

**ALERT**

# Modernized Contest Rule Now Effective

February 12, 2016

With its publication in the Federal Register on February 12, 2016, the Federal Communications Commission's (FCC or Commission) modernized Contest Rule is now in effect.

The modernized Contest Rule gives radio and television stations the option to disclose material contest terms online, provided that they satisfy certain requirements. Specifically, stations choosing to disclose material contest terms online must announce on-air the web address where individuals can find material terms disclosures. These announcements must contain "information sufficient for a consumer to find those terms easily," for example, "for contest rules go to kxyz.com and then click on the contest tab."

The FCC's rules mandate that broadcasters announce the website address "periodically." The Commission declined to specify a minimum number of times per day that such announcements must be made, suggesting instead that the number of announcements should increase with the frequency with which a contest is mentioned or advertised. However, because state law and the Federal Trade Commission (FTC) generally require contest advertisements to include information about how to obtain official rules, broadcasters should include the website address where material terms can be found in all contest promos.

Also under the new Contest Rule, broadcasters electing to disclose material contest terms online must establish a link or tab on the home page of a publicly accessible website that will take consumers to contest information. The link or tab must be conspicuously located on the website home page and labeled in a way that makes clear its relation to contest information. The revised Contest Rule does not, however, dictate the precise location on the home page where the link or tab must be located.

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## Practice Areas

Media  
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The FCC requires that material terms disclosures remain posted for at least thirty days after the contest has concluded (i.e., thirty days after a winner has been selected and the station has notified the winner personally or publicly). In addition, if a material contest term changes after the contest is first announced, the station must announce on-air that the contest terms have changed and direct their audiences to the disclosure website to review the changes. Such announcements must be made within 24 hours of the change and occur periodically thereafter until the contest ends.

Broadcasters cannot do away with material terms spots altogether. Although the FCC's modernized Contest Rule allows stations to move material terms disclosures online, FTC and state law still require the disclosure of certain material terms on-air. These disclosures should air several times per day in rotating dayparts and can be combined with the announcements required under the new Contest Rule.

Broadcasters should note that the FCC's sponsorship identification rule continues to apply to broadcast contests, meaning that disclosures for contests that stations co-sponsor with a third party must specify that the contest is "sponsored by" the third party. Please contact one of the Wiley Rein attorneys listed for further information.