



Local TV expects big money after Supreme Court ruling

*By Steve Safran
LostRemote.com
January 24, 2010*

Last week, the US Supreme Court made a major decision in how campaigns are financed. In a 5-4 decision, the court ruled against corporate spending limits on political advertising. In the case, Citizens United vs. the Federal Election Commission, Justice Kennedy wrote for the majority: “We find no basis for the proposition that, in the context of political speech, the Government may impose restrictions on certain disfavored speakers.”

So does this mean corporate coffers are going to open wide to finance lots and lots of new campaign commercials? The New York Times reports that those in the industry see this as a big break. The Television Bureau of Advertising has now revised its estimates of political spending on TV in 2010 from \$1.5 billion to \$1.8 billion. And other analysts say the ruling is a big break:

“This takes an already bulked-up, well-funded election and puts it on steroids,” said Evan Tracey, the chief operating officer of the Campaign Media Analysis Group, a division of TNS Media Intelligence. In the supply-and-demand marketplace of advertising, “it’s going to drive up rates” for local stations, he said. “There’s going to be a lot of people fighting over the same inventory.”

But it’s possible the ruling doesn’t mean a windfall for local TV – just a change in how the same money is declared. From the LA Times:

“I don’t believe that the ruling will fundamentally change the outcome of the elections given the obscene amounts of money that was spent independently in the last two years by everyone,” said Jim Innocenzi, a GOP strategist in Alexandria, Va. “You could argue that since everyone has figured out a way to get around the rules, we’d be better off with full disclosures of who is really paying for this stuff and let everyone just promote whatever cause they want.”

The ruling may result in a slight uptick, but we’re inclined to think the ad money will continue its process of being spent on lots of media sources and not just TV. The New York Times makes one other excellent point: major companies are unlikely to get into the political campaigning business too obviously, for fear of alienating about half their customers.

