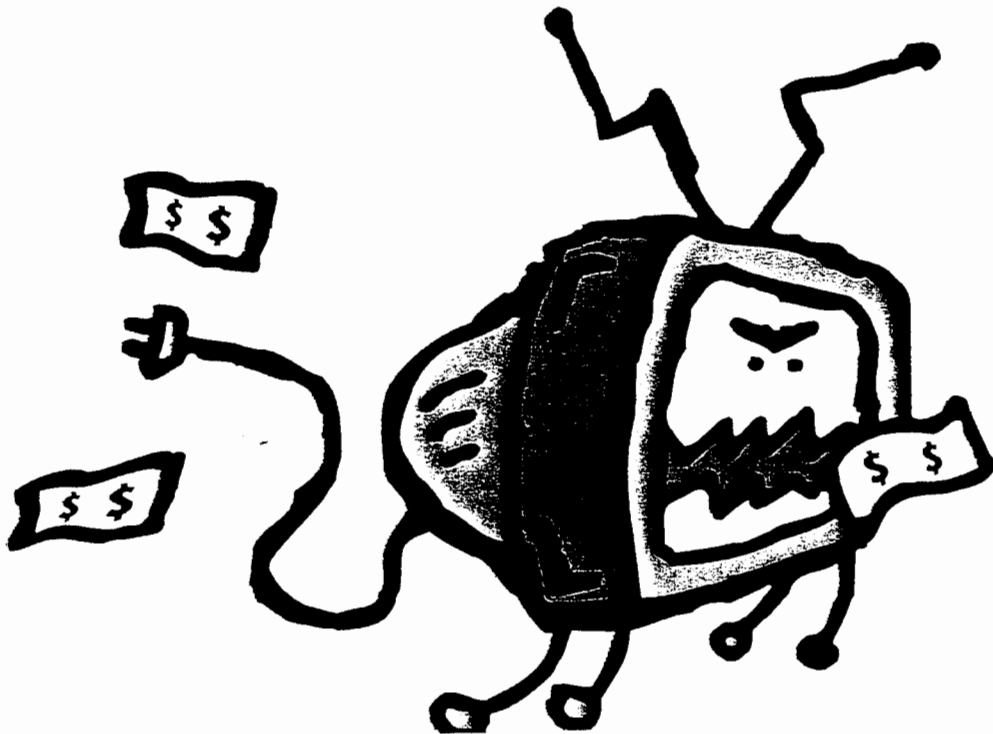


Gouging Democracy in Wisconsin

*An Analysis of the Premiums Candidates Paid to Local
Television Stations for Advertising Time in the 2000 Election*



Wisconsin Democracy Campaign
February 2002

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INTRODUCTION

Even after adjusting for inflation, political advertisers across the country spent five times more on broadcast television ads in 2000 than they did in 1980. According to an audit of political ad sales in the nation's top 75 media markets by the national Alliance for Better Campaigns, candidates paid TV stations at least \$771 million from January 1 to November 7, 2000 for more than 1.2 million political ads. This was almost double the stations' 1996 take of \$436 million.

The Alliance's \$771 million figure is a conservative estimate that accounts for ad spending on the 484 stations in the nation's 75 largest markets, but excludes the ad dollars spent on roughly 800 stations in the nation's 135 smaller markets. The analysis also did not account for the spike in ad rates that occurred close to Election Day. Wall Street analysts estimate the actual political ad revenue total for 2000 was closer to \$1 billion.

Candidates made these payments to an industry that has been granted free and exclusive use of tens of billions of dollars worth of publicly owned airwaves in return for a pledge to serve the public interest. In 2000, broadcasters treated the election campaign more as a chance to profiteer than to inform. Their industry has become the leading cause of the high cost of political campaigns.

Even as it was taking in record revenues from political advertisers, the broadcast industry scaled back on substantive coverage of candidate discourse. Throughout the 2000 campaign, the national networks and local stations offered scant coverage of debates, conventions and campaign speeches, prompting veteran ABC newsman Sam Donaldson to remark that his network had "forfeited the field" to cable.

The industry fell far short of a proposal by a White House advisory panel, co-chaired by the president of CBS, that stations air five minutes a night of candidate discourse in the closing month of the campaign. In the month preceding the November 7 election, the national networks and the typical local station aired, on average, only about a minute a night of such discussion. This minimal coverage increased the pressure on candidates to rely on paid ads as their only way of reaching the mass audience that only broadcast television delivers.

The behavior of Wisconsin television stations mirrored the national trends. While hauling in record revenues from ad sales, local stations in the state devoted little time in their newscasts to election coverage. A joint analysis by the Wisconsin Democracy Campaign and the Alliance for Better Campaigns of election coverage on Milwaukee NBC affiliate WTMJ showed the station

aired an average of one minute, seven seconds of candidate discourse in the month before the November election.

An earlier WDC study of election coverage by four local network affiliates in Madison in the month before the April 4, 2000 election showed the stations averaged just nine seconds of candidate discourse. A follow-up analysis of coverage in the 30 days before the November general election showed the stations increased the air time devoted to candidates discussing issues to one minute, 30 seconds – a tenfold increase over the spring election and slightly better than the national average, but still far short of the national five-minute standard.

At the same time stations in the state were giving short shrift to election coverage, they were systematically gouging candidates in the closing weeks of the 2000 campaign, charging prices for advertising time that were far above the lowest candidate rates listed on the stations' own rate cards. This study, "*Gouging Democracy in Wisconsin*," is based on a comparison of political advertising sales logs and rate cards at 11 local television stations in Wisconsin's three largest television markets – Milwaukee, Green Bay and Madison.

The price gouging documented in this report occurred despite a 30-year-old federal law designed to protect candidates from such demand-driven price spikes. Stations have exploited loopholes in a law that has never worked as intended. In 2000, the law's "lowest unit charge" safeguard for candidates was overrun by the selling practices of stations, the buying demands of candidates, the sharp rise in issue advocacy advertising and the unprecedented flood of hard and soft money into political campaigns.

KEY FINDINGS

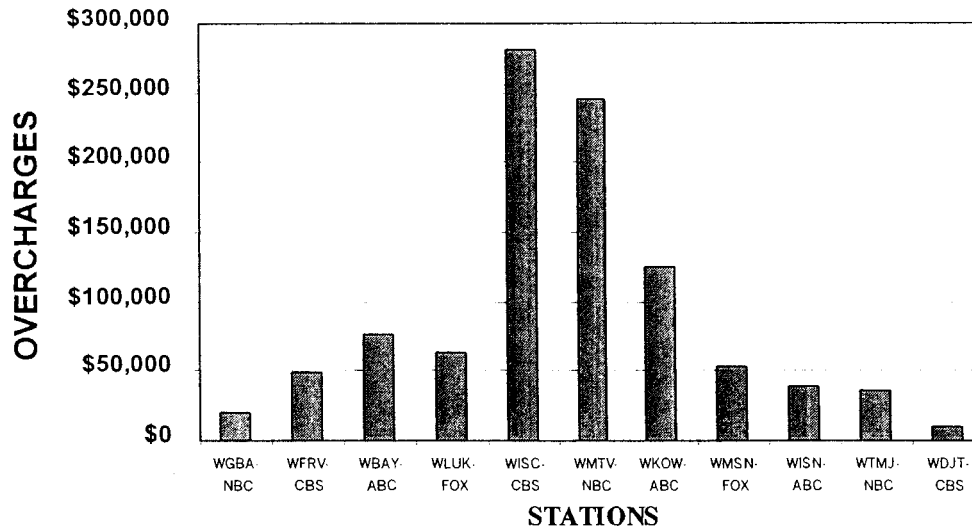
- **Local stations in the state's top three TV markets charged candidates a \$1 million premium for campaign ads in the final month of Campaign 2000 alone.** In the last 30 days before the November 7 election, candidates paid ad rates that, on average, were 68 percent above the candidate "lowest unit charge" rate published in the stations' own rate cards. Nineteen candidates bought 7,272 ads in the month before the fall election, paying 11 stations in the three markets \$2,461,130. If the candidates had paid the lowest rate listed on the stations' rate cards, they would have paid \$1,462,172 for the ads. That amounts to an overcharge of \$998,958. The overcharges averaged \$137.37 per ad.

The 68 percent premium candidates paid in Wisconsin slightly exceeded the average 65 percent overcharge documented by an Alliance for Better Campaigns review of ad logs and rate cards at 10 local stations in top markets in other states.

- **Overcharges averaged 134 percent in the Madison TV market, 57 percent in Green Bay and 15 percent in Milwaukee.** The overcharges averaged \$194.94 per ad in Madison, \$90.05 per ad in Green Bay and \$63.70 in Milwaukee.
- **Stations sometimes charged candidates even more than their highest listed rate.** Candidates were rarely sold advertising time at the lowest rate. In 184 instances, stations went "off the rate card" altogether and charged rates even higher than their *highest* published

rate. The CBS affiliate in Green Bay, WFRV, went off the rate card most frequently, charging candidates more than its highest rate 128 times.

TOTAL OVERCHARGE FOR ALL STATIONS



OVERCHARGES BY MEDIA MARKET

While every station studied typically charged more than the lowest candidate rate, selling practices varied widely from station to station (Table 1). There were pronounced differences between the three television markets. In Madison, local Fox affiliate WMSN charged candidates premiums averaging 315 percent, or \$315.69 per ad. Overcharges by CBS affiliate WISC averaged 158 percent, or \$246.16 per ad. WKOW (ABC) charged candidates 120 percent more than the lowest candidate rate, or \$164.72 per ad, while WMTV (NBC) overcharges averaged 108 percent or \$158.82 per ad. Total overcharges in the Madison market were \$704,915. WISC led the way with \$281,605, followed by WMTV at \$244,745.

In the Green Bay market, overcharges by WLUK (Fox) averaged 140 percent or \$176.07 per ad. WGBA (NBC) charged an average premium of 52 percent or \$48.46 per ad. WFRV (CBS) overcharges averaged 47 percent or \$66.40 per ad, while WBAY (ABC) overcharged by an average of 43 percent. But WBAY's total overcharges were the highest in the market at \$76,594 or an average of \$94.44 per ad. Overall, overcharges in the Green Bay market totaled \$208,998.

In Milwaukee, WISN (ABC) charged candidates an average 25 percent more than its lowest candidate rate, or \$98.79 more per ad. WDJT (CBS) overcharged by an average of 16 percent or \$44.69 per ad, while WTMJ (NBC) overcharges averaged 10 percent or \$50.38 per ad. Total overcharges in the Milwaukee market were \$85,045. WISN had the most at \$38,925, followed by WTMJ at \$36,020.

TABLE 1

**SUMMARY OF TELEVISION ADVERTISEMENT OVERCHARGES
TO STATE AND FEDERAL CANDIDATES DURING ELECTION 2000**

TELEVISION STATIONS	# OF ADS	TOTAL PAID	TOTAL LOWEST UNIT CHARGE	TOTAL OVERCHARGE	PERCENT OF OVERCHARGE	AVERAGE PER AD
<i>ALL GREEN BAY STATIONS</i>	<i>2,321</i>	<i>\$575,095</i>	<i>\$366,097</i>	<i>\$208,998</i>	<i>57%</i>	<i>\$90.05</i>
WBAY-ABC	811	\$253,630	\$177,036	\$76,594	43%	\$94.44
WFRV-CBS	748	\$156,230	\$106,565	\$49,665	47%	\$66.40
WGBA-NBC	403	\$57,030	\$37,501	\$19,529	52%	\$48.46
WLUK-FOX	359	\$108,205	\$44,995	\$63,210	140%	\$176.07
<i>ALL MADISON STATIONS</i>	<i>3,616</i>	<i>\$1,231,915</i>	<i>\$527,000</i>	<i>\$704,915</i>	<i>134%</i>	<i>\$194.94</i>
WMSN-FOX	167	\$69,430	\$16,710	\$52,720	315%	\$315.69
WMTV-NBC	1,541	\$472,195	\$227,450	\$244,745	108%	\$158.82
WISC-CBS	1,144	\$459,950	\$178,345	\$281,605	158%	\$246.16
WKOW-ABC	764	\$230,340	\$104,495	\$125,845	120%	\$164.72
<i>ALL MILWAUKEE STATIONS</i>	<i>1,335</i>	<i>\$654,120</i>	<i>\$569,075</i>	<i>\$85,045</i>	<i>15%</i>	<i>\$63.70</i>
WISN-ABC	394	\$193,125	\$154,200	\$38,925	25%	\$98.79
WTMJ-NBC	715	\$386,445	\$350,425	\$36,020	10%	\$50.38
WDJT-CBS	226	\$74,550	\$64,450	\$10,100	16%	\$44.69

OVERCHARGES BY CANDIDATE

Nineteen candidates for federal and state office paid premiums totaling \$998,958 for advertising time in the state's three largest TV markets in the final month before the November 7 election (Table 2).

The candidates were: U.S. Senator Herb Kohl; congressional candidates U.S. Representative Paul Ryan (1st Congressional District), U.S. Rep. Tammy Baldwin (2nd CD), John Sharpless (2nd CD), U.S. Rep. Jerry Kleczka (4th CD), U.S. Rep. Thomas Petri (6th CD), Dan Flaherty (6th CD), U.S. Rep. Mark Green (8th CD) and Bart Stupak (Michigan's 1st Congressional District); state senate candidates Senator Chuck Chvala (16th Senate District), Lisa Nelson (16th SD), Gary Drzewiecki (30th SD) and Sen. Dave Hansen (30th SD); state assembly candidates Representative Garey Bies (1st Assembly District), Tom Sanders (5th AD), Rep. Eugene Hahn (47th AD), Rep. Rick Skindrud (79th AD), Rep. Judy Krawczyk (88th AD) and Brent Weycker (90th AD).

Kohl and Baldwin together accounted for just over 40 percent of the ads purchased by the candidates and two-thirds of the overcharges. But state assembly candidates Skindrud and Hahn

paid the highest percentage premiums, averaging 256 percent and 240 percent respectively. Hahn paid the highest average premium per ad at \$358.33. Baldwin was next at \$288.76, followed by Skindrud at \$210.22.

TABLE 2
CANDIDATE SUMMARY OF TELEVISION ADVERTISEMENT OVERCHARGES DURING ELECTION 2000

CANDIDATE	# OF ADS	TOTAL PAID	TOTAL LOWEST UNIT CHARGE	TOTAL OVERCHARGE	PERCENT OF OVERCHARGE	AVERAGE PER AD
Baldwin	1,130	\$517,640	\$191,345	\$326,295	171%	\$288.76
Bies	100	\$22,635	\$18,435	\$4,200	23%	\$42.00
Chvala	346	\$80,525	\$44,395	\$36,130	81%	\$104.42
Drzewiecki	395	\$92,455	\$66,888	\$25,567	38%	\$64.73
Flaherty	219	\$67,050	\$31,755	\$35,295	111%	\$161.16
Green	273	\$93,595	\$50,560	\$43,035	85%	\$157.64
Hahn	30	\$15,225	\$4,475	\$10,750	240%	\$358.33
Hansen	134	\$35,690	\$23,575	\$12,115	51%	\$90.41
Kleczka	360	\$176,880	\$154,500	\$22,380	14%	\$62.17
Kohl	1,888	\$689,545	\$341,341	\$348,204	102%	\$184.43
Krawczyk	217	\$36,215	\$27,975	\$8,240	29%	\$37.97
Nelson	145	\$40,290	\$16,405	\$23,885	146%	\$164.72
Petri	417	\$90,415	\$54,955	\$35,460	65%	\$85.04
Ryan	692	\$278,325	\$197,510	\$80,815	41%	\$116.78
Sanders	1	\$150	\$100	\$50	50%	\$50
Sharpless	704	\$171,265	\$86,540	\$84,725	98%	\$120.35
Skindrud	67	\$19,580	\$5,495	\$14,085	256%	\$210.22
Stupak	42	\$10,655	\$10,635	\$20	0%	0.48
Weycker	112	\$22,995	\$14,303	\$8,692	61%	\$77.61
TOTAL	7,272	\$2,461,130	\$1,462,172	\$998,958	68%	\$137.37

CANDIDATES STEERED TOWARD PAYING PREMIUM RATES

Stations get around the federal law by making their lowest candidate rate unattractive to candidates by selling ads at that rate with the condition that they could be bumped to another time if another advertiser offers to pay more. The intent of the law was to ensure that candidates are treated as well as a station's most favored product advertisers (those who buy time in bulk and receive a volume discount). But unlike product advertisers who are trying to build brand loyalty over time, candidates have a limited window of opportunity to reach their target audience and need assurance that their ads will run in a specified time slot. Stations take advantage of the fast-changing tactical environment in political campaigns and steer candidates toward paying high premiums for "non-preemptible" ad time.

A big change in the political advertising marketplace in recent years has been the explosive growth of party and issue group advertising. In 2000, it accounted for roughly half of all political ad spending across the nation, according to the Alliance for Better Campaigns. These ads are not entitled to lowest unit charge protection. In markets where there were highly competitive races, stations doubled and sometimes tripled issue ad rates in the campaign's final weeks, the Alliance found. Instead of ad rates for candidates being pegged to volume discount rates for product ads, in many markets candidates were paying rates driven up by the demand spike created by the flood of soft money-funded issue advocacy ads.

Stations clearly jack up their rates during periods of peak campaign activity. A comparison of rate cards for the pre-election fourth quarter of 2000 and the post-election first quarter of 2001 reveals some notable differences in ad rates. For example, Madison's CBS affiliate WISC charged more than twice as much during the fourth quarter of 2000 for non-preemptible time during the 6 o'clock news on Saturdays. In the pre-election period, the station charged \$800 for "fixed" or non-preemptible time, \$400 for preemptible with notice and \$200 for preemptible without notice. Right after the election, WISC lowered its rates for the time slot to \$350, \$250 and \$125, respectively, for the three classes of ads.

In some markets around the country, the heavy demand for political ad time squeezed some candidates off the air altogether. Television stations either ran out of inventory or refused to sell air time to down-ballot state and local candidates. These candidates are entitled to lower ad rates than issue groups and parties, but, unlike candidates for federal office, they are not guaranteed access to paid ad time.

'OFF THE RATE CARD'

In some cases, WDC found Wisconsin stations charged candidates even more than their highest listed rate (**Appendix I**). Stations went "off the rate card" in 184 instances, WDC found. For example, Milwaukee's CBS affiliate WDJT charged U.S. Senator Herb Kohl's campaign \$2,800 for a 60-second ad during the newsmagazine "60 Minutes II," while the highest listed rate for the time slot was \$1,800. WDJT's rate card listed the lowest candidate rate for the program as \$1,200.

WMSN (Fox) in Madison charged U.S. Representative Tammy Baldwin's campaign \$600 for a 30-second ad on "Spin City," while the station's highest listed rate for the time slot was \$325. The lowest rate for the slot on WMSN's political rate card was \$75.

WFRV (CBS) in Green Bay went off the rate card most frequently, charging more than its highest listed rate 128 times. For example, WFRV charged Kohl, Congressman Thomas Petri, state Senate candidate Gary Drzewiecki, state Representative Judy Krawczyk and Assembly candidate Brent Weycker \$600 for 30-second ads during the station's 6 o'clock newscast. WFRV's highest listed rate for the time slot was \$275 and the station's lowest published rate was \$225.

BROADCASTERS' PUBLIC INTEREST OBLIGATION

Unlike newspapers, magazines and other media, commercial broadcasters have always been public trustees. The Communications Act of 1934, enacted during the early days of radio, granted broadcasters free and exclusive use of the public airwaves, but did so on the condition that they agreed to serve the “public interest, convenience and necessity.”

Regulations regarding political discourse always have been a part of this public interest standard, even though the most well-known of them – the Fairness Doctrine, which required stations to air competing views on controversial public issues – was repealed by the FCC during the Reagan administration. The political discourse rules that remain in effect are:

- **Lowest Unit Charge** – Guarantees federal, state and local candidates the ad rates given to a station’s most favored commercial advertiser.
- **Reasonable Access** – Requires stations to offer air time to federal candidates who can afford to pay for it.
- **Equal Time** – Requires stations that have sold spots to one candidate to give his or her opponent the opportunity to buy comparable air time at a comparable price.

In 1997, the federal government doubled the amount of spectrum space it licensed to television broadcasters in order to facilitate the industry’s transition to digital technology. Estimates of the value of this additional spectrum space ranged up to \$70 billion. Congress gave it to the broadcasters for free – provoking cries of protest about “corporate welfare.”

Against this backdrop, President Clinton appointed an advisory commission to assess how to update the public interest obligations of television broadcasters in the wake of this valuable gift of the public’s assets. The White House panel – made up of broadcasters, scholars and public interest advocates – recommended that television broadcasters voluntarily air five minutes a night of candidate-centered discourse in the 30 days before all elections.

During the 2000 campaign – the first national election conducted after the panel’s recommendation – the typical local television station in a major market aired just 45 seconds of candidate discourse per night in the month before November 7, according to a study by the Norman Lear Center at the University of Southern California. The major broadcast networks performed only slightly better, airing just 64 seconds a night of candidate discourse per network, according to an Annenberg Public Policy Center report.

COLLAPSE OF THE LOWEST UNIT CHARGE SYSTEM

Congress enacted the “Lowest Unit Charge” (LUC) system as part of the Federal Election Campaign Act of 1971 to insulate candidates from price gouging by local television stations. The law requires television stations to offer reduced rates to candidates in the closing weeks of all elections as a condition of receiving their free licenses to use the public’s airwaves.

Specifically, broadcasters must offer qualified candidates an LUC rate, the one given to the station's most favored product advertiser (for example, a local merchant who buys a heavy volume of air time) in a comparable class of time. (For a more detailed explanation of LUC and its history, see **Appendix II.**)

In order to comply with the law, local stations publish a candidate or LUC rate card in the weeks and months preceding all elections. But these rates come with a catch: Ads sold at the LUC rate can be preempted by the station, often without any notice, if another advertiser wants that particular time slot and is willing to pay more for it. When this happens, candidates are entitled to have their money refunded or have their ad run at a later date.

This is cold comfort for the candidate. Unlike many product advertisers, who can afford to be flexible about when their ads run because they are trying to build a customer base over the long haul, candidate advertisers need assurance their ads will run exactly when and where they place them. If an opponent's attack ad is running on the 6 p.m. news, the candidate needs to know that a counterattack ad will run in the same time and place. Local stations understand these dynamics and many stations exploit them. They charge a high premium for non-preemptible ad time, and as Election Day approaches and demand for such time keeps rising, the premium rises with it.

Still another factor in the rapid growth of political advertising costs is the buy-at-any-cost mindset of many candidates and their media consultants. Unlike product advertisers, who tend to keep a steady eye on the bottom line, candidates can be swept up in the competitive drama of their own campaigns. When an opponent is running a battery of attack ads and has surged in the polls, the candidate becomes desperate to respond and needs for more ad time. Moreover, media consultants' compensation is pegged to a percentage of gross air time purchased, so they have a financial stake in persuading nervous candidates to sink more money into TV ads.

With the possible exception of ads sold for more than a station's highest listed rate, stations are apparently not breaking the 1971 law when they take advantage of such demand spikes. As the law has been interpreted by the Federal Communications Commission, stations are technically in compliance if they offer candidates the best rate available for a given "class" of ad time. Over the years, stations have created more and more classes of ad time – immediately preemptible; preemptible with notice; non-preemptible, etc. As long as the candidate gets the lowest rate within a given class, the FCC considers stations to be in compliance – even though this pricing structure inevitably steers candidates toward the most expensive time.

So while the LUC law remains on the books, the system has strayed far from the law's original intent – to peg candidate ad rates to discount prices paid by volume product advertisers.

CONCLUSION

The public owns the broadcast airwaves. The government has granted television stations free and exclusive use of these airwaves in return for their commitment to serve the public interest. During recent election campaigns, the TV industry has hardly served the public interest. It has cut back its campaign coverage while routinely gouging candidates on their ad rates, violating the spirit if not the letter of the 30-year-old law designed to protect candidates from such practices.

The LUC law never worked as intended, and now has been overwhelmed by new supply-and-demand pressures. In the modern political marketplace, candidates are caught up in a non-stop money chase, and in competitive races only those candidates who can pay their way onto television can reasonably expect to have any chance to be elected. The need to raise larger and larger sums of money to pay for TV ads exposes elected officials to corrupting influences and leaves citizens to wonder about the allegiances of their elected representatives. In the end, broadcasters have been enriched and democracy has been impoverished.

Legislation that would close the loopholes in the LUC law is gaining steam in Congress. The LUC provision was added to the McCain-Feingold campaign finance reform bill by a 69-31 vote during the floor debate in the Senate last March, and also is included in the companion Shays-Meehan bill introduced in the House of Representatives. Supporters of Shays-Meehan recently gathered the needed 218 signatures on a "discharge petition" to force a vote in the House. The broadcast industry is actively lobbying House members to strip out the LUC amendment.

An alternative reform would scrap the LUC system altogether and replace it with a system of mandatory free air time for parties and candidates who meet qualifying thresholds and agree to voluntary limits on campaign spending. Senator John McCain, R-Arizona, has drafted such a proposal for possible introduction later this session or next.

Prepared by the Wisconsin Democracy Campaign, February 2002. WDC student interns Brett Holmgren, Teague Orgeman and Andria Hayes Birchler did research and data analysis and contributed to the preparation of this report. The Alliance for Better Campaigns, based in Washington, D.C., also contributed to the report.

APPENDIX I

EXAMPLES OF STATIONS CHARGING MORE THAN THEIR HIGHEST RATE

Station	Candidate	Date	Time of Ad	Program	# of Ads	Length	Cost Per Ad	Total Paid	LUC Per Ad	Total LUC	Overcharge Per Ad	Overcharge Total	Overcharge %	Highest Listed Rate
WJLT - CBS	Kohl	10/09 to 10/15	500-530p m	CBS-58 News at 5:00 pm	1	60	\$400	\$400	\$200	\$200	\$200	\$200	100%	\$350
WJLT - CBS	Kohl	10/09 to 10/15	1000-1030p.m.	CBS-58 News at 10:00 pm	1	60	\$800	\$800	\$400	\$400	\$400	\$400	100%	\$700
WJLT - CBS	Kohl	10/09 to 10/15	1030-1130p.m.	Late Show with David Letterman	1	60	\$400	\$400	\$200	\$200	\$200	\$200	100%	\$350
WJLT - CBS	Kohl	10/09 to 10/15	700-800p m	Touched by an Angel	1	60	\$2,800	\$2,800	\$1,800	\$1,800	\$1,000	\$1,000	56%	\$1,800
WJLT - CBS	Kohl	10/02 to 10/08	600-700p m.	60 Minutes II	1	60	\$2,800	\$2,800	\$1,200	\$1,200	\$1,600	\$1,600	133%	\$1,800
WJLT - CBS	Kohl	10/02 to 10/08	300-400p m	People's Court	1	60	\$400	\$400	\$200	\$200	\$200	\$200	100%	\$350
WJLT - CBS	Kohl	10/02 to 10/08	500-530p m	CBS-58 News at 5:00 pm	1	60	\$800	\$800	\$400	\$400	\$400	\$400	100%	\$700
WJLT - CBS	Kohl	10/02 to 10/08	1000-1030p m.	CBS-58 News at 10:00 pm	1	60	\$800	\$800	\$400	\$400	\$400	\$400	100%	\$700
WJLT - CBS	Kohl	10/02 to 10/08	1030-1130p m.	Late Show with David Letterman	1	60	\$400	\$400	\$200	\$200	\$200	\$200	100%	\$350
WJLT - CBS	Kohl	10/02 to 10/08	1100a-1200p m.	The Young & The Restless	1	60	\$400	\$400	\$200	\$200	\$200	\$200	100%	\$350
WJLT - CBS	Kohl	10/02 to 10/08	600-630p m	CBS-58 News at 6:00 pm	1	60	\$400	\$400	\$200	\$200	\$200	\$200	100%	\$350
WLUK-FDX	Flanery	10/27/00-10/30/00	500-600p. m	Good Evening Wisconsin	2	30	\$400	\$800	\$125	\$250	\$275	\$550	220%	\$300
WLUK-FDX	Flanery	10/26/00-10/27/00	1000-1030p. m.	News@10p. m.	2	30	\$400	\$800	\$155	\$310	\$245	\$490	158%	\$350
WLUK-FDX	Hansen	11/1/00-11/6/00	900-1000p.m.	News @9p.m.	3	30	\$800	\$2,400	\$255	\$765	\$545	\$1,635	214%	\$750
WLUK-FDX	Kohl	11/6/00	500-600p.m.	Good Evening Wisconsin	1	30	\$400	\$400	\$125	\$125	\$275	\$275	220%	\$300
WLUK-FDX	Kohl	11/6/00	900-1000p.m.	News @9p.m.	1	30	\$800	\$800	\$255	\$255	\$545	\$545	214%	\$750
WLUK-FDX	Kohl	10/30/00-11/3/00	500-600p. m.	Good Evening Wisconsin	4	30	\$800	\$3,200	\$125	\$500	\$275	\$1,100	220%	\$300
WLUK-FDX	Kohl	10/30/00-11/3/00	900-1000p. m.	News @9p.m.	2	30	\$800	\$1,600	\$255	\$510	\$545	\$1,090	214%	\$750
WLUK-FDX	Kohl	10/23/00-10/27/00	500-600p. m.	Good Evening Wisconsin	2	30	\$800	\$1,600	\$125	\$250	\$275	\$550	220%	\$300
WLUK-FDX	Kohl	10/23/00-10/27/00	900-1000p. m.	News @9p.m.	2	30	\$800	\$1,600	\$255	\$510	\$545	\$1,090	214%	\$750
WLUK-FDX	Kohl	10/19/00-10/20/00	500-600p. m.	Good Evening Wisconsin	1	30	\$400	\$400	\$125	\$125	\$275	\$275	220%	\$300
WLUK-FDX	Kohl	10/19/00-10/20/00	800-900a. m.	Good Day Wisconsin	1	30	\$155	\$155	\$45	\$45	\$275	\$275	220%	\$300
WLUK-FDX	Weyckert	10/18/00-10/20/00	500-600p. m.	Good Evening Wisconsin	3	30	\$800	\$2,400	\$255	\$765	\$545	\$1,635	214%	\$750
WLUK-FDX	Pein	10/19/00-10/20/00	900-1000p.m.	News @9p.m.	1	30	\$400	\$400	\$155	\$155	\$245	\$245	158%	\$350
WLUK-FDX	Pein	10/19/00-10/20/00	1000-1030p.m.	News @10p. m.	1	30	\$800	\$800	\$255	\$255	\$545	\$545	214%	\$750
WLUK-FDX	Pein	10/21/00	930-1000p.m.	Sportswrap	1	30	\$850	\$850	\$200	\$200	\$275	\$275	220%	\$300
WLUK-FDX	Pein	10/25/00-10/27/00	500-600p. m.	Good Evening Wisconsin	1	30	\$800	\$800	\$125	\$125	\$275	\$275	220%	\$300
WLUK-FDX	Pein	10/25/00-10/27/00	900-1000p.m.	News @9p.m.	1	30	\$400	\$400	\$155	\$155	\$245	\$245	158%	\$350
WLUK-FDX	Pein	10/25/00-10/27/00	1000-1030p.m.	News @10p. m.	1	30	\$850	\$850	\$200	\$200	\$275	\$275	220%	\$300
WLUK-FDX	Pein	10/29/00	930-1000p.m.	Sportswrap	1	30	\$850	\$850	\$200	\$200	\$275	\$275	220%	\$300
WLUK-FDX	Pein	10/30/00-11/6/00	500-600p. m.	Good Evening Wisconsin	2	30	\$400	\$800	\$125	\$250	\$275	\$550	220%	\$300
WLUK-FDX	Pein	11/6/00	1000-1030p. m.	News @10p. m.	1	30	\$400	\$400	\$155	\$155	\$245	\$245	158%	\$350
WLUK-FDX	Pein	11/5/00	930-1000p.m.	Sportswrap	1	30	\$850	\$850	\$200	\$200	\$275	\$275	225%	\$500
WGBA-NBC	Dziewiecki	11/2/00	800-1000a. m	Today Show	1	30	\$160	\$160	\$50	\$50	\$110	\$110	220%	\$100
WGBA-NBC	Dziewiecki	11/6/00	700-800p. m.	3rd Rock	1	30	\$300	\$300	\$200	\$200	\$100	\$100	50%	\$250
WBAY-ABC	Dziewiecki	11/5 to 11/5	100p-400p	Tour Championship Golf	1	30	\$600	\$600	\$325	\$325	\$275	\$275	85%	\$325
WFRV-CBS	Pein	10/23/00-10/27/00	600-630p. m.	Eyewitness News at 6	2	30	\$600	\$1,200	\$225	\$450	\$375	\$750	167%	\$275
WFRV-CBS	Pein	10/23/00-10/27/00	1000-1035p. m.	Eyewitness News at 10	2	30	\$850	\$1,700	\$275	\$550	\$375	\$750	156%	\$325
WFRV-CBS	Pein	10/25/00-10/27/00	630-700p. m.	Wheel of Fortune	2	30	\$750	\$1,500	\$300	\$600	\$450	\$900	150%	\$350
WFRV-CBS	Pein	10/23/00-10/27/00	1200-1230p. m.	Noon News	3	30	\$130	\$390	\$40	\$120	\$90	\$270	225%	\$55
WFRV-CBS	Pein	10/23/00-10/27/00	500-530p. m.	Eyewitness News at 5	2	30	\$450	\$900	\$180	\$320	\$290	\$580	181%	\$200
WFRV-CBS	Pein	10/23/00-10/27/00	1000-1100a. m.	The Price is Right	1	30	\$175	\$175	\$75	\$75	\$100	\$100	133%	\$90
WFRV-CBS	Pein	10/30/00-11/3/00	600-630p. m.	Eyewitness News at 6	2	30	\$800	\$1,600	\$225	\$450	\$375	\$750	167%	\$275
WFRV-CBS	Pein	11/6/00	600-630p. m.	Eyewitness News at 6	1	30	\$800	\$800	\$225	\$225	\$375	\$375	167%	\$275
WFRV-CBS	Pein	10/30/00-11/3/00	1000-1035p. m.	Eyewitness News at 10	2	30	\$650	\$1,300	\$275	\$550	\$375	\$750	156%	\$325
WFRV-CBS	Pein	11/6/00	1000-1035p. m.	Eyewitness News at 10	1	30	\$850	\$850	\$275	\$275	\$375	\$375	156%	\$325

WFRV-CBS	Pain	11/11/00-11/3/00	630-700p.m.	Wheel of Fortune	2	30	\$750	\$1,500	\$300	\$600	\$450	\$900	150%	\$350
WFRV-CBS	Pain	10/30/00-11/3/00	1200-1230p.m.	Noon News	2	30	\$130	\$260	\$40	\$80	\$60	\$180	225%	\$55
WFRV-CBS	Pain	10/30/00-11/3/00	500-530p.m.	Eyewitness News at 5	2	30	\$450	\$900	\$160	\$320	\$290	\$680	181%	\$200
WFRV-CBS	Pain	11/5/00	800-1000p.m.	CBS Sunday Night Movie	1	30	\$475	\$475	\$475	\$475	\$0	\$0	0%	\$0
WFRV-CBS	Pain	10/30/00-11/3/00	1000-1100a.m.	The Price is Right	2	30	\$175	\$350	\$75	\$150	\$100	\$200	133%	\$80
WFRV-CBS	Pain	11/5/00	800-930a.m.	CBS Sunday Morning	1	30	\$100	\$100	\$65	\$65	\$35	\$35	54%	\$80
WFRV-CBS	Pain	11/6/00	500-530p.m.	Eyewitness News at 5	1	30	\$650	\$650	\$160	\$160	\$290	\$290	181%	\$325
WFRV-CBS	Pain	11/5/00	1000-1035p.m.	Eyewitness News at 10	1	30	\$650	\$650	\$275	\$275	\$375	\$375	136%	\$200
WFRV-CBS	Pain	11/6/00	1200-1230p.m.	Noon News	1	30	\$130	\$130	\$40	\$40	\$80	\$80	225%	\$55
WFRV-CBS	Pain	10/16/00-10/22/00	900-1000p.m.	Wheel of Fortune	1	30	\$300	\$300	\$175	\$175	\$125	\$125	71%	\$200
WFRV-CBS	Pain	10/16/00-10/22/00	600-700p.m.	Walker, Texas Ranger	1	30	\$450	\$450	\$375	\$375	\$75	\$75	20%	\$425
WFRV-CBS	Pain	11/6/00	900-1000a.m.	Regis	1	30	\$140	\$140	\$65	\$65	\$75	\$75	115%	\$85
WFRV-CBS	Pain	11/6/00	1000-1100a.m.	The Price is Right	1	30	\$175	\$175	\$75	\$75	\$100	\$100	133%	\$80
WFRV-CBS	Pain	11/6/00	1200-1230p.m.	Noon News	1	30	\$130	\$130	\$40	\$40	\$80	\$80	225%	\$55
WFRV-CBS	Pain	11/5/00	800-930p.	CBS Sunday Morning	1	30	\$100	\$100	\$65	\$65	\$35	\$35	54%	\$80
WFRV-CBS	Pain	10/16/00-10/20/00	600-630p.m.	Eyewitness News at 6	1	30	\$600	\$600	\$225	\$225	\$375	\$375	167%	\$275
WFRV-CBS	Pain	10/16/00-10/20/00	800-830p.m.	Eyewitness News at 6	1	30	\$600	\$600	\$225	\$225	\$375	\$375	167%	\$275
WFRV-CBS	Pain	10/23/00-10/27/00	1200-1230p.m.	Noon News	2	30	\$130	\$260	\$40	\$80	\$90	\$180	225%	\$55
WFRV-CBS	Pain	10/26/00-10/27/00	400-500p.m.	Oprah	1	30	\$300	\$300	\$110	\$110	\$190	\$190	118%	\$325
WFRV-CBS	Pain	10/30/00	600-630p.m.	Eyewitness News at 6	1	30	\$800	\$800	\$275	\$275	\$325	\$325	118%	\$325
WFRV-CBS	Pain	10/31/00-11/3/00	900-1000a.m.	Regis	2	30	\$140	\$280	\$65	\$130	\$75	\$150	115%	\$85
WFRV-CBS	Pain	11/6/00	1000-1100a.m.	The Price is Right	1	30	\$175	\$175	\$75	\$75	\$100	\$100	133%	\$80
WFRV-CBS	Pain	11/6/00	1200-1230p.m.	Noon News	2	30	\$130	\$260	\$40	\$80	\$90	\$180	225%	\$55
WFRV-CBS	Pain	11/6/00	600-630p.m.	Eyewitness News at 6	1	30	\$600	\$600	\$225	\$225	\$375	\$375	167%	\$275
WFRV-CBS	Pain	11/6/00	800-830p.m.	Wheel of Fortune	1	30	\$750	\$750	\$300	\$300	\$450	\$450	150%	\$350
WFRV-CBS	Pain	11/17/00-11/20/00	900-700p.m.	Regis	1	30	\$140	\$140	\$65	\$65	\$75	\$75	115%	\$85
WFRV-CBS	Pain	11/6/00	900-1000a.m.	The Price is Right	1	30	\$175	\$175	\$75	\$75	\$100	\$100	133%	\$80
WFRV-CBS	Pain	11/20/00-11/3/00	1200-1230p.m.	Noon News	1	30	\$130	\$130	\$40	\$40	\$80	\$80	225%	\$55
WFRV-CBS	Pain	11/6/00	400-500p.m.	Oprah	1	30	\$300	\$300	\$110	\$110	\$190	\$190	173%	\$140
WFRV-CBS	Pain	11/6/00	500-530p.m.	Eyewitness News at 5	1	30	\$450	\$450	\$160	\$160	\$280	\$280	181%	\$200
WFRV-CBS	Pain	11/6/00	600-630p.m.	Eyewitness News at 6	1	30	\$600	\$600	\$225	\$225	\$375	\$375	167%	\$275
WFRV-CBS	Pain	11/20/00-11/3/00	1000-1030p.m.	Eyewitness News at 10	1	30	\$850	\$850	\$325	\$325	\$450	\$450	150%	\$350
WFRV-CBS	Pain	11/6/00	630-700p.m.	Wheel of Fortune	1	30	\$750	\$750	\$300	\$300	\$450	\$450	150%	\$350
WFRV-CBS	Pain	11/1/00	700-900a.m.	Early Show	1	30	\$80	\$80	\$25	\$25	\$35	\$35	140%	\$30
WFRV-CBS	Pain	11/6/00-11/7/00	1230-300p.m.	CBS Soaps	1	30	\$125	\$125	\$45	\$45	\$60	\$60	178%	\$80
WFRV-CBS	Pain	11/6/00-11/7/00	300-400p.m.	Fraser/Leopardy	1	30	\$150	\$150	\$60	\$60	\$80	\$80	150%	\$75
WFRV-CBS	Pain	11/6/00-11/7/00	500-700a.m.	Eyewitness News Early Show	2	30	\$70	\$140	\$20	\$40	\$50	\$100	250%	\$30
WFRV-CBS	Pain	11/4/00	630-700a.m.	Eyewitness News This Week	1	30	\$75	\$75	\$15	\$15	\$75	\$75	300%	\$40
WFRV-CBS	Pain	11/4/00	700-900a.m.	CBS Saturday Morning News	1	30	\$100	\$100	\$25	\$25	\$30	\$30	150%	\$275
WFRV-CBS	Pain	11/4/00	1000-1035p.m.	Eyewitness News at 10	1	30	\$550	\$550	\$220	\$220	\$330	\$330	150%	\$275
WFRV-CBS	Pain	11/5/00	800-930a.m.	Sunday Morning News	1	30	\$50	\$50	\$65	\$65	\$35	\$35	54%	\$90
WFRV-CBS	Pain	11/5/00	1000-1035p.m.	Eyewitness News at 10	1	30	\$650	\$650	\$325	\$325	\$450	\$450	150%	\$350
WFRV-CBS	Pain	11/5/00	1035-1105p.m.	Fifth Quarter	1	30	\$375	\$375	\$150	\$150	\$225	\$225	150%	\$250
WFRV-CBS	Pain	10/23/00-10/27/00	600-630p.m.	Eyewitness News at 6	3	30	\$600	\$1,800	\$225	\$675	\$375	\$1,125	167%	\$275
WFRV-CBS	Pain	10/23/00-10/27/00	1000-1035p.m.	Eyewitness News at 10	2	30	\$650	\$1,300	\$275	\$550	\$375	\$750	136%	\$325
WFRV-CBS	Pain	10/23/00-10/27/00	1200-1230p.m.	Noon News	4	30	\$130	\$520	\$40	\$160	\$90	\$360	225%	\$55
WFRV-CBS	Pain	10/23/00-10/27/00	500-530p.m.	Eyewitness News at 5	3	30	\$450	\$1,350	\$160	\$480	\$290	\$870	181%	\$200
WFRV-CBS	Pain	10/28/00	1100a.m.-230p.m.	Big 10 Football	1	30	\$475	\$475	\$200	\$200	\$275	\$275	138%	\$250
WFRV-CBS	Pain	10/30/00	600-630p.m.	Eyewitness News at 6	3	30	\$600	\$1,800	\$225	\$675	\$375	\$1,125	167%	\$275
WFRV-CBS	Pain	11/1/00-11/3/00	630-700p.m.	Wheel of Fortune	3	30	\$750	\$2,250	\$300	\$900	\$450	\$1,350	150%	\$350
WFRV-CBS	Pain	10/30/00-11/3/00	1000-1035p.m.	Eyewitness News at 10	3	30	\$650	\$1,950	\$275	\$825	\$375	\$1,125	136%	\$325
WFRV-CBS	Pain	10/30/00-11/3/00	1200-1230p.m.	Noon News	4	30	\$130	\$520	\$40	\$160	\$90	\$360	225%	\$55
WFRV-CBS	Pain	10/30/00-11/3/00	500-530p.m.	Eyewitness News at 5	3	30	\$450	\$1,350	\$160	\$480	\$290	\$870	181%	\$200
WFRV-CBS	Pain	10/30/00	800-900p.m.	RaymondBecker	1	30	\$1,000	\$1,000	\$475	\$475	\$525	\$525	111%	\$575
WFRV-CBS	Pain	11/4/00	1000-1035p.m.	Eyewitness News at 10	1	30	\$550	\$550	\$220	\$220	\$330	\$330	150%	\$275
WFRV-CBS	Pain	11/5/00	700-800p.m.	Touched by an Angel	1	30	\$1,200	\$1,200	\$700	\$700	\$500	\$500	71%	\$750
WFRV-CBS	Pain	11/4/00	900-1000a.m.	CBS News Saturday Morning	1	30	\$100	\$100	\$25	\$25	\$75	\$75	300%	\$40
WFRV-CBS	Pain	11/6/00	900-1000a.m.	Regis	1	30	\$140	\$140	\$65	\$65	\$75	\$75	115%	\$85

STATION	SPOT DATE	TIME	PROGRAM	SECS	RATE	ADLS	HIGHER THAN FIXED RATE	% HIGHER THAN FIXED RATE	AMOUNT		
WFRV-CBS	11/6/00	400-500p m	Oprah	30	\$300	300	\$110	\$110	\$190	173%	\$140
WFRV-CBS	11/6/00	600-830p m	Eyewitness News at 6	30	\$600	600	\$225	\$225	\$375	167%	\$275
WFRV-CBS	11/6/00	1000-1035p m	Eyewitness News at 10	30	\$650	650	\$275	\$275	\$375	136%	\$325
WFRV-CBS	11/6/00	1100a m-1200p	Young and the Restless	30	\$225	225	\$100	\$100	\$125	125%	\$140
WFRV-CBS	11/6/00	300-330p m	Fraser/Leapordy	30	\$150	150	\$60	\$60	\$90	150%	\$200
WFRV-CBS	11/6/00	500-530p m	Eyewitness News at 5	30	\$450	450	\$160	\$160	\$290	181%	\$300
WFRV-CBS	11/6/00	1230-300p m	CBS Soaps	2	\$250	500	\$45	\$90	\$205	458%	\$60
WFRV-CBS	11/6/00	1035-1135p m	David Letterman	30	\$290	290	\$55	\$55	\$195	355%	\$90
WFRV-CBS	11/6/00	500-700a m	Eyewitness News Early Show	2	\$70	140	\$20	\$40	\$50	250%	\$30
WFRV-CBS	10/16/00-10/20/00	600-830p m	Eyewitness News at 6	30	\$600	1,800	\$225	\$675	\$375	187%	\$275
WFRV-CBS	10/16/00-10/20/00	1000-1035p m	Eyewitness News at 10	2	\$650	1,300	\$275	\$550	\$375	198%	\$325
WFRV-CBS	10/16/00-10/20/00	1100a m-1200p	Noon News	30	\$130	520	\$40	\$160	\$90	225%	\$55
WFRV-CBS	10/16/00-10/20/00	500-530p m	Eyewitness News at 5	30	\$450	1,350	\$160	\$480	\$290	181%	\$200
WMSN-FOX	10/15/00	930-1005p m	Spin City	1	\$600	600	\$75	\$75	\$525	700%	\$325
WMSN-FOX	10/28/00	930-1005p m	The Simpsons	1	\$450	450	\$100	\$100	\$350	350%	\$350
WMSN-FOX	11/6/00	530-600p m	Spin City	30	\$300	300	\$75	\$75	\$225	300%	\$250
WMSN-FOX	11/6/00	1005-1035p m	Spin City	1	\$250	250	\$50	\$50	\$200	400%	\$200
WKOW-ABC	10/25/00	800p-900p	Drew Carey/Spin City	2	\$4,000	8,000	\$700	\$1,400	\$3,300	83%	\$2,000
WISC-CBS	10/4/00	700-1000p m	Wednesday Night Movie	1	\$1,300	1,300	\$350	\$350	\$950	271%	\$1,200

TOTALS

STATION	# ADS	# ADS HIGHER THAN FIXED RATE	% HIGHER THAN FIXED RATE	AMOUNT
ALL STATIONS	7272	184	3%	\$6,585
WDJT-CBS	226	11	5%	\$ 4,800
WLUK-FOX	359	35	10%	\$12,535
WGBA-NBC	403	2	0%	\$ 210
WBAY-ABC	811	1	0%	\$ 275
WFRV-CBS	748	128	17%	\$29,895
WMSN-FOX	167	4	2%	\$ 1,300
WKOW-ABC	764	2	0%	\$ 6,800
WISC-CBS	1144	1	0%	\$ 950

APPENDIX II – Background on Lowest Unit Charge Rule

The “Lowest Unit Charge” rule enacted as part of the Federal Election Campaign Act of 1971 directs broadcasters (including cable systems), during the 45 days preceding a primary election and the 60 days preceding a general election, to charge legally qualified candidates for public office “the lowest charge of the station for the same class and amount of time for the same period.” Congress enacted the lowest unit charge (LUC) requirement “to ensure that candidates are treated as favorably as the most favored commercial advertisers during the pre-election period.” Under this provision, all candidates – federal, state, and local – are entitled to the lowest unit charge.

The Federal Communications Commission has said that “class” of time refers to a station’s rate categories – the two most significant being fixed (nonpreemptible) and preemptible; “amount of time” refers to the length of the time purchased (such as 30 seconds or 60 seconds); and “same period” refers to classifications of time within a broadcast day established by a station, such as prime time or drive time.

According to a 1997 Congressional Research Service report, the FCC’s interpretations of the lowest unit charge provision over the years have followed the sales practices of the broadcasting industry. For example, in 1972 the FCC determined that rate changes during the pre-election periods that occurred as a result of a station’s normal business practices – such as changes based on audience ratings or seasonal variations – were valid reasons for price differentials within the same class of time.

In 1988, the FCC recognized that commercial advertisers typically buy preemptible time offered at price levels that change frequently, even weekly, according to supply and demand. Under the circumstances, the commission said, the lowest unit charge for a preemptible class of time was to be calculated according to the lowest price any advertiser paid for a spot which “cleared” a particular time period or “daypart” (for example, radio drive time or “morning news” time) during the particular week in question.

By the end of the 1980s, however, questions had arisen as to whether the LUC provision was proving effective in making the most favorable commercial advertising rates available to candidates. In July 1990, the FCC initiated an audit of 30 television and radio stations to ascertain compliance with political programming laws, particularly the LUC provision. It found that 80 percent of the TV stations and 40 percent of the radio broadcasters audited failed to give political candidates the lowest available rates as required by the LUC statute.

The audit’s most significant finding, the commission said, was that “at a majority of the stations, political candidates have paid higher prices than commercial advertisers because sales techniques encouraged them to buy higher-priced classes of time.” The FCC fined two television stations \$25,000 each for LUC violations.

In late 1991 and again in 1992, new FCC policy statements were issued underscoring the commission’s interest in preventing “abuse by a station taking undue advantage of candidates’ special needs,” particularly in the form of special premium-priced classes of nonpreemptible time sold only to candidates.

A Committee on House Administration report in November 1993 concluded there was a need for legislation to “clarify and simplify the rules in order to make them more easily understood, implemented and enforced.” In a December 1995 speech, FCC chairman Reed Hundt expressed frustration with the lowest unit charge provision, saying the “rule takes a lot of work to apply and doesn’t work well in practice.”