#### Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

| In the matter of   | )           |
|--|-------------|
| Petition of Canal Partners Media, LLC                                      | )           |
| For a Declaratory Ruling Concerning<br>Use of Last-In-First-Out Preemption | )<br>)<br>) |
| With Respect to Candidate<br>Advertisements                                | )<br>)      |

MB Docket No. 15-24

## OPPOSITION OF THE NATIONAL ASSOCIATION OF BROADCASTERS

March 2, 2015

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In the matter of Petition of Canal Partners Media, LLC For a Declaratory Ruling Concerning Use of Last-In-First-Out Preemption With Respect to Candidate

Advertisements

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#### OPPOSITION OF THE NATIONAL ASSOCIATION OF BROADCASTERS

The National Association of Broadcasters (NAB)<sup>1</sup> opposes the above-referenced Petition for Declaratory Ruling<sup>2</sup> concerning how broadcast stations sell political advertising time. At its core, this Petition by Canal Partners Media, LLC – a political advertising time buyer – asks the Commission, for the first time, to require broadcast stations to afford candidate advertisements more favorable treatment than equivalent commercial advertisements. Because Congress and the Commission have unequivocally rejected this position, the Petition must be denied.

<sup>&</sup>lt;sup>1</sup> The National Association of Broadcasters is a nonprofit trade association that advocates on behalf of free local radio and television stations and broadcast networks before Congress, the Federal Communications Commission and other federal agencies, and the courts.

<sup>&</sup>lt;sup>2</sup> Petition for a Declaratory Ruling, Canal Partners Media, LLC (Petitioner), MB Docket No. 15-24 (Sept. 29, 2014) (Petition).

#### I. INTRODUCTION AND SUMMARY

Broadcast stations sell advertising time – both to commercial advertisers and to political candidates – in varying ways. Many stations sell multiple classes of time at various prices with varying rights as to preemption.<sup>3</sup> Unsurprisingly, non-preemptible time is more expensive to purchase than time with lesser preemption rights. When a station sells multiple classes of preemptible time, stations also must have a method to decide which advertisements in a particular class should be preempted in the event there are more purchasers of ads in a class than there are spots available to any advertiser. One such method of deciding which ads to preempt is referred to as the Last-In-First-Out (LIFO) method.

The Petitioner here requests the Commission to declare that broadcast stations selling multiple classes of preemptible time may not use the objective LIFO method to preempt candidate advertisements, even when stations apply that method to decide which commercial ads to preempt. Both Congress and the Commission have expressly rejected the basic premise of the Petition – that stations must treat candidate spots *better than* the equivalent commercial spots in a class of time.

An examination of the terms and legislative history of the lowest unit charge provision of the Communications Act demonstrates that Congress did not intend for candidate advertisements to receive better treatment than commercial ads in the same

<sup>&</sup>lt;sup>3</sup> Classes of time include fixed, perpetual auction, non-preemptible, immediately preemptible, preemptible with one week notice and run-of-schedule.

class. Indeed, according to the Commission, the "language and legislative history of Section 315(b)" of the Act show that Congress "specifically rejected" that approach.<sup>4</sup>

The Commission, moreover, has already addressed and rejected the Petitioner's arguments about preemption. When codifying its political broadcasting rules in 1991-1992,<sup>5</sup> the Commission carefully and explicitly held that candidates purchasing a preemptible class of time are subject to the *same* preemption policies applicable to any commercial advertiser purchasing time in that class. Thus, if a station uses LIFO preemption to determine which otherwise equivalent commercial spots should be preempted, the Commission ruled that the same policies may be applied to candidate spots in that class. In reaching this decision, the Commission concluded it would be contrary to clear Congressional intent to require stations to exempt candidate advertisements from preemption policies such as LIFO that otherwise apply to all advertisers in a class of preemptible time.

Under Petitioner's current proposal, stations would be required to preempt all commercial advertiser spots before preempting any candidate advertisements; in other words, Petitioner wants preferential treatment – essentially, Last-In-Never-Out (LINO) protections – for candidate spots, regardless of stations' normal preemption policies. The Petition must therefore be denied as wholly inconsistent with both Congressional intent and prior FCC decisions. Indeed, given the FCC's 1991 and 1992 decisions directly addressing preemption issues in detail, there is no "uncertainty" left to resolve and,

<sup>&</sup>lt;sup>4</sup> Codification of the Commission's Political Programming Policies, Memorandum Opinion and Order, 7 FCC Rcd 4611, 4614 (1992) (1992 Political Reconsideration).

<sup>&</sup>lt;sup>5</sup> Codification of the Commission's Political Programming Policies, Report and Order, 7 FCC Rcd 678 (1991) (1991 Political R&O); 1992 Political Reconsideration.

accordingly, a request for Declaratory Ruling is improper under the FCC's procedural rules.

Although Congress's and the Commission's rejection of the Petitioner's position settles the issue, NAB additionally observes that the Petition makes unsupported and unfounded factual claims. Specifically, Petitioner claims without even a shred of evidence that the LIFO method typically disfavors candidate ads because political candidates supposedly buy airtime late compared to commercial advertisers, and thus, as the "last ones in," they are "the first ones out." Information provided to NAB indicates that, as expected, the amount of lead time for advertisement purchases by both candidates and commercial advertisers varies and that both purchase time at the last minute and also well in advance. Detailed information about several recent races in Colorado show federal and state political candidates placing ad orders months in advance of the requested air dates – and farther in advance than commercial advertisers. The Petition also ignores other practical realities about political advertising, including how stations would resolve preemption priorities among various candidates if the Petitioner's request were (improperly) granted.

Moreover, candidates – just like commercial advertisers – are always free to buy a different class of time that guarantees they will not be preempted. Should the Commission ignore Congress's direction and its own prior determinations, the likely result is not that the Petitioner's clients will be afforded Last-In-Never-Out status; but rather, stations will be forced to eliminate certain classes of cheaper preemptible time. Not only would commercial advertisers be harmed by eliminating cheaper preemptible time, but candidates who seek lower cost advertising time certainly will be as well.

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The current Petition fails on all levels. It asks the Commission to adopt an approach contrary to Congressional intent and thus beyond the scope of the FCC's authority. It is inconsistent with clear Commission precedent. It relies on unfounded factual assertions. And, it also is procedurally infirm. For all these reasons, the Commission must summarily deny the Petition.

#### II. CONGRESS AND THE COMMISSION HAVE REJECTED THE BASIC PREMISE OF THE PETITION

#### A. The Communications Act Requires Equivalent Treatment of Candidate and Commercial Advertisements

When amending the political broadcasting provisions of the Communications Act to adopt the current "lowest unit charge" requirements, Congress intended to place candidates seeking to air spots on broadcast stations "on par" with stations' "most favored commercial advertiser[s]."<sup>6</sup> To ensure this equivalent treatment, Section 315(b)(1)(A) of the Act limits stations, during applicable political "windows," from charging legally qualified candidates more for advertisements than "the lowest unit charge of the station for the same class and amount of time for the same period."<sup>7</sup> Nowhere did Congress suggest that candidates should be given more favorable treatment than all other advertisers.

<sup>&</sup>lt;sup>6</sup> S. REP. NO. 92-96 (1971), reprinted in 1972 U.S.C.C.A.N. 1773, 1780.

<sup>&</sup>lt;sup>7</sup> 47 U.S.C. § 315(b)(1)(A). The lowest unit charge provision was adopted as part of the Federal Election Campaign Act of 1971, Pub. L. No. 92-225. During debates, Senator Pastore, the floor leader on the legislation, explained that lowest unit charge requires broadcasters "to render to that individual who is running for office the same rate as they do for a commercial advertiser. That is all that it amounts to." 92 CONG. REC. S13290 (daily ed. Aug. 5, 1971) (statement of Sen. Pastore); *see also* 92 CONG. REC. H11258 (daily ed. Nov. 18, 1971) (statement of Rep. MacDonald).

Beyond the Petitioner's inability to identify any statutory language permitting the Commission to adopt its view, the legislative history undermines its position as well. The Senate report discussing the language that became the statutory lowest unit charge provision emphasized that this requirement "makes use of each broadcaster's own commercial practices rather than imposing on him an arbitrary discount rate applicable to all stations without regard to their differences."<sup>8</sup> The House Committee report even discussed "preemptible sale[s]," recognizing that a "station may preempt the time for the advertisement for that of another advertiser who is willing to pay the higher or fixed rate."<sup>9</sup>

Clearly, Congress, by adopting lowest unit charge legislation, intended to provide candidates for public office broadcast time "consistent with any given station's commercial transactions,"<sup>10</sup> including its sales of preemptible time. Congress did not envision, as Petitioner apparently believes, the provision of preferential treatment to candidate advertisements over all other advertisers, including by the Commission overriding station policies with respect to preemption otherwise applicable to equivalent commercial advertisers.<sup>11</sup>

<sup>&</sup>lt;sup>8</sup> S. REP. NO. 92-96 (1971), *reprinted in* 1972 U.S.C.C.A.N. 1773, 1780. The House report language was identical on this point. H. REP. NO. 92-565 at 9 (1971).

<sup>&</sup>lt;sup>9</sup> H. REP. NO. 92-565 at 10 (1971).

<sup>&</sup>lt;sup>10</sup> *Id.* at 11.

<sup>&</sup>lt;sup>11</sup> Interestingly, in its consideration of what became the Bipartisan Campaign Finance Act of 2002, Pub. L. No. 107-55, the Senate adopted an amendment that would have required stations to afford candidates non-preemptible time at their lowest preemptible rate. The so-called Torricelli Amendment was rejected by the House of Representatives, which made no changes to the definition of lowest unit charge. The House bill was agreed to by the Senate, and the deletion of the Torricelli Amendment was specifically noted by the Senate floor leader. 107 Cong Rec. S3366 (daily ed. March 18, 2002) (statement of Senator Dodd). Congress' specific rejection of a provision that would have

Given the relevant statutory language, the history of its enactment, and Congress' subsequent rejection of changes to the lowest unit charge system, the Commission is not free to adopt a different system at Petitioner's, or anyone else's, behest.<sup>12</sup> As the Supreme Court has "so often admonish[ed], only Congress can rewrite" the Communications Act.<sup>13</sup>

#### B. The Commission Has Properly Rejected Affording Preferential Treatment to Candidate Advertisements

In the early 1990s, the Commission concluded a "comprehensive" proceeding to codify its political broadcasting rules.<sup>14</sup> Consistent with statutory requirements, the Commission stressed that stations must sell time to candidates at the same rates and under the same conditions as they apply to sales to commercial advertisers.<sup>15</sup> In this regard, the Commission conducted a thorough review of its policies related to classes of time and preemptible time in particular. The Commission made clear, consistent with Section 315(b), that stations "may establish and define their own reasonable classes" of preemptible time, so long as those classes were based on some "demonstrable benefit, *such as varying levels or assurances of preemption protection*, scheduling flexibility, or

granted all candidates non-preemptible time confirms that Congressional intent remains that stations' preemptible time policies apply to candidates.

<sup>&</sup>lt;sup>12</sup> "Congress has spoken" with considerable specificity "to the precise question" of how broadcast stations must treat candidate advertisements, and the Commission must implement Congress' clearly expressed intentions. *Bell Atlantic Telephone Companies v. FCC*, 131 F.3d 1044, 1047 (D.C. Cir. 1997) (internal citations omitted).

<sup>&</sup>lt;sup>13</sup> Louisiana Public Service Comm'n v. FCC, 476 U.S. 355, 376 (1986).

<sup>&</sup>lt;sup>14</sup> *1991 Political R&O*, 7 FCC Rcd at 678.

<sup>&</sup>lt;sup>15</sup> 1992 Political Reconsideration, 7 FCC Rcd at 4614.

special make-good benefits.<sup>316</sup> It also disagreed with the notion inherent in the Petition that candidate ads should receive more favorable preemption treatment, concluding that Congress did not intend candidates to be "essentially afforded 'fixed' status" at a cheaper "preemptible rate.<sup>317</sup>

In accordance with both Congressional intent and FCC rules, therefore, stations that differ in their "own commercial practices"<sup>18</sup> will offer different choices to candidates, including "varying levels or assurances of preemption protection."<sup>19</sup> Some stations sell all or most of their time in a single-class auction in which any spot may be preempted by a higher-priced spot. Other stations offer multiple classes of time with different preemption rights, such as immediately preemptible, or preemptible with varying amounts of advance notice. For stations that offer multiple classes of time, in a busy period – as campaign seasons often are – stations may sell more spots in a class than can be accommodated in a time period, and must establish a means of choosing which spots will be preempted first. NAB understands that some stations conduct a "mini-auction" within a class and preempt spots by price. Other stations may use different systems, but discussions with NAB members reveal that a large number of television stations use LIFO, rather than a more subjective method, in at least some classes to decide which spots – both commercial and candidate – to preempt.

<sup>&</sup>lt;sup>16</sup> *1991 Political R&O*, 7 FCC Rcd at 691 (emphasis added). The Commission stressed that these principles applied to broadcasters establishing classes of both "immediately preemptible time" and classes of "preemptible with notice" time. *Id*.

<sup>&</sup>lt;sup>17</sup> Id.

<sup>&</sup>lt;sup>18</sup> S. REP. NO. 92-96 (1971), *reprinted in* 1972 U.S.C.C.A.N. 1773, 1780.

<sup>&</sup>lt;sup>19</sup> 1991 Political R&O, 7 FCC Rcd at 691.

These varying practices comport with statutory and regulatory requirements, so long as stations sell airtime to candidates under the same rates, terms and conditions as they sell to their most favored commercial advertisers. The Petition's fundamental premise – that stations should afford candidate ads preferential preemption treatment – is clearly contrary to the Communications Act and the FCC's political broadcasting rules.

### III. LIFO PREEMPTION IS FULLY CONSISTENT WITH LAW AND REGULATION

The Petition requests the Commission to declare broadcast stations' use of LIFO preemption with respect to candidate advertisements contrary to the interpretation of the lowest unit charge provision adopted in the *1991 Political R&O*. Section 1.2 of the Commission's Rules, 47 C.F.R. § 1.2, provides that the Commission may issue a declaratory ruling "terminating a controversy or removing uncertainty." Declaratory rulings are not appropriate, however, when the request involves a change in settled Commission rules or policy.<sup>20</sup> The current Petition must be rejected on this basis alone, as the FCC's policies on classes of time and preemption, based on long-standing statutory requirements, have been settled for over two decades.

The Petition relies entirely and erroneously on one statement in the 1991 Political R&O, where the Commission rejected arguments that only rates should be considered in evaluating whether a station met its obligations under the lowest unit charge provision. The Commission held instead that it:

<sup>&</sup>lt;sup>20</sup> See, e.g., Commission Policies and Procedures Under Section 310(b)(4) of the Communications Act, 28 FCC Rcd 16244, 16252 n.51 (2013) (changes in policy should be addressed in a rulemaking proceeding instead of a declaratory ruling); In re Petition of STI Prepaid for Declaratory Ruling, 28 FCC Rcd 153 (Wireline Bur. 2013); Comnet Wireless, LLC Petition for Declaratory Ruling, 27 FCC Rcd 4324 (Wireless Bur. 2012).

would continue to apply the most-favored advertiser standard not only to the advertising rates themselves but also to station sales practices and other discount privileges that improve the value of the spot to the advertiser. These would include make goods, preemption priorities, and any other factors that enhance the value of a spot.<sup>21</sup>

This general statement is the sole authority cited in the Petition for the proposition that the Commission barred the use of LIFO preemption in dealing with candidate spots.<sup>22</sup> Yet this language does not say what the Petitioner claims. While the Commission did say that "preemption priorities" are among the benefits candidates are entitled to during the political "windows," it most notably did not say what Petitioner wants the Commission to hold – that candidates are entitled to preemption priorities better than those afforded commercial advertisers in the same class.

In fact, the Commission made clear both in the *1991 Political R&O* and on reconsideration that it meant exactly the opposite – that stations may establish varying classes of preemptible time and that candidates buying in a particular class of preemptible time are entitled only to the preemption priorities that commercial advertisers buying in that same class receive.<sup>23</sup> Under Petitioner's theory, however, candidate spots would always have to be the last ones preempted in a class, entirely vitiating the distinction between levels of preemption protection that the Commission recognized were factors affecting the value of a class of time.

<sup>&</sup>lt;sup>21</sup> *1991 Political R&O*, 7 FCC Rcd at 689-90.

<sup>&</sup>lt;sup>22</sup> Petition at 2, 5-6, notes 2, 8-9 & 11.

<sup>&</sup>lt;sup>23</sup> *1991 Political R&O*, 7 FCC Rcd at 691 (rejecting idea that candidates should be given non-preemptible time at lower preemptible rates).

Were there any doubt that the Commission intended that stations be permitted to apply their usual preemption policies to candidates, the Commission also pointed out in its 1991 order that, "[i]n the event that a station uses varying levels of preemption protection as a means of establishing different classes of immediately preemptible time, it may disclose to candidates that lower priced spots are unlikely to clear in light of previous sales."<sup>24</sup> This statement would not have been necessary or appropriate if the Commission had intended to afford candidates the highest priority against preemption in any class, regardless of how a station treated similar commercial advertisers.

On reconsideration, the Commission again stressed that "stations remain under a duty to make advertising time available to candidates subject to the same rates, terms, and conditions as it is made available to commercial advertisers."<sup>25</sup> Having made clear – in the sentence Petitioner cites – that preemption priorities are among the terms that affect stations' compliance with lowest unit charge requirements, it is equally clear that the Commission intended candidates to receive the *same* protection against preemption that commercial advertisers in a class are offered, not the *better* protection that Petitioner wants.

Indeed, the Commission reemphasized on reconsideration that an approach, such as Petitioner's, where candidates would receive the highest protection against preemption, regardless of the class of time they purchased, "could sometimes require stations to provide to candidates essentially non-preemptible time at preemptible rates – a result that according to the language and legislative history of Section 315(b), was

<sup>&</sup>lt;sup>24</sup> *Id.* at 698.

<sup>&</sup>lt;sup>25</sup> 1992 Political Reconsideration, 7 FCC Rcd at 4614.

specifically rejected by Congress.<sup>26</sup> And if that language was not sufficiently clear, the Commission then made it crystal clear that it was *not* adopting the rule that Petitioner now claims it did: "if a commercial advertiser pays a lower price for a class of time for assuming a specific prospective risk of nonclearance, a candidate should get the benefit of the same low price *so long as the candidate assumes the same specific prospective risk of preemption*.<sup>27</sup>

That is precisely what happens at stations using the LIFO preemption method. Candidates choosing to purchase time in a highly preemptible class understand they run a substantial risk of preemption if the station has already sold a large amount of time in that class. Candidates then face the same choice that equivalent commercial advertisers face; they can buy in the lower-priced class and take the risk of preemption, or instead buy time in a higher-priced class and ensure that their spots will clear. That is precisely what the Commission expected in its 1991 decision and reaffirmed in its 1992 reconsideration order.

Petitioner is simply wrong in claiming that the Commission in 1991 barred stations from applying LIFO and other preemption policies to candidates buying time in classes where those policies are applied to commercial advertisers. Instead, the Commission explicitly held that the normal preemption policies applied to commercial advertisers in a class also would apply to political advertisers. There is no uncertainty about the

<sup>26</sup> *Id.* 

<sup>&</sup>lt;sup>27</sup> *Id.* at 4615 (emphasis added).

Commission's policy to be resolved and, thus, no basis for the Commission to issue a declaratory ruling. The Petition should be denied.<sup>28</sup>

#### IV. THE POLICY PETITIONER APPARENTLY SEEKS WOULD GIVE CANDIDATES BETTER RIGHTS THAN COMMERCIAL ADVERTISERS CONTRARY TO CONGRESSIONAL INTENT

Although Petitioner opposes application of the LIFO preemption method to candidate advertisements, the Petition is far from clear about the particular rule it wants the Commission to adopt in its place. Stations that offer multiple classes of preemptible time must have some way to determine the order of preemptions if more advertisements are purchased in a class than there are advertising times available. The Petition argues that, for stations using LIFO preemption, candidates always should be deemed the first-in advertiser, regardless of when they purchased time, and be protected against preemption unless every spot in that class is preempted.<sup>29</sup> Effectively, Petitioner wants the Commission to require stations to offer Last-In-Never-Out (LINO) protection to

<sup>&</sup>lt;sup>28</sup> In a Supplement to the Petition filed on October 13, 2014, Petitioner notes that the NAB Political Broadcast Catechism reported that FCC staff had at times expressed concern that a LIFO policy could result in a preference for commercial advertisers. NAB did not endorse that view or agree that it was a correct reading of the Commission's rules or policies, but included that statement so stations would understand that application of a LIFO policy might be questioned by candidates or their media buyers, which the filing of the Petition shows was a valid concern. The fact that FCC staff informally expressed this view about LIFO as a general matter does not, contrary to the Petition, confirm Petitioner's (mis)understanding of the rules or the FCC's 1991-92 decisions. In any event, the Commission is not bound by even formal staff actions. *Comcast Corp. v. FCC*, 526 F.3d 763, 769 (D.C. Cir. 2008); *Vernal Enterprises, Inc. v. FCC*, 355 F.3d 650, 660 (D.C. Cir. 2004). *A fortiori*, informal expressions of staff opinion have no binding effect, particularly here, where they are contrary to explicit holdings by the full Commission.

<sup>&</sup>lt;sup>29</sup> Petition at 11.

candidates, regardless of the preemption protections normally associated with a class of time.<sup>30</sup>

Such a LINO rule would be precisely what the Commission rejected in 1991 and 1992. It would give candidates a level of protection that a commercial advertiser purchasing time could only obtain by purchasing a higher class.<sup>31</sup> The Commission correctly rejected that approach as directly inconsistent with "the language and legislative history of Section 315(b)."<sup>32</sup>

As a practical matter, moreover, Petitioner does not explain what might happen under its proposal if several candidates purchased time in a class, and even after preempting all commercial spots, not all of the candidate advertisements could be cleared. There would be no practicable mechanism under the Petition's proposed LINO approach to determine clearance order among different candidate spots. Thus, no matter how much Petitioner would like the Commission to adopt its LINO proposal, the realities of political time windows would be that some political ads might well still be preempted. In light of these practical realities, using stations' ordinary preemption practices is not only what Congress intended, but also is the fairest approach for all parties.

<sup>&</sup>lt;sup>30</sup> There also is no reason to believe that Petitioner would be satisfied with overriding only LIFO preemption. Unless a station's normal preemption policies would result in candidate spots being given priority over any and all commercial advertisements, the Commission, under the policy advocated in the Petition, would be expected to determine that the station failed to afford the preempted candidate the benefit of the lowest unit charge.

<sup>&</sup>lt;sup>31</sup> 1991 Political R&O, 7 FCC Rcd at 691; 1992 Political Reconsideration, 7 FCC Rcd at 4614.

<sup>&</sup>lt;sup>32</sup> 1992 Political Reconsideration, 7 FCC Rcd at 4614.

#### V. CONTRARY TO THE PETITION'S ASSUMPTION, CANDIDATE ADVERTISEMENTS ARE NOT TYPICALLY DISFAVORED UNDER A LIFO APPROACH

The Petition asserts that "[p]olitical candidates, as an industry, buy airtime late when compared to commercial advertisers."<sup>33</sup> The Petition makes this claim without offering any citation, study or support for that proposition. Even assuming that the Commission had the statutory authority to bar stations from using LIFO – which it does not – it could not change its rules on the basis of one petitioner's mere assertion concerning industry conditions over thousands of candidates, commercial advertisers and broadcast stations. Petitioner could, for example, have analyzed purchases it made on stations in recent election cycles and compared them to purchases by commercial advertisers in the same class and time period. Having failed to do so, Petitioner cannot expect the Commission to arbitrarily and capriciously accept its mere assertion.

Information provided to NAB by its members indicates that, as expected, the amount of lead time for advertisement purchases by both candidates and commercial advertisers varies and that both purchase time at the last minute and also well in advance. One Virginia station reported to NAB that a Senate candidate placed schedules more than four months before the 2014 elections. Many local commercial advertisers running ads in the same weeks placed ads from three to 14 days in advance. A Montana station's records show that, in 2014, a federal candidate placed orders eight, 21, 27, 36 and 41 days before the ads would air. By contrast, a number of the same station's regular local advertisers placed ads in the same period from one to seven days before airing.

<sup>&</sup>lt;sup>33</sup> Petition at 6.

Many press reports about the 2012 Presidential election, moreover, observed how early the Obama campaign placed many of its broadcast ad purchases.<sup>34</sup>

Attachment A lists candidate and commercial advertiser purchases during late 2014 on television station KKTV, Colorado Springs, Colorado, showing the number of days before the beginning air date an order was placed. For both political and commercial advertisers, some orders were placed near air time. But many political candidates, both federal and state, placed orders well in advance. For example, Senator Cory Gardner's campaign placed many ad orders, a number of them 40 or more days prior to the requested air dates, while a congressional candidate (Scott Tipton) making only three orders total placed them 30, 16 and 23 days in advance. The Hickenlooper for Governor campaign placed several orders more than 140 days in advance of the requested air dates. In contrast, no regular commercial advertiser on KKTV placed orders as far in advance as Governor Hickenlooper. Car dealerships, for example, placed a number of ad orders less than a week before the requested air dates.

Thus, Petitioner's assumption that candidates consistently purchase time later than commercial advertisers, and thus are inherently disadvantaged by a LIFO preemption policy, is not supported by the facts. Instead, candidates, recognizing that they will want to run spots before an election, can and do place orders well in advance.<sup>35</sup>

<sup>&</sup>lt;sup>34</sup> See, e.g., M. Haberman, A. Burns and E. Schultheis, *Mitt Romney's Unusual In-House Ad Strategy*, POLITCO (Oct. 9, 2012); Mara Liasson, *Do Political Ads Actually Work?* (Oct. 26, 2012), *available at* http://www.npr.org/blogs/itsallpolitics/2012/10/26/163652

<sup>&</sup>lt;sup>35</sup> NAB members also report that, with respect to federal election campaigns, national campaign committees in recent elections frequently place orders well in advance of an election and then cancel at the last minute, with their party's candidate then placing an almost identical order to obtain the benefit of the lowest unit charge rule.

On the other hand, commercial advertisers often have needs that arise late and place orders shortly before they want spots to air.<sup>36</sup>

For both candidates and commercial advertisers placing last-minute orders, stations can advise them about the likelihood of spots in a particular class being preempted. The advertiser can then choose to accept that risk or move to another class with less risk of preemption.<sup>37</sup> Stations also make significant efforts to accommodate candidate advertisers and ensure that any disruptions to their schedules are minimized, even if the candidates do not purchase non-preemptible time. The fact that both candidates and commercial advertisers can place orders well in advance or at the last minute does not favor either, and the Petition does not provide any factual basis for the Commission to conclude that applying stations' normal preemption policies inherently disfavors candidates.

<sup>&</sup>lt;sup>36</sup> The Petition and the Second Supplement dated November 13, 2014, argue that candidates are barred from placing ads early because they may not have the funds to pay for them or must wait until they are formally nominated. That argument assumes that candidates are required to pay for advertisements when they are ordered. The Commission, however, bars stations from requiring payment from federal candidates more than seven days in advance of a spot airing, and requires stations to apply their normal advance payment policies to state and local candidates. *Beth Daly, Great American Media, Inc.*, 7 FCC Rcd 5989 (1992). Thus, candidates can and do place spot buys well in advance of an election, and can cancel them without penalty if they are not nominated or cannot raise the funds to pay for them. For a station utilizing LIFO preemption, such an advance buy would give candidates priority over later-placed commercial orders. That a particular candidate chooses to wait until late in a campaign to place an order is, therefore, a choice made by the campaign and not the impact of any inherent disadvantage candidates face.

<sup>&</sup>lt;sup>37</sup> In fact, according to reports during the 2012 Presidential election, the Romney campaign "place[d] a premium on getting their ads to run at exactly the right time," and "elect[ed] to pay more in order to prevent their ads from being preempted." M. Haberman, A. Burns and E. Schultheis, *Mitt Romney's Unusual In-House Ad Strategy*, POLITCO (Oct. 9, 2012).

#### VI. THE COMMISSION ALREADY REQUIRES STATIONS TO DISCLOSE THEIR PREEMPTION POLICIES

The one aspect of the Petition with which NAB agrees is the contention that LIFO (or presumably other) preemption policies be disclosed to candidates.<sup>38</sup> The *1991 Political R&O* stated that stations' required disclosures to political candidates include "a description of the station's method of selling preemptible time," and further required stations to disclose "an approximation of the likelihood of preemption for each kind of preemptible time."<sup>39</sup> On reconsideration, the Commission reiterated these requirements and added that stations must disclose to candidates "all pertinent information about the privileges associated with [preemptible] classes."<sup>40</sup>

The obligation to disclose preemption policies is thus well established. There is no uncertainty identified by Petitioner that would suggest a need for a declaratory ruling to restate what the Commission already has required.

#### VII. CONCLUSION

Petitioner's claim that the Commission's codification of its political programming policies in 1991 and 1992 left open the question of whether stations' normal preemption policies apply to candidates is manifestly wrong. The Commission carefully explained that station preemption policies for their various classes of preemptible time are factors affecting the decisions that advertisers, both political and commercial, make when they buy time. There is no uncertainty to resolve.

<sup>&</sup>lt;sup>38</sup> Petition at 8.

<sup>&</sup>lt;sup>39</sup> 7 FCC Rcd at 689.

<sup>&</sup>lt;sup>40</sup> 1992 Political Reconsideration, 7 FCC Rcd at 4620. Stations may change preemption and other policies during the course of a campaign season so long as they update their disclosures to candidates.

Petitioner instead wants the Commission to change its rules to place political advertisers ahead of all commercial advertisers in a class. That change in policy cannot be undertaken in a declaratory ruling. More importantly, the proposed change has no statutory basis, would be directly contrary to Congressional intent, and would be wholly inconsistent with the FCC's long-standing and correct interpretation of its statutory mandate.

The Petition for Declaratory Ruling must be denied.

Respectfully submitted,

#### NATIONAL ASSOCIATION OF BROADCASTERS

1771 N Street, NW Washington, D.C. 20036 (202) 429-5430

Rick Kaplan Jerianne Timmerman Ann West Bobeck

March 2, 2015

# Attachment A

| Station | Advertiser            | Order # | Create Date          | Start Date | Advance Purchse Days | End Date   |
|---------|-----------------------|---------|----------------------|------------|----------------------|------------|
| KKTV    | Beauprez for Governor | 64706   | 09/03/14 1:47:00 PM  | 10/22/14   | 49                   | 10/28/14   |
| KKTV    | Beauprez for Governor | 64719   | 09/03/14 2:10:00 PM  | 10/08/14   | 35                   | 10/14/14   |
| KKTV    | Beauprez for Governor | 64679   | 09/03/14 1:26:00 PM  | 10/15/14   | 42                   | 10/21/2014 |
| KKTV    | Beauprez for Governor | 34268   | 06/05/14 1:32:00 PM  | 06/06/14   | 1                    | 6/10/2014  |
| KKTV    | Beauprez for Governor | 38326   | 06/18/14 12:24:00 PM | 06/19/14   | 1                    | 06/19/14   |
| KKTV    | Beauprez for Governor | 35311   | 06/10/14 1:57:00 PM  | 06/11/14   | 1                    | 06/17/14   |
| KKTV    | Beauprez for Governor | 39323   | 06/20/14 11:33:00 AM | 06/21/14   | 1                    | 06/24/14   |
| KKTV    | Beauprez for Governor | 38819   | 06/19/14 11:24:00 AM | 06/20/14   | 1                    | 06/24/14   |
| KKTV    | Beauprez for Governor | 84728   | 10/24/14 1:12:00 PM  | 10/27/14   | 3                    | 10/28/14   |
| KKTV    | Beauprez for Governor | 64694   | 09/03/14 1:39:00 PM  | 10/29/14   | 56                   | 11/04/14   |
| KKTV    | Beauprez for Governor | 33517   | 06/03/14 7:38:00 AM  | 06/03/14   | 0                    | 06/06/14   |
| KKTV    | Beauprez for Governor | 79408   | 10/09/14 10:11:00 AM | 10/14/14   | 5                    | 10/21/14   |
| KKTV    | Cynthia Coffman       | 80676   | 10/14/14 9:27:00 AM  | 10/14/14   | 0                    | 10/20/14   |
| KKTV    | Cynthia Coffman       | 80666   | 10/14/14 9:10:00 AM  | 10/28/14   | 14                   | 11/04/14   |
| KKTV    | Cynthia Coffman       | 80669   | 10/14/14 9:15:00 AM  | 10/21/14   | 7                    | 10/27/14   |
| KKTV    | Doug Lamborn          | 35565   | 06/11/14 8:34:00 AM  | 05/19/14   | -22                  | 06/29/14   |
| KKTV    | Doug Lamborn          | 38239   | 06/18/14 10:28:00 AM | 06/18/14   | 0                    | 06/23/14   |
| KKTV    | Doug Lamborn          | 34479   | 06/06/14 8:16:00 AM  | 06/09/14   | 3                    | 06/23/14   |
| KKTV    | Gardner Cory S/R (CO) | 41438   | 06/25/14 12:56:00 PM | 07/22/14   | 27                   | 07/28/14   |
| KKTV    | Gardner Cory S/R (CO) | 52246   | 07/29/14 8:05:00 AM  | 09/02/14   | 33                   | 09/08/14   |
| KKTV    | Gardner Cory S/R (CO) | 78319   | 10/06/14 2:29:00 PM  | 10/28/14   | 22                   | 11/03/14   |
| KKTV    | Gardner Cory S/R (CO) | 41462   | 06/25/14 1:11:00 PM  | 07/15/14   | 20                   | 07/21/14   |
| KKTV    | Gardner Cory S/R (CO) | 78250   | 10/06/14 1:38:00 PM  | 10/14/14   | 8                    | 10/20/14   |
| KKTV    | Gardner Cory S/R (CO) | 53119   | 07/31/14 8:00:00 AM  | 10/07/14   | 67                   | 10/13/14   |
| KKTV    | Gardner Cory S/R (CO) | 51065   | 07/24/14 1:19:00 PM  | 08/12/14   | 18                   | 08/18/14   |
| KKTV    | Gardner Cory S/R (CO) | 51092   | 07/24/14 1:40:00 PM  | 08/05/14   | 11                   | 08/11/14   |
| KKTV    | Gardner Cory S/R (CO) | 52269   | 07/29/14 8:22:00 AM  | 09/09/14   | 40                   | 09/15/14   |
| KKTV    | Gardner Cory S/R (CO) | 81844   | 10/16/14 3:17:00 PM  | 10/28/14   | 12                   | 11/03/14   |
| KKTV    | Gardner Cory S/R (CO) | 53098   | 07/31/14 7:47:00 AM  | 10/14/14   | 74                   | 10/20/14   |
| KKTV    | Gardner Cory S/R (CO) | 52960   | 07/30/14 2:10:00 PM  | 09/02/14   | 32                   | 09/08/14   |
| KKTV    | Gardner Cory S/R (CO) | 53067   | 07/31/14 7:15:00 AM  | 09/30/14   | 60                   | 10/06/14   |
| KKTV    | Gardner Cory S/R (CO) | 80804   | 10/14/14 1:43:00 PM  | 10/16/14   | 2                    | 11/02/14   |
| KKTV    | Gardner Cory S/R (CO) | 41412   | 06/25/14 12:46:00 PM | 07/11/14   | 16                   | 07/14/14   |
| KKTV    | Gardner Cory S/R (CO) | 48683   | 07/18/14 8:32:00 AM  | 07/29/14   | 11                   | 08/04/14   |
| KKTV    | Gardner Cory S/R (CO) | 53149   | 07/31/14 8:25:00 AM  | 10/28/14   | 88                   | 11/03/14   |
| κκτν    | Gardner Cory S/R (CO) | 78240   | 10/06/14 1:30:00 PM  | 10/07/14   | 1                    | 10/13/14   |

| KKTV               | Gardner Cory S/R (CO)     | 52902 | 07/30/14 1:25:00 PM  | 09/09/14 | 39  | 09/15/14 |
|--------------------|---------------------------|-------|----------------------|----------|-----|----------|
| KKTV               | Gardner Cory S/R (CO)     | 78265 | 10/06/14 1:44:00 PM  | 10/21/14 | 15  | 10/27/14 |
| KKTV               | Gardner Cory S/R (CO)     | 81759 | 10/16/14 1:52:00 PM  | 10/21/14 | 5   | 10/27/14 |
| KKTV               | Gardner Cory S/R (CO)     | 51043 | 07/24/14 1:09:00 PM  | 08/19/14 | 25  | 08/25/14 |
| KKTV               | Gardner Cory S/R (CO)     | 33800 | 06/04/14 7:26:00 AM  | 06/10/14 | 6   | 06/16/14 |
| KKTV               | Gardner Cory S/R (CO)     | 33856 | 06/04/14 8:35:00 AM  | 06/17/14 | 13  | 06/23/14 |
| KKTV               | Gardner Cory S/R (CO)     | 53139 | 07/31/14 8:12:00 AM  | 10/21/14 | 81  | 10/27/14 |
| KKTV               | Gardner Cory S/R (CO)     | 52311 | 07/29/14 9:09:00 AM  | 09/16/14 | 47  | 09/22/14 |
| KKTV               | Gardner Cory S/R (CO)     | 52976 | 07/30/14 2:32:00 PM  | 09/16/14 | 46  | 09/22/14 |
| KKTV               | Gardner Cory S/R (CO)     | 52286 | 07/29/14 8:45:00 AM  | 09/23/14 | 54  | 09/29/14 |
| KKTV               | Gardner Cory S/R (CO)     | 33845 | 06/04/14 8:20:00 AM  | 06/24/14 | 20  | 06/30/14 |
| KKTV               | Gessler Scott             | 33355 | 06/02/14 12:05:00 PM | 06/17/14 | 15  | 06/23/14 |
| KKTV               | Gessler Scott             | 33362 | 06/02/14 12:22:00 PM | 06/03/14 | 1   | 06/09/14 |
| KKTV               | Gessler Scott             | 33359 | 06/02/14 12:17:00 PM | 06/10/14 | 8   | 06/16/14 |
| KKTV               | Hickenlooper for Governor | 27756 | 05/12/14 8:37:00 AM  | 10/06/14 | 144 | 10/12/14 |
| KKTV               | Hickenlooper for Governor | 64282 | 09/02/14 2:43:00 PM  | 09/09/14 | 7   | 09/14/14 |
| KKTV               | Hickenlooper for Governor | 69991 | 09/17/14 1:28:00 PM  | 10/06/14 | 19  | 10/12/14 |
| KKTV               | Hickenlooper for Governor | 53917 | 08/01/14 2:10:00 PM  | 09/15/14 | 44  | 09/21/14 |
| KKTV               | Hickenlooper for Governor | 27986 | 05/12/14 3:03:00 PM  | 10/20/14 | 158 | 10/26/14 |
| KKTV               | Hickenlooper for Governor | 78625 | 10/07/14 10:54:00 AM | 10/20/14 | 13  | 10/26/14 |
| KKTV               | Hickenlooper for Governor | 83387 | 10/22/14 9:32:00 AM  | 10/27/14 | 5   | 11/04/14 |
| KKTV               | Hickenlooper for Governor | 40412 | 06/24/14 7:36:00 AM  | 09/22/14 | 88  | 09/28/14 |
| <mark>KKT</mark> V | Hickenlooper for Governor | 70913 | 09/19/14 11:44:00 AM | 10/13/14 | 24  | 10/19/14 |
| <mark>KKT</mark> V | Hickenlooper for Governor | 40437 | 06/24/14 7:59:00 AM  | 09/29/14 | 95  | 10/05/14 |
| KKTV               | Hickenlooper for Governor | 27819 | 05/12/14 11:02:00 AM | 10/27/14 | 165 | 11/08/14 |
| KKTV               | Hickenlooper for Governor | 27806 | 05/12/14 10:14:00 AM | 10/13/14 | 151 | 10/19/14 |
| KKTV               | IRV Halter                | 78091 | 10/06/14 10:11:00 AM | 10/07/14 | 1   | 10/13/14 |
| KKTV               | IRV Halter                | 80339 | 10/13/14 11:34:00 AM | 10/14/14 | 1   | 10/20/14 |
| KKTV               | IRV Halter                | 85133 | 10/27/14 9:26:00 AM  | 10/28/14 | 1   | 11/03/14 |
| KKTV               | IRV Halter                | 82063 | 10/17/14 11:41:00 AM | 10/21/14 | 4   | 10/27/14 |
| KKTV               | Markey for Treasurer      | 84163 | 10/23/14 12:32:00 PM | 10/27/14 | 4   | 11/04/14 |
| KKTV               | Markey for Treasurer      | 80055 | 10/10/14 2:43:00 PM  | 10/13/14 | 3   | 10/19/14 |
| KKTV               | Markey for Treasurer      | 79473 | 10/09/14 11:55:00 AM | 10/13/14 | 4   | 10/19/14 |
| KKTV               | Michael Merrifield        | 82025 | 10/17/14 9:36:00 AM  | 10/20/14 | 3   | 11/03/14 |
| KKTV               | Rayburn Bentely           | 34925 | 06/09/14 12:31:00 PM | 06/10/14 | 1   | 06/13/14 |
| KKTV               | Rayburn Bentely           | 33895 | 06/04/14 10:35:00 AM | 06/05/14 | 1   | 06/09/14 |
| KKTV               | Rayburn Bentely           | 38902 | 06/19/14 1:34:00 PM  | 06/20/14 | 1   | 06/23/14 |

| KKTV | Rayburn Bentely           | 32308 | 05/29/14 7:23:00 AM  | 05/29/14 | 0   | 06/03/14 |
|------|---------------------------|-------|----------------------|----------|-----|----------|
| KKTV | Rayburn Bentely           | 36780 | 06/13/14 11:41:00 AM | 06/15/14 | 2   | 06/16/14 |
| KKTV | Scott Tipton for Congress | 71460 | 09/22/14 10:24:00 AM | 10/22/14 | 30  | 10/29/14 |
| KKTV | Scott Tipton for Congress | 71373 | 09/22/14 9:29:00 AM  | 10/08/14 | 16  | 10/14/14 |
| KKTV | Scott Tipton for Congress | 71447 | 09/22/14 10:13:00 AM | 10/15/14 | 23  | 10/21/14 |
| KKTV | Udall for Colorado        | 83010 | 10/21/14 11:02:00 AM | 10/22/14 | 1   | 11/02/14 |
| KKTV | Udall for Colorado        | 68819 | 09/15/14 8:30:00 AM  | 10/06/14 | 21  | 10/12/14 |
| KKTV | Udall for Colorado        | 49652 | 07/22/14 10:41:00 AM | 07/28/14 | 6   | 08/03/14 |
| KKTV | Udall for Colorado        | 71182 | 09/22/14 6:42:00 AM  | 09/29/14 | 7   | 10/05/14 |
| KKTV | Udall for Colorado        | 55160 | 08/06/14 11:35:00 AM | 10/06/14 | 60  | 10/12/14 |
| KKTV | Udall for Colorado        | 49812 | 07/22/14 1:19:00 PM  | 08/04/14 | 12  | 08/10/14 |
| KKTV | Udall for Colorado        | 45833 | 07/09/14 12:40:00 PM | 07/14/14 | 5   | 07/20/14 |
| KKTV | Udall for Colorado        | 83118 | 10/21/14 1:36:00 PM  | 10/27/14 | 6   | 11/04/14 |
| KKTV | Udall for Colorado        | 55150 | 08/06/14 11:17:00 AM | 08/18/14 | 12  | 08/24/14 |
| KKTV | Udall for Colorado        | 37094 | 06/16/14 10:31:00 AM | 06/17/14 | 1   | 06/22/14 |
| KKTV | Udall for Colorado        | 85774 | 10/28/14 11:01:00 AM | 10/29/14 | 1   | 11/03/14 |
| KKTV | Udall for Colorado        | 59989 | 08/21/14 11:26:00 AM | 08/25/14 | 4   | 08/31/14 |
| KKTV | Udall for Colorado        | 55140 | 08/06/14 10:52:00 AM | 08/11/14 | 5   | 08/17/14 |
| KKTV | Udall for Colorado        | 75092 | 09/29/14 9:44:00 AM  | 09/30/14 | 1   | 10/05/14 |
| KKTV | Udall for Colorado        | 76656 | 10/01/14 10:30:00 AM | 10/02/14 | 1   | 10/05/14 |
| KKTV | Udall for Colorado        | 36161 | 06/12/14 10:18:00 AM | 06/23/14 | 11  | 06/29/14 |
| KKTV | Udall for Colorado        | 41319 | 06/25/14 11:15:00 AM | 07/07/14 | 12  | 07/13/14 |
| KKTV | Udall for Colorado        | 77140 | 10/02/14 9:12:00 AM  | 10/13/14 | 11  | 10/20/14 |
| KKTV | Udall for Colorado        | 82071 | 10/17/14 1:27:00 PM  | 10/27/14 | 10  | 11/04/14 |
| KKTV | Udall for Colorado        | 46443 | 07/11/14 7:52:00 AM  | 10/20/14 | 99  | 11/01/14 |
| KKTV | Udall for Colorado        | 79896 | 10/10/14 10:35:00 AM | 10/20/14 | 10  | 10/26/14 |
| KKTV | Udall for Colorado        | 68765 | 09/15/14 7:28:00 AM  | 09/22/14 | 7   | 09/28/14 |
| KKTV | Udall for Colorado        | 68712 | 09/15/14 6:39:00 AM  | 09/22/14 | 7   | 09/28/14 |
| KKTV | Udall for Colorado        | 41310 | 06/25/14 10:51:00 AM | 06/30/14 | 5   | 07/06/14 |
| KKTV | Udall for Colorado        | 45891 | 07/09/14 1:44:00 PM  | 07/21/14 | 12  | 07/27/14 |
| KKTV | Udall for Colorado        | 37102 | 06/16/14 10:45:00 AM | 06/23/14 | 7   | 06/29/14 |
| KKTV | Udall for Colorado        | 67719 | 09/11/14 6:59:00 AM  | 09/15/14 | 4   | 09/21/14 |
| KKTV | Udall for Colorado        | 44238 | 07/02/14 8:50:00 AM  | 10/27/14 | 115 | 11/04/14 |
| KKTV | Udall for Colorado        | 77006 | 10/02/14 8:12:00 AM  | 10/06/14 | 4   | 10/16/14 |
| KKTV | Udall for Colorado        | 46421 | 07/11/14 7:21:00 AM  | 10/13/14 | 92  | 10/19/14 |
| KKTV | Udall for Colorado        | 85917 | 10/28/14 1:35:00 PM  | 10/28/14 | 0   | 11/04/14 |
| KKTV | Udall for Colorado        | 36283 | 06/12/14 11:43:00 AM | 06/17/14 | 5   | 06/22/14 |
|      |                           |       |                      |          |     |          |

| KKTV | Udall for Colorado | 66880 | 09/09/14 9:51:00 AM  | 09/08/14 | -1 | 09/14/14 |
|------|--------------------|-------|----------------------|----------|----|----------|
| KKTV | Udall for Colorado | 59962 | 08/21/14 10:45:00 AM | 09/01/14 | 10 | 09/07/14 |
|      |                    | 112   |                      |          |    |          |

| Station | Advertiser                   | Create Date          | Start Date | Advance Purchase Days | End Date |
|---------|------------------------------|----------------------|------------|-----------------------|----------|
| KKTV    | Acurian, Inc                 | 10/07/14 1:01:00 PM  | 11/03/14   | 26                    | 11/16/14 |
| NKTV    | Adventure Dental             | 10/01/14 8:56:00 AM  | 09/29/14   | -2                    | 12/31/14 |
| NKTV    | Adventure Dental             | 09/23/14 10:23:00 AM | 09/29/14   | 6                     | 12/21/14 |
| KKTV    | Adventure Dental             | 09/23/14 10:19:00 AM | 09/29/14   | 6                     | 12/21/14 |
| KKTV    | Albert Vein Institute        | 10/01/14 7:54:00 AM  | 10/01/14   | 0                     | 10/30/14 |
| KKTV    | Albert Vein Institute        | 10/27/14 7:27:00 AM  | 11/24/14   | 27                    | 11/28/14 |
| KKTV    | Bob Penkhus Motor Co         | 10/07/14 7:59:00 PM  | 10/13/14   | 6                     | 10/31/14 |
| NKTV    | Bob Penkhus Motor Co         | 10/07/14 7:56:00 PM  | 10/20/14   | 13                    | 10/31/14 |
| NKTV    | Bob Penkhus Motor Co         | 10/07/14 8:32:00 PM  | 10/13/14   | 6                     | 10/31/14 |
| KKTV    | Bob Penkhus Motor Co         | 10/07/14 7:29:00 PM  | 10/20/14   | 13                    | 10/31/14 |
| KKTV    | Bob Penkhus Motor Co         | 10/07/14 8:36:00 PM  | 10/13/14   | 6                     | 11/01/14 |
| KKTV    | Bob Penkhus Motor Co         | 09/10/14 2:29:00 PM  | 09/12/14   | 2                     | 09/28/14 |
| KKTV    | Bob Penkhus Motor Co         | 10/07/14 7:45:00 PM  | 10/20/14   | 13                    | 10/31/14 |
| KKTV    | Bob Penkhus Motor Co         | 09/08/14 8:09:00 PM  | 09/10/14   | 2                     | 09/28/14 |
| NKTV    | Bob Penkhus Motor Co         | 10/07/14 7:39:00 PM  | 10/20/14   | 13                    | 10/31/14 |
| NKTV    | Bob Penkhus Motor Co         | 10/07/14 8:11:00 PM  | 10/13/14   | 6                     | 10/31/14 |
| KKTV    | Bob Penkhus Motor Co         | 09/10/14 1:54:00 PM  | 09/12/14   | 2                     | 09/28/14 |
| NKTV    | Bob Penkhus Motor Co         | 10/07/14 9:01:00 PM  | 10/13/14   | 6                     | 10/31/14 |
| KKTV    | Bob Penkhus Motor Co         | 10/07/14 8:16:00 PM  | 10/13/14   | 6                     | 10/31/14 |
| KKTV    | Bob Penkhus Motor Co         | 09/10/14 2:14:00 PM  | 09/15/14   | 5                     | 09/28/14 |
| KKTV    | Boot Barn                    | 10/30/14 6:44:00 PM  | 11/24/14   | 24                    | 12/21/14 |
| KKTV    | Brakes Plus                  | 10/29/14 2:07:00 PM  | 11/03/14   | 4                     | 11/30/14 |
| KKTV    | Carl Karcher Enterprises Inc | 09/10/14 9:32:00 AM  | 09/29/14   | 19                    | 12/21/14 |
| KKTV    | Carl Karcher Enterprises Inc | 09/10/14 2:44:00 PM  | 09/29/14   | 19                    | 12/21/14 |
| KKTV    | Carmax Auto Superstore       | 09/09/14 6:23:00 PM  | 10/27/14   | 48                    | 11/30/14 |
| KKTV    | Carmax Auto Superstore       | 09/09/14 6:28:00 PM  | 12/01/14   | 82                    | 12/26/14 |
| KKTV    | Carmax Auto Superstore       | 09/09/14 6:18:00 PM  | 09/29/14   | 20                    | 11/05/14 |
| NKTV    | Carpet Exchange              | 09/15/14 3:27:00 PM  | 09/29/14   | 14                    | 12/28/14 |
| KKTV    | Carpet Exchange              | 09/15/14 2:53:00 PM  | 09/29/14   | 14                    | 12/28/14 |
| KKTV    | Carpet Exchange              | 09/15/14 3:19:00 PM  | 12/21/14   | 96                    | 12/28/14 |
| KKTV    | Cavenders                    | 09/30/14 2:25:00 PM  | 10/02/14   | 2                     | 10/11/14 |
| NKTV    | Cavenders                    | 09/30/14 3:42:00 PM  | 10/02/14   | 2                     | 10/11/14 |
| NKTV    | CenturyLink (A)              | 09/02/14 9:24:00 PM  | 09/29/14   | 27                    | 12/28/14 |
| KKTV    | CenturyLink (A)              | 09/02/14 9:18:00 PM  | 11/10/14   | 68                    | 12/28/14 |
| NKTV    | Cheyenne Mtn Zoo (A)         | 09/02/14 9:05:00 AM  | 09/15/14   | 13                    | 10/12/14 |
| KKTV    | Clinical Research Advantage  | 09/26/14 10:56:00 AM | 09/30/14   | 4                     | 10/09/14 |
| KKTV    | CO Health Benefit Exchange   | 09/17/14 5:11:00 AM  | 09/18/14   | 1                     | 12/19/14 |
| ΚΚΤΥ    | CO Health Benefit Exchange   | 10/29/14 3:23:00 PM  | 12/22/14   | 53                    | 01/18/15 |
| ΚΚΤΥ    | CO Health Benefit Exchange   | 09/18/14 6:33:00 AM  | 10/27/14   | 39                    | 12/14/14 |

| KKTV | CO Health Benefit Exchange               | 10/29/14 3:28:00 PM  | 12/22/14 | 53  | 01/18/15 |
|------|--|----------------------|----------|-----|----------|
| KKTV | Coit Drapery Cleaner                     | 09/24/14 9:33:00 AM  | 11/03/14 | 39  | 12/14/14 |
| NKTV | College America Services Inc             | 09/29/14 4:02:00 PM  | 10/27/14 | 28  | 11/26/14 |
| NKTV | College America Services Inc             | 09/30/14 6:15:00 AM  | 12/01/14 | 61  | 12/28/14 |
| NKTV | College America Services Inc             | 09/08/14 12:50:00 PM | 09/29/14 | 21  | 10/26/14 |
| NKTV | College America Services Inc             | 09/29/14 4:09:00 PM  | 09/29/14 | 0   | 11/30/14 |
| NKTV | College America Services Inc             | 09/29/14 4:13:00 PM  | 12/01/14 | 62  | 12/28/14 |
| NKTV | College America Services Inc             | 09/08/14 12:46:00 PM | 09/29/14 | 21  | 10/26/14 |
| NKTV | College America Services Inc             | 09/08/14 12:53:00 PM | 09/29/14 | 21  | 10/26/14 |
| NKTV | College America Services Inc             | 09/08/14 12:55:00 PM | 09/29/14 | 21  | 10/26/14 |
| KKTV | College Invest                           | 10/14/14 3:32:00 PM  | 02/09/15 | 115 | 04/05/15 |
| KKTV | College Invest                           | 10/15/14 7:36:00 PM  | 12/22/14 | 67  | 01/04/15 |
| NKTV | College Invest                           | 10/14/14 3:21:00 PM  | 11/17/14 | 33  | 01/04/15 |
| NKTV | College Invest                           | 10/14/14 3:26:00 PM  | 02/09/15 | 115 | 04/05/15 |
| KKTV | Colorado Dept of Human Services          | 10/12/14 3:50:00 PM  | 12/01/14 | 49  | 01/11/15 |
| KKTV | Colorado Dept of Public Health & Enviror | 10/28/14 9:34:00 AM  | 12/08/14 | 40  | 12/21/14 |
| KKTV | Colorado Lottery                         | 10/12/14 3:50:00 PM  | 11/17/14 | 35  | 12/07/14 |
| KKTV | Colorado Springs Event Center (A)        | 09/17/14 11:25:00 AM | 09/22/14 | 5   | 09/26/14 |
| KKTV | Colorado Springs Utilities               | 09/10/14 11:18:00 AM | 09/15/14 | 5   | 10/05/14 |
| KKTV | Colorado Springs Utilities               | 09/18/14 8:39:00 AM  | 11/03/14 | 45  | 12/28/14 |
| KKTV | Colorado Springs Utilities               | 09/18/14 8:55:00 AM  | 11/17/14 | 59  | 12/21/14 |
| KKTV | Colorado Springs Utilities               | 09/18/14 8:52:00 AM  | 11/17/14 | 59  | 12/14/14 |
| KKTV | Colorado Springs Utilities               | 09/18/14 8:33:00 AM  | 09/25/14 | 7   | 11/16/14 |
| KKTV | Copperhead Windows Inc dba Window V      | 10/14/14 10:16:00 AM | 10/15/14 | 1   | 11/30/14 |
| KKTV | Creative Crafters                        | 09/16/14 1:33:00 PM  | 10/20/14 | 34  | 10/26/14 |
| NKTV | Creative Crafters                        | 09/17/14 6:29:00 AM  | 10/20/14 | 33  | 10/25/14 |
| NKTV | Culvers Restaurant                       | 09/15/14 7:43:00 PM  | 11/10/14 | 55  | 12/21/14 |
| KKTV | Culvers Restaurant                       | 09/24/14 8:57:00 AM  | 11/10/14 | 46  | 12/07/14 |
| NKTV | El Paso Clerk and Recorder               | 09/04/14 12:08:00 PM | 09/08/14 | 4   | 11/02/14 |
| KKTV | Empire Carpet Home Services              | 10/02/14 8:27:00 AM  | 09/29/14 | -3  | 10/25/14 |
| KKTV | ENT Federal Credit Union                 | 10/22/14 3:22:00 PM  | 12/01/14 | 39  | 12/21/14 |
| KKTV | ENT Federal Credit Union                 | 10/22/14 3:04:00 PM  | 11/03/14 | 11  | 11/23/14 |
| NKTV | ENT Federal Credit Union                 | 09/05/14 5:57:00 AM  | 09/08/14 | 3   | 09/28/14 |
| NKTV | ENT Federal Credit Union                 | 09/05/14 5:57:00 AM  | 10/06/14 | 31  | 10/26/14 |
| KKTV | ENT Federal Credit Union                 | 09/02/14 1:36:00 PM  | 09/08/14 | 6   | 09/28/14 |
| NKTV | ENT Federal Credit Union                 | 09/05/14 5:59:00 AM  | 12/01/14 | 86  | 12/21/14 |
| NKTV | ENT Federal Credit Union                 | 09/05/14 5:58:00 AM  | 11/03/14 | 58  | 11/23/14 |
| NKTV | Floor Craft                              | 10/17/14 6:54:00 AM  | 11/04/14 | 17  | 12/19/14 |
| KKTV | Floor Craft                              | 10/16/14 8:35:00 PM  | 11/04/14 | 18  | 12/19/14 |
| NKTV | Franklin D Azar (A)                      | 09/07/14 6:59:00 PM  | 09/29/14 | 22  | 12/28/14 |
|      |  |                      |          |     |          |

| KKTV | Franklin D Azar (A)     | 09/07/14 6:56:00 PM  | 09/29/14 | 22  | 12/28/14 |
|------|-------------------------|----------------------|----------|-----|----------|
| NKTV | Franklin D Azar (A)     | 09/07/14 7:23:00 PM  | 09/29/14 | 22  | 12/28/14 |
| KKTV | Franklin D Azar (A)     | 09/07/14 6:13:00 PM  | 09/29/14 | 22  | 12/28/14 |
| NKTV | Goodwill (A)            | 10/22/14 2:57:00 PM  | 11/16/14 | 24  | 11/22/14 |
| NKTV | Goodwill (A)            | 10/22/14 2:59:00 PM  | 11/30/14 | 38  | 12/06/14 |
| KKTV | Goodwill (A)            | 10/22/14 3:08:00 PM  | 11/16/14 | 24  | 11/22/14 |
| KKTV | Goodwill (A)            | 10/22/14 3:12:00 PM  | 11/30/14 | 38  | 12/06/14 |
| NKTV | Grand Canyon University | 09/23/14 9:20:00 AM  | 09/29/14 | 6   | 11/09/14 |
| NKTV | Heuser and Heuser (A)   | 09/26/14 12:56:00 PM | 09/29/14 | 3   | 12/28/14 |
| KKTV | Heuser and Heuser (A)   | 10/30/14 8:28:00 AM  | 12/01/14 | 31  | 12/28/14 |
| NKTV | Heuser and Heuser (A)   | 09/26/14 12:50:00 PM | 09/29/14 | 3   | 12/28/14 |
| KKTV | Home Heating Service    | 09/04/14 10:07:00 AM | 09/29/14 | 25  | 12/21/14 |
| KKTV | Hyundai Dealer          | 09/04/14 8:26:00 PM  | 10/06/14 | 32  | 11/02/14 |
| KKTV | Hyundai Dealer          | 09/09/14 5:29:00 PM  | 11/03/14 | 54  | 11/30/14 |
| KKTV | Hyundai Dealer          | 09/09/14 5:52:00 PM  | 12/08/14 | 89  | 01/02/15 |
| KKTV | Hyundai Dealer          | 10/07/14 9:03:00 AM  | 10/06/14 | -1  | 12/28/14 |
| KKTV | JD Byrider (A)          | 09/30/14 6:21:00 AM  | 10/06/14 | 6   | 12/28/14 |
| NKTV | JD Byrider (A)          | 09/19/14 8:08:00 AM  | 09/22/14 | 3   | 09/28/14 |
| NKTV | JD Byrider (A)          | 09/23/14 6:03:00 AM  | 10/13/14 | 20  | 12/28/14 |
| KKTV | Kentucky Fried Chicken  | 09/25/14 11:02:00 AM | 10/06/14 | 11  | 12/08/14 |
| NKTV | Kentucky Fried Chicken  | 09/12/14 7:50:00 AM  | 09/22/14 | 10  | 09/25/14 |
| NKTV | Kentucky Fried Chicken  | 09/10/14 6:40:00 PM  | 07/02/14 | -68 | 09/25/14 |
| KKTV | Kentucky Fried Chicken  | 09/25/14 10:46:00 AM | 10/08/14 | 13  | 11/05/14 |
| KKTV | Kentucky Fried Chicken  | 09/25/14 10:59:00 AM | 10/07/14 | 12  | 11/18/14 |
| KKTV | Kentucky Fried Chicken  | 09/10/14 3:34:00 PM  | 07/02/14 | -68 | 09/25/14 |
| KKTV | Kentucky Fried Chicken  | 09/25/14 10:52:00 AM | 10/07/14 | 12  | 12/10/14 |
| KKTV | King Sooper/City Market | 10/28/14 1:12:00 PM  | 01/14/15 | 76  | 01/20/15 |
| KKTV | King Sooper/City Market | 10/28/14 1:01:00 PM  | 01/07/15 | 69  | 01/13/15 |
| KKTV | King Sooper/City Market | 10/28/14 1:32:00 PM  | 01/28/15 | 90  | 02/03/15 |
| KKTV | King Sooper/City Market | 10/28/14 12:43:00 PM | 12/31/14 | 63  | 01/06/15 |
| KKTV | King Sooper/City Market | 10/28/14 1:22:00 PM  | 01/21/15 | 83  | 01/27/15 |
| NKTV | Koch Industries (A)     | 09/23/14 9:08:00 AM  | 09/29/14 | 6   | 11/23/14 |
| KKTV | Koch Industries (A)     | 09/04/14 3:13:00 PM  | 09/08/14 | 4   | 11/23/14 |
| NKTV | Massa Auto Pawn         | 10/15/14 4:56:00 PM  | 11/05/14 | 20  | 02/22/15 |
| KKTV | MCB                     | 09/05/14 6:35:00 AM  | 09/07/14 | 2   | 09/28/14 |
| NKTV | McDivitt Law Firm       | 09/26/14 12:02:00 PM | 09/29/14 | 3   | 12/28/14 |
| KKTV | McDivitt Law Firm       | 09/25/14 8:31:00 PM  | 09/29/14 | 4   | 12/28/14 |
| NKTV | McDivitt Law Firm       | 09/26/14 12:00:00 PM | 09/30/14 | 4   | 12/28/14 |
| NKTV | McDivitt Law Firm       | 09/25/14 8:51:00 PM  | 09/29/14 | 4   | 12/28/14 |
| KKTV | McDivitt Law Firm       | 09/26/14 11:40:00 AM | 09/29/14 | 3   | 12/28/14 |
|      |                         |                      |          |     |          |

| NKTV | McDivitt Law Firm                       | 09/25/14 8:49:00 PM  | 09/29/14 | 4       | 12/28/14 |
|------|---|----------------------|----------|---------|----------|
| KKTV | McDonalds (A)                           | 11/03/14 3:08:00 PM  | 11/03/14 | 4       | 12/20/14 |
| NKTV | McDonalds (A)                           | 10/03/14 11:09:00 AM | 10/27/14 | 24      | 11/16/14 |
| NKTV | McDonalds (A)                           | 10/03/14 11:03:00 AM | 10/27/14 | 3       | 12/28/14 |
| KKTV | Medved Autoplex South                   | 09/16/14 4:53:00 AM  | 09/15/14 | -1      | 12/28/14 |
| KKTV | Mens Wearhouse (A)                      | 09/08/14 5:18:00 PM  | 09/24/14 | -1      | 01/25/15 |
| KKTV | Metro Assoc for Retarded Ctzns dba AR(  | 11/04/14 9:26:00 AM  | 11/05/14 | 1       | 11/07/14 |
| KKTV | Metro Assoc for Retarded Cizins dba AR  | 10/07/14 8:48:00 AM  | 09/29/14 | -8      | 10/24/14 |
| KKTV | Metro Assoc for Retarded Cizits dba AR  |                      | 10/01/14 | -8      |          |
| KKTV | Miracle Method                          | 09/29/14 9:23:00 AM  | 12/01/14 | 2<br>46 | 10/05/14 |
|      |   | 10/15/14 7:43:00 PM  |          |         | 12/14/14 |
| KKTV | National American University            | 10/21/14 10:16:00 AM | 12/15/14 | 54      | 01/09/15 |
| NKTV | Nissan/Co                               | 10/02/14 4:09:00 PM  | 12/15/14 | 73      | 01/02/15 |
| KKTV | Nissan/Co                               | 10/02/14 4:01:00 PM  | 12/15/14 | 73      | 01/02/15 |
| KKTV | Once Upon A Child                       | 09/12/14 10:43:00 AM | 09/15/14 | 3       | 09/26/14 |
| KKTV | Once Upon A Child                       | 10/10/14 10:10:00 AM | 10/14/14 | 4       | 11/02/14 |
| KKTV | Papa Johns Pizza                        | 09/08/14 11:07:00 AM | 09/29/14 | 21      | 12/26/14 |
| KKTV | Papa Murphys Pizza                      | 09/04/14 12:44:00 PM | 12/01/14 | 87      | 12/21/14 |
| KKTV | Papa Murphys Pizza                      | 09/04/14 12:13:00 PM | 11/03/14 | 59      | 11/30/14 |
| KKTV | Papa Murphys Pizza                      | 11/03/14 3:51:00 PM  | 12/24/14 | 51      | 12/31/14 |
| KKTV | Penrose St. Francis Hospital (A)        | 09/11/14 11:22:00 AM | 09/29/14 | 18      | 10/07/14 |
| KKTV | Perkins Motors                          | 10/29/14 3:04:00 PM  | 11/02/14 | 3       | 11/30/14 |
| KKTV | Phil Long Ford (CS)                     | 10/02/14 3:27:00 PM  | 10/20/14 | 18      | 10/26/14 |
| KKTV | Phil Long Ford (CS)                     | 09/05/14 6:50:00 AM  | 09/17/14 | 12      | 09/19/14 |
| KKTV | Phil Long Ford (CS)                     | 10/29/14 10:12:00 AM | 11/05/14 | 6       | 11/15/14 |
| KKTV | Phil Long Ford (CS)                     | 09/29/14 7:49:00 PM  | 10/01/14 | 2       | 10/31/14 |
| KKTV | Phil Long Ford (CS)                     | 10/29/14 1:54:00 PM  | 11/10/14 | 11      | 11/23/14 |
| KKTV | Phil Long Ford (CS)                     | 10/02/14 3:19:00 PM  | 10/05/14 | 3       | 11/02/14 |
| KKTV | Phil Long Ford (CS)                     | 10/29/14 1:57:00 PM  | 11/20/14 | 21      | 11/29/14 |
| KKTV | Phil Long Ford (CS)                     | 09/05/14 6:31:00 AM  | 09/10/14 | 5       | 09/27/14 |
| KKTV | Phil Long Ford (CS)                     | 10/29/14 1:51:00 PM  | 11/05/14 | 6       | 11/23/14 |
| KKTV | Phil Long Ford (CS)                     | 09/05/14 6:22:00 AM  | 09/10/14 | 5       | 09/26/14 |
| KKTV | Phil Long Ford (CS)                     | 09/02/14 10:21:00 AM | 09/04/14 | 2       | 09/14/14 |
| KKTV | Pinery, The                             | 11/03/14 10:48:00 AM | 11/24/14 | 21      | 12/19/14 |
| KKTV | Presidential Brokerage Inc/Americas Ret | 09/04/14 10:14:00 AM | 09/08/14 | 4       | 10/03/14 |
| KKTV | Relax the Back (A)                      | 11/03/14 8:04:00 AM  | 12/04/14 | 31      | 12/24/14 |
| KKTV | Relax the Back (A)                      | 10/21/14 10:07:00 AM | 10/27/14 | 6       | 11/30/14 |
| NKTV | Rocky Mountain Acura Dealers            | 09/02/14 11:07:00 PM | 11/26/14 | 84      | 11/30/14 |
| NKTV | Rocky Mountain Acura Dealers            | 09/02/14 9:31:00 PM  | 10/06/14 | 34      | 10/19/14 |
| KKTV | Rocky Mountain Acura Dealers            | 09/02/14 10:45:00 PM | 11/26/14 | 84      | 11/30/14 |
| KKTV | Rocky Mountain Acura Dealers            | 10/01/14 9:07:00 PM  | 12/01/14 | 60      | 01/04/15 |
|      |   |                      |          |         |          |