

icon in an unobtrusive manner that will help parents and others identify core programs without deterring potential child viewers.

25. We will apply this revised on-air identification requirement to both commercial and noncommercial broadcasters. Although we have previously exempted noncommercial licensees from the requirement that they identify core programming, we believe that requiring all broadcasters to use the E/I symbol throughout the program to identify core programming will help reinforce viewer awareness of the meaning of this symbol. We will, however, continue to exempt noncommercial television licensees from the other public information initiatives adopted in the 1996 Children's Programming Report and Order. Thus, noncommercial television stations will not be required to prepare and file quarterly Children's Television Programming Reports or to provide information identifying programming specifically designed to educate and inform children to publishers of program guides. As is our current practice, we will require noncommercial broadcast stations to maintain documentation sufficient to show compliance with the CTA's programming obligations at renewal time in response to a challenge or to specific complaints.

#### Commercial Limits

##### *Application of Existing Commercial Limits Rules and Policies to DTV*

26. We sought comment in the Notice on how the limits on the amount of commercial matter in children's programming should apply in the digital environment and how we should interpret with respect to DTV broadcasters the policies set forth in the 1974 Policy Statement on children's programming. We asked whether children's advertising limits and policies should apply only to free over-the-air channels, or to all digital channels, both free and pay. We sought comment specifically on the proposal by CME, *et al.* that the Commission prohibit all direct links to commercial Web sites during children's programming. If we were to permit certain kinds of commercial links during children's programs, we asked if such links should be permitted to appear during the program itself, or be limited to appearing during commercials adequately separated from program material as required by our separations policy.

27. We will apply the commercial limits and policies, as clarified in

today's Order, to all digital video programming directed to children ages 12 and under, whether that programming is aired on a free or pay digital stream. We note that the commercial limits and policies currently apply to cable operators and DBS providers and that cable operators are defined as "broadcast licensees" for purposes of the commercial matter limitations in the CTA. Therefore, the application of such limits and policies to pay broadcast channels provides for consistent treatment of these program delivery systems for purposes of children's advertising restrictions. We agree with those commenters that argue that the same concerns that led to adoption of the advertising restrictions in the 1974 Policy Statement and the CTA—the unique vulnerability of children as television viewers—apply regardless of the channel that a child viewer watches. Thus, any advertising restrictions for children's programming should apply to all such programming, regardless of the free or pay status of the channel. This determination is both consistent with and required by Section 336 of the Communications Act, which states that the Commission "shall adopt regulations that allow the holders of [DTV] licenses to offer such ancillary and supplementary services on designated frequencies as may be consistent with the public interest, convenience and necessity." Providing programs intended for children that do not comply with the advertising limits or commercial policies is contrary to the public interest because they could expose children to excessive and abusive advertising practices.

28. We are aware that some broadcasters are currently displaying Internet Web site addresses that appear during children's program material (for example, in a crawl at the bottom of screen) which raises the issue of how the CTA commercial time limits should apply. We are concerned that the display of such addresses for Web sites established solely for commercial purposes in children's programs is inconsistent with our mandate under the CTA to protect children, who are particularly vulnerable to commercial messages and incapable of distinguishing advertising from program material. This is a concern that arises with respect to all broadcasters, both analog and digital, and to cable operators. Accordingly, we adopt a proposal similar to that advanced by Sesame Workshop with respect to this display of commercial Web site information in children's programs. Specifically, we will interpret the CTA

commercial time limits to require that, with respect to programs directed to children ages 12 and under, the display of Internet Web site addresses during program material is permitted as within the CTA limitations only if the Web site: (1) Offers a substantial amount of bona fide program-related or other noncommercial content; (2) is not primarily intended for commercial purposes, including either e-commerce or advertising; (3) the Web site's home page and other menu pages are clearly labeled to distinguish the noncommercial from the commercial sections; and (4) the page of the Web site to which viewers are directed by the Web site address is not used for e-commerce, advertising, or other commercial purposes (*e.g.*, contains no links labeled "store" and no links to another page with commercial material).

29. For Web sites meeting these requirements, we will not limit the amount of time that the Web site address may be displayed during children's programs. In addition, we will permit the commercial portions of Web sites that comply with these requirements to sell or advertise products associated with the related television program. Because we require that permissible Web sites clearly separate the commercial portions of the site from the site's other content, we believe that children will be adequately protected from program-related merchandise sales. Because of the unique vulnerability of young children to host-selling, however, we will prohibit the display of Web site addresses in children's programs when the site uses characters from the program to sell products or services. This restriction on Web sites that use host-selling applies to Web site addresses displayed both during program material and during commercial material. We do not impose other restrictions at this time on the use of Web site addresses displayed only during commercials aired in children's programs.

30. We believe that this approach to the display of Web site addresses in programs directed to children ages 12 and under fairly balances the interest of all broadcasters in exploring the potential uses of the Internet in connection with their children's programs with our mandate to protect children from over commercialization. We will require a broadcaster that chooses to air children's programs displaying Web site addresses during program material to certify, as part of its certification in its license renewal application of compliance with the commercial limits on children's