final charges paid by candidates for those spots. For each order, these reports occupy three to ten printed pages, and for very active advertisers, a weekly report may be much longer. NAB Comments at 13.

¹⁰⁷ Joint Broadcasters Comments at 7.

¹⁰⁸ NAB Comments at 12, Named State Broadcasters Assn. Comments at 8, Joint Broadcasters Comments at 8-9, Joint Television Parties Reply at 6.

be easily scanned and uploaded instead of photocopied and placed in the paper file, as is the current practice.¹⁰⁹

37. Furthermore, we reject broadcasters' burden arguments that are based on the fact that existing electronic traffic management systems may not be programmed to allow stations to upload documents directly to a database.¹¹⁰ According to some broadcasters, each traffic management software system provider would have to program, test, and finalize an export function tailored to the Commission's servers, consuming "hundreds of thousands of man hours," after which broadcasters would have to install this new software on their existing systems, and [t]aken together, these steps would stretch into years, and the costs would be significant.¹¹¹ Under the rules we are adopting, broadcasters will not need to change the software in their traffic systems to post documents to our online public file, though they are free to do so if that is the approach they wish to take. Rather, stations will either need to save such files to widely available formats such as Microsoft Word (.doc) or rich text format (.rtf), or convert the files to portable document format (.pdf), and then drag and drop those files to the Commission's online public file. We do not believe that either of these alternatives will impose appreciable increased costs on broadcasters as compared to current requirements.

38. *Increased Access to Lowest Unit Charge Information.* NAB expresses concern about the "unintended but potentially very real marketplace distortions and consequences that could occur if market sensitive information is readily accessible" to its competitors.¹¹² It notes that, in addition to broadcasters, cable operators and DBS providers must also keep a political file, and requiring only broadcasters to place their political file online would "place broadcasters at a disadvantage vis-à-vis their competitors."¹¹³ NAB argues that "[b]roadcasters could see advertising revenues drop if competitors attempt to use the data in the file to undercut their rates. This disadvantage would directly harm the public," NAB continues, "because, if advertising revenue drops due to disparate regulation, stations would not be able to expand service offerings, and may have to cut back on current offerings."¹¹⁴ Network Station Owners also express concern about making "[t]his proprietary information . . . available to commercial as well as political advertisers, to other local stations, and to competing advertising media such as cable operators, newspapers and web sites."¹¹⁵ It argues that because the political file contains "information on the station's lowest rates on particular programs and rotations," placing the political file online will "afford a significant intelligence advantage to one side in private commercial negotiations. Armed with political file information, the shrewd time buyer's ability to drive the hardest possible bargain would be greatly enhanced by data allowing him to estimate the station's bottom line. One poker player would, in effect, have had at least a partial glance at the other's hand."¹¹⁶

¹⁰⁹ PIPAC Reply at 10.

¹¹⁰ NAB Comments at 18; Joint Broadcasters Comments at 10.

¹¹¹ Joint Broadcasters Comments at 10.

¹¹² NAB Comments at 7, Reply at 21-22. *See also* Network Station Owners Reply at 4, 12.

¹¹³ NAB Comments at 22, Reply at 21.

¹¹⁴ NAB Comments at 22.

¹¹⁵ Network Station Owners Reply at 12-13.

¹¹⁶ Network Station Owners Reply at 13-14. One party also claims that online disclosure of a station's political file will result in an uncompensated government taking in violation of the Fifth Amendment. *See Ex Parte Presentation of Target Enterprises*, dated April 19, 2012, at 9-10. We disagree. Target Enterprises is a media buyer that claims to have "buil[t] a proprietary computer statistical model and database" to enable "its clients to achieve the most effective media purchases during an election cycle." *Id.* at 9. Target claims that an uncompensated taking will

(continued....)

39. We find that placing this already-public information online will not cause significant market distortions. Furthermore, the benefits of placing the political file online are substantial, and we will not exclude it on the basis of unsubstantiated burden arguments. Broadcasters have failed to provide any evidence to support their claims of commercial harm.¹¹⁷ Most important, we are not requiring broadcasters to make any information publicly available that stations are not already required to make public. Broadcasters have been required to make political file information including rates charged for

(...continued from previous page)

result if the details of political ad spending become available online in real-time because Target's "protected business model and proprietary approach" will be disclosed to the public and its competitors and thus "cause the value of the company to be lost." *Id.* at 9-10. We reject Target's takings claim on several grounds. The regulation at issue does not result in a "physical taking" because it does not deprive Target of any property right, much less result in a direct appropriation or physical invasion of private property; rather, it requires television broadcast stations to post online information that they already make publicly available at their stations. Indeed, television broadcast stations – not media buyers such as Target – are subject to the online requirement, and thus no direct appropriation or physical taking of Target's property can be shown. *See Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419 (1982) (to establish a physical taking requiring just compensation, a party must show a direct government appropriation or physical invasion of private property). We note that no broadcast station has raised a takings argument. Similarly, Target has failed to establish the factors required for demonstrating a regulatory taking. *See Penn Central Transportation Co. v. City of New York*, 438 U.S. 104 (1978) (identifying several factors for determining what constitutes a "regulatory taking," including the economic impact of the regulation, the extent to which the regulation has interfered with distinct investment-backed expectations, and the character of the government action). Nothing in the Commission's regulations restricts Target's ability to use or keep confidential its computer models, database, or any other alleged "trade secrets." Moreover, Target's claim involves the general health of its business rather than specific property or estimates as to the property's likely diminution of value. As the Supreme Court has explained, unilateral expectations and abstract needs are not sufficient to raise takings concerns. *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1005-1006 (1984). Further, the broadcasters subject to the online posting requirement operate in an industry that has long been regulated and thus this regulatory context undercuts the reasonableness of Target's purported expectations. *Concrete Pipe and Products of California, Inc. v. Construction Laborers Pension Trust for Southern California*, 508 U.S. 602, 645-646 (1993) (noting, in rejecting the claim of interference with reasonable investment backed expectations, that "those who do business in the regulated field cannot object if the legislative scheme is buttressed by subsequent amendments to achieve the legislative end").

¹¹⁷ We note that several parties raised the claim of "commercial harm" in the final weeks prior to adoption of this item, but the filings contain little more than generalized and vague assertions. *See, e.g.*, Letter from Maureen A. O'Connell, Senior Vice President, Regulatory and Government Affairs, News Corp., to Marlene Dortch, Secretary, FCC, MM Docket No. 00-168 at 2 (filed April 19, 2012) ("placing the individual rate information online *could* cause harm to stations when they negotiate with commercial advertisers, who would know, at the click of a button, the rates that a station is charging its most favored commercial advertisers, at every station, in every market in the country") (emphasis added); Letter from Jonathan D. Blake, Covington & Burling LLP to Marlene Dortch, Secretary, FCC, MM Docket No. 00-168 at 2 (filed April 19, 2012) ("the proposal *could* motivate political buyers to shift substantial sums away from over-the air television to these other media. Such *potentially* severe marketplace disruption is contrary to the public interest.") (emphasis added); Letter from Kenneth C. Howard, JR, Counsel to The E.W. Scripps Company, to Marlene Dortch, Secretary, FCC, MM Docket No. 00-168 at 1 (filed April 18, 2012) ("by requiring broadcasters to post sensitive business information and rates online, the law *may* have the unintended consequence of putting broadcasters at a disadvantage against their competitors in the marketplace.") (emphasis added); Letter from Jane Mago, Executive Vice President and General Counsel, National Association of Broadcasters, to Marlene Dortch, Secretary, FCC, MM Docket No. 00-168 at 1 (filed April 12, 2012) ("We emphasized that the *potential* harm to television broadcasters of placing specific rate information, including the lowest unit rate information that stations must, by law, afford to political candidates, in an anonymously accessible database was real and *could* place broadcasters at a significant competitive disadvantage versus other video providers that would not have a similar requirement") (emphasis added).

political advertising, available in some form since 1938,¹¹⁸ and anyone, including broadcasters' competitors and customers can currently access these data in the paper files. In addition, since 2002, Section 315(e) of the Act has specifically required that the political file include "the rate charged for the broadcast time."¹¹⁹ Moreover, the public files of broadcasters' competitors have been available in paper form to television broadcasters and the public for years.¹²⁰ Given the mutual, long-standing public availability of such documentation and the likely knowledge of this availability among major commercial and political buyers, we do not believe that the increased ease of access to broadcasters' public files will lead to significant distortions in the marketplace.¹²¹ To the extent it is economically beneficial for competitors, potential advertisers, or buyers who seek to represent advertisers, to access this data, they already have the ability to review the material at the stations.¹²² Commenters have failed to show that an online posting requirement would alter in any meaningful way the economic incentive of these entities. Moreover, even if it had not been publicly available for decades, online posting of lowest unit charge information would not necessarily lead to marketplace distortions. While the political file lists the lowest unit charge that a candidate receives, it does not reveal significant information about the commercial transaction that established that lowest unit charge. Various factors unknown to another commercial buyer – including that the advertiser establishing the lowest unit charge bought a higher volume of ads, committed to a long-term advertising relationship, or other variables – can justify denying the lowest unit charge rate to a different commercial buyer under different circumstances.¹²³ Further, given that the statute expressly requires such information to be placed in the public file,¹²⁴ exempting such rate information would be contrary to the statutory directive to make the political file publicly available.

40. *Effect on How Stations Sell Time.* NAB argues that online filing would necessitate changes in how stations sell political advertising time, because "the variances in the ways in which stations manage political advertising sales and the political file" would not be compatible with a "standardization of stations' political file processes."¹²⁵ These arguments seem to be based on a

¹¹⁸ See 3 Fed. Reg. 1691 (1938).

¹¹⁹ 47 U.S.C. § 315(e)(2)(B).

¹²⁰ 47 C.F.R. § 73.3526(e)(6); 47 C.F.R. § 73.3527(e)(5); 47 C.F.R. § 76.1701(a); 47 C.F.R. § 25.701(d).

¹²¹ Although we do not know the exact percentage of advertisers and competitors that seek review of information in stations' political files, we are aware they do so on a regular basis, as Commission staff frequently receives calls from stations asking whether or not they must provide such entities access to the political file. As staff has previously instructed in these situations, all members of the public – including advertisers and competitors – are entitled to access a stations' political files.

¹²² Buyers do, in fact, review the political file. See Letter from Robert S. Kahn, General Counsel, LUC Media Group, to Marlene Dortch, Secretary, FCC, MM Docket No. 00-168 at 3 (filed March 8, 2012) (discussing the database of information that LUC Media creates based in part on their review of political files). We recognize that, because of their economic incentive, competitors and potential advertisers may be more likely to undertake the expense of visiting stations to review the current political files. We expect that having the files accessible online will encourage other members of the public to make use of the political files.

¹²³ In addition, the fact that there are many variables (lengths, classes of time, and time periods) for any given lowest unit charge makes it harder for any potential purchaser to find a lowest unit charge that is comparable to the ad purchase it is seeking to make. These variables also make it difficult to compare the lowest unit charges of competing stations, as the stations may not sell the same classes of time. In the end, stations are in control of setting lowest unit rates, and have final determination of how low they are willing to set their commercial rates.

¹²⁴ 47 U.S.C. § 315(e)(2)(B).

¹²⁵ NAB Reply at 16-17; Joint Broadcasters Comments at 12.

misunderstanding of our proposal in the *FNPRM*.¹²⁶ As the Commission emphasized in the *FNPRM*, the online political file is meant to serve as a source of information to candidates, buyers, viewers, and others, but the actual purchase of advertising time and the receipt of equal time requests will continue to be handled by the station.¹²⁷ We reiterate that we are merely changing the form of disclosure to the public of information already required to be in the public file. We are making no change in the political advertising sales process. Rather, we expect stations to continue handling political ad sales in whatever way is most convenient to them.

41. *Substantive Political File Requirements.* We likewise are not persuaded by arguments that the rules regarding what material must be included in the political file are vague and that, therefore, the Commission should not adopt an online posting requirement.¹²⁸ As discussed above, this proceeding simply modernizes the procedures television broadcasters use to inform the public about information they are already required to disclose. If any licensee is unsure about any aspect of our political file requirements, it may request clarification of our existing substantive disclosure rules. To respond to specific questions raised in this record, however, we offer the following guidance. The political file rule requires that licensees “keep and permit public inspection of a complete and orderly record (political file) of all requests for broadcast time made by or on behalf of a candidate for public office, together with an appropriate notation showing the disposition made by the licensee of such requests, and the charges made, if any, if the request is granted.”¹²⁹ One commenter argues that it is unclear what “requests” includes.¹³⁰ Although we do not think that term is unclear, we clarify that licensees are required to place in their political files any final orders by candidates for specific schedules of time or availabilities within a specific schedule of time – in other words, orders to buy particular schedules (including programs or dayparts), amounts of time (including spot or program lengths), and classes of time for particular days (such as preemptible spots, Monday-Friday rotations, runs of schedule or specific placements).¹³¹ Licensees are not required to place in their political files general requests by candidates for advertising time stations have available to purchase, or rates for a general array of time.

¹²⁶ See Letter from Jerald N. Fritz, Senior Vice President, Legal and Strategic Affairs for Allbritton Communications, to Marlene Dortch, Secretary, FCC, MM Docket No. 00-168 at 1 (filed Mar. 22, 2012) (explaining that Allbritton’s concerns regarding changes to the political advertising sales process were based upon a belief that the Commission was proposing compliance in a “centralized, searchable database [which] could impose significant burdens on broadcasters since it would necessarily require major modifications to all trafficking systems for all television broadcasters . . . unavoidably affect[ing] the way all commercial time would be sold,” but noting that “to the extent that the Commission is not contemplating such a national, government-directed, searchable database, our concerns would be appreciably reduced.”).

¹²⁷ *FNPRM* at ¶ 23.

¹²⁸ National Religious Broadcasters at 13-14; Joint TV Broadcasters at 5; Named State Broadcasters at 10.

¹²⁹ 47 C.F.R. § 73.1943. The same information, among other things, must be included with respect to issue advertising containing a message relating to a “political matter of national importance.” 47 U.S.C. § 315(e). These issue ads will also need to be included in the online political file, just as they currently need to be included in the local political file.

¹³⁰ National Religious Broadcasters Comments at 13-14.

¹³¹ We note that “any final orders” mean orders that station representatives reasonably believe to be a final, agreed-upon order. If the final order is later amended after being included in the on-line political file, a station can replace the previously final order with the amended final order, or may simply upload the amended final order.

42. In response to concerns that the term “disposition” is unclear,¹³² we note our rules define it as “the schedule of time purchased, when spots actually aired, the rates charged, and the classes of time purchased.”¹³³ We clarify that the “disposition” of the request does not include a record of the negotiations or back-and-forth discussions between the licensee and the candidate after the request is made. It does include the final, mutually agreed upon order of time, including: classes of time purchased; charges made; as well as any subsequent, relevant reconciliation information about the order, including the times spots actually aired and details such as any “make goods” provided for preempted time, and rebates or credits issued.¹³⁴

43. *Existing Political File.* Commenters argue that if we require stations to upload the existing political file, it will be unduly burdensome.¹³⁵ Some broadcasters provide projected costs and burdens of placing the political file online. NAB estimates that just uploading the existing political files could take hundreds of hours per station.¹³⁶ NAB bases its projections on the largest political file it reported.¹³⁷ While we believe that this burden projection is overstated, we recognize that the existing political file may contain the greatest number of pages for broadcasters to upload as they transition to an online public file. Our review of the public files in the Baltimore DMA indicates that the commercial stations’ political files were made up, on average, of 1568 pages, and accounted for, on average, 30% of the stations’ public files.¹³⁸ One station’s political file was made up of 4079 pages, or almost 70% of its public file.¹³⁹

44. Departing from the proposal in the *FNPRM*, we do not require stations to post the contents of their existing political files to the Commission’s online public file. Given the two-year retention period for the political file, broadcasters’ investment in uploading existing political files would

¹³² *Id.*

¹³³ 47 C.F.R. § 73.1943. Broadcasters often refer to this as the “dates and dollars” requirement. See Network Station Owners Comments at 9-10; Letter from Susan Fox, Vice President, Government Relations for The Walt Disney Company, to Marlene Dortch, Secretary, FCC, MM Docket No. 00-168 at 1 (filed Mar. 2, 2012); Letter from Maureen O’Connell, Senior Vice President, Government Relations for News Corp., to Marlene Dortch, Secretary, FCC, MM Docket No. 00-168 at 2 (filed Feb. 8, 2012).

¹³⁴ See *In the Matter of Codification of the Commission’s Political Programming Policies*, 7 FCC Rcd 678 (1991), *recon. denied*, 7 FCC Rcd 4611 (1992). “Make goods” are advertising spot announcements rescheduled as a result of technical difficulty or preemption. *Id.* at ¶ 57 n. 93.

¹³⁵ Named State Broadcasters Assn. at 6.

¹³⁶ NAB Comments at 19, Attachment A. NAB supported its assertions about the burdens of uploading the existing political file by providing the estimated size of the political file in inches for six stations in six different television markets, ranging in size from 3,150 pages to 8,100 pages. *Id.* For example, NAB noted that a political file in Burlington, Vermont measured 19.5 inches, which they estimated as equaling 4,388 pages. NAB Comments, Attachment A. Free Press argues that such estimates are exaggerated. Letter from Corie Wright, Senior Policy Counsel for Free Press, to Marlene Dortch, Secretary, FCC, MM Docket No. 00-168 at 1 (filed Feb. 29, 2012). Free Press states that it visited all of the television stations in Burlington, Vermont, and was unable to find any political file that was as large as the files discussed by NAB. *Id.* Further, their review found that each political file reviewed contained documents beyond the required two year retention period, illustrating the possibility that “broadcasters may be mistakenly (and vastly) inflating the size of the political files they actually are required to maintain.” *Id.* at 2.

¹³⁷ NAB Comments at 19, Attachment A.

¹³⁸ This excludes letters and emails from the public, which will be retained in the local file.

¹³⁹ *Id.*

have a limited return for the public. Likewise, exempting the existing political file will only require broadcasters to continue to maintain a robust local file for a relatively short period. Because of the two-year retention period for the public file and the relatively large size of existing files, we conclude that exempting the *existing* political file from online posting is a reasonable means of reducing the initial burden of moving public files online.

45. *Small Market and Non-Affiliate Exemption.* Finally, we adopt in part a broadcaster request that we delay online posting of the political file for smaller stations.¹⁴⁰ These commenters argue that we should allow all broadcasters to gain experience working with the online public file system before requiring that they maintain their political file online.¹⁴¹ As noted above, this proceeding is over a decade old, and we believe it is time to bring the accessibility of the entire public file into the 21st century in as expeditious a manner as is possible.

46. We are persuaded, however, that it is appropriate to allow certain stations additional time to begin uploading the political file. As discussed further below, because the contents of the political file are time-sensitive, stations must place records in the political file “immediately absent unusual circumstances.”¹⁴² We believe it is appropriate to require stations with a greater market reach to undertake this time-sensitive transition first, as they will be more likely to have dedicated resources to address any implementation issues that arise, if necessary.¹⁴³ Therefore, we will temporarily exempt stations that are not affiliated with the top four national television broadcast networks (ABC, CBS, NBC and Fox) in the top 50 DMAs and all stations that serve markets below the top 50 DMAs, regardless of affiliation, from including their political file in their online public file for two years.¹⁴⁴ This exemption will ease implementation for broadcasters during the initial transition to the online public file, while also giving the Commission time to ensure that the online public file system is implemented effectively.

47. We believe that exempting stations that are not affiliated with the top four networks (ABC, CBS, NBC and Fox) in the top 50 DMAs, and those stations in markets below the top 50 DMAs, creates an exemption threshold that is clear, easy to establish and implement, and not often subject to significant change. Other options for identifying the class of stations to exempt do not provide the certainty that this clear definition provides. For example, an exemption for the top four ranked stations in each market would create a threshold that is often subject to change, would be difficult to measure and administer, and would provide uncertainty to broadcasters, as they are not as able to predict or control ratings. The Commission has used a DMA and affiliation-based standard in other contexts, and we believe it is appropriate to use in this instance.¹⁴⁵

48. Moreover, while this exemption will ease the initial implementation for broadcasters, it

¹⁴⁰ As discussed above, stations need not place online those documents already contained in their political files before the effective date of our rules.

¹⁴¹ Joint Television Parties Reply at 14; Named State Broadcasters Assn. Comments at 7, 10.

¹⁴² See ¶ 55-58, *infra*. See also 47 C.F.R. § 73.1943(c).

¹⁴³ Named State Broadcasters Assn. Comments at 7, (“Undoubtedly, these costs would fall even more heavily on smaller television stations.”)

¹⁴⁴ We note that this exemption is permissive, not mandatory. If any station that falls within this exemption prefers instead to immediately transition to the online political file, it is permitted to do so.

¹⁴⁵ See *Video Description: Implementation of the Twenty-First Century Communications and Video Accessibility Act of 2010*, Report and Order, 26 FCC Rcd. 11847, ¶ 11 (2011); *Advanced Television Systems and Their Impact upon the Existing Television Broadcast Service*, Fifth Report and Order, 12 FCC Rcd 12809, ¶ 76 (1997).

will nonetheless provide the public with online access to the political files of stations garnering the vast majority of political advertising time and money. Stations affiliated with the top four broadcast networks often provide the highest-rated programming, and therefore the most-watched advertising, including a large proportion of political advertising. Based on numbers provided by Kantar Media, we find that these 11 percent of stations, which reach 65 percent of Americans,¹⁴⁶ account for roughly 60 percent of the total television political advertising dollars spent in each major election cycle.¹⁴⁷ Affiliated stations are also more likely to have dedicated IT resources to resolve issues that may arise with implementation of the online political file in the expeditious manner that will be necessary for the political file. Stations that will be exempt initially from the rule generally have smaller political files than the affiliates in the top 50 DMAs, and therefore the public will not be deprived of online access to substantial amounts of political file information during the limited exemption period.¹⁴⁸ In addition, we believe that the approximately two years of experience that stations will gain by transitioning the rest of the online public file will help to ensure that they are prepared to upload the political file. We also believe that delayed implementation for stations with a smaller market reach will ensure that the Commission is able to target assistance to these stations, if necessary. Commission staff will gain experience with the process of assisting the smaller first wave of broadcasters transitioning to the online political file. This will enable staff to more efficiently assist the larger number of stations that will transition later, who may need enhanced support because of their more limited IT resources.

49. As part of our efforts to evaluate the effect of this transition, the Media Bureau will issue a Public Notice by July 1, 2013 seeking comment on the impact of these rules. This Public Notice will give commenters – including the initial group of stations to use the online political file, stations that have yet to transition, and members of the public that review the online political file – an opportunity to provide the Commission with information regarding the impact and utility of the online political file. The Public Notice will enable the Commission to consider whether any changes should be made before the requirement takes effect for the other stations.

50. As discussed above, we do not believe online posting of the public file, including prospective posting of the political file, will impose an unreasonable burden on any television broadcaster. Nevertheless, if licensees not covered by the two-year exemption believe filing new political file materials online will impose an undue hardship, they may seek a waiver of this requirement.¹⁴⁹ Stations seeking waivers should provide the Commission with information documenting the economic hardship the station would incur in complying with this requirement, its technical inability to do so or such other reasons as would warrant waiver under our general waiver standards.

¹⁴⁶ Media Bureau staff analysis of Nielsen data shows that the Top 50 DMAs represent 65.4% of the total TV households for the 2011-2012 TV season. Further, staff analysis also shows that the average combined audience share of stations affiliated with the four major broadcast networks (ABC, CBS, FOX, and NBC) in each of the top 50 DMAs (*i.e.* the non-exempt stations) is 82% during prime time programming.

¹⁴⁷ Kantar Media - a media research company that specializes in politics, advocacy, and public affairs advertising expenditure data – indicates that “to date in the 2012 federal election cycle, 59 percent of all spot advertising dollars have been spent on affiliates of the four largest national networks in top 50 markets.” Letter from Kenneth M Goldstein, President, Kantar Media Campaign Media Analysis Group, to William Lake, Chief of the Media Bureau, FCC, MM Docket No. 00-168 at 1 (Apr. 5, 2012). These percentages are consistent with the analysis of the 2008 and 2010 election cycles, where affiliates of the four largest national networks in top 50 markets received 64% and 62% of federal political advertising dollars spent on broadcast television, respectively. *Id.*

¹⁴⁸ In our review of the political files of the Baltimore DMA, the political files of the stations that will be exempt averaged 247 pages, which is substantially smaller than the political files for the stations affiliated with the top four networks, which averaged 2104 pages.

¹⁴⁹ See 47 C.F.R. § 1.3.

51. *Authority.* No commenter challenged the Commission’s authority to require online posting of the public file generally, but NAB suggests that the Commission lacks authority to require the placement of station political files online, and that we therefore must carve out the political file from the rest of the public file. In supplemental comments, NAB argues that in the Bipartisan Campaign Reform Act of 2002 (“BCRA”), Congress expressly required that the IRS and FEC make certain election-related records available online, but did not do so for the items required to be placed in broadcasters’ political files.¹⁵⁰ They assert that “the clear implication is that Congress did not intend for broadcasters to be subject to an obligation to place their political files online and thus, the FCC lacks authority to impose such a requirement absent further legislative action.”¹⁵¹ NAB further argues that “[w]here Congress includes particular language in one section of a statute but omits it in another section of the same Act, it is generally presumed that Congress acts intentionally and purposely in the disparate inclusion or exclusion.”¹⁵²

52. We find NAB’s argument unpersuasive. NAB overlooks relevant facts relating to the adoption of BCRA. First, in adopting the political file retention requirements of Section 315(e) of the Communications Act as part of BCRA, Congress explicitly required that “a licensee shall maintain, and make available for public inspection, a complete record of a request to purchase broadcast time”¹⁵³ and that “[t]he information required under this subsection shall be placed in a political file as soon as possible and shall be retained by the licensee for a period of not less than 2 years.”¹⁵⁴ In doing this, Congress essentially codified the existing political file regulations as reflected in Section 73.1943 of our rules at the time,¹⁵⁵ and placed no new restriction on the Commission’s discretion to implement the public-access policy. That is particularly significant because, at the time of BCRA’s passage, the Commission had tentatively concluded in this very proceeding that stations should place their public inspection files – including their political files – online.¹⁵⁶ Congress was presumably aware that moving the political file online was actively being considered by the Commission, and expressed no intent to prevent such updating of the rules. Congress instead placed no restriction in BCRA on how the Commission may direct stations to make the political file “available for public inspection.” Because the statute is silent on the question of how stations should make the political file “available for public inspection,” the Commission, as the expert agency required to implement the Communications Act’s provisions, has discretion in determining how to do so, provided that the Commission’s decision “is based on a permissible construction of the statute.”¹⁵⁷ Given this context, we do not believe that “available for public inspection” equates to “available only in paper format and not online,” as NAB asserts. We instead believe that this requirement of availability for public inspection allows us to require that such records be made available for public inspection online, particularly given the ubiquity and general expectation of electronic access to records today.

¹⁵⁰ NAB Supplemental Comments at 1, *citing* the Bipartisan Campaign Reform Act of 2002, P.L. 107–155, 116 Stat. 81 (2002). *See also* Ex Parte Presentation of Target Enterprises at 13-15 (filed April 19, 2012).

¹⁵¹ *Id.* at 1-2.

¹⁵² *Id.* at 3-4; *citing* *Gozlon-Peretz v. U.S.*, 498 U.S. 395, 404 (1991).

¹⁵³ *See* 47 U.S.C. § 315(e)(1).

¹⁵⁴ *See* 47 U.S.C. § 315(e)(3).

¹⁵⁵ *See* 47 U.S.C. § 315(e); 47 C.F.R. § 73.1943

¹⁵⁶ *See Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations*, Notice of Proposed Rulemaking, 15 FCC Rcd 19816, ¶ 31 (2000) (“*NPRM*”).

¹⁵⁷ *Chevron USA Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 843 (1984).

53. NAB also argues that “[i]t is apparent that Congress intended the FEC to be the central repository of campaign information.”¹⁵⁸ From this, they argue that requiring the political file to be placed online would constitute “duplicative disclosure.”¹⁵⁹ This argument overlooks the explicit requirement in Section 315(e) that stations “maintain, and make available for public inspection, a complete record of a request to purchase broadcast time.”¹⁶⁰ NAB seems to be arguing that the statute, rather than our proposed regulation, is unnecessary and duplicative. The Commission “must give effect to the unambiguously expressed intent of Congress.”¹⁶¹ Here, that unambiguous intent is that the Commission require stations to make the contents of the political file, as outlined in the statute, “available for public inspection.”¹⁶² Both the existing requirement, and the proposed online update, give effect to the expressed Congressional intent. We note as well that NAB’s arguments regarding the Commission’s authority are contradictory – in the first argument, NAB wants to read BCRA’s lack of language concerning an online file strictly, and in the second, it wants to ignore the political file statutory provision entirely. We conclude that neither reading is correct.¹⁶³

54. Furthermore, the information filed with the FCC and the FEC is substantially distinct and intended for different purposes. The FEC was established by Congress to regulate federal elections, and FEC reporting requirements are limited to federal elections.¹⁶⁴ The FCC’s political file, by comparison, requires disclosure of information regarding all elective offices, including federal, state and local. The FCC’s broadcast political file must be made “available for public inspection” in part to notify candidates of information pertaining to transactions by an opponent. This notification is necessary in order to assess candidates’ equal opportunities rights under Section 315 corresponding to an opponent’s purchases of ad time.¹⁶⁵ The FEC does not collect any of the specific data that would be useful to candidates in connection with their equal opportunities rights, all of which appear in the political file, including: “(A) whether the request to purchase broadcast time is accepted or rejected by the licensee; (B) the rate charged for the broadcast time; (C) the date and time on which the communication is aired; (D) the class of time that is purchased.”¹⁶⁶ Instead, the spending data collected by the FEC requires candidates to disclose the *aggregate* amount expended during the period of time covered by the disclosure to a

¹⁵⁸ NAB Supplemental Comments at 4.

¹⁵⁹ *Id.* at 5.

¹⁶⁰ 47 U.S.C. § 315(e).

¹⁶¹ *Chevron USA Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 842-43 (1984).

¹⁶² 47 U.S.C. § 315(e).

¹⁶³ NAB also quotes the FCC’s comments in an FEC proceeding in 2002, which stated that the FCC’s creation of an online database to comply with BCRA “could be extraordinarily complex and will require the expenditure of substantial resources in terms of time, money and personnel.” NAB Supplemental Comments at 8, citing Comments of the FCC, Media Bureau, before the FEC, Re: Notice 2002-13, Electioneering Communications, at 1 and 3 (Aug. 29, 2002) (“FCC Comments”). NAB goes on to say that “[t]he online posting burdens that the FEC proposed to impose on the FCC ten years ago and that caused the FCC to express concern are different from those the agency proposes to impose on television stations today. But the issues here about the burdens that would be imposed on stations by the FCC’s online file proposals “in terms of time, money and personnel” are similarly entitled to respect and weight.” *Id.* As discussed in detail in the text, we have afforded considerable respect and weight to broadcasters’ assertions about the burdens involved with posting their public files online, and have adopted a number of measures intended to reduce those burdens without sacrificing the goals of this proceeding.

¹⁶⁴ Federal Election Campaign Act of 1971, 2 U.S.C. § 431 *et. seq.*

¹⁶⁵ 47 U.S.C. § 315(a).

¹⁶⁶ 47 U.S.C. § 315(e)(2).

particular payee, the mailing address of the payee, the purpose of the transaction(s), the candidate's name and federal office sought, and the date of disbursement.¹⁶⁷ Typically, candidates make their television advertising purchases through media buyers. Thus, under the FEC's aggregate disclosure requirements, a candidate would only need to disclose the funds provided to a media buyer without disclosing how the media buyer allocated such funding – whether it goes to television, radio or print media, let alone how much was paid to each television station. There is no requirement to identify the specific components of the ad-sales transactions that broadcasters include in their political files, making the FEC disclosures nearly useless for a candidate seeking equal opportunities or learning what rates their opponents paid or the schedule of time purchased, and useless to members of the public who are seeking information about the purchasers of specific advertisements being carried on their local television station.

55. *Immediacy.* Consistent with our current political file rules, we adopt the *FNPRM*'s tentative conclusion that stations must upload records to their online political file “immediately absent unusual circumstances.”¹⁶⁸ Whether maintained at the station or online, the contents of the political file are time-sensitive.¹⁶⁹ For example, a candidate has only seven days from the date of his or her opponent's appearance to request equal opportunities for an appearance.¹⁷⁰

56. We do not believe that complying with the longstanding immediacy requirement will be any more difficult when uploading to an online public file than when placing paper in a local file; in fact, using the online public file should often be quicker and more efficient. Some commenters claim that uploading the political file to the online public file immediately absent unusual circumstances is either extremely burdensome or technically impossible, with no public benefit.¹⁷¹ These commenters state that political advertising buys are fluid and often made at the last minute.¹⁷² They also point out that the final documentation indicating when spots are aired and how much is charged for them is typically generated only on a monthly basis.¹⁷³ They note that for this reason, the Commission has advised that rather than having to generate special documents, stations should provide the name of a contact person who can provide parties reviewing the political file with the times specific spots aired.¹⁷⁴ NAB argues that if stations were required to update the online political file to reflect the times that spots aired on a daily basis, that could entail filing more than 100 pages per day of traffic reports in addition to the materials already required to be in the political file.¹⁷⁵ Other commenters argue that moving the political file online will not lessen disruptions to station operations, because the delayed final disposition information about

¹⁶⁷ See FEC Form 3X (Reports of Receipts and Disbursements For Other Than An Authorized Committee), Schedule B (Itemized Disbursements), available at www.fec.gov/pdf/forms/fecfrm3x.pdf.

¹⁶⁸ Section 73.1943(c) of the Commission's rules provides that “[a]ll records required by this paragraph shall be placed in the political file as soon as possible As soon as possible means immediately absent unusual circumstances.” 47 C.F.R. § 73.1943(c).

¹⁶⁹ See 47 C.F.R. § 73.1943(c).

¹⁷⁰ See 47 C.F.R. § 73.1941(c).

¹⁷¹ Four Commercial and NCE Licensees Comments at 4, 6; Joint TV Broadcasters Comments at 5-6; Named State Broadcasters Assn. Comments at 8; North Carolina Assn. of Broadcasters *et al.* Comments at 10; Joint Television Parties Reply at 8.

¹⁷² Named State Broadcasters Assn. Comments at 8; North Carolina Assn. of Broadcasters *et al.* Comments at 10; Joint Television Parties Reply at 8-9.

¹⁷³ Joint TV Broadcasters Comments at 6; NAB Comments at 12.

¹⁷⁴ Joint TV Broadcasters Comments at 6.

¹⁷⁵ NAB Comments at 13. See also Joint Broadcasters at 5.

when a spot was aired is information that candidates are interested in obtaining from the station, and stations will still need to field daily in-person inquiries from buyers seeking this information.¹⁷⁶

57. These arguments generally suggest that online filing would involve a change to existing substantive requirements for assembling the public file. Under our existing rules, however, the political file must include all requests for broadcast time made by candidates, the final disposition of that request, and the charges made. The *FNPRM* did not propose to change these record-keeping requirements, and we do not do so.¹⁷⁷ We understand that stations generally place initial requests and the final order agreed to between the candidate and the station into the political file immediately, consistent with our rules.¹⁷⁸ We also understand that stations do not routinely place documentation relating to reconciliation information – including the times spots actually aired and details such as any make goods for preempted time,¹⁷⁹ rebates, or credits issued – in the political file on a daily basis. Stations instead make station personnel available to answer questions about final reconciliation in person, by email, or over the phone, and place written documentation about the final disposition in the file at a later date consistent with business practices – usually when final billing is compiled for the purchaser on a monthly basis. This practice is permitted. As the Commission stated in the *Political Rules Reconsideration* decision, “stations need not be required to employ extraordinary efforts to place immediately in the political file the exact time that candidate spots aired. . . . [I]t will be sufficient to provide information concerning the spots and program times that were ordered by the candidate, with a notation that the station will, upon request, provide immediate assistance and access to the station logs or other definitive information concerning actual air

¹⁷⁶ Joint TV Broadcasters Comments at 6; Joint Television Parties Reply at 9.

¹⁷⁷ We are not persuaded by alternative proposals, one by News Corporation and another by a coalition of broadcast station groups, to adopt additional record-keeping requirements for stations with respect to the political file. The proposal initially advanced by the coalition of broadcast station groups was that we not require stations to make their entire political files available online, but rather require online posting – on either the Commission's or the station's website, at the station's election – certain aggregate data concerning candidate purchases of advertising time, with weekly or monthly updates. Letter from Mary Jo Manning, on behalf of Barrington Broadcasting Co. et al., to William T. Lake, Chief, Media Bureau, FCC, MM Docket No. 00-168 (filed Feb. 15, 2012); Letter from Mary Jo Manning, Jonathan Blake, and Wade Hargrove, on behalf of Barrington Broadcasting Co. et al., to Marlene H. Dortch, Secretary, FCC, MM Docket No. 00-168 (filed March 15, 2012). An expanded coalition later advanced a revised proposal that would require stations to upload certain aggregate data concerning candidate purchases of advertising time, with updates daily, every second day, or weekly. Letter from Jonathan D. Blake, on behalf of Barrington Broadcasting Co. et al., to Marlene Dortch, Secretary, FCC, MM Docket No. 00-168 (filed April 20, 2012). News Corporation, on the other hand, submitted a proposal that would provide stations with the option of either placing their political files online or putting summary information (but not individual rates) in the online public file, while requiring stations to continue to maintain a paper file at the station that includes the rate information. See Letter from Maureen A. O'Connell, Senior Vice President, Regulatory and Government Affairs, News Corp., to Marlene Dortch, Secretary, FCC, MM Docket No. 00-168 (filed April 19, 2012). While we appreciate the efforts of these parties to develop alternatives, we believe that these options will deprive the public of the benefits of immediate online access to all the information in the political file. These suggested approaches would impose a new substantive public file reporting obligation on stations, which would be contrary to our goal of limiting the burdens on broadcasters. See ¶¶ 26-32, *supra*. Furthermore, our political file disclosure requirements take into account a candidate's equal access opportunities afforded under the statute. See 47 U.S.C. § 315(a). Under our rules, these rights exist for only 7 days; therefore, to be of value in this regard stations must post political file information immediately. The proposals requiring stations to post information every other day during the equal opportunity period (or even every day in the week before an election), would have limited value to candidates seeking to exercise their equal opportunities rights.

¹⁷⁸ See 47 C.F.R. § 73.1943.

¹⁷⁹ See fn. 106, *supra*.

time.”¹⁸⁰ We are not changing this precedent or practice. We are merely requiring that the materials that stations currently copy and place in their local files on a daily basis now be uploaded to the online public file on a daily basis, and that other information be uploaded consistent with existing business practices as previously approved under Commission precedent.¹⁸¹ Modernizing public inspection procedures for material in the public file will not increase stations’ costs of communicating information that is not yet in the public file.

58. Finally, some commenters argue that the existing political file system works adequately for stations and candidates, and that it is unreasonable to make the political file available immediately online for the benefit of researchers and other members of the public.¹⁸² Network Station Owners assert that the interests of researchers, scholars and citizens in having access to information about political spending “is not immediate and can be satisfied by visiting the station either during or after the election campaign.”¹⁸³ These commenters seem to be arguing that the needs of stations and candidates are singularly important, and that if these constituencies are not seeking changes to how the political file is maintained, then no changes are warranted. We disagree. First, as LUC Media points out, candidates will benefit from real-time posting of the political file.¹⁸⁴ Supporting that view, the record indicates that the online political file will be used by candidates, their representatives, and the general public.¹⁸⁵ Second, as discussed above,¹⁸⁶ the statute does not prioritize any potential users of the political file; it broadly mandates that the materials be made “available for public inspection . . . as soon as possible,” which the Commission has long interpreted to mean available to all members of the public “immediately absent unusual circumstances.”¹⁸⁷

¹⁸⁰ 7 FCC Rcd at ¶ 91.

¹⁸¹ In addition to making this information available online, stations are free to continue making this information available over the phone to candidates and their representatives, if that is their preferred business practice, and as long as that courtesy is extended to all candidates and their representatives.

¹⁸² Network Station Owners Reply at 11-12; Joint Television Parties Reply at 12-13. Joint TV Broadcasters argued that “even PIPAC, the entity urging the FCC to require stations to post their political files online has recognized that the political file can change daily during the election season and has suggested that the online posting requirement ‘could include provisions for a reasonable delay in posting updated information.’” Joint TV Broadcasters Comments at 6, *citing* Letter from Angela Campbell and Andrew Schwartzman, Counsel for the Public Interest, Public Airwaves Coalition, to Julius Genachowski, Chairman of the FCC (Aug. 4, 2011) (“PIPAC *ex parte*”). They contend this supports their conclusion that it would be difficult for stations to upload this information “in real time.” Joint TV Broadcasters Comments at 6. The commenter fails to note that with respect to burdens, PIPAC actually stated its belief that “placing this information online will reduce the burden on broadcasters that often receive multiple daily in-person requests to access this information during an election season.” PIPAC *ex parte* at 5. In their comments, PIPAC “strongly supports” the public file proposal discussed in the *FNPRM*. PIPAC Comments at 13-17.

¹⁸³ Network Station Owners Reply at 11.

¹⁸⁴ See generally LUC Media Comments and Reply.

¹⁸⁵ LUC Media Comments at 7; PIPAC Comments at 15; Michigan Campaign Finance Network Comments at 2.

¹⁸⁶ See ¶ 16, *supra*.

¹⁸⁷ 47 U.S.C. § 315(e)(1), (3); 47 C.F.R. § 73.1943 (stating that “[a]s soon as possible means immediately absent unusual circumstances”). The Named State Broadcasters Association expresses concern that “public advocacy groups and the Commission will play ‘stop watch’ roulette if the political files were to go online.” Named State Broadcasters Assn. Comments at 9. They state that the base fine for political file rule violations is \$9,000 and that “the FCC will have a strong incentive to find at least technical shortcomings in every television station’s efforts to comply with the mechanics of a new online political file requirement,” potentially exposing them to large fines

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59. *Orderliness.* The Commission will design the online public file with an organizational structure that will ensure that the contents of the file, including the political file components, are orderly and easily uploaded and downloaded. The Commission's rules require licensees to keep "a complete and orderly" political file.¹⁸⁸ The Commission stated in the *FNPRM* that it expected licensees to upload any political file information to the online file in an organized manner so that the political file does not become difficult to navigate due to the sheer number of filings.¹⁸⁹ For an online political file to be useful, the Commission acknowledged, candidates and members of the public must be able easily to find information that they seek.¹⁹⁰ The Commission asked whether it should create federal, state, and local subfolders for each station's political file, and whether it should allow stations to create additional subfolders within the political file.¹⁹¹

60. NAB recognizes that there are efficiencies in the Commission creating some organizational categories for stations to use, and argues that "to the extent that the Commission can do this in a timely and accurate manner, for both the general and primary elections for every race in the country where candidates and issue advertisers may purchase advertising on a local TV station, NAB agrees that it would be desirable."¹⁹² We agree with NAB that it would be desirable and less burdensome on broadcasters for the Commission to create specific organizational subfolders, not only for candidate ad buys, but also for issue ads that relate to a political matter of national importance.¹⁹³

61. NAB also argues that the Commission should continue its policy of allowing broadcasters to manage their political file in a manner consistent with their particular operational and sales procedures.¹⁹⁴ It expressed concern that if the Commission creates a rigid standardized organizational structure, they will have to redesign their traffic management systems, which would expand the burdens on broadcasters by interfering with systems that stations use and that are tailored to their own circumstances.¹⁹⁵ NAB argues that the Commission should provide broadcasters with the flexibility to create their own subfolders and "subcategories" in order to further organize the data, and recommends that the Commission consider employing the services of a third-party Web-based file hosting service such as Dropbox.¹⁹⁶ To facilitate broadcasters' use of the online file, we will create and propagate subfolders

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"notwithstanding the good faith efforts of staff-constrained broadcasters." *Id.* We reject this reasoning. First, if such an enforcement incentive exists, it would exist now with the existing public file rule. Second, as discussed throughout this proceeding, our aim in making the public file available online is to make it more accessible to the public. Commenters' unsupported speculation about possible arbitrary enforcement provides no basis for maintaining the obsolete paper filing system. Moreover, we reject the Named State Broadcasters Association's argument that the base fine for public and political file violations" should be lowered, *id.* at 16, an issue that is beyond the scope of this proceeding.

¹⁸⁸ 47 C.F.R. § 73.1943(a). See also *FNPRM* at ¶ 24.

¹⁸⁹ *Id.*

¹⁹⁰ *FNPRM* at ¶ 24.

¹⁹¹ *Id.*

¹⁹² NAB Comments at 20.

¹⁹³ *Id.*

¹⁹⁴ NAB Comments at 16.

¹⁹⁵ Joint Broadcasters Comments at 11; Named State Broadcasters Assn. Comments at 8; NAB Comments at 16-17.

¹⁹⁶ NAB Comments at 20-21. Services such as Dropbox synchronize identified files, including folder structures, between computers. Software installed on the machines watches in the background for modifications in user-selected folders and synchronizes those changes over the Internet to other user-selected computers. The New York

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for candidates and will provide stations with the ability to create additional subfolders and subcategories in compliance with their own practices. We also agree with NAB that the use of hosting services providing a mechanism to allow stations to drag and drop files and folders to the online public file will allow for greater efficiencies.¹⁹⁷ We delegate to staff the authority to incorporate such efficiencies, and to cooperate with industry as it develops specifications to enable such efficiencies and to incorporate them in the online system, to the extent the staff concludes that such approaches are workable and effective. We also delegate to staff the authority to design, add to, or adjust the features of the online public file, as needed, to increase its ease of use.

2. Letters from the Public.

62. Responding to commenters, we exempt letters and emails from the public from the online public file, instead requiring that such material be maintained at the station in a correspondence file. In the *FNPRM*, the Commission proposed that letters and emails from the public, which now are required to be included in the local file, should not be incorporated in the online public file, but instead continue to be retained at the station for public viewing in a paper file or an electronic database at the station's main studio.¹⁹⁸ The Commission tentatively agreed with reconsideration petitioners that privacy and burden concerns were significant enough to merit excluding these documents from the online public file, and sought comment on its findings.¹⁹⁹ Alternatively, the Commission asked whether it should allow or require stations to redact personally identifiable information before posting letters and emails online.²⁰⁰ Some commenters, broadcasters and public interest advocates agree that letters and emails from the public should not be placed online due to privacy concerns and the burdens of review and redaction that such concerns would necessitate.²⁰¹ Some broadcasters believe that stations should maintain a correspondence file available locally at the station,²⁰² while others think we should eliminate the requirement entirely.²⁰³ Common Frequency argues that privacy concerns are exaggerated, since it is

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Times Gadget Blog describes Dropbox as "a file syncing service that allows you to sync a single folder (or folders) between multiple computers." See <http://gadgetwise.blogs.nytimes.com/2011/07/27/3-ways-to-keep-your-data-with-you-at-all-times/>.

¹⁹⁷ NAB Comments at 21.

¹⁹⁸ *FNPRM* at ¶ 26. Section 73.3526(e)(9) requires commercial stations to place in the public file all "written comments and suggestions received from the public regarding operations of the station, unless the letter writer has requested that the letter not be made public or when the licensee feels it should be excluded from public inspection because of the nature of its content, such as a defamatory or obscene letter."

¹⁹⁹ *Id.* The Commission also sought comment about whether other public file information raises similar privacy concerns. We received very little input on this issue, and will not make any other privacy-based exemptions to the online public file. Our Privacy Threshold Analysis ("PTA") of the online files indicates that the files to be posted may contain personally identifiable information ("PII"). Consequently, the Commission will be preparing a Privacy Impact Analysis ("PIA") and a Privacy Act system of records notice ("SORN") to govern the handling of PII in the station files.

²⁰⁰ *Id.*

²⁰¹ Four Commercial and NCE Licensees Comments at 4; Network Station Owners Reply at 20; North Carolina Assn. of Broadcasters *et al.* Comments at 14; PIPAC Comments at 28-29.

²⁰² North Carolina Assn. of Broadcasters *et al.* Comments at 14.

²⁰³ Network Station Owners Reply at 20.

common for members of the public to comment on publicly available websites.²⁰⁴

63. We are concerned that requiring correspondence to be placed in the online public file may result in violations of the Children's Online Privacy Protection Act (COPPA), which prohibits posting children's personally identifiable information online.²⁰⁵ Commenters agree with our privacy concerns.²⁰⁶ Our review of the public files in the Baltimore DMA indicates that letters and emails from the public can account for up to one third of a station's public file. Thus, requiring stations to review these documents for compliance with COPPA before uploading them to the online public file could pose a burden, which our decision avoids. Therefore, we will not require stations to post this information in the online public file.

64. At the same time, we do not believe that the requirement to retain correspondence from the public should be eliminated entirely. Letters and emails are required to be made available to the public under our rules, and this proceeding is about updating the accessibility of the public file, not about changing its underlying requirements. We will require stations to maintain in a paper file, or electronically on a computer located at the main studio, a publicly available correspondence file at the station. As currently required, this file will include all letters and emails from the public regarding operation of the station unless the letter writer has requested that the letter not be made public or the licensee feels that it should be excluded due to the nature of its content, such as a defamatory or obscene letter.²⁰⁷ We emphasize that we are not imposing a new requirement here, but merely retaining the existing requirement for retaining correspondence consistent with our rules.

65. The *FNPRM* also sought comment on a proposal by PIPAC to require stations to report quarterly on how many letters they have received from the public.²⁰⁸ PIPAC was the only supporter of this proposal.²⁰⁹ Another commenter noted that such reporting would be burdensome for broadcasters, some of whom receive thousands of pieces of viewer correspondence in a year.²¹⁰ We are not persuaded that a mere count of letters received would be of substantial value to the public or the Commission. We thus conclude based on the current record that the burdens of tabulating and reporting on such correspondence cannot be justified, and we do not require it.

66. The Commission also sought comment on whether stations should have to retain comments left by the public on social media websites, like Facebook, and tentatively concluded that such information should not be required to be maintained in the correspondence file.²¹¹ Those who addressed this issue agree with our tentative conclusion that, because social media posts are already accessible to the

²⁰⁴ Common Frequency Comments at 4.

²⁰⁵ Children's Online Privacy Protection Act, 15 U.S.C. § 6501 *et seq.*

²⁰⁶ Network Station Owners Reply at 20; NAB Reply at 6; North Carolina Assn. of Broadcasters *et al.* Comments at 14.

²⁰⁷ See 47 C.F.R. § 73.3526(e)(9). We also note that NCE commenters have requested that we clarify that noncommercial educational stations are not required to retain letters and emails in their public inspection files. APTS and PBS Comments at 6; Public Television Licensees Reply at 4. This request for clarification stems from an inadvertent error in the draft rules published in the *FNPRM*. We confirm that NCE stations are not required to retain letters and emails from the public, and note that the rule changes in Appendix A reflect this.

²⁰⁸ *FNPRM* at ¶ 26.

²⁰⁹ PIPAC Comments at 29.

²¹⁰ North Carolina Assn. of Broadcasters *et al.* at 14.

²¹¹ *FNPRM* at ¶ 26.

public, the burden of requiring stations to place such material in a correspondence file would outweigh any benefit.²¹² We adopt this assessment, and will not require stations to retain social media messages in their correspondence file.

67. Common Frequency suggests that email comments to the station can be standardized for all stations through a comment form on the Commission-hosted public file website, and all commenters could be directed to this form.²¹³ We decline to adopt this requirement. We do not believe that the Commission is the proper forum to shape the dialogue between a local station and its viewers. Rather, we seek to encourage direct communication between the station and its viewers. As discussed below, the online public file will contain contact information for each station.²¹⁴ We encourage members of the public to relay their concerns directly to the station.

3. Other Components of the Online Public File.

68. *Contour maps.* We adopt the tentative conclusion that the contour maps available on the Commission's website are sufficient for the online public file. Our rules require that the public file contain "[a] copy of any service contour maps submitted with any application tendered for filing with the FCC, together with any other information in the application showing service contours and/or main studio and transmitter location."²¹⁵ In the *FNPRM*, the Commission noted that maps showing stations' service contours are available on the Commission's website, and are derived from information provided by stations in CDBS.²¹⁶ The Commission tentatively concluded that these contour maps available on the Commission's website are sufficient for the online public file as they provide the necessary information regarding a station's service contours.²¹⁷ Only one commenter discussed this issue, agreeing with the Commission that these contour maps are sufficient.²¹⁸ We ask that stations review these maps and contact the Media Bureau if they believe they contain any inaccuracies.

69. *Main Studio Information.* We will adopt the proposal in the *FNPRM*²¹⁹ that we require stations to include in the online public file the station's main studio address and telephone number, and the email address of the station's designated contact for questions about the public file. Given that the correspondence file will still be publicly available at the station, along with the existing political file (until its retention period expires in two years), and because we seek to encourage an open dialogue between broadcasters and the viewing public, we believe this information is necessary to assist the public.²²⁰ Stations with a main studio located outside of their community of license should list the location of the

²¹² Bouchard Broadcasting at 1; North Carolina Assn. of Broadcasters *et al.* at 14. One commenter stated that it does not retain email as letters from the public. This is contrary to the existing rule, which specifically states that letters and email from the public must be included in the public file. See 47 C.F.R. 73.3526(e)(9).

²¹³ Common Frequency Comments at 4.

²¹⁴ See ¶ 69, *infra*.

²¹⁵ 47 C.F.R. §§ 73.3526(e)(4), 73.3527(e)(3).

²¹⁶ *FNPRM* at ¶ 27. More information on contour maps is available at <http://transition.fcc.gov/mb/audio/includes/78-mapinfo.htm>.

²¹⁷ *Id.*

²¹⁸ Bouchard Broadcasting Comments at 1.

²¹⁹ *FNPRM* at ¶ 32.

²²⁰ See *FNPRM* at ¶ 32.

correspondence file and existing political file, and the required local or toll free number.²²¹

70. *The Public and Broadcasting manual.* We adopt the tentative conclusion that television stations will no longer be responsible for making available “The Public and Broadcasting” manual in their public files. We received no comment on this issue. As discussed in the NPRM, the Commission will make this manual prominently available on the Commission-hosted online public file website once it is created.²²² The staff is directed to ensure that this manual is updated to reflect the online public file requirements we adopt here.

71. *Issues/programs lists.* We adopt the proposal requiring stations to post their issues/programs lists to the online public file until the Commission adopts changes to this requirement. Broadcasters’ public files currently must include issues/programs lists, which are lists of programs that have provided the stations’ most significant treatment of community issues during the preceding quarter.²²³ The Commission stated in the *FNPRM* that it planned to expeditiously seek comment in a new proceeding to investigate replacing the issues/programs list with a standardized disclosure form, which it did last November in a *Notice of Inquiry*.²²⁴

72. In that *Notice of Inquiry*, the Commission noted that it remains dedicated to addressing the problem of the lack of access to consistent and uniform information about television broadcasters’ programming.²²⁵ Despite the shortcomings of the current state of the issues/programs lists, however, for now this is the best source of information the public has when investigating how a broadcaster’s programming is meeting the community’s needs and interests. A group of stations commenting as Four Commercial and NCE Licensees argues that the public has minimal interest in viewing this information, and until there is a standardized reporting form, issues/programs lists should not be placed online because they are voluminous and might include program guides that may not be easily uploaded.²²⁶ We disagree that the public has minimal interest in viewing this information. Public advocacy commenters PIPAC and Common Frequency point out that issues/programs lists are the only requirement that broadcasters have to disclose how they are providing community-responsive programming, and agree with the Commission

²²¹ See 47 C.F.R. § 73.1125(e). Joint TV Broadcasters argues that if access to the public file is to be facilitated by means of online posting, the justification for government regulation of a station’s main studio location, at a minimum, erodes substantially. Joint TV Broadcasters Comments at 18. We disagree with this assertion, which is in any event beyond the scope of this proceeding. The Commission has previously stated that a main studio is necessary to maintain reasonable accessibility of station facilities, personnel, and information to members of the station’s community of license, which enables the residents of the community to monitor a station’s performance, encourages a continuing dialogue between the station and its community, and integrates a station into the activities of the community in order to be more responsive to local community needs in its programming. See *Review of the Commission’s Rules regarding the Main Studio Rule and Local Public Inspection Files of Broadcast Television and Radio Stations*, Report and Order, 13 FCC Rcd 15691, ¶ 1 (1998), *recon. granted in part*, Memorandum Opinion and Order, 14 FCC Rcd 11113 (1999). Although as a result of our action today most required information about the station will be available online, the other benefits cited here, as well as access to the elements of the public file that will not be posted online, continue to support maintenance of a local main studio.

²²² *FNPRM* at ¶ 28.

²²³ 47 C.F.R. §§ 73.3526(e)(11)(i), 73.3527(e)(8).

²²⁴ *FNPRM* at ¶ 6. See also *Standardizing Program Reporting Requirements for Broadcast Licensees*, Notice of Inquiry, 26 FCC Rcd 16525 (2011).

²²⁵ *Standardizing Program Reporting Requirements for Broadcast Licensees*, Notice of Inquiry, 26 FCC Rcd 16525, ¶ 9 (2011).

²²⁶ Four Commercial and NCE Licensees Comments at 5.

that these lists should be posted to the online public file on a quarterly basis until the Commission implements a new standardized form.²²⁷ When creating the issues/programs list requirement, the Commission declared that one of a broadcaster's fundamental public interest obligations is to air programming responsive to the needs and interests of its community of license, and described the issues/programs list as “[t]he most significant source of issue-responsive information under the new regulatory scheme.”²²⁸ Moreover, the list is a significant source of information for any initial investigation by the public or the Commission when renewal of the station's license is at issue.²²⁹ Because of the importance of the issues/programs lists, we conclude that any burden imposed upon broadcasters to upload such information is justified, and find that the lists must be available to the public in the online public file.

73. *FCC investigations and complaints.* Our rules currently require that stations retain in the public file “material having a substantial bearing on a matter which is the subject of an FCC investigation or complaint to the FCC” of which the station is aware.²³⁰ The Commission sought comment in the *FNPRM* on whether the Commission should post published sanctions, including forfeiture orders, notices of violation, notices of apparent liability, and citations, in a station's online public file.²³¹ The Commission also asked whether licensees should be required to upload their responses, if any, to such Commission actions.²³² The Commission noted that this is the sort of information that the public would want to find in reviewing a licensee's public file, that this is a natural extension of the requirement to retain Commission correspondence, and that parties could seek confidential treatment of particular information in the filings, if necessary.²³³ Common Frequency argues that the Commission should require broadcasters to post all materials relating to complaints, petitions, and Commission orders, because the public has a right to know how a broadcaster is conducting its business.²³⁴

74. The public is entitled to review information regarding Commission investigations and complaints and we consider the scope of the disclosure rule for this material to be quite broad, although we also recognize that premature publication can hamper an investigation and that privacy concerns counsel some limitations on the online posting of some of this information. We conclude that, subject to any disclosure limitation included in a Commission inquiry itself or directed by the staff, the online public file must include Letters of Inquiry (“LOI”), any supplements thereto, and any other correspondence from the Commission commencing an investigation, materials related to such inquiries, licensee responses to these Commission inquiries, and any documents – including Commission orders – terminating or concluding the investigation or imposing penalties as a result of the investigation. We agree that public access to this type of information concerning a station – information that could be key to a full understanding of a station's performance of its duties as a licensee – is important and conclude that it must be placed in a station's online public file. This material is relevant to any member of the public that wishes to participate in a station's license renewal process or to otherwise review and evaluate the service a station is providing to its

²²⁷ PIPAC Comments at 28; Common Frequency Comments at 5.

²²⁸ *Revision of Programming and Commercialization Policies, Ascertainment Requirements, and Program Log Requirements for Commercial Television Stations*, Report and Order, 98 FCC 2d 1076, at ¶ 76 (1984).

²²⁹ *Id.* at ¶ 77.

²³⁰ 47 C.F.R. §§ 73.3526(e)(10); 73.3527(e)(11).

²³¹ *FNPRM* at ¶ 30.

²³² *Id.*

²³³ *Id.*

²³⁴ Common Frequency Comments at 5.

community of license. We will therefore adopt the tentative conclusion in the *FNPRM* that stations' online public files should contain all material relating to a Commission investigation. Unless directed to the contrary by the Commission (in an LOI or otherwise), stations will be responsible for uploading any materials related to a Commission investigation or inquiry that they generate or possess (such as responses to LOIs and relevant documents related to an investigation). To reduce burdens on stations, the Commission, as it deems appropriate, will post to the online public file any material that it originates relating to an investigation, such as LOIs and other investigative requests. The Commission will also post to the online public file any complaint or complaints that it possesses and that underlie an investigation, if doing so is feasible, will not interfere with or obstruct an investigation and disclosure is consistent with any privacy concerns that publication might raise. When there are circumstances in investigatory and enforcement contexts that would weigh against the disclosure of Commission investigations and related materials, the Commission or the staff may inform a licensee that a Letter of Inquiry or request for information or other material related to a particular investigation need not be placed in the public file or uploaded to the online public file.²³⁵

75. With respect to complaints that have not prompted an LOI or other investigative request, whether filed with the Commission or submitted only to the station, we believe local retention in the station's correspondence file is appropriate. We conclude, as a general matter, that privacy concerns weigh against routine online posting of these complaints.²³⁶

76. A few commenters argued that the Commission should not require broadcasters to include information about erroneous or meritless allegations in the online public file.²³⁷ They argue that these claims may be unsubstantiated, and that persons with interests adverse to a broadcaster would have an incentive to file false or irrelevant complaints to establish a record tarnishing the broadcaster's character that could be used against it in the license renewal process, and that the increased accessibility to such false claims will increase such incentives.²³⁸ As discussed above, we are not requiring stations to include complaints that are not the subject of a Commission investigation in their online public files, though they are required to include them in their local correspondence files unless the Commission specifies otherwise. We believe that commenters' concern about erroneous or meritless allegations is adequately addressed by allowing stations to include their responses to such complaints in their correspondence files.²³⁹ As the Commission and the courts are the final arbiters of whether allegations are meritorious, we will not allow individual stations to decide whether particular investigations and complaints against them should be kept out of the public file.

²³⁵ In the *FNPRM*, the Commission acknowledged concerns expressed in reconsideration petitions about posting to the online public file any material that is the subject of an indecency investigation or complaint, and tentatively concluded that such concerns were unfounded because such material is relevant to the renewal process and the Commission already posts information relating to indecency investigations, such as Notices of Apparent Liability and Forfeiture Orders, on its website. *FNPRM* at ¶ 30. As is the case today, stations filing responsive materials subject to a confidentiality request may place copies of their filings into the online database with the confidential material redacted. See 47 C.F.R. § 0.459.

²³⁶ The Commission or relevant Bureaus on delegated authority, however, may expressly direct a licensee to post such complaints – ones not related to any Commission investigation or inquiry – to the online public file, or it may do so itself, if circumstances warrant.

²³⁷ Bouchard Broadcasting Comments at 2; Joint Television Parties Reply at 23; Four Commercial and NCE Licensees Comments at 5.

²³⁸ Joint Television Parties Reply at 23.

²³⁹ As discussed above, stations are *required* to include in their public files responses to Commission investigations, unless directed otherwise in the LOI.

77. *EEO and Children's Requirements.* Under the Commission's equal employment opportunity ("EEO") rules, all broadcast stations that are required to create an EEO public file report are also required to place their most recent annual report in their public file and post a link to the report on their website, if they have a website.²⁴⁰ This requirement was established in order to facilitate meaningful public input, as the public has a "right to participate in the process of monitoring and enforcing our EEO Rule, which directly impacts them."²⁴¹ We will continue to require that stations make their EEO materials available on their websites, if they have one. In an effort to reduce burdens on broadcasters, however, we will permit stations to fulfill this website posting requirement by providing on their own website a link to the EEO materials on their online public file page on the Commission's website.

78. Similarly, in light of our decision in this Order to require stations with websites to provide a link to the online public file on their homepage,²⁴² we will not require that stations with websites also post copies of their Children's Television Programming Reports (FCC Form 398) on their websites. In the *Further Notice of Proposed Rulemaking* in MM Docket No. 00-44, the FCC sought comment on whether broadcasters should be required to provide their completed Form 398s on their own websites.²⁴³ Members of the public interested in viewing a station's Form 398 will be able to locate that filing from the online public file and, therefore, we do not believe it is necessary to require stations to post the forms on their own websites.

79. *Existing Public File Sponsorship Identification Requirements.* Although, as discussed below, we do not impose new sponsorship identification reporting requirements, we also do not exempt existing public file requirements regarding sponsorship identification from the online posting requirement. Specifically, we decline the request by the National Religious Broadcasters ("NRB") to exempt from the online public file the disclosure of material required in Section 73.1212(e) of our rules – namely, where "material broadcast is political matter or matter involving the discussion of a controversial issue of public importance and a corporation, committee, association or other unincorporated group, or other entity is paying for or furnishing the broadcast matter," stations must disclose "a list of the chief executive officers or members of the executive committee or of the board of directors of the corporation, committee, association or other unincorporated group, or other entity."²⁴⁴ Requiring that this information be included in the online public file should impose little burden on broadcasters, as this information is already being maintained in the local file.²⁴⁵

²⁴⁰ 47 C.F.R. § 73.2080(c)(6).

²⁴¹ *Review of the Commission's Broadcast and Cable Equal Employment Opportunity Rules and Policies*, 17 FCC Rcd. 24018, ¶ 140 (2002), *recon. pending*.

²⁴² See Section III.F., *infra*.

²⁴³ See *Extension of the Filing Requirement For Children's Television Programming Reports (FCC Form 398), Report and Order and Further Notice of Proposed Rulemaking*, 15 FCC Rcd 22921, 22930, ¶¶ 25-27 (2000). See also *2007 Report and Order*, 23 FCC Rcd at 1283, ¶ 23, *vacated*, 26 FCC Rcd 15788, ¶ 59 (2011).

²⁴⁴ 47 U.S.C. § 317(a)(1); 47 C.F.R. § 73.1212(e). We note that the rule also states that "[i]f the broadcast is originated by a network, the list may, instead, be retained at the headquarters office of the network or at the location where the originating station maintains its public inspection file." In addition, Section 315(e) of the Act, added by BCRA, requires that with respect to messages relating to any "political matter of national importance," the political file must contain "the name of the person purchasing the time, the name, address, and phone number of a contact person for such person, and a list of the chief executive officers or members of the executive committee or of the board of directors of such person." 47 U.S.C. § 315(e)(2)(G). This information must be included in the political file, and therefore must be posted to the online file along with other political file information.

²⁴⁵ See fn. 201, *supra*, indicating the steps we will be taking to address the PII in the station files to be posted.

80. In addition, we reject NRB's argument that making such lists available via the Internet will violate citizens' First Amendment rights to enjoy a level of privacy and anonymity regarding their political, social, moral, and religious values and beliefs, and associations.²⁴⁶ NRB argues that this will have a chilling effect on citizens' willingness to participate in political campaigns.²⁴⁷ PIPAC responds that making such already-public records available via the Internet does not change the substance of the existing retention requirement.²⁴⁸ We agree.²⁴⁹ We also agree with PIPAC that courts, in evaluating First Amendment challenges, have embraced disclosure of sponsors of political advertisements as promoting speech and discussion, not chilling it. As the Supreme Court stated in *Citizens United v. FEC*, "transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages" and that "[w]ith the advent of the Internet, prompt disclosure of expenditures can provide shareholders and citizens with the information needed to hold corporations and elected officials accountable for their positions and supporters."²⁵⁰ Similarly, the First Circuit determined that state laws requiring disclosure of the names of board members on political action committees "neither erect a barrier to political speech nor limit its quantity. Rather, they promote the dissemination of information about those who deliver and finance political speech, thereby encouraging efficient operation of the marketplace of ideas."²⁵¹

4. Proposals to Increase the Public File Requirement Rejected.

81. We decline to adopt any new disclosure obligations with respect to sponsorship identifications and shared services agreements at this time. While we continue to believe that the public would likely benefit from further information regarding sponsorship identifications and shared services agreements as discussed in the *FNPRM*,²⁵² we believe it inadvisable to impose new reporting requirements at the same time stations are transitioning to the online public file. We wish to ensure that this *Second Report and Order*, in all major respects, involves changing only the form of disclosure and location of material already required to be included in the public file. We discuss both of these categories below.

82. *Sponsorship Identifications.* We will not at this time require new written disclosure of sponsorship identifications in the online public file, as proposed in the *FNPRM*. Section 317 of the Communications Act requires that broadcasters disclose to their listeners or viewers at the time of broadcast whether material was aired in exchange for money, services, or other valuable consideration.²⁵³ The Commission's sponsorship identification rules implement these provisions and require that stations

²⁴⁶ National Religious Broadcasters Comments at 9-12. See also Ex Parte Presentation of Target Enterprises at 15-16 (filed April 19, 2012).

²⁴⁷ *Id.* at 11.

²⁴⁸ PIPAC Reply at 11.

²⁴⁹ In addition, we find NRB's argument that this disclosure will chill citizens' speech overstated, as the disclosure requirement in Section 73.1212(e) of our rules applies to executives and board members of sponsoring organizations; it does not relate to individuals' campaign contributions or other political activities. 47 C.F.R. § 73.1212(e). We note also that the FEC requires candidates committees to report to the FEC the identity of individuals who contribute more than \$200 to a candidate's campaign. 2 U.S.C. § 434(b)(3). The identity includes the individual's name, mailing address and occupation, as well as the name of his or her employer. 2 U.S.C. § 431(13)(A).

²⁵⁰ *Citizens United v. Federal Election Commission*, 130 S.Ct. 876, 916 (2011)

²⁵¹ *National Organization for Marriage v. McKee*, 649 F.3d 34, 40 (1st Cir. 2011).

²⁵² *FNPRM* at ¶ 31. See also *INC Report* at 28, 349.

²⁵³ See 47 U.S.C. § 317.

provide an on-air disclosure when content is paid for, furnished, or sponsored by an outside party.²⁵⁴ With the exception of sponsored political advertising, and certain issue advertising that must be disclosed in writing, these rules require that stations make an on-air disclosure only once during the programming and that the disclosure remain on the screen long enough to be read or heard by an average viewer.²⁵⁵ The *FNPRM* noted that the *INC Report* discussed examples of “pay-for-play” arrangements at local TV stations, where “advertisers have been allowed to dictate, shape or sculpt news or editorial content.”²⁵⁶

83. While we agree with commenters that additional written sponsorship disclosures – posted to a station’s public file – would benefit the public by addressing the shortcomings of sometimes fleeting on-air disclosures and would provide valuable information that is otherwise difficult to collect,²⁵⁷ we are also persuaded that we lack sufficient information at this time to properly evaluate the burden that complying with this requirement would impose.²⁵⁸

84. *Sharing Agreements.* We also decline to adopt the tentative conclusion that stations include sharing agreements in the online public file. In the *FNPRM*, the Commission asked whether sharing agreements among licensees, such as local news sharing and shared services agreements, should be available in the online public file.²⁵⁹

Some broadcasters argue that the disclosure of sharing agreements is beyond the scope of this proceeding, and should be considered in a separate proceeding.²⁶⁰ They argue that the Commission must first solicit comment and determine the legal status of such agreements.²⁶¹ They argue that there has been no determination that shared services agreements are relevant to compliance with any Commission rules or standards, unlike time brokerage agreements and joint sales agreements, which the Commission has deemed to have attribution implications, and which are required to be placed in the public file.²⁶² Some note that the recent 2010 Quadrennial Review seeks comment on sharing agreements, and argue that it

²⁵⁴ See 47 C.F.R. § 73.1212.

²⁵⁵ The implementing rule has long had an additional public file recordkeeping component for political and controversial issue announcements, as discussed further below.

²⁵⁶ *FNPRM* at ¶ 33, citing *INC Report* at 349. Despite our decision not to add new reporting requirements, we continue to believe that issues pertaining to sponsorship identification and “pay-for-play” are important. We will continue to monitor the use of these practices, and enforce the statute as appropriate. See *Fox Television Stations, Inc.*, Notice of Apparent Liability for Forfeiture, 26 FCC Rcd 3964 (Enf. Bur. 2011) (finding that Fox’s airing of the VNR material on Station KMSP-TV’s June 19, 2006, news program without the required sponsorship identification announcement constituted an apparent violation of Section 317 of the Act and Section 73.1212 of the Commission’s rules), *aff’d*, Forfeiture Order, 26 FCC Rcd 9485 (Enf. Bur. 2011) (forfeiture paid); *Access.1 New Jersey License Co., LLC*, Notice of Apparent Liability for Forfeiture, 26 FCC Rcd 3978 (Enf. Bur. 2011) (finding that Access.1’s airing of the VNR material on Station WMGM-TV’s October 18, 2006 news program without providing a sponsorship identification announcement was an apparent violation of Section 317 of the Act and Section 73.1212 of the Commission’s rules) (forfeiture paid).

²⁵⁷ PIPAC Comments at 22, Reply at 19. See also Glenn Frankel at 2; Association for Education in Journalism and Mass Communication Reply at 1; Association of Healthcare Journalists Reply at 1; Free Press Reply at 1.

²⁵⁸ Joint TV Broadcasters Comments at 11; Bouchard Broadcasting Comments at 2; Four Commercial and NCE Licensees Comments at 5.

²⁵⁹ *FNPRM* at ¶ 35.

²⁶⁰ NAB Comments at 28, Replies at 27; Joint Broadcasters Comments at 20; Joint Television Parties Reply at 20.

²⁶¹ Joint Broadcasters Comments at 21; Joint Television Parties Reply at 20.

²⁶² Joint Broadcasters Comments at 20; NAB Reply at 28.

would be premature to require disclosure of sharing agreements prior to the conclusion of that review.²⁶³ We disagree that the Commission must first address the appropriate regulatory status of such agreements prior to requiring their disclosure, as disclosure itself could inform those decisions and the Commission has wide latitude to impose such a requirement.²⁶⁴ Nonetheless, we decline to impose this new requirement on broadcasters as they transition to the online public file. We will continue to monitor this issue, and revisit a disclosure requirement either in this proceeding, or in the ownership proceeding, as suggested by broadcasters.²⁶⁵

D. Format of the Online Public File.

85. We will not establish specific formatting requirements for documents posted to the online public file at this time. Some commenters promoted making the data well-structured,²⁶⁶ as searchable as possible,²⁶⁷ and downloadable.²⁶⁸ PIPAC argues that the online public file should be searchable by text within the documents, and also by station, state, date, element of the public file and any other metadata contained in the file.²⁶⁹ They further argue that the file should provide an easy-to-use graphic interface in addition to an API, as these both provide searching and downloading of documents and metadata en masse.²⁷⁰ We agree that certain information in the public file would be of much greater benefit to the public if made available in a structured or database-friendly format that can be aggregated, manipulated, and more easily analyzed; this continues to be our ultimate goal.²⁷¹ We agree with PIPAC, however, that converting the files to this format would take time and money, and the online public file should not be delayed in order to make all of the material in it available in such a manner.²⁷² PIPAC argues that this will likely result in the submission of documents in non-searchable, non-machine readable

²⁶³ Joint Broadcasters Comments at 20.

²⁶⁴ See 47 U.S.C. § 303(j); *Office of Communications of United Church of Christ v. FCC*, 779 F.2d 702, 707 (D.C. Cir. 1985) (“There is no question but that the Commission has the statutory authority to require whatever recordkeeping requirements it deems appropriate.”).

²⁶⁵ Because we decline to adopt this requirement, we will not address comments pertaining to the scope of shared services agreements covered by this proposal. See, e.g., American Cable Assn. Comments at 14-15; Time Warner Cable Reply at 12-13.

²⁶⁶ Ryan Thornburg Comments.

²⁶⁷ Time Warner Cable Reply at 13.

²⁶⁸ Common Frequency Comments at 6; PIPAC Comments at 29.

²⁶⁹ PIPAC Comments at 29. In addition, the *INC Report* finds that information “needs to be put out in standardized, machine-readable, structured formats that make it easy for programmers to create new applications that can present the data in more useful formats, or combine one agency’s information with another” *INC Report* at 207.

²⁷⁰ PIPAC Comments at 29-30. The *INC Report* states that “data releases should include an Application Programming Interface (API) that allows the data to be shared easily with other computers and applications.” With respect to broadcasters’ public files in particular, the *INC Report* states that “[o]nline disclosure should be done according to the principles advocated by experts on transparency: in standardized, machine readable and structured formats.” *INC Report* at 207, 348.

²⁷¹ We note that the Commission is part of the Task Force on Smart Disclosure: Information and Efficiency in Consumer Markets, established by the National Science and Technology Council Committee on Technology. The Task Force is investigating best practice approaches to “smart disclosures,” which are disclosures to consumers that are accessible and usable, such as in electronic, machine readable formats. See http://wiki.citizen.apps.gov/SmartDisclosure/images/5/55/NSTC_Charter_v15-25-11.pdf.

²⁷² PIPAC Comments at 30. See also *FNPRM* at ¶ 37.

format, but it believes this proposal represents a reasonable trade-off between maximizing searchability and the need to expedite access to broadcasters' online public files.²⁷³ We agree that this trade-off is reasonable, and adopt the Commission's tentative conclusion that the benefits of an online public file should not be delayed. At this time we therefore will not require broadcasters to undertake the burdens of altering the form of documents already in existence prior to posting them to the online public file.²⁷⁴ We observe, though, that even without mandating that documents be filed in a particular format, our creation of a centralized, orderly public file will facilitate search and analysis across all elements of stations' public files.

86. We adopt the *FNPRM*'s proposal to require stations to upload any electronic documents in their existing format to the extent feasible.²⁷⁵ For example, to the extent that a required document already exists in a searchable format – such as the Microsoft Word .doc format or non-copy protected text-searchable .pdf format for text filings, or native formats such as spreadsheets in Microsoft .xml format for non-text filings – broadcasters are expected to upload the filing in that format to the extent technically feasible.²⁷⁶ PIPAC agreed with our proposal to require stations to file documents in their native electronic format.²⁷⁷ We understand that it may be difficult for stations to provide older material that has been in the public file for some time in its native format. In those instances, we understand that stations may need to scan these materials for electronic upload into the online public file. We expect that the need to do this will diminish over time.

87. Also consistent with the *FNPRM*, the Commission will use optical character recognition on public file materials that are scanned, and by default are non-searchable. The Commission asked in the *FNPRM* whether, to the extent documents are posted in a non-searchable format, the Commission should digitize the documents and perform optical character recognition (“OCR”) on them.²⁷⁸ PIPAC agrees with the Commission's suggestion that if a broadcaster posts a record in only a non-searchable format, the Commission should use an OCR tool to permit maximum searchability.²⁷⁹ We determine that, when appropriate, the Commission will use OCR.²⁸⁰

88. *Metadata.* We will not require stations to create or preserve metadata in the online public

²⁷³ PIPAC Comments at 30.

²⁷⁴ Given our decision not to require documents to be converted to other formats for inclusion in the online file, we find no need to consider NAB's argument that we should convene a working group to explore formatting issues. NAB Comments at 29-30. *See also* Bouchard Broadcasting Comments at 2 (advocating the use of MS Word .doc over .pdf); Hubbard Broadcasting Comments at 2 (arguing that pdf should be considered compliant).

²⁷⁵ *FNPRM* at ¶ 37.

²⁷⁶ *Id.* *See also* Amendment of the Commission's *Ex Parte* Rules and Other Procedural Rules, GC Docket No. 10-43, *Report and Order and Further Notice of Proposed Rulemaking*, FCC 11-11, 26 FCC Rcd 4517, ¶¶ 49-52(2011).

²⁷⁷ PIPAC Comments at 29-30.

²⁷⁸ *FNPRM* at ¶ 37.

²⁷⁹ PIPAC Comments at 30-31. PIPAC notes that commonly available document formats - including Microsoft Word .doc, .txt, .pdf or .odf - can be searched, and can easily be converted into a .pdf file that can be processed by an OCR tool so the contents can be loaded into a searchable database. But commenter Ryan Thornburg notes that OCR software is expensive and faulty, and prefers that the Commission require well-structured formats. Ryan Thornburg Comments at 2. For the reasons discussed above, we decline to do so at this time.

²⁸⁰ OCR will be used when text cannot be extracted from the uploaded document format. When documents are uploaded to the online public file, documents that are not in recognized formats will be automatically pushed into OCR, which will scan the document to extract as much text as possible.

file. In the *FNPRM*, the Commission asked whether users should be able to determine when each item was uploaded to the file, whether the Commission should make available metadata about who uploaded the item, and if there were any concerns about metadata disclosures for confidential or privileged information.²⁸¹ NAB anticipates that many stations may use software that removes metadata from its documents for reasons of confidentiality, privilege, or privacy, and does not see value in disclosing who uploaded a document, other than differentiating between documents uploaded by the Commission versus a station.²⁸² The Sunlight Foundation noted that as long as each station provides contact information, there is no need for the metadata to identify the individual who uploads a filing.²⁸³ We agree, and determine that stations using software that removes metadata will not be required to make any modifications. Given that we will be requiring station contact information, as discussed above, we do not believe that it is necessary to make metadata information available as part of the online public file. However, the Sunlight Foundation also argues that being able to identify the time and date of a filing is important, as it helps to track the most recent version of a particular filing, and allows the user to create a timeline of submitted files.²⁸⁴ This information, which is captured by the system as files are uploaded, does not generate similar privacy concerns as the metadata contained within the documents uploaded by stations. Our system may present information on the date and time of a filing to users.

E. Implementation.

89. Having concluded that broadcast television stations must upload the contents of their public file, other than the political file and letters from the public, to a Commission-hosted online public file, we next discuss issues relating to implementation of the new posting procedure. As with our consideration of all the issues covered by this Order, our resolution of implementation issues is guided by a commitment to creating an online public file experience that is not burdensome for broadcasters, and is as useful as possible for the public.

90. *Cloud-Based Solution.* We plan to develop the online public file in accordance with the Federal Government's "Cloud First Policy" which directs agencies to default to scalable and elastic, cloud-based solutions for increased reliability at lower cost.²⁸⁵ The public file, consisting entirely of publicly disclosed material, is ideal for leveraging the cloud-based hosting solutions. We anticipate being able to design an online public file that is highly available, scalable, cloud-based, and eliminates any user wait times associated with processing documents after upload. We expect that this will enable stations to upload public file material in a timely fashion, including uploading political file material promptly even

²⁸¹ *Id.* at ¶ 38.

²⁸² NAB Comments at 30.

²⁸³ Sunlight Foundation Comments at 3. The Sunlight Foundation also argues that there should be a way for the public to provide feedback to the broadcaster on the data in the filings. *Id.* We encourage an open dialogue between users of public file data and broadcasters, but the initial phase of the online public file will only allow for broadcasters and the Commission to upload information into each station's online public file.

²⁸⁴ Sunlight Foundation Comments at 3.

²⁸⁵ Federal Cloud Computing Strategy, February 8, 2011 at 2, *available at* <http://www.cio.gov/documents/federal-cloud-computing-strategy.pdf>. Scalable is defined as "[s]omething that can be made larger or smaller relatively easily and painlessly." Newton's Telecom Dictionary (Steve Schoen, 25th ed. 2009) at 981. This will allow the capacity of the system to grow and shrink based upon use. Cloud computing is "[a]n Internet-based or intra-net based computing environment wherein computing resources are distributed across the network (i.e., the 'cloud') and are dynamically allocated on an individual or pooled basis, and are increased or reduced as circumstances warrant, to handle the computing task at hand. The user is blissfully unaware of where the computing resources reside." Newton's Telecom Dictionary (Steve Schoen, 25th ed. 2009) at 286.

during times of increased traffic prior to elections.

91. We disagree with broadcasters who argue that their experiences trying to file the revised Form 323 ownership reports suggest a Commission-created database would suffer from implementation problems.²⁸⁶ These commenters represent that it can take hours to upload just one attachment to the revised Form 323, and that the political file contains similarly large documents. They argue that such delays would be unacceptable with respect to the political file, where timely access is so important.²⁸⁷ We agree that it is essential that stations are able to upload public file documents, and particularly political files, efficiently, and that the online public file should be able to handle many stations uploading documents at the same time even during an election season. We recognize problems stations have experienced uploading the revised Form 323 and are working to fix those problems. But we do not anticipate similar problems with respect to uploading the public file. The delays in the Form 323 uploading process stem from the time required in the current Form 323 filing application to validate the large spreadsheets that must be filed with Form 323, and the validation queuing process. Public file documentation will not be subject to the validation process that is required for the Form 323 spreadsheets, nor will we need to impose a similar queuing system necessitated by the validation process. Furthermore, Form 323 was launched and run on existing FCC infrastructure. Since then, the Commission has begun utilizing scalable cloud-based IT architecture solutions to enhance the agency's capabilities. In particular, the Commission anticipates using for online public files the same scalable architecture that currently is being used successfully for the Customer Proprietary Network Information certification document filing system and the National Broadband Map.²⁸⁸

92. *Back-up Files.* In lieu of requiring stations to maintain back-up copies of all public file materials, as proposed in the *FNPRM*, the Commission will generate copies of their online files. With respect to the political file, however, we will require stations to maintain local electronic back-up files to ensure that, in the event our online public file were to become temporarily unavailable, they can comply with their statutory obligation to make that information available to candidates, their representatives, non-candidate political time buyers and the public generally as soon as possible. To minimize any burden imposed by this requirement, we have developed tools to allow stations to easily copy mirrors of their online public files, which contain the political files.

93. In the *FNPRM*, the Commission proposed that stations retain electronic copies for back-up purposes of all public file items in the event the Commission's online public file were to become unavailable or disabled.²⁸⁹ The Commission also proposed that in such circumstances, stations would have to make these back-up files available to the public.²⁹⁰ We are persuaded by commenters, however, that requiring stations to maintain back-up copies of all public file materials and to make them routinely available directly to the public would reduce the efficiencies of placing the public file online.²⁹¹ These commenters explain that such an approach would force stations to continue maintaining a separate complete public file on site

²⁸⁶ Hubbard Broadcasting at 2-3; Joint Broadcasters at 2; Joint Television Parties Reply at 3.

²⁸⁷ Hubbard Broadcasting at 3.

²⁸⁸ See <http://apps.fcc.gov/eb/CPNI/>; <http://broadbandmap.gov/>.

²⁸⁹ *FNPRM* at ¶ 18.

²⁹⁰ *Id.*

²⁹¹ Four Commercial and NCE Licensees Comments at 4; North Carolina Assn. of Broadcasters *et al.* Comments at 5-6; Broadcasting Licenses, L.P. *et al.* ("Joint TV Broadcasters") Comments at 7 (arguing that requiring a back-up political file will at least double the burdens of the proposed requirements). See also APTS and PBS Comments at 3; Alabama Educational Television Commission *et al.* ("Public Television Licensees") Reply at 6.

so as to comply with the Commission's rules at a moment's notice.²⁹²

94. To ensure that stations' public files are available even if the Commission's online public file were to become temporarily unavailable or in the event technical problems prevented broadcasters from accessing the Commission's online file, we will create "failover"²⁹³ backups of the online public file, including mirroring daily snapshots of the public file.²⁹⁴ That is, the Commission will make a mirror copy of each station's public file records daily to ensure that if the data in the online public file is compromised, the public files can be reconstituted using the back-up copy. Thus, the Commission will relieve stations of the burden of maintaining a back-up of the entire public file locally. In addition, with the exception of the political file, discussed below, will not make stations responsible for making available to the public information from the public file in the event the Commission's online files become temporarily inaccessible;²⁹⁵ the mirroring approach will enable us to perform the back-up function ourselves. To the extent the public may experience a delay in accessing the information due to the brief unavailability of the online file, we consider that delay (with the exception of the political file), on balance, to be acceptable in order not to burden broadcasters with the necessity of making public file materials available to the public at the station. If the Commission's online file becomes temporarily inaccessible to stations for the uploading of new documents, however, stations must maintain those documents and upload them to the online file once it becomes available again for upload. The Commission will also daily make the mirror copy of every station's public file available for the station or other interested parties to download so that, if they wish, they can periodically download a complete mirror of their public file or automate a periodic synchronization.

95. As suggested in the *FNPRM*, we conclude that additional steps should be taken to ensure that access to the political file is not compromised.²⁹⁶ Accordingly, if the Commission's online public file were to become temporarily unavailable, stations will be required to provide any information pertaining to the political file not just to candidates, their representatives and other political time buyers, but directly to any member of the public as well. The benefits of making such information available immediately outweigh the burdens of maintaining this limited back-up requirement. Given the short seven-day deadline for candidates to request equal opportunity appearances,²⁹⁷ it is essential to candidates' exercise of their rights under the Act that they have prompt access to political file information. Moreover, limiting that access to candidates and their representatives would be inconsistent with the Communications Act, which requires that political file information shall be "available for public inspection" and "placed in a political file as soon as possible."²⁹⁸ These requirements do not distinguish between candidates and their representatives and other members of the public. In addition, although only candidates have rights to

²⁹² APTS and PBS Comments at 3.

²⁹³ Failovers are defined as "[w]hen one individual computer fails, another automatically takes over its request load. The transition is invisible to the user. Failover involves switching off the failed redundant component and switching on the backup unit. A disk subsystem is running in failover mode when it switches to a hot spare or begins to use the backup disk in a mirrored pair." See Newton's Telecom Dictionary (Steve Schoen, 25th ed. 2009) at 460.

²⁹⁴ See Common Frequency Comments at 2.

²⁹⁵ Although we will not require stations to maintain back-up copies of the public file, stations are free to maintain back-up materials and to continue to make the public file available locally or on their own website, in addition to on our website, if they choose to do so.

²⁹⁶ *FNPRM* at ¶ 18.

²⁹⁷ 47 U.S.C. § 315(a), 47 C.F.R. § 73.1941.

²⁹⁸ 47 U.S.C. § 315(e)(1), (3); see also 47 C.F.R. § 73.1943 (requiring the same, and stating that "[a]s soon as possible means immediately absent unusual circumstances").

equal opportunities and lowest unit charge under Section 315,²⁹⁹ other members of the public may also have time-sensitive needs to access a station's political files. For example, a sponsor of a political issue advertisement may have a significant interest in ascertaining which candidates or other issue advertisement sponsors have bought time at a station.

96. The Commission is taking all steps necessary to ensure that the Commission-hosted online public file will not become unavailable, and we expect instances of unavailability to be both rare and of short duration. As a result, we do not expect the requirement to provide back-up access to the political file during any times of outages to be overly burdensome. In addition, we will allow stations to retain such information in whatever form is most convenient for them. Our making mirror copies of stations' public files available to stations, as described above, will enable stations to comply with the political file back-up requirement with little burden. That is, while not required, stations may choose to meet the political file back-up requirement by periodically downloading a mirror copy of the public file. When choosing this option, stations will need to ensure that they retain any political file records that have not been uploaded or were uploaded after their last download of a mirror copy of their online public file. This means that if a station decides to download a mirror copy of their online public file on a weekly basis, it will need to maintain at the station, in paper or electronic form, any documents that have not been uploaded or that it uploaded to the online political file after its last weekly download. If a station chooses to download a mirror copy of their online public file on a monthly basis, it will need to maintain at the station any documents that have not been uploaded or that it uploaded to the online political file after its last monthly download. If a station chooses not to download a mirror copy of their online public file, and does not otherwise satisfy the back-up requirement, it will need to maintain at the station all documents required to be in its online political file. We stress that stations will only be required to make these backups available if and during such time as the Commission's online public file is unavailable, which we believe will only happen in rare instances, such as national or localized emergencies, because the Commission will follow necessary protocols for creating failover backups of the online public file.

97. *Compliance Dates.* In order to facilitate a smooth transition to the online public file, we will provide a phase-in period for stations to begin uploading files. Stations will be required to begin using the online public file after the effective date of this Order, which is 30 days after the Commission announces in the Federal Register that OMB has completed its review under the Paperwork Reduction Act and approved the collection.³⁰⁰ After the effective date, if a station determines that any document must be placed in the public file, that document must be posted to the online public file. We refer to this as the requirement to post documents online "on a going-forward basis." In order to ensure that broadcasters have time to familiarize themselves with the online public file, the Commission will make a version available to the public soon after adoption of this item. We also instruct the staff to help educate broadcasters about the online public file and how it functions.

98. To ensure that existing public file materials – that is, the public file as it exists prior to the effective date – are uploaded to the online public file in an orderly manner, we will give broadcasters sufficient time to do so. Stations will be permitted to begin uploading existing public file materials immediately after the effective date, at the same time stations must also begin posting online documents

²⁹⁹ 47 U.S.C. § 315(a), (b).

³⁰⁰ Pub. L. No. 104-13. The Commission previously sought comment on the paperwork burden associated with these proposals. See 76 FR 72144 (Nov. 22, 2011). Because the Order today substantially adopts the item as proposed in the *FNPRM*, with the exception of a few proposed collections that we are declining to impose, a 30 day public comment cycle will be appropriate. 5 CFR 1320.11(h). The Commission will publish a notice in the Federal Register regarding the reduced paperwork burdens adopted in this Order. The OMB review process will then commence.

on a going-forward basis. Stations must complete the process of uploading the existing public file within six months after the effective date, *i.e.*, six months after the Commission publishes a notice in the Federal Register announcing OMB approval under the Paperwork Reduction Act. We believe that giving stations six months to complete the upload of existing files will provide broadcasters adequate time and flexibility to undertake this process.

99. *Accessibility for People with Disabilities.* In the *FNPRM*, the Commission stated that it intended to ensure that the online public files, like the rest of the Commission's website, is accessible to people with disabilities. Under Section 508 of the Rehabilitation Act, federal agencies must ensure that members of the public who have disabilities and who are seeking information or services from a federal agency "have access to and use of information and data that is comparable to the access to and use of the information and data by such members of the public who are not individuals with disabilities."³⁰¹ For federal agencies, including the Commission, this requires access by people with disabilities to the agencies' websites, including electronic filing systems, such as the Commission's ECFS. In the *FNPRM*, we sought comment on whether further actions were necessary to ensure compliance with respect to the online public file. No commenters raised concern about this issue. To assure compliance, the Commission will perform accessibility tests and address any known issues once the online public file has been created. We believe that Commission compliance with the requirements imposed by Section 508 of the Rehabilitation Act will be sufficient to ensure that the online public file is accessible to individuals with disabilities. If we learn of any problems with accessibility of the online public file, we will revisit this issue.³⁰²

100. *Geographic Coverage Area.* The Commission's online public file will be available to anyone who has Internet access, regardless of their location. Two petitioners on reconsideration of the 2007 *Report and Order* suggested that broadcasters should be permitted to limit online public file access to viewers within a station's geographic coverage area.³⁰³ The Commission concluded in the *FNPRM* that it saw no reason to limit online access to the public file, nor did it know of a workable mechanism for implementing and enforcing such a proposal.³⁰⁴ No commenter opposed this tentative conclusion, and commenters in support agreed that limiting access to a station's public file to viewers within a station's viewing area would be misguided.³⁰⁵ We believe it entirely consistent with Congressional intent in adopting Section 309 of the Act to enhance the ability of both those within and those beyond a station's service area to participate in the licensing process.³⁰⁶ We see no additional burdens, and several benefits, in providing full access to the public file of each station.³⁰⁷ We note, moreover, that such a restriction would reduce the scope of public access now provided by our rules³⁰⁸ – a result clearly at odds with our objective of increasing the transparency and availability of public records. We conclude that each

³⁰¹ See 29 U.S.C. § 794d(1)(A)(ii).

³⁰² As discussed further above, we plan to use optical character recognition tools to enhance the searchability of some documents. We believe that this may help facilitate accessibility for individuals who are blind or vision impaired. See ¶ 87, *supra*.

³⁰³ *FNPRM* at ¶ 19.

³⁰⁴ *Id.*

³⁰⁵ Common Frequency Comments at 2; LUC Media Comments at 7.

³⁰⁶ *FNPRM* at ¶ 19. See also 2007 *Report and Order* at ¶ 13.

³⁰⁷ See Section III.A, *supra*.

³⁰⁸ There is no current restraint – based on residency or any other "local" connection – on members of the public who may demand and obtain access to any station's public file.

station's online public file will not be limited to viewers within its geographic coverage area.

101. *Maintenance.* In order to keep each public file orderly, we conclude that stations must actively maintain their online public file, although the Commission will ensure that items filed in CDBS are updated in the public file as they are updated on CDBS. In the *FNPRM*, the Commission proposed that stations would be expected to maintain their online public files, ensuring that the files contain the information required by the public file rules and that items be removed once they no longer must be retained under our rules.³⁰⁹ In response, APTS and PBS argue that it would be more efficient for the Commission automatically to replace old materials when new materials are imported into the public file.³¹⁰ They argue that it is inefficient and burdensome for stations to be required to monitor the addition and deletion of materials.³¹¹ They also argue that the Commission should avoid introducing contradictory objectives by punishing stations for sharing information above and beyond what is required while still expecting the stations to increase disclosure so the public is informed of the station's broadcast services.³¹²

102. We believe it is important that stations maintain orderly public files. While one of our goals is increased disclosure, another is to be able to provide the public with relevant information in an efficient manner. We are concerned that if material is never removed from the online public file, it will be difficult for the public to find information that is relevant. We note that public file items have different document retention periods, and recommend that stations remove such items in a timely fashion. We do not require stations to remove each item at the end of its retention period, but note that stations are still required to maintain an orderly file. Each station's online public file should not become so overgrown with out-of-date documents that it is difficult to access relevant materials. To assist with this process, the Commission will strive to facilitate the identification and management of aging materials. The Commission will explore creating a mechanism to automatically identify documents that may be beyond their retention period, and flag such documents for station review. Some categories of documents, such as time brokerage agreements and joint sales agreements that need to be retained for as long as the items are effective, will need active management on the part of the station.³¹³ At a minimum, we will require stations to remove expired contracts when and if replacement agreements are uploaded. Materials in the online file will be disposed of consistent with the records schedule we will develop under the Federal Records Act.

103. *Certification.* We decline the request of two parties that the Commission remove a question on renewal Form 303-S that asks whether local public file documents have "been placed in the station's public inspection file at the appropriate times."³¹⁴ The two parties argue that this certification will be unnecessary, since the online public file will be available for anyone to evaluate for completeness. We disagree. Although the Commission will be importing into the online public file all items that are filed with the Commission in CDBS, stations will still be responsible for uploading to the online public

³⁰⁹ As required by the Federal Records Act, 44 U.S.C. §§ 3301, *et seq.*, the Commission will create a records schedule to set the retention and disposal of the files. The schedule will require approval by the National Archives and Records Administration. The records schedule will govern our handling of the station files.

³¹⁰ APTS and PBS at 4. *See also* Public Licensees Reply at 4; Four Commercial and NCE Licensees Comments at 4.

³¹¹ APTS and PBS at 4.

³¹² *Id.* at 15-16; Public Television Licensees Reply at 7.

³¹³ *See, e.g.*, 47 C.F.R. § 73.3526(e)(14)(requiring that time brokerage agreements "be retained as long as the contract or agreement is in force").

³¹⁴ Named State Broadcasters Assn. Comments at 16; Joint Television Parties Reply at 22.

file all other items required under our rules.³¹⁵ As there will still be a requirement that stations maintain their public files, it is necessary that stations certify to their compliance with this requirement at the time of license renewal. This certification requirement is designed to promote voluntary rule compliance.³¹⁶ In addition, as noted in the *FNPRM*, a successful upload of a station's public file on the Commission's website will not be considered agency approval of the material contained in the filing.³¹⁷ The purpose of online hosting is to provide the public ready access to the material, although Commission staff may review the material placed in each station's online public file, just as Commission staff currently reviews station public files to determine compliance with Commission rules.

104. *Working Group and Pilot Program.* We decline to adopt NAB's proposal that the Commission create a joint Commission-broadcaster working group or a pilot program to address the implementation issues and technical challenges raised by the online public file.³¹⁸ NAB argues that a working group, through which the Commission would work with broadcasters to design the online public file and develop rules for its use, would likely reduce overall costs and burdens for the Commission and stations by identifying more quickly potential problems and their solutions.³¹⁹ NAB and others also support a pilot program, through which a limited number of stations would test the online public file before the Commission requires broadcast stations to post files to it.³²⁰ These commenters argue that the Commission will gain valuable experience and insight if it conducts a pilot program involving the licensees of representative large, medium, and small market commercial and noncommercial educational television stations, and their trade association representatives.³²¹ Other implementation suggestions include transition periods, phase-in approaches, and workshops.³²²

105. For more than ten years the Commission has been exploring in this proceeding the best way to move broadcasters' public files online to make them more accessible. A broad group of

³¹⁵ In order to upload information into its online public file, a station will need to log in with the same credentials used to file station applications and materials in CDBS. This will ensure that only station licensees will be able to post information to their files.

³¹⁶ *1998 Biennial Regulatory Review—Streamlining of Mass Media Applications, Rules, and Processes*, Report and Order, 13 FCC Rcd 23056 at ¶ 23 (1998).

³¹⁷ *FNPRM* at fn 46.

³¹⁸ NAB Comments at 6, Reply at 3.

³¹⁹ NAB Comments at 36 (suggesting that the working group could consult on issues including the time and expense associated with the initial upload of material to the online file; the time and expense associated with adding additional material to the file; functionality of the online system and whether technical modifications are needed; any reactions from users of the public file that the station receives; additional staffing or outsourcing required; expenses for purchases associated with establishing and maintaining the public file; costs associated with specific provisions of the rules; and identification of changes in FCC rules needed to facilitate the placing of public files online).

³²⁰ NAB Comments at 30; Joint Television Parties Reply at 21; Named State Broadcasters Assn. Comments at 12-13; North Carolina Assn. of Broadcasters *et al.* Reply at 2,4; Public Television Licensees Reply at 4; Hubbard Broadcasting at 3. Named State Broadcasters Association argues that a pilot program is an important way for the Commission to meet its statutory obligations under the Paperwork Reduction Act. Named State Broadcasters Assn. Comments at 14. *See also* Ex Parte Presentation of Target Enterprises at 10-12 (filed April 19, 2012). We disagree with their argument that rules implementing the Paperwork Reduction Act require the Commission to test information collections a pilot program. *Id.*; *see* 5 C.F.R. § 1320.8(a)(6).

³²¹ Named State Broadcasters Assn. Comments at 13.

³²² NAB Comments at 32; Public Television Licensees Reply at 9.

commercial and noncommercial broadcasters has participated in every phase of the proceeding. We do not believe a working group or pilot program is necessary to ensure that the process of implementing an online public file is successful, and we believe that the creation of a working group as a condition precedent could unduly delay its implementation.³²³

106. We are addressing the concerns expressed about implementation, however. The Commission is undertaking rigorous testing of the online public file to ensure a smooth user experience. We will provide opportunities for user testing and education before stations are required to upload their online public files. Because our rules will require stations simply to upload information to a Commission-hosted online public file, a process similar to uploading applications to CDBS – which licensees have been doing for more than ten years³²⁴ – we do not believe that this process demands the kind of groundwork that broadcasters advocate. As already discussed, only 200 stations, or approximately 11% of all stations, will be required to upload their political files for the first two years. While this is not a pilot program, we believe that this smaller group of stations, which as major-network affiliates are generally likely to be relatively capable and sophisticated users of technology, can assist in meeting NAB’s stated goals of addressing implementation issues and technical challenges as they arise. In addition, as discussed above, we believe that the user testing and education we will provide will assist stations with any concerns they may have. Commission staff will be dedicated to assisting stations with any issues they may confront after implementation of the online public file. We will also explore the option of providing user or peer support groups to help stations identify and work through implementation issues. Such support groups can assist the Commission in identifying whether any issues are common to many users, or station-specific.

F. Announcements and Links

107. We decline to adopt the *FNPRM*’s proposal to require stations to make on-air announcements about the availability of the online public file, but do adopt the proposal that stations provide information about the online public file on their websites to the extent that they have them. In the *2007 Report and Order*, the Commission adopted a requirement that stations make twice-daily announcements about the online availability of the public file.³²⁵ On reconsideration, public television petitioners argued that this was unduly burdensome, and asked that the Commission reduce this requirement to a few times a week, at most.³²⁶ In the *FNPRM*, the Commission proposed that stations be

³²³One commenter claims that details of a “pilot program” were not properly raised in the *Further Notice*. See Ex Parte Presentation of Target Enterprises at 4-7, 17 (filed April 19, 2012). To the extent these notice concerns relate to the phase-in approach we are adopting in this proceeding, we note that in the *FNPRM*, the Commission sought comment on whether we should “consider creating different requirements for small television broadcasters.” *FNPRM* at ¶ 50. In any event, the Commission has discretion to implement changes in a step-by-step fashion. See *U.S. Cellular Corp. v. FCC*, 254 F.3d 78, 86 (D.C. Cir. 2001) (“agencies need not address all problems in one fell swoop”) (citations and internal quotation marks omitted); *Personal Watercraft Industry Assoc. v. Dept. of Commerce*, 48 F.3d 540, 544 (D.C. Cir. 1995) (“An agency does not have to ‘make progress on every front before it can make progress on any front.’”) (quoting *United States v. Edge Broadcasting Co.*, 509 U.S. 418, 434 (1993)); *National Association of Broadcasters v. FCC*, 740 F.2d 1190, 1207 (D.C. Cir. 1984) (“[A]gencies, while entitled to less deference than Congress, nonetheless need not deal in one fell swoop with the entire breadth of a novel development; instead, ‘reform may take place one step at a time, addressing itself to the phase of the problem which seems most acute to the [regulatory] mind.’”) (citations and internal quotation marks omitted, alteration in original).

³²⁴ See, e.g., Mass Media Bureau Implements Mandatory Electronic Filing of FCC Forms 301, 314 and 315, Public Notice, 16 FCC Rcd 3989 (2001).

³²⁵ *2007 Report and Order* at ¶ 31.

³²⁶ Joint Public Television Reconsideration Petitioners at 18.

required to notify viewers of the existence, location, and accessibility of a station's public file; it noted that if most viewers are unaware of the existence of the public file or how to access it, its usefulness would be greatly diminished.³²⁷

108. The Commission has long required stations to identify both the call letters of their stations and the cities which they are primarily licensed to serve in order to enable the public to readily "identify the stations to which they are listening and, further, to identify the communities which they are primarily licensed to serve."³²⁸ APTS and PBS argue that stations should have the option of making announcements regarding the online public file on their websites without having to also make an on-air announcement.³²⁹ APTS and PBS argue that on-air announcements are ineffective in informing the public because they are fleeting and might not reach all individuals within the community, whereas a notice on the station's website is more likely to be found by persons who are interested in accessing an online public file and can provide more detail.³³⁰ We are persuaded that providing information on a station's website about the existence and location of the online public file is a better means of ensuring that all viewers know about the availability of the online public file than requiring occasional on-air announcements. Stations will, however be required to revise their on-air pre- and post-filing renewal announcements to reflect the availability of a station's renewal application on the Commission's website, as reflected in Appendix A.

109. We adopt the tentative conclusion that stations that have websites be required to place a link to the online public file on their home page.³³¹ Common Frequency supports the proposal, and no commenter opposed it.³³² Although we have concluded that posting station information to an online public file hosted by the Commission will make the information easily accessible by viewers, we want to ensure that those viewers who seek such information on a station's website are directed to the online public file, particularly since stations will not be required to broadcast on-air announcements regarding the change in location of their public file. In lieu of requiring stations to announce on their websites the availability of their correspondence files at their main studios, we will include language in the online public file that directs the public to the station's main studio to access letters and email from the public.

110. We also adopt the *FNPRM*'s proposed requirement that stations that have websites include on their home page contact information for a station representative that can assist any person with disabilities with issues related to the content of the public files.³³³ PIPAC noted that for a person with disabilities, "the burden of searching through several pages or levels becomes an insurmountable barrier."³³⁴ We will adopt the proposal, which no commenter opposed.

G. Radio and Multichannel Video Programming Distributors

111. Consistent with the *FNPRM*, we limit this proceeding to television stations at this time.

³²⁷ *FNPRM* at ¶ 40.

³²⁸ *Amendment of Part 73 of the Commission's Rules and Regulations Relating to Station Identification Requirements*, Notice of Proposed Rulemaking, 6 FCC 2d 805, ¶ 2 (1967).

³²⁹ APTS and PBS Comments at 5. *See also* Public Television Licensees Reply at 4.

³³⁰ APTS and PBS Comments at 5; Public Television Licensees Reply at 8.

³³¹ *FNPRM* at ¶ 41. *See also* PIPAC *ex parte* at 5.

³³² Common Frequency Comments at 6.

³³³ *FNPRM* at ¶ 41. We note that if stations receive comments about the accessibility of the online public file system, it should direct those questions and concerns to the Commission.

³³⁴ PIPAC *ex parte* at 6.

In the *FNPRM*, the Commission noted that this proceeding is directed toward television broadcasters, and that we may require radio licensees to abide by similar public file reforms at a later date.³³⁵ LUC Media Group asks that the Commission consider requiring radio and cable systems to also maintain an online public file.³³⁶ We disagree that we should extend the online public file rules to radio and cable systems (or other multichannel video programming distributors (“MVPDs”)) at this time. First, because this proceeding has long focused only on television stations, we do not have a sufficient record concerning radio stations or MVPDs on which to consider possible new rules for those entities. Second, as discussed in the *FNPRM*, we anticipate that starting the online public file process with the much smaller number of television licensees, rather than with all broadcasters and MVPDs, will ease the initial implementation of the online public file.³³⁷

112. Public TV Licensees asks that we allow NCE radio stations, or at least those that are licensed to the same entity as, or under common control with, an NCE television station, to maintain their public inspection files online on the Commission’s website on a voluntary basis.³³⁸ Public Television Licensees argues that this will allow radio stations that are jointly owned or operated with television stations to avoid duplicative efforts from having to maintain two separate public file systems, involving some of the same documents.³³⁹ It notes that with respect to the NCE rules, all of the requirements for radio stations are being included in the proposed online public file.³⁴⁰ We appreciate that commonly owned and operated radio stations may prefer an early transition to the online public file. In this initial phase of implementing the online public file, however, we are concerned about adding a significant number of additional entities to the universe of users. As we and the broadcasting industry gain more experience with the online public file we will revisit the possibility of allowing stations not required to use the online public file to use it on a voluntary basis. We delegate to Commission staff the authority to allow (but not require) radio stations to voluntarily post their public files at such time as staff determines that such an option is feasible and desirable; this will ensure that radio stations wishing to avail themselves of the online public file can do so promptly. We further authorize Commission staff to take into account common-ownership considerations if appropriate.

³³⁵ *FNPRM*. at ¶ 43.

³³⁶ LUC Media Comments at 2. *See also* 47 C.F.R. § 76.1701(a); 47 C.F.R. § 25.701(d).

³³⁷ *FNPRM* at ¶ 43. We reject arguments that requiring television broadcasters to place their political files online will put them at a disadvantage with respect to competitors, such as MVPDs and radio stations. As discussed above, to the extent competitors and potential advertisers have an economic incentive to access this information, they can already do so at the station; the online disclosure rule will not alter the economic incentives of these entities in any meaningful way. *See* ¶ 39, *supra*. In any event, the Commission has discretion to implement changes in a multistep fashion. *See* fn 325, *supra*. We further note that 75% of political advertising is spent on broadcast television, thus demonstrating a preference by media buyers to utilize broadcast television over other forms of available media to reach voters or customers. *See* <http://www.pqmedia.com/about-press-20101215-pcms2010.html>; <http://www.deadline.com/2011/06/tv-stations-ready-for-2012-election-windfall/>. There is no evidence in the record to suggest that such advertising would shift to other forms of media simply because rate information, already public, will now be accessible online.

³³⁸ Public Television Licensees at 10.

³³⁹ *Id.* at 10-11.

³⁴⁰ *Id.* at 10.

IV. PROCEDURAL MATTERS

A. Regulatory Flexibility Analysis

113. As required by the RFA,³⁴¹ the Commission has prepared a Final Regulatory Flexibility Analysis (“FRFA”) relating to this *Second Report and Order*. The FRFA is attached to this *Second Report and Order* as Appendix B.

B. Paperwork Reduction Act Analysis

114. This document contains proposed information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget (OMB) to comment on the information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995.³⁴² The Commission previously sought comment on how we might further reduce the information collection burden for small business concerns with fewer than 25 or fewer employees.

V. ORDERING CLAUSES

115. Accordingly, **IT IS ORDERED** that, pursuant to the authority contained in sections 1, 2, 4(i), 303, 307, and 315 of the Communications Act, 47 U.S.C §§ 151, 152, 154(i), 303, 307, 315, this *Second Report and Order* is **ADOPTED**.

116. **IT IS FURTHER ORDERED** that the requirement that stations place their new public inspection file documents on the Commission-hosted online public file **SHALL BE EFFECTIVE** 30 days after the Commission publishes a notice in the Federal Register announcing OMB approval. Stations will be responsible for placing existing public file documents into the Commission-hosted online public file, with the exception of letters and emails from the public and the existing political file, as required by this *Second Report and Order*, within six months after the Commission publishes a notice in the Federal Register announcing OMB approval. Until July 1, 2014, stations not in the top 50 DMAs and all stations not affiliated with the top four networks, regardless of the size of the market they serve, are exempt from the requirement, under 47 C.F.R. §§ 73.3526(b)(3) and 73.3527(b)(3), of filing their political file online.

117. **IT IS FURTHER ORDERED** that the proceeding in MM Docket No. 00-44 is terminated.

³⁴¹ See 5 U.S.C. § 603.

³⁴² Pub. L. No. 104-13. The Commission previously sought comment on these proposals. See 76 FR 72144 (Nov. 22, 2011).

118. **IT IS FURTHER ORDERED** that the Commission's Consumer and Governmental Affairs Bureau, Reference Information Center, **SHALL SEND** a copy of this *Second Report and Order*, including the Final Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

APPENDIX A

Rules

Part 73 of Title 47 of the U.S. Code of Federal Regulations is amended to read as follows:

PART 73 – RADIO BROADCAST SERVICES

1. The Authority citation for Part 73 continues to read as follows:

AUTHORITY: 47 U.S.C. 154, 303, 307, and 554.

2. Section 73.1212 is amended by deleting “by the licensee” in the second to last sentence of § 73.1212(e) to read as follows:

(e) The announcement required by this section shall, in addition to stating the fact that the broadcast matter was sponsored, paid for or furnished, fully and fairly disclose the true identity of the person or persons, or corporation, committee, association or other unincorporated group, or other entity by whom or on whose behalf such payment is made or promised, or from whom or on whose behalf such services or other valuable consideration is received, or by whom the material or services referred to in paragraph (d) of this section are furnished. Where an agent or other person or entity contracts or otherwise makes arrangements with a station on behalf of another, and such fact is known or by the exercise of reasonable diligence, as specified in paragraph (b) of this section, could be known to the station, the announcement shall disclose the identity of the person or persons or entity on whose behalf such agent is acting instead of the name of such agent. Where the material broadcast is political matter or matter involving the discussion of a controversial issue of public importance and a corporation, committee, association or other unincorporated group, or other entity is paying for or furnishing the broadcast matter, the station shall, in addition to making the announcement required by this section, require that a list of the chief executive officers or members of the executive committee or of the board of directors of the corporation, committee, association or other unincorporated group, or other entity shall be made available for public inspection at the location specified under § 73.3526 of this chapter. If the broadcast is originated by a network, the list may, instead, be retained at the headquarters office of the network or at the location where the originating station maintains its public inspection file under § 73.3526 of this chapter. Such lists shall be kept and made available for a period of two years.

3. Section 73.1943 is amended by adding § 73.1943(d) to read as follows:

§ 73.1943 Political File.

* * * * *

(d) *Location of the file.* A television station licensee or applicant must post all of the contents added to its political file after the effective date of this subsection in the political file component of its public file on the Commission’s website. A television station must retain in its political file maintained at the station, at the location specified in Section 73.3526(b) or 73.3527(b), all material required to be included in the political file and added to the file prior to the effective date of this subsection, . The online political file must be updated in the same manner as subsection (c).

4. Section 73.3526 is amended by revising §§ 73.3526(b) to read as follows:

§ 73.3526 Local public inspection file of commercial stations.

* * * * *

(b) *Location of the file.* The public inspection file shall be located as follows:

(1) For radio licensees, a hard copy of the public inspection file shall be maintained at the main studio of the station. For television licensees, letters and emails from the public, as required by paragraph (e)(9), shall be maintained at the main studio of the station. An applicant for a new station or change of community shall maintain its file at an accessible place in the proposed community of license or at its proposed main studio.

(2) A television station licensee or applicant shall place the contents required by paragraph (e) of its public inspection file on the Commission's website, with the exception of letters and emails from the public as required by paragraph (e)(9), which shall be retained at the station in the manner discussed in paragraph (b)(1); and the political file as required by paragraph (e)(6), as discussed in paragraph (b)(3). A station must provide a link to the public inspection file hosted on the Commission's website from the home page of its own website, if the station has a website, and provide contact information on its website for a station representative that can assist any person with disabilities with issues related to the content of the public files. A station also is required to include in the online public file the station's main studio address and telephone number, and the email address of the station's designated contact for questions about the public file. To the extent this section refers to the local public inspection file, it refers to the public file of an individual station, which is either maintained at the station or on the Commission's website, depending upon where the documents are required to be maintained under the Commission's rules.

(3) A television station licensee or applicant shall place the contents required by paragraph (e)(6) of its political inspection file on the Commission's website. Political inspection file material in existence 30 days after the effective date of this provision shall continue to be retained at the station in the manner discussed in paragraph (b)(1) until the end of its retention period. Any station not in the top 50 DMAs, and any station not affiliated with one of the top four broadcast networks, regardless of the size of the market it serves, shall continue to retain the political file at the station in the manner discussed in paragraph (b)(1) until July 1, 2014. For these stations, effective July 1, 2014, any new political file material shall be placed on the Commission's website, while the material in the political file as of July 1, 2014, if not placed on the Commission's website, shall continue to be retained at the station in the manner discussed in paragraph (b)(1) until the end of its retention period. However, any station that is not required to place its political file on the Commission's website before July 1, 2014 may choose to do so, instead of retaining the political file at the station in the manner discussed in paragraph (b)(1).

(4) The Commission will automatically link the following items to the electronic version of all licensee and applicant public inspection files, to the extent that the Commission has these items electronically: authorizations, applications, contour maps; ownership reports and related materials; portions of the Equal Employment Opportunity file held by the Commission; "The Public and Broadcasting"; Letters of Inquiry and other investigative information requests from the Commission, unless otherwise directed by the inquiry itself; Children's television programming reports; and DTV transition education reports. In the event that the online public file does not reflect such required information, the licensee will be responsible for posting such material.

* * * * *

5. Section 73.3527 is amended by revising §§ 73.3527(b) to read as follows:

§ 73.3527 Local public inspection file of noncommercial educational stations.

* * * * *

(b) *Location of the file.* The public inspection file shall be located as follows:

(1) For radio licensees, a hard copy of the public inspection file shall be maintained at the main studio of the station. An applicant for a new station or change of community shall maintain its file at an accessible place in the proposed community of license or at its proposed main studio.

(2) A noncommercial educational television station licensee or applicant shall place the contents required by paragraph (e) of its public inspection file on the Commission's website, with the exception of the political file as required by paragraph (e)(5), which may be retained at the station in the manner discussed in paragraph (b)(1) until July 1, 2014. Effective July 1, 2014, any new political file material shall be placed on the Commission's website, while the material in the political file as of July 1, 2014, if not placed on the Commission's website, shall continue to be retained at the station in the manner discussed in paragraph (b)(1) until the end of its retention period. However, any noncommercial educational station that is not required to place its political file on the Commission's website before July 1, 2014 may choose to do so instead of retaining the political file at the station in the manner discussed in paragraph (b)(1). A station must provide a link to the public inspection file hosted on the Commission's website from the home page of its own website, if the station has a website, and provide contact information for a station representative on its website that can assist any person with disabilities with issues related to the content of the public files. A station also is required to include in the online public file the station's main studio address and telephone number, and the email address of the station's designated contact for questions about the public file. To the extent this section refers to the local public inspection file, it refers to the public file of an individual station, which is either maintained at the station or on the Commission's website, depending upon where the documents are required to be maintained under the Commission's rules.

(3) The Commission will automatically link the following items to the electronic version of all licensee and applicant public inspection files, to the extent that the Commission has these items electronically: authorizations; applications; contour maps; ownership reports and related materials; portions of the Equal Employment Opportunity file held by the Commission; and "The Public and Broadcasting".

* * * * *

6. Section 73.3580 is amended by revising §§ 73.3580(d)(4)(i) and (ii) to read as follows:

(i) Pre-filing announcements. During the period and beginning on the first day of the sixth calendar month prior to the expiration of the license, and continuing to the date on which the application is filed, the following announcement shall be broadcast on the 1st and 16th day of each calendar month. Stations broadcasting primarily in a foreign language should broadcast the announcements in that language.

Radio announcement: On *(date of last renewal grant)* *(Station's call letters)* was granted a license by the

Federal Communication Commission to serve the public interest as a public trustee until (*expiration date*).

Our license will expire on (*date*). We must file an application for renewal with the FCC (*date four calendar months prior to expiration date*). When filed, a copy of this application will be available for public inspection during our regular business hours. It contains information concerning this station's performance during the last (*period of time covered by the application*).

Individuals who wish to advise the FCC of facts relating to our renewal application and to whether this station has operated in the public interest should file comments and petitions with the FCC by (*date first day of last full calendar month prior to the month of expiration*).

Further information concerning the FCC's broadcast license renewal process is available at (*address of location of the station's public inspection file*) or may be obtained from the FCC, Washington, DC 20554.

Television announcement: On (*date of last renewal grant*) (*Station's call letters*) was granted a license by the Federal Communication Commission to serve the public interest as a public trustee until (*expiration date*).

Our license will expire on (*date*). We must file an application for renewal with the FCC (*date four calendar months prior to expiration date*). When filed, a copy of this application will be available for public inspection at www.fcc.gov. It contains information concerning this station's performance during the last (*period of time covered by the application*).

Individuals who wish to advise the FCC of facts relating to our renewal application and to whether this station has operated in the public interest should file comments and petitions with the FCC by (*date first day of last full calendar month prior to the month of expiration*).

Further information concerning the FCC's broadcast license renewal process is available at (*address of location of the station*) or may be obtained from the FCC, Washington, DC 20554.

* * *

(ii) Post-filing announcements. During the period beginning of the date on which the renewal application is filed to the sixteenth day of the next to last full calendar month prior to the expiration of the license, all applications for renewal of broadcast station licenses shall broadcast the following announcement on the 1st and 16th day of each calendar month. Stations broadcasting primarily in a foreign language should broadcast the announcements in that language.

Television announcement: On (*date of last renewal grant*) (*Station's call letters*) was granted a license by the Federal Communications Commission to serve the public interest as a public trustee until (*expiration date*).

Our license will expire on (*date*). We have filed an application for renewal with the FCC.

A copy of this application is available for public inspection at www.fcc.gov. It contains information concerning this station's performance during the last (*period of time covered by application*).

Individuals who wish to advise the FCC of facts relating to our renewal application and to whether this station has operated in the public interest should file comments and petitions with the FCC by (*date first*

day of last full calendar month prior to the month of expiration).

Further information concerning the FCC's broadcast license renewal process is available at (*address of location of the station*) or may be obtained from the FCC, Washington, DC 20554.

Radio announcement: On (*date of last renewal grant*) (*Station's call letters*) was granted a license by the Federal Communications Commission to serve the public interest as a public trustee until (*expiration date*).

Our license will expire on (*date*). We have filed an application for renewal with the FCC.

A copy of this application is available for public inspection during our regular business hours. It contains information concerning this station's performance during the last (*period of time covered by application*).

Individuals who wish to advise the FCC of facts relating to our renewal application and to whether this station has operated in the public interest should file comments and petitions with the FCC by (*date first day of last full calendar month prior to the month of expiration*).

Further information concerning the FCC's broadcast license renewal process is available at (*address of location of the station's public inspection file*) or may be obtained from the FCC, Washington, DC 20554.

APPENDIX B

Final Regulatory Flexibility Act Analysis

1. As required by the Regulatory Flexibility Act (“RFA”),¹ an Initial Regulatory Flexibility Analysis (“IRFA”) was incorporated in the *Order on Reconsideration and Further Notice of Proposed Rulemaking (Further Notice)* in MB Docket 00-168.² The Commission sought written public comment on the proposals in the *Further Notice*, including comment on the IRFA.³ We received comments from the North Carolina Association of Broadcasters *et al.* specifically directed toward the IRFA. These comments are discussed below. This Final Regulatory Flexibility Analysis (FRFA) conforms to the RFA.

A. Need for, and Objectives of, the Second Report and Order

2. One of a television broadcaster's fundamental public interest obligations is to air programming responsive to the needs and interests of its community of license. Broadcasters are afforded considerable flexibility in how they meet that obligation. Among other things, they are required to maintain a public inspection file, which gives the public access to information about the station's operations.⁴ The goal of this *Second Report and Order* is to modernize this public inspection file requirement, making the public file information more accessible to members of the public who cannot visit a station during business hours to review the public file.

3. The *Second Report and Order* adopts rule changes that will:

- replace the requirement that television stations maintain a paper public file at their main studios with a requirement to submit documents for inclusion in an online public file, including the political file, to be hosted by the Commission;
- reduce the number of documents that television stations would be required to upload to an online public file, by automatically linking to information already collected by the Commission;
- streamline the information required to be kept in the online file, such as by excluding letters and emails from the public; and
- give the online public file a uniform organizational structure to allow consumers to more easily navigate the public files.

B. Legal Basis

4. The proposed action is authorized pursuant to Sections 1, 2, 4(i), 303, and 405 of the Communications Act, 47 U.S.C §§ 151, 152, 154(i), 303, and 405.

¹ See 5 U.S.C. § 603. The RFA, *see* 5 U.S.C. § 601 *et seq.*, has been amended by the Contract With America Advancement Act of 1996, Pub. L. No. 104-121, 110 Stat. 847 (1996) (CWAAA). Title II of the CWAAA is the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA).

² *FNPRM* at at ¶ 52; *Id.* at Appendix C ¶ 1.

³ *Id.* at ¶ 50.

⁴ *Review of the Commission's Rules regarding the Main Studio Rule and Local Public Inspection Files of Broadcast Television and Radio Stations*, Report and Order, 13 FCC Rcd 15691, ¶ 18 (1998), *recon. granted in part* Memorandum Opinion and Order, 14 FCC Rcd 11113 (1999).

C. Summary of Significant Issues Raised by Public Comments in Response to the IRFA

5. In the IRFA, we stated that our purpose was to ensure that any changes to applicable rules would impose only minimal adverse impact on small entities. We also solicited comments on alternatives to the proposed rules that would minimize the impact that any changes to our rules might have on small entities.⁵ In their comments, North Carolina Association of Broadcasters *et al.* states that the IRFA has not “fully acknowledged, much less actually considered and developed any data to evaluate, the economic impacts of its proposals to require broadcasters to upload their political files to the FCC’s servers and to require broadcasters to report all sponsorship identifications in the online public file.”⁶ The North Carolina Association of Broadcasters *et al.* also states that “the Commission has underestimated the burden of creating, updating, and maintaining these materials”, and has not analyzed the costs to the Commission, which it claims will “undoubtedly” be borne by small businesses via increased regulatory fees.⁷

6. We disagree with these claims. The *FNPRM* and *Second Report and Order*, including the IRFA and this FRFA, consider the impacts of this revised recordkeeping requirement. Section III.B. of the *Second Report and Order* discusses how broadcasters’ initial costs of compliance are minimized, and how the online public file will ultimately lead to cost savings. This section discusses the Commission’s cost analysis, including our determination that broadcaster’s initial costs of compliance to upload their existing public file will average from \$80 to \$400 per station. We understand that North Carolina Association of Broadcasters *et al.* disagrees with our evaluation of the burdens that will be placed upon broadcasters in order to comply with these revised recordkeeping requirements as discussed in the *FNPRM*. Those arguments are considered in this *Second Report and Order*.⁸ We also disagree with North Carolina Association of Broadcasters *et al.*’s assertion that this Regulatory Flexibility Analysis must more fully consider costs to the Commission. We find that such a claim by the Association is based on purely speculative, and therefore spurious, grounds. In making the determinations reflected in the *Second Report and Order*, we have considered the impact of our actions on small entities, which is the requirement of the Regulatory Flexibility Act.⁹ In any event, the Commission is taking steps in this *Second Report and Order* to minimize burdens on small entities, by undertaking the automatic posting of several items that are required to be placed in the online public file, as discussed in Section E, *supra*. In addition, the Commission declined to adopt the proposal that stations report all sponsorship identifications, as discussed by the North Carolina Association of Broadcasters, and shared services agreements, along with weekly on-air announcements. Also, the Commission is providing an exemption from uploading the political file to all stations that are not in the top 50 DMAs and all stations not affiliated with the top four national television broadcast networks, regardless of the size of the market they

⁵ *FNPRM* at Appendix C, ¶ 1.

⁶ North Carolina Assn. of Broadcasters Comments at 21.

⁷ *Id.* at 20-21.

⁸ See, e.g., ¶¶ 30-31 (disagreeing with North Carolina Broadcaster Association *et al.* (“NCAOB”) that transitioning the public file online will require each station to hire one to three employees at an average cost of \$30,000 to \$140,000 per station per year, and instead finding that stations will be able to assign these responsibilities to existing staff, rather than hire additional staff); ¶ 34 (disagreeing with NCAOB that the Commission does not have a sufficient basis to reverse the decision of the 2007 *Report and Order* to exclude the political file from the online requirement); ¶¶ 55-56 (disagreeing with NCAOB that requiring stations to upload the political file online in the same time frame as the existing paper file will be impossible or extremely burdensome); ¶ 64 (agreeing with NCAOB that requiring stations to report the number count of letters received from the public would be overly burdensome); ¶ 92 (agreeing with NCAOB that requiring stations to maintain back-up copies of all public file materials and to make them routinely available directly to the public would reduce the efficiencies of placing the public file online); ¶ 103 (disagreeing that a pilot program is necessary).

⁹ 5 U.S.C. § 603(a) (“Such analysis shall describe the impact of the proposed rule on small entities.”). See also 5 U.S.C. § 604(a).

serve, until July 1, 2014. This will enable small market and non-affiliated broadcasters to have two additional years to familiarize themselves with the online filing requirements before they need to begin uploading their political files on a going-forward basis.

D. Description and Estimate of the Number of Small Entities to Which the Proposed Rules Will Apply

7. The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of small entities that may be affected by the proposed rules, if adopted.¹⁰ The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.”¹¹ In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act.¹² A small business concern is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.¹³ Below, we provide a description of such small entities, as well as an estimate of the number of such small entities, where feasible.

8. *Television Broadcasting.* The SBA defines a television broadcasting station as a small business if such station has no more than \$14.0 million in annual receipts.¹⁴ Business concerns included in this industry are those “primarily engaged in broadcasting images together with sound.”¹⁵ The Commission has estimated the number of licensed commercial television stations to be 1,390.¹⁶ According to Commission staff review of the BIA Kelsey Inc. Media Access Pro Television Database (BIA) as of January 31, 2011, 1,006 (or about 78 percent) of an estimated 1,298 commercial television stations¹⁷ in the United States have revenues of \$14 million or less and, thus, qualify as small entities under the SBA definition. The Commission

¹⁰ 5 U.S.C. § 603(b)(3).

¹¹ 5 U.S.C. § 601(6).

¹² 5 U.S.C. § 601(3) (incorporating by reference the definition of “small business concern” in 15 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), the statutory definition of a small business applies “unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register.” 5 U.S.C. § 601(3).

¹³ 15 U.S.C. § 632. Application of the statutory criteria of dominance in its field of operation and independence are sometimes difficult to apply in the context of broadcast television. Accordingly, the Commission’s statistical account of television stations may be over-inclusive.

¹⁴ See 13 C.F.R. § 121.201, NAICS Code 515120 (2007).

¹⁵ *Id.* This category description continues, “These establishments operate television broadcasting studios and facilities for the programming and transmission of programs to the public. These establishments also produce or transmit visual programming to affiliated broadcast television stations, which in turn broadcast the programs to the public on a predetermined schedule. Programming may originate in their own studios, from an affiliated network, or from external sources.” Separate census categories pertain to businesses primarily engaged in producing programming. See Motion Picture and Video Production, NAICS Code 512110; Motion Picture and Video Distribution, NAICS Code 512120; Teleproduction and Other Post-Production Services, NAICS Code 512191; and Other Motion Picture and Video Industries, NAICS Code 512199.

¹⁶ See News Release, “Broadcast Station Totals as of December 31, 2010,” 2011 WL 484756 (F.C.C.) (dated Feb. 11, 2011) (“*Broadcast Station Totals*”); also available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-304594A1.pdf.

¹⁷ We recognize that this total differs slightly from that contained in *Broadcast Station Totals*, *supra*, note 16; however, we are using BIA’s estimate for purposes of this revenue comparison.

has estimated the number of licensed noncommercial educational (“NCE”) television stations to be 391.¹⁸ We note, however, that, in assessing whether a business concern qualifies as small under the above definition, business (control) affiliations¹⁹ must be included. Our estimate, therefore, likely overstates the number of small entities that might be affected by our action, because the revenue figure on which it is based does not include or aggregate revenues from affiliated companies. The Commission does not compile and otherwise does not have access to information on the revenue of NCE stations that would permit it to determine how many such stations would qualify as small entities.

9. In addition, an element of the definition of “small business” is that the entity not be dominant in its field of operation. We are unable at this time to define or quantify the criteria that would establish whether a specific television station is dominant in its field of operation. Accordingly, the estimate of small businesses to which rules may apply do not exclude any television station from the definition of a small business on this basis and are therefore over-inclusive to that extent. Also, as noted, an additional element of the definition of “small business” is that the entity must be independently owned and operated. We note that it is difficult at times to assess these criteria in the context of media entities and our estimates of small businesses to which they apply may be over-inclusive to this extent.

E. Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements

10. The rule changes adopted in the *Second Report and Order* affect reporting, recordkeeping, or other compliance requirements. Television broadcasters are currently required to maintain a copy of their public inspection files at their main studios.²⁰ The *Second Report and Order* requires stations to replace that requirement with a requirement to submit documents for inclusion in an online public file, including the political file, to be hosted on the Commission’s website. Items in the public file that must also be filed with the Commission, including FCC authorizations, applications and related materials, contour maps, ownership reports and related materials, portions of the equal employment opportunity file, the public and broadcasting manual, children’s television programming reports (Form 398), and DTV transition education reports (Form 388), will be automatically imported into the station’s online public file. Television stations will only be responsible for uploading and maintaining items that are not required to be filed with the Commission under any other rule. The *Second Report and Order* also excludes some items from the online public file requirement, such as the existing political file and letters and emails from the public, which will continue to be maintained at the station, and also declines to add other items to the online public file requirement, including sponsorship identifications and shared services agreements, and weekly announcements of the existence of the public file.

F. Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered

11. The RFA requires an agency to describe any significant alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives (among others): (1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or

¹⁸ See *Broadcast Station Totals*, *supra*, note 16.

¹⁹ “[Business concerns] are affiliates of each other when one concern controls or has the power to control the other or a third party or parties controls or has to power to control both.” 13 C.F.R. § 121.103(a)(1).

²⁰ See 47 C.F.R. §§ 73.3526, 3527.

reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities.²¹

12. The *Second Report and Order* seeks to minimize and modernize reporting requirements on all television broadcasters, by having the Commission host the online public file. The previous *Report and Order* in this proceeding, which has been vacated, required stations to host their own public file. Having the Commission host the public file will ease the administrative burdens on all broadcasters. More than one-third of the required contents of the public file already have to be filed with the Commission, and the *Second Report and Order* requires the Commission to import and update that information, creating efficiencies for broadcasters. North Carolina Association of Broadcasters *et al.* note that the estimate for the proportion of the public file that is already filed with the Commission is based on categories of filings, and not the overall amount of paperwork that needs to be filed.²²

13. Given the wide variations of most public files, we are not able to estimate the precise decrease in burdens that each station will undergo by no longer being responsible for placing in the public file items that are already filed by the Commission. But regardless whether the decrease in burdens is measured by category or by overall amount of paperwork, every station will have its burdens reduced by eliminating this duplicative requirement. We also understand that all stations will have an increased burden for the initial transition period from the paper public file to an online public file. We do not believe that this effort will be unduly burdensome on small entities, and we believe that any such burdens are trumped by the increased efficiencies that will result from such a transition.

14. In any event, the *Second Report and Order* does not require any station to upload its existing political files, instead allowing stations to retain such materials at the station until those files expire after their two year retention period. All stations will only be required to upload political file material on a going-forward basis. In addition, the Commission is exempting all stations that are not in the top 50 DMAs and all stations not affiliated with the top four national television broadcast networks, regardless of the size of the market they serve, from having to post new political file materials online until July 1, 2014 from including their political file material in the online public file. After that date, those stations will be required to upload new political file material on a going-forward basis. This will enable non-affiliated broadcasters and smaller market broadcasters to have additional time to familiarize themselves with the online filing requirements before they need to begin uploading their political files.

15. Overall, in proposing rules governing an online public file requirement, we believe that we have appropriately balanced the interests of the public against the interests of the entities who will be subject to the rules, including those that are smaller entities.

G. Federal Rules that May Duplicate, Overlap, or Conflict With the Proposed Rule

16. None.

²¹ 5 U.S.C. § 603(c)(1)-(c)(4).

²² North Carolina Association of Broadcasters *et al.* Comments at 20-21.

**STATEMENT OF
CHAIRMAN JULIUS GENACHOWSKI**

Re: Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations (MM Docket No. 00-168) and Extension of the Filing Requirement for Children's Television Programming Report (FCC Form 398) (MM Docket No. 00-44)

For the past three years, the FCC has been working to harness the power of digital technologies to make public information more accessible to the public.

As part of this effort to promote transparency, we've been transitioning filings and comments and recordkeeping from paper to the Internet – everything from common-carrier tariffs to broadcaster renewal and station modification applications. We stream online all of our Commission meetings, hearings and workshops, and we've developed innovative and informative digital tools like the interactive National Broadband Map and Spectrum Dashboard.

Consistent with this effort, the Commission's Information Needs of Communities report recommended last year moving television broadcaster public files physical filing cabinets to virtual Internet access. These files contain information, for example, about children's programming, equal employment opportunities, and political advertising. Public disclosure of this information is required by law and part of the public's basic contract with broadcasters in exchange for use of the spectrum and other benefits.

The INC report was authored by Steve Waldman, a highly respected former journalist and Internet entrepreneur, and it was widely praised for its thoughtfulness and fair-minded proposals for our changing world.

The Order on which we're voting today implements the INC report recommendation – so that the public file will be accessible not just to people who can trek to broadcasters' studios, but to anyone with Internet access.

In filing supporting comments, the deans of leading journalism schools describe this as: “representing in a specific instance the overall spirit of the current FCC, which has not chosen to try to reinstitute strict regulation of broadcasting content, but, instead, has strongly promoted the use of the Internet to give citizens access to information.”

Editorial writers have called our proposal “an excellent idea”. I call it common sense.

It fulfills the core intent of the public file rules: to provide the public access to the information in the “public file”.

It not only enhances transparency and informs the public; it also drives efficiency and cost-savings, since our Order would allow broadcasters to shift completely from paper to digital.

But despite broad support for this proposal, it has been met with an evolving series of critiques from opponents of online disclosure.

First, we were told that the public file is already readily available; no need to change a thing. But when FCC staff went to Baltimore to experience what the public experiences, they found that it took 61

hours to retrieve information from the public files at eight stations, and they were quoted copying costs of close to \$1,700.

The next argument was that moving public file information online would be technically infeasible. That's a hard argument to sustain when businesses are routinely digitizing their papers and systems, and indeed in other contexts urging the FCC to move to electronic filings.

Another objection was burden and cost. But the record reveals the unsurprising fact that businesses, including broadcasters, are moving from paper to digital every day. And our staff's cost-benefit analysis demonstrates that the claimed costs and burdens were dramatically overstated.

Indeed, while there will be very modest transition costs, once the transition is complete it will save money for broadcasters.

Meanwhile, the broad public benefits of transparency and disclosure are substantial.

Once it became clear that the proposed reforms would make public information much more accessible, that it can be done easily, and in a way that ultimately saves money, opponents of the proposal focused on the political file. They asked that the Commission exclude the political file from the general obligation of online disclosure.

That does acknowledge that an important question here is not: why include political files in online disclosure, but rather: why adopt a special exemption from disclosure for political file?

Proponents of this special exception offered a few arguments for this. First, that information about political spending should be handled exclusively by the FEC. But this is contrary to the plain language of the law.

In the Bipartisan Campaign Reform Act of 2002, Congress explicitly amended the Communications Act to require broadcasters to make the "political record ... available for public inspection," and the Act states that "the Commission" – the Federal Communications Commission – "shall prescribe appropriate rules and regulations" to implement the political record provision. This was largely codified by rules the FCC already had in place. The FCC's role here is clear, essential, and longstanding.

That brings us to the latest objection – that online disclosure would cause commercial harm. Opponents have argued that the rates broadcasters charge for political advertising are commercially sensitive and should, in effect, be censored from the public file as it appears online. But, one, Congress explicitly requires broadcasters to disclose this information to the public; two, broadcasters already do; and three, competitors and customers already have access to this information and are already reviewing it where they have an economic incentive to do so.

The argumentation here perhaps is not a surprise. After the Bipartisan Campaign Reform Act became law in 2002, the National Association of Broadcasters and others sued to invalidate the political file provisions. They fought it to the Supreme Court, and they lost.

The Supreme Court in that case explicitly rejected all of the largely similar arguments. On the burden and cost-benefit argument, for example, the Supreme Court described the annual costs of the political file provisions overall as "a few hundred dollars at most," calling that "a microscopic amount compared to the many millions of dollars of revenue broadcasters receive from candidates who wish to advertise".

The Supreme Court also said the political file requirements “will help make the public aware of how much money candidates may be prepared to spend on broadcast messages.”

Thus the Supreme Court has confirmed that an important purpose of the political file requirement was informing the public, not just candidates.

And in last year’s *Citizen United* case, the Supreme Court said that the Internet enhances the accountability benefits of disclosure requirements.

Others have looked at the arguments of opponents of online disclosure and found them wanting. Bloomberg View analyzed the burden and jobs arguments and concluded that “neither is credible.” The New Republic examined the position of the opponents of political file disclosure and concluded: “the arguments they offer are so flimsy they collapse on inspection.”

Late last Friday, a group of broadcasters submitted a proposal.

They described it as a compromise. But stakeholders who had argued for online disclosure did not support the new proposal.

The key feature of that proposal, and others that were offered in recent days, was to censor from online access information that Congress explicitly required to be made public.

Somewhat ironically, the proposal would also be significantly more burdensome on broadcasters than the plan that opponents had earlier said was too burdensome – because it would require both the maintenance of paper files *and* the submission of separate newly created information.

Our staff carefully analyzed this proposal and other proposals made, and concluded that they were not workable.

Now, I recognize that some leaders in the broadcasting industry agree that moving files online makes sense, and I appreciate the efforts by some to forge a solution that could have broad support inside and outside the industry. I particularly appreciate the efforts of a small group of broadcasters and their representatives who have been working on this valiantly since we started working on the INC report. Similarly, members of the journalism and public interest communities have also worked hard to identify mechanisms to even better inform the public.

As technologies advance and markets evolve, I look forward to engaging with all stakeholders on ways to harness technology to ensure that the goals of the public file provisions of the Communications Act are met effectively and efficiently in the 21st century.

Today, we have before us a straightforward issue.

In 2002, Congress required that certain specified information be made available to the public, and it did so because of the public benefits that flow from transparency. The statute specifically says *all* the information in the political file must be made “available for public inspection.”

The question in front of us is whether, in the 21st Century, “available for public inspection” means stuck in office filing cabinets, or available online.

Or as one person put it: “Who can be against mom, apple pie and the American way of transparency?”

I thank my colleagues for their input, and I thank Commission staff who have worked so hard on this item. In particular, I want to thank Sherrese Smith in my office, whose outstanding leadership, policy and legal skills, and energetic resolve were essential to today’s Order. I’d also like to thank Bill Lake, Holly Saurer, and the Media Bureau staff who have done a tremendous job on this item.

**STATEMENT OF
COMMISSIONER ROBERT M. McDOWELL
APPROVING IN PART, DISSENTING IN PART**

Re: Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations (MM Docket No. 00-168) and Extension of the Filing Requirement for Children's Television Programming Report (FCC Form 398) (MM Docket No. 00-44)

Today the Commission is taking steps to advance the laudable goals of transparency and modernization. And I agree with those goals. But before I go further, it is important for all of us to understand the historical context of how we got here.

For decades, the Commission has required broadcasters to maintain general files for public inspection that contain information regarding many aspects of broadcasters' operations that speak to whether a broadcaster is serving its local community of license. The Commission has also required broadcasters to maintain files containing information regarding political advertisements. The general public inspection file and the political file have separate histories and purposes, however.

In 1938, the Commission required broadcasters to afford equal opportunities and uniform pricing to candidates for the same office. In the ensuing years, the Commission emphasized that the main purpose of the political ad pricing rule was for the benefit of *candidates*. Nearly 30 years later, the Commission decided that the political file containing the pricing information for candidates should be added to the local public inspection file essentially because the political file did not have any other designated place for storage. Next, in 1972, Congress took the Commission's rules a step further and mandated that candidates were entitled to the cheapest rates for campaign ads. Subsequently, in 2002, through the McCain-Feingold campaign finance law, Congress codified essentially what the Commission had put in place decades earlier. Interestingly, Congress chose not to require the political file to be posted online, even though the paper world was rapidly moving to the Internet the year McCain-Feingold passed.

Prior to McCain-Feingold, however, *broadcasters* asked the FCC to allow them to move their public inspection files online. Broadcasters felt that modernizing the public file disclosure requirement by moving the information online would enhance transparency and save money. At the same time, broadcasters were very concerned about moving the political ad file online for several reasons, but especially because those files contain competitively sensitive information regarding the rates charged for television ads.

To make a long story short, in 2007, I and all four of my fellow Commissioners at that time *unanimously* voted to move almost all sections of broadcasters' general public inspection files online while explicitly exempting the political file from that transition. All of us recognized the unique history and practical realities of the political file requirement and how those contrasted with the history and intent of the general public inspection file rule. We also recognized the competitive sensitivities and burdens of placing pricing information online. In the end, on a bi-partisan basis and without dissent, the Commission re-emphasized that the public inspection file contains material that speaks to whether a broadcaster is serving its local community of license while the political file exists to serve political candidates. Accordingly, we chose to treat them differently for good reason.

So here we are today with this draft order before us. I cannot join my colleagues in the majority in mandating that TV broadcasters post sensitive pricing information, contained in the political file, online. This is not common sense. There is no statutory requirement that the Commission place any of this information, either in whole or in part, on the Internet. Similarly, there is no prohibition against placing a subset of this information online while maintaining the commercially-sensitive information at

the station for the use of candidates, campaigns, and other political ad buyers. After all, the political file is a tool for examining transparency in campaign spending rather than broadcaster behavior.

The record in this proceeding contains ample evidence that posting rate information online may cause market distortions, including price signaling, which could lead to rates mysteriously rising in some markets, or other unforeseen consequences in other cases. Put another way, imagine for a moment if antitrust authorities learned that broadcasters were sharing pricing information market-by-market. Undoubtedly, broadcasters would be sued for antitrust violations. The majority appears to discount the adverse effect that potential anticompetitive pricing activity could have on everyday consumers. By forcing broadcasters to do what would otherwise be illegal is simply surreal.

Either way, it is the notion of disclosing competitively sensitive rate information that has broadcasters of all sizes most concerned. With this in mind, I offered a compromise proposal whereby we would require most aspects of the political file to be posted online, but carve out the lowest unit rate information from the rule. In the meantime, we would explore new ideas for the treatment of the rate information in a further notice, which we would conclude quickly. Although my colleagues politely considered this idea, apparently I was insufficiently persuasive. The same holds true for the good faith compromise proposals put forth by broadcasters.

Ironically, in an attempt to move away from paper, the majority may run into the requirements of the Paperwork Reduction Act (PRA). Our 2007 order on this matter never went into effect due to PRA concerns. As the mandates in today's order require the duplication of some information already required by the Federal Election Commission, it may also mark time in PRA Purgatory.

Furthermore, additional study of the matter regarding the lowest unit rate would help the Commission conduct a proper cost/benefit analysis, which is lacking here. One would think that moving from paper to online would always be more cost effective. Surprisingly, however, evidence in the record suggests that the new rule might *not* be more efficient than the old rule and, in fact, could add up to tens of thousands of dollars a year in new costs for some broadcasters due to the requirement that fresh advertising information be uploaded "immediately." During one of the busiest seasons for broadcasters, station personnel would have to be diverted from other vital tasks to take up the full-time job of uploading information to a government website. Such scenarios almost always add costs. The majority seems to recognize this reality by adopting a phase-in provision which, of course, underscores the flaw in its original premise that the new rule should be less expensive to administer.

In any case, whether it is now or at the end of the phase-in period, all TV broadcasters may well have to swallow larger costs. This unfunded mandate will harm smaller broadcasters the most, and those owned by minorities and women will not be spared. While the Commission often opines on its desire for more diversity of ownership in the broadcast market, all too often it seems to make it harder for such small and disadvantaged businesses to succeed by heaping more regulations on their backs. Indeed, without a *bona fide* cost/benefit analysis, which also takes into account the effects of potential anticompetitive behavior, the majority cannot be sure if it is doing more harm to the public interest than good. Furthermore, the majority is violating the letter and the spirit of President Obama's 2011 executive order titled *Improving Regulation and Regulatory Review*.

I fully support transparency in political campaign spending. As many have noted, I have a mantra that says, "I don't tell Congress what to do, Congress tells me what to do." In this case, many Members of Congress have asked me what Congress should do. If the concern is to know where campaign money is going, the public interest might be better served if Congress were to focus its scrutiny on the *spenders* of campaign dollars rather than just one of many, many, many *recipients*. Today's rule applies only to TV broadcasters, yet campaign money flows to radio, cable TV, satellite radio and TV, newspapers, direct

mail, outdoor ads and the Internet, not to mention companies that offer other ways to reach voters. What the government has created is a regime of disparate treatment. Congress should fix what the FCC won't or can't.

Nonetheless, today, I vote with my colleagues to approve of common sense modernization of our public inspection file disclosure requirements. But I cannot join them in the aspects of the Order requiring broadcasters to post sensitive pricing information, contained in the political file, online. Nor can I support aspects of the Order that may needlessly raise costs. I am disappointed that my colleagues would not agree to a prudent and modest compromise, so I have no choice but to approve in part and dissent in part.

I thank the Chairman and Commissioner Clyburn for their willingness to engage in an open dialogue throughout this process. And many thanks to the Bureau for its work on this matter, even if I disagree with much of the outcome.

SUPPLEMENTAL POLICY AND LEGAL STATEMENT

Transparency and modernization are always laudable public policy goals. By placing the majority of the public inspection file online, we will increase accessibility to these documents, thus improving communications between broadcasters and their local communities. Moreover, I support providing broadcasters with a more cost-effective means to comply with the Commission's rules. Currently, our rules require the public inspection file to contain a series of documents, including authorizations, applications, ownership reports, and information regarding broadcasters' programming of local interest, hiring practices, service areas, and investigations and complaints.¹ Today, we act to reduce the current burden on broadcasters by requiring them to upload only those documents maintained in the public file that are solely in their possession. I approve of this aspect of today's decision.

I must dissent, however, to the requirement that the contents of the political file be placed online. The political file, maintained with the rest of the public file, contains information for candidates seeking to purchase political ads and sheds light on the spending patterns of campaigns, political committees, and third-party groups.² Unlike other parts of the public inspection file, the political file does not reveal broadcaster behavior, *i.e.*, whether a broadcaster is serving its local community of license,³ which instead is a tool for examining campaign spending. Although the pursuit for transparency can be a positive endeavor, political advertising and speech bring many factual, legal and pragmatic complexities.⁴ As discussed below, placing the political file online will harm American consumers because diverting resources to fulfill the online requirement will negatively affect newsgathering operations, local programming offerings, and may chill political speech.

By way of background, the "political file" was first created in 1938 when the Commission required that broadcasters afford equal opportunities and uniform pricing to candidates for the same office.⁵ Subsequently, the Commission recognized that the main purpose of the rule was to benefit candidates.⁶ In 1965, the Commission decided that the political file should be placed with the public

¹ See 47 C.F.R. §§ 73.3526, 73.3527.

² See *Id.* §§ 73.1943, 73.3526(e)(6), 73.3527(e)(5); Bipartisan Campaign Reform Act of 2002 § 504, 47 U.S.C. § 315(e) (2002) (codifying the Commission's rules and requiring broadcaster disclosure of political issue ads, by expanding the criteria to purchases of broadcast time "relating to any political matter of national importance."

³ Compare New Section 0.418 and Amendment of Sections 0.417 (formerly in 0.406), 1.580 (formerly 1.359), and 1.594 (formerly in 1.362) of the Commission's Rules Relating to Inspection of Records, to Pre-Grant Procedures, and to Local Notice of Filing or of Designation for Hearing of Broadcast Applications, *Report and Order*, 4 R.R. 2d 1664, 1667-68 ¶ 11-12 (1965) ("1965 Public Inspection File Order") (citing Commission Policy on Programming, *Report and Statement of Policy Re: Commission En Banc Programming Inquiry*, 20 R.R. 1901, 1912 (1960) (stating that a broadcaster's public interest obligation "consists of a diligent, positive and continuing effort by the licensee to discover and fulfill the tastes, needs and desires of his service area.")), with 3 Fed. Reg. 1691 (1938).

⁴ It is worth noting that the Supreme Court reiterated in *Citizens United* that political speech is core protected speech under the First Amendment; therefore, as a threshold matter, the government's ability to regulate in this area is severely curtailed. *Citizens United v. Fed. Election Comm'n*, 130 S. Ct. 876 (2010) (prohibiting the government from limiting communications spending for political purposes by corporations and unions). As a consequence, administrative agencies and Congress alike should think carefully before imposing new laws and regulations that could be construed by the Court as *de facto*, or "backdoor," inhibitions on political speech.

⁵ 3 Fed. Reg. 1691, 1692 (1938).

⁶ Commission orders noted the importance of the political file information to candidates, but were silent on the interest of such information to the general public. See, e.g., Amendment of Sections 3.120, 3.290, 3.590, and 3.657 (continued....)

inspection file at the relevant station, because “[n]o place of retention for such records is specified in [the political file rule] sections.”⁷ Later, in 1972, Congress mandated that candidates receive the lowest unit charge for advertising to place candidates on par with a broadcast station’s most-favored advertisers.⁸

The discussion regarding whether to place the public inspection file online commenced in a 1999 notice,⁹ followed by a 2000 notice of proposed rule making, which tentatively concluded that the public inspection file should be posted on a broadcaster’s or its state broadcasters association’s website.¹⁰ Neither notice sought comment specifically on the political file.

In 2007, the Commission unanimously adopted an online requirement for the public inspection file; however, the agency explicitly exempted the political file finding that the burden of placing this material on the Internet outweighed the benefits.¹¹ Further, no Commissioner issued statements expressing any dismay about this exclusion.¹² In its discussion of the political file, the Commission recognized that:

Daily and even more frequent requests for access by political candidates and their campaign personnel, combined with a need for the station to update the file

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of the Commission’s Rules – Equal Opportunities Under Sec. 315, Communications Act, *Order*, 40 F.C.C. 1082 (1959) (“[I]nterpretations and interpretive opinions require clarification and supplementation in order *that candidates for public office and broadcast licensees* may be more fully informed as to their rights and obligations under section 315 and the rules and in order to insure the orderly and expeditious disposition of requests submitted to such licensees and to the Commission for ‘equal opportunities’ under said section of the Act and under said rules.”); Codification of the Commission’s Political Programming Policies, *Report and Order*, 7 FCC Rcd 678, 698 ¶¶ 123-24 (stating that “[w]e believe that our current rule 73.1940(d) adequately addresses the political file requirements and that continuation of our existing policies will best serve the interests of both candidates and broadcasters” and that information regarding the disposition of requests “is necessary to determine whether a station is affording equal opportunities and whether the candidate is getting favorable or unfavorable treatment in the placement of spots. . . .”). Other Commission orders recognize that candidates and their representatives are the most likely to use political file, not the general public. See, e.g., Review of the Commission’s Rules Regarding the Main Studio and Local Public Inspection Files of Broadcast Television and Radio Stations, MM Docket No. 97-138, *Memorandum Opinion and Order*, 14 FCC Rcd 11113, 11122 ¶ 22 (1999) (stating that, in exempting the political file from requirements to make portions of the public inspection file available by mail upon telephone request, “[s]ince candidates or their representatives, rather than the general public, are the persons most likely to be effected by this exemption, we do not believe that the exemption will adversely affect the public interest.”).

⁷ 1965 *Public Inspection File Order*, 4 R.R. 2d at 1672 ¶ 25.

⁸ Federal Election Campaign Act of 1971, Pub. L. No. 92-225, 86 Stat. 3 (1972).

⁹ Public Interest Obligations of TV Broadcast Licensees, MM Docket No. 99-360, *Notice of Inquiry*, 14 FCC Rcd 12633, 21641 ¶ 17 (1999).

¹⁰ Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations, MM Docket No. 00-168, *Notice of Proposed Rule Making*, 15 FCC Rcd 19816, 19816, 19829 ¶¶ 2, 31 (2000).

¹¹ Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations, MM Docket Nos. 00-168, 00-44, *Report and Order*, 23 FCC Rcd 1274, 1283 ¶ 20 (2008) (“2007 Order”). The 2007 order never went into effect because of challenges before the Commission, the courts and the Office of Management and Budget where the information collection was questioned under the Paperwork Reduction Act.

¹² See *id.* at 1316-23. I dissented in part to the order because of the adoption of the enhanced disclosure and the 60-day implementation deadline to place the required postings online. See *id.* at 1322-23.

frequently, may make requiring the station to place this material on the Internet inappropriate. *Resources available to political candidates likely provide them with greater access to the station and distinguish them from members of the general public who will benefit from ready access to Internet posting of other parts of the public file.* Political candidates and campaigns make heavy use of the file and require quick access to material, and if the volume of material is too great, the station may not be able to update the Internet file quickly enough. Our rules currently require that records be placed in the political file as soon as possible, which the rule defines as meaning “immediately absent unusual circumstances.” This may mean multiple updates each day during peak periods of the election season.¹³

Today, the majority is reversing a unanimous decision exempting the political file from online display with no empirical evidence that its 2007 findings are no longer accurate.

The majority states that a new approach is warranted because the Commission’s understanding of how stations manage their political transactions have changed since 2007 and that additional technological advances have occurred.¹⁴ Many in the broadcast industry, however, argue that very little has changed in the political ad purchase process since that time.¹⁵

One commenter conducted a survey of broadcasters, which demonstrated that “85% of the survey respondents reported no changes to their political advertising methodology and practices since 2007.”¹⁶ Many broadcasters sell political time by non-automated processes, such as telephone conversations, handwritten forms, emails, and faxes.¹⁷ In fact, the record states that “[o]ne of the most successful and profitable stations providing a survey response, a station with significant local news, public affairs and program production, reported using handwritten documents for approximately 90% of its political file.”¹⁸ The record also reflects that, even if a broadcaster issues electronic invoices, the political file includes additional information that is in paper format.¹⁹ Even assuming that the processes have changed,

¹³ See 2007 Order, 23 FCC Rcd at 1282 ¶ 20 (emphasis added).

¹⁴ Order at 17 ¶ 34. The 2010 further notice provides more insight into thinking of the majority: “Since exempting the political file in 2007, we have learned that the vast majority of television stations handle political advertising transactions electronically, through e-mails and a variety of software applications. As a result, requiring them to make this information publicly available online appears to impose far less of a burden than previously thought.” Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations, MM Docket No. 00-168, *Order on Reconsideration and Further Notice of Proposed Rulemaking*, 26 FCC Rcd 15788, 15800 ¶ 23.

¹⁵ See, e.g., Named State Broadcasters Association, Joint Comments, at 6 (Dec. 22, 2011) (“Named State Broadcasters Comments”); Joint Broadcasters, Reply Comments, at 5 (Jan. 17, 2012) (“Joint Broadcasters Reply”); The North Carolina Association of Broadcasters, The Ohio Association of Broadcasters and The Virginia Associations of Broadcasters, Joint Comments, at ii, 9 (Dec. 22, 2011) (“North Carolina, Ohio, and Virginia Association of Broadcasters Comments”).

¹⁶ North Carolina, Ohio, and Virginia Association of Broadcasters Comments at 9.

¹⁷ *Id.*; National Association of Broadcasters, Reply Comments, at 8-9 (Jan. 17, 2012) (“NAB Reply”); Joint Broadcasters Reply at 5.

¹⁸ North Carolina, Ohio, and Virginia Association of Broadcasters Comments at 9.

¹⁹ Joint TV Broadcasters, Joint Comments, at 4 (Dec. 22, 2001) (stating “stations include in their political files: (i) the NAB PB-17 form or an equivalent record, which is not transmitted through the online traffic system, and is necessary because it includes required information including a summary of each request, the disposition and the
(continued....)

however, this is irrelevant because the Commission based its 2007 decision on the burdens resulting from the volume of material and the frequency of updates.²⁰

By placing this information online, the majority requires broadcasters to widely disseminate proprietary and competitively-sensitive rate information. Though some say this action will shed light on the political spending process, the unintended consequence could be to encourage price signaling and other anticompetitive behavior. Imagine the government's response if sales executives from competing television stations gathering in a conference room were to share such information.²¹ Regarding price signaling, the record indicates that "[r]eadily available political file information would give television stations a convenient and completely legal way to act with 'conscious parallelism' to put a floor under rates during election seasons."²² Another party tells us that "a central and anonymously accessible file would create market distortions and place broadcasters at a disadvantage vis-à-vis their competitors . . . if competitors attempt to use the data in the file to undercut their rates."²³ For example, one commenter states that "[this] rule would afford a significant intelligence advantage to one side in private commercial negotiations. . . . One poker player would, in effect, have had at least partial glance at the other's hand."²⁴ Given these alarming scenarios, the Commission should have issued a further notice of proposed rulemaking to ask specific questions about and consider the possibilities of such anticompetitive activity and market distortions.

Further, the Commission is also inequitably singling out television broadcasters for these disclosure requirements even though political campaigns spend money on a plethora of outlets to contact and influence voters including, but certainly not limited to, advertising expenditures on radio, newspapers, the Internet, cable television, satellite radio and TV. Requiring the political file to be online

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names of a candidate's committee's officers; (ii) the order form; and (iii) one or more related invoices."); NAB Comments at 17-18 ("While it may be true that many broadcasters handle much of their advertising sales electronically, including political ad sales, the electronic sales invoices do not include, or are not designed to include, all the necessary information required to be included in the political file. That information is often input, sometimes electronically, and sometimes in handwritten form, before it is coupled with a sales invoice and included in the political file.").

²⁰ See 2007 Order, 23 FCC Rcd at 1282 ¶ 20.

²¹ See CBS Corporation, ABC Television Stations, Fox Television Stations, Inc., NBC Owned Television Stations and Telemundo Stations, and Univision Television Group, Inc., Reply Comments, at 13 ("Network Station Owners Reply").

²² *Id.* at 14.

²³ National Association of Broadcasters, Comments, at 21-22 (Dec. 22, 2011); *see also* Network Station Owners Reply at 12-13 ("Requiring that the entire political file be placed online... would make sensitive price information available to a television station's customers and competitors at the click of a mouse. This proprietary information would be available to commercial as well as political advertisers, to other local stations, and to competing advertising media such as cable operators, newspapers and web sites."); The North Carolina Association of Broadcasters, The Ohio Association of Broadcasters and The Virginia Association of Broadcasters, Joint Reply, at 8 (Jan. 17, 2012) ("North Carolina, Ohio, and Virginia Association of Broadcasters Reply") ("The market for political time is, of course, competitive. And requiring television broadcasters, but not their competitors to post . . . information regarding advertising rates will impact the market for political time. . . ."); Joint Broadcasters Reply at 15 (requiring television stations to make rate and purchase information available online could create "market distortions" that favor other media.).

²⁴ Network Station Owners Reply at 13-14.

may result in a chilling of speech.²⁵ Political advertisers may turn to other outlets if advertising on broadcast television imposes disclosure obligations that do not exist for the providers of similar services. Additionally, individuals may be less likely to engage in political discourse if their personal information available on the worldwide web.²⁶

The majority argues that, given the statutory requirement to place the specific rate for each political advertisement in the public file, excluding such information from the online requirement “would be contrary to the statutory directive to make the political file publicly available.”²⁷ I respectfully disagree. In 2002, Congress passed the Bipartisan Campaign Reform Act of 2002 (BCRA) amending section 315 of the Communications Act to codify and expand the Commission’s political advertising disclosure rules to include, among other things, reporting requirements for political issue ads.²⁸ Section 315(e) states that “[a] licensee shall maintain, and make available for public inspection, a complete record of a request to purchase broadcast time” and that this information must “be placed in a political file as soon as possible. . . .”²⁹ There is no statutory requirement that the Commission place any of this information, either in whole or in part, on the Internet. Similarly, there is no prohibition against placing a subset of this information online, such as aggregate advertising prices, while maintaining the commercially-sensitive information at the station for the use of candidates, campaigns, other political advertising buyers, and anyone else who is interested. Further, BCRA is not new to the Commission. It was enacted when the Commission determined, in 2007, that it was best to make the political file “available to public inspection” at broadcast stations.³⁰

²⁵ National Religious Broadcasters, Comments, at 11 (Dec. 15, 2011) (“NRB Comments”) (listing, on the Internet, people in leadership positions of issue advocacy groups would burden political speech); Target Enterprises, Ex Parte Presentation, at 15-16 (Apr. 19, 2012) (“Target Ex Parte”).

²⁶ Target Ex Parte at 16 (“This type of online disclosure raises serious privacy concerns and places an unreasonable burden on individuals’ First Amendment right to participate in political speech.”); NRB Comments at 15-16 (“Further, citizens, faced with . . . national exposure of their names, identities, and organizational affiliations, may well balk at participating in these kinds of civic activities, particularly involving controversial issues, as they face the specter of government-coerced lack of privacy of national proportions. . . . Issue-advocacy groups might avoid advertising on television altogether.”).

²⁷ Order at 21 ¶ 39.

²⁸ Bipartisan Campaign Reform Act of 2002 § 504, 47 U.S.C. § 315(e) (2002), stating:

- (1) A licensee shall maintain, and make available for public inspection, a complete record of a request to purchase broadcast time –
 - (A) is made by or on behalf of a legally qualified candidate for public office; or
 - (B) communicates a message relating to any political matter of national importance, including –
 - (i) a legally qualified candidate;
 - (ii) any election to Federal office; or
 - (iii) a national legislative issue of public importance.”

²⁹ 47 U.S.C. § 315(e)(1), (3). The Commission’s rules state that “[a]s soon as possible means immediately absent unusual circumstance.” 47 C.F.R. § 73.1943.

³⁰ I note that section 504 of BCRA was challenged and affirmed by the Supreme Court in *McConnell v. Federal Election Com’n*. 540 U.S. 93, 233-246 (2003). While it is true that this decision upheld section 504, the court did not consider an online filing requirement for the political file or the implications thereof. In fact, Justice Breyer, on behalf of the majority, upholds the broadcaster disclosure, because it is virtually identical to what was in the Commission’s rules, at that time, and the regulation caused little burden. The majority, in this order, is now changing the disclosure mechanism in a manner that will increase burdens.

In any event, if the public policy goal of new rules is to produce greater transparency in campaign spending, the Commission is not the best agency to achieve this end. It is the role of the legislative branch and the Federal Election Commission (FEC) to debate, craft, and implement new laws and disclosure requirements in the campaign finance arena.³¹ In fact, Congress mandated in BCRA that the FEC must coordinate with other federal executive agencies with election-related information³² and, unlike the Commission, “shall maintain a central site on the Internet to make accessible to the public all publicly available election-related reports and information.”³³ Thus, the FEC already has extensive information on its website regarding political campaign spending, including the aggregate amount spent for political broadcast buys.³⁴ The FEC website also has detailed information regarding the treasurers of campaign committees and the members of the executive committee or board of directors of an entity buying an issue ad. This information is also required to be maintained in the political file and, therefore, will be placed on the Commission’s website, duplicating information already available to the government.³⁵ The record here does not demonstrate that the information provided on the FEC website is not adequate to meet the needs of the general public, including academics, researchers and public interest groups.

It is troubling that the Commission has not adequately analyzed the costs and burdens that these rules will place on broadcasters vis-à-vis any potential benefit to the public interest as outlined in President Obama’s 2011 executive order.³⁶ These requirements will be especially onerous for 1,006 small commercial broadcasters³⁷ and 391 noncommercial educational stations. Although the requirement to post the political file is prospective, stations nonetheless incur upwards of \$80,000 to \$140,000 per year, according to the record, in recurring costs to maintain the information.³⁸ The extra capital and personnel resources needed to maintain an online political file will require broadcasters to make tough choices, such as diverting funds from their newsgathering operations and local programming. These costs will disproportionately harm small and independent broadcasters, especially those owned by women and minorities, which are already experiencing financial pressures in these challenging economic times.³⁹

³¹ See generally National Association of Broadcasters, Supplemental Comments (Mar. 8, 2012) (“NAB Supplemental Comments”).

³² Bipartisan Campaign Reform Act § 502(c).

³³ *Id.* § 502(a), 2 U.S.C. ¶ 438a(a). See also 2 U.S.C. § 434(a)(11)(B) (“The Commission shall make a designation, statement, report, or notification that is filed with the Commission under this Act available for inspection by the public in the offices of the Commission and accessible to the public on the Internet not later than 48 hours (or not later than 24 hours in the case of a designation, statement, report, or notification filed electronically) after receipt by the Commission.”).

³⁴ See NAB Supplemental Comments at 4 (citing 2 U.S.C. § 434(b)(6)(B)(iii), (c), (f)).

³⁵ 47 U.S.C. § 315(e)(2)(F), (G).

³⁶ See Exec. Order No. 13563, *Improving Regulation and Regulatory Review* (Jan. 18, 2011).

³⁷ See Order, Appendix B – Final Regulatory Flexibility Act Analysis, at 61 ¶ 8 (recognizing that this number is likely to overstate the number of small entities because the revenues of affiliated companies and not included). These stations have revenues of \$14 million or less and qualify as small entities under the Small Business Administration definition.

³⁸ NAB Reply at 12 (stating that the online political file would cost nearly \$80,000 per election cycle for temporary sales employees alone); State Broadcaster Association Comments at 12 (stating that the political file and sponsorship identification requirements could cost up to \$140,000 per year).

³⁹ Duhamel Broadcasting Enterprises filed an ex parte letter, along with a Declaration from its Chief Operating Officer, discussing the hardship that an online political file would have on smaller television broadcasters. See Letter from Richard R. Zaragoza, Pillsbury Winthrop Shaw Pittman LLP, to Marlene H. Dortch, Secretary, Federal Communications Commission (Apr. 10, 2012). Access.1 Communications, a woman- and minority-owned business, (continued....)

Finally, these online requirements will hamper the Commission's personnel and financial resources.⁴⁰ Although I have the utmost confidence in the Commission's staff, I do have reservations regarding our ability to host and maintain such databases. The Commission must test any system before going live to ensure reliability, ample capacity, and efficiency. We must fully understand the capabilities of the proposed database in determining filing requirements and deadlines. In these times when the government is making do with less, I question whether implementing a new and complex database is the best use of Commission assets.

Accordingly, I respectfully approve in part and dissent in part.

(...continued from previous page)

filed an *ex parte* letter expressing concerns about the burdens of an online political file and the harms of placing commercially-sensitive rate data on the Internet. See Letter from Chesley Maddox-Dorsey, Chief Executive Officer, Access.1 Communications, to Marlene H. Dortch, Secretary, Federal Communications Commission (Apr. 20, 2012).

⁴⁰ In this order, the Commission committed to undertake the following: establishing and maintaining a website; importing broadcasters' documents that are already on the Commission site; creating specific organizational subfolders for candidates and issue ads that relate to a political matter of national importance; programming the database to use optical character recognition on materials that are scanned and non-searchable and generate electronic backup copies of online files; making Commission staff available to assist station with any issues; exploring the creation of user or peer support groups; creating a mechanism to identify documents beyond the retention period to be flagged for review by broadcasters to be eliminated from the database; amongst others.

**STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN**

Re: Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations (MM Docket No. 00-168) and Extension of the Filing Requirement for Children's Television Programming Report (FCC Form 398) (MM Docket No. 00-44)

Striking a balance via FCC rulemakings can at times be elusive. As an idealist, I always hope that all parties find satisfaction in everything we do. While we achieve industry – *and FCC* – consensus on a great many items, 100% harmony is difficult. This is why the Chairman has wisely partnered with the private sector on a number of major initiatives, and why I mention the power of public-private partnerships in nearly every speech I give.

So it is in that vein that we come to this item, which has been much discussed and hotly debated over the past month.

When we last gathered in this room to discuss this subject, I was again reminded that the words “disclosure” and “transparency” inspire confidence, increase the public’s trust, and convey good faith. The American people not only want those things, they *demand* them, and that is the basis for my approval of this item.

In putting these files online, the FCC is requiring broadcasters to take a step that innumerable other entities have opted for since the World Wide Web became a part of our daily lives, and putting public files on the Internet in 2012 makes sense. It is the expected means of data viewing, and this action requires no unreasonable amount of production or disclosure.

And I am happy to report the overwhelming consensus that surrounds those sentiments. Like many in this room, I attended the National Association of Broadcasters gathering a couple of weeks ago, and was told by many participants that putting their public files online was a logical outgrowth of the ubiquity of public information made viewable by the Internet.

But it is important to strike a balance. I have repeatedly mentioned that one of the paramount considerations regarding this implementation is that we take into account and minimize the burden on industry.

The FCC listened to broadcasters while developing a system that keeps the burden of this new regime as low as possible, and I commend our Media Bureau for its diligent work in this regard. The Commission has devised a scan and upload system that is as user-friendly as it is sensible, and should require minimal effort to execute. While it will involve more labor, I firmly believe that any inconvenience will be offset by the public benefits.

For the public is our greatest watchdog, and media observers from all corners, students, teachers, Ph.Ds, whistle-blowers, grassroots organizations, or people with a lot of time on their hands serve overwhelmingly as the best source of information regarding compliance or noncompliance with our rules. We should all embrace this, as actors like these are an integral part of our democratic fabric. Moreover, if the FCC can be instrumental in giving them better tools to do so, I feel that it must.

I firmly believe that this item does just that. Those who follow the use of local programming and reporting, *or lack thereof*, can scan the disclosure files from broadcast stations across the nation and use that information for any reason they choose. Maybe it’s to scrutinize the programming and ad revenue of

stations, or maybe it's to applaud it. Or perhaps a professor in Wyoming wants to analyze what local content is being shown in Brooklyn, New York.

I see no reason to limit the reach of the online public file. We do not restrict, in any way, shape or form, who can access the existing paper files, and I see no need to do so for this new regime. I reject the claims that to do so would go against the principles and aims of localism, and feel that universal online availability is well within the letter and spirit of our direction from Congress.

The point isn't so much what the use of the information from an online public file will be, but simply the *ability to use it*. The relevant governing statute uses the words "convenience" and "necessity" in discussing the public interest aspects of renewals of broadcast licenses, and our actions via this rulemaking speak to such principles.

I've heard many stakeholders significantly downplay the interest in broadcaster files by members of the American public. I've also heard that there's a better likelihood of an asteroid hitting Earth today than two people walking into a local affiliate station seeking to view these records. But again, such speculation is pointless. Ours is not to keep track of such things, but rather to ensure the availability of relevant files, regardless of how many sets of feet *do or do not* walk into a station. What we do via this item will take this availability into the 21st century.

Included in this new regime, will be the political files of broadcast stations, which are currently viewable within those entities – and no where else. Within these files are records of candidates' requests for airtime, a run-down of the time purchased, and other pertinent information. This is required by statute. Congress deemed this data to be within the public's interest to know, and have access to, and the FCC is the cop on the beat in monitoring compliance. This information also affords the American electorate an opportunity to see how much money is being expended on behalf of a candidate, and during what days and hours.

In an era when political ad spending is well into the billions, many are clamoring to learn what people and groups behind the advertisements. However, that curiosity is not what guides the FCC. What we are charged to do is to assure that such information is available, and now it will be even more so on the Internet.

But concerns arose regarding the widespread dissemination of the itemization of political ad spending and how the containment of it within broadcast stations is where it should remain. More to the point, a global window into the lowest unit charge afforded to political ad spending was a point of contention to many, in that corporations and other ad buyers could use such knowledge to leverage their own negotiations.

I wrestled long and hard with this, and was intent on giving these arguments due consideration.

What was always at the forefront of my mind, however, is the fact that this information is currently available for any and all to view. But during my time as a publisher of a small weekly newspaper, I learned very quickly how difficult it is to generate ad revenue and how painful it can be to be gamed by entities who try to talk you down dollar by dollar. These concerns swam around in my head as I considered the arguments of those against putting detailed information on a platform that the world can view, and I made my thoughts known to my colleagues.

We ended up, after much discussion, including language in the item that serves as a kind of checkpoint, which will allow us to assess the impact and effect of putting the rate information online. Our rulemaking mandates that over the next two years, only stations affiliated with the top four national

networks, and that are licensed to serve communities in top 50 designated market areas would be required to post new political file documents in our online database. However, one year into that timeline, and one year before all other stations – large *and* small – must follow suit, we will issue a Public Notice that will seek comment on what, if any, unforeseen burdens or harmful effects have arisen and whether changes need to be made.

I feel this ability to revisit our actions today and consider whether to alter them if necessary is a sensible, prudent, and measured way to proceed. And while it may not be an ideal fix for all of the critics of our path forward, I think it is a worthwhile, middle ground approach.

As to the concerns about the burdens associated with putting rapidly-changing political ad information in an online public file, I am confident that the system we devise will offer a well thought-out and technologically straightforward method for the uploading and submission of relevant data. The format set forth in the item is well-conceived, and stops short of mandating that broadcasters change the structure of the documents they currently use.

This should allow for the uploading of various documents in different formats and will eliminate the need for converting filings in order to match a certain program.

The public will be aware of the online public file via on-air and website-based announcements, and we hope such outreach will bring fresh interest.

To reiterate, this agency functions at its best when it works in concert with the individuals and corporations and individuals we oversee and regulate. The staff worked very hard on this item, and took the predictions of future hardships seriously. I weighed them also against the need for bringing disclosure into the new mainstream – on the web – and I am proud of this agency, in particular our Media Bureau, for doing its absolute best to take into account the worries and sensitivities of the broadcast industry. What we put forth today is a proper interpretation of the law governing broadcast disclosure, with the main beneficiary being the American public. This enhanced transparency is in keeping with the times, and is a big, overdue step forward.

I want to thank Bill Lake and his superb team in the Media Bureau for their tireless work on this item. Mary Beth Murphy, Bob Ratcliffe, Bobby Baker, Hope Cooper, and Greg Elin were integral to this effort, and I want to put special emphasis on Holly Saurer, who worked day and night and deserves some additional combat pay. She was of great assistance to my office, and I am very grateful.

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Standardized and Enhanced Disclosure)	MM Docket No. 00-168
Requirements for Television Broadcast)	
Licensee Public Interest Obligations)	
)	
Extension of the Filing Requirement for)	MM Docket No. 00-44
Children's Television Programming Report)	
(FCC Form 398))	

ORDER

Adopted: July 12, 2012

Released: July 12, 2012

By the Chief, Media Bureau:

I. INTRODUCTION

1. On July 3, 2012, the National Association of Broadcasters ("NAB") filed a petition¹ requesting a stay of the Commission's *Second Report and Order* in MM Docket Nos. 00-168 and 00-44, which requires broadcast television stations to post their public inspection files, including their political files, online in a Commission-hosted database.² Specifically, NAB seeks a stay of the implementation of the *Second Report and Order* pending the completion of judicial review.³ For the reasons stated below, we deny the petition for stay.

II. BACKGROUND

2. In the *Second Report and Order*, the Commission modernized the procedures television broadcasters use to inform the public about how they are serving their communities by requiring stations to post their public files online in a central, Commission-hosted database, rather than maintaining the files locally at their main studios.⁴ In all cases, these procedures relate to information that is already public and has been for decades. These updated procedures are intended to make it easier for candidates, as well as the public, journalists, educators, and the research community, to access information concerning broadcast service without having to travel to the station's main studio, search the station's paper files, and pay for paper copies.⁵ In addition, over time, broadcasters will benefit from the lower costs of sending

¹ National Association of Broadcasters, Petition for Stay, MM Docket Nos. 00-168 and 00-44 (filed July 3, 2012) ("NAB Petition").

² *Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations, Extension of the Filing Requirement for Children's Television Programming Report*, Second Report and Order, 27 FCC Rcd 4535 (2012) ("*Second Report and Order*"). The effective date of the new online public file requirements is August 2, 2012. See Public Notice, *Effective Date Announced for Online Publication of Broadcast Television Public Inspection Files*, DA 12-1057 (rel. July 3, 2012).

³ NAB Petition at 1-2. NAB has filed a petition for review of the *Second Report and Order* with the U.S. Court of Appeals for the District of Columbia Circuit. *Nat'l Assoc. of Broadcasters v. FCC*, No. 12-1225 (D.C. Cir. docketed May 21, 2012).

⁴ *Second Report and Order* at ¶ 1.

⁵ *Id.* at ¶ 16.

documents electronically to the Commission, as opposed to creating and maintaining a paper file at the station.⁶

3. The procedures adopted in the *Second Report and Order* reflect the Commission's commitment to maximizing the public benefits of an online public file while avoiding unnecessary burdens on broadcasters.⁷ Under these procedures, the Commission will host all television stations' online public files in a centralized database; stations will not be required to post their public files on their own websites.⁸ Television stations will not be responsible for uploading to the Commission-hosted database materials in the public file that have previously been filed with the Commission or are otherwise available on the Commission's website.⁹ The Commission will itself import to the online public file any documents that must be included in the public file but that are also filed electronically with the Commission in the Consolidated DataBase System or maintained on the Commission's website.¹⁰ The Commission exempted letters and emails from the general public from the online posting requirement, instead permitting broadcasters to continue to retain these materials in a correspondence file at the station.¹¹

4. To minimize burdens on broadcasters, the *Second Report and Order* also significantly tailors the online public file requirements for the political file¹² — the file that must include all specific requests for broadcast time made by or on behalf of a candidate and the disposition of those requests (including the schedule of time purchased, when spots actually aired, the rates charged, and the classes of time purchased);¹³ information regarding other appearances by candidates (excluding those in certain news programming exempt from the equal opportunities provision);¹⁴ and information about issue advertising that “communicates a message relating to any political matter of national importance.”¹⁵ Television stations are not required to upload their existing political files to the online public file.¹⁶ Rather, stations need to upload political file documents to the online public file only on a going-forward basis.¹⁷ Further, for the next two years, only stations that are affiliated with the top four national networks (ABC, NBC, CBS, and Fox) and licensed to serve communities in the top 50 Designated Market Areas

⁶ *Id.* at ¶ 11.

⁷ *Id.*

⁸ *Id.* at ¶ 14.

⁹ *Id.* at ¶ 21. These materials include citizen agreements, certain Equal Employment Opportunity (“EEO”) materials, issues/programs lists, children’s television commercial limits records, donor lists for noncommercial educational stations, local public notice announcements, time brokerage agreements, must-carry or retransmission consent elections, joint sales agreements, Class A continuing eligibility documentation, materials related to FCC investigations (other than investigative information requests from the Commission), and any new political file materials. *Id.*

¹⁰ *Id.* at ¶ 20. Documents falling into this category include station authorizations, applications and related materials, contour maps, ownership reports and related materials, EEO materials, The Public and Broadcasting manual, children’s television programming reports, and Letters of Inquiry and other investigative information requests from the Commission, unless otherwise directed by the inquiry itself. *Id.*

¹¹ *Id.* at ¶¶ 62-64.

¹² *Second Report and Order* at ¶ 11.

¹³ 47 C.F.R. § 73.1943.

¹⁴ *Id.*

¹⁵ 47 U.S.C. § 315(e).

¹⁶ *Id.* at ¶ 44.

¹⁷ *Id.* at ¶ 21.

are required to post political file documents online.¹⁸ The Commission exempted all other stations from posting their political file documents to their online public file until July 1, 2014.¹⁹

5. NAB seeks to stay the implementation of the *Second Report and Order* until the D.C. Circuit Court of Appeals acts on its petition for review.²⁰ NAB's arguments in support of a stay focus exclusively on the political file requirements and do not relate to the other portions of the *Second Report and Order*.²¹ NAB argues, among other things, that imposing an online publication requirement for television broadcasters' political files is arbitrary and capricious and inconsistent with the Bipartisan Campaign Reform Act of 2002 ("BCRA").²² NAB further claims that its members will suffer irreparable harm absent a stay because the *Second Report and Order* compels television stations to post the prices for specific advertisements to a public website immediately, which will place them at a disadvantage to non-broadcast competitors who are not required to post rate information on the Internet.²³ The Public Interest Public Airwaves Coalition ("PIPAC") filed an opposition to NAB's motion for stay.²⁴ For the reasons discussed below, we deny NAB's petition for stay.

III. DISCUSSION

6. In determining whether to stay the effectiveness of one of its orders, the Commission applies the four factor test established in *Virginia Petroleum Jobbers Ass'n v. FPC*, as modified in *Washington Metropolitan Area Transit Comm'n v. Holiday Tours, Inc.*²⁵ Under this standard, a petitioner must demonstrate that: (1) it is likely to prevail on the merits; (2) it will suffer irreparable harm if a stay is not granted; (3) other interested parties will not be harmed if the stay is granted; and (4) the public interest favors granting a stay.²⁶ The relative importance of the four criteria will vary depending on the circumstances of the case,²⁷ but a showing of irreparable injury is generally a critical element in justifying a request for stay of an agency order.²⁸

7. In this case, we conclude that NAB has satisfied none of the four factors in the stay calculus. Critically, NAB has failed to demonstrate irreparable injury. NAB has also failed to show that it is likely to prevail on the merits of its claims, that other interested parties will not be harmed if a stay is granted, or that a stay would serve the public interest. Accordingly, we find that a stay is not warranted.

¹⁸ *Id.* at ¶ 46.

¹⁹ *Id.* at ¶¶ 33, 48.

²⁰ NAB Petition at 1.

²¹ *Id.* at 1-2.

²² *Id.* at 1.

²³ *Id.* at 1-2.

²⁴ Public Interest Public Airwaves Coalition, Opposition to National Association of Broadcasters' Petition for Stay Pending Judicial Review, MM Docket Nos. 00-168 and 00-44 (filed July 10, 2012) ("PIPAC Opposition").

²⁵ *Virginia Petroleum Jobbers Ass'n v. FPC*, 259 F.2d 921, 925 (D.C. Cir. 1958) ("*Virginia Petroleum*"); *Washington Metropolitan Transit Comm'n v. Holiday Tours, Inc.*, 559 F.2d 841, 843 (D.C. Cir. 1977) ("*Washington Metro*").

²⁶ *Virginia Petroleum*, 259 F.2d at 925; *Washington Metro*, 559 F.2d at 843; see also *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7 (2008) ("*Winter*").

²⁷ See, e.g., *Davis v. Pension Ben. Guar. Corp.*, 571 F.3d 1288, 1291 (D.C. Cir. 2009).

²⁸ See *Winter*, 555 U.S. at 22 ("Our frequently reiterated standard requires plaintiffs seeking an injunction to demonstrate that irreparable injury is *likely* in the absence of an injunction."); see also *Wisconsin Gas Co. v. FERC*, 758 F.2d 669, 674 (D.C. Cir. 1985) (denying requests for stay after considering only the second factor) ("*Wisconsin Gas*").

A. NAB's Members Would Not Suffer Irreparable Harm

8. NAB fails to show that its members would be irreparably harmed if a stay is not granted. In claiming irreparable harm, NAB asserts that, absent a stay, its members will be required to post the rates they charge for specific advertising spots immediately to the Internet, which will enable non-broadcast competitors to determine in a matter of seconds exactly what prices local broadcast stations are charging for specific spots.²⁹ As a result, NAB argues, non-broadcast competitors will acquire an unfair advantage over broadcasters in the competition for political and commercial advertising.³⁰ Since political advertisers spend more than a billion dollars on television advertising in election years, NAB asserts that its members will lose millions of dollars in revenue if non-broadcast media are allowed to shift even a small percentage of this advertising away from broadcast television.³¹ NAB claims that broadcasters will have no means of recouping this lost revenue.³² NAB also claims that broadcasters will be unable to recoup the substantial costs of complying with the *Second Report and Order*.³³ According to NAB, these losses constitute irreparable harm.³⁴ NAB asserts that, although economic harm generally does not constitute irreparable injury, the general rule does not apply where, as here, a party seeking a stay cannot recover monetary damages to recoup its losses.³⁵

9. NAB has failed to demonstrate “irreparable harm.” The *Second Report and Order* does not require broadcasters to make any information publicly available that they are not already required to make public.³⁶ Broadcasters have long been required to make available political file information, including political rates, and anyone, including non-broadcast competitors, can access these data in the stations’ public files.³⁷ Similarly, the political files of broadcasters’ competitors have been available in paper form to television broadcasters for years.³⁸ NAB’s claim of resulting harm – *i.e.*, that requiring television stations to post the rates they charge for specific advertising spots immediately to the Internet will give non-broadcast competitors an unfair advantage over broadcasters in the competition for political and commercial advertising, which may result in loss of revenue for the television stations – is not persuasive given that the information is already publicly available under existing rules.³⁹ NAB offers no proof that the rules will result in harm that “is certain to occur in the near future.”⁴⁰ Indeed, to the extent that competitors, potential advertisers, or media buyers have an economic incentive to access this data, they *already* have the ability to review the material at the stations.⁴¹ In view of this mutual, long-standing

²⁹ NAB Petition at 19.

³⁰ *Id.*

³¹ *Id.*

³² *Id.*

³³ *Id.*

³⁴ *Id.* at 20.

³⁵ *Id.*, citing *Robertson v. Cartinhour*, 429 F.App’x 1, 3 (D.C. Cir. 2011).

³⁶ *Second Report and Order* at ¶ 39.

³⁷ *Id.* Competitors and advertisers apparently do seek review of information in broadcast stations’ political files on a regular basis, as Commission staff frequently receives inquiries from stations as to whether they must provide such entities access to the political file. *Id.* at n.121.

³⁸ *Id.* at ¶ 39. See also 47 C.F.R. §§ 25.701(d), 76.1701(a).

³⁹ NAB Petition at 19.

⁴⁰ *Wisconsin Gas*, 758 F.2d at 674 (“Bare allegations of what is likely to occur” are not sufficient because the test is whether the harm “will in fact occur.”).

⁴¹ *Second Report and Order* at ¶ 39. Competitors and advertisers apparently do seek review of information in broadcast stations’ political files on a regular basis, as Commission staff frequently receives inquiries from stations

public availability of political rate information,⁴² we find it speculative that the online posting of this information will provide a significant advantage to non-broadcast competitors, which in turn will result in loss of revenue for the television stations.

10. In addition, NAB has failed to show that online posting of advertising rate information would threaten broadcasters' ability to compete effectively to retain their advertisers.⁴³ Notwithstanding that Americans' viewing habits are becoming more fragmented, the portion of time devoted to watching broadcast television remained relatively constant between 2008 and 2010, and broadcast television "has retained some clout as an effective way to reach large numbers—not to the extent it has in the past but still more than most cable networks."⁴⁴ Thus, television broadcasters' uniquely large audience share will ensure that "significant ad spending on broadcast television will continue."⁴⁵ Nothing in our rules would change that fact. In addition, "stations are in control of setting lowest unit rates, and have final determination of how low they are willing to set their commercial rates."⁴⁶

11. NAB also claims that broadcasters will be unable to recoup the substantial costs of complying with the *Second Report and Order*.⁴⁷ In support, NAB provides declarations from four broadcast licensees that estimate the amount of time and associated costs for station personnel to upload political file information.⁴⁸ We conclude, however, that these estimates greatly overstate the burden and cost of uploading political file information. For example, the declarations provide estimates of the time required for station personnel to upload political file information *in addition to* the time it currently takes station personnel to file the documents in the station's paper file and conclude that the *additional* steps required to upload political file information "would essentially double the time and cost devoted to maintaining the political file" and require the hiring of additional staff.⁴⁹ As the Commission stated in the *Second Report and Order*, "given that the requirement to upload the files will replace rather than add to the existing file requirements, we expect that stations will be able to assign these responsibilities to

as to whether they must provide such entities access to the political file. *Id.* at n.121. *See also* PIPAC Opposition at 11 (noting that there is nothing in the record to support the claim that competitors have ever used public file information to gain competitive advantage).

⁴² *Id.* at ¶ 39.

⁴³ *See Access Charge Reform*, Order, 12 FCC Rcd 10175, 10190, ¶ 33 (1997) ("*Access Charge Reform*") (finding claimed losses to competition inadequate to support a claim of irreparable harm where there was no evidence that the petitioners would be unable to compete effectively to retain their customers).

⁴⁴ *See* "The Information Needs of Communities: The Changing Media Landscape in a Broadband Age," by Steven Waldman and the Working Group on Information Needs of Communities at 75 (June 2011), available at www.fcc.gov/infoneedsreport.

⁴⁵ *See id.*

⁴⁶ *Second Report and Order* at n.123.

⁴⁷ NAB Petition at 19.

⁴⁸ Declaration of Janene Drafts, Vice President, Station Manager/General Sales Manager, Fisher Broadcasting—Seattle TV, L.L.C., Licensee of KOMO-TV, Seattle, Washington, at Exhibit 1 ("Drafts Declaration"); Declaration of John Tamerlano, Senior Vice President/General Manager, Fisher Broadcasting—Portland TV, L.L.C., Licensee of KATU(TV), Portland, Oregon, at Exhibit 2 ("Tamerlano Declaration"); Declaration of Pamela Baratta, Vice President Sales Operations, Media General, Inc., Licensee of 18 Television Stations, at Exhibit 3 ("Baratta Declaration"); and Declaration of Steve Wexler, Executive Vice President, Journal Broadcast Group, Licensee of 14 Television Stations, at Exhibit 4 ("Wexler Declaration").

⁴⁹ *See* Drafts Declaration at 5-7; Tamerlano Declaration at 5-7; Wexler Declaration at 4-5. *See also* Baratta Declaration at 3-4 (stating that the additional steps would "add an estimated one hundred (100) hours of work per week across all Media General Stations during the sixteen weeks prior to an election" and require hiring "up to 16 additional temporary staff persons").

existing staff, rather than hire additional staff.”⁵⁰ Furthermore, three of the declarations indicate that 80 to 90 percent of the stations’ requests for political time are handled electronically,⁵¹ yet the time/cost estimates in these declarations include printing and manually scanning all documents.⁵² To the extent that a portion of a station’s political time requests are handled electronically, it should be relatively easy for the station to upload these documents to their online public files in a universally readable format without the need for printing and manual scanning.⁵³ Indeed, for stations such as these that already maintain a substantial portion of their political file information in electronic form, the transition to an online public file should result in significant cost savings on a going-forward basis.

12. We further note that the Commission is working to facilitate the broadcasters’ transition to the online database, thereby minimizing any potential costs. The Commission has developed a database to host the online public inspection file for television stations, and testing of the database is underway.⁵⁴ On July 17, 2012, the Commission will conduct a public demonstration of the database to inform broadcasters and others of the design and content of the online file, how stations will upload information to the file, how file sharing tools such as Dropbox and Box can be used for uploading, and other ways in which the Commission is working to facilitate access to the database.⁵⁵ The Commission also plans to schedule user testing and educational webinars shortly to ensure that the uploading of materials by broadcasters can be conducted smoothly and efficiently. The Commission will act promptly if any problems arising during user testing. Moreover, the Commission will provide telephonic support and post the answers to frequently asked questions online on an ongoing basis as needed to help broadcasters. Thus, broadcasters should have sufficient information about the database and time to come into compliance by the August 2, 2012 effective date. Accordingly, we conclude that NAB has failed to show irreparable harm.

B. NAB Is Unlikely to Prevail on the Merits

13. NAB has also failed to show that it would likely prevail on the merits. NAB contends that it is likely to succeed on the merits because imposing an online publication requirement for television broadcasters’ political files is arbitrary and capricious.⁵⁶ NAB asserts that disclosure of detailed rate information on the Internet is arbitrary and capricious because it raises serious antitrust concerns⁵⁷ and will distort competition by giving non-broadcast media asymmetrical access to information about local advertising rates.⁵⁸ We disagree. Congress has explicitly required broadcasters to make this information

⁵⁰ *Second Report and Order* at ¶ 31.

⁵¹ See Drafts Declaration at 5 (“For approximately 80 percent of the station’s requests, correspondence and negotiations are done electronically via email.”); Tamerlano Declaration at 4 (“For approximately 80 percent of the station’s requests, correspondence and negotiations are done electronically via email.”); Baratta Declaration at 3 (“Approximately ninety percent (90%) of all political requests are handled electronically.”). The Wexler Declaration simply states that requests for political time are handled both telephonically and electronically, without providing any percentage breakdown. See Wexler Declaration at 3.

⁵² See Drafts Declaration at 5-6; Tamerlano Declaration at 5-6; Baratta Declaration at 4.

⁵³ See *Second Report and Order* at ¶ 36.

⁵⁴ See Public Notice, *Demonstration of Online Public Inspection File Interface*, MM Docket Nos. 00-168 and 00-44, DA 12-1088, rel. July 6, 2012.

⁵⁵ See *id.*

⁵⁶ NAB Petition at 7.

⁵⁷ *Id.* at 7-10.

⁵⁸ *Id.* at 11-12.

publicly available.⁵⁹ In addition, as stated above, both broadcasters and their non-broadcast competitors already make this information publicly available “immediately absent unusual circumstances,”⁶⁰ and, where it is economically beneficial to do so, competitors, advertisers, and media buyers already review this information.⁶¹ Nevertheless, while detailed political rate information has been available to broadcasters and non-broadcast competitors for decades, we have seen no evidence, and NAB has offered none, that broadcasters have used this information anticompetitively to fix advertising rates or will be more likely to do so when this information is made available online.⁶² To the contrary, as PIPAC points out, “NAB’s real concern is apparently just the opposite — that increased disclosure will lead to greater competition and ad prices will go down as a result.”⁶³

14. Nor do we believe that increasing the ease of access to this already-available information by placing it online will result in significant market distortions by creating an “information asymmetry” that will give non-broadcast media the opportunity to shift advertising away from broadcast stations.⁶⁴ Notably, as the Commission observed in the *Second Report and Order*, “[w]hile the political file lists the lowest unit charge that a candidate receives, it does not reveal significant information about the commercial transaction that established that lowest unit charge. Various factors unknown to another commercial buyer — including that the advertiser establishing the lowest unit charge bought a higher volume of ads, committed to a long-term advertising relationship, or other variables — can justify denying the lowest unit charge rate to a different commercial buyer under different circumstances.”⁶⁵ The existence of many additional variables for any given lowest unit charge (such as lengths, classes of time, and time periods) further increase the difficulty for any potential purchaser to find a lowest unit charge that is comparable to the ad purchase it is seeking to make or to compare the lowest unit charges of competing stations.⁶⁶

15. NAB further asserts that the Commission, in the *Second Report and Order*, arbitrarily and capriciously rejected an alternative proposal that would largely avoid its concerns about potential anticompetitive effects.⁶⁷ Under that alternative proposal, stations would post online the total number of dollars spent by each candidate or political advertiser, aggregated on a weekly, every-other-day, or daily basis depending on the political season.⁶⁸ Stations would continue to make more detailed spot-by-spot information available in their paper files, but would not post this information in their online public files.⁶⁹ NAB argues that the Commission summarily rejected this alternative approach on the ground that it would “deprive the public of the benefits of immediate access to all the information in the political file,” but failed to explain why weekly or more frequent posting of aggregated data, supplemented by review of paper files as needed, is not sufficient to meet the goals of public disclosure.⁷⁰ We disagree that the

⁵⁹ See Bipartisan Campaign Reform Act of 2002 (BCRA), Pub. L. No. 107-55, 116 Stat. 81, § 504 (codified at 47 U.S.C. § 315(e)).

⁶⁰ *Second Report and Order* at ¶¶ 39, 55.

⁶¹ *Id.* at 39.

⁶² NAB concedes that “television stations will be compelled to publish the price information (and therefore there will be no ‘agreement’ in restraint of trade for purposes of Section 1 of the Sherman Act).” NAB Petition at 8 n.19.

⁶³ PIPAC Opposition at 6.

⁶⁴ See NAB Petition at 11-12.

⁶⁵ *Second Report and Order* at 39.

⁶⁶ *Id.* at n.123.

⁶⁷ NAB Petition at 13-15.

⁶⁸ *Id.* at 14.

⁶⁹ *Id.*

⁷⁰ *Id.*

Commission acted arbitrarily and capriciously in rejecting the alternative proposal. The Commission discussed at length the importance of both improving public access to the public file, including the political file, and the longstanding immediacy requirement for political files.⁷¹ Requiring the public to view aggregated data online and separately review complete political rate data in the paper file by traveling to the station would not provide the efficiencies promoted by online disclosure. Moreover, as an additional basis for rejecting the alternative proposal, the Commission found that it would be significantly more burdensome on broadcasters because it would require both the maintenance of paper files with detailed spot-by-spot information and the creation and uploading of new aggregated data.⁷²

16. Additionally, NAB argues that it is likely to prevail on the merits because requiring online publication of television broadcasters' political files is inconsistent with BCRA.⁷³ NAB states that, while BCRA expressly required the FEC to make certain election-related records available online,⁷⁴ it adopted only a hard-copy inspection requirement for broadcasters' public files and did not expressly require online publication.⁷⁵ NAB asserts that, "[w]here Congress includes particular language in one section of a statute but omits it in another section of the same Act, it is generally presumed that Congress acts intentionally and purposely in the disparate inclusion or exclusion."⁷⁶ NAB argues that the Commission erroneously concluded in the *Second Report and Order* that "the language and structure of BCRA is either (i) ambiguous or (ii) indicates congressional approval of the Commission's then-two-year-old proposal to require Internet publication."⁷⁷ NAB also maintains that interpreting BCRA to allow online publication of political files raises First Amendment concerns.⁷⁸

17. The Commission in the *Second Report and Order* rejected this argument, finding that NAB overlooked relevant facts relating to the adoption of BCRA.⁷⁹ The Commission observed that, when Congress adopted the political file retention requirements of Section 315(e) of the Communications Act as part of BCRA,⁸⁰ it essentially codified the existing political file regulations as reflected in Section 73.1943 of the Commission's rules,⁸¹ and placed no new restriction on the Commission's discretion to implement the public availability requirement.⁸² The Commission found this particularly significant because, at the time of BCRA's passage, the Commission had tentatively concluded in this proceeding that stations should place their public inspection files — including their political files — online.⁸³ Although Congress was presumably aware that the Commission was actively considering online

⁷¹ See *Second Report and Order* at ¶¶ 10, 13, 55-58.

⁷² See *Second Report and Order* at n.177.

⁷³ NAB Petition at 15.

⁷⁴ *Id.*, citing BCRA § 501 (codified at 2 U.S.C. § 434(a)(11)(B)) and § 502(a) (codified at 2 U.S.C. § 438a(a)).

⁷⁵ *Id.*, citing BCRA § 504 (codified at 47 U.S.C. § 315(e)).

⁷⁶ *Id.* at 15-16, citing *Russello v. U.S.*, 464 U.S. 16, 23 (1983).

⁷⁷ *Id.* at 16.

⁷⁸ *Id.* at 17, citing *Nat'l Mining Ass'n v. Kempthorne*, 512 F.3d 702, 711 (D.C. Cir. 2008) ("[C]ourts make every effort to construe statutes so as to avoid needless constitutional confrontations.").

⁷⁹ See *Second Report and Order* at ¶ 52.

⁸⁰ See 47 U.S.C. §§ 315(e)(1) (requiring a licensee to "maintain, and make available for public inspection, a complete record of a request to purchase broadcast time"), 315(e)(3) (providing that "[t]he information required under this subsection be placed in a political file as soon as possible and shall be retained by the licensee for a period of not less than 2 years.").

⁸¹ 47 C.F.R. § 73.1943.

⁸² *Second Report and Order* at ¶ 52.

⁸³ *Id.*

publication of the political file, it expressed no intent to prevent such updating of the rules and placed no restriction in BCRA on how the Commission may direct stations to make the political file “available for public inspection.”⁸⁴ The statute does not, as NAB suggests, specify hard-copy disclosure. Because the statute is silent on the question of how stations should make the political file “available for public inspection,” the Commission concluded that, as the expert agency required to implement the Communications Act, it has discretion in determining how to do so, provided that its decision “is based on a permissible construction of the statute.”⁸⁵ In light of the circumstances surrounding the adoption of BCRA, we are unpersuaded by NAB’s assertion that the Commission acted erroneously in concluding that the requirement of availability for public inspection allows the Commission to require that such records be made available for public inspection online.

18. We are likewise unpersuaded by NAB’s claim that interpreting BCRA to allow online publication of political files raises First Amendment concerns. As the Supreme Court stated in *Citizens United v. FEC*, “transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages,” and, “[w]ith the advent of the Internet, prompt disclosure of expenditures can provide shareholders and citizens with the information needed to hold corporations and elected officials accountable for their positions and supporters.”⁸⁶ We believe that making already-public political file information accessible via the Internet will promote First Amendment values, not chill speech.⁸⁷ In this regard, as previously noted, broadcasters have been required to make their political files publicly available in paper for many years.⁸⁸

C. Harm to Others and Public Interest Considerations

19. NAB has also failed to show that the balance of hardships and the public interest favors a stay. NAB states that no party would be injured because a stay would leave the existing public file rules in effect pending NAB’s appeal and that any public interest benefit from immediate online access to detailed, current rate information is outweighed by the serious harms that would likely result from that requirement.⁸⁹ PIPAC asserts that a stay would harm its members and other organizations “because they would need to devote many more resources to gathering political advertising information directly from broadcast stations, rather than a single website.”⁹⁰ It also asserts that a stay would harm the public interest “because it will be difficult for members of the public as well as political candidates to access the information to which they are entitled by law.”⁹¹ We find that the public has a strong interest in implementation of the online public file rules as currently scheduled because these new rules will largely eliminate the substantial expense and inconvenience to the public of traveling to the station and paying for paper copies⁹² and greatly enhance transparency in political spending in particular. Moreover, as discussed above, NAB has failed to demonstrate that implementation of the online public file requirements would cause its members irreparable harm.

⁸⁴ *Id.*

⁸⁵ *Id.*, citing *Chevron USA Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 843 (1984).

⁸⁶ *Citizens United v. Federal Election Commission*, 130 S.Ct. 876, 916 (2010).

⁸⁷ See *Second Report and Order* at ¶ 80.

⁸⁸ *Id.* at 39.

⁸⁹ NAB Petition at 20.

⁹⁰ PIPAC Opposition at 13.

⁹¹ *Id.*

⁹² See *Second Report and Order* at ¶¶ 10, 13.

IV. ORDERING CLAUSES

20. Accordingly, IT IS ORDERED that, pursuant to the authority of Sections 1, 4(i) and 4(j) of the Communications Act of 1934, as amended,⁹³ and Section 1.43 of the Commission's Rules,⁹⁴ NAB's Petition for Stay IS DENIED.

21. This action is taken under delegated authority pursuant to Sections 0.61 and 0.283 of the Commission's Rules.⁹⁵

FEDERAL COMMUNICATIONS COMMISSION

William T. Lake
Chief
Media Bureau

⁹³ 47 U.S.C. §§ 151, 154(i) and (j).

⁹⁴ 47 C.F.R. § 1.43.

⁹⁵ 47 C.F.R. §§ 0.61, 0.283.

47 U.S.C. § 315
Candidates for public office

(a) Equal opportunities requirement; censorship prohibition; allowance of station use; news appearances exception; public interest; public issues discussion opportunities

If any licensee shall permit any person who is a legally qualified candidate for any public office to use a broadcasting station, he shall afford equal opportunities to all other such candidates for that office in the use of such broadcasting station: *Provided*, That such licensee shall have no power of censorship over the material broadcast under the provisions of this section. No obligation is imposed under this subsection upon any licensee to allow the use of its station by any such candidate. Appearance by a legally qualified candidate on any--

(1) bona fide newscast,

(2) bona fide news interview,

(3) bona fide news documentary (if the appearance of the candidate is incidental to the presentation of the subject or subjects covered by the news documentary), or

(4) on-the-spot coverage of bona fide news events (including but not limited to political conventions and activities incidental thereto),

shall not be deemed to be use of a broadcasting station within the meaning of this subsection. Nothing in the foregoing sentence shall be construed as relieving broadcasters, in connection with the presentation of newscasts, news interviews, news documentaries, and on-the-spot coverage of news events, from the obligation imposed upon them under this chapter to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

(b) Charges

(1) In general

The charges made for the use of any broadcasting station by any person who is a legally qualified candidate for any public office in connection with his campaign for nomination for election, or election, to such office shall not exceed--

(A) subject to paragraph (2), during the forty-five days preceding the date of a primary or primary runoff election and during the sixty days preceding the date of a general or special election in which such person is a candidate, the lowest unit charge of the station for the

same class and amount of time for the same period; and

(B) at any other time, the charges made for comparable use of such station by other users thereof.

(2) Content of broadcasts

(A) In general

In the case of a candidate for Federal office, such candidate shall not be entitled to receive the rate under paragraph (1)(A) for the use of any broadcasting station unless the candidate provides written certification to the broadcast station that the candidate (and any authorized committee of the candidate) shall not make any direct reference to another candidate for the same office, in any broadcast using the rights and conditions of access under this chapter, unless such reference meets the requirements of subparagraph (C) or (D).

(B) Limitation on charges

If a candidate for Federal office (or any authorized committee of such candidate) makes a reference described in subparagraph (A) in any broadcast that does not meet the requirements of subparagraph (C) or (D), such candidate shall not be entitled to receive the rate under paragraph (1)(A) for such broadcast or any other broadcast during any portion of the 45-day and 60-day periods described in paragraph (1)(A), that occur on or after the date of such broadcast, for election to such office.

(C) Television broadcasts

A candidate meets the requirements of this subparagraph if, in the case of a television broadcast, at the end of such broadcast there appears simultaneously, for a period no less than 4 seconds--

(i) a clearly identifiable photographic or similar image of the candidate; and

(ii) a clearly readable printed statement, identifying the candidate and stating that the candidate has approved the broadcast and that the candidate's authorized committee paid for the broadcast.

(D) Radio broadcasts

A candidate meets the requirements of this subparagraph if, in the case of a radio broadcast, the broadcast includes a personal audio statement by the candidate that identifies the candidate, the office the candidate is seeking, and indicates that the candidate has approved the broadcast.

(E) Certification

Certifications under this section shall be provided and certified as accurate by the candidate (or any authorized committee of the candidate) at the time of purchase.

(F) Definitions

For purposes of this paragraph, the terms “authorized committee” and “Federal office” have the meanings given such terms by section 431 of Title 2.

(c) Definitions

For purposes of this section--

(1) the term “broadcasting station” includes a community antenna television system; and

(2) the terms “licensee” and “station licensee” when used with respect to a community antenna television system mean the operator of such system.

(d) Rules and regulations

The Commission shall prescribe appropriate rules and regulations to carry out the provisions of this section.

(e) Political record

(1) In general

A licensee shall maintain, and make available for public inspection, a complete record of a request to purchase broadcast time that--

(A) is made by or on behalf of a legally qualified candidate for public office; or

(B) communicates a message relating to any political matter of national importance, including--

(i) a legally qualified candidate;

(ii) any election to Federal office; or

(iii) a national legislative issue of public importance.

(2) Contents of record

A record maintained under paragraph (1) shall contain information regarding--

(A) whether the request to purchase broadcast time is accepted or rejected by the licensee;

(B) the rate charged for the broadcast time;

(C) the date and time on which the communication is aired;

(D) the class of time that is purchased;

(E) the name of the candidate to which the communication refers and the office to which the candidate is seeking election, the election to which the communication refers, or the issue to which the communication refers (as applicable);

(F) in the case of a request made by, or on behalf of, a candidate, the name of the candidate, the authorized committee of the candidate, and the treasurer of such committee; and

(G) in the case of any other request, the name of the person purchasing the time, the name, address, and phone number of a contact person for such person, and a list of the chief executive officers or members of the executive committee or of the board of directors of such person.

(3) Time to maintain file

The information required under this subsection shall be placed in a political file as soon as possible and shall be retained by the licensee for a period of not less than 2 years.

47 C.F.R. § 73.1943

Political File

(a) Every licensee shall keep and permit public inspection of a complete and orderly record (political file) of all requests for broadcast time made by or on behalf of a candidate for public office, together with an appropriate notation showing the disposition made by the licensee of such requests, and the charges made, if any, if the request is granted. The “disposition” includes the schedule of time purchased, when spots actually aired, the rates charged, and the classes of time purchased.

(b) When free time is provided for use by or on behalf of candidates, a record of the free time provided shall be placed in the political file.

(c) All records required by this paragraph shall be placed in the political file as soon as possible and shall be retained for a period of two years. As soon as possible means immediately absent unusual circumstances.

<Text of subsection (d) added by 77 FR 27655, effective Aug. 2, 2012.>

(d) Location of the file. A television station licensee or applicant must post all of the contents added to its political file after the effective date of this paragraph in the political file component of its public file on the Commission’s Web site. A television station must retain in its political file maintained at the station, at the location specified in §§ 73.3526(b) or 73.3527(b), all material required to be included in the political file and added to the file prior to the effective date of this paragraph. The online political file must be updated in the same manner as paragraph (c) of this section.

47 C.F.R. § 73.3526

Local public inspection file of commercial stations.

(a) Responsibility to maintain a file. The following shall maintain for public inspection a file containing the material set forth in this section.

(1) Applicants for a construction permit for a new station in the commercial broadcast services shall maintain a public inspection file containing the material, relating to that station, described in paragraphs (e)(2) and (e)(10) of this section. A separate file shall be maintained for each station for which an application is pending. If the application is granted, paragraph (a)(2) of this section shall apply.

(2) Every permittee or licensee of an AM, FM, TV or Class A TV station in the commercial broadcast services shall maintain a public inspection file containing the material, relating to that station, described in paragraphs (e)(1) through (e)(10) and paragraph (e)(13) of this section. In addition, every permittee or licensee of a commercial TV or Class A TV station shall maintain for public inspection a file containing material, relating to that station, described in paragraphs (e)(11) and (e)(15) of this section, and every permittee or licensee of a commercial AM or FM station shall maintain for public inspection a file containing the material, relating to that station, described in paragraphs (e)(12) and (e)(14) of this section. A separate file shall be maintained for each station for which an authorization is outstanding, and the file shall be maintained so long as an authorization to operate the station is outstanding.

<Text of subsection (b) effective until Aug. 2, 2012.>

(b) Location of the file. The public inspection file shall be maintained at the main studio of the station. An applicant for a new station or change of community shall maintain its file at an accessible place in the proposed community of license or at its proposed main studio.

<Text of subsection (b) effective Aug. 2, 2012.>

(b) Location of the file. The public inspection file shall be located as follows:

(1) For radio licensees, a hard copy of the public inspection file shall be maintained at the main studio of the station. For television licensees, letters and emails from the public, as required by paragraph (e)(9) of this section, shall be maintained at the main studio of the station. An applicant for a new station or change of community shall maintain its file at an accessible place in the proposed community of license or at its proposed main studio.

(2) A television station licensee or applicant shall place the contents required by paragraph (e) of this section of its public inspection file on the Commission's Web site, with the exception of letters and emails from the public as required by paragraph (e)(9) of this section, which shall be retained at the station in the manner discussed in paragraph (b)(1) of this section; and the political file as required by paragraph (e)(6) of this section, as discussed in paragraph (b)(3) of this section. A station must provide a link to the public inspection file hosted on the Commission's Web site from the home page of its own Web site, if the station has a Web site, and provide contact information on its Web site for a station representative that can assist any person with disabilities with issues related to the content of the public files. A station also is required to include in the online public file the station's main studio address and telephone number, and the email address of the station's designated contact for questions about the public file. To the extent this section refers to the local public inspection file, it refers to the public file of an individual station, which is either maintained at the station or on the Commission's Web site, depending upon where the documents are required to be maintained under the Commission's rules.

(3) A television station licensee or applicant shall place the contents required by paragraph (e)(6) of this section of its political inspection file on the Commission's Web site. Political inspection file material in existence 30 days after the effective date of this provision shall continue to be retained at the station in the manner discussed in paragraph (b)(1) of this section until the end of its retention period. Any station not in the top 50 DMAs, and any station not affiliated with one of the top four broadcast networks, regardless of the size of the market it serves, shall continue to retain the political file at the station in the manner discussed in paragraph (b)(1) of this section until July 1, 2014. For these stations, effective July 1, 2014, any new political file material shall be placed on the Commission's Web site, while the material in the political file as of July 1, 2014, if not placed on the Commission's Web site, shall continue to be retained at the station in the manner discussed in paragraph (b)(1) of this section until the end of its retention period. However, any station that is not required to place its political file on the Commission's Web site before July 1, 2014 may choose to do so, instead of retaining the political file at the station in the manner discussed in paragraph (b)(1) of this section.

(4) The Commission will automatically link the following items to the electronic version of all licensee and applicant public inspection files, to the extent that the Commission has these items electronically: authorizations, applications, contour maps; ownership reports and related materials; portions of the Equal Employment Opportunity file held by the Commission; "The Public and Broadcasting"; Letters of Inquiry and other investigative information requests from the Commission, unless otherwise directed by the inquiry itself; Children's television programming reports; and DTV transition education reports. In the event that the online public file does not reflect such required information, the licensee will be responsible for posting such material.

(c) Access to material in the file.

(1) The file shall be available for public inspection at any time during regular business hours. All or part of the file may be maintained in a computer database, as long as a computer terminal is made available, at the location of the file, to members of the public who wish to review the file. Material in the public inspection file shall be made available for printing or machine reproduction upon request made in person. The applicant, permittee, or licensee may specify the location for printing or reproduction, require the requesting party to pay the reasonable cost thereof, and may require guarantee of payment in advance (e.g., by requiring a deposit, obtaining credit card information, or any other reasonable method). Requests for copies shall be fulfilled within a reasonable period of time, which generally should not exceed 7 days.

(2) The applicant, permittee, or licensee who maintains its main studio and public file outside its community of license shall:

(i) Make available to persons within its geographic service area, by mail upon telephone request, photocopies of documents in the file (see § 73.3526(c)(1)), excluding the political file (see § 73.3526(e)(6)), and the station shall pay postage;

(ii) Mail the most recent version of “The Public and Broadcasting” to any member of the public that requests a copy; and

(iii) Be prepared to assist members of the public in identifying the documents they may ask to be sent to them by mail, for example, by describing to the caller, if asked, the period covered by a particular report and the number of pages included in the report.

Note to paragraph (c)(2): For purposes of this section, geographic service area includes the area within the Grade B contour for TV, 1 mV/m contour for all FM station classes except .7 mV/m for Class B1 stations and .5 mV/m for Class B stations, and .5 mV/m contour for AM stations.

(d) Responsibility in case of assignment or transfer.

(1) In cases involving applications for consent to assignment of broadcast station construction permits or licenses, with respect to which public notice is required to be given under the provisions of § 73.3580 or § 73.3594, the file mentioned in paragraph (a) of this section shall be maintained by the assignor. If the assignment is consented to by the FCC and consummated, the assignee shall maintain the file commencing with the date on which notice of the consummation of the assignment is filed with the FCC. The assignee shall retain public file documents obtained from the assignor for the period required under these rules.

(2) In cases involving applications for consent to transfer of control of a permittee or licensee of a broadcast station, the file mentioned in paragraph (a) of this section shall be maintained by the permittee or licensee.

(e) Contents of the file. The material to be retained in the public inspection file is as follows:

(1) Authorization. A copy of the current FCC authorization to construct or operate the station, as well as any other documents necessary to reflect any modifications thereto or any conditions that the FCC has placed on the authorization. These materials shall be retained until replaced by a new authorization, at which time a copy of the new authorization and any related materials shall be placed in the file.

(2) Applications and related materials. A copy of any application tendered for filing with the FCC, together with all related material, and copies of Initial Decisions and Final Decisions in hearing cases pertaining thereto. If petitions to deny are filed against the application and have been served on the applicant, a statement that such a petition has been filed shall be maintained in the file together with the name and address of the party filing the petition. Applications shall be retained in the public inspection file until final action has been taken on the application, except that applications for a new construction permit granted pursuant to a waiver showing and applications for assignment or transfer of license granted pursuant to a waiver showing shall be retained for as long as the waiver is in effect. In addition, license renewal applications granted on a short-term basis shall be retained until final action has been taken on the license renewal application filed immediately following the shortened license term.

(3) Citizen agreements. A copy of every written citizen agreement. These agreements shall be retained for the term of the agreement, including any renewal or extension thereof.

Note to paragraph (e)(3): For purposes of this section, a citizen agreement is a written agreement between a broadcast applicant, permittee, or licensee, and one or more citizens or citizen groups, entered for primarily noncommercial purposes. This definition includes those agreements that deal with goals or proposed practices directly or indirectly affecting station operations in the public interest, in areas such as--but not limited to--programming and employment. It excludes common commercial agreements such as advertising contracts; union, employment, and personal services contracts; network affiliation, syndication, program supply contracts, etc. However, the mere inclusion of commercial terms in a primarily noncommercial agreement--such as a provision for payment of fees for future services of the citizen-parties (see "Report and Order," Docket 19518, 57 FCC 2d 494 (1976))--would not cause the agreement to be considered commercial for purposes of this section.

(4) Contour maps. A copy of any service contour maps, submitted with any application tendered for filing with the FCC, together with any other information in the application showing service contours and/or main studio and transmitter location (State, county, city,

street address, or other identifying information). These documents shall be retained for as long as they reflect current, accurate information regarding the station.

(5) Ownership reports and related materials. A copy of the most recent, complete ownership report filed with the FCC for the station, together with any statements filed with the FCC certifying that the current report is accurate, and together with all related material. These materials shall be retained until a new, complete ownership report is filed with the FCC, at which time a copy of the new report and any related materials shall be placed in the file. The permittee or licensee must retain in the public file either a copy of the contracts listed in such reports in accordance with § 73.3615(a)(4)(i), or an up-to-date list of such contracts. Licensees or permittees who choose to retain a list of contracts must provide a copy of any contracts to requesting parties within 7 days.

(6) Political file. Such records as are required by § 73.1943 to be kept concerning broadcasts by candidates for public office. These records shall be retained for the period specified in § 73.1943 (2 years).

(7) Equal Employment Opportunity file. Such information as is required by § 73.2080 to be kept in the public inspection file. These materials shall be retained until final action has been taken on the station's next license renewal application.

(8) The public and broadcasting. At all times, a copy of the most recent version of the manual entitled "The Public and Broadcasting."

(9) Letters and e-mail from the public.

(i) All written comments and suggestions received from the public regarding operation of the station, unless the letter writer has requested that the letter not be made public or when the licensee feels that it should be excluded from public inspection because of the nature of its content, such as a defamatory or obscene letter. Letters and electronic mail messages shall be retained for a period of three years from the date on which they are received by the licensee.

(ii) For purposes of this section, written comments and suggestions received from the public include electronic mail messages transmitted via the internet to station management or an e-mail address publicized by the station. Personal e-mail messages sent to station employees need not be retained. Licensees may retain e-mails either on paper or in a computer file. Licensees who choose to maintain a computer file of e-mails may make the file available to the public either by providing the public with access to a computer terminal at the location of the public file, or providing the public with a copy of such e-mails on computer diskette, upon request. In the case of identical communications, licensees and permittees may retain one sample copy of the letter or electronic mail message together with a list identifying other

parties who sent identical communications.

(10) Material relating to FCC investigation or complaint. Material having a substantial bearing on a matter which is the subject of an FCC investigation or complaint to the FCC of which the applicant, permittee, or licensee has been advised. This material shall be retained until the applicant, permittee, or licensee is notified in writing that the material may be discarded.

(11)(i) TV issues/programs lists. For commercial TV and Class A broadcast stations, every three months a list of programs that have provided the station's most significant treatment of community issues during the preceding three month period. The list for each calendar quarter is to be filed by the tenth day of the succeeding calendar quarter (e.g., January 10 for the quarter October--December, April 10 for the quarter January--March, etc.) The list shall include a brief narrative describing what issues were given significant treatment and the programming that provided this treatment. The description of the programs shall include, but shall not be limited to, the time, date, duration, and title of each program in which the issue was treated. The lists described in this paragraph shall be retained in the public inspection file until final action has been taken on the station's next license renewal application.

(ii) Records concerning commercial limits. For commercial TV and Class A TV broadcast stations, records sufficient to permit substantiation of the station's certification, in its license renewal application, of compliance with the commercial limits on children's programming established in 47 U.S.C. 303a and 47 CFR 73.670. The records for each calendar quarter must be filed by the tenth day of the succeeding calendar quarter (e.g., January 10 for the quarter October--December, April 10 for the quarter January--March, etc.). These records shall be retained until final action has been taken on the station's next license renewal application.

<Text of subsection (e)(11)(iii) is pending OMB approval.>

(iii) Children's television programming reports. For commercial TV broadcast stations, both analog and digital, on a quarterly basis, a completed Children's Television Programming Report ("Report"), on FCC Form 398, reflecting efforts made by the licensee during the preceding quarter, and efforts planned for the next quarter, to serve the educational and informational needs of children. The Report for each quarter is to be placed in the public inspection file by the tenth day of the succeeding calendar quarter. By this date, a copy of the Report for each quarter is also to be filed electronically with the FCC. The Report shall identify the licensee's educational and informational programming efforts, including programs aired by the station that are specifically designed to serve the educational and informational needs of children, and it shall explain how programs identified as Core Programming meet the definition set forth in § 73.671(c). The Report shall include the name of the individual at the station responsible for collecting comments on the station's

compliance with the Children's Television Act, and it shall be separated from other materials in the public inspection file. The Report shall also identify the program guide publishers to which information regarding the licensee's educational and informational programming was provided as required in § 73.673, as well as the station's license renewal date. These Reports shall be retained in the public inspection file until final action has been taken on the station's next license renewal application. Licensees shall publicize in an appropriate manner the existence and location of these Reports.

(iv) DTV Transition Education Reports. For full-power commercial TV broadcast stations, both analog and digital, on a quarterly basis, a completed Form 388, DTV Consumer Education Quarterly Activity Report. The Report for each quarter is to be placed in the public inspection file by the tenth day of the succeeding calendar quarter. By this date, a copy of the Report for each quarter must be filed electronically using the Commission's Consolidated DataBase System (CDBS). Stations electing to conform to the requirements of § 73.674(b) must also provide the form on the station's public Web site, if such exists. The Report shall be separated from other materials in the public inspection file. The first Report, covering the first quarter of 2008, must be filed no later than April 10, 2008. The Reports must continue to be included up to and including the quarter in which a station concludes its education campaign. These Reports shall be retained in the public inspection file for one year. Licensees and permittees shall publicize in an appropriate manner the existence and location of these Reports.

(12) Radio issues/programs lists. For commercial AM and FM broadcast stations, every three months a list of programs that have provided the station's most significant treatment of community issues during the preceding three month period. The list for each calendar quarter is to be filed by the tenth day of the succeeding calendar quarter (e.g., January 10 for the quarter October--December, April 10 for the quarter January--March, etc.). The list shall include a brief narrative describing what issues were given significant treatment and the programming that provided this treatment. The description of the programs shall include, but shall not be limited to, the time, date, duration, and title of each program in which the issue was treated. The lists described in this paragraph shall be retained in the public inspection file until final action has been taken on the station's next license renewal application.

(13) Local public notice announcements. Each applicant for renewal of license shall, within 7 days of the last day of broadcast of the local public notice of filing announcements required pursuant to § 73.3580(h), place in the station's local public inspection file a statement certifying compliance with this requirement. The dates and times that the pre-filing and post-filing notices were broadcast and the text thereof shall be made part of the certifying statement. The certifying statement shall be retained in the public file for the period specified in § 73.3580 (for as long as the application to which it refers).

(14) Radio and television time brokerage agreements. For commercial radio and television stations, a copy of every agreement or contract involving time brokerage of the licensee's station or of another station by the licensee, whether the agreement involves stations in the

same markets or in differing markets, with confidential or proprietary information redacted where appropriate. These records shall be retained as long as the contract or agreement is in force.

(15) Must-carry or retransmission consent election. Statements of a commercial television or Class A television station's election with respect to either must-carry or re-transmission consent, as defined in §§ 76.64 and 76.1608 of this chapter. These records shall be retained for the duration of the three year election period to which the statement applies.

(16) Radio and television joint sales agreements. For commercial radio and commercial television stations, a copy of agreement for the joint sale of advertising time involving the station, whether the agreement involves stations in the same markets or in differing markets, with confidential or proprietary information redacted where appropriate.

(17) Class A TV continuing eligibility. Documentation sufficient to demonstrate that the Class A television station is continuing to meet the eligibility requirements set forth at § 73.6001.

Note 1 to paragraph (e): For purposes of this section, action taken on an application tendered with the FCC becomes final when that action is no longer subject to reconsideration, review, or appeal either at the FCC or in the courts.

Note 2 to paragraph (e): For purposes of this section, the term "all related material" includes all exhibits, letters, and other documents tendered for filing with the FCC as part of an application, report, or other document, all amendments to the application, report, or other document, copies of all documents incorporated therein by reference and not already maintained in the public inspection file, and all correspondence between the FCC and the applicant pertaining to the application, report, or other document, which according to the provisions of §§ 0.451 through 0.461 of this part are open for public inspection at the offices of the FCC.

47 C.F.R. § 73.3527

Local public inspection file of noncommercial educational stations.

(a) Responsibility to maintain a file. The following shall maintain for public inspection a file containing the material set forth in this section.

(1) Applicants for a construction permit for a new station in the noncommercial educational broadcast services shall maintain a public inspection file containing the material, relating to that station, described in paragraph (e)(2) and (e)(11) of this section. A separate file shall be maintained for each station for which an application is pending. If the application is granted, paragraph (a)(2) of this section shall apply.

(2) Every permittee or licensee of an AM, FM, or TV station in the noncommercial educational broadcast services shall maintain a public inspection file containing the material, relating to that station, described in paragraphs (e)(1) through (e)(11) of this section. In addition, every permittee or licensee of a noncommercial educational TV station shall maintain for public inspection a file containing material, relating to that station, described in paragraphs (e)(12) of this section. A separate file shall be maintained for each station for which an authorization is outstanding, and the file shall be maintained so long as an authorization to operate the station is outstanding.

<Text of subsection (b) effective until Aug. 2, 2012.>

(b) Location of the file. The public inspection file shall be maintained at the main studio of the station. An applicant for a new station or change of community shall maintain its file at an accessible place in the proposed community of license or at its proposed main studio.

<Text of subsection (b) effective Aug. 2, 2012.>

(b) Location of the file. The public inspection file shall be located as follows:

(1) For radio licensees, a hard copy of the public inspection file shall be maintained at the main studio of the station. An applicant for a new station or change of community shall maintain its file at an accessible place in the proposed community of license or at its proposed main studio.

(2) A noncommercial educational television station licensee or applicant shall place the contents required by paragraph (e) of this section of its public inspection file on the Commission's Web site, with the exception of the political file as required by paragraph

(e)(5) of this section, which may be retained at the station in the manner discussed in paragraph (b)(1) of this section until July 1, 2014. Effective July 1, 2014, any new political file material shall be placed on the Commission's Web site, while the material in the political file as of July 1, 2014, if not placed on the Commission's Web site, shall continue to be retained at the station in the manner discussed in paragraph (b)(1) of this section until the end of its retention period. However, any noncommercial educational station that is not required to place its political file on the Commission's Web site before July 1, 2014 may choose to do so instead of retaining the political file at the station in the manner discussed in paragraph (b)(1) of this section. A station must provide a link to the public inspection file hosted on the Commission's Web site from the home page of its own Web site, if the station has a Web site, and provide contact information for a station representative on its Web site that can assist any person with disabilities with issues related to the content of the public files. A station also is required to include in the online public file the station's main studio address and telephone number, and the email address of the station's designated contact for questions about the public file. To the extent this section refers to the local public inspection file, it refers to the public file of an individual station, which is either maintained at the station or on the Commission's Web site, depending upon where the documents are required to be maintained under the Commission's rules.

(3) The Commission will automatically link the following items to the electronic version of all licensee and applicant public inspection files, to the extent that the Commission has these items electronically: Authorizations; applications; contour maps; ownership reports and related materials; portions of the Equal Employment Opportunity file held by the Commission; and "The Public and Broadcasting".

(c) Access to material in the file.

(1) The file shall be available for public inspection at any time during regular business hours. All or part of the file may be maintained in a computer database, as long as a computer terminal is made available, at the location of the file, to members of the public who wish to review the file. Material in the public inspection file shall be made available for printing or machine reproduction upon request made in person. The applicant, permittee, or licensee may specify the location for printing or reproduction, require the requesting party to pay the reasonable cost thereof, and may require guarantee of payment in advance (e.g., by requiring a deposit, obtaining credit card information, or any other reasonable method). Requests for copies shall be fulfilled within a reasonable period of time, which generally should not exceed 7 days.

(2) The applicant, permittee, or licensee who maintains its main studio and public file outside its community of license shall:

(i) Make available to persons within its geographic service area, by mail upon telephone request, photocopies of documents in the file (see § 73.3527(c)(1)), excluding the political

file (see § 73.3527(e)(5)), and the station shall pay postage;

(ii) Mail the most recent version of “The Public and Broadcasting” to any member of the public that requests a copy; and

(iii) Be prepared to assist members of the public in identifying the documents they may ask to be sent to them by mail, for example, by describing to the caller, if asked, the period covered by a particular report and the number of pages included in the report.

Note to paragraph (c)(2): For purposes of this section, geographic service area includes the area within the protected service contour in a particular service: Grade B contour for TV, 1 mV/m contour for all FM station classes except .7 mV/m for Class B1 stations and .5 mV/m for Class B stations, and .5 mV/m contour for AM stations.

(d) Responsibility in case of assignment or transfer.

(1) In cases involving applications for consent to assignment of broadcast station construction permits or licenses, with respect to which public notice is required to be given under the provisions of § 73.3580 or § 73.3594, the file mentioned in paragraph (a) of this section shall be maintained by the assignor. If the assignment is consented to by the FCC and consummated, the assignee shall maintain the file commencing with the date on which notice of the consummation of the assignment is filed with the FCC. The assignee shall retain public file documents obtained from the assignor for the period required under these rules.

(2) In cases involving applications for consent to transfer of control of a permittee or licensee of a broadcast station, the file mentioned in paragraph (a) of this section shall be maintained by the permittee or licensee.

(e) Contents of the file. The material to be retained in the public inspection file is as follows:

(1) Authorization. A copy of the current FCC authorization to construct or operate the station, as well as any other documents necessary to reflect any modifications thereto or any conditions that the FCC has placed on the authorization. These materials shall be retained until replaced by a new authorization, at which time a copy of the new authorization and any related materials shall be placed in the file.

(2) Applications and related materials. A copy of any application tendered for filing with the FCC, together with all related material, including supporting documentation of any points claimed in the application pursuant to § 73.7003, and copies of FCC decisions pertaining thereto. If petitions to deny are filed against the application and have been served on the

applicant, a statement that such a petition has been filed shall be maintained in the file together with the name and address of the party filing the petition. Applications shall be retained in the public inspection file until final action has been taken on the application, except that applications for a new construction permit granted pursuant to a waiver showing and applications for assignment or transfer of license granted pursuant to a waiver showing shall be retained for as long as the waiver is in effect. In addition, license renewal applications granted on a short-term basis shall be retained until final action has been taken on the license renewal application filed immediately following the shortened license term.

(3) Contour maps. A copy of any service contour maps, submitted with any application tendered for filing with the FCC, together with any other information in the application showing service contours and/or main studio and transmitter location (State, county, city, street address, or other identifying information). These documents shall be retained for as long as they reflect current, accurate information regarding the station.

(4) Ownership reports and related materials. A copy of the most recent, complete ownership report filed with the FCC for the station, together with any subsequent statement filed with the FCC certifying that the current report is accurate, and together with all related material. These materials shall be retained until a new, complete ownership report is filed with the FCC, at which time a copy of the new report and any related materials shall be placed in the file. The permittee or licensee must retain in the public file either a copy of the contracts listed in such reports in accordance with § 73.3615(d)(3), or an up-to-date list of such contracts. Licensees and permittees who choose to maintain a list of contracts must provide a copy of any contracts to requesting parties within 7 days.

(5) Political file. Such records as are required by § 73.1943 to be kept concerning broadcasts by candidates for public office. These records shall be retained for the period specified in § 73.1943 (2 years).

(6) Equal Employment Opportunity file. Such information as is required by § 73.2080 to be kept in the public inspection file. These materials shall be retained until final action has been taken on the station's next license renewal application.

(7) The Public and Broadcasting. At all times, a copy of the most recent version of the manual entitled "The Public and Broadcasting."

(8) Issues/Programs Lists. For nonexempt noncommercial educational broadcast stations, every three months a list of programs that have provided the station's most significant treatment of community issues during the preceding three month period. The list for each calendar quarter is to be filed by the tenth day of the succeeding calendar quarter (e.g., January 10 for the quarter October–December, April 10 for the quarter January–March, etc.). The list shall include a brief narrative describing what issues were given significant

treatment and the programming that provided this treatment. The description of the programs shall include, but shall not be limited to, the time, date, duration, and title of each program in which the issue was treated. The lists described in this paragraph shall be retained in the public inspection file until final action has been taken on the station's next license renewal application.

(9) Donor lists. The lists of donors supporting specific programs. These lists shall be retained for two years from the date of the broadcast of the specific program supported.

(10) Local public notice announcements. Each applicant for renewal of license shall, within 7 days of the last day of broadcast of the local public notice of filing announcements required pursuant to § 73.3580(h), place in the station's local public inspection file a statement certifying compliance with this requirement. The dates and times that the pre-filing and post-filing notices were broadcast and the text thereof shall be made part of the certifying statement. The certifying statement shall be retained in the public file for the period specified in § 73.3580 (for as long as the application to which it refers).

(11) Material relating to FCC investigation or complaint. Material having a substantial bearing on a matter which is the subject of an FCC investigation or complaint to the FCC of which the applicant, permittee, or licensee has been advised. This material shall be retained until the applicant, permittee, or licensee is notified in writing that the material may be discarded.

(12) Must-carry requests. Noncommercial television stations requesting mandatory carriage on any cable system pursuant to §§ 76.56, 76.1614, 76.1620, and 76.1709 of this chapter shall place a copy of such request in its public file and shall retain both the request and relevant correspondence for the duration of any period to which the request applies.

Note 1 to paragraph (e): For purposes of this section, a decision made with respect to an application tendered with the FCC becomes final when that decision is no longer subject to reconsideration, review, or appeal either at the FCC or in the courts.

Note 2 to paragraph (e): For purposes of this section, the term "all related material" includes all exhibits, letters, and other documents tendered for filing with the FCC as part of an application, report, or other document, all amendments to the application, report, or other document, copies of all documents incorporated therein by reference and not already maintained in the public inspection file, and all correspondence between the FCC and the applicant pertaining to the application, report, or other document, which according to the provisions of §§ 0.451 through 0.461 of the rules are open for public inspection at the offices of the FCC.

(13) DTV Transition Education Reports. For full-power noncommercial educational TV broadcast stations, both analog and digital, on a quarterly basis, a completed Form 388, DTV

Consumer Education Quarterly Activity Report. The Report for each quarter is to be placed in the public inspection file by the tenth day of the succeeding calendar quarter. By this date, a copy of the Report for each quarter must be filed electronically using the Commission's Consolidated DataBase System (CDBS). Stations electing to conform to the requirements of § 73.674(b) must also provide the form on the station's public Web site, if such exists. The Report shall be separated from other materials in the public inspection file. The first Report, covering the first quarter of 2008, must be filed no later than April 10, 2008. The Reports must continue to be included up to and including the quarter in which a station concludes its education campaign. These Reports shall be retained in the public inspection file for one year. Licensees and permittees shall publicize in an appropriate manner the existence and location of these Reports.

**IN THE UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT**

National Association of Broadcasters, Petitioners

v.

**Federal Communications Commission and the
United States of America, Respondents**

CERTIFICATE OF SERVICE

I, C. Grey Pash, Jr., hereby certify that on July 20, 2012, I electronically filed the foregoing Opposition to Petitioner's Emergency Motion for a Stay with the Clerk of the Court for the United States Court of Appeals for the D.C. Circuit by using the CM/ECF system. Participants in the case who are registered CM/ECF users will be served by the CM/ECF system.

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