BROADCAST TELEVISION AND RADIO

Disclosure Requirements for Broadcasted Content
Disclosure Requirements for Broadcasted Content

Why GAO Did This Study

Television and radio broadcasters air content, including advertisements and other programming, on a variety of issues, some of which directly address their interests as broadcasters. The FCC applies the Communications Act of 1934 to hold these broadcasters to a basic principle—that the public should know when and by whom it is being persuaded. Statutes and FCC regulations require licensed broadcasters to publicly disclose information about sponsored content.

GAO was asked to assess disclosure requirements and practices of television and radio broadcast stations that air content intended to influence Congress. This report (1) describes the disclosure requirements for broadcasters that air advertisements or programming that affect their interests and may be intended to influence Congress, and any requirements to air opposing views, and (2) assesses what is known about the number and fair market value of these advertisements, and those of opposing views, aired from 2007 through 2012. To conduct the work, GAO reviewed relevant statutes, regulations, and FCC orders and interviewed agency officials and stakeholders, such as industry associations. GAO also procured and analyzed private data on television and radio advertisements on selected issues affecting broadcasters. Data from 2012 were the most current data available when we conducted our review.

What GAO Found

Disclosure requirements for advertisements or programming on issues that affect broadcasters’ interests and that may be intended to influence Congress, including its consideration of legislation and related policy issues, depend upon several factors. Specifically, Federal Communications Commission (FCC) regulations require that television and radio broadcasters make an on-air announcement identifying the sponsor whenever they broadcast content that is provided by or sponsored by another entity. In addition, when broadcast material provided to a station by an outside party involves the discussion of political or controversial issues, broadcast stations are required to record information about this content in their files (known as the “public file”) for public inspection even if no payment or other consideration is provided. This information must be maintained in the public file for at least 2 years. Thus, advertisements or other programming intended to influence Congress could fall under these requirements. However, when television or radio stations produce and air their own content—whether advertisements, editorial content, or other programming—and no payment or other valuable consideration is received from an outside party, no disclosure requirements apply. Currently, there is no legal obligation for broadcasters to air advertisements or programming presenting opposing views, including views that do not align with broadcasters’ interests.

GAO identified two possible types of sources—the public file and private data sources—for information on the number and fair market value of relevant advertisements. However, due to limitations of these data sources, GAO determined that information is not available for a comprehensive assessment of relevant content aired from 2007 through 2012. For example, since broadcast stations are required to keep information on broadcast material addressing political or controversial issues in public files for 2 years, it precludes using public file records to conduct research on the number or fair market value of these advertisements beyond a 2-year period. In addition, few private data sources have archival data on these types of advertisements. However, one private data source with which GAO contracted provided information on TV advertisements between calendar years 2007 and 2012 on selected issues. GAO selected four issues that affect broadcasters’ interests, including spectrum allocation, which involves dividing the radio spectrum into bands of frequencies used to provide all wireless communication services, including television broadcasting. The contractor’s data indicated that during this time period, television stations aired sponsored advertisements on two of the four selected issues affecting their interests—one of which was spectrum allocation—at least 2,646 times, ranging in estimated cost from $6 to over $15,000 per airing. While GAO determined that these cost estimates are reliable enough for the purposes of this review, it is important to note these are estimates and do not represent what was actually paid for these airings and therefore may not reflect other factors that could affect costs, such as discounts a station may have offered. GAO was unable to provide information on the number of radio advertisements aired due to limitations in public and private data sources available.

What GAO Recommends

GAO is not making recommendations in this report. FCC provided technical comments.

View GAO-14-738. For more information, contact Mark Goldstein at (202) 512-2834 or goldsteinm@gao.gov.
# Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Letter</strong></td>
<td>1</td>
</tr>
<tr>
<td>Background</td>
<td>4</td>
</tr>
<tr>
<td>Disclosure Requirements Depend upon Several Factors and Broadcasters Are Not Required to Air Opposing Views</td>
<td>8</td>
</tr>
<tr>
<td>Information Needed for a Comprehensive Assessment of Advertisements Aired Is Not Available; However, Broadcasters Aired Some Relevant Advertisements</td>
<td>10</td>
</tr>
<tr>
<td>Agency Comments</td>
<td>17</td>
</tr>
<tr>
<td><strong>Appendix I</strong></td>
<td>18</td>
</tr>
<tr>
<td>Objectives, Scope, and Methodology</td>
<td></td>
</tr>
<tr>
<td><strong>Appendix II</strong></td>
<td>25</td>
</tr>
<tr>
<td>GAO Contact and Staff Acknowledgments</td>
<td></td>
</tr>
</tbody>
</table>

## Tables

<table>
<thead>
<tr>
<th>Table</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 1: Number of Airings by Selected Issues and Sponsors, TV Only, 2007–2012</td>
<td>13</td>
</tr>
<tr>
<td>Table 2: Media Markets, Stations, Network Affiliations, and Dayparts for TV Advertisements Aired on Selected Issues, by Sponsor, 2007–2012</td>
<td>14</td>
</tr>
<tr>
<td>Table 3: Estimated Costs of TV Advertisements Aired on Selected Issues, by Sponsor, 2007–2012</td>
<td>15</td>
</tr>
<tr>
<td>Table 4: Description of Selected Issues Affecting Broadcasters’ Interests</td>
<td>21</td>
</tr>
<tr>
<td>Table 5: Selected Potential Advertisement Sponsors and Rationale for Inclusion</td>
<td>22</td>
</tr>
</tbody>
</table>
Abbreviations

BCRA       Bipartisan Campaign Reform Act of 2002
CMAG       Campaign Media Analysis Group
CRS        Congressional Research Service
FCC        Federal Communications Commission
FEMA       Federal Emergency Management Agency
NAB        National Association of Broadcasters

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.
September 17, 2014

The Honorable Darrell Issa
Chairman
Committee on Oversight and Government Reform
House of Representatives

The Honorable Mike Quigley
House of Representatives

Television and radio broadcasters air content, including advertisements and other programming, on a wide variety of issues, some of which directly address their interests as broadcasters. Some members of Congress have raised questions about whether broadcasters are properly disclosing sponsorship information to the public in cases when television and radio broadcasters air content that advocates on their behalf, especially in instances in which this content is intended to influence Congress. As we have previously reported, the Federal Communications Commission (FCC) applies the Communications Act of 1934 to hold television and radio broadcasters to a basic principle—that the public should know when and by whom it is being persuaded.1 Statutes and FCC regulations set forth requirements for licensed broadcasters to publicly disclose information about sponsored content.2

You asked us to assess broadcaster disclosure requirements and practices of television and radio broadcast stations that air content intended to influence Congress. This report (1) describes the disclosure requirements for broadcasters that air advertisements or programming that affects their interests and may be intended to influence Congress, and any requirements to air opposing views, and (2) assesses what is

---


2For the purposes of this report, we are referring to FCC-licensed broadcasters operating television and radio stations.
known about the number and fair market value of these advertisements, and those of opposing views, aired from 2007 through 2012.³

To describe the disclosure requirements for broadcasters that air advertisements or programming that affects their interests and may be intended to influence Congress, including Congress’s consideration of legislation and related policy issues, we reviewed relevant statutes, regulations, and FCC orders specifying disclosure requirements for sponsored content, as well as any requirements for television and radio broadcasters to air opposing views. We also interviewed or corresponded with officials from the FCC, selected television and radio broadcast stations, and relevant industry associations representing television and radio broadcasters to obtain their perspectives regarding these statutory and regulatory requirements.⁴

To determine what is known about the number and fair market value of relevant advertisements⁵ that aired from 2007 through 2012, we reviewed statutory and regulatory requirements and spoke with FCC officials knowledgeable about these requirements to assess the extent to which

³Fair market value can be defined as the price that a product or service would sell for on the open market.

⁴We randomly selected a sample of 10 television and 10 radio stations in the top 10 media markets to interview—these markets included New York, NY; Los Angeles, CA; Chicago, IL; Philadelphia, PA; Dallas-Ft. Worth, TX; San Francisco, CA; Boston, MA; Washington, DC; Atlanta, GA; and Houston, TX. Representatives from one radio station and one broadcast television station—both in the Washington, DC media market—agreed to speak with us. One radio station located in the Boston media market provided written responses to our questions. Some stations we contacted directed us to speak with their parent companies—as such, we also spoke with representatives from a major television network and a radio-broadcasting corporation.

⁵With regard to determining the number and fair market value of relevant advertisements, we are referring to advertisements that have been provided or sponsored by another entity in exchange for payment or other consideration. Consideration may include money, services, or something else of value. Information on the number and fair market value of advertisements or other programming that has not been provided to broadcasters by another entity is not included in the scope of this objective.
After determining that public information was not readily accessible, we procured and analyzed data from the Kantar Media Campaign Media Analysis Group (CMAG)\(^7\) on advertisements that would affect television and radio broadcasters’ interests, both those advertisements intended to advocate for broadcasters’ interests and those presenting opposing views, for calendar years 2007 through 2012.\(^8\) In order to assess the reliability of these data, we conducted a review of relevant academic literature, reviewed CMAG’s methodology for obtaining the data, and interviewed academic experts who have used CMAG’s television data in their research. We found that the data on television advertisements were sufficiently reliable for our purposes; however, the radio data were not comprehensive enough to determine the number or fair market value of advertisements aired. Our analysis does not identify all advertisements aired from 2007 through 2012 on policy issues that affect broadcasters’ interests due to data limitations, but pertains to a selected set of issues. To identify and select issues that would most likely be addressed by television and radio advertisements, we reviewed broadcasters’ legislative policy priorities and spoke with a variety of industry representatives and academic experts in political advertising. See appendix I for a more detailed explanation of our scope and methodology.

We conducted our work from April 2013 through September 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

\(^6\)We chose to assess what is known about relevant advertisements aired from 2007 through 2012 because after speaking to industry stakeholders we determined that broadcasters and others were likely to have run advertisements on relevant issues during this time frame, and therefore, information may be available to make an assessment. In addition, we determined that it was unlikely that information was available on other types of potentially relevant programming, such as editorials on relevant issues. Information from 2012 was the most current data available when we conducted our review.

\(^7\)CMAG, a subsidiary of Kantar Media, provides cost and content analysis for political, public affairs and issue advocacy advertising.

\(^8\)Other types of content, such as commercial and political candidate advertising, are not included in our scope.
FCC regulations require licensed broadcasters operating television and radio stations to publicly disclose certain information on air when broadcasting content has been provided without charge or sponsored by another party in exchange for payment or other valuable consideration. These sponsorship identification requirements generally apply to any program material for which the sponsor is not readily apparent, including advertising or other programming related to political or controversial issues.\(^9\) In addition, broadcast stations are required to keep information about certain sponsored broadcast material in their files for public inspection (called the “public inspection file” or “public file”).\(^10\) This publicly available file includes information such as service maps and local public notice announcements, among many other items. The public file also includes a section called the “political file” that contains information pertaining specifically to political broadcast material, including political issue advertising. Until recently, the public inspection file has been available only at the station’s main studio. Members of the public can access the public inspection file at a television or radio studio during regular business hours. However, starting August 2012, FCC regulations required television stations to post most public file items on an FCC-hosted website, making the information more easily accessible to the general public.\(^11\)

---

\(^9\)Section 317(a)(2) of the Communications Act permits FCC to require a sponsorship announcement for political and controversial issue programming provided to a broadcaster without charge or at a nominal charge even if no other consideration is provided. 47 U.S.C. § 317(a)(2). See, also, FCC’s rules at 47 C.F.R. § 73.1212(d). FCC’s rules do not explicitly define what constitutes a “controversial issue of public importance;” however, FCC has defined it in the past as an issue “subject to vigorous debate with substantial elements of the community in opposition to one another.” In re Complaint of Joint Council v. ABC, 94 FCC2d 734 (1983); see, also, Healey v. FCC, 460 F.2d 917, 922 (D.C. Cir. 1972).

\(^10\)These files give the public access to information about stations’ operations and are intended to enable the public to play an active role in the continuing dialogue with broadcast licensees regarding whether broadcasters are fulfilling their obligation to air programming responsive to the needs and interests of their communities. Public files must be maintained by broadcasters. 47 C.F.R. §§ 73.3526 (commercial), 73.3527 (noncommercial).

documents online as of July 1, 2014. In issuing these regulations, FCC stated that it was deferring considering whether to require radio stations to post public file documents online until FCC has gained experience with online posting of public files of television broadcasters. On August 7, 2014, FCC issued a Public Notice seeking comment on a Petition for Rulemaking which proposed expanding the online public file requirements to cable and satellite television providers. In this public notice, FCC is seeking public comment on that proposal, as well as the possible expansion of these requirements to radio stations.

As previously mentioned, television and radio broadcasters air advertisements and other programming on a wide variety of issues, some of which may directly affect their interests as broadcasters. For purposes of our study, we researched and selected four issues that affect broadcasters’ interests and that would likely be addressed by television and radio advertisements intended to influence Congress during the 2007 through 2012 time frame under review. To identify relevant issues about which broadcasters may have aired advertisements, we reviewed the National Association of Broadcasters’ (NAB) published legislative policy priorities from the 110th through 113th Congresses and spoke with a variety of industry representatives.

12In May 2012, the National Association of Broadcasters (NAB) filed a petition with a US Court of Appeals for the DC Circuit seeking relief from the FCC requirement for broadcasters to file political advertising information online in their public files. Nat’l Assoc. of Broadcasters v. FCC, filed May 21, 2012 (DC Dir. No. 12-1225). An NAB request for a stay delaying the implementation of the requirements was denied. Nat’l Assoc. of Broadcasters v. FCC (D.C. Cir. No. 12-1225, July 27, 2012). On September 18, 2012, the court granted NAB’s request to defer the briefing schedule for its petition for review, and on January 18, 2013, NAB filed a further motion to hold its case in abeyance pending resolution of its request for reconsideration at FCC. As of the issuance of this report, this matter remained in abeyance. The public file and political file data are available on the FCC hosted website at https://stations.fcc.gov/.


15NAB is a national trade association that represents television and radio broadcasters and advocates for stations’ interests before Congress and the FCC.
selected are below. See appendix I for a more detailed description of these issues and our scope and methodology.

- **Performance Rights Act.**\(^{16}\) Congress considered legislation during the 111th Congress that would have expanded copyright protection for the public performance of sound recordings. The proposed act would have required AM/FM radio stations that broadcast music to pay a new statutory copyright royalty, and this royalty would have been distributed to the copyright holder, performers, and musicians.\(^{17}\) Radio broadcasters and those who represent them generally opposed this legislation while other interest groups—such as those representing performers and the music industry—supported it.

- **Spectrum allocation.** Spectrum allocation involves segmenting the radio spectrum into bands of frequencies that are designated for use by particular types of radio services or classes of users.\(^{18}\) In general, broadcasters have concerns about attempts to reallocate spectrum and want to ensure that broadcasters are not required to relinquish spectrum that they currently hold. Other interest groups, such as those representing wireless carriers, are in favor of opening up more spectrum for other uses, such as for smartphones and other wireless devices.

- **Radio-enabled mobile phones.** Broadcasters have proposed that in order to enhance public safety, Congress, FCC, the Federal Emergency Management Agency (FEMA), and the mobile phone industry should consider ways to expand the availability of broadcast radio service in mobile phones. The wireless industry has opposed efforts to mandate these capabilities in mobile phones and has stated that they are working in coordination with FCC, FEMA and other

---

\(^{16}\)H.R. 848, 111th Cong., as marked up by the House Committee on the Judiciary (2009). The Senate had a companion bill—S. 379, 111th Cong. (2009).


\(^{18}\)The radio frequency spectrum is a natural resource used to provide all wireless communications services, such as television broadcasting. See GAO, Spectrum Management: Federal Relocation Costs and Auction Revenues, GAO-13-472 (Washington, D.C.: May 22, 2013).
governmental stakeholders to develop a mobile broadcast emergency alerting system compatible with wireless systems.

- **Retransmission consent.** Congress passed legislation in 1992 that created a mechanism, known as retransmission consent, through which local broadcast station owners (such as local ABC, CBS, Fox, and NBC network affiliates as well as local unaffiliated stations) could receive compensation from cable operators in return for the right to carry their broadcasts. The retransmission consent provisions allow local broadcast stations and cable operators to negotiate for payment or some other form of compensation in exchange for the cable operator’s right to carry their content. In general, cable providers advocate for reform of retransmission consent requirements while broadcasters oppose changes to the current requirements.

In cases in which entities purchase time from television or radio stations to air advertisements on specific policy issues, the fair market value—or the price that a product or service would sell for on the open market—can be assessed by obtaining information about the actual or estimated price paid for these advertisements. The cost of purchasing air time in these instances varies depending upon multiple factors, such as the market and season in which an advertisement might air, the station’s format, the time of day, whether an advertisement must be aired at specific times, and any discounts a station may offer for bulk advertisement buys, among others. However, there may also be cases in which television and radio stations air advertisements that they produce or are provided to them for free. In these instances, we determined that fair market value can be assessed using the concept of opportunity cost—the price for which these “spots,”

---


20More specifically, this is the price at which an actual willing buyer or seller would agree upon, both being reasonably conversant with the facts and neither being under any compulsion to buy or sell.

21For example, during the 2007 through 2012 timeframe, NAB provided advertisements to television and radio stations on specific policy issues that advocated on broadcasters' behalf, namely advertisements related to the Performance Rights Act, spectrum allocation, and radio-enabled mobile phones. NAB did not purchase air time and broadcast stations could choose whether or not to air these advertisements.
or individual airings of an advertisement, could have been sold to another advertiser.

Disclosure Requirements Depend upon Several Factors and Broadcasters Are Not Required to Air Opposing Views

On-Air and Public File Disclosure Requirements for Broadcasted Content Depend upon Several Factors

On-air and public file disclosure requirements for advertisements or programming concerning issues that affect television and radio broadcasters’ interests and may be intended to influence Congress depend upon several factors. For example, on-air and public file disclosure requirements for advertisements or programming regarding certain types of issues apply only when content has been provided to a broadcast station by another entity. When television or radio stations produce and air their own content—whether advertisements, editorial content, or other programming—and no payment or other consideration is received from an outside party—no disclosure requirements apply. In addition, public file requirements for program material that has been provided to broadcast stations by other entities on certain issues of public importance, as described below, differ depending upon whether air time has been purchased or the content has been aired free of charge.

Specifically, FCC regulations require that broadcasters make an on-air announcement whenever they broadcast content provided or sponsored by another entity in exchange for payment or other consideration. The

22 While on-air and public file disclosure requirements do not directly address advertisements or programming that are intended to influence Congress, these requirements do specifically address certain political and controversial issue-related material.

23 47 C.F.R. § 73.1212(a). Exchange may be direct or indirect and may include actual exchanges, promised exchanges, or acceptance of payment or consideration. Consideration may include money, service, or something else of value.
announcement must state that the content is sponsored, paid for, or furnished by the entity that provided the content, among other things. In addition, when the broadcast material involves the discussion of a controversial issue of public importance or a political matter, even if no consideration is provided, broadcast stations must make an on-air announcement indicating who furnished the material. Thus, advertisements or other programming intended to influence Congress could fall under these requirements. Moreover, broadcast stations are required to record in their public file information about the organization that provided the content or consideration, specifically, a list of the chief executive officers or comparable persons. This information must be maintained in the public file for at least 2 years.

In addition, the Bipartisan Campaign Reform Act of 2002 (BCRA) requires broadcast stations to maintain records of requests to purchase broadcast time that communicates a message relating to any political matter of national importance, including a national legislative issue of public importance. The record should include specific information about the request to purchase air time, such as the rate charged, the date and time of broadcast, and the issue addressed, and this record must be maintained in the station’s political file for at least 2 years. Stakeholders we spoke with, including FCC and NAB, told us that broadcasters are responsible for making determinations on a case-by-case basis as to whether an advertisement triggers these requirements.

Broadcasters Are Not Required to Air Opposing Views

Currently, broadcasters have no legal obligation to air advertisements or programming that present opposing views, including views that do not align with their interests. As part of FCC’s deregulation of the broadcasting industry in the 1980s, in 1987 the commission discontinued enforcement of the Fairness Doctrine, which had required broadcasters to afford a reasonable opportunity for the presentation of contrasting

---

24 In addition, the announcement must state by whom or on whose behalf the consideration was paid, furnished, or promised. 47 C.F.R. § 73.1212(a).

25 More specifically, broadcast stations are required make an on-air announcement at the beginning or end of the programming, if five minutes or less, and in both places, if more than five minutes. 47 C.F.R. § 73.1212(d).

26 47 C.F.R. § 73.1212(e).

In doing so, FCC concluded that the Fairness Doctrine had had a “chilling” effect on broadcasters, making them less inclined to air programming treating controversial public issues. Since that time, FCC has reiterated that the Fairness Doctrine is no longer in effect.

28Under the Fairness Doctrine, stations were generally given discretion in deciding how they would present contrasting views. For example, a station might air segments during news or public affairs programs or broadcast distinct editorials. Anyone who believed that a station had failed to fulfill this obligation could file a complaint with the FCC. Steve Waldman and the Working Group on the Information Needs of Communities, The Information Needs of Communities at 277 – 278 (2011).


30Bodorff and Wilson, 2014 Westlaw 1871102 (Media Bureau May 8, 2014) (Letter Opinion); In the Matter of Amendments of Parts 1, 73 & 76 of the Commission’s Rules, 26 FCC Rcd. 11422 (2011). The Fairness Doctrine is distinct from what is known as the equal opportunity provision of the Communications Act, which requires broadcasters to grant equal time to qualified candidates for public office. See 47 U.S.C. § 315(a); see, also, 47 C.F.R. § 73.1941.
We identified two possible types of sources for information on the number and fair market value of advertisements aired on issues that affect broadcasters’ interests and that may be intended to influence Congress—stations’ public files and private data sources. However, due to limitations of these data sources, we determined that information for a comprehensive assessment of relevant advertisements aired from 2007 through 2012 is not available.31

As discussed above, broadcast stations are required to keep information on certain political or controversial issue advertisements in their public files for 2 years,32 so it is not possible to use public file records to conduct comprehensive historical research on the number or fair market value of these advertisements beyond a 2-year period.33 Moreover, while the public file must contain certain information about these types of sponsored advertisements, public file records for these advertisements may not include information on value if air time was not purchased. Thus, in cases where an entity provides advertisements to broadcasters to be aired free of charge, broadcasters’ public files would not necessarily provide information that would enable an assessment of the fair market value of these advertisements.34

We also identified private companies that gather data on television and radio advertising for mostly commercial purposes—such as to enable their clients to track industry trends—but none of the data sources identified collect the information needed for a comprehensive assessment

31As previously discussed, when television or radio stations produce and air their own content—whether advertisements, editorial content, or other programming—no disclosure requirements apply.

3247 C.F.R. § 73.1212(e).

33As previously discussed, public file requirements generally apply to any sponsored program material addressing certain political or controversial issues.

34While applicable regulations do not require broadcasters’ public file records to include information such as time aired that would enable an assessment of fair market value when advertisements are to be aired free of charge, broadcasters may opt to include such information. For example, NAB officials stated that, when they provided advertisements to broadcasters to be aired free of charge, they also provided pre-filled forms to be included in broadcasters’ public files. These forms have spaces for broadcasters to provide information required by BCRA, including information such as when the advertisements aired.
of the number and fair market value of television and radio advertisements aired from 2007 through 2012. We found several media companies that record television and radio advertisements aired in certain markets and compile data on when and where these advertisements are aired. However, only one of these companies, CMAG, has archival data on political advertisements for 2007 through 2012 for television and radio advertisements, including cost estimates for television advertisements. While CMAG’s data provided some information on relevant advertisements aired, the analyses of that data we conducted are not comprehensive for a number of reasons. For example, in order to search CMAG’s database, we identified organizations that were likely to sponsor advertisements on selected issues, but we cannot be certain other organizations did not air relevant advertisements. In addition, we found no private data sources that were comprehensive enough to assess both the number and fair market value of relevant radio advertisements aired during the 2007 through 2012 time frame. For example, we determined that CMAG’s radio data were not comprehensive enough for our purposes because these data cover fewer stations in fewer markets than the television data and do not include cost estimates, among other reasons.

Television Advertisements on Selected Issues Ranged in Value, but Data on Radio Advertisements Are Limited

**Number of Advertisements**

Between calendar years 2007 and 2012, television stations aired advertisements from selected sponsors on selected issues at least 2,646 times, according to CMAG data. Specifically, CTIA-The Wireless

---

35CMAG focuses on television political advertising and maintains archives of television advertising information, including content, when and where the advertisements aired, and cost estimates for the advertisements.

36CMAG’s data capture those advertisements provided to broadcasters by other entities; advertisements or other programming produced by broadcast stations are not included in CMAG’s data.
Association\textsuperscript{37} sponsored two different television advertisements that specifically addressed spectrum allocation, and NAB provided television advertisements to stations that addressed the Performance Rights Act (1 advertisement) and spectrum allocation (4 advertisements).\textsuperscript{38} Table 1, below, shows the number of times these advertisements aired by issue and sponsor. CMAG data did not identify television advertisements related to radio-enabled mobile phones or retransmission consent provided by selected sponsors from 2007 through 2012.

<table>
<thead>
<tr>
<th>CTIA-The Wireless Association</th>
<th>National Association of Broadcasters (NAB)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Rights Act</td>
<td>0</td>
<td>62</td>
</tr>
<tr>
<td>Spectrum allocation</td>
<td>1043</td>
<td>1541</td>
</tr>
<tr>
<td>Total</td>
<td>1043</td>
<td>1603</td>
</tr>
</tbody>
</table>

Source: GAO analysis of Campaign Media Analysis Group (CMAG) data. | GAO-14-738

CMAG data also provided information about where and when these advertisements aired. As shown in table 2 below, CTIA’s advertisements aired exclusively in the Washington, DC media market, while the NAB advertisements aired in 28 media markets, including Washington, DC.\textsuperscript{39} Five stations affiliated with five major networks aired the CTIA advertisements, and 59 stations affiliated with six major networks aired the NAB advertisements. Both CTIA and NAB advertisements aired during all “dayparts.”\textsuperscript{40}

\textsuperscript{37}CTIA-The Wireless Association is an international nonprofit membership organization that has represented the wireless communications industry since 1984. Membership in the association includes wireless carriers and their suppliers, as well as providers and manufacturers of wireless data services and products.

\textsuperscript{38}NAB’s advertisements were provided to television stations and aired free of charge.

\textsuperscript{39}CMAG uses market designations provided by Nielsen, a media research company. FCC uses these same designations for a variety of purposes, including determining which stations are in the top 50 markets for purposes of applying their online public file rules.

\textsuperscript{40}“Dayparts” are the time segments that divide the day for advertisement scheduling purposes, and daypart designations may vary by market, station, and affiliation. Examples of commonly used dayparts include early morning, daytime, and prime access.
Table 2: Media Markets, Stations, Network Affiliations, and Dayparts for TV Advertisements Aired on Selected Issues, by Sponsor, 2007–2012

<table>
<thead>
<tr>
<th>Media markets</th>
<th>CTIA-The Wireless Association</th>
<th>National Association of Broadcasters (NAB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of stations</td>
<td>1 – Washington, DC</td>
<td>28, including Washington, DC&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Network affiliations of stations</td>
<td>ABC, CBS, CW, Fox, NBC</td>
<td>ABC, CBS, CW, Fox, MNTV, NBC</td>
</tr>
<tr>
<td>Dayparts&lt;sup&gt;b&lt;/sup&gt;</td>
<td>All</td>
<td>All</td>
</tr>
</tbody>
</table>

Source: GAO analysis of Campaign Media Analysis Group (CMAG) data. | GAO-14-738

<sup>a</sup>Other media markets in which these advertisements aired: Atlanta; Austin; Birmingham; Boston; Burlington; Charlotte; Chattanooga; Columbia, SC; Des Moines; Evansville; Green Bay; Greensboro; Greenville, SC; Harrisburg; Hartford; Indianapolis; Johnstown; Knoxville; Little Rock; Mobile; Orlando; Portland, ME; Raleigh; Shreveport; Springfield, MO; St. Louis; Tulsa; and Washington, DC.

<sup>b</sup>“Dayparts” are the time segments that divide the day for advertisement scheduling purposes, and daypart designations may vary by market, station, and affiliation. Examples of commonly used dayparts include early morning, daytime, and prime access.

Fair Market Value

According to CMAG’s data on cost estimates for television spots<sup>41</sup>—which provide estimates for each airing of an advertisement based on historical averages and other characteristics—CTIA’s 1,043 relevant spots ranged in estimated cost from $79 to over $15,000 per airing from 2007 through 2012, with an average estimated cost of about $749 per airing and a total of over $780,000<sup>42</sup>. NAB’s 1,603 relevant spots in the same time period ranged in estimated cost from $6 to over $2,000 per airing, with an average estimated cost of about $100 per airing and a total of over $175,000 (see table 3). While these cost estimates are reliable enough for our purposes, it is important to note these are estimates and do not represent what was actually paid for these spots. As such, these estimates may not reflect discounts a station may have offered for bulk advertisement buys or whether the purchase agreement allowed the

<sup>41</sup>As previously discussed, spots are individual airings of an advertisement.

<sup>42</sup>CMAG estimates advertisement costs using information from a quarterly poll of media firms and agency sources, together with historical program averages, information about the market, station, and daypart, and information from the national broadcasting industry survey conducted each month by the Television Bureau of Advertising. Academic experts on political advertising that we spoke with who are familiar with CMAG’s data on advertising cost estimates generally agree that these estimates are reliable enough for our purposes.
station discretion on when to air the advertisements. Moreover, in cases in which advertisements were provided to stations and aired for free, as in the case of certain NAB advertisements, it is possible that the fair market value of at least some of these advertisements is as low as $0, as described further below.

Table 3: Estimated Costs of TV Advertisements Aired on Selected Issues, by Sponsor, 2007–2012

<table>
<thead>
<tr>
<th>CTIA-The Wireless Association</th>
<th>National Association of Broadcasters (NAB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of airings</td>
<td>1043</td>
</tr>
<tr>
<td>Average estimated cost per airing</td>
<td>$749</td>
</tr>
<tr>
<td>Total estimated cost</td>
<td>$780,785</td>
</tr>
<tr>
<td>Estimated cost range per airing</td>
<td>$79 - $15,136</td>
</tr>
</tbody>
</table>

Source: GAO analysis of Campaign Media Analysis Group (CMAG) data. | GAO-14-738

As previously discussed, in cases where an entity provides advertisements to broadcasters to be aired free of charge, we use the concept of opportunity cost—the price for which these spots could have been sold to another advertiser—as a measure of fair market value. For these advertisements, CMAG’s cost estimates are an appropriate measure of fair market value if we assume television and radio stations aired these advertisements in spots and at times that were otherwise sellable to other advertisers. The economic argument could be made that stations that aired NAB advertisements free of charge considered it to be in their interest to air advertisements that advocated on their behalf and that stations were therefore willing to forgo profit in the near-term in order to advance their long-term interests. However, researchers and broadcasters with whom we spoke stated that broadcasters would be unlikely to air advertisements for free during time slots that they could otherwise use for paid advertising because radio and television stations are supported by the income they receive from advertising. In this scenario, the fair market value of any advertisements aired would likely be $0, since broadcasters would be airing advertisements in otherwise unsellable spots. While we are unable to confirm either scenario, the CMAG data indicate that broadcasters aired some of these NAB advertisements at times that would have been unlikely to go unsold. For example, CMAG data identified NAB advertisements that aired during
programming such as the Sugar Bowl college football game, a National Basketball Association game, Wheel of Fortune, Glee, and People’s Choice Awards.\textsuperscript{43}

Radio

Number of Advertisements

Both NAB and CTIA aired radio advertisements on selected issues from 2007 through 2012, according to data obtained from CMAG—specifically, CMAG data show that broadcasters aired NAB radio advertisements on the Performance Rights Act, radio-enabled mobile phones, and spectrum allocation, and CTIA-sponsored advertisements on spectrum allocation. However, as previously discussed, we are unable to provide comprehensive information on the number of radio advertisements aired due to limitations in public and private data sources available.

Fair Market Value

Due to a lack of sufficient information, we cannot provide estimates of the fair market value of radio advertisements aired from 2007 through 2012.\textsuperscript{44} As in the case of television, the fair market value of these advertisements depends on a number of factors such as the market, the station’s format, the time of day, and seasonality, as well as whether the spots would have otherwise gone unfilled.

While FCC’s 2012 regulations regarding online public file requirements do not apply to radio stations, as previously discussed, the regulations apply to television stations and require all television stations to post public file items on an FCC-hosted website, making the information more easily accessible to the general public.\textsuperscript{45} Prior to the adoption of these

\textsuperscript{43}Moreover, NAB advertisements aired at all times of the day, including 154 airings during prime time or prime access (the time slot immediately preceding prime time). In comparison, CTIA advertisements aired 83 times during prime time or prime access. However, NAB advertisements also aired more often at times that may be more likely to go unsold. For example, NAB advertisements aired 249 times overnight, whereas CTIA advertisements aired only 9 times overnight.

\textsuperscript{44}Other companies may have been able to provide cost estimates for radio advertisements identified, but since data on the number of advertisements aired were not comprehensive enough for our purposes, we did not purchase cost estimate data from these other sources.

\textsuperscript{45}Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations, 27 FCC Rcd. 4535 (2012).
requirements, reviewing a station’s public file required traveling to a station’s main studio and reviewing the files or paying for copies there. These new requirements will make a more comprehensive review of broadcasters’ public files possible and such reviews will become more convenient. As part of its rulemaking process, FCC continues to facilitate an ongoing dialogue with broadcasters and other industry stakeholders to seek comment on the impact of these online posting requirements. As previously discussed, FCC recently issued a Public Notice requesting comment on the possible expansion of the online public file obligations of television stations to radio stations, and cable and satellite television operators.46

Agency Comments

We provided a draft of this report to FCC for its review and comment. FCC provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the Chairman of FCC and appropriate congressional committees. In addition, the report is available at no charge on our website at http://www.gao.gov.

If you or your staff have any questions concerning this report, please contact me at (202) 512-2834 or goldsteinm@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix II.

Mark Goldstein
Director, Physical Infrastructure Issues

Appendix I: Objectives, Scope, and Methodology

This report provides information on broadcaster disclosure requirements and practices of television and radio broadcast stations that air content intended to influence Congress. Specifically, this report (1) describes the disclosure requirements for broadcasters that air advertisements or programming that affects their interests and may be intended to influence Congress, and any requirements to air opposing views, and (2) assesses what is known about the number and fair market value of these advertisements, and those of opposing views, aired from 2007 through 2012.\(^1\)

To describe the disclosure requirements for broadcasters that air advertisements or programming that affects their interests and may be intended to influence Congress, including Congress’s consideration of legislation and related policy issues, we reviewed relevant statutes, regulations, and Federal Communications Commission (FCC) orders specifying on-air sponsorship identification and public file disclosure requirements, as well as any requirements for television and radio broadcasters to air opposing views.\(^2\) We also interviewed FCC officials, television and radio broadcast stations\(^3\) and representatives from the

---

\(^1\)Fair market value can be defined as the price that a product or service would sell for on the open market. We chose to assess what is known about relevant advertisements aired from 2007 through 2012 because after speaking to industry stakeholders we determined that broadcasters and others were likely to have run advertisements on relevant issues during this time frame and that therefore, information may be available to make an assessment. In addition, we determined that it was unlikely that information was available on other types of potentially relevant programming, such as editorials on relevant issues. Information from 2012 was the most current data available when we conducted our review.

\(^2\)As previously discussed, broadcast stations are required to keep certain information about sponsored advertisements in their files for public inspection (called the “public inspection file” or “public file”).

\(^3\)We randomly selected a sample of 10 television and 10 radio stations in the top 10 media markets to interview—these markets included New York, NY; Los Angeles, CA; Chicago, IL; Philadelphia, PA; Dallas-Ft. Worth, TX; San Francisco, CA; Boston, MA; Washington, DC; Atlanta, GA; and Houston, TX. Representatives from one radio station and one broadcast television station, both in the Washington, DC media market, agreed to speak with us. One radio station located in the Boston media market provided written responses to our questions. Some stations we contacted directed us to speak with their parent companies—as such, we also spoke with representatives from a major television network and a radio-broadcasting corporation.
National Association of Broadcasters (NAB) to obtain their perspectives regarding these statutory and regulatory requirements.4

To determine what is known about the number and fair market value of these advertisements, we reviewed statutory and regulatory public file requirements to assess the extent to which information on the number and fair market value of these advertisements would be available in broadcasters’ public inspection files and spoke with FCC officials knowledgeable about these requirements. After determining that it was not possible to use public file records to conduct historical research on advertisements from 2007 through 2012,5 we sought private data sources that would enable us to assess the number and fair market value of these advertisements. We also conducted a review of literature on political advertising, interviewed half a dozen academics who were selected because they had conducted relevant research and had expertise in political advertising, and spoke with representatives from all entities that we identified as possibly having relevant data.6 As a result of our research, we determined that the Kantar Media Campaign Media Analysis Group (CMAG) was the only vendor that could provide information on both the number and fair market value of relevant television advertisements aired from 2007 through 2012, and was the only vendor that could provide information on the number of relevant radio advertisements aired from 2007 through 2012.7 CMAG’s television data

---

4NAB is a national trade association that represents television and radio broadcasters and advocates for stations’ interests before Congress and the FCC.

5Specifically, broadcast stations are required to keep information on certain political or controversial issue advertisements in their public files for only 2 years, so it is not possible to use public file records to conduct comprehensive historical research on the number or fair market value of these advertisements beyond a 2-year period. Moreover, while the public file must contain certain information about these types of sponsored advertisements, public file records for these types of advertisements may not include information on value if air time was not purchased. Thus, in cases where an entity provides advertisements to broadcasters to be aired free of charge, broadcasters’ public files would not necessarily provide information that would enable an assessment of the fair market value of these advertisements.

6We spoke with representatives from Competitrack, Kantar Media, Media Monitors, Nielsen, ShadowTV, Spot, Quotations, and Data, Inc. (SQAD), and the Wisconsin Advertising Project, as well as its successor, the Wesleyan Media Project.

7CMAG, a subsidiary of Kantar Media, provides cost and content analysis for political, public affairs and issue advocacy advertising. CMAG’s data capture those advertisements provided to broadcasters by other entities; broadcaster-produced advertisements or other programming are not included in CMAG’s data.
cover over 980 stations in 210 media markets, and its radio data cover almost 600 stations in 35 markets. We also identified a vendor that may have been able to provide cost estimate information for radio advertisements identified by other sources, but due to limitations of public and private data on the number of radio advertisements aired, we decided not to purchase these data.

We purchased CMAG data on both television and radio advertisements on select issues pertinent to broadcasters and sponsored by selected organizations for airing from 2007 through 2012. Our analysis does not identify all advertisements on policy issues that affect broadcasters’ interests because of data limitations. To identify potential issues to include in our study, we reviewed NAB’s published legislative priorities for the 110th through 113th Congresses (2007 through 2014) and conducted general background research, including interviewing researchers from the Congressional Research Service (CRS). In addition, we interviewed or corresponded with representatives from national industry associations and interest groups that had aired advertisements or that were active in the public debate on policy issues that might affect broadcasters’ interests. To select issues for inclusion in our study, we considered factors including the frequency with which issues appeared in NAB’s published legislative priorities, whether issues would have a clear economic impact on broadcasters’ interests, whether issues have a clear proponent and opponent, and whether organizations we interviewed were aware of any advertisements that aired on the issue. Based on these factors, we selected four issues. See Table 4 for brief descriptions of these issues.

8These organizations included the American Cable Association, CTIA—the Wireless Association, Free Press, Future of Music Coalition, Music First Coalition, National Alliance of State Broadcasters Associations, NAB, National Cable and Telecommunications Association, National Religious Broadcasters, and the Recording Industry Association of America.
### Table 4: Description of Selected Issues Affecting Broadcasters’ Interests

<table>
<thead>
<tr>
<th>Issue</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Rights Act⁶</td>
<td>Congress considered legislation during the 111th Congress, the proposed Performance Rights Act (H.R. 848), that would have expanded copyright protection for the public performance of sound recordings. The proposed act would have required AM/FM radio stations that broadcast music to pay a new statutory copyright royalty, and this royalty would have been distributed to the copyright holder, performers, and musicians. Broadcasters—specifically radio stations and those who represent them—generally opposed this legislation while other interest groups—such as those representing performers and the music industry—supported this legislation.</td>
</tr>
<tr>
<td>Spectrum allocation</td>
<td>The radio frequency spectrum is a natural resource used to provide all wireless communications services, such as television broadcasting. Spectrum allocation involves segmenting the radio spectrum into bands of frequencies that are designated for use by particular types of radio services or classes of users. In general, broadcasters have concerns about attempts to reallocate spectrum and want to ensure that broadcasters are not required to relinquish spectrum that they currently hold. Other interest groups, such as those representing wireless carriers, are in favor of opening up more spectrum for other uses, such as for smartphones and other wireless devices.</td>
</tr>
<tr>
<td>Radio-enabled mobile phones</td>
<td>Broadcasters have proposed that in order to enhance public safety, Congress, the Federal Communications Commission (FCC), the Federal Emergency Management Agency (FEMA), and the mobile phone industry should consider ways to expand the availability of broadcast radio service in mobile phones and improve consumers’ access to information about radio-enabled mobile devices. The wireless industry has opposed efforts to mandate these capabilities in mobile phones and has stated that they are working in coordination with FCC, FEMA and other governmental stakeholders to develop a mobile broadcast emergency alerting system compatible with wireless systems that will allow for the targeted real-time delivery of government-approved alerts.</td>
</tr>
<tr>
<td>Retransmission consent</td>
<td>Congress passed the Cable Television Consumer Protection and Competition Act of 1992, which created a mechanism, known as retransmission consent, through which local broadcast station owners (such as local ABC, CBS, Fox, and NBC network affiliates as well as local unaffiliated stations) could receive compensation from cable operators in return for the right to carry their broadcast. The retransmission consent provisions included in the 1992 Act allow local broadcast stations and cable operators to negotiate for payment or some other form of compensation in exchange for the cable operator’s right to carry broadcast content. As we have previously reported, there have been a few instances when negotiations reached an impasse and resulted in signal blackouts for cable subscribers. In general, cable providers advocate for reform of retransmission consent requirements, while broadcasters oppose changes to the current requirements.</td>
</tr>
</tbody>
</table>

---

⁶H.R. 848, 111th Cong., as marked up by the House Committee on the Judiciary (2009). The Senate had a companion bill—S. 379, 111th Cong. (2009).


In order to search CMAG’s database, we identified organizations that were likely to have sponsored advertisements on selected issues. To do so, we performed extensive online research to identify organizations that were particularly interested in each of the selected issues and interviewed representatives from NAB, broadcasters, and other interest groups. In selecting which of these potential sponsors to submit to CMAG, we considered the results of our research and interviews and applied professional judgment to select the following organizations as potential sponsors (see table 5).

<table>
<thead>
<tr>
<th>Organization</th>
<th>Relevant issues</th>
<th>Rationale for inclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Association of Broadcasters (NAB)</td>
<td>Performance Rights Act</td>
<td>NAB representatives stated that NAB aired advertisements on the Performance Rights Act, spectrum allocation, and radio-enabled mobile phones. GAO research identified NAB as having been involved in the debate about retransmission consent.</td>
</tr>
<tr>
<td></td>
<td>Spectrum allocation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Radio-enabled mobile phones</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Retransmission consent</td>
<td></td>
</tr>
<tr>
<td>State Broadcasters Associations</td>
<td>Performance Rights Act</td>
<td>GAO research identified several state broadcaster associations involved in the debate about the Performance Rights Act.</td>
</tr>
<tr>
<td>Music First Coalition</td>
<td>Performance Rights Act</td>
<td>Identified by GAO research and interviewees as key organization in the debate about the Performance Rights Act.</td>
</tr>
<tr>
<td>Radio One</td>
<td>Performance Rights Act</td>
<td>Identified by interviewees as having aired radio advertisements about the Performance Rights Act.</td>
</tr>
<tr>
<td>WCLV (a radio station)</td>
<td>Performance Rights Act</td>
<td>Identified by an interviewee as having produced at least one radio advertisement opposing the Performance Rights Act.</td>
</tr>
<tr>
<td>CTIA—The Wireless Association</td>
<td>Spectrum allocation</td>
<td>Identified by an interviewee as having run advertisements on spectrum allocation. GAO research identified CTIA as having been involved in the debate about radio-enabled mobile phones.</td>
</tr>
<tr>
<td></td>
<td>Radio-enabled mobile phones</td>
<td></td>
</tr>
<tr>
<td>Consumer Electronics Association</td>
<td>Radio-enabled mobile phones</td>
<td>GAO research identified Consumers Electronics Association as a key organization in the debate about radio-enabled mobile phones.</td>
</tr>
<tr>
<td>American Television Alliance</td>
<td>Retransmission consent</td>
<td>Identified by interviewees as likely to have run advertisements on retransmission consent. GAO research identified the American Television Alliance as a key organization in the debate about retransmission consent.</td>
</tr>
<tr>
<td>CBS</td>
<td>Retransmission consent</td>
<td>Identified by an interviewee as having run advertisements on retransmission consent.</td>
</tr>
</tbody>
</table>
Appendix I: Objectives, Scope, and Methodology

<table>
<thead>
<tr>
<th>Organization</th>
<th>Relevant issues</th>
<th>Rationale for inclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear Channel</td>
<td>Performance Rights Act</td>
<td>Identified by an interviewee as having run advertisements on retransmission consent. GAO research identified Clear Channel as being involved in the debates about the Performance Rights Act and retransmission consent.</td>
</tr>
<tr>
<td></td>
<td>Retransmission consent</td>
<td></td>
</tr>
<tr>
<td>Sinclair Broadcasting Group</td>
<td>Retransmission consent</td>
<td>Identified by an interviewee as having run advertisements on retransmission consent.</td>
</tr>
</tbody>
</table>

Using the list of potential sponsors we provided, CMAG identified advertisements aired by these sponsors from 2007 through 2012 and provided us with the audio/visual content of the advertisements. We reviewed these advertisements and selected those advertisements that were potentially relevant to our study. CMAG then provided occurrence information, such as date aired, time aired, station, market, and program, for the selected advertisements. In addition, CMAG’s television data include cost estimates for each advertisement occurrence. CMAG estimates costs using information from a quarterly poll of media firms and agency sources, together with historical program averages, information about the market, station, and daypart, and information from the national broadcasting industry survey conducted each month by the Television Bureau of Advertising. The radio data we purchased from CMAG provide occurrence information—market, station, and time of day, among other data points—for advertisements by selected sponsors on almost 600 stations in 35 radio markets. The radio data do not include cost estimates.

To assess the reliability of CMAG’s television and radio data prior to our purchase, we conducted a review of relevant academic literature, reviewed CMAG’s methodology for obtaining the data, interviewed CMAG representatives and other data vendors, and interviewed academic experts who have used CMAG’s television data in their research, as mentioned above. We subsequently determined that the data were sufficiently reliable for our purposes and purchased the right to use both the television and radio data. After receiving and reviewing the television

---

9CMAG uses market designations provided by Nielsen, a media research company.

10Dayparts are the time segments that divide the day for advertisement scheduling purposes, and daypart designations may vary by market, station, and affiliation. Examples of commonly used dayparts include early morning, daytime, and prime access.
data, we found no anomalies and concluded that they were sufficiently reliable for our purpose of determining the number of television advertisements on particular issues provided by selected sponsors, as well as an estimate of their fair market value. After receiving and reviewing the radio data, we determined the data were not comprehensive enough for us to assess the number and fair market value of relevant radio advertisements because these data cover fewer stations in fewer markets than the television data and do not include cost estimates, among other reasons.

We conducted our work from April 2013 through September 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.
# Appendix II: GAO Contact and Staff Acknowledgments

<table>
<thead>
<tr>
<th>GAO Contact</th>
<th>Mark Goldstein, (202) 512-2834 or <a href="mailto:goldsteinm@gao.gov">goldsteinm@gao.gov</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>In addition to the individual named above, Ray Sendejas (Assistant Director); Namita Bhatia-Sabharwal; Melissa Bodeau; Owen Bruce; Jean Cook; Bert Japikse; SaraAnn Moessbauer; Rebecca Rygg; and Nancy Santucci made key contributions to this report.</td>
</tr>
</tbody>
</table>
The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO’s commitment to good government is reflected in its core values of accountability, integrity, and reliability.

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO’s website (http://www.gao.gov). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to http://www.gao.gov and select “E-mail Updates.”

The price of each GAO publication reflects GAO’s actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO’s website, http://www.gao.gov/ordering.htm.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO on Facebook, Flickr, Twitter, and YouTube. Subscribe to our RSS Feeds or E-mail Updates. Listen to our Podcasts. Visit GAO on the web at www.gao.gov.

Contact:
Website: http://www.gao.gov/fraudnet/fraudnet.htm
E-mail: fraudnet@gao.gov
Automated answering system: (800) 424-5454 or (202) 512-7470

Katherine Siggerud, Managing Director, siggerudk@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800 U.S. Government Accountability Office, 441 G Street NW, Room 7149 Washington, DC 20548

Please Print on Recycled Paper.