Court Ruling Invites a Boom in Political Ads

By BRIAN STELTER

Among those closely watching the Supreme Court ruling last week that loosened restrictions on corporate campaign spending were local television stations, which now hope for a windfall.

Media of all kinds may benefit from the decision, which promises to let more political advertising money be poured into the system. Most of that money finds its way to television, and in particular, local stations in battleground states.

“It’s a big opportunity” for stations, said Steve Lanzano, the president of the Television Bureau of Advertising.

Under the Supreme Court decision, corporations and unions will be free to spend money on attack ads in ways that were previously banned. “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.”

In part for that reason, he expects more money will flow to radio and local cable operators.

Election advertising is especially critical this year, given the beating that local stations have taken in the downturn. Exacerbating the economic pressures, the lack of political ad dollars last year meant that many stations experienced 30 percent declines in ad revenue, according to the Television Bureau of Advertising.

With the relaxed rules, hundreds of millions of dollars could be at stake. Mr. Lanzano’s group recently revised upward its projection of 2010 election revenue for local stations, to $1.8 billion from $1.5 billion.

Even before the ruling, group members believed the earlier estimate was a bit conservative, Mr. Lanzano said. “Now, with the Supreme Court decision, and of course, an emboldened Republican base, we think that number could go up,” he said.

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