



POLITICAL ADVERTISING POLICY STATEMENT UPDATED MARCH 2022

To: Political Advertisers

From: Sales Management, KFSM-TV

This policy statement explains KFSM-TV's current policy concerning political advertising by legally qualified candidates for public office. It supersedes all prior rate cards and policy statements. Where doubt exists, the station may require satisfactory proof that the candidate is "legally qualified" (as that term is defined by the FCC) and/or that the purchaser is authorized to buy time on behalf of the candidate.

Rate Policy / Classes of Time As required by federal law, during the 45 days before primary elections and the 60 days before general and special elections (referred to below as "LUR windows"), KFSM-TV charges candidates purchasing time for "uses" in connection with the candidate's campaign the lowest unit charge offered by the station for cleared spots of the same length, class and time period as the candidate's spots. Outside the LUR windows, candidates are charged rates comparable to those charged KFSM-TV's commercial advertisers.

The Station's advertising rates are negotiated and established based on supply and demand. The rates vary within and among each class of time due to overall market conditions and inventory demand at the time the order is placed. As the demand for inventory changes, rates are adjusted to reflect the demand in the market for each class of available inventory.

Below is a current description of the Station's classes of time and the Station's good faith estimate of the percent likelihood of pre-emption for each class of time.

- **Non-Pre-emptible/Fixed.** (Rate Level P02) These ads may not be pre-empted in favor of any other ad and will air as scheduled absent unforeseen program changes, technical difficulties, or to comply with federal regulations or other legal requirements.
- **Pre-emptible with Notice - makegoods offered.** (Rate Level P03) These ads may be pre-empted in favor of other ads upon notice to the advertiser. Station will offer a makegood if inventory and schedule end date permit. Pre-emption of these ads is based on a higher class of time (P02) or, in some cases, to honor equal access obligations. Schedule generally airs as ordered, although there is a 5-10% chance of preemption in the normal course of business, however, during times of high

demand this preemption level could increase. These ads have a higher priority for makegoods and clearance than Rate Level P04 and lower.

- **Immediately Pre-emptible without Notice - makegoods may be offered.** (Rate Level P04) These ads are more likely to be pre-empted than Rate Level P03. Station makes every attempt to notify client prior to airtime and offer a makegood if inventory and schedule end date permit; however, such notice and makegood offer are not guaranteed. Pre-emption of these ads is based on higher classes of time (P02 and P03) or, in some cases, to honor equal access obligations. Schedule generally airs with 70-90% clearance, however, during times of high demand this level could experience lower clearance.

Other classes of time, such as ROS and remnant spot fill, are available upon request. These classes of times are not typically offered makegoods and are typically the last cash-valued spots to be placed on station logs pending availability. Spots are immediately preemptible without notice. Spots in these classes generally are among the last elements placed on the log.

Candidates will receive account credits or rebates if airtime during the LUR windows is paid for at more than the lowest unit rate paid for advertising that is actually broadcast in a given week for the same class of time and time period purchased.

KFSM's political rate card may change from time to time without notice and will reflect customary rate changes due to changes in the program schedule and market conditions. As required by law, candidates for federal office will not be entitled to the station's lowest unit charge unless the candidate provides a written certification to KFSM, at or before the time an order is placed, that the candidate has not and will not make any direct reference to another candidate for the same office in any broadcast unless the broadcast complies with the enhanced sponsorship identification requirements set forth in Section 315(b)(2)(C) of the Communications Act, as amended by the Bipartisan Campaign Reform Act of 2002.

Primary Broadcast Signal Only: KFSM-TV's newscasts and certain other programs are streamed live over the Internet via KFSM-TV's website (5NEWSonline.com) and mobile app (5NEWS App). Commercial time purchased for the KFSM-TV broadcast signal does not run in these KFSM-TV digital platforms. KFSM-TV also simulcasts its broadcast signal through certain online video subscription services; commercial time purchased for the KFSM-TV broadcast signal may appear in these digital simulcasts.

Ratings Projections: At an advertiser's request, KFSM-TV will sell advertising in certain programs based on a ratings projection. The ratings projection will be as mutually agreed in writing between the station and the advertiser at the time of the order. Ratings projections do not affect the risk of pre-emption. The ratings projection will be based on Nielsen ratings reports. The ratings projection will cover advertising purchased during an agreed-upon period of time. The total rating achieved by the buyer's advertising during that period will be compared with the projection. For commercial advertisers, if the post-analysis shows that the projection has been missed by at least 10%, the buyer will receive additional advertising time, subject to availability.

For political candidates, obtaining a post-analysis and scheduling any resulting under delivery compensation prior to the election may not be feasible. Candidates interested in negotiating for a ratings delivery target may contact the station to discuss alternative means of making available to candidates the benefits of under delivery make goods

Makegood and Separation Policies: If a candidate's spot in a class of time with makegood protection is pre-empted, KFSM-TV will offer the advertiser a makegood in a comparable time period before the election, subject to availability. KFSM-TV does not guarantee separation of commercial or political advertisements within commercial pods or between commercial breaks within a program.

Payment Terms & Sponsor Identification: Normal KFSM-TV credit policies apply, which generally require advance payment for political advertising unless the candidate (or the candidate's agency, if the agency agrees in writing to be responsible for payment for the candidate's advertising) meets the same creditworthiness standards the station applies to similarly situated commercial advertisers. Cash-in-advance orders will be considered firm only upon receipt of payment by KFSM-TV. Cash in advance payments can be made by check, ACH, bank/wire transfer, debit card or credit card. If payment is being made by credit card, there will be an additional 1.5% credit card or debit card fee added to the total. There are no fees for any other form of payment listed above.

Political advertisers also must comply with KFSM-TV's traffic deadlines applicable to all advertisers, and FCC sponsorship identification rules. Please note that TV spots must contain a 4-second video sponsor ID at the beginning or end stating that the spot is "sponsored by" or "paid for by" the candidate (or the candidate's authorized committee), and the typeface must be at least 4% of the vertical height of the TV picture. For programs longer than five minutes, a sponsorship identification announcement must appear at both the beginning and end of the program. Should candidate material not contain the proper FCC mandated sponsorship identification, the Station reserves the right to supply the required sponsorship announcements in accordance with federal law within the scheduled running time of political programming. In that event, the Station will bill the candidate for the production expense consistent with the Station's policies with regard to commercial clients. Candidates for federal office also must comply with the Bipartisan Campaign Reform Act's identification and disclosure requirements.

Reasonable Access: KFSM-TV will grant candidates for federal office reasonable access for the purchase of time during the campaign, including at least 45 days preceding a primary election and the 60 days preceding a general or special election. The station reserves the right to limit the number of spots a candidate may buy in a given program, daypart, day, or week, in light of inventory demands and potential "equal time" requests.

Candidates for non-federal offices are not entitled to reasonable access, and therefore they should contact the station to determine the extent to which KFSM-TV is planning to accept spots for candidates competing in non-federal election races.

Public Inspection File: KFSM-TV's political file, which is available for public inspection, can

be found online at <https://publicfiles.fcc.gov>. Candidates must provide the station with all information required to be disclosed in the political file regarding the candidate's purchase, including (1) a completed and signed Agreement Form PB-19 for Political Candidates, and (2) where the purchase is made by a corporation, committee, association or other non-incorporated group, a list of the entity's chief executive officers or members of the executive committee or board of directors, as applicable.

Production: Station facilities may be utilized for the production of political announcements or programs, subject to available production time (rates furnished upon request). Production charges are handled separately from time charges. Agencies and/or candidates who schedule production time at the Station are required to provide good funds for payment of accrued charges immediately following the production session. No spots will air, nor will any video assets be ordered, until full payment is received. No Station talent is available for political advertising purposes, on-camera, or voice-over.

Non-discrimination: KFSM-TV does not discriminate on the basis of race or ethnicity in its advertising contracts. This provision is part of every KFSM-TV advertising contract. Any provision in any order or agreement for advertising that purports to discriminate on the basis of race or ethnicity, even if handwritten, typed, or otherwise made a part of particular contract, is hereby rejected.

Commercial Advertising Loudness Mitigation Act (CALM Act) Certification: By purchasing time on the station, each advertiser certifies that it has properly measured the loudness of the commercial or other content and has accurately reported that loudness, consistent with the Advanced Television Systems Committee (ATSC)'s "Recommended Practice: Techniques for Establishing and Maintain Audio Loudness for Digital Television" (A/85), and any successor thereto approved by the ATSC.

For Further Information: Concerning political advertising, contact: Mark LaCrue, Director of Sales: office: (479) 783-3131, direct line: (479) 785-5065, email: mark.lacrue@kfsm.com.