

KPIX-TV & KBCW - TV
Political Broadcast Rate Disclosure Statement

The following sets forth the policies and practices of KPIX-TV and KBCW-TV regarding the sale of time to candidates for public office.

I. Policy Applies to Candidate Purchases

These policies apply only to time purchased by candidates; that is, announcements or programs sponsored or approved by a legally qualified candidate for public office or the candidate's authorized campaign committee which promotes the candidate's campaign for election. These policies are not applicable to material provided by independent political action committees, to schedules not sponsored or approved by a legally qualified candidate, or to non-candidate "issue" advertising.

In addition, only announcements or programs which constitute a "use" by a legally-qualified candidate for public office -- i.e., in which the candidate personally appears by voice or picture -- are entitled to the "lowest unit charge" under Section 315 of the Communications Act, as described in this Disclosure Statement.

II. Reasonable Access

All legally qualified federal candidates are entitled to reasonable access to the station's facilities for the purchase of time during an election campaign. While the station retains the ultimate discretion to determine the amount and location of time sold to meet the needs of federal candidates, the station will consider any such requests in light of all relevant circumstances applicable to the candidate and the station. The station reserves the right to determine the non-federal offices for which it will sell time, and to limit the amount of time it will sell to candidates for such offices, consistent with the "equal opportunities" provision of Section 315 of the Communications Act.

III. Rotations

KPIX-TV & KBCW-TV sells advertising time in a number of different programs and daypart rotations. The most commonly purchased, and the most favorably priced, programs and daypart rotations are shown on the rate schedule attached to this disclosure statement. Spots may also be purchased with different day or daypart rotations than those specified here, at rates that are available on request. Spots may also be purchased in orbits, by which the purchaser is assured of spots airing in specified programs on dates to be determined by the station; information and rates concerning orbit purchases are available on request.

In accordance with the station's regular business practice, "swing breaks" between programs may be assigned to either program regardless of the clock hour into which the break falls. For example, the 8:58 PM break on Monday night is assigned to Everybody Loves Raymond, and commercial and political

advertisers purchasing that program may appear in the 8:58 or 9:58 PM break. Information as to swing break assignments is available on request.

The attached rate schedule represents the station's rates for 30second spots. Rates for spot announcements of other lengths (e.g., 10, 15 or 60 seconds) are available on request. Candidate requests to purchase program length time periods will be considered on an individual basis.

IV. Classes of Time

(A) Non-Preemptible. KPIX-TV & KBCW-TV offers a special class of candidate-only non-preemptible time at a discount from its "Effective Selling Level." (In certain dayparts other than prime time, a discounted average unit rate may be used as a substitute for Effective Selling Level.) Spots purchased at these rates will not be preempted except in the event of program cancellation, or due to other events beyond our control. (As described in more detail in Section IV.B below, the station will provide its best good faith estimate of the likelihood of clearance of spots purchased at various preemptible rates on request.)

Candidates purchasing the special class of non-preemptible time described in this Section IV.A will not receive a rebate or credit in the event a lower-priced preemptible spot clears for an advertiser ordering the same program or daypart rotation. However, in the event of a decline in the station's "Effective Selling Level," as reflected by lower-priced sales after the time of the candidate's purchase, candidates who have purchased this class of time will receive a credit or rebate so as to ensure that they have, in fact, received a discount from such "Effective Selling Level." The attached rate schedule shows for the indicated weeks the station's estimated rates for candidate-only non-preemptible time. **These rates are only estimates. They are subject to change until a candidate purchases a non-preemptible spot in the program or rotation in question.**

(B) Preemptible. With the occasional exception of time-sensitive commercial advertisers who purchase non-preemptible time at rates significantly exceeding the candidate-only non-preemptible rates discussed in Section IV.(A) above, almost all advertisers buying time on KPIX-TV and KBCW-TV purchase preemptible announcements. Preemptible spots may be preempted with no prior notice to accommodate any other advertiser willing to pay a higher rate. Although the price paid by an advertiser for an already-scheduled spot will normally not be the only factor in determining which of the spots scheduled in a particular program or daypart rotation will be preempted to accommodate such a higher paying advertiser, a political spot will only be preempted if it is the lowest-priced spot scheduled in the program or daypart rotation in question. If a candidate's preemptible spot is preempted, we will offer a make-good or make-goods of comparable value prior to the election, subject to the availability of inventory, unless the candidate requests a refund or credit instead.

The attached rate schedule shows for the indicated weeks our current best estimate of the "Effective Selling Level" which will be quoted to commercial advertisers during the period in question. The "Effective Selling Level" is the minimum current rate that is then being quoted to commercial advertisers for the time period in question, and fluctuates with marketplace demand. Interested candidates should inquire as to the current Effective Selling Level at the time they place their order. We

emphasize that the actual rate levels needed to clear a preemptible spot at any given time will be determined on the basis of market conditions, in accordance with normal business practice.

The attached rate schedule also shows for the indicated weeks the lowest rates thus far sold for preemptible spots for our most commonly purchased programs or daypart rotations, or our best estimates of such lowest rates. These rates are subject to change on a weekly basis in accordance with normal business practice, and also may change in the event that the spot establishing the lowest rate is preempted to accommodate a higher-priced spot. We will provide updated lowest rate information and estimates on request. The clearance potential of a preemptible spot purchased at lowest rates will fluctuate with market demand. Our best estimate of the clearance likelihood of a spot purchased at the lowest rates is available on request. We emphasize that, in all cases, our statements as to the likelihood of clearance of a spot purchased at a particular price can only be good-faith estimates. The actual rate levels needed to clear at any given time will be determined on the basis of market conditions in accordance with normal business practices.

Candidates may, of course, purchase preemptible spots at prevailing lowest rates. They may also purchase preemptible spots at the "Effective Selling Level," or at rates above or below the Effective Selling Level which will, respectively, lower or raise the risk of preemption. In this regard, we note that candidates may purchase preemptible time at rates above the non-preemptible candidate rates discussed in Section IV.(A) above. We emphasize that spots purchased at the high end of the range of preemptible rates will be broadcast in the overwhelming majority of cases, although clearance is not guaranteed. Regardless of the rate paid by a candidate for a preemptible spot, the candidate will always receive a rebate or credit, at the candidate's option, if a lower priced preemptible spot clears for an advertiser ordering the same program or daypart rotation.

(C) As-Available. Advertisers who purchase on a as-available basis (also known as "direct response") buy broad rotations (e.g., 6AM-12PM, 4PM-6PM, 4PM-8PM, 1:35AM-Conclusion) , with the understanding that their announcements will be scheduled and broadcast only if inventory is available shortly before airtime. Unlike regular commercial announcements, makegoods are not provided for as-available announcements which do not air. Lowest rates for as-available announcements, and our best estimate as to clearance potential at such rates, will be provided on request. Actual clearance at any given time will depend solely on market conditions, in accordance with normal business practice. Candidates may choose to pay a higher rate for as-available time to improve the chances of clearing. Regardless of the rate paid by a candidate for an as-available spot, the candidate will always receive a rebate if a lower priced as-available spot clears for the same rotation.

V. Audience Deficiency Makegoods.

The station provides make-goods to certain commercial advertisers, generally at the end of a scheduled flight of announcements, if the audience delivered for the advertiser's schedule is substantially below a level specified at the

time of the purchase. Interested political advertisers should inquire at the time of purchase as to the audience delivery guarantees to which they may be entitled. We emphasize that a political advertiser's statement, in an order, or otherwise, as to the audience delivery that the advertiser expects to be achieved by the schedule will not be binding on the station, absent its express agreement to such audience delivery guarantees. No audience deficiency make goods will be provided unless the subject of audience guarantees has been expressly discussed between the political advertiser and the Station when the purchase is made. Should a political advertiser subsequently conclude that his schedule has not delivered the audience levels established at the time of purchase, the advertiser should notify the station and submit a supporting "post" analysis.

As with commercial advertisers, the provision of such makegoods will be subject to inventory availability. If requested audience deficiency makegoods cannot be provided before the election due to lack of available inventory or for any other reason, the political advertiser will receive either a makegood in a subsequent election or a rebate on a pro rata basis.

VI. Competitive Separation

The station will endeavor to schedule political announcements so that spots for competing candidates for the same office or nomination do not appear back-to-back in the same commercial "pod." The station does not, however, guarantee such separation.

VII. Sponsorship Identification

All commercials must contain adequate video sponsorship identification in which the letters equal at least four percent of the vertical picture height and remain on the screen for at least four seconds. Should candidate spots not contain the proper identification, the station reserves the right to add the appropriate material at the candidate's expense.

VIII. Eligibility for Lowest Unit Rate – Certification and Disclaimer Requirements of the Bipartisan Campaign Reform Act of 2002.

During the 45 days prior to a primary/caucus or the 60 days prior to a general election (a "political period"), candidates are entitled, under Section 315 of the federal Communications Act, to buy time at the station's "lowest unit charge" ("LUC") for the amount and class of time in question, provided that the announcements or programs purchased constitute a "use" as defined above and, as to federal candidates, comply with the certification and disclaimer requirements of the BCRA.

The Bipartisan Campaign Reform Act of 2002 (the "BCRA") adopted new requirements that federal candidates must meet in order to be "entitled" to purchase time at the lowest unit charge. (These requirements do not apply to state and local candidates.)

The BCRA provides that, in order to be entitled to lowest unit charge, federal candidates must provide a certification that their announcements will not refer to another candidate for the same office, unless

any announcement that does mention an opponent includes at the end of such announcement, simultaneously and for a period of at least four seconds, (i) a clearly identifiable picture of the sponsoring candidate; and (ii) a clearly readable printed statement identifying the sponsoring candidate, and stating that the sponsoring candidate has approved the broadcast and that the candidate's authorized committee has paid for the broadcast. The Act states that a candidate failing to comply with these requirements will not be "entitled" to LUC during the remainder of that political period.

It is the candidate's responsibility to comply with these provisions of the BCRA. The station will endeavor to collect the necessary certification from federal candidates at the time of initial purchase, but assumes no responsibility in this regard. Likewise, the station will not review candidate spots for compliance with the above requirements.

It is not presently clear whether a station may, as a matter of its own discretion, continue to afford the lowest unit charge to a candidate who has caused the broadcast of an ad that does not comply with the above disclaimer requirements. Pending further guidance from the Federal Election Commission or the Federal Communications Commission, the Station will continue to afford the lowest unit rate to candidates in these circumstances.

VIX. Time Purchased Prior to "Lowest Unit Charge" Period or Not Constituting a Candidate "Use."

During the 45 days prior to a primary or the 60 days prior to a general election, candidates are entitled, under Section 315 of the federal Communications Act, to buy time at the station's "lowest unit charge" for the amount and class of time in question, provided that the announcements or programs purchased constitute a "use" as defined above.

Stations are not required to sell time to candidates at such "lowest unit rates" prior to the "lowest unit charge" period or for spots or programs which do not constitute a "use"; however, broadcast stations are required by the Communications Act to charge no more for such purchases of time on behalf of legally qualified candidates for office than they would charge commercial advertisers for "comparable use" of the station. "Comparable" rates for the attached dayparts and rotations (and others), based on the rates charged commercial advertisers purchasing time on the same basis, are available upon request.

Candidates purchasing preemptible time outside the lowest unit charge period (or for a non-"use") will be quoted the prevailing rate then being quoted to commercial advertisers buying time in the same program or rotation. While the prevailing rates thus quoted would ordinarily be expected to clear, we emphasize that, consistent with the practices described in Section IV.(B) above, preemptible spots purchased by a candidate will be subject to preemption by higher-priced spots, provided that the political spot is the lowest-priced spot in the program or daypart rotation in question. Candidates may, of course, choose to pay a higher rate than the prevailing rate quoted by the Station in order to reduce the risk of preemption. However, because candidates purchasing time outside a "lowest unit charge" period (or for a non-"use") are entitled only to "comparable" rather than "lowest unit" rates, a candidate purchasing time on a preemptible (or "as available") basis will not receive a rebate if a lower

priced preemptible (or "as available") spot clears for an advertiser ordering the same program or rotation.

Some advertisers may receive discounted rates based on the volume of spots or combination of spots purchased, and such discounts are also available to candidates purchasing time on the same basis outside a lowest unit charge period or for a non-"use." Information as to such discounted rates, which are subject to the station's normal preemption policies, is available on request.

The sales policies in this disclosure statement are generally applicable before, as well as during, the appropriate "lowest unit charge" period, except that, as previously noted, candidates purchasing time outside of the "lowest unit charge" period are entitled to "comparable" rather than lowest unit rates.

X. Payment and Submission of Materials

Candidate spots will not be broadcast until all of the following have been received or satisfied.

1. Where the purchase is made by a corporation, committee, association, or other unincorporated group, a list of the entity's chief executive officers, members of the executive committee or the board of directors.

2. Where doubt exists, satisfactory proof that the candidate is "legally qualified" as the that term is defined by the FCC.

3. Where doubt exists, satisfactory proof that the purchaser is authorized to buy time for the candidate and that the spot or programming is sponsored or approved by the candidate's authorized campaign committee.

4. Commercial materials (tape, film, slides, or copy), along with written instructions for their use, should be submitted to the station as soon as possible to insure proper airing. We request that all such materials be submitted at least 48 hours in advance of broadcast. All instructions for airing of commercial materials should be in writing. Changes to these instructions should be in writing to the station (by letter, e-mail, TWX, KWX, FAX, or telegram) prior to the changes being made.

5. **All orders are subject to cancellation by KPIX-TV and KBCW-TV if payment has not been received 14 days in advance of broadcast date in the case of a state or local candidate, or seven days in advance of broadcast date in the case of a federal candidate. Where advance payment is made, such payment will be non-refundable where an order is canceled less than 14 days in advance of scheduled broadcast, in the case of a state or local candidate, or less than seven days in advance of scheduled broadcast by a federal candidate, except to the extent that, and insofar as, the station is able to resell the ordered time for a total amount equal to or greater than the rates paid by the candidate for the time in question. In no case will spots air unless payment has been received in advance of broadcast.**

Payment must be made by certified check, wire transfer or cash, except where (i) payment is made by non-certified check in accordance with the 14 or seven day periods specified above, or sufficiently

in advance of broadcast so as to ensure clearance of funds prior to air date, or (ii) the candidate's advertising agency guarantees the payment of all costs.

The failure of a political advertiser to fulfill all requirements in advance of scheduled broadcast may result in cancellation of some or all announcements or programs previously scheduled.