

WHAT'S NEW FROM WASHINGTON – AN UPDATE FOR BROADCASTERS

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When Things Change, We're Never Sure What It Will Mean – But The Issues Remain the Same

- Two FCC Commissioners have left – and two new ones have been named - upcoming Chairman Wheeler will set agenda once nomination is confirmed
- Interim chairwoman Mignon Clyburn
- What will it mean for regulatory policy – who knows?
- Lots of fundamental issues left for the Chair to decide

The Issues Remain the Same

- Spectrum – Seems like TV has been fighting for its spectrum for the last 20 years, the Incentive Auction being the latest
- Multiple ownership – will newspaper/broadcast rules go away, will JSAs and SSAs be outlawed, will TV national caps be changed by elimination of UHF discount?
- Will there be more rules on content and public service obligations?
- Indecency still up in the air
- EEO – last audit response was due last week

There is music in the air...

- ⦿ Performance royalty rumored to be introduced yet again
- ⦿ Pandora buys a radio station to lower its royalties
- ⦿ New Internet royalties start in January 1, 2016, and proceeding to set them starts in January
- ⦿ Your lobbying is important, and your staff needs to know what this all means...

Finally some resolution on LPFM/translator issues?

- Finally some resolution of the 2003 FM Translators window applications - thousands of new translators coming
- As they can be used by AM stations and for HD-2 stations – many may be available for sale
- But an LPFM window in October – some predicting Tens of Thousands of applications
- Issues about interference from LPFM to full-power FM stations seem generally favorable to broadcasters
- Also new issues with respect to new translator applications filed between now and the LPFM window – LPFM appears to have precedence – including over technical changes made in translator settlement window

Someone's Paying Attention to AM Radio?

- Commissioner Pai loves AM and wants to help save it – lots of interference issues from modern technology
- Proposals for change:
 - More FM translators for AM stations
 - Blanket power increases
 - Reduce skywave protection, or cellularized AM
 - All-digital operation
- Problems with each approach – FCC will study

Mad About MAD?

- Patent issues are common in digital world
- Suits can be brought against either the user or supplier
- MAD patent was challenged at the Patent Office – decision last month validated some aspects of the patent, but not all – and patent has been significantly narrowed
- Look at your system to see if it fits within the patents
- Look at your supplier contracts for indemnification provisions
- Lawsuits filed against three small groups in Texas, and they may be back demanding more....But there may be some resolution of case against big companies soon
- Talk to a patent lawyer!

Other on-air issues

- Lots of contest fines – announce all material rules on the air enough so that a reasonable person will hear them, and make sure that you follow the rules
- Sponsorship identification – announce when someone paid you to say something on the air

Don't Forget Your Paperwork

- Public file is still important – biggest source of fines, FCC looking at new obligations for political issues
- Children's television reports new source of big fines
- Regulatory fees due in September
- Biennial ownership reports due in December
- EEO is still an issue, audits every few months

Political Rules – Elections Just Around the Corner

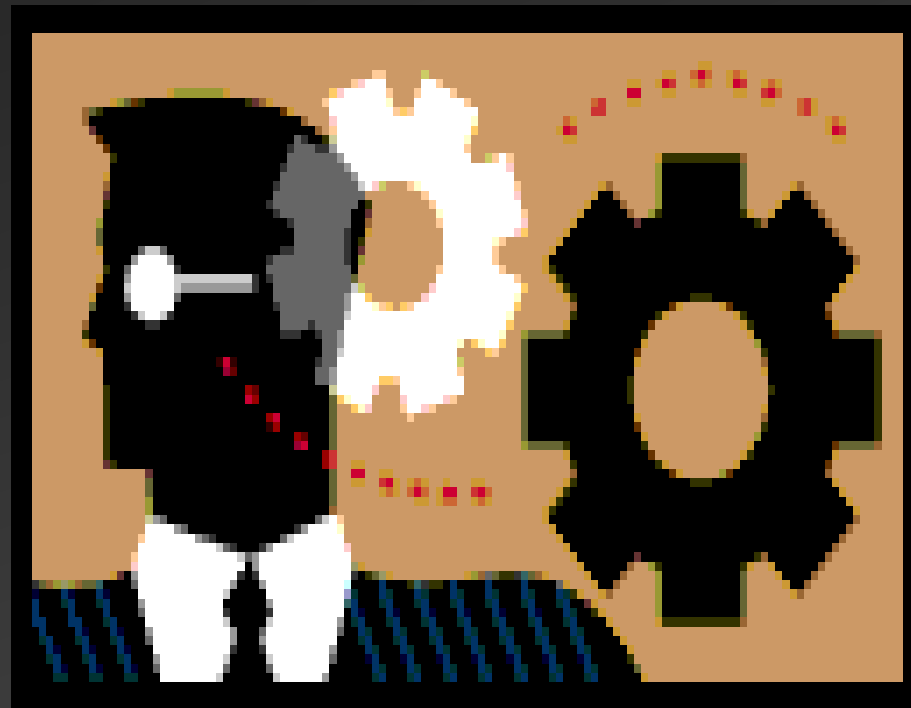
- Legally qualified candidates in Indiana as early as January 8
- Lowest unit rates in late March for May primary
- Remember all political rules apply to state and local races – except Reasonable Access
- So if you sell to state or local candidates, you need to give them LUC in the window, and keep all the records in the public file
- Applies to school board races, city council, other elections to fill empty seats

Third Party Ad Issues – Now That Everyone Has a Super PAC

- Third party ads on Federal issues – need to keep in your public file all the same records that you keep for candidate ads
- Unlike candidate ads, stations can have liability for contents of third party ads – especially once you are on notice of possible falsity – worry most about attacks on personal attributes of the candidate, less about policy positions
- No obligation to take third party ads, no obligation to give them Lowest unit rates
- As you are not immune from liability for third party ads, need to worry about copyright issues and defamation issues – especially after complaint from competitor or copyright holder

Now it's your turn...

- ⦿ Time for your questions.....



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