

COURT KICKS THE CAN DOWN THE ROAD

By Scott R. Flick



In a unanimous decision, the U.S. Supreme Court ruled June 21 that it would like to have as little to do with the FCC's broadcast indecency policy as possible. Rather than the momentous ruling on the constitutional future of broadcast indecency enforcement that advocates on all sides of the issue had hoped for, the mighty sound of the Court punting on the constitutional issue reverberated throughout Washington.

Faced with a pair of Second Circuit decisions finding the FCC's indecency policy to be unconstitutionally vague and therefore chilling to broadcast speech, the Court ruled in an 8-0 vote that the FCC had failed to give adequate notice to Fox and ABC at the time of their asserted indecent broadcasts that the FCC was going to start finding "fleeting indecencies" (verbal or visual) actionable. The Court concluded that it had no need to go further and delve into the constitutionality of the FCC's indecency enforcement.

On a pragmatic level, the Court's ruling seems to indicate that the appropriate "notice" on fleeting indecencies didn't occur until the FCC announced its decision to begin prosecuting such indecencies in a 2004 case involving NBC and the Golden Globes Awards. As a result, broadcast stations facing indecency complaints should see those complaints dismissed by the FCC as long as the program at issue aired before the 2004 Golden Globes decision. Unfortunately, stations facing complaints for programs aired after that 2004 decision may find that the Court ruling is irrelevant to them.

While the Supreme Court will usually avoid making a constitutional ruling if it can decide a case on other grounds, the Court's hesitance to step into this fray is striking. Rather than eliminating the chilling effect on First Amendment speech by providing clarity as to what the FCC can constitutionally demand of broadcasters, the Court actually increased the chilling effect. Airing anything that a single member of the public might allege is indecent can lead to:

1. a prolonged indecency investigation by the FCC;
 2. withholding of FCC action on a station's license renewal application while the investigation proceeds;
 3. withholding of FCC action on any application to sell or transfer that station; and
 4. large fines, short-term renewals, and other FCC sanctions.
- On top of all that, the Court has now undeniably added another contributor to the chilling effect:
5. years of expensive litigation to demonstrate that the FCC's actions in sanctioning a station for indecency were administratively or constitutionally improper.

With all these chilling factors, only a foolhardy broadcaster would air content that could subject it to this process, even if it knew from the beginning that it would ultimately win in court. That is the very definition of an impermissible chilling effect upon First Amendment speech.

Unfortunately, by putting that decision off until another day, the Court leaves the waters of FCC indecency enforcement as murky (and chilling) as ever. Given that the FCC now has a backlog of 1.5 million indecency complaints involving 9700 programs--a backlog that was left pending while the FCC awaited guidance from the Court--the Court's unwillingness in the decision to engage on the real issue before it is bad for the FCC, bad for broadcasters, and bad for viewers and listeners.

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CAPITOL MATTERS



FILE RULES NOT A PRA VIOLATION?

The federal Office of Management and Budget (OMB) ruled June 22 that the FCC's strict new requirements regarding

the online filing of TV station political files is not a violation of the Paperwork Reduction Act (PRA).

The four network-affiliated stations in each of the Top 50 markets will, at first, be the only entities required to follow the new rules. Broadcast groups contend the new rules will be more burdensome, expensive and duplicative than the FCC has estimated.

Broadcasters also object to the online posting of political spot rates, instead offering to aggregate the spending information by candidate.

Two other appeals of the FCC order are pending, one in U.S. District Court and one with the agency itself.

SUPCO RULING SEEN AS BENEFIT TO WIRELESS

In advance of likely rulemaking this fall regarding the auction of broadcast spectrum to wireless companies, the U.S. Supreme Court announced June 22 it would not take up the issue of broadcast ownership laws.

Media General, Tribune Corp and the NAB had petitioned the court to overturn a lower court ruling that generally upheld current FCC rules. If the court had taken the case and the lower court verdict overturned, it's likely the FCC would have been ordered to scale back its regulations, including rules about content that have been in place, more or less, since 1969.

Media observers believe such a scenario would have increased the value of broadcast properties, meaning those companies would be less likely to take part in the "voluntary" spectrum auction.

TEXAS AM HIT WITH BIG PUBLIC FILE FINES

A Beaumont, Texas area AM station that failed to file quarterly issues/programs lists and other documents owes a whopping \$65,000 in fines. The FCC first fined KBPO-AM in 2010 for failing to maintain its public file. A 2011 inspection revealed the problem had not been corrected. Not only were the issues files missing, but there was no copy of the FCC station authorization, the service contour map, the most recent ownership report or the "Public and Broadcasting" manual. Station owners said the situation was caused "by an oversight."



Quarterly Issues Programs/Lists must be prepared and placed in your station's Public Inspection File on or before July 10, 2012.