



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

April 20, 2018

The Honorable Anna Eshoo
U.S. House of Representatives
241 Cannon House Office Building
Washington, D.C. 20515

Dear Congresswoman Eshoo:

Thank you for your letters concerning Federal Communications Commission (FCC) disclosure requirements for broadcast programming. I understand the importance of ensuring that consumers are aware of the sponsor of paid programming, and I am happy to address below the issues you have raised.

You ask that the Commission investigate FCC licensees to determine whether any may have aired broadcast programming by foreign agents—specifically, programming from RT and Sputnik—without proper sponsorship identification disclosure. You are correct that under our rules, broadcast stations must comply with the Commission's sponsorship identification rules. These rules generally require that when money or other consideration for the airing of program material has been received by or promised to a station, its employees, or others, the station must broadcast full disclosure of that fact at the time of the airing of the material, and identify who provided or promised to provide the consideration.

The Commission has not received any evidence that the stations that carry RT or Sputnik programming are in violation of those rules, beyond the references provided in your letters. (To be sure, the Commission has received a small number of complaints from listeners or viewers objecting to the broadcast of RT and Sputnik programming aired on FCC-licensed stations, but as you know, the First Amendment and the Communications Act generally bar the Commission from interfering with a broadcast licensee's choice of programming.)

Based on the information provided in your letters, I have instructed the Enforcement Bureau staff to contact the broadcast licensees that air RT and/or Sputnik programming to obtain additional information regarding any issue that may be within the FCC's jurisdiction. The Bureau will take the appropriate action depending on the facts that emerge during that inquiry. I would note that, without prejudging anything in the instant situation, violations of the sponsorship identification rules typically result in a forfeiture or fine for the licensee, as opposed to license revocation. Also, I should point out that the provisions of the Communications Act and the Commission's rules pertaining to sponsorship identification apply to broadcast station licensees and cable systems, but not to third-party programming providers.

I understand your request that the Commission take steps to monitor the airwaves for compliance with sponsorship identification rules, but I am unable to commit to doing so due to

resource constraints. Given its limited resources, the FCC historically has relied on a complaint-based system, rather than first-party monitoring, to help us detect potential violations. Dedicating a significant portion of enforcement resources solely to this issue would jeopardize our efforts to enforce our rules in several other areas. I can commit to you that we will review, and investigate as necessary, any complaints that are received on this issue.

Further, strong and recent agency action serves to put the entire broadcast industry on notice with respect to our sponsorship identification rules and our determination to enforce them. As you may be aware, we recently proposed a record fine for significant violations of our rules when paid programming lacked the required on-air disclosures. That decision incentivizes broadcast stations to ensure that all paid programming contains the disclosures required under Commission rules.

Incidentally, these same sponsorship identification rules apply to all broadcast licensees regardless of where the station gets its programming and whether or not the entity providing the content is a foreign agent under the Foreign Agents Registration Act (FARA). This sponsorship identification disclosure requirement applies to broadcast licensees and cable systems, and is distinct from FARA, which requires that registered foreign agents provide specific labels on any informational materials distributed by the foreign agent. The U.S. Department of Justice would be better suited to address how, and if, FARA's labeling requirements currently apply to the broadcast programming distributed by RT and Sputnik, as the FCC does not have separate enforcement authority over FARA requirements.

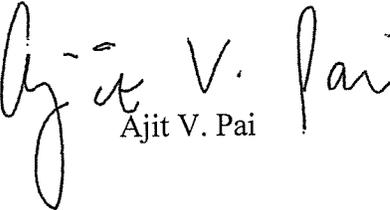
Your letters also raise the issue of whether the Commission's foreign ownership rules need review. Those rules have in fact been reviewed relatively recently; in September 2016, the previous Commission unanimously updated them. Additionally, these rules apply to the ownership and control of broadcast stations, not to the source of programming broadcast by such stations. Thus, it is unclear how such rules would be implicated based on the information currently available.

While the Commission's "secondary market" rules allow certain non-broadcast licensees to lease spectrum to third parties, these rules do not permit broadcast licensees to lease spectrum. In addition, Section 310(d) prohibits the de facto or de jure transfer of control of a broadcast licensee without the Commission's approval. This requires each licensee to retain control over essential station matters, such as personnel, programming, and finances. Although the Commission has authority to forbear from enforcing certain provisions of the Communications Act, this forbearance authority does not extend to broadcast licensees.

Finally, your January 30 letter proposes that the Commission require any foreign agents registered under FARA who seek time on broadcast and cable entities to file publicly with the FCC the same political file information currently required of broadcast and cable entities. However, as with sponsorship identification, the provisions of the Communications Act and the Commission's rules pertaining to political file information apply to broadcast station licensees and cable systems, but not to third-party programming providers.

I hope this has been helpful. Please let me know if I can be of further assistance.

Sincerely,


Ajit V. Pai