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FCC PROPOSES NEW RULES TO ENABLE PUBLIC BROADCASTERS TO RAISE MONEY ON-AIR FOR CHARITIES IN LOCAL COMMUNITIES & AROUND THE WORLD

Washington, D.C. -- The Federal Communications Commission (FCC) today invited comment on whether to allow public broadcasters to spend a modest amount of their total annual broadcast time – up to one percent, or about 88 hours per year – to conduct on-air fundraising activities for charities and other nonprofits. This proposal is a recommendation of <u>The Information Needs of Communities report</u>, which was released in June 2011. The proposal gives viewers of public broadcasting the opportunity to raise funds for non-profit organizations in their communities and around the world. The Notice of Proposed Rulemaking (NPRM) is another step in the Commission's effort to review existing regulations and reduce unnecessary burdens.

Under longstanding FCC policy, noncommercial educational (NCE) public broadcast stations can only conduct fundraising activities for the benefit of the station itself. Fundraising activities for third-parties is prohibited if fundraising activities conducted on-air would substantially alter or suspend regular programming. The policy reflects concerns that public stations are licensed to meet their mission of public service to local audiences through noncommercial and educational programming, not through fundraising activities for other organizations.

The Commission previously granted waivers of this policy to permit NCE stations to raise funds in support of relief efforts for unique catastrophic events, such as Hurricane Katrina, the September 11, 2001 terrorist attacks, the January 2010 earthquake in Haiti, and, most recently, the March 2011 earthquake and tsunami in Japan. This proposal would eliminate the need for noncommercial stations to seek a waiver just as emergencies are occurring.

The recent INC Report recommended that the FCC consider affording noncommercial broadcasters more flexibility by allowing NCE stations to engage in fundraising for charities and other third-party non-profit organizations. The INC Report suggested that in some cases, having local charities on the air can be a useful way of informing residents about problems in their communities. Allowing such activities can also help public broadcasters meet their public service or religious missions.

Specifically, the NPRM seeks comment on whether:

- The ban on third-party fundraising remains necessary to preserve the noncommercial nature of NCE stations, or whether it would serve the public interest to grant NCE stations some flexibility to conduct fundraising on behalf of other non-profits;
- There should be any limitations on the NCE stations that may engage in third-party fundraising and how to define the class of non-profit entities that may benefit from third-party fundraising;
- Third-party fundraising should not exceed one percent of an NCE broadcaster's total annual

airtime. A modest one-percent annual limit, which averages to almost 88 hours or almost 4 days of programming airtime, could help to ensure that unrelated non-profit fundraising does not undermine the educational programming mission of these stations;

- There should be a durational limit on each specific fundraising program or effort;
- To require NCE stations that engage in third-party fundraising to submit annual reports to the Commission on their fundraising activities, and if so, what information should be included in these reports; whether to require NCE stations to include their reports on third-party fundraising in their public files; and
- NCE stations should be required to certify in their renewal applications that they have complied with any limits on third-party fundraising.

Action by the Commission April 25, 2012, by Notice of Proposed Rulemaking (FCC 12-43). Chairman Genachowski, Commissioners McDowell and Clyburn. Statement issued by Chairman Genachowski.

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