

Underwriting Policy

As approved by the Board of Directors on May 14, 1998

KHNS PROGRAM UNDERWRITING GUIDELINES

Underwriter sponsorship is an important source of operating revenues for public radio station KHNS. These Underwriting Guidelines present a style and standard for the on-air acknowledgment of a funder's support for programs broadcast on KHNS. In formulating these Guidelines, KHNS has endeavored to balance listener expectations for a non-commercial radio service with the legitimate interest that corporate supporters may have in being adequately identified.

- These principles and procedures fall within statutory framework (47 U.S.C.399) and the policies established by the Federal Communications Commission (FCC). On April 23, 1981, the FCC adopted the Second Report & Order (BC Docket No. 21136) with a new policy concerning the non-commercial nature of public broadcasting.
- While on-air acknowledgment of funding sources is still necessary (according to Section 317(a)(1) of the Communications Act of 1934, as amended), the 1981 FCC policy relaxed the restrictions associated with the acknowledgements and placed the burden on the good faith of public broadcasters to prevent abuses and to maintain the essential character of the [noncommercial service](#).
- Subsequently, in 1982, 1984, and 1986 the FCC issued reconsideration decisions which supplement the 1981 order. These decisions further clarify the underwriting policies of the Commission while reiterating its basic reliance upon licensee discretion in making judgments on permissible credit content and language. In 1986, the FCC issued a Public Notice addressing several specific underwriting issues, including use of telephone numbers. In addition, there has been a series of cases, arising out of listener complaints, in which FCC staff have interpreted and applied the underwriting policies in the context of specific on-air credits.
- All of these FCC materials have been used in developing the KHNS Guidelines.

Mandate of Public Radio

The Public Broadcasting Act of 1967 and subsequent amendments define public broadcasting. Public radio differs from commercial radio in several ways: public radio is nonprofit; public radio may accept gifts, grants, donations, and contributions for the production, acquisition, and promotion of those programs.

Thus, public radio is able to produce programs in isolation from the demands of the commercial marketplace and, because of its noncommercial nature, seeks contributions for the production of those programs. It is the solicitation of those contributions and the recognition given them that is addressed in these Guidelines.

These Guidelines are consistent with the national underwriting guidelines of National Public Radio, after which they were modeled. The Guidelines for underwriting programs on KHNS are presented in two parts: Principles and Procedures.

- The Principles involve broad concepts that reflect the philosophy and standards for underwriting.
- And the Procedures are the specific rules associated with underwriting programs on KHNS.

Underwriting Policy

As approved by the Board of Directors on May 14, 1998

PRINCIPLES

PRINCIPLE A: Underwriting Sources

1. KHNS seeks underwriters representing a broad spectrum of funding sources--corporations, foundations, individuals, government agencies, and others.
2. All funding sources are considered under the "access" principle, which means that KHNS has no list of sources from which funding will not be accepted unless prohibited by law. However, potential conflict of interest and problems of listener misperception, confusion, or similar reasons regarding the funder's role and/or influence on programming will be considered in accepting or rejecting underwriting.
3. KHNS is legally responsible for all material aired; including programming originated by a source other than the station itself. For this reason, KHNS reserves the right to edit outside underwriting credits (e.g., National Public Radio, Public Radio International, and others) if they violate these guidelines, or if they violate the policy of Lynn Canal Broadcasting.

PRINCIPLE B: Identification of Underwriters

1. Underwriters of programming on KHNS not only are legally required to be identified [Section 317 (a)(1) of the Communications Act of 1934, as amended], but also deserve credit for their support of public radio.

PRINCIPLE C: Non-Promotion of Underwriters In Acknowledgments

1. "Acknowledgments are strictly for identification of donors and should not promote the company, products or services of the donor. Announcements which contain comparative or qualitative description of a product or company go beyond permissible limits." [MM Docket 21136 FCC Second Report & Order, April 23, 1981, paragraph 37; Memorandum Opinion and Order, March 28, 1984, paragraph 13].
2. Acknowledgements of contributions from non-profit entities are not subject to this identification-only rule. However, KHNS may impose limitations on such acknowledgements on a case-by-case basis to avoid listener confusion or misperception.

PRINCIPLE D: "Consideration Received" Rule

1. No message or other programming material containing language that promotes the underwriter or its business interests shall be offered at any time in exchange for the receipt, in whole or in part, of consideration to KHNS and Lynn Canal Broadcasting, its officers, directors, or employees. (Section 399 B of the Communications Act of 1934, as amended.)
2. This rule, which can be stated simply "no promotion for consideration," is at the heart of KHNS's underwriting principles.

Underwriting Policy

As approved by the Board of Directors on May 14, 1998

PRINCIPLE E: Program Content/Editorial Control

1. All program content and all editorial decisions related to program content and scheduling on KHNS is the sole responsibility of the KHNS staff.
2. No underwriting will be accepted which compromises KHNS's program and editorial policies.

PRINCIPLE F: Program Preemption, Substitution or Cancellation

1. The nature of broadcasting, particularly public broadcasting, is such that it may require the preemption, substitution or cancellation of any program at any time without prior notice to the funder. KHNS reserves the right to make such program decisions.
2. In the event that a program is deleted from the schedule or a scheduled underwriting announcement is missed for any reason, KHNS will provide make-good announcements of equivalent value as determined by KHNS staff.

PRINCIPLE G: Non-Intrusiveness of Underwriter Identification

1. Underwriting acknowledgments should not interrupt the flow of programs or distract from the quality or sound of the programs with which they are associated.

PRINCIPLE H: Application of Underwriting

1. All types of KHNS programming may be underwritten.

PRINCIPLE I: Non-Profit Exception

1. FCC rules regarding underwriting by *bona fide* not-for-profit entities permit some relaxation of the "non-promotion" and "consideration received" rules (see C and D above). In general these principles and procedures are intended to apply to all underwriters.
2. Exceptions may be made, however, for not-for profit underwriters on a case by case basis at the sole discretion of the management of KHNS if the not-for-profit entity is a tax exempt organization classified under one of the following IRS Sections:
 1. 501(c)(3) Religious and charitable organizations.
 2. 501(c)(4) Social welfare organizations.
 3. 501(c)(5) Labor and agriculture organizations.
 4. 501(c)(8) Fraternal beneficiary societies.
 5. 501(c)(19) War veterans organizations.
 6. 501(c)(21) Black lung trusts.
 7. 501(d) Religious and apostolic organizations.

Underwriting Policy

As approved by the Board of Directors on May 14, 1998

PROCEDURES

PROCEDURE 1. Underwriter Identification Standards

A. An underwriter is to be identified by announcements that mention the legal name or recognized name of the funder. In addition, KHNS may select items of information from the list below which further clarify the identify of the funder:

1. The name of the underwriter's subsidiary or bona fide operating division, or the name of the underwriter's parent company.

2. The underwriter's product or service line, identified by generic name trade name. Very brief descriptive phrases are permitted to describe the product or service line only if they are clearly objective. Usually such language would be limited to describing one of the following characteristics of the product or service line:

Origin [e.g., "French wine"];

Intended use [e.g., "children's clothing"];

Form of delivery to consumer or method of preparation [e.g., "bottled mineral water" "draft beer"];

Product content [e.g., "wool suit" or "fiberglass insulation"].

3. The underwriter's corporate slogan if it identifies, but does not promote, the underwriter or its products. The slogan must be non-promotional and value-neutral, in that it must identify the underwriter in objective terms. Permissible non-promotional slogans often describe aspects of an underwriter's business, or characteristics of its products(s) in neutral terms.

4. The location of the underwriter's business. This may be a city or state, or specific address. In the alternatives it may be a generic reference to the area served [e.g., "serving the South," or "with stores throughout Middle Tennessee"].

5. A telephone number if used for identification purposes. The number must be stated in such a way that no call to action is implied.

Underwriting Policy

As approved by the Board of Directors on May 14, 1998

6. Length of time in business (e.g., "serving Klukwan's banking needs for 25 years).
7. Local underwriter identification language which clearly identifies tobacco products or firearms, or which might create an association between KHNS and such products in the minds of listeners will not be accepted.
9. Specific events may not be mentioned in underwriting announcements if they are for profit. An underwriter may mention a non-profit event in lieu of any other sponsorship identification. However, all other rules, including minimum contribution, call to action, and political language, apply. A non-profit event shall be defined as an event wholly administered by a qualifying non-profit organization for its own benefit (see (1) (2) above for list of qualifying non-profit organizations).
10. Political language is not permitted in underwriting announcements. Determination of what constitutes "political language" is admittedly subjective and shall be at the sole discretion of the management of KHNS. An exception to this rule occurs when the legal corporate name of the underwriter contains language that some may consider political.
11. Language that creates a direct call to action is not permitted in underwriting announcements.
12. All underwriter identification announcements must observe contemporary standards of good taste. All identification announcements will be subject to editorial review by the management of KHNS.

PROCEDURE 2. Number and Length of Acknowledgments

- A. Underwriters will be identified in a single crediting announcement
 1. Not to exceed fifteen seconds in length.

PROCEDURE 3. Placement of Acknowledgments

- A. Underwriting acknowledgments, in general, may be given near the opening and near the close of any program, at the half-hour mark of a program lasting sixty minutes, or at natural breaks.

Underwriting Policy

As approved by the Board of Directors on May 14, 1998

- B. Certain program elements may require variations. For example, the network hourly newscasts may be underwritten separately from the surrounding segment of programming.
 - 1. Underwriter acknowledgments will be placed only at the opening of program elements of fifteen minutes or less.
 - 2. A system of rotation of underwriters may be developed for these special cases.

PROCEDURE 4. Wording of Acknowledgments

A. The following basic wording will be used for acknowledgment of underwriters:

- 1. Support is provided by ...
- 2. (this program) is made possible in part by..
- 3. Alternative wording may approved by management, if necessary.

B. Programs which might be considered controversial should include the following phrase before the underwriting acknowledgment:

- 1. "This program was produced by KHNS [or NPR/PRI] which is solely responsible for its content."

C. Some programs, such as live events, may require the following:

- 1. "The views expressed on this program are not necessarily those of KHNS or Lynn Canal Broadcasting."

PROCEDURE 5. Audio Logos & Other Production Values

A. Music and other sounds that might be associated with an underwriter's advertising, jingles or products will not be used.

- 1. Music or other sounds associated with KHNS's programs may accompany underwriting acknowledgments.

B. Existing audio signatures used with a company's name or logo are not will not be used.

- 1. Music or other sounds associated with a National Program Service program may accompany underwriting acknowledgements.

C. A KHNS announcer will read underwriting announcements. Assignment of an announcer will be the sole discretion of the KHNS Program Director.