

HC2 BROADCASTING
POLITICAL ADVERTISING DISCLOSURE STATEMENT 2020

I. INTRODUCTION

Thank you for your interest in purchasing political advertising on an HC2 Broadcasting (“HC2”) television station.¹ This document provides you information concerning our advertising rates, policies, plans and packages to assist you in making an informed decision concerning the purchase of advertising on our Station. This Disclosure Statement (“Disclosure Statement”) is being provided to you pursuant to certain provisions of the Communications Act of 1934, as amended, and the Federal Election Campaign Act that apply to political broadcasting.

II. EQUAL OPPORTUNITY

HC2 will afford “equal opportunity” as determined by the Federal Communications Commission (“FCC”) for “uses” of the station’s broadcast facility by all legally qualified candidates for the same office. For purposes of the “equal opportunity” requirement, a “use” is defined as any nonexempt appearance by a candidate on the station’s broadcast facility in which the candidate’s voice or likeness is identified or identifiable. Some candidate appearances, in news, news interviews, news documentaries, and involuntarily in the ads of opposing candidates do not normally qualify as a “use” and those appearances may be exempt from the “equal opportunity” law.

III. ADVERTISING RATES

HC2’s policy and practice is to comply with all FCC requirements with respect to rates charged by our stations for political advertising. Thus, within the meaning of the FCC’s rules, it is our policy to extend for the “use” of the Station’s broadcast facility by “legally qualified candidates” during the “lowest unit charge period”—which is the forty-five (45) day period prior to a primary election and the sixty (60) day period prior to a general election—the “lowest unit charge” that the Station extends to its most favored commercial advertisers for purchase of the same class and amount of time for the same period. And we extend for the “use” of the Station’s broadcast facility by “legally qualified” candidates *outside* the applicable 45/60 day “lowest unit charge” periods, advertising rates that are comparable to rates we charge to commercial advertisers for comparable uses.

Please note that advertising (1) which does not include an appearance by the candidate in which the candidate’s voice or likeness is identified or is identifiable; (2) which is not purchased by the candidate or the candidate’s campaign committee or authorized agent; or (3) which is otherwise exempt by law does not constitute a “use.” Such advertising, therefore, would not qualify for the “lowest unit charge.”

It should be noted that the meaning of the term “use” in connection with the “lowest unit charge” requirement differs from the definition of a “use” for purposes of the “equal opportunity” requirement. For example, please see the definition of a “use” in Section II.

¹ Station licensees include DTV America Corporation; HC2 Broadcasting License Inc.; HC2 LPTV Holdings, Inc.; and HC2 Station Group, Inc.

Finally, *federal* candidates must meet the requirements of the Bipartisan Campaign Finance Reform Act of 2002 (“BCRA”) to qualify for the lowest unit charge. All contracts entered into with federal candidates seeking the lowest unit charge are subject to compliance with the following conditions:

(a) To receive the lowest unit charge during the applicable 45-day/60-day political windows, a candidate for *federal* office must provide a written certification to the Station stating that his or her advertisements will not mention any opponent unless at the end of such advertisement that appears simultaneously, for a period no less than 4 seconds—(i) a clearly identifiable photographic or similar image of the candidate; and (ii) a clearly readable printed statement, identifying the candidate and stating that the candidate has approved the broadcast and that the candidate’s authorized committee paid for the broadcast. Such certifications shall be provided and certified as accurate by the candidate (or any authorized committee of the candidate) at the time of purchase.

(b) Where a federal candidate has supplied the above-referenced certificate, any ads submitted by that candidate must, in fact, comply with the certificate in order to be entitled to the lowest unit charge. In the event that a federal candidate’s ad does not comply with the above-referenced certificate, that candidate will not necessarily be eligible for the lowest unit charge for any ads placed during any remaining lowest unit charge windows.

IV. REASONABLE ACCESS BY FEDERAL CANDIDATES

Federal law affords candidates for federal office “reasonable access” to “use” a broadcast station’s facilities. We will afford “legally qualified” federal candidates, i.e., candidates for President, Vice President, U.S. Senate and U.S. House of Representatives, “reasonable access” for the “use” of our facilities.

V. ACCESS BY NON-FEDERAL CANDIDATES

Candidates for state and local office will be afforded access to HC2 facilities, subject to the time demands of federal candidates and our overall advertising availabilities. We may find it necessary not to accept or to limit the amount and class of advertising by certain candidates for state and local offices. HC2 will sell spots to state and local candidates one week prior to the desired flight, including providing the candidate (or candidate’s agency) with availabilities and rates for our different classes of time, and percentages of preemption likelihood the week prior to the desired flight. We will continue this practice up to the primary election. Details of our classes of time are explained in section VI.

VI. HOW OUR ADVERTISING IS SOLD

Our advertising rates are negotiated and established on an individual basis with each advertiser, and the rates vary depending market conditions, advertiser demand, and other factors at the time the order is placed. We will offer to all legally qualified candidates the lowest unit charge in each of the following classes of time: (1) Non-Preemptable; (2) Immediately Preemptable. A description and definition of each class follows:

1. Non-Preemptable: These spots are purchased to run within a specific time period, program, or rotation as disclosed on political rate cards for each HC2 owned or managed station. It is the most

expensive class of time sold. For federal candidates, these spots will not be preempted by an advertiser offering a higher rate. However, these spots could be subject to preemption by a program change or in the event the program purchased is not airing and there are no available spots in the content airing in its place (i.e.: breaking news, special programming). In the event that a program change results in a shift in time or date, spots will be moved with the program into its new time and/or date.

Additionally, spot(s) may be preempted if all spots in a particular time period/program for a particular day have been sold at the same class of time *and* an advertiser has more than one spot in said time period/program in order to comply with “reasonable access” requirements for federal candidates.

HC2 reserves the right to not offer a spot to an advertiser in the event that a program is completely sold out at “Section 1” rates. In this event, comparable options will be offered whenever possible. For federal candidates, “equal opportunity” will apply to all time periods/programs sold. (See Section VIII for example.)

2. Immediately Preemptable: These spots are purchased to run within a specific time period, program, or rotation as disclosed on political rate cards for each HC2 owned or managed station. It is the least expensive class of time sold. Spots purchased at IP rates may be preempted at any time by any regular advertiser paying a higher rate. The likelihood of preemption is a function of several factors including demand and supply. We will, upon request, provide you with a more current estimate of the likelihood of preemption when your order is placed. Based on inventory and sell out rate, HC2 reserves the right to at any time determine no additional spots can be sold in this class of time.

VII. TIME UNITS AVAILABLE

HC2 sells commercial time in fifteen (15)-second, thirty (30)-second, and sixty (60)-second units.

- Fifteen-second announcements are typically purchased at 65% of the 30-second rate. However, variations occur by individual time periods/rotations/classes of time. Fifteen-second positions are limited and may not be available. A fifteen-second rate card will be made available upon request.
- Sixty-second announcements are typically purchased at double the 30-second rate. However, variations occur by individual time periods/rotations/classes of time. Sixty-second positions are limited and may not be available. A sixty-second-rate card will be made available upon request.

HC2 does not routinely sell time in units of more than 60-seconds duration, although requests by political candidates to purchase longer form program time will be evaluated on a case-by-case basis. We request that you inquire with us if you are interested in purchasing longer form program time, and we will review with you the availabilities and rates that would be applicable both outside and within the “lowest unit charge” periods.

Federal candidates will be afforded “reasonable access” to all time units, and all candidates for the same office will be assured “equal opportunity” in the placement, purchase and amount of time.

VIII. PREEMPTION PRIORITY FOR THE SAME CLASS OF TIME

If orders for the same class of spots for the same time period exceed HC2’s available

inventory, we will, subject to the “reasonable access” requirements for federal candidates, establish a scheduling priority for the spots on the following basis:

1. Outside the lowest unit charge “LUR” periods, priority will be given to the schedule of spots with (a) the closest last telecast date of the schedule, (b) class of time purchased, (c) the higher unit rate, and (d) “station” most favored advertisers (not necessarily in that order).
2. During the lowest unit charge “LUR” periods, political advertisements qualifying for the “LUR” will be afforded scheduling parity with advertisements purchased by “station” most favored commercial advertisers by class of time. In the event a commercial advertiser and political advertiser order the same time period/program in the same class of time and the inventory available on that program cannot accommodate both, the federal candidate will be afforded priority.

Spots may be preempted in the event that all spots in a particular program/time period have been sold at the same class of time and an advertiser has more than one spot in said program/time period. It may also be necessary to preempt a federal candidate’s spot(s) in a program/time period in order to comply with “reasonable access” for all federal candidates.

IX. MAKE GOOD POLICY

For any spot purchased at the Non-Preemptable class of time and does not air due to program change, technical difficulty, or similar circumstance, we will endeavor to provide a make good in same time period purchased or comparable time period/program based on content and estimated audience. In the event an Immediately Preemptable spot is preempted we make no guarantee of make good offer. In all circumstances, if a suitable make good announcement cannot be broadcast, we will issue a rebate or credit

X. RATES OUTSIDE THE LOWEST UNIT RATE PERIODS

Please note that outside the lowest unit charge “LUR” period, HC2 charges political advertisers rates comparable to our regular commercial advertisers.

XI. AUDIENCE DELIVERY

HC2 does not make any guarantees of audience delivery to either commercial or political advertisers.

XII. PER INQUIRY AND DIRECT RESPONSE RATES

We do not accept per inquiry or direct response political advertising.

XIII. AGENCY AND CANDIDATE COMMISSIONS

HC2 customarily provides a fifteen percent (15%) discount for advertising purchases made by an advertising agency. Political candidates and authorized campaign committees who purchase time for a “use” during the “lowest unit rate” period without an advertising agency will be extended a fifteen percent (15%) discount.

XIV. POLITICAL ADVERTISING DURING NEWS PROGRAMS

We accept political advertisements during network or local news programming. We will provide “reasonable access” to federal candidates in all newscasts. We reserve the right to limit the number of spots purchased by state or local candidates in any newscast to ensure our ability to provide “equal opportunity” to all candidates and “reasonable access” to federal candidates.

XV. PRODUCTION CHARGES

HC2 does not provide production services for political advertisers.

XVI. SEPARATION OF COMPETITIVE POLITICAL ADVERTISEMENTS

HC2’s policy is to attempt, where possible, to separate competitive political advertisements. However, that may not always be possible, and HC2 does not promise or warrant that competitive announcements will be separated. Credits will not be issued, nor will make goods be offered, to political advertisers for separation issues.

XVII. SPONSORSHIP IDENTIFICATION

All political advertisements must fulfill sponsorship identification requirements established by the FCC. The identification must state that the broadcast is “sponsored, paid for or furnished by” the identified person on whose behalf the advertising is purchased. All television ads must contain a visual identification in letters equal to or greater than four percent (4%) of the vertical picture height (i.e., no less than 20 scan lines for SD and 42 scan lines for HD) for a period of not less than four (4) seconds.

Should a candidate’s ad not be submitted in sufficient time for a pre-airing review or not contain the proper identification, HC2 will add the required material within the announcement. This may result in the content of the advertisement being truncated. In addition, in order to receive the lowest unit rate during the applicable 45-day/60-day political windows, a candidate for *federal* office must comply with the disclosure requirements described above in Section III.

XVIII. ORDERING DEADLINES

Orders for political time will not be considered firm until all appropriate documents have been delivered to HC2, including by not exclusive to; insertion order, traffic instructions, NAB form. If the candidate is without an established credit history, the net cash payment must be received before the scheduled log deadline of first air date. An air-quality commercial message must also be delivered to HC2 in accordance with log deadlines.

Orders and traffic instructions should be submitted in advance of the following log closure deadlines:

5PM CDT Monday for Wednesday Log

5PM CDT Tuesday for Thursday Log

5PM CDT Wednesday for Friday Log

5PM CDT Thursday for Saturday/Sunday Logs

5PM CDT Friday for Monday/Tuesday Logs

Regular log deadlines may be waived, where appropriate, to provide “equal opportunity” to political candidates or to provide federal candidates with “reasonable access.”

Due to specific holiday’s in both the United States and Mexico that would prompt the closing of our traffic departments, accelerated log deadlines will be in effect in the days leading up to events on 5/1, 5/25, 7/3, 9/7, and 9/16. Those accelerated log schedules will be distributed at an appropriate time prior to each holiday.

XIX. BROADCAST OF POLITICAL ADS ON ELECTION DAY

HC2 accepts political advertising on Election Day to air before 5:00pm local time.

XX. PAYMENT AND CREDIT POLICY

HC2 requires political advertisers to pay for advertising in advance by the deadlines listed in Section XVIII. Checks should be made payable to the licensee of the station, which you will be told at the time of the purchase. To ensure timely receipt of payment by check, please send payment to the attention of:

Political Advertising Sales
HC2 Broadcasting Holdings, Inc.
450 Park Avenue, Floor 30
New York, NY 10022

Wire transfer forms are available upon request. Please note that the process of transferring funds via wire can take up to four hours. Most wire transfers sent after 12 noon may not clear before the close of business and past HC2’s payment deadlines.

XXI. STATION’S RIGHT TO RECAPTURE TIME

HC2 reserves the right to cancel or adjust the amount of time sold on its stations to accommodate special program or advertising preemptions, or because of technical difficulties or labor disputes, or for other reasons beyond the control of HC2, or where necessary to enable HC2, pursuant to the Communications Act of 1934, as amended, to satisfy the “equal opportunity” requirements of all legally qualified political candidates and the “reasonable access” requirements of all legally qualified federal political candidates. Where such cancellations or modifications are necessary, advertisers will be advised and rebates, credits, schedule changes or other adjustments will be made as may be appropriate.

XXII. DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL

This Disclosure Statement does not constitute an offer to sell time, nor is it a contract; rather it is a statement of the policies which this Station, in good faith, attempts to follow in connection with the sale and placement of political broadcast advertising. The terms of any actual sale of time are contained in our sale contract and none of the matters contained in this Disclosure Statement are incorporated by reference in the sale contract.

XXVIII. NON-DISCRIMINATION IN THE SALE OF ADVERTISING TIME

HC2 does not discriminate in the sale of advertising time, and we will accept no advertising which is placed with an intent to discriminate on the basis of race or ethnicity. Advertisers and agencies should not purchase broadcast air time on an HC2 station for a discriminatory purpose, including but not limited to decisions not to place advertising on particular stations on the basis of race or ethnicity. HC2 expects advertisers and agencies, at the time of purchase, to represent and warrant that their purchase complies with this non-discrimination provision.

*****END*****