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Focus on FCC Fines

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Contests: Winning a car lease is not the same as winning a car – A Boston FM station found out that the FCC doesn't like it when licensees are less than forthcoming with their listeners. In this case, a listener was revved-up when he became a finalist in a contest for a car, only to discover that the prize was *not* ownership of a car, but merely a two-year car lease. Despite the station's offer of several excuses, the FCC pulled out its ticket book and wrote the station a \$4,000 violation. The station has 30 days to try to argue its way out of the fine.

The station promoted its contest as featuring a grand prize of a Mercedes Benz, an Audi or a Toyota. Apparently leaving no room for misunderstanding, the station (according to the Commission) consistently advertised the top prize with a tag line of "no fine print gimmicks". As it turned out, though, there was some fine print, and the fine print mattered, big time. When one of the station's listeners qualified for a chance to participate in the contest, he went on-line to read the contest rules. Despite the fact that the station had promoted the contest as a chance to win one of the three cars, the fine print actually provided the winner with only a two-year lease of the car. In addition, the winner had to have an acceptable credit rating to qualify for the lease. The listener fired off a letter to the FCC to complain about the contest.

Federal regulations prohibit broadcasting a contest announcement "if the net impression of the announcement has a tendency to mislead the public." In this case, the station's promotions highlighted that the winner would have a choice of three cars. However, the broadcasts never referred listeners to the contest rules, which were available only on the station's web site. The FCC made short order of the licensee's attempted arguments in support of its misleading contest.

Station demonstrates STL to FCC agent but, hey, where's the license? – A Florida low-power television station cooperated with a recent FCC inspection, providing the agent a tour of both its studio and its transmitter. As part of the inspection, the FCC agent observed that the studio was in a different location than the station's transmitter. The station's general manager and chief engineer both explained to the FCC that they were able to deliver the signal from studio to transmitter by using a studio-transmitter

link at 950 MHz operating at 2.8 watts of output power. No problem there – until, that is, the FCC agent asked to see the license for the STL. Both the GM and engineer came up empty-handed. The station had the gear but had never followed through with licensing it. Although the Commission’s rules provide broadcasters with automatic “special temporary authority” (STA) to use certain auxiliary frequencies for a very limited amount of time each year, the station admitted to having exceeded the permitted amount. The station was hit with a \$4,000 fine.

While the FCC agent was looking around, he also noticed that the station had no EAS equipment. Although the station had purchased unlicensed STL gear, it had never acquired its EAS equipment. When the agent asked the GM and engineer where the equipment was, the worst situation arose. The General Manager told the FCC agent that he did not believe that EAS equipment was needed for the station. In contrast, the chief engineer told the FCC agent that not only was he aware that the equipment necessary but that he had been hounding the manager repeatedly to buy the EAS gear. The FCC spanked the station for an additional \$5,600 fine for failing to maintain EAS equipment.

Nationwide radio programmer fined for letting license expire – Saga Radio Network has been fined \$5,200 for allowing its satellite earth station license to expire. The network had to turn itself in so that it could renew its license and the FCC responded by issuing the fine. The license for the earth station expired in 2007 and the network did not notice it until nine months later. In order to continue operating, the network had to apply for immediate special authority from the FCC and submit a standard renewal application. As part of the application for special authority, the network faced the FCC’s Catch-22 regulation: in order to explain why it needed special authority to operate, the network had to disclose that it was operating without the license that it needed. Armed with the network’s admission, the FCC rapidly issued the special authority, followed in quick succession by the fine.

Readers are reminded that periodic review of their FCC authorizations and expiration dates is a good idea. It is important also to remember that you should review, in addition to your main broadcast licenses, the host of other FCC authorizations necessary for your operation. Those include licenses for STLs, satellite stations, walkie-talkie, choppers, vans and trucks and other gear.

The seller kept the studio – The buyer of an Indiana television station faces a \$9,000 fine for operating the station without a main studio. The buyer purchased a TV license and transmitter from a local college. The college kept its studio and allowed the buyer to lease space on its antenna. The buyer continued to program the station but did not acquire a replacement studio. FCC agents – aware of the sale – tried to inspect the station. The agents could find no studio, no telephone number listing and no personnel.

After visiting the transmitter site, FCC agents found a faculty member at the college who had a phone number for one of the new owner's employees. The employee claimed that a windowless utility shed at the base of the transmitter was the new main studio. The FCC did not buy it and fined the station for failing to maintain a studio and for failing to staff the studio.