Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

Complaint of)
Campaign Legal Center and Sunlight Foundation)
Against)
Scripps Media, Inc., licensee of KMGH-TV, Denver, CO)
For Violations of the Communications Act § 315 and FCC Regulation § 73.1212)

To: Enforcement Bureau

COMPLAINT

The Campaign Legal Center and the Sunlight Foundation file this complaint regarding violations of the Communications Act and the Federal Communications Commission's ("FCC") regulations by Scripps Media, Inc., licensee of KMGH-TV. In March 2014, KMGH-TV ran a political ad sponsored by the Senate Majority PAC ("SMP"). The station failed to disclose information about SMP and the ad in its online political file as required by the Communications Act and the FCC's regulations.

I. Facts

A. Parties

The Campaign Legal Center is a nonpartisan, nonprofit organization that promotes awareness and enforcement of political broadcasting laws. The Campaign Legal Center's mission is to represent the public interest in the enforcement of media and campaign laws. Through public education, advocacy for federal rulemaking proceedings, and congressional

action, the Campaign Legal Center seeks to shape political broadcasting policies and promote effective enforcement of the public interest obligations of the media.¹

The Sunlight Foundation is a nonpartisan nonprofit that advocates for open government globally and uses technology to make government more accountable to all. Sunlight accomplishes these goals at municipal, federal, and international levels by building tools that empower democratic participation and by working with policymakers and civil society organizations to employ a technology-centric and transparency-oriented approach to their work. The Sunlight Foundation has built tools that empower individuals and journalists to better and more easily understand political spending across the United States, which depend on data found within broadcast stations' political files and elsewhere.²

KMGH-TV is an ABC-affiliated broadcast station in Denver, Colorado. Denver is the 17th largest Designated Market Area in the country, serving more than 1.5 million households.³ Scripps Media, Inc., is the licensee of KMGH-TV and is owned by the E.W. Scripps Company. The E.W. Scripps Company is headquartered in Cincinnati, Ohio, and is an American media conglomerate that operates television, print, and digital media brands.⁴

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¹ See Campaign Legal Center, http://www.campaignlegalcenter.org (last visited Apr. 2, 2014).

² For instance, Political Ad Sleuth and Ad Hawk are two such tools. *See* Political Ad Sleuth, http://politicaladsleuth.com (a searchable database created from FCC online public file documents); Ad Hawk, http://adhawk.sunlightfoundation.com (a mobile app allowing identification of political ads).

³ Local Television Market Universe Estimates, The Nielsen Company, (2013), http://www.tvb.org/media/file/TVB_Market_Profiles_Nielsen_TVHH_DMA_Ranks_2013-2014.pdf.

⁴ Scripps, About Us, http://www.scripps.com/about (last visited Apr. 7, 2014).

B. The Advertisement

In March 2014, KMGH-TV broadcast a political ad sponsored by SMP.⁵ SMP is a Super PAC that works to "expand the Democratic majority in the U.S. Senate." SMP has spent over \$7.8 million in the 2014 election cycle on attack ads in close Senate races.⁷

The SMP ad refers to Representative Cory Gardner and Mark Udall. Since 2010, Gardner served as the U.S. Representative from Colorado's 4th Congressional District. He is now a 2014 Republican candidate for the U.S. Senate in Colorado. Mark Udall currently holds the Colorado Senate seat, and is seeking reelection.

The SMP ad, transcribed below, is a counter-attack to an ad run by Americans for Prosperity ("AFP"). The AFP ad featured a woman speaking about why "Obamacare just doesn't work." The SMP ad attacks Gardner for his voting record in the U.S. House of Representatives and claims "Gardner would end the Medicare guarantee, costing seniors."

[Narrator:] Take a closer look at those ads against Mark Udall. This woman, she's an actress. Those behind the attacks? Insurance companies and out-of-state billionaires spending a million supporting Cory Gardner. Why?

Gardner would end Medicare's guarantee, giving billions in profits to insurance companies, but forcing seniors to pay \$6000 more a year. The more we learn about Congressman Gardner, the more troubling it is.

⁶ Senate Majority PAC, Our Mission, http://www.senatemajority.com/about/ (last visited Apr. 14, 2014).

⁵ Exhibit A, attached, is a screenshot of the ad and a news article from The Hill confirming that the ad aired at stations across Colorado in March of 2014. The ad is available at https://www.youtube.com/watch?v=6wrK6dusY4I.

⁷ Peter Olsen-Phillips, *Campaign Intelligence: Senate Majority leads the (super) PACs; Shaheen teams up with Democratic newcomer*, Sunlight Foundation (Apr. 8, 2014), http://sunlightfoundation.com/blog/2014/04/08/campaign-intelligence-senate-majority-leads-the-super-pacs-shaheen-teams-up-with-democratic-newcomer/.

⁸ Alexandra Jaffe, *Senate Majority PAC Launching Ads in Colo.*, The Hill (Mar. 21, 2014), http://thehill.com/blogs/ballot-box/senate-races/201363-senate-majority-pac-launching-ads-in-colo.

SMP spent over \$38,000 to run this ad at KMGH-TV for the week of April 1, 2014, and spent \$500,000 to run the ad across Colorado.⁹

II. Argument

The SMP ad triggers KMGH-TV's political file disclosure requirements in the Communications Act and the FCC's regulations. KMGH-TV, however, failed to disclose the required information.

A. The Communications Act and the FCC's regulation requirements.

When broadcasters run political ads, they must meet specific disclosure requirements set forth in the Communications Act and the FCC's regulations.

Section 315(e)(1) of the Communications Act requires that broadcast licensees maintain records regarding any request to purchase broadcast time that "communicates a message relating to any political matter of national importance, including (i) a legally qualified candidate; (ii) any election to Federal office; or (iii) a national legislative issue of public importance."¹⁰

For such requests, the licensee must disclose "the name of the candidate to which the communication refers and the office to which the candidate is seeking election, the election to which the communication refers, or the issue to which the communication refers (as applicable)."¹¹ The licensee must also disclose a list of the purchaser's "chief executive officers or members of the executive committee or of the board of directors."¹²

Similarly, FCC regulations require licensees to disclose information about paid broadcasts if those broadcasts concern a "political matter" or discuss a "controversial issue of public importance," and the ad is paid for by "a corporation, committee, association or other

⁹ *Id*.

¹⁰ 47 USC § 315(e)(1)(B)(i)–(iii) (2014).

¹¹ *Id.* § 315(e)(2)(E).

¹² *Id.* § 315(e)(2)(G).

unincorporated group, or other entity."¹³ In such cases, the FCC also requires a "list of the chief executive officers or members of the executive committee or of the board of directors, committee association or other unincorporated group or other entity."¹⁴

B. The SMP ad triggers the disclosure requirements of § 315(e)(2) of the Communications Act and § 73.1212(e) of the FCC's regulations.

The SMP ad triggers the disclosure requirements of § 315(e)(2) of the Communications Act and § 73.1212(e) of the FCC's regulations for two reasons. First, the ad refers to Representative Gardner. He is a "legally qualified candidate" for the U.S. Senate because he maintains a public campaign website where he accepts donations and regularly updates his Facebook page with campaign information. During the first quarter of 2014, Gardner raised \$1.4 million. ¹⁶

Second, the ad communicates a message relating to both a "national legislative issue of public importance" and a "controversial issue of public importance" for purposes of the Communications Act and the FCC's regulations. The ad discusses Medicare coverage for seniors. Medicare is a national legislative issue of public importance because it is a federal government-funded insurance plan that affects nearly 50 million Americans. ¹⁷ The Social

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¹³ 47 CFR § 73.1212(e). *See also id.* § 73.1943. Currently, a station in the top-50 designated market areas and affiliated with a top-four network must upload its political file to the FCC's online database; however, all television stations will be required to do so beginning in July 2014. *Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations*, Second Report and Order, 27 FCC Rcd 4535, 4536–37 (2012).

¹⁴ 47 CFR § 73.1212(e).

¹⁵ Cory Gardner for Senate, http://corygardnerforsenate.com/ (last visited Apr. 14, 2014); Cory Gardner, https://www.facebook.com/Cory.Gardner.For.Senate (last visited Apr. 14, 2014).

¹⁶ Press Release, *Searching for Leadership, Colorado Rallies Around Gardner*, (Apr. 9, 2014), https://www.facebook.com/Cory.Gardner.For.Senate/photos/a.261530000624839.51850.257019 421075897/509729069138263/?type=1&theater.

¹⁷ KFF, *Total Number of Medicare Beneficiaries*, http://kff.org/medicare/state-indicator/total-medicare-beneficiaries/ (2012 numbers) (last visited Apr. 20, 2014).

Security Act, the federal legislation that created Medicare, was enacted in 1965.¹⁸ It is also a controversial issue because it is subject to nationwide debate and media coverage, and its funding has recently come under attack.¹⁹

C. KMGH-TV failed to disclose the information required by law.

KMGH-TV uploaded the following to its online political file for the sale of airtime for this ad: the contract, which discloses rates, dates, and times the ad ran, in compliance with section 315(e)(2)(A)-(D); and the National Association of Broadcasters (NAB) Form PB-18, "Agreement Form for Non-Candidate/Issue Advertisements." Copies of both are included in Exhibit B.

KMGH-TV accurately disclosed the candidates referred to in the ad, but failed to disclose the issue addressed by the ad. The NAB form provides the space for stations to meet the disclosure requirements of § 315 of the Communications Act. The form asks whether the ad communicates a "message relating to any political matter of national importance." The form gives several examples of legislative issues of national importance, including "any federal legislation," such as Medicare. KMGH-TV indicated on the form that this ad communicates a message relating to a political matter of national importance. It also attached the Schedule on page 5, which is only necessary for ads that communicate a message of national importance. However, KMGH-TV did not disclose the issue referred to.

KMGH-TV also failed to disclose a list of SMP's board of directors or chief executive officers. The NAB form requires this information as well, but the form for the SMP ad lists only the SMP treasurer, Rebecca Lambe. Merely listing the treasurer of the organization is

¹⁸ See Social Security, History of SSA, http://www.ssa.gov/history/ssa/lbjmedicare1.html (last visited Apr. 22, 2014).

¹⁹ See, e.g., Tom Howell, Jr., House Votes to Thwart Cuts to Medicare Payments; Quick Vote Stirs Controversy, Washington Times (Mar. 27, 2014), http://www.washingtontimes.com/news/2014/mar/27/house-gop-struggles-pass-medicare-doc-fix/.

insufficient. KMGH-TV's failure to disclose all of this information violates the Communications Act and the FCC's regulations.

Conclusion

The Communications Act and FCC rules are intended to inform the public about the amount of spending and source of funding when broadcast stations air paid programming concerning candidates, elections, and political matters of public importance. KMGH-TV has failed to disclose this important information. Thus, the Campaign Legal Center and the Sunlight Foundation respectfully request that the FCC take prompt action to ensure that this information is made available to the public through KMGH-TV's public file. We further request that the FCC take other measures, such as assessing forfeitures and issuing a Public Notice reminding broadcast stations of their obligations, to ensure that this and other broadcast stations include all of the legally required disclosures in the future.

Respectfully submitted,

Of counsel:

Matthew J. Dulac Georgetown Law Student Eric G. Null Angela J. Campbell Andrew Jay Schwartzman Institute for Public Representation Georgetown University Law Center 600 New Jersey Avenue, NW Suite 312 Washington, DC 20001 (202) 662-9535

Dated: May 1, 2014

Counsel for Campaign Legal Center and Sunlight Foundation

This SMP ad is available at https://www.youtube.com/watch?v=6wrK6dusY4I.

Exhibit A



Senate Majority PAC launching ads in Colo.

Alexandra Jaffe, The Hill March 21, 2014, at 10:47 AM

http://the hill.com/blogs/ballot-box/senate-races/201363-senate-majority-pac-launching-ads-in-colo

A major Democratic super-PAC is going on air in Colorado just days after a Republican group launched ads hitting Sen. Mark Udall (D-Colo.).

Senate Majority PAC (SMP) is spending \$500,000 to air ads across the state, launching this Sunday, that question the credibility of attack ads launched this week on a \$970,000 buy by Americans for Prosperity (AFP), which is backed by conservative billionaires Charles and David Koch.

It's part of a \$3 million offensive effort by Senate Majority PAC to respond to Americans for Prosperity attacks in five states with competitive Senate races: Arkansas, Colorado, Louisiana, Michigan and North Carolina. The Democratic group is spending about \$500,000 on two weeks of ads in every state but North Carolina, where it's investing \$1 million, as first reported by The New York Times.

The Colorado Senate race became more competitive for Republicans with the entry of Rep. Cory Gardner in the Republican primary. He's largely cleared the field, and though Republican state Sen. Randy Baumgardner said this week he's still in, Gardner is expected to easily pick up the nomination.

The Senate Majority PAC ad takes direct aim at the AFP ad, which features a woman speaking direct-to-camera about why "ObamaCare just doesn't work." The woman, the SMP ad points out, is an actress, and she's been widely used in other AFP ads. The SMP ad also declares that those airing the ads are "insurance companies and out of state billionaires supporting Cory Gardner."

And it charges that Gardner would end the Medicare guarantee, costing seniors.

"The more we learn about Cory Gardner, the more troubling it is," the narrator adds.

The Koch brothers have spent at least \$30 million since August on anti-ObamaCare ads in states with competitive Senate races, and their investment in Colorado — their first there this cycle — is a signal Republicans are bullish on their chances there.

Senate Majority PAC has countered AFP in many races, but with much smaller buys, though the \$3 million investment indicates they might be ramping up their efforts. Still, Democrats openly admit they expect to be outspent on air this cycle.

They believe, however, direct attacks on the Koch brothers and the substance of the ads they're running could help them counter some of the AFP's attacks, and they are hoping a significant

investment in their turnout operation in competitive states will help them hold their six-seat majority in the Senate.

Exhibit B

NAB Form PB-18 Issues

AGREEMENT FORM FOR NON-CANDIDATE/ISSUE ADVERTISEMENTS

ation and I	Location:	Date:	Date:		
Jesse hereby rec	De mastre quest station tim	e concerning th	ne following iss	ue:	
Sen	te Maj	inty PA	+C		
roadcast Length	Time of Day, Rotation or Package	Days	Class	Times per Week	Number of Weeks
As	ORDE	NEN			
	st time will be us				further distributed

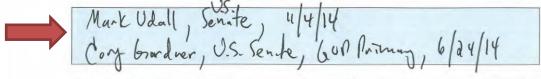
THIS PAGE MUST BE COMPLETED FOR PROGRAMMING THAT "COMMUNICATES A POLITICAL MATTER OF NATIONAL IMPORTANCE." FOR ALL OTHER ISSUE ADS, PLEASE GO TO PAGE 3.

Programming that "communicates a political matter of national importance" includes (1) references to legally qualified candidates (presidential, vice presidential or congressional); (2) any election to Federal office (e.g., any references to "our next senator", "our person in Washington" or "the President"); and (3) a national legislative issue of public importance (e.g., Affordable Care Act, revising the IRS tax code, federal gun control or any federal legislation).

Does the programming (in whole or in part) communicate "a message relating to any political matter of national importance?"

☐ Yes ☐ No

For programming that "communicates a message relating to any political matter of national importance," list the name of the legally qualified candidate(s) the programming refers to, the offices being sought, the date(s) of the election(s) and/or the issue to which the communication refers (if applicable):



I represent that the payment for the above described broadcast time has been furnished by (name and address):

Sende Majority PAC 700 13th st. NW ste. 600 Washington, DC 20005

and you are authorized to announce the time as paid for by such person or entity (hereinafter referred to as the "sponsor").

List the chief executive officers or members of the executive committee or the board of directors below (or attach separately):

Mehecca lambe, Trenver

For programming that "communicates a message relating to any political matter of national importance," attach Agreed Upon Schedule (Page 5)

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THIS PAGE MUST BE COMPLETED FOR PROGRAMMING THAT DOES NOT "COMMUNICATE A POLITICAL MATTER OF NATIONAL IMPORTANCE"

I represent that the payment for the above described broadcast time has been furnished by (name and address):

and you are authorized to announce the time as paid for by such person or entity (hereinafter referred to as the "sponsor").

List the chief executive officers or members of the executive committee or the board of directors below (or attach separately):



Meheccalamhe, Tressurer

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TO BE COMPLETED FOR ALL ISSUE ADVERTISEMENTS

THIS STATION DOES NOT DISCRIMINATE OR PERMIT DISCRIMINATION ON THE BASIS OF RACE OR ETHNICITY IN THE PLACEMENT OF ADVERTISING.

The Sponsor agrees to indemnify and hold harmless the station for any damages or liability, including reasonable attorney's fees, that may ensue from the broadcast of the above-requested advertisement(s). For the above-stated broadcast(s), the sponsor also agrees to prepare a script, transcript, or tape, which will be delivered to the station at least ______ before the time of the scheduled broadcasts.

, TO BE	SIGNED BY ISSUE ADVERTISE	R (SPONSOR)
3/20/14	Jun Leny In.	202-338-8700
Date	Signature	Contact Phone Number
7	O BE SIGNED BY STATION REPRESE	ENTATIVE
☐ Accepte	ed	□ Rejected
Signature	Printed Name	Title

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AGREED UPON SCHEDULE

For All Issue Advertisements That Communicate a Message Relating to Any Political Matter of National Importance

Broadcast Length	Time of Day, Rotation or Package	Days	Class	Times per Week	Number of Weeks
A	s anne	NEN			

Attach proposed schedule with charges (if available):

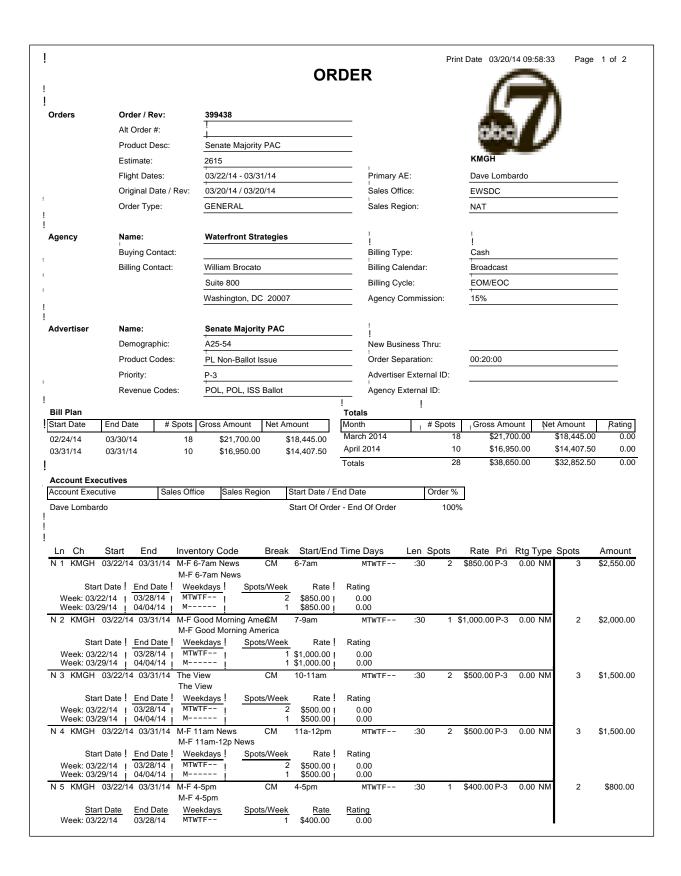
AFTER AIRING OF BROADCASTS:

Attach invoices or Schedule Run Summary to this Form showing:

- (1) actual air time and charges for each spot;
- (2) the date(s), exact time(s) and reason(s) for Make-Good(s), if any; and
- (3) the amount of rebates given (identify exact date, time, class of broadcast and dollar amount for each rebate), if any.

Note: Because the FCC requires that the political file contain the actual time the rate for spots "communicating a political matter of national importance" air, that information should be included in the file as soon as possible. If that information is only generated monthly, the file should include the name of a contact person who can provide the times that and rates for specific spots aired. The FCC's online political files include a folder for "Terms and Disclosures." NAB suggests that, for stations subject to the online public file rule, the names of contact person(s) be placed in that folder.

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Print Date: 03/20/14 09:58:33 Page 2 of 2

Order / Rev: 399438 Advertiser: Senate Majority PAC

Alt Order #: Product Desc: Senate Majority PAC KMGH

Flight Dates: 03/22/14 - 03/31/14 Estimate: 2615

Ln Ch	Start	End	Inventory Code	Break	Start/End	Time Days	Len S	Spots	Rate Pri	Rtg Type	Spots	Amount
N 5 KMGH	03/22/1	4 03/31/14	M-F 4-5pm M-F 4-5pm	СМ	4-5pm	MTWTF	:30	1	\$400.00 P-3	0.00 NM	2	\$800.00
Sta Week: 03/	rt Date 29/14	End Date 04/04/14	Weekdays M	Spots/Week 1	Rate \$400.00	Rating 0.00						
N 6 KMGH	03/22/1	4 03/31/14	M-F 5-530pm Nev M-F 5-530pm Nev		5-530pm	MTWTF	:30	2	\$900.00 P-3	0.00 NM	3	\$2,700.00
Sta	rt Date	End Date	Weekdays	Spots/Week	Rate	Rating						
Week: 03/2 Week: 03/2		03/28/14 04/04/14	MTWTF M	2 1	\$900.00 \$900.00	0.00 0.00						
N 7 KMGH	03/22/1	4 03/31/14	M-F 6-630pm M-F 6-630pm	СМ	6-630pm	MTWTF	:30	3	\$2,000.00 P-3	0.00 NM	4	\$8,000.00
Sta	rt Date	End Date	Weekdays	Spots/Week	Rate	Rating						
Week: 03/ Week: 03/		03/28/14 04/04/14	MTWTF M		\$2,000.00 \$2,000.00	0.00 0.00						
N 8 KMGH	03/22/1	4 03/31/14	M-F 630-7pm M-F 630-7pm	СМ	630-7pm	MTWTF	:30	3	\$2,000.00 P-3	0.00 NM	4	\$8,000.00
Sta	rt Date	End Date	Weekdays	Spots/Week	Rate	Rating						
Week: 03/ Week: 03/		03/28/14 04/04/14	MTWTF M	3 1	\$2,000.00 \$2,000.00	0.00 0.00						
N 9 KMGH	03/31/1	4 03/31/14	,	ne CM	7-10pm	M	:30	1	\$7,000.00 P-3	0.00 NM	1	\$7,000.00
			Dancing w/ Stars		(7:00 PM-9:0	00 PM)						
	rt Date	End Date	Weekdays	Spots/Week	Rate	Rating						
Week: 03/		04/04/14	M	1	\$7,000.00	0.00						
N10 KMGH	03/22/1	4 03/31/14	M-Su 10pm News M-Su 10pm News		10-1037pm	MTWTFSS	:30	1	\$1,800.00 P-3	0.00 NM	2	\$3,600.00
Sta	rt Date	End Date	Weekdays	Spots/Week	Rate	Rating						
Week: 03/		03/28/14	MTWTF		\$1,800.00	0.00						
Week: 03/		04/04/14	M		\$1,800.00	0.00						
N11 KMGH	03/22/1	4 03/22/14	Sa 10pm News Sa 10pm News	СМ	10-1037pm	S-	:30	1	\$1,000.00 P-3	0.00 NM	1	\$1,000.00
	rt Date	End Date	Weekdays	Spots/Week	Rate	Rating						
Week: 03/	22/14	03/28/14	S-	1	\$1,000.00	0.00						

Totals 28 \$38,650.00