

GRAY TV

2023 POLITICAL ADVERTISING POLICY AND DISCLOSURE STATEMENT

Gray TV owns and operates television stations KOTA-TV, Rapid City, South Dakota and its satellite stations, KHSD-TV, Lead, South Dakota, and KSGW-TV, Sheridan, Wyoming, KOPA, Gillette Wyoming, KHME-TV, Rapid City, South Dakota & KQME, Lead, South Dakota. It is the intention of Gray TV to comply fully with all applicable laws and regulations relating to the use of our stations by legally qualified candidates for public office. Our policies regarding political broadcasting are designed to meet all legal requirements. However, to the extent permitted by law, Gray TV reserves the right to modify this policy at any time. This policy is provided for general information, and is not intended to be a part of any advertising contract. Any advertising contract is governed by law and by its own terms.

CANDIDATES FOR FEDERAL OFFICE. We afford legally qualified candidates for federal elective office reasonable access to Gray TV television stations by permitting the purchase of reasonable amounts of time for the use of candidates. While Gray TV does not offer free time for political advertising, it makes available for purchase by federal candidates any length of spot that Gray TV has offered to commercial advertisers during the year preceding the election. Gray TV will consider on a case-by-case basis requests by federal candidates for non-standard lengths of time whether or not sold or programmed commercially by the Station during the previous year. Gray TV has no predetermined limitations on the amount of time a federal candidate may purchase or on the time of day in which his/her announcements may appear.

Gray TV intends to work individually with each federal candidate in an effort to meet his or her needs. In determining what constitutes “reasonable” access, we consider such factors as the amount of time the candidate has already purchased and/or used the total number of candidates in the race who are likely to buy time, the overall demand for political advertising on Gray TV stations, and potential programming disruption.

STATE AND LOCAL RACES. Gray TV reserves the right to determine the non-federal elections for which it will accept political candidate advertising. It is the policy of Gray TV to keep its viewers informed of opposing candidates’ viewpoints in state and local elections. Therefore, Gray TV also generally sells air time to legally qualified candidates for non-federal public office. Gray TV reserves the right in its discretion, however, to determine:

- (1) the particular state and local races for which it will accept political advertising;
- (2) the number of advertisements it will accept from candidates in a particular state or local race; and
- (3) whether and what amount of advertising it of the factors we consider in making these decisions include the number and importance of state and local races, the constraints imposed by the Station’s obligation to afford reasonable access to federal candidates, the availability of inventory, and potential programming disruption.

ELECTION DAY. Gray TV does accept political advertising on Election Day.

RATES FOR CANDIDATES. During the period 45 days preceding a primary or primary run-off election and during the period 60 days preceding a general or special election, the charges for use of Gray TV stations by legally qualified candidates running in that election are not, under federal law, permitted to exceed the lowest unit charge of Gray TV for the same class and length of announcement for the same period. Whether a candidate is entitled to the lowest unit charge for a particular spot depends on the date the spot airs - not when the order is accepted.

Because the prices of spots on Gray TV are subject to change, the lowest unit charge for a particular length of spot, class of spot and time period may also vary during the 45 or 60 day pre-election periods. In the event any legally qualified political candidate is charged in excess of the applicable lowest unit charge, whether because of a post-order change in the applicable lowest unit charge or for any other reason, the Station will rebate the excess payment to the candidate, or credit that amount toward a further time purchase should the candidate so desire.

At times when the lowest unit charge is not applicable, the charges for use of Gray TV stations by legally qualified candidates in connection with their campaign may not exceed the charges made for comparable use of Gray TV stations by other advertisers.

Lowest unit charges during the pre-election periods apply only to “uses” by *legally qualified candidates*. A “use” is defined as “any positive broadcast of a candidate’s voice or picture.” Lowest unit charge does not apply to third party or independent expenditure advertising, even if the advertisement constitutes a “use” unless the advertisement is authorized by the candidate or the candidate’s authorized committee. The “use” must be sponsored by the candidate (or if not sponsored by the candidate, must be authorized by the candidate) to qualify for lowest unit charge.

AGENCY PLACEMENT AND DIRECT PLACEMENT. Gray TV’s lowest unit charge is based on the net to Gray TV. For example, if Gray TV’s lowest unit charge for a particular advertisement is \$100 gross, and a recognized agency books a spot on behalf of a legally qualified candidate who is entitled to the lowest unit charge, Gray TV will net \$85 from the sale of that spot (\$100 less the normal 15% agency commission). Gray TV’s lowest unit charge for a spot of the same class, length and time period will therefore be \$85 net for candidates who wish to make a “direct” buy.

TYPES OF ADVERTISING SCHEDULES. We are pleased to work with candidates and their representatives to ensure that the candidate is aware of and is able to make any purchase of

time available to commercial advertisers and consistent with station policies, according to the schedule the candidate believes would be most advantageous. It is our policy to assist candidates in making informed judgments as to their time purchases by alerting them to the full range of options available. For that purpose, we provide the following information on the various types of purchases Gray TV's advertisers may make:

Length of announcements: Generally, Gray TV makes available for purchase air time in the following lengths: 60 seconds, 30 seconds, 15 seconds and 10 seconds. Our rates are based on a 30-second spot. The rate for a 60-second spot is twice the 30-second spot rate. The rate for a 15-second spot is 65% of the 30-second spot rate. The rate for a 10-second spot is 50% of the 30-second rate. As stated above, the Station will consider requests made by candidates for federal elective office for announcements of other lengths on a case-by-case basis.

Classes of time: Generally, Gray TV makes available the following classes of time:

Fixed (non-preemptable): These spots are guaranteed to air at the scheduled time or during a set time period, except in the event of unforeseen program changes or technical difficulties. Fixed spots constitute Rushmore Media Company's highest priced class of time.

Preemptable: These spots carry the risk of being preempted in order to run other spots, whether fixed or preemptable, for which a higher price is paid. Gray TV offers four classes of preemptable spots with varying levels of certainty or uncertainty of clearance — the lower the likelihood of preemption, the higher the price for the spot. The station offers the following levels of preemptability:

Preemptable (P2): Spots of this level are generally preempted only to run fixed spots purchased by another advertiser. The likelihood of clearance of this level of Preemptable spot, therefore, is relatively high.

Preemptable (P3): Spots of this level may be preempted to run by preemptable Level 2 preemptable spots or fixed spots. Thus, the likelihood of clearance of preemptable Level 3 spots is somewhat lower than for higher priced classes of time.

Immediately Preemptable (P4, P5): These spots are always immediately preemptable at any time prior to airing with no guarantee that the station will attempt to notify the advertiser of the preemption. IPE spots may be preempted at any time to accommodate the airing of any spots purchased in a higher class.

Candidates may purchase ads in higher classes to decrease the potential for preemption. In the event that a candidate purchases a preemptable spot at a higher rate to air during a statutory "lowest unit rate" period, and the station sells a spot of the same length and

preemptable class that airs during the same period for a lower rate, the candidate will be afforded the benefit of the lower rate either by way of a timely rebate or as a credit against future purchases, at the option of the candidate.

The likelihood of preemption of the various classes of time is generally consistent with the following chart. However, these percentages can change. If the chances of preemption vary significantly from the values listed below, preemption of various classes of spots will be estimated when inquiries are made.

<u>Class of Time</u>		<u>Likelihood of Preemption</u>
Fixed	(F1)	less than 1%
PE2	(P2)	about 15%
PE3	(P3)	about 30%
IPE	(P4, P5)	about 50%
Direct Response		about 80%

Direct Response Advertising: This class typically involves a :30, :60, :90, or :120 announcement that describes a product or service and solicits a call directly to the advertiser via an 800 prefix telephone number. Time purchased in this class is scheduled in very broad rotations and is highly Preemptable, with no attempt to make good preempted spots.

Time Periods: Individual spots sold in most classes of time can be scheduled to run in many different time periods or programs or combinations of time periods or programs. Generally, the prices of spots increase during time periods or programs of high audience levels or high advertiser demand. Spots restricted to narrower rotations or specific programs will generally cost more than spots scheduled to run in broader time periods. For example, spots scheduled to air during a particular hour or half-hour (e.g., 4:00pm-4:30pm; 8:00pm-8:30pm) will generally cost more than spots scheduled to run at any time within the entire day part (e.g., 7:00pm-10:00pm). Spots scheduled to air during a particular program will generally cost more than spots scheduled to run at any time during several programs.

Weekly Rotators: Gray TV offers to its advertisers various “weekly rotators” by which advertisers may purchase a certain number of spots per week, to be aired at any time within a particular part of the day during that week. As with individual spots, generally, the narrower the rotation, the higher the price of spots within weekly rotators. Since the station has discretion to schedule spots within weekly rotators over an entire week (within the specified day parts), spots within weekly rotators

generally cost less than spots purchased to air on a fixed date or dates. Spots within weekly rotators are sold in the following classes: (Fixed, P2, P3, and IPE).

Custom schedules can also be arranged. Please ask if you would like to discuss other options.

Package Plans: At any point in time, the station offers a number of specialized and/or individually negotiated packages to its advertisers. These packages allow the station's clients to reach their intended audiences in the most cost-effective way. These packages may, for example, include spots in a number of different programs or day parts, combinations of fixed and preemptable spots, and so on. Other packages may be time and/or event specific, such as weekend sports broadcasts.

During the statutory "lowest unit rate" periods, legally qualified candidates may purchase such packages at the lowest price at which such packages are sold to commercial advertisers. For spots airing during the pre-election "lowest unit rate" period, whenever a spot rate included in a package plan is less than the lowest unit rate for the particular length, class and time period in which it is scheduled, the package rate becomes the lowest unit rate for spots of that length, class and time. In such a case legally qualified candidates may purchase a single spot at that rate, without being required to purchase all parts of the package. The station reserves the right to allocate the costs of spots included in package plans to reflect their true value, in accordance with the policies of the FCC.

Audience Delivery Guarantees. From time to time, Gray TV sells advertising to its clients with a guarantee that the surveyed audience level for the programs or day parts in which the spots are aired will meet or achieve a pre-designated level. The rates for advertising subject to such guarantees are typically negotiated in advance on a case-by-case basis, and such arrangements are subject to Gray TV policies on audience delivery guarantees that are disclosed to the advertiser at the time the guarantee is negotiated. In such instances, where the guaranteed audience level is not achieved for spots that actually run, Gray TV provides the advertiser with free, non-transferable make good spots to make the amount by which the actual audience falls below 90% of the pre-designated level. Legally qualified candidates may negotiate to purchase advertising on this basis. Candidates are advised, however, that Rapid City television audiences are surveyed only four times per year, that other Gray TV stations are located that in non-rated markets, and that in most cases the ratings information necessary to determine whether a guaranteed audience level has been achieved will not be available until after the election. Gray TV will negotiate with candidates who desire an audience delivery guarantee how any shortfall will be compensated.

At any point in time, Gray TV offers a variety of classes, lengths, and time periods to its commercial advertisers. Current rate information for the most popular lengths, classes of time, and time periods offered by Gray TV is provided to candidate or candidate representative who requests information regarding political advertising of Gray TV. Those

rates will reflect comparable rates in periods outside the statutory lowest unit charge periods, and Gray TV's best good faith estimate of lowest unit rates within those periods. Gray TV is happy to discuss upon request of a candidate or candidate representative other alternatives not listed on the Gray TV political rate card.

Make Goods: It is the policy of Gray TV to offer all political candidates "make goods," prior to the election, for candidate "use" spots that are preempted if Gray TV has offered time-sensitive make goods in that class of time within the past year. Gray TV cannot guarantee, however, that time sensitive make goods can be provided in the time period or rotation originally ordered. If inventory constraints make identical scheduling impossible, Gray TV will offer make goods of equivalent value. If these are not acceptable to the candidate, Gray TV will provide credits or refunds for preempted spots.

PREREQUISITES TO BROADCAST. For each political time order, a signed, complete and accurate NAB political broadcast form must be at Gray TV or our representative's office prior to broadcast. Copies of the current NAB form are available upon request. Films or tapes must be at Gray TV at least 24 hours in advance of their first scheduled airing, or no later than close of business Thursday for weekend airing. However, we will do our best to accommodate federal candidates' requests for reasonable access regardless of notice.

SPONSORSHIP IDENTIFICATION. All political advertising must comply with the rules of the Federal Communications Commission.

TV Ads Authorized by a Federal Candidate or His/Her Official Committee. Under BCRA, each television advertisement placed by a federal candidate or his/her authorized committee must identify the candidate on whose behalf time was purchased, state that the candidate approved the broadcast, and state that the broadcast has been paid for by the candidate and/or the candidate's authorized committee. This must be done both in a verbal statement in the ad, as well in a written statement at the end of the political announcement.

Verbal. This can take one of two forms:

The advertisement may include an unobstructed, full-screen view of the candidate giving the required statement, or

The ad may include a candidate voice-over, accompanied by a photograph of the candidate that occupies at least 80% of the screen.

Written. There must also be a written display of this disclaimer at the end of the ad in "clearly readable" writing. A disclaimer is "clearly readable" if it appears for at least four (4) seconds and in letters equal to or greater than four percent (4%) of the vertical picture height, and it contains a reasonable degree of color contrast between the background and the text of the statement (such as black on white).

State and Local Candidates. A sponsorship identification announcement must be given revealing who paid for or sponsored an announcement or program. Candidates and their committees (or an outside party paying for the broadcast) must disclose the true identity of the person or entity by whom or whose behalf payment is made. If an outside party is involved, the identification must state whether the announcement was authorized by a candidate or his/her committee. A video identification of at least four (4) seconds in duration with letters equal to or greater than four (4) percent of the vertical picture height is required.

If a political announcement does not contain proper sponsorship identification, the station is required to insert the required sponsorship identification before allowing the spot to air. Since all advertisements must be limited to the amount of time purchased, spots lacking the required identification may be partially overdubbed. If Gray TV is required to perform such production, normal production charges will be assessed.

CANDIDATE CERTIFICATION; STAND BY YOUR AD. Each advertisement placed by a federal candidate or their authorized committee **MUST** provide Gray TV with a written certification **at the time advertising is purchased**. The certificate may state that the advertising does not refer to another candidate for the same office. Alternatively, if the programming **does** refer to an opposing candidate, the certificate **must** state that the programming will contain, at the end of the spot a statement, in the form specified in the BCRA, in which the candidates personally states that he or she approved the broadcast.

Federal election law provides that failure to adhere to these sponsorship identification certification and disclosure requirements may result in the forfeiture by the candidate of all rights to the benefits of the lowest unit charge provision for the remainder of the political window.

PREPAYMENT. Payments for all political orders must be made prior to the first scheduled broadcast of the flight. Federal candidates cannot be required to pay more than seven (7) days in advance of the start of their flight.

PRODUCTION FACILITIES. Gray TV will make its production facilities available to candidates and their representatives. All inquiries or requests concerning production time and facilities should be made through your sales representative or Gray TV's production department. Production rates are established on an hourly basis and can be affected by the type and amount of equipment and personnel required for a particular job.

POLITICAL FILE. We maintain a political file of all requests for broadcast time made by or on behalf of candidates for public office, together with materials showing the disposition made by Gray TV of each such request, any charges made if the request was granted, and the lengths, classes, and dayparts purchased. The political file is available for public inspection during regular business hours at Gray TV's main offices. We retain our political file for two years. If you would like to review the

material in the political file, please do not hesitate to ask. Political file material created after July 1, 2014 will be placed into the stations' online public files and may be accessed at www.fcc.gov.

LIST OF OFFICERS AND DIRECTORS REQUIRED. Gray TV requires a committee, association, or group that is purchasing political advertising, including issue advertisements and advertising related to referenda and public initiatives, to furnish Gray TV with a list of its chief executive officers, members of its executive committee, or members of its board of directors. Such lists must be furnished before Gray TV will grant a request for time. These lists will be available for public inspection at Gray TV's cities of license during regular business hours. The addresses and cities of license are: KOTA, 2001 Skyline Dr., Rapid City, SD 57701. These records will be retained in the political file for two years.

PLACING ORDERS. The following persons are available to assist candidates with their television advertising on Gray TV's television stations:

Chris Gross
Dave Bitterman
Dave Bitterman

General Manager KOTA, KHSD and KSGW
Operations Manager – Political File
Creative Director – Tape Traffic

Date: October 3, 2023