

KVAL/KCBY/KPIC (TV)

STATEMENT OF POLICY ON POLITICAL ADVERTISING

It is the intention of KVAL/KCBY/KPIC (TV) (sometimes referred to as "the stations" to comply fully with all applicable laws and regulations relating to the use of the 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, KVAL/KCBY/KPIC (TV) reserve 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 KVAL/KCBY/KPIC (TV) by permitting the purchase of reasonable amounts of time for the use of KVAL/KCBY/KPIC (TV). While KVAL-TV does not offer *free* time for political advertising, it makes available for purchase by federal candidates any class of time and time period available to commercial advertisers. In addition, federal candidates may purchase any length of time that KVAL/KCBY/KPIC (TV) determines, on a case-by-case basis, is consistent with law and the rules of the Federal Communications Commission ("FCC") rules. KVAL/KCBY/KPIC (TV) has no predetermined limitations on the amount of time a federal candidate may purchase, on the time of day in which his/her announcements may appear or on the length of time requested.

KVAL/KCBY/KPIC (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 KVAL/KCBY/KPIC (TV), and potential programming disruption.

STATE AND LOCAL RACES. It is the policy of KVAL/KCBY/KPIC (TV) to keep its viewers informed of opposing candidates' viewpoints in state and local elections. Generally, KVAL/KCBY/KPIC (TV) also sells airtime to legally qualified candidates for non-federal public office. However, KVAL/KCBY/KPIC (TV) reserves the right to determine the amount of advertising that it will sell to state and local candidates. Some of the factors we consider in making these decisions include the number and importance of state and local races, the constraints imposed by KVAL/KCBY/KPIC (TV) obligation to afford reasonable access to federal candidates, the availability of inventory, and potential programming disruption. KVAL/KCBY/KPIC (TV) may choose not to sell time at all for certain state and local races, or to limit the sale of time to state and local candidates to certain programs or dayparts.

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 KVAL/KCBY/KPIC (TV) by legally qualified candidates running in that election are not, under federal law, permitted to exceed the lowest unit charge of KVAL/KCBY/KPIC (TV) for the same class and length of announcement for the same time period. Whether a candidate is entitled to the lowest unit charge for a particular spot depends on when the spot airs, not when the order is accepted.

The rates shown on the Station's [political rate card] during the period to which the lowest unit rate rules apply represent an estimate of the lowest unit rate applicable to a particular time period and class of commercial inventory. Candidates entitled to the lowest unit rate will ultimately be charged the lowest unit rate regardless of whether it is higher or lower than the estimated amount. In the event the estimated amount exceeds the lowest unit rate, the Station will rebate the excess payment to the candidate or credit that amount toward a further time purchase should the candidate so desire. In the event the estimated amount is less than the lowest unit rate, the candidate will be required to pay the shortfall; provided, the Station will use commercially reasonable efforts to inform the candidate of the likelihood of any such anticipated shortfall at least 48 hours in advance of the airing of any use with respect to which the lowest unit rate to be charged for such use exceeds the estimate therefore by more than 25 percent.

In the case of a candidate for federal office, such candidate shall not be entitled to receive the lowest unit charge unless the candidate provides a written certification to KVAL/KCBY/KPIC (TV) that the candidate (and any authorized committee of the candidate) shall not make any direct reference to another candidate for the same office in any broadcast unless at the end of such broadcast there appears simultaneously, for a period of no less than four (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. In addition, any candidate who provides such a certification, but nonetheless makes a broadcast which does not meet the disclosure requirements referenced above, shall thereafter not be entitled to receive the lowest unit charge.

At times when the lowest unit charge is not applicable, the charges for use of KVAL/KCBY/KPIC (TV) by legally qualified candidates may not exceed the charges made for comparable use of KVAL/KCBY/KPIC (TV) 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. 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. Except for spots sold by the Station's rep firm, KVAL/KCBY/KPIC (TV)'s lowest unit charge is based on the net to KVAL/KCBY/KPIC (TV). Thus, for example, if KVAL/KCBY/KPIC (TV)'s commissionable lowest unit charge for a particular advertisement is \$100, and a recognized agency books a spot on behalf of a legally qualified candidate who is entitled to the lowest unit charge, KVAL/KCBY/KPIC (TV) will net \$85 from the sale of that spot (\$100 less the normal 15% agency commission). KVAL/KCBY/KPIC (TV)'s lowest unit charge for a spot of the same class, length and time period will therefore be \$85 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, 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 KVAL/KCBY/KPIC (TV)'s advertisers may make:

Length of Announcements. Generally, KVAL/KCBY/KPIC (TV) makes available for purchase airtime 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 rate, the rate for a 15-second spot is 60% of the 30-second spot rate, and the rate for a 10-second spot is 50% of the 30-second rate. As stated above, KVAL/KCBY/KPIC (TV) will make other lengths of time available to candidates for federal office on a case-by-case basis, consistent with law and FCC rules.

Classes of Time. Generally, KVAL/KCBY/KPIC (TV) makes available the following classes of time:

- **Fixed (non-preemptible) Priority 1:** 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. Once cleared, spots purchased at the Fixed Class of Time cannot be pre-empted. Fixed spots constitute KVAL/KCBY/KPIC (TV)'s highest-priced class of time.
- **Preemptible Priority 2 (48 hour notice required):** Spots of this level are generally preempted only to run fixed spots. The likelihood of clearance of this level of pre-emptible spot, therefore, is relatively high.
- **Immediately Pre-emptible Priority 3:** These spots are always immediately pre-emptible 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.
- **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, including segments within 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 or program segments 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., 4:00 p.m. - 4:30 p.m.; 8:00 p.m. - 9:00 p.m.) will generally cost more than spots scheduled to run at any time within the entire daypart (e.g., 3:00 p.m. - 7:00 p.m.; 8:00 p.m. - 12:00 midnight). Spots scheduled to air during a particular program will generally cost more than spots scheduled to run at any time during several programs; spots scheduled to air during a particular segment in a time period or program will generally cost more than spots scheduled to run at any time during the time period or program.

- **Weekly Rotators.** KVAL/KCBY/KPIC (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 dayparts), spots within weekly rotators generally cost less than spots purchased to air on a fixed date or dates. Spots within weekly rotations are sold in the following classes: Fixed and Pre-emptible Priority 2.

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 dayparts, combinations of fixed and pre-emptible spots, and so on. Other packages may be time and/or event specific, such as weekend sports broadcasts.

During the pre-election "lowest unit rate" periods, legally qualified candidates may purchase such packages at the lowest price at which such packages are sold to commercial advertisers. In addition, during the pre-election "lowest unit rate" periods, legally qualified candidates may purchase any portion of a package at the package rate, without being required to purchase all parts of the package. For spots airing during a 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 new lowest unit rate for the same class of time in the same time period. The Station will allocate the costs of spots of different classes included in package plans to reflect their true value, in accordance with the policies of the FCC.

- **Audience Delivery Guarantees.** From time to time, KVAL/KCBY/KPIC (TV) sells advertising to its clients with a guarantee that the audience level for the programs or dayparts in which the spots are aired will meet or achieve a pre-designated level. In such instances, where the guaranteed audience level is not achieved, the Station provides the advertiser with make good spots to make up the shortfall. Legally qualified candidates may purchase advertising on this basis. Candidates are advised, however, 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.
- **Current rate information** for all of the lengths, classes of time, packages, and rotators offered by KVAL/KCBY/KPIC (TV) is provided to each person who requests specific information regarding political advertising on KVAL/KCBY/KPIC (TV). In addition to the current "going rates," the Station also will provide its best, good faith estimate of the lowest unit rates upon any request for information.
- **Make Goods.** It is the policy of KVAL/KCBY/KPIC (TV) to offer all political candidates "make goods," prior to the election, for candidate "use" spots that are preempted if KVAL/KCBY/KPIC (TV) has offered time-sensitive make goods for the same class of time to any commercial advertiser within the past year. KVAL/KCBY/KPIC (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, KVAL/KCBY/KPIC (TV) will offer make goods of equivalent value.

If these are not acceptable to the candidate, KVAL/KCBY/KPIC (TV) will provide credits or refunds for preempted spots.

- **News and Election Day.** KVAL/KCBY/KPIC (TV) accepts political advertising during newscasts. KVAL/KCBY/KPIC (TV) accepts political advertising on election day.

PREREQUISITES TO BROADCAST. For each political time order, an NAB political broadcast form must be at KVAL/KCBY/KPIC (TV) or KVAL/KCBY/KPIC (TV)'s representative's office at least 72 hours prior to broadcast. Copies of the current NAB form are available upon request. Tapes must be at KVAL/KCBY/KPIC (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. Under the rules of the Federal Communications Commission and the Federal Election Commission, 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 on whose behalf payment is made. **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 KVAL/KCBY/KPIC (TV) is required to perform such production, normal production charges will be assessed.**

PREPAYMENT AND CREDIT. All political orders, whether direct from the candidate or through a recognized advertising agency, are subject to normal KVAL/KCBY/KPIC (TV) credit policies. Candidates who wish to apply for credit should allow ample time for processing of the credit application. Unless credit is extended, advance payments must be made at least seven (7) days prior to the first scheduled broadcast of the flight. Federal candidates cannot be required to pay more than seven (7) days in advance. Regardless of these policies, we will do our best to meet the reasonable needs of federal candidates for access immediately before the election.

PRODUCTION FACILITIES. KVAL/KCBY/KPIC (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 KVAL/KCBY/KPIC (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 an online 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 KVAL/KCBY/KPIC (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 on the FCC's website. Any information that is not required by the FCC to be made available online (*e.g.*, letters and emails from the public) is available for public inspection during regular business hours at KVAL/KCBY/KPIC (TV)'s main studio. We retain the records in our political file for a period of two years. If you have any questions about our political file, please do not hesitate to ask.

LIST OF OFFICERS OR MEMBERS AND DIRECTORS REQUIRED. KVAL/KCBY/KPIC (TV) requires a committee, association, or group that is purchasing political advertising to furnish KVAL/KCBY/KPIC (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 KVAL/KCBY/KPIC (TV) will grant a request for time. These lists are included in KVAL/KCBY/KPIC (TV)'s online political file. These records will be retained in the political file for two years.

PLACING ORDERS. To place an order for advertising on KVAL/KCBY/KPIC (TV) or inquire about the availability of advertising time, candidates or their authorized representatives should contact: J. R. Jackson, General Manager, (541) 685-5708, or Tracy Jones, Regional Sales Manager, (559) 453-8805. Spots are only sold to air on all 3 stations. No individual station orders are permitted.