

Supreme Court ruling could boost TV ad business

Millions more in ad spending could pour in to TV stations

*By Paul J. Gough
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NEW YORK (Hollywood Reporter) - The U.S. Supreme Court's loosening of restrictions on political ad spending by corporations and others will bring some joy to hard-hit local television stations and make it even more likely that 2010 will be a record year for political ad revenue.

Ruling 5-4 in *Citizens United vs. Federal Election Commission*, the court freed business, unions and nonprofits from some of 2002's McCain-Feingold campaign finance reform law. The law had limited political spending by those groups within 30 days of a primary and 60 days of a general election.

The case arose over "Hillary: The Movie," a 2008 film by Citizens United -- a conservative group led by veteran Republican campaign operative David Bossie -- that was severely critical of then-presidential candidate Hillary Clinton. The Federal Elections Committee restricted the film's advertising during the campaign, and a panel of judges agreed, calling the film an extended campaign ad. Conservative groups decried that decision as constraining freedom of speech constraints, leading to Bossie's lawsuit.

Thursday's ruling likely will mean hundreds of millions of dollars in ad spending, much of it just before Election Day, will flow to local broadcast TV. Projections for the 2010 elections by TNS Media Intelligence/Campaign Media Analysis Group say total ad spending could exceed the \$2.6 billion to \$2.8 billion spent the last two cycles.

"The decision means a new gusher of money for the TV industry," Larry Sabato, director of the University of Virginia Center for Politics, said Thursday. "That's good news for them in (economic) hard times."

TNS/CMAG's forecast had already taken into account the expected impact of the ruling, said COO Evan Tracey. But Thursday's ruling could deposit as much as 20% more ad spending, roughly \$500 million, into the mix. More than half of all ad spending goes to local TV. The Television Bureau of Advertising earlier predicted that \$1.5 billion would go to broadcast TV stations for the 2010 election. Now that's going to be more like \$1.8 billion.

"This ruling should bode well for local broadcast television," TVB president Steve Lanzano said.

Recent elections in Virginia and New Jersey, and Tuesday's out-of-nowhere win for the GOP in Massachusetts, have taught both parties that the 2010 midterms will be big. CMAG estimated that \$10 million in advertising was spent in the last 10 days of the campaign in the Bay State.

"I think after Tuesday's election results, most races in the country are in some way, shape or form competitive," Tracey said.

Thirty-seven gubernatorial races will be decided in November, including in such high-powered media markets as California, New York, Texas and Ohio. Twenty-one of those seats are open, meaning there will be competitive primaries in the spring. Add to that that one-third of the U.S. Senate and the entire House. One wild card is the economy, but Tracey said "it has the makings of a blowout year" for ad spending.