



FEDERAL COMMUNICATIONS COMMISSION

October 5, 2012

JULIUS GENACHOWSKI
CHAIRMAN

The Honorable Dan Coats
United States Senate
493 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Coats:

Thank you for your letter concerning the ability of noncommercial educational broadcast stations to air messages on behalf of for-profit entities. I appreciate your interest in this matter and have directed the Chief of the Media Bureau's Office of Communications and Industry Information to respond. I am pleased to provide the enclosed correspondence discussing this matter.

If you have any additional questions or need further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to be "J. Genachowski", is written over the word "Sincerely," and extends across the line.

Julius Genachowski

Enclosure



Federal Communications Commission
Washington, D.C. 20554

October 5, 2012

IN REPLY REFER TO:
CN-1201097

The Honorable Dan Coats
United States Senate
493 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Coats:

Thank you for your letter concerning the policies and rules governing the ability of noncommercial educational (NCE) broadcast stations to air commercial messages on behalf of for-profit entities. I appreciate learning your views on this important matter.

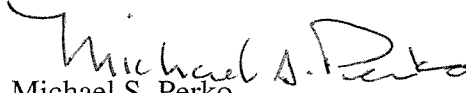
The Communications Act prohibits all public broadcast stations from airing commercial advertisements, defined as messages which are intended "to promote any service, facility, or product offered by any person who is engaged in such offering for profit." The Commission's corresponding rules also state that NCE stations may not broadcast promotional announcements on behalf of for-profit entities in exchange for the receipt of consideration to the licensee, its principals, or employees. At the same time, NCE stations, including independent and religious programmers, are permitted to engage in "enhanced underwriting" that allows NCE stations to acknowledge and identify contributors on air. Such acknowledgements may include slogans and value-neutral descriptions of the contributors' products and services, but may not promote or make qualitative or comparative statements regarding contributors.

On a related topic, the Commission recently adopted a *Notice of Proposed Rulemaking* to solicit public comment on whether and under what circumstances to allow all NCE broadcast stations to allocate up to one percent of their annual broadcast time to conduct on-air fundraising activities for the benefit of charities and other third-party nonprofit organizations. The *Notice* specifically invites comment regarding the classes of NCE stations that may engage in fundraising, the types of nonprofit entities that may benefit from the fundraising, and the First Amendment implications of establishing eligibility criteria for stations and fundraising recipients. The period for the submission of public comments closed on August 21, 2012, and a copy of your letter will be included in the record of the proceeding.

Page 2—The Honorable Dan Coats

I trust this information is helpful, and please do not hesitate to contact me if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, reading "Michael S. Perko". The signature is written in a cursive style with a large, stylized "M" and "P".

Michael S. Perko

Chief, Office of Communications and Industry Information
Media Bureau