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To: All Radio Clients

March 6, 2008

**DECLARATORY RULING PROVIDES THAT FM TRANSLATOR STATIONS
ARE PERMITTED TO USE RATE CARDS TO SOLICIT CONTRIBUTIONS;
REVENUE FROM SALES OF AD TIME CANNOT EXCEED COSTS**

The FCC recently entertained a request for a declaratory ruling to clarify (i) whether it is permissible for the licensee of an FM translator station to sell time for advertising messages on the station off of a rate card; and (ii) if so, whether a licensee may earn revenue from such sales in excess of the amount needed to defray the station's operating costs.

Use of Rate Cards

The Commission stated that its Rules permit FM translators to originate acknowledgements of contributions, which may include the identification of the contributors, the size or nature of the contribution, and the advertising messages of contributors. The Commission has not adopted restrictions on the content of the announcements acknowledging support, unlike the restrictions that exist concerning underwriting announcements aired on noncommercial educational broadcast

stations. Neither FCC Rules, nor Commission policy, prohibits the use of rate cards, or the airing of commercial spot announcements purchased off of a rate card, as a means to solicit contributions.

Defrayal of Costs

The Commission stated that its Rules impose limitations on a translator licensee's broadcast of solicitations for funds in two respects. First, such announcements are limited to 30 seconds per hour, and second, solicitations of contributions are limited to the defrayal of the costs of installation, operation and maintenance of the translator. Therefore, revenues from sales of advertising time cannot exceed those costs.

If you have any questions about the rules governing FM translators, please contact any attorney in our office.

Leventhal Senter & Lerman PLLC

This memorandum is intended only as a general discussion of these issues and should not be regarded as legal advice. We would be pleased to provide additional details or advice about specific situations if desired. To discuss any of the issues presented here, please contact any attorney in our office.