

GAO Highlights

Highlights of [GAO-14-738](#), a report to congressional requesters

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 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.

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BROADCAST TELEVISION AND RADIO

Disclosure Requirements for Broadcasted Content

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.