

THE *OUR DEMOCRACY, OUR AIRWAVES ACT*: BILL SUMMARY

The bill amends the Communications Act of 1934 to establish minimum air time requirements on television and radio stations for candidate-centered and issue-centered programming prior to primary and general elections; to establish a voucher system for the purchase of commercial broadcast air time for candidate advertisements, financed by an annual spectrum use fee on all broadcast license holders; to revise and expand the lowest unit cost provision applicable to political campaign advertisements; and to provide increased disclosure of the rates paid by candidates for advertising time.

Candidate and Issue-Centered Programming

The bill ensures that, as a part of their public interest obligation, all radio and television broadcast stations must air at least a minimum of two hours per week of candidate-centered or issue-centered programming for a total of six weeks preceding a primary or general federal election, at least four of which must be immediately preceding the general election. Half these segments must air between 5 p.m. and 11:35 p.m., and no segment that airs between midnight to 6 a.m. counts toward meeting this requirement.

“Candidate-centered programming” refers to debates, interviews, candidate statements and other news or public affairs formats that provide for a discussion of issues by candidates; it does not include paid political advertisements. “Issue-centered programming” refers to debates, interviews and other formats that provide for a discussion of ballot measures on the ballot in the forthcoming election. It does not include paid political ads.

Within these guidelines, stations retain complete editorial control over the segments that make up the two hours per week of programming. Stations decide, for example, the placement and duration of each segment, the number of segments, and the mix of local, state and federal races covered in the segments.

Political Advertisement Voucher Program

The bill allows candidates to earn vouchers for the purchase of paid political advertising on broadcast stations by raising small dollar contributions.



The total cost of the voucher program is set at \$750 million in the 2004 election year, and is indexed to rise with inflation in ensuing federal election years. The vouchers are financed by a spectrum use fee of not less than 0.5 percent and not more than one percent on the gross annual revenues of broadcast license holders.

Eligibility for Vouchers

- **Candidates:** Candidates for federal office – the U.S. House of Representatives, the U.S. Senate and the Presidency – are eligible for an aggregate total of up to \$650 million in vouchers in each election.
- **Political Parties:** National committees of political parties – including the Democratic Party, the Republican Party and any other party that meets qualifying thresholds – are eligible for an aggregate total of up to \$100 million in vouchers in each two year federal election cycle.

Qualifying Thresholds

- **U.S. House:** In order to qualify for vouchers, a candidate for U.S. House of Representatives must raise at least \$25,000 in contributions from individuals, not counting any amount in excess of \$250 received from any individual. In addition, the candidate must agree not to spend more than \$125,000 in personal or immediate family funds on the House campaign; and the candidate must face at least one opponent who has raised or spent at least \$25,000 on the campaign.
- **U.S. Senate:** In order to qualify for vouchers, a candidate for U.S. Senate must raise at least \$25,000 in contributions from individuals, not counting any amount in excess of \$250 received by any individual, multiplied by the number of U.S. Representatives from the state in which the Senate candidate is seeking election. In addition, the candidate must agree not to spend more than \$500,000 in personal or immediate family funds on the campaign; and the candidate must face at least one opponent who has raised or spent at least \$25,000 on the campaign, multiplied by the number of U.S. Representatives from the state in which the Senate candidate is seeking election.
- **Presidential candidates:** Candidates qualify to receive broadcast vouchers in the same way they qualify to receive partial public financing for their primary election campaigns and full public financing for their general election campaigns.
- **Political Parties:** The two major national parties qualify by virtue of their designation as parties, as defined in the Federal Election Campaign Act of 1971. Minor parties qualify for a proportionate share of party vouchers once



they field candidates in at least 22 U.S. House races or five U.S. Senate races, and once these candidates have been certified as eligible to receive candidate vouchers. Once a "minor party" fields candidates in at least 218 House races or 17 U.S. Senate races and these candidates meet qualifications to receive vouchers, the party is entitled to receive a full major party share of vouchers in that election cycle.

Amounts and Limits on Candidate Vouchers

- U.S. House: Once they have qualified, U.S. House candidates receive \$3 in broadcast vouchers for every \$1 they receive in individual contributions during the election cycle, not counting any amount in excess of \$250 received from any individual. No House candidate can receive more than \$375,000 in vouchers in any election cycle. Candidates must use their vouchers in the election cycle in which they are earned; the candidate vouchers expire on the day of the general election.
- U.S. Senate: Once they have qualified, U.S. Senate candidates receive \$3 in vouchers for every \$1 they receive in individual contributions during the election cycle, not counting any amount in excess of \$250 received from any individual. No Senate candidate can receive more than \$375,000 in vouchers in any election cycle, multiplied by the number of Representatives from the State in which the candidate is seeking election. Candidates must use their vouchers in the election cycle in which they are earned; the candidate vouchers expire the day of the election.
- Presidential candidates: Candidates for their party's presidential nomination receive \$1 in broadcast vouchers for every \$1 they receive in federal matching funds under the presidential public financing system. Candidates for presidency in the general election receive 50 cents in vouchers for every \$1 they receive in federal funds. The use of these vouchers does not count against the expenditure limits in the presidential public financing system. The presidential voucher system does not go into effect until the 2008 campaign.

Exchange of Vouchers

Any candidate who receives a voucher but does not wish to use it to purchase a broadcast ad may transfer the right to use the voucher to his or her political party in exchange for money in an amount equal to the cash value of the voucher. The party may use these vouchers to broadcast its own ads, or to broadcast ads on behalf of any candidate for local, state or federal office.

Conditions on Party Use of Vouchers

When a party uses its vouchers to run ads on behalf of a candidate, that use is



considered a contribution to the candidate and must conform to all relevant campaign finance laws. Unlike candidate vouchers, party vouchers do not expire on the day of a federal general election. A party voucher may be used for political ads until December 31st of the year following the year in which the voucher was issued to the party.

Redemption of Vouchers

Each voucher disbursed to candidates and parties shall have a value in dollars, redeemable upon presentation to the Federal Communications Commission. A radio or television broadcasting station shall accept vouchers in payment for the purchase of political ads. The station then submits the vouchers to the Commission, which shall redeem the vouchers for cash, using funds from a Political Advertising Voucher Account.

Political Advertising Voucher Account Funded by a Spectrum Use Fee

The Federal Communication Commission shall create a Political Advertising Voucher Account and fund it by assessing an annual spectrum use fee on commercial television and radio broadcasting stations, based on a percentage of their gross revenues, in an amount necessary to carry out the provisions of this bill. The fee is set at a rate not less than 0.5 percent and not more than one percent of a broadcasting station's gross annual revenues. Revenues collected in this manner may also be used to pay for the administrative costs incurred by both the Federal Communications Commission and the Federal Election Commission as they implement this legislation.

Administration of Program

The Federal Communications Commission shall prescribe regulations necessary to carry out the provisions of this legislation, including the lowest unit charge provision, the minimum air time requirement, the political advertising voucher account and the spectrum use fee. The FCC shall consult with the Federal Election Commission in prescribing regulations that relate to the eligibility of candidates and parties for broadcast vouchers.

Advertising Rates for Political Candidates and Parties

The bill amends the current Lowest Unit Charge provision of Section 315(b) of the Communications Act (which requires stations to provide candidates, and national political parties which advertise on behalf of a candidate, with the "lowest unit charge" in the period 45 days before a primary election and 60 days before a general election) by prohibiting stations from preempting the advertisements purchased at the lowest unit charge by candidates, or parties on behalf of a candidate, except in circumstances beyond a station's control.