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BEST WISHES FOR 2025!

Each of us at Hardy, Carey, Chautin & Balkin, LLP wish you a blessed, productive and prosperous 2025! We look forward to the privilege of serving you in the year to come.

CARR'S DEREGULATORY LEANINGS

Jessica Rosenworcel's tenure as Chairwoman was often marked by proposed new regulations for broadcasters and, in other cases, even reinstated regulations. She will leave behind several unfinished rulemakings - i.e., regulation of artificial intelligence in political ads, new treatment of some LPTV stations as full-power television stations, application processing prioritization to promote localism - each of which would have ushered in a slew of new regulatory requirements for broadcasters.

Chairman-designate Brendan Carr has the opposite view and has not been silent about it. His deregulatory leanings were best expressed in a mid-2024 dissent from new proposed regulations and helps to paint a picture of what may come:

"The FCC can continue down the path of keeping legacy regulations on the books that are plainly doing more harm than good—while patting ourselves on the backs for retaining rules that previous Commissions predicted would serve the interests of localism, diversity, and competition in the context of a media marketplace that no longer exists today. Or we can do something else we can modernize our rules, we can eliminate the restraints on broadcasters that no longer make sense in today's media marketplace, and we can unleash broadcasters to compete on level playing field with their Big Tech competitors. I think we have an obligation to do the latter."

We are likely to see a fast start to "modernizing" regulations that no longer make sense, either by changing them or eliminating them. Hang on for an interesting ride to come.

CHILDREN'S TELEVISION REPORTING DUE IN JANUARY

The surest way for full power and Class A television stations to have issues with license renewals is to forget or incorrectly report compliance with the FCC's children's television rules. The renewal application contains important certifications about station compliance with the rule limiting the amount commercial matter during children's of programming targeting children 12 years old and under, and the separate rule requiring stations to particular air amounts of children's educational/informational programming targeting children 16 years old and younger.

Both rules have an annual reporting obligation with the same deadline – January 30th. By that date, stations must upload into their public file supporting material certifying compliance with commercial limits for the prior calendar year, <u>and</u> complete and file a children's television programming report reflecting adequate amounts of children's E/I programming aired during the prior calendar year.

The commercial limits rule prohibits stations from airing more than 10.5 minutes of commercial matter during children's programming on weekends, or more than 12 minutes during weekdays. Α other certification and any supporting documentation must be uploaded to the public file by the January 30 deadline. Violations can occur if more than the allowed commercial matter is aired, or if the commercial matter is related to an adjacent program (i.e., a Hot Wheels ad aired during a Hot Wheels cartoon), in which case the entire program is considered to be commercial matter. Just ask several TV stations that were recently assessed monetary fines between \$20,000 and \$32,000 for airing such an ad during the program on 8 different occasions. Many arguments about whether the violations were "willful" and deserved upward adjustments fell on deaf ears at the FCC. The short answer is to do everything in your power now to ensure that no commercial limits violations occur and to upload certifications by the deadline.

For the children's television E/I programming rule, a form must be completed and filed in the License Management System by January 30 reporting the total number of children's E/I programming hours

aired and how much on each channel. The form is intensive, so start working on it now. While stations are obligated to air a minimum of 156 hours of children's E/I programming annually on their main channel, there are scenarios that allow stations to shift a percentage of E/I programming to secondary digital channels each guarter. Stations should pay close attention to the criteria in rule 73.671(c) that must be satisfied in order for a program to qualify as educational/informational. Coming up short on the required number of hours gets a station further scrutiny, and unless other reported activities can "count" toward educational opportunities for children, the FCC staff must elevate the renewal application to the full Commission for further action and potential fines. We are available to assist stations in preparing or reviewing the form.

New FM Booster Local Program Origination Rules Effective January 13th

The FCC <u>announced</u> that the new FM Booster local program origination rules adopted in November 2024 will take effect January 13, 2025. The new rules allow FM boosters to originate three minutes of each hour to programming different from the content of the primary station they are retransmitting. Designed to hyper-localize content for groups of primary station listeners, the new opportunity is a change to how FM boosters have historically been solely used to rebroadcast signals to areas with poor reception of the primary station's signal.

Certain technical advances now enable FM boosters to customize content within station service areas, even though they operate on the same frequency as the primary station. While temporary experimental use of FM boosters for local content has been allowed since April 2024, the FCC's Order makes the processing, licensing and service rules permanent.

Applications for new FM boosters will continue to be processed on a first come, first-served basis, whether they are filed for the traditional "fill-in" purpose or simply to establish a new signal within an area in order to localize content. For existing FM boosters, or for any new FM booster, a local program origination notification will have to be filed

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with the FCC at least 15 days before local origination can begin. Some of the modified rules requiring new or modified information collection requirements won't be effective until OMB approval.

FCC DISCONTINUES CDBS DATABASE SEARCH FUNCTION

The FCC is sunsetting the ability to search for old broadcast applications in its CDBS database. CDBS was used before LMS for a few decades for applications filing broadcast and contains significant application data and file numbers. While most applications and some portions of the application information have been migrated to LMS station record files, not all of the data or applications are available. Our understanding is that the CDBS system will still be publicly available online but will simply not enable searches any longer. The FCC staff will still be able to access unavailable data or applications by request.

DATES TO REMEMBER

January 10, 2025

TV, Class A, AM & FM Stations (commercial & noncommercial): deadline to complete and upload to online public file the 4th Quarter 2024 issues/program lists and any foreign sponsorship identification reports

Class A TV Stations Only: deadline to complete and post to your online public file the 4th Quarter 2024 certification of ongoing Class A eligibility

Noncommercial Broadcast Stations: deadline to complete and post to your online public file the 4th Quarter 2024 report for any 3rd Party Fundraising conducted during the quarter

January 30, 2025

All Commercial Full Power and Class A Television Stations – deadline to complete and submit the 2024 children's television report in LMS <u>and</u> separately upload children's television commercial limits certifications for all of 2024 in the station online public file

January 31, 2025

Web Streaming Stations: deadline to remit annual license fee and related statement of account with SoundExchange for the statutory license allowing streaming of sound recordings on the web. Payment can

be made on SoundExchange's online filing portal "Licensee Direct"

February 1, 2025

Radio and TV Stations located in Arkansas, Louisiana, Mississippi, Kansas, Nebraska, Oklahoma, New Jersey and New York: if five (5) full time employee threshold is met, prepare EEO public file report covering the period from February 1, 2024 to January 31, 2025, upload it to the station online public inspection file and post it on the station website

Mid-Term EEO Review for Radio stations located in Kansas, Nebraska and Oklahoma: if station employment unit has eleven (11) or more full-time employees, an independent mid-term EEO review of your last two EEO public file reports by the FCC will occur in connection with the 2024-25 EEO public file report due February 1, and when uploading the report, each station in the SEU must indicate that the SEU has 11 or more full-timers using the "Mid-Term Review" tab is the OPIF settings section. If the SEU has between five and ten full-time employees, when uploading the 2024-25 report, each station in the SEU should indicate that the SEU has fewer than 11 full-time employees using the "Mid-Term Review" tab in the OPIF settings section (by doing so, no mid-term review of the SEU will take place)

Mid-Term EEO Review for Television stations located in Arkansas, Louisiana and Mississippi: if station employment unit has **five (5) or more full-time employees**, an independent **mid-term EEO review** of your last two EEO public file reports by the FCC will occur in connection with your upload of the 2024-25 EEO public file report due February 1. By uploading an EEO public file report, the FCC automatically knows that your television station meets the 5 or more full-time employee threshold for a mid-term review. So unlike for radio, there is no OPIF mechanism available or needed for TV stations to specify the number of SEU employees

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Actual resolution of legal issues depends upon many factors, including variations of facts and applicable Federal laws. This publication is not intended to provide legal advice on specific subjects, rather, it seeks to provide insight into legal developments and issues that we feel could be useful to our clients and friends.

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