UNITED STATES OF AMERICA

FEDERAL COMMUNICATIONS COMMISSION

WORKSHOP ON THE FUTURE OF MEDIA & INFORMATION NEEDS OF COMMUNITIES: PUBLIC AND OTHER NONCOMMERCIAL MEDIA IN THE DIGITAL ERA

Washington, D.C.

Friday, April 30, 2010

PARTICIPANTS:

JULIUS GENACHOWSKI
Chairman, Federal Communications Commission

MICHAEL J. COPPS
Commissioner, Federal Communications Commission

STEVEN WALDMAN, Moderator
Senior Advisor to the Chairman

ELLEN P. GOODMAN, Co-Moderator
Professor and Distinguished Visiting Scholar
Rutgers University School of Law - Camden

Framing Presentation: A 1967 Moment ... a Vision for Public Media

LUIS UBINAS
President, Ford Foundation

ERNEST WILSON
Chair, Corporation for Public Broadcasting

Panel Discussion 1: Varieties of Public and Noncommercial Media

PATRICIA HARRISON
President and Chief Executive Officer
Corporation for Public Broadcasting

JOSE LUIS RODRIGUEZ
Founder and Chief Executive Officer
Hispanic Information and Telecommunications Network

JAN SCHAFFER
Executive Director
J-Lab The Institute for Interactive Journalism

VIVIAN SCHILLER
President and Chief Executive Officer, NPR

1 PARTICIPANTS (CONT'D):

2 HARI SREENIVASAN
Correspondent, NewsHour
3
SUE SCHARDT
4 President Association of Independents in Radio

5 Panel Discussion II: Purposes of Public and
Noncommercial Media
6
DAVID FANNING
7 Executive Producer, Frontline

8 JAMES T. HAMILTON
Professor, Sanford School of Public Policy Duke
9 University

10 PAULA KERGER
President, Public Broadcasting Service
11
RANDOLPH J. MAY
12 President, The Free State Foundation

13 JAMES O'SHEA
Editor & Co-Founder, Chicago News Cooperative
14
Panel Discussion III: New Platforms, Approaches,
15 and Structures

16 JOAQUIN ALVARADO
Senior Vice President, Public Insight Network
17
BILL BUZENBERG
18 Executive Director, The Center for Public
Integrity
19
MAXIE JACKSON, III
20 President and Chief Executive Officer
National Federation of Community Broadcasters
21
NAN RUBIN
22 Board Chair, Prometheus Radio Project

1 PARTICIPANTS (CONT'D):

2 JAKE SHAPIRO
Executive Director, Public Radio Exchange
3
KINSEY WILSON
4 Senior Vice President and General Manager
NPR Digital Media

5
Panel Discussion IV: New Strategies for
6 Supporting Public and Noncommercial Media

7 CRAIG AARON
Managing Director, Free Press
8
DEAN BAKER
9 Co-Director, Center for Economic and Policy
Research
10
LEE BOLLINGER
11 President, Columbia University

12 STEVE COLL
President, New America Foundation
13
Panel Discussion V: Communications and Regulatory
14 Policy

15 ROD BATES
General Manager, Nebraska Educational
16 Telecommunications

17 TERRY CLIFFORD
Co-Chief Executive Officer
18 SRG/Station Resource Group

19 SUSAN HARMON
Managing Director, Public Radio Capital
20
KEN IKEDA
21 Executive Director, Bay Area Video Coalition

22

PARTICIPANTS (CONT'D):

BILL KLING
President and Chief Executive Officer
American Public Media

CRAIG L. PARSHALL
Senior Vice President and General Counsel
National Religious Broadcasters

ERIC NEWTON
Vice President, Journalism Program Knight
Foundation

* * * * *

P R O C E E D I N G S

(9:05 a.m.)

MS. WITANOWSKI: Hi, everybody. Please sit down so we can get this program started. Thank you. Please.

MR. WALDMAN: Could everyone have a seat? Could everyone have a seat? Could everyone have a seat? We're going to get started now. We're going to get started now. Could everyone have a seat, please?

Welcome to the second workshop of the Project on the Future of Media and Information Needs of Communities at the FCC. This is a project that was launched a few months ago to help ensure that Americans have access to vibrant, diverse sources of news and information that will enable them to enrich their lives, their communities, and their democracies. Today's workshop will be focused on noncommercial media, a critical element to the national and local media ecosystem. We are very, very pleased today to start off with a few comments from the chairman of

the FCC, Julius Genachowski.

(Applause)

MR. GENACHOWSKI: Well, thank you all very much. Commissioner Copps and I were just talking about how gratifying it is to see this kind of energy and enthusiasm around this very important topic. Thank you all for coming. Thank you to Steve Waldman for not only coming to the Commission, but now driving this process in such an open, healthy, productive, informational way. Thank you to the people on your team who have been working so hard. Sherrese Smith in my office has been working very hard on this as well. These are very, very important issues.

I am very pleased that Commissioner Copps is here and I will ask him to say a couple of words after me. At the risk of not naming everyone, there are people here -- I'm just so pleased -- I'm so pleased to see Ernie Wilson here, the head of the CPB. Vivian Schiller, Paula Kerger, Pat Harrison, Luis Ubinas. Just an extraordinary group of people. I think your

joining us here today shows not only how important you believe these issues are, but your spirit in approaching this the way we are at the FCC, which is looking for solutions and opportunities, ways to tackle the challenges for the next generation of public media.

Let me share some brief thoughts before we begin because the real energy I think will come from our panel. The last Future of Media workshop explored the important public interest obligations of commercial broadcasters and other media sources. This workshop, as Steve said, will explore noncommercial media and the changing media landscape. Now, beginning in 1945, about 60 years ago, the FCC made a series of momentous decisions that helped invent a new institution -- the noncommercial educational broadcast station and system. As part of its broad strategy for overseeing the airwaves, the FCC set aside spectrum for public broadcasting, first for radio and then for TV. These were big decisions, not without controversy. But if we hadn't made those

simple but bold decisions then, we might never have experienced Sesame Street or NOVA, Ken Burns' Civil War or Baseball, The NewsHour, Mr. Rogers' Neighborhood, All Things Considered, or William F. Buckley's Firing Line. Our society, our families, our children, our democracy would have been incalculably poorer.

Of course, making spectrum available was only one step on the road. Thousands of creative entrepreneurs pushed public media forward through 1967 when public broadcasting soared to another level thanks to the effort of the Carnegie Foundation, the Ford Foundation, Congress, and a number of visionaries of that era. We are now, again, at a special and important moment with several seismic shifts occurring simultaneously. And although these shifts are creating major challenges that everyone in this room is struggling with, there are also significant opportunities.

First, the same forces that are affecting commercial media are prompting profound

change in the public media. By the way, I noticed that the noncommercial community is no longer saying just public broadcasting, but public media, recognizing that public TV and radio are offering content across many platforms, including broadband and mobile, bringing this content to where the viewers are -- on the Internet, on mobile, in addition to broadcast TV and radio. In addition, thousands of websites with no connection to traditional public broadcasting are operating with a public media spirit, providing news and information to improve their communities. What's more, through social media the public now is not just financing public media, but helping create it.

Second, these same technological changes have disrupted the old models for journalism, creating a potential crisis for democracy. Our founders viewed the health of our republic as inextricably linked to the vibrancy of a free, aggressive, independent press. Let's remember, this isn't about preserving an industry. It's not

about preserving journalists' paychecks, although that wouldn't be so bad. Here's what it's about. If the county council or health department, or if companies that pollute or harm consumers are no longer covered vigilantly, it's not journalists or media companies who suffer most; it's the citizens. The crisis in journalism poses important questions for noncommercial media. What is your role in providing local news and information? PBS, NPR, and CPB recently announced a joint effort to promote local journalism, an important step forward. Our broadband plan suggested consideration of increased funding for public media given the journalism crisis and proposed the creation of a trust fund for digital public media, potentially endorsed by some revenue by voluntary auctions of spectrum. Beyond money, what needs to happen so that public media can tackle this daunting challenge?

Now, third, technology has created new challenges for parents, both in finding great content for their kids and warding off damaging or

inappropriate content. Public television, of course, pioneered the creation and distribution of excellent programming for kids, but what now? In an era when parents struggle to manage the media consumption of their children, how can public media provide the leadership on family and educational programming that parents need more than ever? I know that there are examples of public media already doing this. I know this because my three- and five-year-olds show me the PBS apps on their iPhone.

Fortunately, there's a fourth trend. At exactly the right moment we have a collection of unusually energetic visionary leaders at both the headquarters and at the grassroots of our public media institutions. From the big institutions with familiar initials to small low-power FM stations we're seeing in town after town, signs that public media has the energy and creativity to meet this challenge. Meanwhile, the Knight Foundation, the Ford Foundation, and others have offered an extraordinary combination of hardheaded

prodding, visionary thinking, and last but not least, money, to see the experiments that need to take root in this new era. What's more, I'm pleased to see the public media organizations are working together, something I know has not always been the norm and is challenging at anytime. Keep it up. You're right to recognize that this is a time for forward thinking, not complacency or defensiveness.

You're right in recognizing that at all levels of public media this is a big moment and the nation is depending on you to rise to it. The FCC will be an active partner in this effort, committed to being a helpful partner. As the agency that licenses the 3,500 or so full-powered, noncommercial educational and TV and radio stations, we have a real and special obligation to work with the leaders of public media to chart a great course and an obligation to the American taxpayers to ensure that public media spectrum truly serves the public. That's one of the reasons why the FCC has launched the project on

the Future of Media and Information Needs of Communities. The Future of Media Group has taken the baton from the Broadband Task Force to flush out ideas about public media funding, spectrum, and civic engagement. Beyond that, the Future of Media Project will assess the changing media landscape more broadly and make recommendations to the FCC and other policymakers on how to help ensure that every citizen in every community has access to vibrant, diverse sources of journalism, news, and information.

As the FCC commissioners in the middle of the last century understood, this Agency cannot and should not dictate programming; everything must be done in the full spirit of the First Amendment; and nothing should ever be done to hobble the independence of the press. They also realized that policymakers can help create the stage, the platform, for free speech on which the real creative geniuses, inspirational leaders, and journalists can enlighten and inform us all.

So thank you to this generation's

creative trailblazers, many of whom are there today, for working together and working with us on this challenge so that 85 years from now, leaders will look back and say that this generation provided a new foundation for creative, educational, and informational content, family friendly programming, and independent watchdog journalism that would make our Founding Fathers proud. So thank you. I wish you a good, healthy, productive, vibrant discussion. And I appreciate you all joining us here today.

(Applause)

MR. GENACHOWSKI: And let me introduce Commissioner Copps. I think all of you already know that these activities owe so much to Commissioner Copps persistence and passion about these issues consistently at the least from the very moment he came to the Commission, and I believe much earlier than that. So it's not surprising that Commissioner Copps would be here today, but it's an honor to all of us given his passion and prodding to make sure that the FCC

takes these issues seriously. And so I thank you, Commissioner Copps, for your long record of excellent work on these topics. And I'm pleased to give the mic to you.

(Applause)

MR. COPPS: Thank you very much, Mr. Chairman, for the very warm and overly generous introduction. I do appreciate it. Thank you for enabling this discussion today. Thank you for bringing Steve and committing resources to enabling this discussion and moving it along towards action.

It is a great day for us to have here such a distinguished cast of panelists and characters, perhaps as impressive a group as we have ever assembled here. The subject at hand, the future of our media and out public media and out media's journalism could not be more timely. I know doing something about the challenged state of media and media journalism is at the very top of my bucket list and I think many of you are in the same place as I am on that.

At first glance it appears that we have two problems here. The first is a very immediate challenge confronting traditional media. The news and information component of media is -- without going into details with which we are all familiar -- on life support where there is still life. The second is the future of online media. We need to be addressing both. But in fact, they're not two challenges; they're one. They go to the heart of democracy's always enduring challenge, making sure that we have an information infrastructure in this country that provides citizens with what they need to know so they can make intelligent decisions about their future. This challenge is as new as high-speed Internet and as old as the founders.

Go back to George Washington, Thomas Jefferson, and James Madison, and you can see them struggling with this. It was a big challenge for them because they knew that their experiment in government, building and maintaining a far flung democracy that was spreading across a continent, depended upon an informed citizenry. They thought

about it and then they acted, deciding that the second biggest expenditure of their new government would be the provision of postal subsidies to get newspapers out to people. Newspapers of every stripe. Most quite partisan, all deemed necessary.

We all remember the famous Jefferson quote that if he had to choose between a government without newspapers or newspapers without government, he'd take the latter -- newspapers without government. But he didn't stop there because our always diligent friends at Free Press dug up the rest of the rest of the Jefferson quotation which was this. "But I should mean that every man should receive those papers and be capable of reading them." Jefferson's generation worked hard to get the information out. Newspapers were the information infrastructure of that era and they started us down the track, making sure we had an informed and educated electorate.

Isn't this the same challenge we have?

The technology and the lingo may change, but the small "d" democratic challenge endures. And it always will. It's a challenge we face now in fixing what's wrong with our traditional media -- and that's a lot -- and building new media. It's behind the need to get broadband out. It's about deployment. It's about adoption. It's about illiteracy. It just says on the side in our day digital literacy, media literacy. That's why we need that K through 12 literacy curriculum that I have stressed before. We live in a multimedia environment, and one that our kids and my grandkids will need to understand. They need the tools to know how to navigate the information available, how to discern truth from fiction, opinion from cold-hard fact, and they need to know not just how to use new media, but how new media can use or misuse them. And I'm pleased that our new National Broadband Plan under Chairman Genachowski's leadership tees this issue up.

Public media is the jewel of American broadcasting. Public media appeals so often to

the better angels of our nature. And you folks from public media take so seriously your role to use the people's air waves for real national purposes. Don't get me wrong. I'm not here to say you're perfect. There are things left undone. But what you have accomplished with the poverty of public support that you endure is amazing. I get embarrassed every time I think of the average per capita, per annum government expenditure on supporting public media. It's a $1.35. Someone remarked that a cup of coffee you brought in here this morning cost more than that compared with the $50, $75, $100 or more per capital per annum support that other democracies put into quality media. It's pretty paltry and it's totally inadequate to the needs of this nation.

But even without adequate support, good things continue and promising new developments seem to be proliferating. I had the chance recently to have a dialogue with the Corporation for Public Broadcasting, and I would be remiss if I didn't thank Ernie Wilson for his leadership and

dedicated service of that august assemblage of talented leaders. And I was particularly pleased to learn that the CPB has recently announced a $10.5 million investment in local journalism centers to promote collaborative reporting on issues of concern to individual communities. Quality news experiments are being conducted across the country. This is a great sign of innovation and creativity working with new media. And I think it's critically important that there are more, not less journalists on the beat reporting on the stories that are necessary to our everyday lives. This is a commitment that Knight Foundation and Ford Foundation, among many others, have made and we are grateful for their forward thinking in working to fill the gaps.

But it seems that with each finger that's plugged into the dyke, 15 or 20 more leaks spring up. So in addition to all the wonderful experiments going on to build successful models for getting honest to god journalism out to our citizens, we need to be open to talking about the

enhancement of public support for public media. We need a robust dialogue across the country like you will have today, thinking about and talking about what role public media and noncommercial media should play and how the government might be involved in a more constructive way. This has to be an important part of our national dialogue and the future of media -- the future of journalism.

Oh, sure, the talking heads of raging cable and gabfest radio will try to put you on the defensive. Your regulators, or Maoists, or whatever other labels they can think of to avoid the issue and to inflame the people -- my advice, we need to stop playing defense and get on the offense, worry less about labels and more about substance. What we have in this country right now with too much of our media is a bad case of substance abuse.

(Applause)

MR. COPPS: The facts go undug. Investigative journalism is an endangered species. Far fewer reporters walk the beat, so we turn to

opinion. Now, I love opinion. I have many of my own. And each of us is entitled to our own set of opinions. Each of us is not entitled to our own set of facts. That's why doing something about the news -- real news -- is so important. This place -- the FCC can start with broadcast and figure ways to make sure the public airwaves are providing more than infotainment, more than "if it bleeds, it leads" local news, and more coverage of what diverse people in our thousands of diverse communities are doing and contributing, more coverage of the information we need to make intelligent decisions about our shared future.

There are many more questions, and I'm sure today will show us there are many more and better ideas out there waiting to be heard. And that's why I'm grateful for the presence of so many smart and committed people here today.

I don't want to take up anymore of your time since I know you have a full day of panels scheduled, but I really cannot sit down without recognizing that today is a huge milestone in America's media history.

Tonight, Bill Moyers' Journal will air its final program. One of the best and happiest things that has happened to me in my nine years at this place has been the opportunity to get to know Bill and even more to have his friendship. I'll be frank. He's one of my real heroes. I've had the good fortune to be on his absolutely stellar program -- I think it's the best program of all -- most recently last week, in what was his second to final journal.

I can think of no journalist now or at any time across the annals of our past who has contributed more to democracy's dialogue. The world of fact and the world of ideas are his beat and he seems always to arrive at his conclusions only after digging first and digging deep for the facts, a kind of intellectual induction too rarely seen on what passes for issues programming these days. These are all the inspiration we should need here today to give this workshop the creative force I hope it develops.

So as I leave the podium, I ask you to join me in a round of applause for what this good man has contributed to our media and to our country, and to

wish him all good things ad he continues to work in what I am sure will be creative new ways for the betterment of us all. Thank you.

MR. WALDMAN: Before we move on to the next step, a few new of how the public and folks in this room will be able to participate in this workshop. We have a Twitter feed which is #FOMwkshop. #FOMwkshop. And the e-mail account is futureofmedia@fcc.gov. And we will be incorporating questions from the community out there in the workshop as we go along. In addition, there will be questions from the audience here which will be gathered on cards as we get into the panels.

But before we go into the panels we have two very special presentations. The first one will be a video presentation from Luis Ubinas, the president of the Ford Foundation. The Ford Foundation, as you know, has played critically a crucial role in accelerating and launching public media starting in the sixties and thereafter, and has once again played a crucial role now in both

funding and encouraging re-thinking of public media right now. So we have a quick film from the president of the Ford Foundation.

MR. UBINAS: Chairman Genachowski and the Federal Communication Commissioners, thank you for this opportunity to address you today as you begin a day of exploration and discussion on the future of public media. I'm Luis Ubinas, president of the Ford Foundation.

From the Ford Foundation's beginning, harnessing the power of media for the public good has been part of our mission. Since the 1950s, we've committed over $500 million to help build infrastructure in programming for public broadcasting. We've done so because we've always believed that free, open, and diverse media are fundamental to democracy and our investment has reaped returns for generations of Americans. It was public broadcasting's innovative programmers who brought us new genres, such as Sesame Street and other wonderful, educational offerings for kids. They brought honest and inspiriting

1 documentaries, such as The American Experience and
2 shows about the natural world that became staples
3 of channels, such as Animal Planet. Successes of
4 commercial television -- Nickelodeon, Discover,
5 and HDTV -- respond by innovative programming on
6 public broadcasting.
7 But in the midst of a new media
8 revolution driven by changing technology and
9 shifting audience expectations, public media must
10 find new relevance. We live in a nation that is
11 more diverse and more connected to the world than
12 ever before in history, yet all our faith and the
13 importance of public media in America won't matter
14 much if programming does not embrace this new
15 reality. Americans are looking for the next
16 generation of in-depth news, public affairs, and
17 cultural programming. Content relevant to their
18 lives and our times. Public media will rise or
19 fall based on its ability to respond to these new
20 cultural requirements.
21 That's why today we face one of the most
22 important moments in the evolution of public media

since its establishment nearly 60 years ago today. How do we create a system of program delivery across Internet, wireless, cable, satellite, radio, and TV? What is the role of public media on these new platforms? How do we harness the technological capacity for reach, interactivity, and user-generated content to enrich how all Americans learn about and debate complex challenges before us? How do we engage the public in thoughtfully answering these questions?

In 1965 when early leaders of public broadcasting were confronted with similar questions, they answered them in a ground-breaking way. The independent Carnegie Commission called for a kind of public media that would show us our community as it really is; where people of the community express their hopes, their protests, their enthusiasms, and their will. Over the past 50 years, public broadcasters fulfilled that vision as far as the technology of the time would allow them. Today's technology offers us many more ways to fulfill the fundamentally democratic

vision of public media that our forbearers established.

Our charge today is to figure out how we can use new technologies to ensure access and to engage all Americans, to create a new kind of public square that meets the needs of our 21st century democracy. How do we ensure that the public has access to these pathways to public participation? And how do we ensure that public voices are heard? What is the role and responsibility of each individual citizen, each of us with greatly expanded ability to create, interact with, and challenge packaged media? Like the innovators who led the first generation of public media in the last century, we need to take risks. We need to create new ventures that develop dynamic media environments, content that engages more people, and find more partners committed to harnessing media technology for the public good. We need to create the space and the access required to encourage and enable innovation. Now is the time for a new generation

of public-minded media pioneers. We look forward to working with you and investing in them. Thank you.

(Applause)

MR. WALDMAN: And now we are very honored to have a special address from Ernie Wilson, who has been a leader in this field and a public servant for many years. He currently plays two very important roles as the dean of the Annenberg School of Communications and as the chair of the Corporation for Public Broadcasting Board.

(Applause)

MR. E. WILSON: Thank you, Steve, Commissioners. It's a real pleasure to be here. I feel somewhat disadvantaged because Luis had sort of a multimedia presentation. And I've just got to stand here in front of a podium.

But his comments and the comments of the two previous speakers I think point to a couple of really important issues that I'd like to develop in the few minutes that I have. One of them, of

course, is that we are at this special moment. We are at what some have called a 1967 moment. And the future is ours to grasp. We simply have to step forward with, as Luis said, the innovation and the imagination to seize that.

This is a critical moment in the life of public service and public service media. And the challenge, I think, is for us to move beyond public broadcasting. There was a moment when public broadcasting did not exist. It was called educational television for those of you who remember those times. And then it became public broadcasting. We're at a moment when we have to move beyond public broadcasting as traditionally defined into something else -- public service media -- that we are still in the process of defining. We are between the old and the new. We have to challenge ourselves with the imagination and energy to become public service media.

And this should be a public service media that seizes on the tools that we have available to us. In some ways at last, as was

said by the previous speaker, we have all of the tools that we've been waiting for with these new platforms. And yet it's also true that tools alone are not enough. Tools will not do it. We also have to have the wisdom to use those tools wisely. The culture that encourages innovation and the courage -- and I want to emphasize the word courage -- to embrace our evergreen mission of seeking out and providing information in the public interest, even as we discard old practices, old attitudes, and old institutions that do not advance this new definition, this new vision, of public service media.

If we don't -- well, let me put it in the positive sense. If we do, if we continue to do this, then democracy in America will be stronger for ourselves and for our children. If we fail to do this, then democracy for our children and ourselves will be weakened. This is, I think, huge stakes before us. And I know everyone in this room is committed to that reality.

Today in my brief remarks I sort of want to wear two hats. One is as a member of the Carnegie-Knight Initiative on the future of journalism education, I want to just say a few words about that and then turn -- take that hat off and talk a little bit about public broadcasting more generally. And the question I would put forward is will Americans have the talent and the competencies to navigate the new media ecosystem? We spend a lot of time talking about the technology, et cetera, et cetera, but who will use those tools? How will they use them? How will they be educated? And of course, Commissioner Copps raised this in his remarks as a former professor. I'm not surprised that he did. And it's something hugely important that I think perhaps doesn't receive the attention that it deserves in today's world.

In other words, once we've created all these new technologies and infrastructures, then will the American people in general and the practitioners of the craft of journalism in

1 particular, possess the skills required to make
2 the best use of these tools? And certainly, the
3 tools will be there. They're already there and
4 they're very cool. The iPads, the broadband, the
5 panoply of mobile apps, et cetera, et cetera. But
6 we do need the education that will allow all of
7 us, especially the poorest amongst us, to be able
8 to use these tools, to design these tools, and
9 employ them in their own self interest. Will
10 citizen journalists, for example, learn the
11 integrity, balance, respect for multiple
12 perspectives, and everything else that journalism
13 has traditionally provided?
14 The major -- this major challenge is
15 being addressed by a number of the schools of
16 journalism in the United States and through the
17 Carnegie-Knight Commission work. And Eric is here
18 today who supported that through the Knight
19 Foundation. There are 12 leading journalism
20 schools which are addressing these issues. And I
21 would like to submit to the Commission and to the
22 commissioners a letter that has been prepared by

the deans of these 12 schools expressing our commitment and also welcoming partnership in creating the next generation of well informed Americans, and especially technically trained, ethically trained journalists.

Now, one of the great lessons of being a dean of a journalism school and a communications school is the imperative to be committed to the craft and importance of journalism and not just to teach our students about the skills or what they need for one platform, nor one way of teaching or researching. So all of our faculty bear a great responsibility for training the next generation to be able to work across multiple platforms.

As chairman of the board of the Corporation for Public Broadcasting, I believe those of us in leadership positions have a similar responsibility and balancing act. Our prime fiduciary responsibility must be to provide the American people using whatever means are at their disposal. And what the Public Broadcasting Act of 1967 labels "the growth and development of 'media

for instructional education and cultural purposes.'" This is really what President Johnson meant when he expressed this idea in 1967 and the stars are once again aligned for those of us who are interested in this topic to move it to the next level, as Mr. Ubinas and as the chairman said.

Over the long term our commitment must be his commitment to innovate for the American people, not to be committed only to one single application, nor to one single platform, nor to one single institution. Our fiduciary responsibility is to the American people. The platforms on which CPB and our sister institutions built our well-earned reputation remain at the core of today's media ecology and will remain so for the near and medium term future. Almost 33 million people listen to NPR stations weekly; 59 million people weekly watch PBS. Fortunately, some of the institutions responsible for public radio and TV are sprinting rapidly to pursue convergence of the digital and legacy media and to

combine them both -- the best of the both. And the public is taking notice. Almost 19 million Americans per month visit PBS content site alone. So there's the combination of legacy and the digital.

But as in all systems, some are doing better than others. Some are sprinting, others are strolling toward the future. As a board, our commitment is to assist our legacy institutions, while encouraging and helping them to embrace the bright new possibilities contained in the digital world. Through educational television for kids, through great news programs, and through cultural and entertainment content on both platforms, we have an honorable tradition of providing a treasured safe haven from the excesses of commercialism and gross materialism that marks too much of the commercial media world that the FCC's Newton Minow famously called a vast wasteland. This is why public broadcasting has become the most trusted institution in America. Not just the most trusted media, but one of the most trusted

institutions in the United States of America.

But now we are in a turbulent environment, a new environment, that has exciting new possibilities and new challenges. In this new environment again I think we are at a 1967 moment with great potential for change. And for those of us on the Corporation for Public Broadcasting Board, we have -- are chosen to articulate our traditional mission, our evergreen mission, in three ways. And many of you have heard this before. As I get more -- how shall I say -- mature, it becomes easier to remember three things rather than a bunch of things. And fortunately, all start with the same letter. The letter D. Today is brought to you by the letter D. And those three are digital, dialogue, and diversity. And there's a fourth D I'll talk about in a moment.

Digital stands for developing a digital culture inside public service media. Not using digital tools. Developing a digital culture where interactivity, user generated content,

peer-to-peer, et cetera, et cetera, is a core part of what we do. Dialogue means both within the Public Broadcasting System, as we've done an excellent job under the leadership of our partner organizations and local organizations. And equally important, if not more importantly, not just talking to ourselves, but talking to people beyond the Public Broadcasting System. And then the final D refers to our audience in terms of diversity. Are we attracting diverse audiences through diverse content and with diverse management and other staff?

Our position at the Corporation for Public Broadcasting is clear. Institutions that are nimble enough to achieve success with the three Ds should be rewarded, we believe, for their progress and achievement in meeting the public mandate with the fourth D, dollars. The three Ds plus the fourth D. And we firmly agree that with those three Ds, plus the fourth D, dough, that democracy can, in fact, be advanced. And without those three Ds or four Ds, democracy will be

retarded. And so this is our effort to try to move forward by interpreting the 1967 legislation and of the spirit of the time.

Now, in closing, let me say that I think it is safe to say that we are not yet fully a public service media. We're not a public service media. But it's also true that we are not a public broadcasting media either. We are somewhere in-between. We're beyond and we're better than public broadcasting for the new age, but we haven't quite figured out what public service media actually means. And so as we move forward -- I'm going to conclude here -- there is a real challenge to be more aggressive in embracing the future and to welcome the future as an opportunity. I would say the time to act is now. We are, in fact, at a 1967 moment when the stars are aligned. And what could be a more challenging and rewarding thing for us to do with our lives than to rise to that challenge.

Ladies and gentlemen, the future of public service media is in your hands. Thank you

very much.

(Applause)

MR. WALDMAN: I can't let Professor Wilson leave without asking just a couple of questions before we go on to the first panel.

As a practical matter you talked about the three Ds and how programs -- media creators, programmers that fulfill those should be rewarded. How is it possible to measure success against those kinds of standards?

MR. E. WILSON: Well, that's a great question. And it's something that we're working on at the Corporation for Public Broadcasting. The first answer is that it cannot come from above. This has to be a set of measurements which has to emerge out of conversation with people in this room, with people at the stations, because there are different definitions of what we mean by dialogue, by diversity, and by digital. So I think that's the first. It has to be a common process.

Secondly, it's not rocket science. Once

we accept -- the toughest part is accepting the notion that we have got to do digital; we've got to do dialogue; and we have got to do diversity or we will fail our communities. Once that leap is made and not just rhetorically, but on the ground in terms of budgetary allocation, that's the tough part.

But let's take for example the issue of diversity. One of -- probably the most thorny of the three. One can measure diversity in terms of the number of people of color who are at local stations or who are in leadership positions at local stations or at national organizations, which we are doing at the CPB. We're now hiring several new positions along these lines.

Secondly, it can refer to audience share. How much of a diverse audience do we have in our broadcasts? Both in -- diversity in terms of age as well as ethnicity, race, political perspective. What kind of content is there? So I think the challenge then, Steve, is not to make it a numbers game, although numbers are essential in

terms of allocating budgets. We all do that. Everyone in this room. We have to have these indicators. But it should be arrived at through a process of consultation. But once those criteria are agreed, then we need to set the standards and meet those standards or else the resources should not be provided to those stations and institutions that are unable to meet those criteria.

And here I'm talking mostly about incremental money. There's certain kinds of money that CPB has to provide. We don't have much control over that. But for incremental money. And I think you heard Luis say that that's what Ford is going to do. I was able to spend about an hour with him yesterday talking about these issues. If you look at what the Knight Foundation is doing, they're developing criteria as well. So I think we're converging around these three Ds in ways that are very important.

MR. WALDMAN: There seems to be a consensus developing among people who are looking specifically at the problems with journalism and

information needs of communities that one of the real areas of potential crisis is local. Local coverage. Could you describe and assess public broadcasting's approach to local information and where you think that ought to go?

MR. E. WILSON: That's really the core of what we do -- excuse me -- as public service media, as public broadcasting. And as many people in this room know, as the traditional legacy media decline, especially at the local level, then it becomes ever more incumbent on us to fill that gap that the commercial broadcasters are leaving behind. So it's become increasingly important. In many communities and like other members of the Corporation for Public Broadcasting Board, you know, I traveled to communities in Mississippi. I've traveled to communities in Alaska where public service media, public broadcasting, are the only sources of local news. So it becomes hugely important. So in some ways, as less is done over here and there's more of a news gap on the commercial side, nationally and locally, then our

obligations become even more important. And as we're seeing around the country with hyperlocal experiments, then that's a critical thing to do.

I will say that it is going to be a challenge for public service media. How do we embrace the new technologies at the local level? How do we do it in ways that are relatively inexpensive? High production value is our motto, but what about sending out some of my students, for example, to do local news with a flipcam? And the quality won't be as good, but it will be more local content then if we just rely on producing multimillion-dollar programs. So there are ways to do this.

The other issue is that there are cost savings that can be generated, but Congress does need -- I don't know if I can say this wearing this hat -- some have said that Congress really needs to plus up the budget so that we can do local news. We've been very fortunate. People in this room know what a time of budgetary austerity the Obama Administration has plussed up our budget

last year in a remarkable way. But I think it really means that we have some challenges. Quite frankly, much of the content that's produced in the United States on the television and radio side is produced by a relatively small number of producers. That's just the reality. Now, we do a much better job than the commercial guys, but the other side of that is that we're not doing enough and we need to do more. And one of the challenges is to find ways to save money within the system, as importantly to gain money from outside the system so that we can buttress that which is really the jewel in our crown, which is local reporting.

MR. WALDMAN: Thank you. Thank you very much.

MR. E. WILSON: Thank you.

MR. WALDMAN: I want to -- before we turn to the first panel -- introduce some other folks here. I'm very pleased to have by my side Ellen Goodman, professor at Rutgers University School of Law, and I'm very pleased to say has

recently joined the Future of Media project to lead the public media area. And she will be joining me for the whole workshop as co-moderator.

And then on this panel -- we're also going to be -- in each panel have someone from the Media Bureau of the FCC with whom the Future of Media project has been working hand- in-hand throughout this whole effort. And on this panel that is Jamila Bess Johnson, senior attorney in the Media Bureau.

And with that let me turn over to Professor Goodman the next panel.

MS. GOODMAN: Thank you. Okay, Panel 1. Let's get to it.

I'll introduce each of you as we go, but I do want to say that Vivian Schiller is joining us remotely, live remote video, as she is president and CO of NPR.

This panel -- this first panel will look at varieties of noncommercial and public media and explore what exactly public media or public media service is and is becoming. And for the purposes

of today we are using these terms interchangeably -- public and noncommercial media. We have a group of discipline journalists who I know will set a good example for our day by minding the clock with their -- in their short statements.

So let's begin with the Honorable Patricia Harrison, president and CEO of the Corporation for Public Broadcasting.

MS. HARRISON: Thank you, Ellen and Steve, for putting together a very thoughtful agenda.

We just heard Dr. Wilson refer to the 1967 legislation that created CPB. And when President Johnson spoke these words, I think you will all agree they are just as important as they were then today. And he said that our security as a nation depends upon the enlightenment of our people. So if you think about it, this is the real homeland security in terms of public media. He said that our freedom depends on the communication of many ideas through many channels. And then what was most important, he backed this

rhetoric with policies, giving us a sound foundation built on quality, excellence of content, trust, and accountability.

But the most important thing he did is extremely significant for today. He created CPB to ensure accountability for the federal investment and to serve as a firewall between the federal government and public media. A firewall of independence for filmmakers, products, and content providers. And this is the trust equation that is so important. And it really is what sets us apart.

So, for example, parents and teachers trust PB content and services to help children learn, especially in high poverty communities. And Americans trust PBS NewsHour to give them news beyond a sound bite. And Frontline is trusted to deliver documentaries that challenge opinions on all sides of the political aisle. And as we just heard, over 30 million Americans access NPR for news and information. And again, that word that they can trust.

So this is just a few of the reasons that I think in the National Broadband Plan you recognize the vital and unique role played by public media in our democracy. But this is a time of great transformation, innovation, opportunity, and challenge as we really try to meet the information needs of and connect with a much more diverse America in ways that honor our mission to serve the underserved and the unserved. And another of public media's long term challenges, as Ernie Wilson said, we've always been underfunded, but we have always over performed on a shoestring. But right now that string is running out. As the economy continues to impact communities, it's also impacting many of our stations. At the same time, the need for public services -- public media services -- is growing, even as resources continue to shrink. Newspapers are contracting and journalists are no longer in place to ensure civically valuable information is getting to citizens.

So we do have to ask is this current

news ecology acceptable? And how can we ensure what the Knight Foundation identifies as critical to our democracy, healthy information communities? How can the last remaining locally owned and operated public media organizations in the country respond to this challenge? And that was the impetus behind our $2 million investment and partnership with the Knight Foundation and NPR and Project Argo. It's why we invested in the public media platform and why last month we launched our partnership with stations in a $10 million investment in local journalism centers. It's a new approach to news gathering and reporting multimedia, multiplatform content around a single topic area.

And very soon we're going to be announcing another $10 million investment in investigative and enterprise journalism. And we're making an additional investment in APM's public inside journalism. And very much connected to our investment in journalism is CPB's commitment to digitize the heritage of public

media through the American Archive Initiative. These are all components of a dynamic public media reaching and engaging with diverse audiences when and where they choose with the content that is so important to their lives. A dynamic public media means collaborating with organizations such as BAVC, Youth Media International, with ProPublica, the Minority Consortia, and so many others who are bringing new voices and new ideas to the table.

This is not just good for fulfilling the mission of public media. It turbo chargers our transformation in the digital age and it means ensuring that those three Ds -- digital, diversity, dialogue -- are much more than just an alliteration. That they are front and center and organic to every single thing we do. What we know going forward is that great companies or organizations, those who thrive and really grow in challenging times, cannot be wedded to the status quo. They make important transitions. This is what public media has always done.

When Commissioner Copps spoke to our

board he said, "I see as an important part of my job preserving and protecting and advancing a thriving and robust public media." And I see that as CPB's mission as well. I look forward to working with the FCC and my colleagues toward that goal.

Phew. Bye. Okay.

MS. GOODMAN: Thanks so much, Ms. Harrison. Okay. Now, let's turn to Vivian Schiller, bright and early in the morning from the West Coast, president and CEO of National Public Radio.

MS. SCHILLER: (Via remote video) Thanks, Ellen. Hi, everybody. I'm in the Odegaard Library of the -- oops, yes. Is my -- can you hear me? Is my speaker on? Can you hear me?

MS. GOODMAN: We can hear you.

SPEAKER: We can hear you. We can't see (inaudible).

MS. SCHILLER: Okay, terrific. I'm in the Odegaard Library at the University of

Washington in Seattle where it is very bright and early. And I want to focus my remarks on journalism.

Last month the Project for Excellence in Journalism released its annual report, the State of the News Media. And many of us in the news business paid close attention to this report. It comes out every March. It's hotly anticipated and it's 700 -- usually at around 700 pages it is -- it's a quite comprehensive look at our business. And when it comes out there's sort of this buzz that goes around in the media where all of the pages and the statistics are interpreted like tea leaves to determine what is the future of media. Are things getting worse? Are things getting better?

Well, this year the report, which just came out a few weeks ago, really came like a blow to the head with a two-by-four. There was no interpretation needed. And to make my point I pulled a few phrases from the State of the Media Report from just the first few pages, the

executive summary. So here are just some of those phrases: Enormous losses, grim revenue numbers, continued declines in audience, continued declines in revenue, continued declines in staff. And this really cheery observation -- the losses suffered in traditional news gathering over the last year were so severe that by any accounting they overwhelm the innovations in the world of news and journalism.

I just want to repeat one piece of that again. The losses in journalism overwhelm innovation. That is a pretty grim picture. And the report begins with two words. An interesting beginning for a report. Two words. What now? So what now indeed. We at NPR and Public Radio have not suffered at the same levels of commercial media, which is what most of the report is about. Yes, we were hit by the recession, but our diversified revenue sources have protected us from the kind of wild swings, and lately, frankly, losses that our two revenue stream brethren and newspapers have suffered. And we've not been hit

at all in audience. As you've already heard, listening to public radio is at an all time high. The latest ratings report indicate that just under 34 million people tune in every week to NPR member stations. And an even more astounding fact is that the average listening across those 34 million people is six hours a week. That is very serious engagement and a heck of a large audience. More than the paid circulation of the top 100 newspapers combined is the size of our audience.

And our audience spans the political and geographical spectrum. With almost 800 stations reaching nearly 100 percent of the U.S. population in over-the-air broadcasting, and many of those stations are the only locally owned and operated news organizations left in their communities.

So here's the "what now" for us. We consider that the full scale dislocation of the news business, which is so amply demonstrated in the report, for us is a call to action. It is a call to action to do whatever it takes to fulfill the information needs of the American citizenry.

And if you leave here today with one message I hope it will be this -- that public media has many, not all mind you, but many if not most of the answers to the growing information void that this report so painfully describes.

So how will we do that? Two words. Innovation and partnership. Innovation and partnership in three areas. One, more original, independent reporting, especially in areas where commercial news organizations are stepping away. Foreign coverage, which we are growing at NPR. Investigative coverage. I'm thrilled to hear about the CPB Fund. We've just formed our own investigative unit in NPR. Breaking news, of course, but even more importantly analysis of the most complex issues of our times, like health care, finance reform, energy, climate change. And of course, local accountability journalism. Local journalism, as some of my colleagues have already said and I'm sure you'll hear throughout the day, is where we need to focus most.

Second, we need to reach more diverse

audiences as the demographics of this country change. And by diversity I'm referring to age -- bringing in -- being as relevant to the next generation of news consumers; race, ethnicity, and others.

And third, we need to fully embrace new platforms and technologies to better serve our audience. And that's where I'd like to focus my remaining minute or two. Sure, we've been focusing as you would expect on our website, NPR.org, which I'm pleased to report won a Peabody this year, which was a wonderful testimony to the work that the team has done. We're on the iPhone. We're on the Android. We're on the iPad where we've had 140,000 downloads of our app, which considering there's not that many people with iPads is pretty good, all of which are driving, listening to stations. These are imperative in order to reach new audiences, particularly younger audiences. The median age of people who are accessing public radio on those devices is almost 20 years younger than people accessing us through

broadcast.

It will also -- these devices and platforms also spur innovation in our storytelling by offering multimedia. And we feel we need to be on these platforms as many other news organizations go pay, we will always be free to the consumer on every platform. But in addition to these consumer facing services, we also have an opportunity with digital technologies to fundamentally reinvent the way -- the distribution of quality content in this country with the creation of a public media platform. And with initial funding from the CPB -- thank you very much -- and in partnership with other big -- the big broadcasting players, many of whom -- all of whom are represented in the room -- American Public Media, PRI, PRX, and of course, PBS -- we aim to make all public media available on a common platform. And soon thereafter, hopefully to explained that platform to include content from other not-for-profits, plus data, archival information, and other materials, all of which

will be indexed, searchable, and made available to publishers, and especially to the legions of those brilliant software developers, many of whom in their pajamas in their basement who will create valuable ways to understand this information and to create ways for us to present that information that we just will never even dream of. This is the ultimate expression of universal access. Of public media's value to future Americans.

None of these digital efforts, of course, are at the expense of broadcast. Video is our heart and soul, and with a growing audience to booth. It's where we invest most of our time and most of our resources. But rather digital expanding to new platforms is an extension of everything that NPR and public radio represents today.

So what now? Many of you testifying today are public media. We all share the same singular purpose -- to serve the information needs of the American people. And therefore, we -- all of us together -- must commit to partner, even

while we embrace the spirit of competition that is inherent in journalism and of course is a very healthy aspect of journalism. We must commit to innovate, and we must commit also to spur innovation inside and outside our ranks. And in doing so we will fully become the public service media as Dr. Wilson referred to it. We will serve our mission in ways that we could never have dreamed of, allowing every willing American to be an active and informed citizen of this democracy.

Thank you very much.

(Applause)

MS. GOODMAN: Thank you. Thank you, Ms. Schiller. We turn now to Jan Schaefer, executive director of J-Lab, the Institute for Interactive Journalism, who I believe will help us understand with a little more specificity these notions of innovation and partnership.

MS. SCHAFFER: All right.

MS. GOODMAN: You should have just let it stay there so you'd have more time.

MS. SCHAFFER: No, no. I'm supposed to

have a PowerPoint, but I guess it's not there. I can move on.

All right. Thanks. Thanks for the invitation to speak with you today. I'll move quickly through.

I think it's critical for the definition of public media to expand and embrace the nonprofit online news startups that are rapidly emerging in the United States. These digital entities are not only juicing journalism; they're juicing the public as well in the form of local civic participation. Voter turnout has increased, empty ballot positions have been filled, new players are occupying civic offices, wrongdoing has been exposed, and issues have been unpacked all because communities have news they didn't have before. And this is even before the current contraction in journalism.

The newcomers are more than individual bloggers in their pajamas. They include hyperlocal news sites that are launched by citizens, and hyperlocal sites launched by

professional journalists severed from their organizations. There are new metro area news sites with paid staffs. There are statewide investigative news networks. They're university-led community news projects and there are advocacy -- soft advocacy news projects, like the Sunlight Foundation, that advocate for transparency in government, but have a lot of journalistic DNA.

They are all demonstrating a lot of journalism jobs and they are doing watchdog reporting and they're expanding the definitions of news and objectivity. Most are accomplishing this though with only a fraction of the budgets that public and commercial news operations have. And they need more help. Many have launched with bare bone support from founders, funders, or donors. A small hyperlocal site can go live on $1,000 and a free WordPress blog and a handful of volunteers. J-Lab gives grants of $25,000 over 2 years to launch others, enough to leverage more support. Larger metro sites have paid staffs. They need

400,000 to a million a year to start. All are experimenting with hybrid models of support -- grants, donations, memberships, sponsorships, ads, events, and some licensed content.

Philanthropic support has jumpstarted many of these, but it's not enough. We think there needs to be more public citizen and corporate support. J-Lab has tracked 143 million in grants to these new digital news startups since 2005 and we have funded 52 of these startups. But we have received 2,734 proposals for these grants. So the demand is really fierce.

We believe policymakers can and should incentivize not only support for journalism, but really opportunities for citizens to be civically engaged because these new digital news sites are enticing people to participate in public life as news gatherers, as innovators, as supporters, and as informed citizens.

You're going to hear some other ideas later today, but we think policymakers can take some steps. Among them, we think that CPB should

be refocused as a corporation for public media and public broadcasters should be required as a condition of support to demonstrate collaboration with these new media makers. We think you should create a public media participation fund and it should be funded by a voluntary tax of 50 cents on each cell phone, laptop, and television purchased that would give you up to $220 million a year. And we think ISPs, cell phone, computer and television manufacturers should be asked to match this funding and incentivized with extra deductions if necessary.

We think there should be a new section of the IRS code that will cover these noncommercial websites -- a section that would allow them to raise more money than they're currently allowed to raise. We think corporate sponsors and individuals should take a bigger tax deduction than their actual amount. We think voluntary news contributors should receive a tax credit for their civic media work -- $1,000, $1,500 a year. We think they should receive

mileage deductions. When they drive 70 miles to cover a town hall meeting, they ought to get paid for it. There are going to be many hands out for such support, from religious radio stations to youth media literacy projects and partisan news sites. We think this kind of support should be directed at local, regional, statewide, or national news initiatives -- ones that deliver fairness, insight, and enhance transparency in government through databases, eyewitness reporting, participatory journalism, and responsible accountability journalism.

And I thank you for the opportunity to share those ideas with you.

(Applause)

MS. GOODMAN: Thank you very much, Ms. Schaffer. We're going to hear now from Hari Sreenivasan, correspondent for PBS' NewsHour. So I should say we're moving from the startup to the august and redoubtable established NewsHour.

MR. SREENIVASAN: Does that make me old? Thanks to the FCC for inviting me.

You know, when President Obama visited the troops recently there was an image that started to kind of tell me a story. And you've probably seen this, too. It was the President was in the background and in-between the camera and the President there were just a sea of arms with digital cameras, recording devices in some way, shake, or form. And you can see that almost anywhere the President goes now. And, you know, in the following minutes those images were transmitted across social media sites, Facebook. And in the next hours or days, people, as soon as those devices touched the Internet, would be sending stories back. And it occurred to me that that's almost the public making media in its most raw and simple form. And these were people that were retelling an event, exchanging a story with others. And they were bearing witness to something. And it's one of those moments where, you know, maybe there was a phone call or an e-mail that went back, so you could technically call them multimedia reporters or maybe even

citizen journalists.

But the fact is that we are telling our own stories now without waiting for a television network to squeeze us down into a 20 second sound bite or distill an entire day down into a series of images on the evening news. And it's in that sort of environment -- a very fast paced and sometimes impatient environment -- that the PBS NewsHour is trying to refashion itself for our existing audience that is becoming far more tech savvy, as well as a new audience that is -- well, they're tired of the coarseness and the national discourse, and they're hungry for solid, unbiased journalism anywhere, anything, on any device, on their schedule.

So, for example, the NewsHour started to try and build that context into as many of its products as possible. During the State of the Union Address we annotated the speed in such a way with expertise and analysis. Dozens of people were contributing to it so that the text of the speech was laced with content that you couldn't

find just by reading a wire news story. We also added and embedded video of coverage we had done on those previous topics before. And since then we've live blogged everything from the Health Care Summit to the hearings that were on the Senate this week featuring Goldman Sachs.

In an era where commercial media are slashing domestic bureaus and staff, we're actually trying to expand and reach out and partner with more public media. Part of that was through the CPB grant that Pat Harrison just talked about with the local journalism centers. That was just a few weeks ago. And just yesterday or the day before we started something at the NewsHour called NewsHour Connect. One of our first topics was immigration, and we reached out to two members at an LJC, which was Arizona Public Media, as well as KPBS. And we talked to these two reports and the FCC, thanks to the Internet, I was able to do that on a zero dollar budget. We basically recorded my conversation -- or we had a conversation over a voice over IP speaker phone

and the cameras would roll tape on all of us. And they FTP'd all of that back. I mean, that's unimaginable just 10 years ago. So without a satellite uplink, without millions of dollars in a sat truck, I had a conversation remotely with other people and I was able to stitch that conversation together. And that's just, you know, a fraction of how crucial broadband is for us and other public media.

To give you another example of how and why broadband is perhaps changing the NewsHour, this week if you go back -- I mean, you know, that Jim Lehrer is off on his book tour for his twentieth novel. And I convinced him to Skype. And, you know, if nothing ever happens in my tenure at the NewsHour, I think that will probably go down in history. I mean, this is a guy who was at his hotel room by himself on his wireless connection and he was, you know, using Skype for the first time. And now he's hooked. I mean, he's signing e-mails back with "Geeky Jim" at the end of it. (Laughter)

And so I think noncommercial national journalism is kind of what I wanted to be doing. I've got dear friends at both ABC and CBS where I worked, but the difference at the NewsHour is that our focus is far more on the delivery of necessary information versus the most tantalizing or titillating source. We still take pleasure in the facts versus the drama, and primary sources versus spin. I mean, my job isn't to tell you whether the glass is half full or half empty; it's just to tell you that it's a 16 ounce container and there's eight ounces of fluid in it. And I think you're smart enough to figure that out.

So as access to broadband increases and the public is only going to continue to generate more media, but as they're surrounded by increasing amounts of content, we think they'll increasingly turn to public media as a reasoned voice to cut through the noise. Two seconds, one second, zero.

(Applause)

MS. GOODMAN: I knew that broadcast

training would come in handy. Thank you.

So we turn now to Jose Luis Rodriguez, who is founder and CEO of the Hispanic Information and Telecommunications Network (HITN). And I should say that it's very interesting and worthwhile to have HITN here, which is neither a CPB grantee and broadcaster, nor is it a new start up. It has some characteristics of both.

MR. RODRIGUEZ: Thank you, the Commission and the staff for inviting me here today.

HITN was established in 1983. And it's Americans and all these Spanish language not-for-profit allocation of television network.

HITN fills a critical gap in the video landscape. We provide educational and instructional programming, which is needed and sought by the Latino community. HITN, we're at the present time dealing still with access issues. HITN currently reaches approximately 35 million households. Forty percent of those are only Latinos and can be viewed nationally through

satellite, telecoms, and selected cable systems. We're also the largest single holder of EBF spectrum and are working with Clearwire to serve the educational and nonprofit sectors with fourth generation wireless broadband services.

CBO's connect is one of our most exciting innovations. It's an initiative to connect community based organizations, as well as schools and libraries into a broadband network to create a virtual learning environment. It is so important that the FCC focus on the nonprofit sector, especially for broadcasters like HITN, which are outside the current crop of PBS stations. Independent, nonprofit video sources are more important than ever as both public and private broadcasters consolidate and expand their brands. The public interest set aside policy for DBS television and gave HITN the opportunity to reach a base audience and allow the network to grow.

Yet, the terms of DBA public interest courage are difficult. Telco video system by

Verizon, FioS and AT&T Ubers, which gives true national distribution have been a positive recent development. On the other hand, obtaining cable distribution is daunting. And when we get it we are segregated into what we call the digital ghetto where the viewer needs to subscribe to a premium digital service to gain access to our programming.

Large media providers have little trouble being carried, while independent nonprofit networks hear a familiar refrain from cable -- there is no room at the inn. Our recommendation today is that the Commission create a national cable public interest tier for nonprofit independent allocations network, a la C-SPAN, especially when the Commission's improved mergers, such as one that is considered now at NBC Comcast. HITN does not receive CPB funding, but should be fully eligible and welcomed into the Public Broadcasting family. I have aggressively sought innovative partnerships with PBS stations and continue to do so. HITN has only survived thanks

to the FCC decision to make PBS spectrum available to nonprofit educational entities. The revenues derived from the spectrum leases have been the financial life blood of our nonprofit.

In broadcasting, the Commission should find ways that digital channels could be made available to independent not-for-profit educational broadcasters like HITN. The real question here is whether there is any place at all for small, minority, or emerging networks in a rapidly, consolidated media ecosystem. Minority nonprofit broadcasters get offered diversity, serve the public interests.

I thank the Commission for the opportunity to be here today and I will look forward to participating in the discussion.

I have a short video that I wanted to show. Very short.

MS. GOODMAN: I think in the interest of time, why don't we reserve that and maybe we'll play that in the break?

We're going to move on. We do have a

video -- we don't want to leave this panel, however, without a video. So, Sue Schardt, executive director of the Association of Independence in Radio is here to show us yet something very different. A different kind -- I think as Jan Schaffer said -- we're redefining what news and journalism is. And I think we're going to see some of that, too.

MS. SCHARDT: One moment. It's coming.

MR. WALDMAN: We'll take this moment to remind everyone the Twitter feed is #FOMwkshop. #FOMwkshop or the regular old e-mail --

NARRATOR: (Video clip) -- the executive director of AIR, the Association of Independence in Radio. AIR represents a broad and diverse membership of 760 producers across 44 states and 10 countries. Since its inception in 1988, AIR has embodied the nimble entrepreneurial spirit of our industry and this is why CPBD came to AIR to help solve a problem. They wanted us to turn to individual inspired producers to help lead public radio through the transition to public

media.

So last year we launched public media's first demonstration project, Makers Quest 2.0, MQ2. We chose eight of our most innovative producers. We gave them $40,000 each and an assignment to deliver to us new formats and approaches to craft, blending traditional broadcast and digital media.

So we're doing a lot of talking today about public media. Let's take a few minutes to actually experience it. Mapping Main Street is a standout MQ2 project. It's a unique collaboration between Peabody award winning, independent producers Ann Heppermann and Kara Oehler; Harvard economist, James Burns; and media artist, Jesse Shapins.

SPEAKER: (inaudible) on Main Street in City Metro Diner.

SPEAKER: We're in Lexington, Virginia.

SPEAKER: (inaudible) Montana.

SPEAKER: Minnesota.

SPEAKER: (inaudible) Arizona. All Main

Street.

SPEAKER: When you think about living on Main Street you think of all the --

SPEAKER: Little shops.

SPEAKER: Fourth of July parades.

SPEAKER: The ice cream vendor on the corner.

SPEAKER: You picture in your mind a place.

SPEAKER: Our particular Main Street --

SPEAKER: (inaudible)

SPEAKER: -- connects the United States and Mexico.

SPEAKER: It's a bunch of ho's and drug dealers, that's all I know about Main Street.

SPEAKER: Good place to start a business.

SPEAKER: It's a true small town community spirit.

SPEAKER: It ain't much. This is as far as it goes right there.

MS. OEHLER: Hi. I'm Kara Oehler, one

of the creators of Mapping Main Street. Ann Heppermann and I produced three stories for NPR's Weekend Edition, and with each broadcast we reached an estimated audience of 1.2 million listeners. Our stories were featured on NPR.org and on NPR's Facebook page generating hundreds of comments.

I think one of the most unique aspects about our work is the participatory platform we created. It's powered entirely by public APIs -- that is existing open content sites. The stories are streamed from NPR and we also invited citizens to upload photos and videos to Flicker and Vimeo. All of these contributions automatically appear on our site, allowing us to see Main Streets through the eyes of those actually living there. The life of the project has extended far beyond the NPR broadcasts. A life that has had little intervention by any of us working behind the scenes.

It's been amazing to see how citizens are using this project as a powerful means to

engage local communities. Some have collected oral histories and others have used it to get to know towns in their areas, places they may drive by everyday, but never stop. And some of the biggest adopters have been educators. They see Mapping Main Street as a great way to teach young people about media, technology, and their own neighborhoods.

WNYC's Radio Rookies use Mapping Main Street as a framework for a youth media project.

SPEAKER: Now, we're all seniors at the East-West School of International Studies, a school just off of Main Street in Flushing, Queens.

SPEAKER: Now we're rocking to Main Street.

SPEAKER: We hang out a lot on Main Street since that's where everything is. It's really crowded, noisy, and sometimes smelly.

SPEAKER: Well, it's not all that bad.

SPEAKER: There's a big glass library, the post office, the Long Island Railroad, Queens

Crossing, businesses, and tons and tons of places that sell J-Pop, K-Pop, Hello Kitty stuff, Bubble-T. All things Asian. Yeah.

MS. OEHLER: More than 7,000 photos and videos have been contributed from nearly 6,000 Main Streets across the country so far, a great start. And there's so much more ahead.

MS. SCHARDT: Independence is one of the founding principles of public broadcasting. Kara and her fantastic Mapping Main Street team, the other MQ2 producers, and our hundreds of independent producers across this country demonstrate how we can now tap this bold, entrepreneurial spirit of independence, marry it to the station network to transform public broadcasting.

We have a plan in place to do just this. To bring together our most nimble, inventive producers with forward moving stations to take us to the far reaches of our communities and to the citizens who are not currently counted in public broadcasting. We are committed to building a new

bottom-up framework to tap the power of our network and give entrepreneurial producers the freedom, the flexibility, and the sustaining resources that they need. And this is going to take our best imagination, getting them sustaining resources. We will follow where they lead us, and I promise you this is a formula that is a winning formula. It will take us to the tomorrow of this great institution. And I thank you for having us here today.

MS. GOODMAN: Thanks so much, Sue Schardt. Okay. Let's turn to questions. Do you want to --

Should we announce again where we are? We're at -- on Twitter #FOMwkshop or futureofmedia@fcc.gov.

My first question is for you, Jan Schaffer, and then I want to turn to Pat Harrison for follow up. If CPB were to get a big pot of dough for its three Ds, how do you think it should spend it in order to produce -- let's just say more local investigative journalism?

MS. SCHAFFER: Well, I think that CPB needs to ramp up the investigative chop. Certainly, your investigative fund will help, but I think it doesn't all have to be frontline investigative reporting, as fabulous as that is. I think that it can go to a lot of new media makers in the community who are already doing this. We're seeing investigative news networks crop up now in California, Pennsylvania, New Jersey, Wisconsin, many other states, and collaborations with these enterprises can juice a lot of journalism.

MS. GOODMAN: Let me just follow up one question before I turn to you, Pat Harrison, which is that you talked about there's a new kind of objectivity. You talked about soft advocacy. How would we make distinctions about who should be eligible for that funding? How do we keep the objectivity in balance, which is at the core of CPB's criteria for funding?

MS. SCHAFFER: You know, we've done some research that shows that some of the objectivity

on these new media sites are actually more of an attached and participatory objectivity. It's not a detached viewpoint in which there's a neutral reporter out there playing, you know, helicopter reporter or looking down on things and never being a part of the community.

I think you look at the track record of the sites you partner with. I think you look at the community involvement of the sites that you're partnering with. I think you look at, you know, whether their track record evidences that they're doing good journalism, whether it's old journalism or new journalism.

MS. GOODMAN: Pat Harrison?

MS. HARRISON: Yeah. I think one of the things we're going to see -- it will take place over the next two years -- is our investment in the LJCs because that's really a grassroots initiative borne out of communities very focused on local investigative journalism reporting on issues that are just getting a slide from mainstream media. And part of our challenge as we

look at what they're doing is how are they going to sustain this. And that goes back to your original sentence -- if CPB were to be really plussed up. And that's what I want to focus on. It's why I led with the foundation which is based on trust.

And I think we're at a moment here, and one can understand perhaps in 1967 when they were looking at creating this new entity, how is it going to work? We want to fund it, but we don't want to fund it to the point where it's going to be so powerful. So we're going to try to keep it on life support so you'll be able to do some really good things, but you're not going to be that revolutionary. And you're going to be able to innovate, but you're not going to be really able to sustain it for a long term.

So what we have been doing with -- and these very rock solid standards that are very, very important how we give out grants -- funding organizations, such as AIR -- and I just want to say how proud I am of Sue Schardt. That Main

Street clip and so much more is what gets me excited about coming to work every single day. Or BAVC. Or a Youth Media International. The money -- I hate to say this. I'm not going to say it in the right way. Dr. Wilson was far more diplomatic -- Commissioner Copps actually was so inspirational when he talked to our board. We have everything in place, but we cannot do it on a shoestring anymore. What has happened ironically, even with all of this choice, and because of this choice of 800 channels, the increase in what we're getting as an over mediated nation is not quality. It doesn't speak to how we're supposed to perform as a citizen in a democracy.

So CPB is very encouraging, wants to invest in all of these new voices. We believe so much in the three Ds, but to say that we can do it on where we are now with the funding we have is just not realistic.

MR. WALDMAN: To follow up on the question of how you do local news, the Corporation for Public Broadcasting and public media in

general has been the very trusted, has not been without controversy over the years on certain questions of whether or not it's politically tilted in one direction or another. Won't those problems actually get much, much worse if CPB is funding journalism on a local level where you're talking about journalism? If it's true accountability journalism, holding accountable elected officials who will not be hesitant about picking up the phone and calling their congressmen or calling the guy they know on the CPB board or anything like that, why should we feel confident that CPB or public media in general would have, you know, the ability to withstand that kind of political pressure?

MS. HARRISON: I know this is inappropriate. I grew up in Brooklyn. So let me just start with that.

(Laughter) I hope so. I hope that's the outcome. I hope what

Happens with these local journalism centers is we start speaking that old phrase

"truth to power," because where we are right now with all the good things that we do -- and I just read in one of the reports that PBS NewsHour beat all the commercial entities for news focused on international that did not really connect it to the United States.

So that would be a wonderful outcome if we had -- I know Ernie is just looking at me now. If we had members of Congress call in saying what are you doing? I don't like this. That would actually mean that we are doing a good job. And if we do it according to all of the standards -- the highest journalistic standards -- then I welcome those phone calls. And I have received them on both sides of the aisle.

MR. WALDMAN: Is it realistic to think that over time, maybe when you're not sitting in that chair, that the response to that phone call will be sorry, thanks for your call, but that's not appropriate?

MS. HARRISON: Well, then you just have to be careful who the next CEO is. (Laughter)

MR. WALDMAN: But seriously, isn't that putting a lot of --

MS. HARRISON: I'm serious. I'm very serious.

MR. WALDMAN: -- burden on hiring the perfect person to --

MS. HARRISON: No, no. We have a mission and the board's responsibility -- and those are the questions that I think have to be asked of any leader. Leadership requires a great deal of courage and I think especially now for public media -- we're loved so much we're being smothered by love to a certain extent. And you do need courage. You do really have to believe in your mission. If you believe in your mission, as David Fanning does -- I mean, he can speak to who calls him on a daily basis. And that's a mark of success in my opinion.

Now, some of you may not agree, but I think that shows how crucial it is that we have a funded, independent, public media network in this country.

MR. WALDMAN: Last question on this point.

MS. HARRISON: I haven't gotten in enough trouble already? All right.

MR. WALDMAN: Commissioner Copps talked about Bill Moyers being a journalistic hero of his. There's probably a significant portion of the audience watching this hearing that would hear that and think that's exactly what I'm worried about. That they don't like Bill Moyers. They think that he represents a certain point of view as there are many who also feel that he is a hero. So what would you say to someone who is listening to that and saying that's what I'm worried about. It's going to be all funding people I don't agree with.

MS. HARRISON: You know, I understand what you're saying, but I don't really address that question. Because if you wait long enough and you stay with NPR or APM you will hear all different views. If you don't like something, just wait a while and you'll hear something you

don't like even more. If you're on the left or the right.

Bill Moyers is a national treasure and you don't have to agree with him all the time. But what we're providing is an opportunity to hear information beyond a sound bite.

And I just want to say to Hari, he took a look at the local journalism centers. He gets on the phone. He calls two of the stations and now we have this incredible thing on an issue that's exploding -- immigration. So, so much wonderful things are going on, new ideas, new people having a seat at the table. We want to encourage that, but we don't want to throw out the base of trust, the foundation on which we were built. We want to honor that. And I want to attract to public media the brightest, most courageous people, the most creative people who are interested in ideas because our democracy depends on it.

MS. GOODMAN: I want to bring Vivian Schiller into this conversation and just

complicate it a little bit by talking about the role of public media as what many are calling a community hub. And so NPR is investing a lot, as CPB is, in local journalism. And so my question is in terms of objectivity and balance and political insulation, is that complicated not only by doing the increase in local accountability journalism, but also by reaching out into the community, dissolving the lines that have existed between community media bottoms up and more conventional public broadcasting? Do those kinds of partnerships exacerbate these tensions around content?

MS. SCHILLER: Well, they -- it's a good tension I would say. I mean, first of all, when we talk about partnership, I mean, it has to be smart partnership. There are -- when I -- you know, I'm incredibly actually excited and energized by the fact that all of these new public media entities are springing up all over the country. Many of them are exceptional. Some of them are not so exceptional. We should partner

with the exceptional ones. And it's actually beginning to happen. I mean, I'll give you two examples.

Austin is a perfect example. KUT, which is a phenomenal public radio station in Austin is working very closely with the Texas Tribune, which is a brand new, not- for-profit news organization. They have embedded one of their reporters at Texas Tribune. They are -- they are sharing content. They're collaborating on reporting. They're collaborating on news gathering. They are providing the collective content on both platforms. So the idea is they are in essence in the city of Austin expanding their resources by bringing in -- by combining two groups of journalists and using the megaphone of both enterprises to reach more people.

Now, in that case, you know, there needs to be a meeting of the minds among the journalists that they share the same values, that they share the same standards, that they share the same absolute commitment to independence that is key.

But in Austin this is happening. In St. Louis it's beginning to happen. It's happening in some other communities. And you know, a lot of journalists that were laid off from newspapers are starting these new organizations. And this is a boon to the American people because it's providing more public service journalism.

I don't think that in and of itself it presents any particular conflict with regard to independence and balance. You know, we all share the same values about not being influenced by where the funding has come from. And anybody that's ever worked in a newsroom knows that any serious journalist would laugh in your face. If I ever walked down -- as the head of the organization went to my newsroom and said, you know, this donor really didn't like that story. I mean, first of all I never would do it, and second of all I'd be shoved out of there appropriately.

MS. JOHNSON: I'd like to pick up on something that Dr. Wilson and Ms. Harrison raised earlier, and that is trying to facilitate a

dialogue outside of your perhaps normal comfort zone or your natural community. And I'd like to have you all talk a little bit about maybe Ms. Schaffer and Vivian Schiller can speak to this as well. How do you all reach out to different types of journalism schools? For example, those at community colleges or historically black colleges and universities and bring in what might be the next generation of professionals and people who can also bring the public media message to different communities and create a new audience?

MS. SCHAFFER: You know, micro grant programs are very effective at doing this. You bring people out of the woodwork for a small designated amount of money to create a discreet project. Of our 2,700 grant proposals, we have seen 1,200 of them are from women and many of them are from a diverse pool of women. So that's, in my view, low hanging fruit. You can fund and empower those projects.

I think that when you look to partner with -- in our research in Philadelphia we found

1 260 blogs. Sixty of them had some kind of
2 journalistic DNA. If you begin to partner with
3 those blogs in hyperlocal sites, you automatically
4 get diverse voices because there are diverse
5 people founding them and running them. So I don't
6 think it's difficult.
7 MS. HARRISON: Dr. Wilson will weigh in
8 on this from his expertise, but I wanted to just
9 to insert that through the local journalism
10 centers, as part of the grant process, there is a
11 requirement for the stations to connect with the
12 Black Association of Journalists, Hispanic
13 journalists. In fact, one of the issues, the
14 Frontera Group on Immigration, requires that we do
15 this bilingually. So, as we write the grant, as
16 we write the RFP, there are ways to shape
17 inclusion. And there are ways to increase
18 diversity. One of the things that we've seen of
19 all places -- one might say national public
20 television -- where the community comprises the
21 largest Afghani population, Kurds, the station is
22 connecting to diversity, to -- they need

journalists who can connect and tell those stories.

So as America has become increasingly more diverse -- how do I say this? We can't use the same people to tell the same stories.

MS. JOHNSON: If we tell their own stories.

MS. HARRISON: Yeah. Exactly.

MR. E. WILSON: I'm going to say a word about some of the journalism students (inaudible) starting point though is that we're leaving a lot of talent on the table. Let me start off with that. That there are -- the country is suffering in some ways from an absence of trained talent. People with the integrity and training to be good journalists. So we're leaving a lot of the talent on the table at a time when these multiple platforms are growing so fast that there really is a shortage of talented people. So -- and certainly one hears this in the private sector. This is one of their big concerns.

In the broader context, I think as we

1 look at public service media, public broadcasting,
2 we're going to see the same trend that we have in
3 every institution in American society, which is
4 that that demographic baby boom is going to start
5 retiring at -- actually, they probably won't
6 because their savings are no longer available.
7 But if they should start retiring, then there will
8 be -- the successor generation has got to be
9 there.
10 And I would take your question -- I
11 mean, I can cite some things that, for example,
12 the journalism schools are doing with the Unity
13 Conference. The minority journalists meet on a
14 regular basis. I think it's only once every three
15 or four years, but there are ongoing things in
16 journalism schools, whether at Howard University
17 or Hampton, are doing good things. But again, as
18 those of you who know me, I want to put this as a
19 challenge and an opportunity, which is that we can
20 do more.
21 And I think you point to something which
22 could be very, very exciting. If public service

media could get together around this issue and define it as trying to develop the skills and opportunities of the next generation, the successor generation of people who will be station managers, of people who will produce content. And we know they're out there working through our minority consortia. We know that they're out there, and I think it's going to be fun and important to identify them and to bring that in as part of our big strategic objective. And I know working with the FCC that has also addressed these issues of minority participation and youth participation that it will be an exciting opportunity for all of us.

MS. GOODMAN: I'd like to ask Mr. Sreenivasan this question and then I'd like to follow up with Mr. Rodriguez.

So we've heard a lot of talk about how good it would be to have more funding. I'd like you -- if you had a couple of sentences -- if you could give congress people a couple of sentences about why we ought to fund what you do and what so

many of the other projects we've heard about, what would they be? Especially I ask that in light of your experience working in commercial network news. So, you know, sort of what is the difference.

And then I'd like to follow up with Mr. Rodriguez asking you what the difference is between what you do and what Telemundo or some of the other Spanish language commercial networks do.

MR. SREENIVASAN: I don't know if it's in a Twitter form of 140 characters or less, but, I mean, we provide context and I think commercial media increasingly doesn't have time for that. It's just a formula that they figured out because they have their own funding crisis. And they're trying to chase audiences more aggressively in a way that compromises perhaps the editorial integrity at the end of the day. I'm one of the few people in my peer group that hasn't had to go out and cover Tiger Woods in the past three months. And I'm kind of lucky for that, I think.

I don't mean -- that's not to be flip.

I just think that there's -- if you want that information, great. Go to ESPN. Go to Golf Digest. If I only have 22 minutes or an hour a day to tell you what's important in the world, I personally don't think that's the most important thing I should be telling you. How long we spend on covering the oil spill right now or the hearings on Capitol Hill, that's something that commercial media doesn't have the time to do and unfortunately, isn't capable of providing the context for. I think on a daily basis if you look at -- there's a section called NewsHour Extra that goes out to educators. It's phenomenal. I mean, it's geared so that an eighth grader can read it, and I enjoy reading it quite well, I mean, on a daily basis.

Basically, you know, we provide analysis to somebody who is completely new to the topic and we make it so that a substitute teacher would have a field day. I mean, they have warm-up questions. They have everything on there and it kind of goes to show you that on a daily basis we're providing

understanding for people, an explainer of what the stories are in a way that I don't see on my former employers' websites.

MS. GOODMAN: Thank you. I should say that was a form of a question that came from Twitter, so we are listening.

So Mr. Rodriguez, why do we need noncommercial ethnic media when commercial entities are trying to serve the same populations?

MR. RODRIGUEZ: Well, in networks like Telemundo Center, as you mentioned, you see programs like telenovelas and Mujeres Asesinas, which means "Women Assassins." In HITN you will find programs like College Admission 411, which is a program geared to students that are even in junior high school and their parents, how to prepare to go to college. Forty percent of Latinos that are able to go to college do not go to college, and they don't go because they don't think they can afford it. And we have to train and teach families how to accomplish that early on.

Another program that we have is Diagolo Costa a Costa, which is a program that is the only program of its kind in Spanish language television which is an interactive program where we present a topic and we expand on that topic with experts, and we allow the community to call in. You find a mother who is learning what postpartum syndrome is and is telling us that she was close to getting divorced and now she knows what she has. When her husband comes home tonight I will tell him let's go to a doctor because I know what I have.

We have programs where people call in to tell us about the crisis that we just saw unfolding. Since 2006, we've been hearing our community expressing its difficulties with the housing crisis and the serious issues that that brings with it. We also have a program called Immigration 411. We provide Latinos with information with a live attorney and people call in and find -- get information on what they -- the problems that they have regarding immigration in this country.

So these are the things -- these are the type of programs that you see on our network that you don't see in the other networks.

MS. GOODMAN: Thank you. Thank you all very much. This is really -- a really great and informative panel.

(Applause)

MS. GOODMAN: And we're going to move on right away to Panel 2. So Panel 2 should come up.

MR. WALDMAN: Okay. We're going to start on the second panel now. Thanks. If everyone could have a seat.

The second panel is on the Purposes of Public and Noncommercial Media. We have been getting e-mails and Twitters which we're incorporating into our questions. And a reminder that the e-mail address is futureofmedia@fcc.gov. And the Twitter name is #FOMwkshop. Thank you.

This panel is going to focus on the purposes of public and noncommercial media. What are the particular special roles the public media plays that are filling gaps? And we're going to

start off the session with hearing from James O'Shea, who was the editor-in-chief of the Los Angeles times and had a long career in newspapers and recently became the editor and co-founder of the Chicago News Cooperative.

Jim?

MR. O'SHEA: Thank you. Thanks for having me. The Chicago News Cooperative is a startup that I co-founded about six months ago with Peter Osnos, an esteemed journalist and book publisher in New York, and I applaud the Federal Communications Commission for its inquiry into the future of journalism. Reporters and editors across the country face unprecedented challenges, and although most journalists hate to admit it, they need help more than ever.

I've been a journalist for 40 years and led the newsrooms of two of the nation's most reputable newspapers -- the Chicago Tribune, where I was a reporter, editor, and managing editor, and the Los Angeles Times, where I was the editor until my employer, the Tribune Company of Chicago

not so graciously gave me some more time to spend with my family.

(Laughter) I was dismissed as editor of the Times in January 2008, 16 months after I took over because I refused to endorse budgetary policies that I didn't think were in the best interest of the newspaper, its journalism, or its journalists.

And I know you've heard much about the woes of the industry. But what is not as evident and what I want to talk about today are the evolving gaps in news coverage created by this carnage and the challenges faced by journalists who are trying to bridge that gap and sustain public service journalism, the kind of reporting that is vital to a functioning democracy, but is also the kind that is all too easy for news organizations to abandon as they attempt to put some muscle on those flabby bottom lines.

In building the Chicago News Cooperative

over the last year I've often been asked just what is this public service journalism you're so worried about. And my response is it's like pornography; you know it when you see it. I saw it when I ran the Chicago Tribune newsroom and three reporters embarked on coverage that scrutinized the criminal justice system in Illinois. In a series of projects that lasted more than five years, they documented numerous cases of misconduct by prosecutor, torture-induced confessions, violence in the Cook County Jail, defense lawyers who slept through court hearings and judges who were oblivious to the wobbly scales of injustice in their own courtrooms.

Thanks in no small part to their work, state officials eventually found that 17 people on death row has been wrongly convicted after reading the coverage, a Republican Illinois governor slapped a moratorium on capital punishment in Illinois. This refrained the parameters of the debate over the death penalty, the ultimate form of punishment that the Tribune reporter showed was

more likely to be applied to the most vulnerable among us -- those without the means and the microphones to defend themselves.

I saw public service journalism in Los Angeles, too, when three reporters from the Los Angeles Times documented scandalous conduct in a public hospital just south of Watts. They showed that instead of caring and curing the poor and the sick, the hospital had a long history of killing or harming those it was meant to serve. Their stories chronicled how nurses neglected dying patients; how hospital staffers withheld crucial drugs for patients or administered toxic ones by mistake; and how guards used Taser stun guns on psychiatric patients. I could go on and on recoiling stories, but I'm here to talk about the future, not the past.

I want to emphasize something. I think this is really important. These stories were not episodic stories with flashy headlines. They were the dividends of a systematic ongoing scrutiny of important civic government commercial institutions

by journalists and news organizations that spent a lot of time, money, and effort that covers news that doesn't generate a return on investment. Ultimately, the journalists at the Chicago -- unfortunately, the Chicago Tribune journalists and those at the Los Angeles Times are too busy fending off budget and space cuts to systematically scrutinize institutional power.

When I left the L.A. Times two years ago it had more than 900 journalists on its staff. Today it has 550. The damage extends beyond the numbers. With the exception of a few papers like the New York Times, which helped me get my venture in Chicago started, many newspapers today practice reporting by ROI. They resemble content machines generating cosmetic coverage designed to propagate ad stats rather than news. There are a handful of enterprises around the country who are trying to fill the gaps and sustain the kind of journalism I support. The Chicago News Cooperative is one. The Voice of San Diego, California Watch in California. Minneapolis -- there's an effort.

And in Texas. But they're all thinly capitalized organizations with small staffs and smaller budgets fighting to finance their ventures through philanthropy, membership, sponsorship, and experiments in paid content.

Many will no doubt fail as they discover the difficulty of building audiences. Some, like ours, are partnering with organizations like the New York Times or broadcast outlets. We are a partner with WTTW in Chicago. As an old school, lifelong journalist, I'm deeply suspicious of anything that smacks of government intervention and the free press. That's not to say there is no role for you in encouraging the rebirth of a commercially vibrant, public service minded news media in this country. In particular, there might be ways for you to help promote private investment and start up news organizations.

I noted with interest a proposal for a $200 citizen news voucher. I don't know if that's the solution, but anything that helps the public contribute to its own well- being is a step in the

right direction. It doesn't take that much. We hope to enlist 30,000 to 40,000 Chicagoans, or less than one half of one percent of the metropolitan area's population to pay $2.00 a week to join our coop. If we're successful, we can employ 30 to 40 journalists to engage in public service journalism.

I became a journalist to see the world and I achieved my dreams. But my travels around the globe also showed me what the world is like without journalism. The shuttered newspapers and jailed reporters in places like the Balkans and Iran; the ignorance, hatred, and bigotry created by the iron hand of censorship across wide swaths of Africa and the Middle East. Time and again I've seen how the press is the first thing seized by soldiers for the forces of tyranny. It happens every time. We cannot let apathy become the soldiers of silence for public service journalism in the United States. We cannot abandon the kind of systematic scrutiny of public and civic institutions simply because companies say they can

no longer afford it. The time has come to step forward and help journalists and their readers to sustain journalism. Our democracy depends upon it.

Thank you.

MR. WALDMAN: Thank you very much. Next we'll hear from Paula Kerger, who is the president of the Public Broadcasting Service.

MS. KERGER: Thank you. And on behalf of PBS and our member stations I want to thank the FCC, Steve Waldman, and Helen Goodman for putting together today's workshop.

My colleagues and I applaud the Commission for recognizing the central role the public provides -- providers play in shaping the future of American media. Let me begin by noting that PBS was created to do what commercial providers cannot, which is to use media as an instrument for teaching and learning. They create content to make money. We raise money to create content, all in the name of public service. To put it another way, PBS exists to serve the

1 people, not to sell them. Because their focus
2 isn't on boosting shareholder value, we've been
3 able to take risks and experiment for the public's
4 benefit. PBS has singlehandedly invented
5 educational children's television and for more
6 than a quarter century we've also broadcast an
7 hour long nightly newscast, an invaluable resource
8 for citizens seeking substance over sound bites.
9 With help from David Fanning is an
10 exceptional team at Frontline. PBS has kept alive
11 the prime time news documentary, taking on tough
12 issues without regard to commercial ramifications.
13 To that (inaudible), PBS alone has also preserved
14 the arts on television, providing enriching
15 experiences for Americans who might not otherwise
16 have them. Two nights ago we aired a new
17 interpretation of Hamlet starring Sir Patrick
18 Stewart. As USA Today's Robert Bianco wrote, it
19 has become abundantly clear that if PBS doesn't
20 air the arts, no one will.
21 We've also pioneered genres and concepts
22 that now serve as a basis for entire channels,

including science and nature programming, how-to and cooking shows, and even reality television. Of course I must note that reality TV bears little resemblance to our (inaudible) American Family series. The thing to remember is that these twin principles -- public service and innovation -- continue propelling PBS forward.

Consider what's happening in the news. As Vivian noted, the crisis in American journalism is mostly limited to commercial providers. To cite one example, the latest Pugh research shows the newspaper industry has lost 30 percent of its reporting and editing capacity in the last decade. By another estimate, some 800,000 stories have gone unpublished because of the industry's job losses in the past two years alone.

Now, make no mistake. The decline in commercial journalism holds serious consequences for American democracy, but at PBS we also recognize that journalism doesn't need a rescue; it needs a reinvention. And so we're working with our member stations and partners like NPR and CPB

to not only fill gaps in the marketplace, but also to create journalism for the times in which we live. Public media's new local journalism centers that Hari mentioned represent a significant attempt to strengthen regional reporting in communities across America. Thank you CPB.

We also remain committed to national products, like the PBS NewsHour and the kind of accountability journalism that Frontline practices so well. We're experimenting with new projects, like Need to Know, a new multimedia series that launches next week. On this program the reporting will begin online and continue throughout the week before culminating in a one-hour Need to Know broadcast each Friday night. Along the way citizens will be able to weigh in and help shape the stories, offering PBS a novel way to engage today's participatory news consumer.

The point I want to stress is that public media is uniquely positioned to help reinvent American media. We reached more than 120 million TV viewers and almost 20 million Internet

users each month. Our primetime audience is more than twice as large as CNN. Americans continue to turn to us because they trust PBS to help them make sense of the world around them. As the latest Roper Opinion Poll found, the American people consider PBS the nation's most trusted and unbiased institution.

Roper's research also shows the public considers PBS the most educational media brand for children. Here again we're meeting a critical public need. We're also innovating. According to Pew, children now spend more time with media than they do in school with their family or sleeping. This includes watching 4.5 hours of TV a day, a new record. We also know that much of what children seen on television is far more entertaining than educational. In fact, just 13 percent of children's television is highly educational according to the latest research from Children Now. That is why our lineup includes series like Sesame Street and Super Why!, which help at-risk children providing them with

opportunities to succeed in school.

To that end we're also enthusiastic about digital media's potential to help us close the achievement gap. Last month we streamed 79 million children's videos online. That puts us on path to become the most popular online destination for children. We also offer a range of iPhone applications, including a Martha Speaks app that is proven to help children strengthen their vocabulary. We're also creating content for smart boards and smart tables, making PBS a valuable partner in an effort to create 21st century classrooms.

We're even finding educational applications for technology used to create online ads. I'm sure many of you have seen animated ads that appear on the sides of websites and ask you to click on spiders as they crawl or dancers as they leap across the page. We're using that same technology to integrate online games with videos that teach preschoolers how to count.

Digital media also plays an important

role in efforts to strengthen the arts. Our forthcoming art showcase will include a broadband video channel devoted to the performing arts. We're also using interactive features to help budding artists interact with master artisans and create new educational experiences.

Of course, we can't do it alone. To begin with, we strongly support the National Broadband's Plan call for reforming the nation's copyright laws. We think it'll make it much easier for public media to use copyrighted material for educational purposes.

We also need help with the demands of digital media. I mentioned PBS's success online where we streamed 79 million children's videos last month. That heavy usage presents significant costs for us, so we look for to FCC, Congress, and the Administration for their continued support because the bottom line is this. PBS and our member stations have an important role to play in shaping the future of America and we're eager to do our part.

Thank you.

MR. WALDMAN: Thank you. Next we'll hear from David Fanning, the executive producer of Frontline.

MR. FANNING: Thank you, Steven. Thank you, Ellen for inviting me here. I'm going to do what I often do, which is take the rough cut and throw it out and try to redo it and go live.

We got into the digital age in 1995 when we made a film about the Waco confrontation. In the course of doing that we found out that we could put our materials on the web, including some audiotapes from the FBI. In that moment, everything that we did as broadcasters changed. We stopped from being an institution that threw a film in the air every night at 9 o'clock and became a place that thought about what we did in the long term. In other words, the work we would do would now survive for the long term on the web. It changed our relationship to our journalism, and it also made it transparent. Putting all those interviews and putting all that material on the

website around these complex films really became a whole new challenge to us.

By 2000, we were streaming video on Frontline. And in 2008, Bush's War got 6 million video views on the website. It had together with that a timeline that drew from 175 3- to 5-minute long video segments arranged chronologically and all connected to 400 original interviews done over 40 hours of documentaries about the Iraq War.

Gideon Rose, the editor of Foreign Affairs, wrote to me recently and said that he's writing a book about American wars in the last century. He wrote that in recent conflicts like the Gulf War and the Iraq War, there's little archival material available. He said the oral histories preserved on the Frontline websites are extraordinarily helpful in filling that gap. The range, depth, and quality of the interviews that Frontline journalists have produced is unique, invaluable, and absolutely essential resource for any serious student of the conflicts in question.

Today, every Frontline lives in a matrix

of curative content, not just the primary materials, but all the connective material to the other sources that we believe are important. And as we built our video player and made sure that all of those links and those connections were timed to the content, we see a future in which these films, these bright lines of narrative that are the path we've chosen through a complicated landscape, travel out into the world with all of their connections with them so that people will in the future always find them.

What's happened in the course of this interaction with this new, extraordinary platform is that we've done original work for the web itself. Frontline World became a place where a lot of original work done by young digital journalists ended up so much so that we did enough stories out of Pakistan and dispatchers and documentary pieces that a gentleman at a dinner party said to me recently Frontline is very well known in Islamabad.

So we are reaching beyond our own

borders. We're also -- through something like Tehran Bureau, an energetic website built by one of our former associate producers, embracing new ways of engaging beyond the traditional Frontline documentary.

If you go to our website you'll find a site called Law and Disorder, which is an investigation into a series of deaths in New Orleans in the wake of Hurricane Katrina. It started as an investigation with ProPublica and the Times Picayune. Our reporter sits in the ProPublica newsroom. He shot 35 hours of material in the course of that online investigation, which will become a documentary on the eve of the fifth anniversary.

There are many other activities that we've done and I wrote far too many of them down here. But I will say that what's most exciting about this activity is that it's all so true to the public mission. These are the projects that are not going to be done by our commercial colleagues. They are in the best sense of the

word noncommercial. This work is the serious and profound obligation we have I believe to the intellectual comments to the civic life and our debate. But it takes time, it takes energy, and of course, it takes that dough. We leverage our budgets -- our generous budgets -- with co-productions and we ask a lot of our producers. But in the end I think we will collectively need more resources, not for this kind of public -- just for this kind of public journalism -- but to support a robust, digital infrastructure.

Just as public broadcasting once threw up that satellite system we depended on, so we need public support to pay for the pipes so that we don't find ourselves depending on a commercial ad based system of monetization on our websites to pay for it. In the end this will not just threaten our legacy on air and online; it will go to the heart of who we are as independent, public, noncommercial media.

Thank you.

MR. WALDMAN: Thank you. Next we will

hear from Professor James Hamilton of the Sanford School of Public Policy at Duke University.

MR. HAMILTON: Thanks. Nonprofit or public media helps fill the gap between what people need to know as citizens and what they want to know as readers and consumers. If you think back to the types of information emends that people in this room have, you basically have four information demands: Producer, how can I do my job better; consumer, how can I find a particular product; entertainment, that's just things that are personally interesting to know; and voter, things that help you be a better citizen.

The first three types of markets work pretty well because if you don't get the information you don't get the benefit. So if you're looking for a car, you might end up on Edmonds.com. If you're going to go to a movie, you might go to imdb, rottentomatoes, movies.com. Think though about that fourth type of information, the type of information that helps you be a better voter. Even if more information

would help you make a better decision, and even if you care deeply about particular issues, the probability that you will be the decisive voter in an election, unless you're Justice Scalia, is very tiny.

And so if you think about the payoff to investing in public affairs information, for most people it's negative. And Anthony Downs gave that phenomenon a turn. He called it rational ignorance. And so most people most of the time remain rationally ignorant about the details of politics from their perspective.

Now, as an economist I need a theory that explains why there are people in this room who make their living providing information about public affairs. And I think it comes down to three Ds. What I call duty, diversion, and drama. Some people feel they have a duty to become informed about politics and a duty to vote. I happen to be one of them, and I'm sure many of the people in this room feel the same way.

The second set of people, for them

watching C-SPAN is like watching ESPN. And again, some of those people are in this room right now. It's just very entertaining.

And for a third set of people, if you want to talk to them about politics, you have to involve drama. That turns politics into human interest. That turns politics into a horse race. But if you step back and say why is there this gap between what people need to know and what they want to know, it arises from what economists would call rational ignorance.

And there's an additional problem with public affairs reporting in that it's costly. In the other types of information, sports, people try to get you to cover them. They try to give you information. And if you show up at a game you know there's going to be a story. If you're doing investigative reporting about public affairs, people are trying to put robots in your way and you may come up with a dry oil well. There may not be a story.

So if you think about public affairs

reporting, it may not be highly demanded and it's very costly. To bring this home for me is North Carolina. The News and Observer -- the Raleigh News and Observer, the hometown newspaper for me, four years ago it had 260 reporters. This year it has about 100 people left in the newsroom. In December 2008, they did a story about the parole system in North Carolina, a three- day story. It cost over $200,000 to produce. They found that 580 probationers in North Carolina had committed murders since 2000. That series has resulted in legislative change. It's resulted in changes in funding. And people will be walking around in the coming years who are not murdered by probationers in North Carolina because of the stories in the News and Observer, and they won't know that and the News and Observer won't be able to monetize that benefit to society.

In the language of economics, there are true market failures involved in public affairs coverage. One of them is that information is a public good. It's not rival. I can consume an

idea. You can, too. And it's nonexclusive. You can consume it even if you didn't pay for its creation. News about public affairs has a separate type of information failure and that's information about politics goes into the creation of a public good. A public good such as holding government accountable. We all would like to live in a society where journalists are writing about the public school system, and we have excellent public schools. But few of us are willing to read every day in order to generate that accountability.

From a reader's perspective they don't take into account the positive spillovers that their reading would have on other people. And from the news outlets' perspective, deep down they know that public affairs investigative accountability coverage has a true impact on society, but they aren't able to monetize that. In a world of increasing revenue pressures it's hard to do well and do good at the same time. So to an economist, when I look at this problem it's

stories not told. They're very expensive. They're not highly demanded, but they are highly valuable to society.

Thank you.

MR. WALDMAN: Thank you. And finally, we'll hear from Randolph May, president of the Free State Foundation.

MR. MAY: Thank you very much for inviting me to participate in today's workshop. I know that the views I'm going to offer are shared by few others participating today so I appreciate the opportunity to be here and present them.

Let me summarize and then elaborate in a bit more detail. Whatever the merits of government funding for public broadcasting in 1967 when Congress enacted the Public Broadcasting Act to address certain media market failures, today's media marketplace is characterized by an abundance and diversity of media sources. This fact calls into question the need for such continued funding, or at least into the indefinite future. When the government funds public media, tension inevitably

arises between government's involvement in content and programming decisions and First Amendment values at the core of our republic. Indeed, apart from strict First Amendment jurisprudential considerations, when government supported media -- that is media supported with our tax dollars -- decide what content should be filed or amplified regarding issues of public importance, government's involvement exacerbates public tensions in a way that makes civil discourse more difficult. This is because government content decisions are seen by many as tilting the public policy playing field in a way that's inconsistent with their beliefs.

Perhaps such government involvement might be more readily tolerated if there were widespread agreement that information needs exist that are clearly not being met by private media. But in a market characterized by media abundance, clearly there's not widespread agreement that this is so.

So I am opposed to expansion of funding

for public broadcasting or for repurposing government funding to support other public media, such as websites. Indeed, given the unprecedented national debt and competing budgetary demands facing the country, maybe this is a moment in time when reasonable people can agree in light of the media marketplace changes that an exit strategy should be set for reducing or eliminating funding of public media at least over time.

Now, I don't have time to recite the number of broadcasts or different cable channels, the number of C-SPAN hours of programming, the number of Internet websites and all of those statistics. This is all well documented. Rather, I want to use as a point of departure some observations by Ellen Goodman who is here and is working on this project as visiting distinguished scholar. And I do this because though I respect Ellen, I find what I take to be her abuse troubling in ways that help me articulate why I do not support government funding of media in today's environment.

Ellen recognizes that we live in an age of media abundance, so the original rationale for government supported public broadcasting that the marketplace failed to produce certain types of programming largely no longer holds. Indeed, the original rationale is now turned upside down. Ellen contends that "the mission of public media to engage publics with information relevant to improving lives in particular communities and shared polities is of growing importance in a world where information is abundant, but does not always reach the people who need it and where wisdom and knowledge remain hard one." And she has observed that "to date the scarce resources attention, not programming."

So what is Ellen's answer to this particular attention deficit disorder? She suggests we need public media to ask curators so they can "use their brand community connections, technology, and editorial capacities to raise the profile of important, reliable, and innovative content." Public media can now serve "as both a

filter to reduce information overload and a megaphone to give voice to the unheard."

I disagree. In an age of information abundance, we do not need and should not want government supported media acting as a filter or a megaphone. Such filtering or megaphoning necessarily involves the government in making decisions based on media content. How else to decide what information should be filtered or amplified? The government and this government involvement and content selection runs against the grain of our First Amendment values. Apart from whether in today's abundant information marketplace such government filtering actually contravenes the First Amendment, it is unwise for the government to play such a role. In our country, with all its diversity, including diversity of philosophical and political perspective, there are significant differences concerning what issues are important and whether they are covered adequately or fairly in the media. See, for example, the current debates

about the coverage of the Tea Party Movement and how it has or has not been portrayed in the media. We could probably have an interesting discussion in this panel about that very subject.

This is not unnatural or unhealthy in a democracy that takes pride in its tradition of vigorous public debate and free speech. But when the government, through government funded media, involves itself in shaping public opinion, whether or not it openly acknowledges doing so, its very involvement tends to inflame passions that make civil public discourse more difficult. This is because there is significant differences of opinion, perhaps even among the panelists here today, as to what issues or subjects need more or less filtering or megaphoning.

To the extent that lack of quality in the content of commercial media is offered as a justification for continued funding of programming, I would offer a similar "eye of the beholder" response. Simply put, today's marketplace ought to provide as much "quality" as

the American public demands. It is difficult to justify expenditure of taxpayer dollars trying to force feed programming that the public does not want.

In sum, there is no reason to expand or repurpose government funded media. Indeed, given the physical difficulties facing the country and the massive public debt, I think it is an appropriate time to develop a plan for reducing or eliminating such support over time.

Thank you very much.

MR. WALDMAN: Ellen?

MS. GOODMAN: Well, Randy, all I can say is I fear it was a mistake to wear pink today.

But I think you raised --

MR. MAY: Because at the time you know I had in here the fact that you were a good friend, but I was watching the clock.

MS. GOODMAN: No. No, I think these are really important questions. And I want to -- but I want to turn to trying to distinguish government funding of content and government funding of

capabilities because I think David Fanning raised this issue, and so did Paula Kerger about the increasing cost of streaming. As public media goes more towards broadband we see sort of new costs that weren't anticipated in 1967 and aren't really in the funding structure of what CPB does.

And so with that in mind, that there are new platforms and new capabilities that public media is trying to build and fund, I want to turn to James O'Shea because I think you share some of Randy May's fears about government funding of content. And so -- but at the same time you have partnered with public broadcasting in Chicago. So can you tell us a little bit about how you square that circle? I mean, how that works for you and how you use public media capabilities without sort of fear of government intrusion into content.

MR. O'SHEA: Well, what we've been doing in Chicago -- we partner with both The New York Times, which is a for- profit company, and we provide two pages of local news in the Midwest edition of The New York Times on Friday and

Sunday. And it's largely the kind of, you know, higher quality journalism focusing on serious issues.

And with our partnerships with WTTW, we -- our reporters provide content to them and they basically provided us with a -- they created -- helped us create an entity which enabled us to have tax-exempt status and qualify as a 501(c)(3) so we could get off the ground with that kind of financing. Eventually we will separate and become our own 501(c)(3) nonprofit institution. And we share content, and we share a reporter. We jointly hired a reporter. I pay half his salary; WTTW pays half his salary. It's up to us completely as to what we put in the paper. No one is telling us what content to develop.

And we created, basically, a common body of reporting upon which we can fashion a report for WTTW, and one for The New York Times, and one for our website. So it's basically a collaboration. No one is in any way going to be able to tell us what we will do. The New York

Times does not tell me what to do as the editor of the Chicago News Cooperative. We are a totally independent organization. So I think as long as you maintain that independence, you really don't have -- and in this sense, the government involvement is a partnership in which we share content and resources.

MR. WALDMAN: Mr. May, the -- both Mr. O'Shea and other panelists talked about -- gave examples of public service-oriented journalism, accountability journalism that held institutions in check. Is it your assessment of the current media landscape that amidst the diversity of programming that is out there is a sufficient amount of local accountability journalism?

MR. MAY: Let me respond this way. First of all, I want to state for the record that I understand and appreciate, like we all do on this panel, I think, the importance of accountability journalism to the functioning and well-being of our democracy. And, you know, I think we share that conviction. And I understand

that we're going through a period of disruption and transition because part of it is the current economic, you know, recession. But more fundamentally it's the transition because the digital revolution. And I understand how that affects newspapers and whatever.

I might add as a footnote, I also understand having, you know, been in the communications law and policy environment for, you know, 30, 35 years now, how some of the things the FCC has done, like not changing the media ownership restrictions, has even exacerbated the difficulties of newspapers in my view and broadcasters.

Having said that, Steve, you know, the answer -- I don't study these things in the same way that the Professor does perhaps and others, and I don't want to recite a lot of anecdotes because we've heard an awful lot of anecdotes throughout this morning. But what I would say is that, yeah, when you look at what's going on in local communities -- I live in Maryland. You

know, there's a new news site that sprung up just in the past six years that engages in state and local reporting. It's called Marylandreporter.com if you want to look at it. There's -- a lot of it is collecting news from other publications, but increasingly each week there seems to be more original reporting.

I think it's -- in Montgomery County where I'm an active participant, there are places that I can go to to look for that. A lot of it is moving, of course, to the web. I mean, I could go on, but the answer is I understand that there are difficulties. We're in a transition, but I think that there will be models that will evolve that will hopefully ensure that we have this type of journalism. If it doesn't -- if we don't have that in this country, and I understand that's an important thing, but fundamentally -- and I guess this is the key thing -- what I tried to articulate initially there's a certain fundamental principle here involved in terms of the government, you know, being involved in the media

that, you know, is kind of central to the core of what I think is important in this country. And so we want to do everything we can to avoid -- we like to have the private media supply this type of accountability journalism. And I think it does.

MR. WALDMAN: What's your reaction to the sort of model that Jim O'Shea talked about where it's a nonprofit partnering with a public media entity which, through two other stages, got some portion of money from the government, though most of it doesn't -- does that feel to you like a model that is sufficiently firewalled or even something like that you --

MR. MAY: Well, I was interested in the way he described it. You know, I would say the more attenuated that the government support is directly, then the more comfortable I am with it really. And there are ways, you know, in the firewalls that can be put up. And so the answer is, yeah, I mean, the more attenuated it is.

The other thing finally I would say is I think Ellen in her initial question was at least

initially making a distinction between providing support for content creation or curation, that type of thing, and providing certain support for infrastructure that enables the journalist and whatever to carry out their mission. And I'm much more comfortable with the support for the first type of thing, which is why with respect to the FCC's National Broadband Plan I support government funds for places that don't have any broadband available. Because if you have broadband available, then these other things are more likely to be able to take place, the private meeting.

MR. O'SHEA: Steve, I want to clarify one thing. We get no money from WTTW. We -- our goal is to become totally self-sustaining through membership over five years. But the funding that we get is from private donations. It's from a partnership with The New York Times, which we supply content for them, and through sponsorships. And WTTW, the government role, in fact, they kind of view us as a competitor for funding.

MR. WALDMAN: Ms. Kerger, you had

mentioned that in a number of cases through PBS's history, shows that started off on PBS, ideas that started off on PBS, then became staples in the commercial media and new genres were invented. Couldn't it be argued that it had to happen that way because there was a scarcity of platforms for commercial media at that point and that public TV no longer needs to serve that role because there are so many other ways for commercial media to experiment in a way that they couldn't before?

MS. KERGER: Yeah. I also want to just make one comment about the funding because I think it's important. And when we talk about funding of public broadcasting to remember that we receive 15 percent of our funding from the federal government. The lion share of funding that comes into public broadcasting television and radio is from people in the community. And I think that when you look at communities -- and this comes back to your point about particularly rural areas -- the proportion of federal funding then is larger because the population is not such that can

support the kind of work that we do. So I think that's an important fact that I think should be in consideration as we move forward.

In terms of the work that public broadcasting pioneered and that has been picked up by other commercial efforts, I think it continues to be important to us in public media to survey where the market gaps may be and shift our work. And one obvious example is in the area of cooking programs, which it seems like an obvious one. Julia Child brought that format to television. We are really not investing in cooking programs now because that gap is filled.

Interestingly though, if you look at one of the topics that I mentioned in my presentation of the arts, arts programming was very strong on public broadcasting. There actually were several cable services that picked that up as a potential commercial model. Arts and Entertainment channel is one example. Bravo is another channel. Both of those channels actually are no longer arts channels. If you know, Arts and Entertainment is

actually A&E, which is a lot of CSI. Bravo, which stayed in the game a little longer, has really shifted into a very different program strategy because the arts were not commercially viable as a program stand.

So I think that as we look at our work moving forward, as we look at an emphasis on the kind of journalism that I think we do uniquely, as you look particularly where there are market gaps, if you look at the work that we're attempting to do in the cultural arts, if you look at the work that we're doing with children, there are a lot of channels devoted to children. There are no channels devoted to children that are curriculum-based content, and that's what we focus on. And so I think where the marketplace does well, the marketplace should take the content and serve the American public. Where the American public is unable to serve, that's the role of public media.

MR. WALDMAN: Mr. Fanning, I wanted to ask a question I suspect you've been asked many

times in your career. High quality documentary work is expensive to do relative to other types of media and information. When we're facing a journalism crisis as one of the issues we're talking about where more than 13,000 journalists have been laid off in the last few years, wouldn't it be more cost-effective to spend the money on journalists instead of long form documentaries?

MR. FANNING: I think in a news and information ecosystem in which there is so much information coming at us -- and there's no question that there's a huge amount of information coming at us -- the opportunity to draw context for the news to place it into a larger, but historic and also contemporary wider context is very rare today. The networks have long since given up making these kinds of documentaries. The cable channels have not stepped forward. There are a few minor examples, but in the large part it is the great gap, both in terms of the investigative work that's required and necessary, I think, to ask the hard questions of our

political institutions. And more importantly, to try to frame up the wider questions.

When we made -- recently one of my producers was in Kabul at a dinner on the rooftop of the American Embassy with General Eikenberry and he was -- Martin Smith was introduced by General Eikenberry to the gathered congressional delegation and others as the man who changed U.S. policy in Afghanistan. And the reason was he'd made a film in 2006 called The Return of the Taliban, a very hard won film, toughly reported, and extraordinarily important. And Eikenberry said it actually took that documentary, which he screened for President Bush and Vice President Cheney, to get their attention in a way that his PowerPoints couldn't do.

There are times when this sort of work really matters. I think there's too little of it done. We have very little competition from other places to do it. And if anything, I would argue that we need more of it.

MS. GOODMAN: Well, I think if there's

one point that there's agreement on in this panel, it's that what public media ought to be doing if it exists is to serve gaps in the marketplace. To provide news information and other services that commercial providers won't.

Here's the rub, and I think this has always been a problem for public media, and I want to ask this first of you, Professor Hamilton, and then I'd like to follow up with David Fanning and Paula Kerger for their thoughts. So, if it's right that consumers are rationally ignorant -- in other words, don't want to consume investigative journalism, public affairs, however we define it -- and at the same time we want public media to serve a larger audience, to grow its audience -- in other words, to be more popular -- how can we expect public media to do that when we're asking it to provide information that -- at least the premise here is that people may not want, otherwise commercial providers would be providing it. That's my question. And I only -- I put an asterisk footnote -- puzzling fact that actually

public media seems to have a large audience in some respects. Forty-four million on NPR and we heard about 6 million hits on the Frontline program. So I'll just bracket that.

Professor Hamilton?

MR. HAMILTON: So I think the great market failure right now, the type of information that's now provided, deals with state and local accountability coverage. And I don't hear that a lot on public media right now. So it does have a very large audience. And this first panel talked aspirationally about how they want to invest in it. But the type of stories that I think that are not told because of rational ignorance at the local and state level, they aren't heavily on public media right now.

One thing, when Mr. May talked about infrastructure, there are things that public media and others can do to lower the cost of discovering stories. I think it's a mistake to equate impact with audience. If you have the story uncovered and told, it doesn't have to be widely circulated

in public media in order for it to have an impact. Once the story is told it can be taken up and broadcast to many other places. So there's a value to discovering stories.

And then in educational programming and even academia, we have a saying you have to reach before you teach. So the idea that if you want to inform the president and the vice president, a long form documentary is a way to do that because in part it uses human interest and personalities. That is consistent with -- you can still tell a story that has public impact in an entertaining way.

MR. FANNING: I mean, there's no -- the truth is actually good investigative journalism is very popular. People do want it and watch it. I can quote you more figures. Everybody's got figures. Over the last six months, Frontline had 25 million video views on its website. Twenty-five million page views in the last six months. People do come to this kind of journalism.

I think that this whole question of why

we need to invest in it and why it's so important for us to keep paying our attention to enlarging this kind of journalism is that there just are so few places literally that do it. There is an increasing number of investigative nonprofit journalism entities that are growing up. ProPublica is one. The Investigative Reporting Workshop at American University, the Center for Investigative Reporting, all of these places. Finding ways -- we sat down in a meeting with a group of those people, including National Public Radio's Investigative Unit just last week, in order to do combined work that will surface on all of those platforms together. I think we'll have considerable reach with it. I think we will leverage a great deal of power to reach people and talent in doing that.

So I'm not sure I'm answering your question.

MR. MAY: Could I?

MR. HAMILTON: Go ahead.

MR. MAY: It seems to me that there's a

little bit of a conundrum here and a little bit of a contradiction in what Mr. Fanning said. Because on the one hand he said that investigative journalism is very popular he said. And I tend to agree with that. I watch a lot of it. But on the other hand he said, you know, why are there so few outlets, I guess, that are doing it. But, you know, to me it's probably more or less one or the other. And I think it's a little bit more the other -- that there are a lot of places that are doing it in addition to yours. And if it is that popular as you say, then there'll be a public demand for it. And I think they'll do it.

And the other thing I would say is that sort of in a larger sense that struck me, and particularly when Paula talked about the 15 percent of federal support for public broadcasting which I know is true, to some extent whenever the government is engaging in a role like this -- and it can happen with charities or whatever -- you know, there's a tendency to displace to some extent, you know, private support for those

things.

I'm a rabid fan and watcher of the NewsHour each night. I think Hari is still back there and watching. But, you know, it's been a long time since I've given. I used to give money to public broadcasting. It's been a long time since I've done it, and frankly, one reason, you know, there are other -- one reason people might not do it is because they say, well, the government's -- the government's doing it. And this runs through a lot of this. So, you know, if the government weren't doing it then, you know, there might be support -- and I think there is support -- to do the very things that we all agree are important there I think.

MR. FANNING: I mean, I think the truth is that it takes time and money to do really good investigative work. And the networks for the large part have stopped spending the money on the kind of work that it takes to do deep content editorial work of that sort. They just don't do it anymore. They do some consumer reporting.

They do some hidden camera work. They've figured out that there's a certain kind of quasi-investigative work that sells on the magazine shelves. But for the most part they're not doing serious hardnosed journalism, the kind of work that takes time and takes effort.

MR. MAY: Is that true of 60 Minutes, for example, or shows like that?

MR. FANNING: I think 60 Minutes has its own limitations. I think that 60 Minutes has limitations in terms of the time it can devote to any single story. And it is after all ultimately a mix of some investigative work and some sheer entertainment, which is not a bad mix. We should all do that.

MS. KERGER: I actually want to build on what David was just saying because I think that there's also another facet to this which I think is getting lost. It's not a question that we create programs that no one is interested in watching. Obviously, we do have a large audience. I think the difference is that our ROI is

different. We're focused on a double bottom line. We're not -- we obviously need to run a business and our organizations are businesses that have to run in a break-even basis.

But the second bottom line we're delivering against is really service to the American people. And so what we are focused on doing -- and I'll use children's content as a great example -- is that we're not just creating programs that children are interested in watching. We do. If they don't watch, then we're not achieving our purpose. But it is not in a commercial interest to build programs that are tied into educational standards. That's public television's job. And so I think that there is, in fact, a role for public broadcasting to create programs that there isn't the motivation on the corporate side to create.

And I think the other part of, you know, where we sit now, which from my perspective is the most exciting. And I think David -- I'm happy that he's sitting on the panel with me -- is

really a great example of not only creating programs for broadcast, but really thinking about multiple platforms. And if you really play this out and think about not only having programming available on our public media sites, but also creating content that can be shared and embedded in other places that can be part of social media, I mean, that's really a way that we can distribute content in a wide manner. And in addition -- and Hari mentioned to this when he was talking about the NewsHour -- the work that we're doing in the classroom.

So I think when you line all those pieces up and you think about the rationally ignorant, but you also think about building the next generation, I think that within public media there is a clarion call to not only make sure that we're creating content that is of highest integrity, that is of highest quality, but that also is creating the appetite for more of that. One argues that public broadcasting created the marketplace for cable -- for some of these cable

channels. But then as the business environment shifted, they shifted. So I think there's a continuing role for us to innovate and continue to push to try to bring forward new genres and to make sure that whatever we're creating is distributed as widely as possible.

MR. WALDMAN: Paula, my sense is that there's quite a lot of local news on public radio, but not all that much on public TV local news. Is that an accurate assessment? And if so, why is that?

MS. KERGER: I think that in -- I would agree that there is less news on public television than there is on public radio. There is a lot of local programming on local television. Much of it is public affairs. Some of it is community convening type of activities, town halls, but also cultural documentaries, historical documentaries from the community. That also is an area that has completely disappeared. When local media stations in communities were focused on a wider public service, they would produce local interest

programming as well as news. And that is what has completely disappeared on the commercial side.

The reason is a simple one -- money. And as stations have become more and more and more stretched to try to serve their communities, it some of the local news work that has fallen off the table. And so that's why the investment in local journalism centers and increased investment in local journalism is tremendously important. If we are able to step up as the Knight Foundation as encouraged us to do and really look for ways that public television and public radio working together can increase their journalism.

MR. WALDMAN: Jamila, did you have any --

MS. JACKSON: Oh, yeah. I just wanted to focus, I guess, a little bit more on public affairs programming. This morning the chairman referenced a pretty well-known public affairs program, William Buckley's Firing Line. And I guess I would add another well-known public affairs program, Like It Is. And I guess I would

characterize these two shows as serving niche audiences. And it seems as though a lot of the public affairs programming now, especially on television, tries to be all things to all people. And I'm wondering is there a role for public media to play in returning to serving niche audiences and niche interests in terms of maybe the older youth and Nickelodeon generation. Where is the public affairs programming for them? Where is the public affairs programming and public media for foreign language audiences? That sort of thing.

MS. KERGER: I think if you're asking the question to me I'll answer it. I think that there is certainly a role on public television for programming that is targeted to specific audiences, and I think your suggestion about kids and teenagers is a particularly important one. I think that's where the use of new platforms is going to be tremendously important to us. We are developing content specifically for those audiences online, which is where they're spending increasing amounts of time. And as we look at our

work moving forward, that is certainly an area that I would love to see us expand with resources.

MR. WALDMAN: The discussion about investigative journalism focused on nationally and internationally oriented journalism. The examples that Jim O'Shea was giving were more local. Is this a meaningful distinction? Do you feel like when you're assessing the kind of -- what the market gaps are out there that the needs in terms of accountability, investigative journalism, are pretty much the same? Or are certain areas being better served?

MR. O'SHEA: Well, I think that the local journalism investigative function is -- what's really disappearing in my view is not, you know, the occasional investigative piece. It's the systematic examination of institutions that we're not having anymore. And that is what generates a lot of journalism, particularly in newspapers. And I might add that a lot of journalism that ends up in broadcast starts in a newspaper. I can tell you many, many times when I

was sitting in Chicago watching 60 Minutes and thinking there's my story --

MR. FANNING: You never get any credit.

MR. O'SHEA: No, you never get any credit. That's true. So I think -- but I think, you know, it's the local investigative reporting. I think Professor Hamilton talked about state houses. That's really gotten hit hard. I think there was a recent study I saw somewhere where there was like a 40 percent reduction in the number of journalists covering state legislatures. And that's really bad because that's -- I mean, I come from Illinois. I can guarantee you that's not what we need. So I think local investigative -- local and state level investigative stories and that systematic examination of the civic and commercial and government institutions is what's really crucial. And that's where you're seeing a lot of decline.

MR. FANNING: The New York Times can aggregate up the interest of college-educated people around the country to support the type of

in-depth journalism that it does. But if you live in a community like I do, which is the 27th largest media market, there may not be enough people who have an entertainment interest or a producer demand for this type of local investigative coverage. And the production function of investigative coverage often starts with the beat reporting.

So when I asked the News and Observer editor who he had fired in terms of beats recently he said Durham Courts' reporter, Durham Schools' reporter, legal affairs reporter, agricultural reporter, growth reporter, environmental reporter, statewide public education reporter, workplace reporter who wrote about illegal immigrants, our full-time banking reporter who wrote about Fannie Mae and Freddie Mac's mortgage ties in the Triangle. So those beats are gone and the in-depth series the editor told me will be less frequent because they aren't getting the tips and they aren't interacting with the people.

MR. WALDMAN: Thank you very much. This

has been a terrific panel. We're going to take a one-hour break for lunch and we'll be back at 1 o'clock. Thank you.

(Whereupon, at 12:00 p.m., a luncheon recess was taken.)

A F T E R N O O N S E S S I O N

(1:00 p.m.)

MR. WALDMAN: We are going to get started now. The third panel will be on New Platforms, Approaches, and Structures. And as people take their seats I will just remind everyone that the email is FutureofMedia@FCC.gov and the Twitter name is /FOMWKSHOP. And by the way, the website for the project on the Future of Media is FFC.gov/futureofmedia.

There was a public notice issues awhile back. The deadline for comments is on May 7th and we encourage everyone who hasn't already to submit comments for the proceeding. So I will now turn this back over to Ellen.

MS. GOODMAN: Okay. So just one more line of context for this panel. This panel is about how noncommercial media can be structured in ways that give us all the good stuff that we've just been talking about. How can it be structured to be more innovative, productive, and provide better service?

And so, we'll focus on two things. The first is new technology platforms and in connection with that new forms of content sharing. And then the second thing will other forms of networking to bring together bottoms up media with top down media, a sort of community media with more traditional public broadcasting.

And we're going to start with Maxie Jackson, III, who is president and CEO of the National Federation of Community Broadcasters.

MR. JACKSON: Thank you. Hopefully I am loud enough here. All right.

First of all, thanks for inviting me to the panel. Most of these folks I know very well, so I am really eager to participate. To the Chairman, Commissioner Copps, Mr. Waldman, Ms. Goodman, peers and public media and concerned and engaged citizens attending and viewing. Thank you and hello.

I'm Maxie Jackson. I'm a 13-year public media executive, former GM of African American HBCU-owned public radio station. I programmed at

one of the largest dual licensees in public media at WETA and senior director of program development recently at WNYC.

But as Ellen mentioned, now I am the president and CEO of the National Federation of Community Broadcasters. It is an organization that has been around for quite awhile. It is probably the most dynamic range of membership. We've got NPR's largest affiliates and WBEZ, KQED, WGBH and others as members as well as low-power FM stations, minority consortia, Pacifica members and others. And I've got other statistics I could share, but I know you want me to get to it, so let me do that.

All right. When I think of the future of media, basically we are in a transition from public media to public service media emphasizing independence and impact. NFCB in particular will articulate to our membership and anyone else who listens the following principles as essential. First of all, ruthlessly strategic community engagement, low resolution production, high

immersion experience, and third definition as cultural institution and/or utility media or as I like to say the challenge of relevance.

I'll break those down a little bit. Community engagement in particular as articulated by the National Center for Media Engagement and the Howard Institute represent outward facing or community facing institutions, requiring media practitioners to listen to the needs, wants, and aspirations of an engaged citizenry. It involves mapping your community so as to be relevant, not just to your audience but to the community-at-large.

Low resolution producing high immersion experience just simply means that the tools from media production are a lot cheaper, more accessible now. The ease of use in terms of multimedia platforms is real.

We're challenging our stations to step up and see themselves as multimedia players. It also requires us to sharpen our knowledge of what really matters in our communities by taking

advantage of social media tools and instruments advancing the ability to capture greater diversity of voice and perspective.

Definition as cultural institution and our utility media, really just implies that stations wishing to position themselves as cultural institutions aspire towards credibility as presenter, convener, curator and educator as credibility relates to contributing to the preservation and forward progression of fine arts and/or culture.

Utility media is defined by its usefulness to engage citizens, individuals and communities. Moreover utility media is the convergence of public affairs, formatics, journalistic ethic, community engagement and public insight.

I do want to talk about funding. I want to talk a little bit about policy as well. So let me just jump to funding real quick.

There are two components to the funding picture as we see it. First, we must preserve and

strengthen the funding mechanisms that we have today and in this fiscal times even existing programs supporting public radio are in danger. NFCB was dismayed to see that this administration proposed eliminating NTIA's public telecommunications facility program. This program is the only program in a position to fund new radio stations, particularly those stations serving underserved communities. If it isn't cut, this program for example, could help us triple the service to Native Americans.

Similarly, CPB needs more funding as we successfully add new stations focused on underserved communities and we need more funding, we can't divide the same pie into many more pieces. Clearly, especially with respect to public broadcasting, the FCC is only one player. CPB plays a strong role. Currently CPB has taken a leadership role in funding stations that serve African Americans, Latinos, Native Americans, rural communities, and in the near future others as well.

Let me just jump down because I know I'm real close on time, in terms of policy a core service that NFCB provides to its membership, we support strategic planning and revise FCC policy around core goals. There are a few ongoing FCC proposals that are good examples of why NFCB encourages more strategic planning and a focus on aligning all of the FCC's policies in the same direction. In particular, we look at the Channel 5 and 6 Policy Matters.

And the finally, since I ma out of time here, we wish to emphasize NFCB's desire to participate as the FCC moves to collecting data about the race and gender of governing boards of public broadcasters. We strongly support collection of this data because without it the FCC is blind in its efforts to understand the provisions of programming today. However, as representatives of many very small public radio stations, community licensed stations we have a strong interest in ensuring that data collection is simple and relies on easy to use technology.

Thank you.

MS. GOODMAN: Thank you very much Mr. Jackson. Next Jake Shapiro, executive director of Public Radio Exchange.

MR. SHAPIRO: Thank you Ellen, Steve, and the Commission for inviting me to weigh in on these issues. I'm a big believer in the need for public media in the digital age and I'm really glad that the Commission is elevating this discussion at a time of such great ferment in media and journalism.

Start with a bit of a provocation. Who needs public broadcasting in an age of YouTube? You equals public and Tube equals broadcast, right? Everyday thousands of videos are posted to YouTube reaching millions of people across every conceivable interest. Anyone can create broadcasts and distribute it. It's open, democratic, participatory, exploding with free expression. Should we declare victory and hand over the spectrum?

In the noncommercial realm you could

argue that the two most effective public media entities on the web are not just NPR and PBS, but Wikipedia and Mozilla, the maker of the popular Firefox browser. Can we claim them as public media? What can we learn from their scale and impact?

Public broadcasting can become the vital center of a new public media, but only if it expands to include other public service sources. If it engages people far beyond it's current core audiences, if it invests in digital-first infrastructure content and services, and it creates value as a network of networks. These are principles we embrace at PRX, Public Radio Exchange.

PRX is really public media is born digital network, an online distribution service connecting local stations, independent producers, and the public. Launched in 2003 in the pre-dawn of the Web 2.0 movement. PRX was an early adopter of practices that drive innovation on the internet today including open platforms participation,

long-tail distribution, search and recommendation. In the essential rule of curating, it's content abundance.

The result is an online marketplace. PRX is a kind of eBay for public radio content with over 40,000 programs that have been distributed through PRX.org reaching millions of listeners through broadcast and digital channels. About 100,000 listeners use the site and we've channeled millions in royalties to producers and stations.

And what I want to make a point is that PRX is an innovation lab for content and technology, but as an entrepreneurial non-profit, we also focus on business models for new platforms and this is the kind of hybrid approach I'm expecting we will need more of in public media. Organizations that are native to the networked environment, infused with public service values, and employing market- based means towards mission-based ends.

When Apple launched the Apple iPhone App

Store in 2008, PRX lead a collaboration with NPR, APM, and PRI to develop a public radio player. A free iPhone app that aggregates hundreds of local station streams including community and LPFM stations and thousands of on-demand programs. The player's been downloaded over 2.5 million times reaching new listeners and creating new patterns of use. An Android version is in the works and open sourcing it is one of the goals of the project.

And I would like to point out to the Commission that Apple continues to prohibit donations to non-profits through iTunes and the iPhone, effectively blocking a major source of voluntary support for public media.

I will conclude with a couple observations. First, engineers and producers really helped shape the sound and structure of public broadcasting over the last 40 years and today we need the web developers and information architects and designers who are shaping today's platforms, but we face a pretty worrisome talent

gap in our industry around that.

Second, strong local stations are essential community imitations and as Maxie said they are becoming multimedia hubs for local engagement, but they are not the only vehicles for public investment in public media and we need new organizations that have digital DNA.

Third, the so-called dark arts of the commercial web including things like search engine optimization and social media marketing are ripe for reinvention around public service goals and values. This new space is already at risk at being subverted before public media even catches up to it. It may also be time to think about having a public media cloud really dedicated digital capacity that's stands alone from those kinds of spaces.

So thinking back to the first comment, why isn't YouTube all the public media that we need? I think we're in a temporary alignment where the emerging business models for Facebook and Twitter and YouTube and the other commercial

platforms seem to favor openness and social connection, but there's no guarantee that these will become or remain supportive, civic spaces and in fact, we're seeing lots of risks to that already. And this is true across all communications, layers from the pipes to the code to the content, itself.

We think PRX as a model points the way to effective public and private investments in new noncommercial media models and purposeful innovation in content and technology and perhaps public media will be the source of the next YouTube.

Thank you.

MS. GOODMAN: Thank you very much. Next we will hear from Joaquin Alvarado, senior vice president of Public Insight Network.

MR. ALVARADO: Thank you and thanks to the Commission and to Steve and Ellen for pulling together. I would like to talk about the future for the first few moments of my five minutes on the shock clock here, which I also appreciate

having.

In the future, and I mean the future by when we walk out of this building, most Americans will belong to social networks. Almost all Americans will have or have access to a mobile device. And man, many, if not most Americans will depend on the web for some kind of local community information. So when we talk about the future of public media we're already talking about an environment that is creating itself far in advance of us looking at it as an opportunity to extend and deepen our service to the American people.

So we're playing catch-up to some degree, but we're also in a great position to lead.

From the technology standpoint, media is not being shaped by media producers anymore. It's being shaped by computer scientists and network engineers. And what they're concerned with are three key ideas. Ubiquity, that the network be everywhere. Persistence, that it always be on and available. And that it be transactional, that you

always be able to transact, mostly in a commerce driven way but there are many, many positive kickoffs from the billions of dollars being spent in the market to innovate the web, web services create the cloud, develop innovations on devices like iPad and Android phones, and things of that sort.

So we have the great advantage of being able to ride on top of what the market is already doing in terms of driving those three states: Ubiquity, persistence, transactional.

What Public Insight represents, I think, is an effective way of engaging the public in that future of public media and where I think it's always best to focus on the user and their experience, rather than abstractions around what may or may not work. So what we've done over the last six or seven years is build both, well, three things.

A human network. There's 85,000 people who belong to the Public Insight Network. What they do is serve as sources, contextualizers,

feedback opportunities for local newsrooms all across the country. We are a network also of newsrooms based at public radio stations, one public television station, and a couple public media start ups focusing on local community information needs.

So that network of stations and journalistic start ups using this public inside network of humans who are committed to driving improved journalism results in improved journalism, because there's deeper engagement in these communities.

Two recent examples, Oregon Public Broadcasting won the Peabody with PIJ PIN-driven reporting on the economy. By talking to real people in the community and tracking what the impact of the recession has been on their lives. Southern California Public Radio did a four-part multimedia series on the Chino State Prison Riot, which is the best reporting to come out of California on the prison system, I think, in the last 20 years and in a state like California the

prison system is one of the key questions confronting the future of what was once the engine for innovation in this country.

The third is in Minnesota with the Minnesota Public Radio newsroom uses PIJ to drive accountability journalism, but also deeper looks at trends in the community around things like faith and democracy and diversity.

I think critical is all of this is the notion that diversity is not a vitamin that you are forced to take on a regular basis or else you won't be healthy. Right? It is a practice that reveals itself quite simply in are people from diverse communities engaged directly in what you do as a public media company?

And as a technology platform, PIJ is meant to help solve that problem for public media and noncommercial news entities by directly linking you to communities to have them be a part of the process and to own outcomes for that process.

Thanks to the Knight Foundation, we're

developing what I think is a comprehensive, open source technology platform that will not only connect newsrooms and journalists to the network itself, but also provide some early opportunities for public media to think about the future of the web in a way that is practical and we are talking about a future of the web that is based on linked data and the semantic web.

Jade Schneider is in the audience here who has been proposing driving the cost of journalism down by adopting semantic web technologies early. That means connecting databases so that it's cheaper to do accountability journalism. We should be using the technology not just as a threat to our existential presence on the planet that has an opportunity to do better and do more and early investments by Knight and Ford and other foundations have actually pointed to some important and encouraging successes. They don't take away the need from local communities having public media companies that can have reporters who actually are paid to

do reporting. That is not removed by great innovations in technology, but we can lower costs, we can increase service and we can diversify the work that we do by early adoption and smart adoption.

MS. GOODMAN: Thank you Joaquin. Next we'll hear from Bill Buzenberg, executive director, the Center for Public Integrity, who in his previous life was a pioneer in public radio.

MR. BUZENBERG: Twenty-seven years in public radio. Okay.

I represent the Center for Public Integrity, which is an investigative journalism organization; digital, online. We've been around for 20 years. I can tell you lots about the work that we're doing, but what I want to talk about is this new ecosystem that really is developing. It's a new way to share content, it's new way to work together.

Just in the last few months I listed, here are the organizations that have used our work, that we've partnered with that are, you

know, using our content that we're creating. Public radio, The Washington Post, Politico, 60 Minutes, Wall Street Journal, ABC, BBC, CNN, AP, Reuters, Huff Post, 3,000 bloggers, 7,000 fans on Facebook and Twitter and it keeps growing. It's really amazing what is happening. If you can create really good, solid content it can go anywhere.

I want to tell you about two new things in this new ecosystem. Ten years ago, the Center started something called the International Consortium of Investigative Journalists. This is a hundred journalists in 50 countries. The reason I'm telling you this is we have patterned a way to work together with this group. Resources are scarce for all of us, but we have these really top quality investigative reporters assigned to different projects working with us and creating projects that then are reported on all over the world and are published all over the world: China, Russia, we just did the Global Climate Lobby leading into Copenhagen, and we created

databases of lobbying in Europe, in Canada, in Australia, as well as the United States. And we showed what the fossil fuel industries were doing and we predicted before Copenhagen that it would probably be a stalemate based on the lobbying in 12 countries that we did and that reporting, of course, appeared in India, China, Australia, Brazil, Europe, et cetera.

This International Consortium made us want to create an American Consortium of investigative journalists. And the reason is that we're seeing these centers, there are now 40 centers internationally, there's another 25 to 40 everyday I'm getting calls from people, new centers of journalism opening up.

So last summer we created something called the investigative news network, we brought 25 of these together and said how can we work together, what can we do? Well, they're about to hire a CEO with a business model to make this a real entity. The Investigative News Network, you will hear about it someday. You will know about

it someday. If all goes well it will make money someday and support us all.

We just did a model, I'll tell you about one project. We did something called the Campus Assault Project, about campus rape which is an enormous problem in this country and doesn't get the coverage. What you get are sporadic stories from various campuses. Well, we spent a year doing a survey of 160 campuses getting all of the education departments' databases, FOIAing everything around this subject, and then we took this and we made it available to five of these centers who were very interested in it. So in Denver, in Boston, in Madison, Wisconsin, in Seattle and in Texas, the Texas Watchdog, they took our data. They spent months, also then making local stories based on the national picture that we had given them and they produced it.

We went to National Public Radio, they used it in their new investigative group very well. There were five different reports and call-in programs on National Public Radio, but

then we had dozens of local public radio stations doing call-ins around it. Anyway, we made an issue of this, we can calculate that 40 million people read, heard, saw, watched, got some of this project when it came out based on all the usage of how it was done. And we think, since our goal is to catalyze change, we think it will change the education departments collection of data which is terrible, and we showed them where they were wrong and what was wrong with this project.

Anyway, that's the kind of thing we're doing. I think, I could just tell you about three others coming up because we are finding, we go for FOIA and I can talk about FOIA later. It's a little bit better, thank goodness, than it has been.

We've just gotten a terrific database from the Department of Transportation. This includes data in every single state, this will be a major report. We will provide that to people in every state and do the national picture. From HUD we got another database. We FOIAed, this one took

a year, but we got all the Medicare data for the last 10 years. We're doing this with the Wall Street Journal. It will be a project that is going to take us the next nine months because there are a billion and a half records, but we will have data on every single hospital in the country. We can look at what's going on and we can provide that data to local institutions, again, mostly these online stations, online networks, or public radio stations, people who want to do the local reporting we will give them the data and make that possible.

It's the new way to work and if I finish I simply have to say we couldn't do this work without people like the Knight Foundation and the Ford Foundation and the MacArthur Foundation. And if you want to talk more about sustainability and earned revenue streams afterwards, we'll do that.

MS. GOODMAN: I think we will want to hear about that. Next, we're going to hear from Nan Rubin, chairperson of the board, Prometheus Radio Project.

MS. RUBIN: Thank you. I'm really pleased to be on the panel with these esteemed colleagues here, too. Many of us are already using smart devices like iPhones for our fix of media and news. Community media needs to live there, too and we've been hearing a little bit about that.

Accessible, open-sourced tools are really important to reach diverse audiences cost-effectively these days. While no one owns the internet, we all pay tools to use the on and off ramps. Guaranteeing affordable broadband access with content interference or volume discrimination is critical policy for survival and flourishing of community media and public media.

Spectrum use is moving from fixed frequencies to open and unlicensed spaces. Non-commercial service should be encouraged to devise creative schemes for digital spectrum use regardless of platform. Thousands of dedicated volunteers keep community media running. Instead of dismissing them, public media needs to

recognize and support them. Some of the results will be brilliant.

The current proposals to shape responsive public media are hardly new, it's only the technology that we're dealing with that's really new.

We should blame Lou Hill for that. According to public broadcast historian Ralph Engelman, "The history of public and community broadcasting after World War II begins with KPFA." The goal of KPFA was to "promote the full distribution of public information and comprehensive news on matters vitally affecting the community." That was more than 50 years ago and it sounds just like Knight Commission Report, which calls for media to maximize relevant and credible information to promote engagement with the public life of the community. That was just a few months ago.

But KPFA almost didn't happen. Hill wanted an AM station and he was unhappy when he had to settle for an FM channel. The FCC was also

unhappy. It didn't want to give him a station at all, but they reluctantly handed over a noncommercial license even though the Pacifica Foundation was not a school and clearly professed an unusual educational mission.

Hill wanted to do something radically different with radio and lucky for us the FCC decided to let him. No one could have known that it was a transformative moment, but I think many of us here recognize that without that moment in time between implementation and connection with audience and public policy in media that none of us would be here today.

The point here is that we don't know where innovation might come from, especially with groups that are operating outside the institutions of the time. For example, during the Cold War it was a grassroots group that used global telecommunication satellites to link U.S. and Soviet citizens and students in a series of interactive telecasts call Space Bridges. The technology had not been used for anything like

that before.

And the first live national remote broadcast using the public radio satellite system aired a demonstration from the steps of the Pentagon put together by an ad hoc network of producers and distributed free to community, college, and public stations around the country.

As soon as Portapaks allowed video to leave the TV studio, guerrilla television was lugging them around in the streets and every other place, which also helped pave the way for public access. And then there's Indie media. The first Indie media internet site was cobbled together by a small group of geeks to cover the World Trade Association protests in Seattle. By posting video, audio and photos from anyone who wanted to contribute, they transformed the concept of news coverage and launched a global phenomenon.

I can't leave out promoting local culture, like KOCZ, which is a low-power radio station in Opelousas, Louisiana, dedicated to preserving zydeco music. It's hometown product.

This only works because thousands of volunteers love making media.

Community media outlets are hotbeds of training and distinguished veterans have won Oscars, Emmys, Grammys, Pulitzers, Peabodys, DuPont awards, and MacArthur Genius Fellowships just for starters. But volunteer programmers are largely devalued in public broadcasting which abandons support for production training and diversity a long time ago. If nothing else, today's public media needs to recognize this ignored resource and harness its dynamic potential.

And the lessons here? One, nurture unconventional uses of technology. At every instance community media has devised ways to seize the tech, put it in the hands of more people and push the limits to reaching new audiences. This has implications for both policy positions and for operating structures. Expand the platforms. I think we're seeing that happen quite a lot.

The Community Media Center in Grand

Rapids, Michigan is a pioneering access center and an internet provider, radio broadcaster, theater venue, and community computer center and it's co-located with the public library. You can't get more public than that.

Invite innovative regulatory policies. Low-powered radio was a creative approach to carve out news service from slivers of unused space on the spectrum. There are a lot more ideas like that around.

And finally, bottom up. Not just top down. Many successful networks, Bill just mentioned one of them, grew from ad hoc collaborations that are borne from shared needs. They're not from the top down. But it can't be forced. For better or for worse, community media groups simply won't participate, some of them are just not going to be interested. But meanwhile, there's a tremendous amount of energy to pull a lot of networks together.

Even with its many faults, and there are certainly plenty of them, community media can be

creative and dynamic. It should be recognized not marginalized and offered incentives to improve service, build stronger partnerships, join with other initiatives and be free to innovate.

Thank you.

MS. GOODMAN: Thanks very much. So one of the themes we've heard from all of you is about innovation and I want to borrow Maxie Jackson's term of utility media and turn to Kinsey Wilson, because one of the things, at least, that I read into the notion of utility media, not just that it's useful but that it functions as a utility. It's there, you turn it on, it's there and it's generative. You use the water, the electricity that you get and you make something new and for that to happen we've talked about a number of different networks and ways to pull down content and then push up content and we have Kinsey Wilson here from NPR and I'm hoping Kinsey you can help us understand how this would work in practice and specifically about the public media platform, how it would abet utility media.

MR. K. WILSON: Thanks, Ellen. Thanks, Steve. So there have been a couple of references this morning, I guess, to the public media platform. I'm going to try and briefly describe the vision around that and see if I can make it as tangible as possible, because it addresses a lot of the issues that have been raised here this morning.

I'd start by noting that one of the strengths of public media has been both its independence and its local control but at the same time its derived its power, a lot of its power from being able to network content across geography and across different properties. That's required shared infrastructure and that kind of shared infrastructure is just as much a need in the digital space as it has been in sort of analog media, in different ways. And its application is very different, but that kind of collective power is valuable.

It's counterintuitive in some ways because on the one had it's never been easier to

publish information, the tools are light. They are inexpensive as Maxie noted. But coming up with an effective publishing strategy does require more coordination than simply launching a blog. Both to achieve economies of scale across public media, but also, and more importantly I think, to be able to realize the power of combining our content in new and creative ways that we haven't imagined.

So, what we have in mind is a non-exclusive platform that facilitates both the sharing of content that's produced by a wide variety of different entities as well as code and which stimulates both the distribution of content and innovation on top of this platform by individual actors.

So what does this look like? The easiest way to demonstrate it is, is to look at some experiments that NPR has run for the last couple of years with an open application programming interface that demonstrates some of the features that would then be built out in a

more robust way in a public media platform and for a wider variety of users.

We're currently serving about a billion pages a month off of this open API. It's open to member stations, it runs our own services, it's open to qualified not-for-profit organizations that want to take advantage of the content that's in there. At the moment it's primarily NPR content, but we're in the last few months have begun incorporating station content and the idea is to open it gradually to a wider and wider group of actors.

What it accomplishes can be demonstrated, the first most powerful demonstration of it was the first NPR iPhone app that launched. That was created by a guy in a garage in Pennsylvania. Unbeknownst to us, he got a key to the API, came in used it. Decided he was an NPR fan, wanted to apply his code skills to making this content more widely available to others and did so.

We were similarly able to go out with a

more robust branded app of our own by making use of that same utility and doing it far more easily than if we had done it just as a dedicated task. Similarly when we launched a web version that would work on a variety of other mobile phones, the development process was quickened by a virtue of having this platform there and as new providers start to put content in, as member stations begin to collaborate with us as PRX, PBS, APM, PRI, which part of the public media platform effort look at putting content into this shared repository, then all of that content can be available through the various applications that are developed here.

So it is both, again, a means of getting content out into the widest number of hands possible, but also really a source of innovation that allows people that are completely independent of sort of the formal institutions of public media to take advantage of that content and use it in ways that either we wouldn't think to do on our own or could not afford to do on our own.

So, one more example here. WBUR has begun mixing NPR content with its own local content, as has KQED. Essentially finding ways to power their websites that are beyond what they can do on their own. In the case of WBUR, they've seen in recent months since they started doing this, about a 300 percent increase in traffic both on the local stories that they are producing and the national stories that they're pulling in from us.

So I'll leave it there. We launched an iPad app as well and modified the NPR site to be iPad friendly, if you will, and were able to do that again, because of the power of this systematic platform that we hope will be able to be expanded and opened up to others either building off of what we've done or starting afresh.

MS. GOODMAN: Thank you. I'm going to start by following up on this and I'll address this to you and also to Nan Rubin because I -- it seems like a wonderful thing to put content out

there and to allow for reuse, remixing all the things that we do in our networked ecosystem. It requires that whoever makes it available has the rights to allow, the copyrights and the permissions to allow others to use it. And so, as a general question of how do you make that work? And then we heard from Paula Kerger, I think it was, in passing that there ought to be copyrights. She endorsed the copyright reform that was advocated in the National Broadband Plan to make it easier for public media to archive and to put content, to make it available.

Should there also be an accompanying obligation for public media or at least federally funded, CPB funded public media to ensure access to clear copyrights to ensure that the downstream users, communities can have access to their content.

MR. K. WILSON: Yeah, I mean from a technical standpoint we're taking is to propose that producers of content determine what the rights are around their content and so that

whoever uses it on the outbound side simply has to agree to abide by those rights. Clearly though there needs to, it can't be a smorgasbord of a hundred different rights types that have to be managed or the content couldn't effectively be combined. So there is a need for some sort of broad agreement and for rights clearances around some of this.

MS. RUBIN: One of the issues around rights right now, which is fairly ubiquitous in both radio and television is that it's for a relatively short window of time where content can be made available. Over the air broadcasting those rights have been in place for a long time. Streaming or downloading is actually much more recent, but that the window for broadcast rights doesn't carryover into a non- broadcast arena. It doesn't carry over into streaming, it's almost like you need a whole separate agreement for that kind of thing.

So being able to simplify those things or to have some kind of a package that says within

the public media arena or the noncommercial arena, the rights will extend within an certain area for noncommercial private use, et cetera could really simply things a lot. Particularly when you've got issues like music, incidental activities, original scripts, there's a lot of things that can complicate rights -- circumstances and there should be some way for us to package those in our field to not compete with the commercial broadcasters or the commercial interests, to not be threatening to the providers and the content creators, but to support them. But to make sure that the public doesn't lose out on getting access to that.

MS. GOODMAN: Thank you. I want to confront another one of the paradoxes that we see in public media. So Maxie Jackson, you said that low res, rights and content is cheap and easy to produce and at the same time needs to be fostered and nurtured. So I want to ask you about why if it's cheap and easy, why does public media, high powered radio stations need to foster it?

And then I want to turn to you, Jack Shapiro, we also know that content can be expensive, right? We heard that on the last couple of panels. And so, how can and generally the story is as we've heard that broadband, internet have made it much more difficult to monetize high- cost content and that's why so many journalists have been let go.

Are there ways in which broadband, internet, and new networks can help to fund expensive content notwithstanding the fact that Apple won't let you raise money for it. So I'll start with you Maxie Jackson.

MR. JACKSON: Well, we heard about Public Insight journalism, community engagement as well, and I think these tools allow stations to do is really be a central convener if you will for issues that are bubbling up in the local community, so it's cheaper to produce content, perhaps. Some of the tools of the trade are cheaper to use and it's easier now, I think, and more financially feasible to be multiplatformed

now.

But I just see the community licensed stations in particular, but public media period as being a central convener and has the opportunity to open up dialog in communities that they've never perhaps addressed before. Because the key to all of this is not just trying to satisfy your audience or your core audience, it's looking at how can you satisfy the needs of the citizenry at large.

MS. GOODMAN: Thank you.

MR. SHAPIRO: So it's actually an interesting split. In a way I would still argue that the journalism is expensive and we talked about that in an earlier panel, but it means that when Maxie says low res it's not about low res journalism, is about low res production and so much of the production that we see on the web is extremely cheap in that domain and in a sense, on a certain level, all of that is competing for attention and public media then has an imperative to figure how to adopt some of those practices

while keeping the journalism strong.

And there are interesting ways to do that that leverage networks. One of the models we're experimenting with, are about to build up is something called Story Market, which is the idea that helping local stations that want to address an in-depth story can turn to their audience to help fund it. It's a crowd funding idea inspired in many ways by the Spot.Us model that Knight has helped start out of the Bay Area. Where that's sort of a different appeal to audiences, instead of just supporting institutions as a whole, can actually say there's important stories covered if you have an interest in maybe you should contribute. There's crowd sourcing, which actually is more in the Public Insight Network domain that addresses some of the content creation costs as well, by spreading out over interested parties who can join.

On the monetization question, you know, the one that's spread too thin on the commercial web is advertising. Certainly the public media

model that has these diverse sources of revenue when you map it onto the web means that forms of donation and voluntary support should translate as well, which is why I keep bringing up the Apple case, because they have really mastered the way of vertically integrating micropayments in a way that actually has been for some public media content valuable.

We developed This American Life iPhone application. A very popular weekly radio show. It's a paid application available for $2.99 on the iPhone and it has been a profitable app and is actually contributing now revenue directly back to the production of that show in a way that I think on the web we've struggled to find those models and then this new device, those things are actually conceivable.

MS. GOODMAN: Let me ask, we haven't talked about PEG yet today, Public Educational Government Access Channels. And in fact, PEG has not been traditionally been considered part of public media. So when we hear about, it seems

that the notion, the things that PEG was supposed to do are converging with some of the things that you are talking about. So I will turn to Joaquin Alvarado and maybe Maxie Jackson, you can also talk about this.

Should public broadcasting be working with PEG? Are there efficiencies there? Is that a form of partnership and collaboration that would be fruitful? That's part A.

Part B is do we need PEG anymore? If, and it really goes to the whole question of access. Is access really the problem now or is it something else?

MR. ALVARADO: So PEG is extraordinarily complex from a regulatory standpoint and there have been many, many losses if you were to ask the public interest community around PEG over the last 10 years involving state-wide franchising in the cable industry. And I know that with the Comcast situation, the FCC has a lot of work to do in addressing issues that might come up there.

There are certainly areas of

optimization between existing PEG infrastructure and existing public media as defined by receives Federal monies, public media infrastructure around the country.

The cultures are radically different and the capacities are radically different. So it's not something that you can ordain and expect to happen. There may be opportunities in certain markets to identify really successful models and answer that question and then say can we scale this?

I don't think you're going to get a lot of cooperation on the industry side because they've really put PEG in an awkward position and that's putting it mildly.

I think importantly though, access is still a critical issue in this country. We have defined access as an important in a million different ways and the FCC has defined and upheld access as being a critical public interest, obligation in markets big and small. So looking at the access question in a broadband environment

becomes very important.

The National Broadband Plan identified something that has become known as the Unified Community Anchor Network, which would address some to the issues confronting public media institutions and other public interest locations around high speed capacity. But as many people have noted, the cost of supporting broadband engagement and content is not going to go down anytime soon. And we're going to severely test either PEG or public media's capacity to serve the public that is increasing online and needs to be online if we don't deal with the cost structures around serving up broadband.

There's a reason why the cloud is located and built by companies that have enormous physical capacity. That's why the datacenters of Google are really the thing that allows it to do so many free things, because they have so much physical infrastructure and the physical infrastructure for public information needs has to be addressed and obviously the FCC has a big role

to play in that.

MS. GOODMAN: But does that suggest the focus of funding and support should shift from cable to the cloud or to broadband access? Or does it, in the ideal world everything would be funded, but would you say that our focus ought to shift to broadband?

MR. ALVARADO: I think that we should always include network engineers and operators in these discussions, because they view it as economies of scale, right? So we could ask that from the Google pipes to the AT&T to the Comcast pipes, that there always be bandwidth that is available for public interest activities, right? We could ask that of them and that would reframe a bit what used to be the PEG arrangements where they had to build a TV studio for you. Maybe that's less important now than it used to be.

But that bandwidth capability is still critical.

MS. GOODMAN: Nan Rubin?

MS. RUBIN: Yeah, I just wanted to add

one more thing to that, because it's not solely the question about access in terms of capacity that Joaquin was talking about it and he's really right that we really need more of the engineers here to help. But we also can't have them dictate it because they don't understand a lot of the other dimensions on some of these things.

But, the issue in terms of public media is where the gatekeepers are right now. And PEG has always been sort of been to the side of public broadcasting-type of activities and public broadcasting has seen itself as a certain type of a gatekeeper and PEG has seen itself as another, probably not as much of a gatekeeper, but also as a gatekeeper. And I think what we've been hearing today and I think it's really important to keep in mind, is that those are the barriers that need to be broken down. That where we are thinking about, is where we want to get content and who is going to be providing it and who is going to be using it.

Those silos and those compartments

really have broken down and that also means that at the same time looking at public broadcasting needs to be reconceptualized. I think the whole concept of PEG does, too. But we're all kind of in the pot together now. How do we have that dialog among ourselves?

MR. WALDMAN: On the same question of infrastructure I had almost a little bit of a sense on one of the earlier panels that there might be a stronger political constituency for public funding around infrastructure than around programming.

But I'm having a bit of a hard time telling what the need is. You all are already doing a lot and I couldn't quite tell, maybe you've already solved this problem. Is there anything that comes to mind that is something that could have the really major impact on creating a platform that would lead to a further flowering on the public media side that at this point is simply beyond the capacity of individual groups or foundations or something to pull together?

MR. ALVARADO: I think that there is a spectrum emerging today to, I guess that's a pun in the FCC sense. At one end is we have to have human capital to do journalism, whether it's citizen source or investigative, or whatever. There is a human capital question. At the other end of the spectrum is, do we have the kinds of nodes in this network of public media including PEG and non-profit actors who are not Federally funded?

Do we have enough of a physical network between them to create efficiencies of scale that a business model can be built on? The answer is absolutely not.

Some stations are really focusing and winning on the web, absolutely. PRX is an amazing innovation. But those are the rare exceptions and when we talk about a broadband media environment, we have to talk about broadband networks also. It shouldn't take that much time though. We've already done this in the research and education community. We built next generation networks, but

we should prioritize it. We should take that off the table. That's something that we would spend the next six years wringing our hands over. We need national leadership on that to help us just get the problem solved as quickly as possible.

MR. SHAPIRO: I'd add that there have been these examples in public broadcasting's history of system-wide investments and interconnection systems. Obviously the satellite systems that have been referenced a few times here today with the analogy being that in the digital space even the ways in which content and connection happen are very different than that. The kinds of capacities that are built and enabled by having a coordinated investment in infrastructure for public media can make a profound difference and that there is a continuum between what we've done in building satellite interconnection into a web and broadband interconnection.

Part of that is described in what Kinsey was laying out with the public media platform

where you see the generative possibilities once the space has been created and once some of the constraints around the costs, the shared costs of where that centralization is important and where the decentralization then actually takes off.

And I think you could actually detail those down to Joaquin's point about the dedicated pipes for it and then up to some areas that are in the cloud. And you know, we could say it's okay to use shares of Amazon's servers to serve that up and perhaps just collective buying power of some of that capacity is all we're talking about in coordinating that effort would get you part of the way there.

But I think there's some important risks that we have to assess around where we need long-term to ensure that that capacity is going to be there and the terms in which it is provided back for public interest use.

MR. WALDMAN: I think I understand what you're talking about when you're referring to the pipes in the clouds and the needs, but can you

give a--

MR. SHAPIRO: Blame Joaquin.

MR. WALDMAN: Could you give a specific lay example of what you're talking about?

MR. ALVARADO: Yes. If the Southern California public radio exposé, an investigative piece on the prison riot were to be accessed by as many of the Californians who should care, which should number all of the adult population. So 25 million Californians should be watching that story, which includes many multimedia elements. You would bankrupt SCPR just on the bandwidth costs.

Now SCPR shouldn't spend all day worrying about how to run a 10 gigabit backbone network to support their streaming. That's a simple problem, already solved by American universities who built the first internet. But it is a problem, right? So that as scale start to happens and we get smarter at connecting our content between each other and with making it open, as Kinsey was describing, we do have to

address it. Right?

So another example would be KQED has Quest, which is a tremendous next generation public media science project that ties directly into schools. It's HD available, it's on iTunes. It's everywhere it can be online.

They get this many hits on it from schools. Even if 500 schools in the state of California used it, they too would go bankrupt on the bandwidth costs. So they're just some simple engineering issues around this, and just practical issue which we could solve in the next couple of years if there was a focused D.C.-wide initiative around it.

MR. WALDMAN: Thank you. Kinsey.

MR. K. WILSON: And there is no established structure at the moment to fund either the core infrastructure building that needs to go on or the operational costs that what Joaquin is describing, really. Both of them require some attention.

I mean, you're right that we are

individually pushing ahead and trying to find solutions, but we're funding it out of existing operations and we're doing it as individual businesses, not-for-profit businesses and trying to be smart about collaborating where we can. But there isn't an existing funding mechanism in place that allows us to put that together quickly.

MR. WALDMAN: One quick question about the public media platform that you all are working on. You said it's currently NPR and then it's going to be gradually opened up to others. Now when you say opened up to others, you're including non-profit websites that have nothing, no connection at all to the public broadcasting or public radio world?

MR. K. WILSON: Yeah, just to be clear. I mean, NPR has what I was showing here, NPR as a business has pursued one strategy which serves as kind of a model and an example of what the five players that I described are exploring. And I think what we imagine doing is sort of taking it out in concentric circles. The very first step

that we will take as the five sort of national producers, is to reach out to stations that are also significant producers of content and begin to understand what their requirements and needs are and how they would want to use the system.

It's a somewhat different approach than what's been taken in the past, which is to try and canvas everybody's needs all at once and then build something dedicated. We're saying, no. Let's move in incremental steps. Let's demonstrate how something can get up and running and take in a larger and larger number of players and extend it as we prove the viability of it.

MR. WALDMAN: Do you, at this point can you say, you know, at what point the circles that involve non-profit websites that aren't part of the NPR or part of the public broadcasting orbit will start to get touched around the orb and invited in?

MR. K. WILSON: It's not something that we've discussed as a group, but I would say very quickly, I mean, I think you know whether you

throw open the doors to everybody all at once, might burden the effort but you certainly, I think, need to be as inclusive and reach out to as diverse a group of people early in the process as you can and then scale it and expand it as you go.

MR. WALDMAN: So --

MR. ALVARADO: We've also -- just to tag on there for a bit. We've made a commitment within the working group for the public media platform to engage four, I think we set the number of outside developers focused on public interests, public media content. So we've identified four and the vetting is just, you know, the Knight News Challenge winners to shadow our internal development process to make sure that we're not designing something which is completely custom built for public media even in an open way, but really engages people operating just outside the system.

MR. WALDMAN: And what's the criteria for who would be allowed to participate in something like that? Is it the entire world of

non-profit information oriented websites? How will you--

MR. K. WILSON: That's exactly the subject of what we're going to look at in the next six months. We've got a planning grant to open those questions up and not just discuss them amongst ourselves, but to sort of put the question out and say, how do you define boundaries around something like this? It has to be, on the one hand, both manageable but as open as it possibly can be.

MR. SHAPIRO: I'd say that there's really two vectors that you're talking about. One is the outbound side and I think Kinsey's demonstration of his slides, part of the whole point of building this platform is to make it radically open in the way in terms of how the content can reach various sites or even have somebody that you didn't expect build an app around it.

I mean, that's the part of it that spurs innovation on the outbound side. I think where

the discussion around criteria and bringing in producers and content providers into it is where we're going to spend a lot of time trying to figure out the staging of how that opens up.

We're excited about having PRX in at the early going, because the diversity of our producers are already in the mix is really quite broad so we're going to be able to test a lot of those questions about how to involve, you know, a surprising mix of who is already producing content.

MS. GOODMAN: Nan.

MS. RUBIN: Yeah, I wanted to actually throw out a question that wasn't part of this, but is really been part of the shaping of infrastructure within public broadcasting up until now, which is the whole question of governance. It's not just the technology capacity. And the models that exist right now and whether any of those would be applicable and I keep -- and I use the example of the public radio satellite system a lot because it's actually a co-op and it was

conceived not to be organized by NPR but all of the members get to run it, at least in concept.

And anyone who wants to participate can and there are certain levels of funding, et cetera that can, but it's basically organized as a co-op and I think that's the kind of model that might be useful for us to think of in this kind of infrastructure where we have a lot of different interests. People are going to want to participate at different levels, but a lot of people will want to participate and there shouldn't be a lot of barriers to that.

MS. TATEL: I wanted to follow up on something that several of you touched on in your opening statements about legal and policy changes that you would like to see to facilitate this effort. You mentioned Channel 5 and 6 policies, LPFM, and other innovative things like that and some changes to the FOIA laws.

Can you explore those a little bit more? What you're looking for there?

MR. BUZENBERG: Well, this

administration really has changed FOIA and I give them credit, it's just not every agency's got the word yet and it's not easy by any means but it's better than it was and that's a good thing. We're able to push, I mean there are agencies like ATF, which are still terrible but there are other agencies like DOT which is doing some good.

This is so important that this kind of information be available and we can make wider available, we can do investigative reporting around it, and it can get used in, you know, every state capital can do parts of it. So it's a good thing. FOIA is really critical and we spend, we have a full-time lawyer on staff who does nothing but file FOIAs and sue the government to get the information because we're often turned down again and again and again.

Anyway, and all of my colleagues would say the same thing, but it's you know, better.

MR. JACKSON: I'd just address Channel 5 and 6 real quick.

At NFCB we believe that right now it's

sort of being handled in an ad hoc way. I guess the best way to put it, it doesn't seem like -- well, I think it's the common thought.

MS. GOODMAN: What is the Channel 5/6 issue?

MR. JACKSON: Well, I mean, I think at the core of it is the notion that it could be used for noncommercial usage and right now there's no freeze is what we would like to see, a freeze. Because right now it's being slowly kind of dribbled, given away in a way that doesn't seem to be cohesive strategically. We would like to see a freeze so that there can be some deeper thought about should public broadcasting be, you know, serviced or available through that spectrum.

And right now we promote the freeze, because it just seems like right now it's more delayed and then given away versus really though throw.

MS. TATEL: Nan, you can talk about LP radio.

MS. RUBIN: Low-power radio. When the

low-power radio service was first actually proposed it was really a grassroots movement that came to the FCC and said we think it's a good idea for you to try and make your spectrum a tiny bit more efficient by allowing very small power stations on the air in-between the fixed allocations in the FM band. Not exclusively within the noncommercial band, but across the entire spectrum so that many of the low-power stations, they're all noncommercial licenses but they're in the commercial part of the band.

But the NAB, which is much larger than everybody here in this room put together thought that it was going to cause interference to have these small stations and they actually tried to eliminate the idea of the service and when they couldn't get that to really limit it a lot and the effort now it to try and restore the original idea, which is to continue to use what's left of the analog spectrum in the FM band as efficiently as possible, by allowing some more small stations on there.

And I may be wrong about this, but my sense is that this is kind of the last -- this and last window for noncommercial stations that's open and was awarded in the fall. It's sort of the last opportunity to kind of fill up the analog spectrum before things really move into the digital arena on the radio side. And that those people that have their part of the spectrum now, like everything else, will be protected and allowed to continue with digital stuff as either being grandfathered in or already having a stake in it.

So this is really an important opportunity for small community groups to get what's going to be left of the analog spectrum before it changes again. And there's legislative initiative now in Congress to allow that last bit of the FM spectrum to be used for low-power radio and hopefully it will pass. We don't really know, but part of it is also tied into the real concept.

These stations have to be local. They're not large enough to be anything more than

local service, and so the impact of having a truly local voice that cannot really extend beyond a certain geographic range is one that continues to be debated at the FCC and hopefully we think that, you know, there's so much interest in making sure that there is a local voice that it can be crossed platform. That radio continues to be cost effective for that and that people really enjoy the service because everybody still has their portable radios that they carry around, et cetera, that low- power radio still has a really important part in service.

MR. WALDMAN: Two quick housekeeping items. I think, first, I don't think we ever actually introduced Jennifer Tatel, is the head of the Industry Analysis Division of the Media Bureau. Thank you for joining us.

Second, we were so focused on being hip and virtual that we forgot to mention that people who are physically present in the room are allowed to ask questions, too. So, there are cards you can fill out and hand them to John Enoch, who is

raising his hand back there.

Thank you.

MS. GOODMAN: Yeah, let's talk a little bit about what it means to be noncommercial. I think on an upcoming panel we're going to hear of a recommendation to relax the underwriting rules that restrict public broadcasters, at least in their on-air capacity from having sponsorships. We heard in the first two panels about some of the tensions around remaining noncommercial while also trying to support broadband streaming, which is not specifically funded through the CPB.

And what I'm hearing from this panel is as we move into a new networked environment and there are all sorts of new partnerships. There is some infrastructure that's commercially provided, there's some infrastructure that is dedicated noncommercial, and you're serving up services over platforms like the iPad and then there's also the public media platform.

In this merger of commercial, noncommercial, community media, Center for Public

Integrity, you know, all sorts of sources coming together. How do we deal with the strictures of noncommercialness? So do we extend, sort of underwriting rules and noncommercial mandates onto new platforms? Do we take them away? How do we deal with partnerships of commercial and noncommercial entities?

Anyone who wants to answer that--

MR. ALVARADO: I think it's important to let users define the space as much as possible. So It's more important to understand what Facebook is doing with your social identity, I think, to answer that question than anything we might come up with because they're essentially in the business of transacting your social identity online over all these platforms and interacting with that and other major brands.

The one thing that I would say, is we can't regulate out the possibility that public media could figure out some innovative ways of attracting more underwriting by using multiple platforms and how users will associate public

media content with other types of content and other types of contexts.

So the drive, I think, from the innovation side is going to be let the users mash up more and more and participatory fan culture is going to drive more and more of the media experience. If public media doesn't have some capacity or openness to go after those kinds of relationships we're really going to miss any chance of monetizing and extending our content out to them.

MS. GOODMAN: What does that mean? You mean, selling those -- whatever data is gathered from those experiences?

MR. ALVARADO: Traditional underwriting. How does it look, feel, go on multiple platforms? If you have a lot more web video than you've ever done before, how will the rules around underwriting going to impact pre-rolling on web videos?

If a user wants to put your content next to other kinds of ad relationships, do our current

rules allow for that or govern that or anticipate that in any meaningful way?

The answer is we don't know, but we don't want to either write it out or miss the capacity to develop monetization models that support what we do and our fan base.

MR. SHAPIRO: It's a really critical issue and it's unpoliced right now in some of these other areas that public media is already going into.

A lot of, let' say observing it actually there's been a lot of healthy self-policing going on and discussions of what the proper forms are even when there aren't FCC rules around how banner ads might appear next to content or how mobile insertions should work for pre-rolls on audio.

It was interesting when podcasting really exploded and public radio was one of the forefronts of that. We carried over the broadcast standard clips, the little underwriting spots and sort of used the same rules partly because actually the user experience for that was better

than what commercial ads would do. And so, it was both something that adopted and translated well, but still carried forward the possibility of raising funds through that.

I would say that some of the principles that you would want to be wary of would be ensuring that at some fundamental points access isn't through paid walls. That, you know, and there's places where this is already rubbing against it. An example I already brought up was on paid apps. That the editorial integrity and how the funds coming through those advertising and commercial sources isn't impacted.

And then to Joaquin's point, it's still the user experience and ultimately how people are perceiving the value ends up being really important in those spaces where we're just now starting to watch how it unfolds and it's going to be, I think, a centrifugal strategy where somewhere there is a home base of noncommercial source and it's usually our homepages where we really do govern the experience. But we're all

scattering atomized content onto other people's platforms where we don't control a lot of that experience but at the same time need to be there. And I think that's where we'll have to pay a lot more attention.

MR. K. WILSON: Ellen, if I can -- just quickly, I think I would feel that regulation of sponsorship in the digital space is potentially fraught with all kinds of unintended consequences partly because it's an incredibly fast moving space.

I mean the advertising industry is radically disrupted right now as media is, as journalism is. And being able to predict with any kind of certainty what's going to work as you try to marry commercial and noncommercial interests from a regulatory standpoint, I think, will be very difficult.

I think, I would point to sort of what's happened to date which is we have been self-policing and self-policing partly because at the end of the day we, with a mixed revenue model,

we are vitally dependent on the readers, listeners, viewers of our content and the level of engagement and confidence and trust that they have in our content which then translates to individual support.

And sponsorships that becomes too intrusive, too overwhelming that degrades that experience cuts against our interests and diminishes our revenue on another side and so, I think there has been a tendency to adhere fairly closely to the FCC rules.

I mean, one of the things that I've seen coming out of commercial media is that sort of restraint actually results in higher CPMs, cost per thousand paid by corporate underwriters on public media sites that you typically get on a commercial site, which speaks to the fact that we are looking for long-term interests of our readers and our viewers as opposed to simply going after the quickest buck in the shortest period of time.

MR. WALDMAN: Do you think that the FCC's underwriting rules have the effect of

providing a floor on CPMs for public media?

MR. K. WILSON: On the traditional broadcast side or on the digital side? No, I don't think they necessarily provide a floor.

MR. WALDMAN: So you said this is a self-policing system to some degree, but in a way you could argue it's actually not self-policing because the FCC has all sorts of things that it tells you not to do and a truly self-policing system would be you can do whatever you want you police yourself and decide what's appropriate.

MR. K. WILSON: Right. Though the FCC doesn't determine what we do with banners in the digital space at that point, and that's the part that I was saying is self- policing.

But it's also, I mean, the other piece of this is difficult to contend with is there is a limit to what we can compel advertisers to do to redo their creative around our particular requirements. You often are taking money off the table when you impose those requirements.

MS. GOODMAN: Yeah.

MR. SHAPIRO: Just one point, a quick one. Two of the revenue sources that were just described is like listener sensitive income or viewer sensitive income from voluntary contributions and then the advertising. And one of the things that I think is a challenge for public media is that that both points to valuable demographics that have the means of supporting that advertisers want to reach and that actually could cultivate that kind of support and so where we talk about federal support is I think when that becomes another revenue source that means we're not as dependent on the demographic and, you know, means of support or advertising targeting that happens otherwise we're just going to be competing for the same bottom-line driven on the digital side that commercial is.

MS. GOODMAN: Last question I want to address to Bill Buzenberg and this is about database driven journalism and public media's role or potential role in reducing the costs of journalism. So as you get, hopefully FOIA will

allow you to get more of these databases and as you turn them over, my question is do local journalists and stations have the capability of crunching the numbers and working with the databases and as the databases proliferate will they have that and is there a role for public media just as I think, Jake, you were saying that there's a role to incubate engineering talent and software design talent. Is there a role for public media in developing database journalism tools and talent?

MR. BUZENBERG: The answer is absolutely. And I'll just back up a little bit because you know, you don't have to FOIA for everything. The government's talking transparency and accountability. We started a data mine with the Sunlight Foundation to list all of the databases that we would like to see that aren't being made available that they could make available and there's bunches of them on there. Everyday we're getting more suggestions coming in.

Yeah, it takes some curation and it

takes some work. I mean, you can't just say hey we got this great database, go to it. It doesn't work that way. What we have to do is carve out here's California's database on this subject. Here's the framework for it. Here's what we've found out nationally. You look at it locally and localize this because we think there's some incredible things here for you and the more that we can point out the more apt they are to take it and use it and run with it and have an impact in California and that's true on a state-by-state basis.

We do have a project we're looking at in which we think there is a way to work with public radio stations and public television stations. They're all over the country, they're in every state. They're in every state capital, right?

This is a project that's called the Corruption Risk Index, it's really a way to show in 25 areas each state compare it to every other state, how are they doing? And some are terrible and some are doing pretty well and we can compare

laws and we can make this available and that state can run with it and we've found that in our States of Disclosure project that when we make stuff like that available, it has a big shaming effect and states do change their laws and change things over time and we can point to 24 states that have new ethics laws based on this given states an F and showing them that they're not doing what Washington State is doing and a few others are doing right. Anyway.

MS. GOODMAN: This panel gets an A. Thank you.

(Applause)

MR. WALDMAN: Thank you very much everyone. We're going to move right on to the next panel. In each one of these cases we feel like we could spend a lot more time talking to each one of these people. All the groups that are represented here and others that aren't, we encourage you that beyond this hearing to contribute to the Future of Media Project. There is a public notice asking various questions and if

you go to the website, fcc.gov/futureofmedia, we'll tell you how to submit comments into the public record. And that's very important that we get your input on this in detail. Thank you.

So we're going on to now Panel 4, which is New Strategies for Supporting Public and Noncommercial Media. We're going to start Panel 4 now, please. Would everyone please have a seat?

Panel 4 is on New Strategies for Supporting Public and Noncommercial Media. We have had made a little bit of an assumption or a model in our heads that if we're talking about public broadcasting it's a certain way that it's been, and there actually have been quite a number of interesting new, novel ideas that have been circulating in the public policy world in the last year or so, and some longer than that, that take things in a different direction. And so this is the panel where we're going to start to kick the tires on some of these ideas.

To start us off and help provide a kind of broad context on this, we're very pleased to

have Steve Coll, a very well-respected journalist for much of his career and now the president of the New America Foundation.

MR. COLL: Thanks, Steve. I thought I would use my time to try to offer a framework for thinking about some of the new ideas that you refer to. Many of the good ones are about to be articulated. And so I thought I'd offer a sort of a straw man intellectual framework for thinking about the goals of these ideas and their -- and what kind of a policy paradigm they might fit in, and then interrogate them a little bit on the basis of my own straw man framework.

So my starting point is the assumption that, first, we have to define a market gap in our political economy. That's the beginning. And then make a case for why public policy to improve public media is the right response to that gap. So if you start from that premise, first, let's define the gap. And I think there's more economic research required, but we're swirling our way forward to an empirical understanding of the gap.

And I'll just posit now that it's most severe locally and will be sustained in that way as well as internationally. And the international piece is very important, but I know lee's going to talk about that, so I'm not going to.

At the local level, in terms of the inherited policy framework to address that gap if you accept the premise, in the public media space I think we're actually very well positioned with the legacy institutions in a geographical and physical sense. There are a whole suite of new policies required to take advantage of that terrific positioning, but I think it's worth observing. If you walk into the NPR lobby and look at the lights on the board about the map of, for example, NPR stations, you see that in comparison to a lot of other infrastructure that might be required to address an analogous gap, say, in bridges or telecom, there is already a physical infrastructure just to choose one example that is extremely well distributed for the nature of the problem.

So what's the purpose of the policy that would be pushed down this reformed infrastructure? And I'm going to open my hymnal, the Knight Commission Report, because I actually thought that the group that put that together articulated it pretty well. On page 35 they noted that -- they sort of evaluated the legacy institutions by saying that public stations "do not have a strong record of spearheading local investigative journalism. Most public radio broadcasters have little or no local news reporting staff and with some exceptions they haven't adapted to digital very well. And so, to some extent, therefore, it is the purpose of public policy in the digital age would be to incent a more determined role in enhancing the performance of public media in the provision of local news through digital innovation."

Now, to me that involves much more than the legacy institutions, but it certainly includes them. All right.

So, if we're building a framework that

starts with the market gap, observes that there is an infrastructure for policy to work with, now we move on to the question of, well, what are the suites of policies?

One -- there are basically two related categories: To generate new revenue and to change the incentives in the system. And I think those two categories of policies have to be linked in order to be effective. We're going to hear some good ideas about new revenue generating ideas.

But I would just start, continuing my straw man framework, with one other thought, which is I actually think the best policy space and the best rationale for new ideas lies in the inherited public policy conflict -- complex around public media. That is to say most of the policy that we've inherited has arisen from the government's management of scarce and licensed public resources, whether spectrum or cable franchises or the management of access standards or the management of public interest obligations. So to the greatest possible extent the changes we

pursue, I think, ought to proceed within that spectrum, so to speak, metaphorically speaking and maybe literally speaking.

So two examples that would fit this framework would be the idea in the FCC's own broadband report to have 100 percent of spectrum proceeds auctioned by public TV stations and the proposed framework returned to public media. Some of the rest of us would urge that commercial spectrum be interrogated in the same way. In future auctions, Norm Ornstein and others have talked about the exchange -- the future of the public interest obligation as a framework in which to explore any revenue-generating opportunities. What I like about all of those is that they are essentially reforming the inherited policy complex for a coherent purpose, which that complex is already set up to pursue.

And there are some first cousins to that idea, various user fees and license fees and other things. But I think you start with that basic framework, or at least that's the straw man.

And then I think the harder piece, I'll just finish, is how do you change the incentives in the system after you've generated the revenue? Because I think actually generating the revenue is probably the easier part in terms of policy development. And I would just say there that I think most of the answers lie within the inheritance rather than requiring the invention of something entirely new. And we can maybe come back to that in questions-and-answers because I don't want to go over my five minutes.

MR. WALDMAN: Thank you. Next we're going to turn to a specific idea, to Lee Bollinger, who's the president of Columbia University and, among other things, the author of a recent book, Uninhibited, Robust, and Wide-Open: A Press for a New Century.

MR. BOLLINGER: Thank you, Steve. Very quickly, the idea goes like this: I think we've reached an important moment in the historical evolution of communications and information. And I think one way to capture that is to say we're

moving from a world in which we have a national public forum with some international news connected to it to a global public forum. And that global public forum is being aided by new technologies in communication, especially the Internet, of course, but also the developments in satellite television and broadcasting.

But it's also facilitated by the opening of free markets around the world and all of the incredible exchange in goods and services and the cultural intermixing that goes with that. So when we refer to globalization there is a real significant underlying reality to it and it needs -- it has a compelling need for new information and ideas, more. We have to have a movement in ideas and information that matches the movement in goods and services and movement in cultural interchange and so on.

This poses a number of problems for us. One is censorship. We're beginning to see that censorship anywhere becomes censorship everywhere because you start to feel as if you say something

in one place, you now will be subject to censorship at other places. It also is problematic for us because the financial problems of the media in America especially are causing a withdrawal from the international news and foreign news space: Closing of foreign bureaus, decline in foreign correspondents. It's a very serious crisis.

It's also the case that other countries are moving into this global public forum to try to influence global debates about whatever major issues we want to talk about: Climate change, financial regulation, and so on. CCTV from China has a massive plan for expansion. Al Jazeera we know has created a global network. There are a number of other countries that have moved into this very important new space.

Now, that poses a problem for this country and it poses a set of issues and it also poses issues for the world generally. This is not something we're completely unfamiliar with because it took us most of the 20th century in this

country, through constitutional law, public policy, the norms of journalism, and the free market, to create the best -- one of the best free press and information flows in the world on a national scale. We did that. Great decisions like New York Times v. Sullivan saw that reality and responded to it. Now we have to do it on this global scale.

There are many things to say about this. How do we combat and deal with censorship around the world? How do we try to break down borders between flows of information?

But one key idea, I think, is to take what is the anachronistic system we now have, really a Cold War system, of public broadcasting and to change that. And in particular, I would say we should think about something I call American World Service, which is obviously analogous to the British BBC World Service or the BBC World. And the idea -- the problem is that we're facing a system that we've set up after the Cold War with a domestic public broadcasting

system that has extremely high-quality journalism -- we should be very proud of it -- and then a global or international broadcasting system that was set up as a propaganda arm of the U.S. Government -- Radio Free Europe, Voice of America, Alhurra, and so on -- which has in it significant journalism to be sure, but it will always be thought of as the propaganda arm or the government position on world events.

There's even a law, the Smith-Mundt Act, that forbids those broadcasts from coming back into the United States on a theory that we will not allow government propaganda instruments to try to influence U.S. public. That's, of course, nonsense in today's interconnected web world. But beyond that, we really need to begin thinking about America's voice and about the kind of journalism that the American journalistic community can create, and put it into the world debate. We have to think about that very seriously because it is a marketplace of ideas and we have, of course, some private institutions out

there, but we very much need public institutions created for this purpose.

MR. WALDMAN: Thank you. Next we will hear from Dean Baker, who's the co-director of the Center for Economic and Policy Research and the author of an idea referred to as the "media voucher idea" that has gotten a lot of attention lately.

MR. BAKER: Okay. Well, thank you very much. I have to say if we're supposed to start from the framework of the existing system, I think I'm going to violate the rules here.

The basic idea for the media support voucher is having an individual tax credit that individuals could use to support the media/medium journalists/reports of their choice. And what I want to try to do is sort of very briefly outline what that idea might look like and then sort of flag three basic issues or at least what I see as three basic issues of it: One, the size of it; two, the scope, what actually can you do with it; and three, the issue of copyright. Again, just

very briefly flagging some points.

First off, what it would be. The model I think you should have in mind is basically the current system of tax deductions for 501(c)(3), a church, a charity, whatever it might be. I think that's the best thing to keep in mind. The difference being then instead of being a deduction, this is, in fact, a credit. And the size is obviously somewhat arbitrary, but let's just start saying that we're $100 per adult per year. And in my perfect world, of course, it'd be refundable so that everyone would be able to use it.

How it would be done from the standpoint of the individual. You could have it in two forms: Either someone could pay it up front if you want to, you know, keep the identity of your recipient a secret; you could pay it up front, indicate on your tax form that you had paid $100, take that deduction, and then in principle have it verified subject to an audit just as is the case of a charitable contribution. Alternatively, it'd

be a very simple thing to have a code where you had the qualified organizations/individuals and you'd just simply fill in the number and the IRS, the government, can be the intermediary and actually direct that money.

From the standpoint of the recipients, you'd have newspapers, websites, television stations, radio stations, it could be individuals or reporters, writers. They would have to register much the same way that a charitable organization, a 501(c)(3), registers. The government does not make a judgment as to the merits of the organization or the work. Simply you say here's what I do, I'm a reporter, this is a newspaper, whatever it might be.

Also, to minimize or reduce I should say the probability of sort of petty fraud, you could have some minimum cutoff, say $10,000 that you do not qualify to receive funds unless you have at least individuals put $10,000 or whatever sum, some sum to that effect that would make it difficult just to have money flip back and forth.

Again, in terms of how high you set that, the advantage of setting that higher is you'd reduce the probability of fraud, but the advantage of setting it lower, of course, it would be more democratic system, less up-front costs.

Okay. Question: How much money at stake? I pulled $100 out of the air. Just to put that in some context, if you actually had 200 million people give $100 a year, okay, that would give you $20 billion. If we assume that, say, $100,000 per employee, that would get you 200,000 employees. That'd be more than enough to fully staff every newspaper, radio station, television station. In other words, it would probably be too much money by about an order of magnitude.

So, in terms of the scope, well, you could say, okay, we'll cut that by 10 or 5, make it $20. The problem is if it were $20 probably a lot of people would consider that too inconsequential to deal with. Two ways around that. One is you could say let's do it every five years, so, you know, it's 2010, so I get to do it

in 2010; I'll get to do it again in 2015, you know, and have it be $100. Alternatively, you could broaden the scope.

And I'd argue strongly that we would want to go this direction for two reasons. One is because the problem of supporting creative work doesn't just extend to journalism these days. We know that support for music, movies -- well, perhaps movies less so at the moment, but I'm sure not too far down the road as we get more unauthorized copies of movies on the web, that will also be an issue. I think we could creative work more generally, as something that applies more generally.

The other reason why I would consider that advantageous to broaden the scope is there will always be boundary cases. So if I'm a newspaper, I have an arts section, I have a gardening section. Well, there are some areas we might say are core news reporting, you know, we have our people covering Congress or covering the wars in Iraq and Afghanistan. When you carry it

further away, our culture critic, you know, at some point one could say is this still news? We don't want the government to be cracking down on real news reporting. We don't want those to be the boundary cases. If you extend it more broadly to cultural work of any stripe -- music, movies more generally -- you don't have to worry about news being the boundary cases. So I would argue strongly that that would be desirable: Have a larger credit and have that -- the boundaries be cast very broadly.

The last point, copyright. Just very quickly I would argue we have to figure out who gets the copyright. To my mind, I think it'd be very important that it be in the public domain perhaps on a copy left type principle. The three reasons:

One is we do want the public to benefit from it. So if it's available for everyone to take advantage of, that will maximize the public benefit.

Secondly, we already know that there are

any number of complex legal issues around copyright with material produced on the web. It's simplest if it's in the public domain. You get around those issues.

The third point is I'm a strong believer that we should only pay for things once. Copyright is a government policy, it's a subsidy. If we give you this, I don't think we should have to give you a second subsidy. So, in other words, if you're beneficiary of the system directly or indirectly, it strikes me you should also be able to get copyright and profit from it a second time. The taxpayers, the public have already paid.

So that's very quickly an outline of that. I realize my time's up, so thank you very much.

MR. WALDMAN: Thank you. Next we'll hear from Craig Aaron, who's the managing director of Free Press.

MR. AARON: All right. Thanks for including me. I'm going to try to show some slides here. There's one. All right, perfect.

It's often said that out of crisis comes opportunity. We've spent a lot of time today talking about that crisis. Tens of thousands of journalists losing their jobs, local outlets shuttered or reduced to a shell. That perfect storm created when the rise of the Internet and the end of the local advertising monopoly collided with our current economic downturn.

We have to remember, though, that a lot of the media's problems, their most serious wounds, were self- inflicted. While regulators rubber-stamped one megamerger after another, the big media companies took on massive amounts of debt. Now they're drowning in it and they're taking our newsrooms with them.

But wherever you point the blame, we have to realize there's no longer enough private capital in the form of advertising, subscriptions, or philanthropy to support the breadth and depth of quality news reporting that our local communities need. But there's the opportunity. This is the moment to re-imagine the old public

broadcasting system, rebuild it as a new public media network committed to education, to community service, and, most importantly, to local news gathering.

Yet at the time when the need for public media couldn't be bigger, we're spending far too little. As you can see from my slide, we now spend about $420 million per year in public money on public media. That works out to about $1.43 per capita. Commissioner Copps talked this morning about that not covering a cup of coffee perhaps. Canada spends $27 per capita. England spends $87. You can see here at the far end there are others who spend far more.

I'd like us to imagine for just a second how the American public media system could dramatically increase its reach and its relevance with as little as $5 a person. But to get there, we're not going to be able to just rely on annual congressional appropriations. We're going to have to build a supplemental trust fund seeded with a substantial endowment, but one that could

eventually enable the public media system to become nearly or completely self-sufficient. I don't have time to get into all the details that you'll find in my written testimony, but I'm going to outline quick but promising proposals, or I'll talk about them quickly.

The first one is spectrum fees. I think there's good reason for us to start treating commercial broadcasters just like any other business that uses public resources, meaning they should pay rent. A modest spectrum fee of about 5 percent of station revenues on local broadcasters would generate about $1.8 billion per year, 4 times the current annual appropriation for public media. Put this money into a trust fund and after 20 years, the public media system could be solely supported by interest with an annual budget approaching $2.5 billion.

Another way to support a public media trust like this could be through spectrum auctions. The National Broadband Plan has already proposed that TV broadcasters voluntarily give

back their spectrum. For the sake of argument, though, let's consider what would happen if we took back the entire spectrum used by UHF TV stations, which already get 90 percent of their viewers from cable or satellite. You could set aside half of that spectrum for unlicensed use. You could -- as well as for small wireless Internet service providers. They could split it, auction off the rest. And even after using that chunk of money, some of the chunk of money to pay off local broadcasters, put some in the treasury, I think you could still find $20 billion for public media trust.

Spectrum is not our only option. We spend hundreds of billions of dollars a year on advertising. By taxing just 2 percent of that we could raise $45 billion for a public media trust in 10 years, creating a $2 billion annual budget in half the time it would have taken with the spectrum fees.

One more alternative. Under existing law businesses are allowed to deduct 100 percent

of advertising spending in the year it was purchased. What if we changed the tax code to allow only 80 percent of the advertising expense to be deducted in year 1, amortizing the rest over time? These additional tax revenues could be earmarked for public media. Under this plan we estimate that in little more than a decade the public media system could be completely self-sufficient with a $61 billion trust fund and an annual operating budget exceeding $3 billion.

The last of the ideas that I'll put forward here rapidly is a consumer electronics tax. Consumers are expected to spend $166 billion on electronics this year. Placing, say, a 1 percent assessment on the sale of electronic devices would cost the typical household about $15 per year, yet it would generate enough revenue to create a $20 billion trust.

Any of these ambitious ideas, of course, would take an act of Congress and all would require other changes to prevent undue political influence and to ensure that public media are well

run and are worthy of this increased support.

Maybe the most important thing -- I think there are many things, but the most important thing -- the FCC can do right now is to actually help engage the American public in this conversation. I hope -- I think it's been a great event all day. I hope we will take it outside of the Beltway and take the show on the road, give local communities a chance to share their ideas, talk about their projects. We have a crisis, we have a historic opportunity, and we shouldn't let either one go to waste.

Thanks.

MR. WALDMAN: Thank you. Finally, we have a last- minute substitution. Eric Newton, vice president of the Knight Foundation, had been scheduled to be our clean-up hitter at the end to wrap up the whole thing, but Orlando Bagwell, who is on this panel, had a crisis that made him unable to come here. So Eric has agreed to jump up onto this panel.

MR. NEWTON: Thank you, Steve. I'm here

not just because Orlando couldn't be, but because of Jack and Jim Knight and their mother Clara, two brothers and a mother who donated their personal fortunes to create the Knight Foundation, which now has $2 billion a year and has been funding journalism and media in the United States for 60 years.

Five years ago, when our new president, Alberto Ibarguen, came to the Foundation, we made some decisions about our legacy of journalism funding. We'd been known for endowed chairs at leading journalism schools and for a host of training programs for journalists around the country and the world. But when Alberto came we determined that the dawn of the new digital age was changing, massively changing, creating what you could call a climate change in the global media ecosystem. And we decided we didn't really know anymore who was going to make it and who wasn't going to make it in this new ecosystem. Who was going to be able to provide the participatory, the portable, and the personal

kinds of news and information that people are demanding today?

So we basically suspended all of our rules and all of our thinking on the subject and embarked on several open competitions to find good new ideas. We decided that the only sane strategy in the current situation was to forget about the status quo and to experiment. And we determined that no matter what the future was going to be, it was not going to be the present, and that was our approach.

We're now in the fourth year of funding the Knight News Challenge, which is a $25 million open public media kind of competition. I say "public media kind of competition" because it funds community news experiments that have digital innovation, but traditional public broadcasters were really insignificant in the number of people who applied for that challenge.

We also funded a challenge, $25 million in community news experiments in partnership with community foundations, and that's called the

Knight Community Information Challenge. Now, once again, traditional public broadcasters were, for the most part, absent from that competition. And these are open competitions, anyone can enter.

We've also invested $15 million in nonprofit investigative reporting projects. The ones that you've heard are popping up all across the country and are in about half of our states now, very, very few of which existed five years ago and almost none of which are partnering with the existing public broadcasting systems. So you're seeing, I hope, a trend here.

At that point, we reached out to traditional public broadcasters. Now, some are ready to reform and they are innovating and you've heard about a lot of those projects today, important projects: PBS Engage, NPR's Argo, American Public Media's public insight journalism, all of the web innovation going on at Frontline, all of the projects that you've heard about. And so we're involved in those.

And finally, we've put about $5 million

into field- building projects: Awards, micro local projects, and legal and training resources, and building new groups.

So the issue here, I think, as the FCC embarks on what you could call the most significant reexamination of public media policy since public broadcasting, is how are you going to deal with the fact that this is a new digital age? How can we help existing public broadcasters transform so they can survive in the future, but, at the same time, also help all of the new start-ups that are with relatively lesser amounts of resources doing some fantastic things? Is it astonishing to anyone that some of these organizations now only one or two years old are winning the top journalism awards in America? Does anyone consider that to be unusual? I don't see how we can ignore that.

The Knight Commission for the Information Needs of Communities and Democracy recommends that we increase support for public media aimed at meeting community and information

needs. And you've heard that traditional public broadcasting across the country is not as local as it could be, it's not as interactive as it could be, it doesn't have as many reporters on the ground as it could have. All true.

There are a lot of different ways Washington can approach this problem. The ones that would resonate the most with all of the experiments that we have funded would be a content-neutral technological fund that would help both the existing public broadcasters make this transition and survive, and help the new start-ups, which, who knows, may become partners to or even merge with in some cases existing public broadcasters.

Thank you.

MR. WALDMAN: Okay. Let's dive into each of these ideas and any others that come up. Let's see, why don't we start with President Bollinger, the idea about an American World Service.

What would make you confident that the

political pressure problems could be solved given the history of where Voice of America and the Cold War roots of it? But, frankly, even if that didn't exist, if you were funding something like an American World Service, a singular journalistic entity funded by the government or in part by the government, why are you not afraid that that would be subject to tremendous pressure from the government?

MR. BOLLINGER: Well, I think that is the right starting question. I think, first of all, let me say that I think in an ideal world -- and it's, of course, not an ideal world, so this may come across as highly naïve -- one would stop doing the government propaganda voices around the world and you would take PBS and NPR and you would fund them and launch them into a global public forum. And you would, say, set up stations in different languages around the world and broadcast to people and report on the news in the highest quality journalism and report back to this country what you find because we need to know more about

what's happening in the world. Right now, ironically, a significant amount of the international news that comes from NPR, let's say, comes from BBC World Service and BBC World, which are funded by British taxpayers. So it's not as if we are immune from government involvement in the press in that sense and it's ironic because we should have our own voice in those. I happen to be an admirer of BBC World Service and BBC World and BBC, but that's not the point.

I think there are a number of things to say. First of all, if you believe that America has achieved extremely high-quality journalism at the turn of this new century, you have to acknowledge that that journalism thrived and was created not in a free market. Newspapers by 1950 and 1960 were natural monopolies. There was only one in every single town, one daily newspaper. The monopoly profits were used in the 1970s and '80s to hire people with degrees in law to report on law, science to report on science, economics to report on business, hire reporters with special

knowledge, do investigative reporting. The greatness of our journalism on the print side became significantly from the very unusual economic position they were in.

The FCC is an example of government agency with a hybrid system of private and public, with significant control even over content. Not to censor, except in the case of indecent language, but to foster more widespread debate through the fairness doctrine, equal time provision, and so on, and the public interest regulation. And lastly, you had public broadcasting. That was the milieu in which we created journalism. And I think that (inaudible) system was highly important in giving us the great journalism we have today.

Obviously universities played a role. Obviously journalism itself developed. But we need -- and in the course of that, constitutional principles evolved to protect and to further great journalism in America. One of the line of cases has to do with protecting the editorial content of

publicly funded broadcasting or publicly funded activities. That is a base of constitutional doctrine under the First Amendment that could be made much more robust for any kind of government funding of the media and of broadcasting. And you can then have a principle that if the government does try to intervene and censor or control content, there would be a First Amendment right that would come into play and stop it.

I think it's also important to realize given some of the examples used here today, which I think are creative and right, it doesn't have to be an annual congressional appropriation. There can be other ways to insulate the funding mechanism from the ordinary pressures of congressional appropriation. It's extremely important to realize that universities receive hundreds of millions of dollars -- each of us -- every single year from the government to support scientific research. We rely on that. We build on it. We've had great discoveries. We have the risk of government use of those funding mechanisms

to try to control academic content. We care about academic freedom as much as journalists care about editorial freedom. A system has been set up that is successful and evolved over time through peer review and different kinds of mechanisms to insulate that government-funded academic research from improper government control.

NPR and PBS I think by any standards are among the highest journalistic enterprises in America at this point. Clearly there have been moments in their histories where the government has improperly tried to intervene. But on the whole, I think we have to acknowledge that it's worked very successfully on that part.

The last thing I would say is that every single system has its risks of improper control. So does the free market. We all know that advertisers call up and say do not report on this or we're pulling our advertising. We all know that foundations have typically an agenda of the people who found it, the people who run it. And if you're the recipient of foundation funds, you

have to be on guard that improper interventions are not allowed. There is no system that is free of this. It's the ways in which you approach it, the mix of systems you have at any given point in time, and the trust you have in the professional cultures that evolve.

MR. WALDMAN: Thank you. I actually thought a useful thing now might be for Steve to question Dean about the voucher idea.

MR. COLL: Well, I guess my -- it's not a very complicated question, which is the extent to which, Dean, you think that your idea stands apart from -- as a framework for taxation. What about it is distinctive in pursuit of the goal? I mean, there's a beautiful architecture inside the marketplace you create with the vouchers. But why as a taxed citizen should I support the premise that there should be a general push in this direction as against the many other taxes that you might also recommend if we identified other public policy rules?

MR. BAKER: I'm not a tax and spend

person, come on.

No, very simple, I mean, part of the reason why I was saying, you know, again, we'd have to have a serious discussion over the scope and I think that's a very strong argument for making the scope broad because it'd be almost inconceivable that you would have anyone within society that would not use in some manner -- if you had it in broad scope, that they would not in some sense be getting their value back, in the sense you'd have to have someone who never watches the television, never listens to the radio, never gets on the Internet. There are 10 people like that. But, I mean, you know, seriously speaking, I think you'd be very hard-pressed.

And the point is we do -- the government does intervene now. I mean, we have to recognize copyright's an intervention. I mean, we can like it. We can think that's a good thing. But, you know, if we're saying, well, why is the government going to do this X, Y, and Z? Well, the government is doing that now with copyright. So

I'm arguing I would rather have us do a much more efficient intervention which I think does -- accomplishes the public goal much more effectively.

MR. COLL: Right. And if I could just say I think that the framework that we have in inherited policy with consequences that are unexamined, and that we have a crisis that requires us to reexamine those consequences and the assumptions around the inherited policy, I agree with that entirely. If you broaden the inherited policy set to include all of copyright law, then we're in the same discourse. But I'm thinking as much practically as through principle that there is an enormous scope within the inherited narrower set of policy in public media that itself has yet to be really examined and interrogated on (inaudible).

MR. WALDMAN: Well, let's dive into that first and then we'll come back to the voucher.

So, as you pointed out, one of the advantages of the inherited system is, at least on

the radio side, there already is an infrastructure of local news entities. TV has done a bit less. Looking at the question of political pressure or political manipulation, couldn't you make the argument that even if the system -- the firewall system that has worked so far, has worked reasonably well? There have been some fights, but, you know, by and large, over the decades it hasn't been too bad. But it's been over things like Sesame Street and NOVA. If public media is being asked to get into funding in a more aggressive way journalism and especially journalism on a local level, doesn't that make the potential pressures in the current structure just kind of irrepressible?

MR. COLL: Certainly. It certainly increases them. Are they unbearable and how would you tackle that policy if you believe that the goals were compelling enough? I think the answer to that lies also in the inherited complex in this sense: Where the firewall has been successfully preserved in the past, how? I think there are two

answers that come to my mind and the panel and others here probably could think of many more.

One is infrastructure, the emphasis on content- neutral investments in infrastructure. But virtually all of these entities, both the innovators and the legacy institutions, are going to have mixed revenue models. One demand on their revenue is going to be infrastructure. That is the easiest place to protect public investments in a political sense.

And then secondly, and it has to go hand-in-hand with such a strategy, governance mechanisms. So where the firewall has worked most of the time, it's because the governance structure has been interrogated for the purpose of helping it succeed by changing the funding cycle of CPB funds, by looking to the autonomy of boards. I would say that the implication of your question and observation is that that governance structure isn't going to be strong enough to withstand the increased pressures and so it would have to be strengthened, and there are many ways to do that.

MR. WALDMAN: Can you tell me more?

MR. COLL: Well, the principles that Lee articulated on behalf of university stewardship are a good place to start. Peer review and accountability transparency are critical. A premise of independence and then practical mechanisms about the incentives governing the roles of individual presidents and boards equally critical. The place where this always gets difficult on the governance side -- so far as I can tell by just being a journalist scrutinizing these models or being the recipient as guardian of a newsroom of calls from, on the one hand, advertisers; on the other hand, nonprofit leaders; on the other hand, individuals -- is the -- it's really at the board level where the most difficulty usually occurs. How do you construct these boards? How do these boards interact with the individual who is charged to guard the integrity of an institution?

I don't worry about the Lees of the world because I think good boards choose the right

1 people to defend the integrity of the institutions
2 they oversee and there's enough transparency to
3 hold the Lees of the world accountable. The
4 question is how do you construct boards so that
5 that critical process is itself full of an equal
6 amount of integrity? And I think that in the
7 public media space that's where some of the
8 trouble has arisen in the past.
9 MR. WALDMAN: Interesting. Dean, on the
10 voucher, even if you expand it to a broader group
11 to include the arts and things like that, what
12 would be your response to someone who runs a
13 regular charity, a 501(c)(3), who says why is the
14 government essentially doubling the value of a
15 charitable contribution, in effect, when it's
16 around information or arts, but not when it's
17 around my soup kitchen? Or why is it -- why
18 should the government, in effect, help reporting
19 on Darfur, but not help feeding people in Darfur?
20 MR. BAKER: Well, again, this is, again,
21 why I do feel it's important to talk about
22 copyright in this context, which, again, is in

trouble, by the way. I mean, I think all of us should be embarrassed that we have people facing incredible fines, hundreds of thousands of dollar fines, that the government's imposing on them for violating copyright. So it's not as though this is -- you know, I'm bringing this up as being out the blue. It's a very problematic system at this point, so we are already doing that.

So I'm saying I want a better way to do that. So if they're upset that the government is supporting information dissemination or culture rather than their soup kitchen, they should already be upset about that. So I'm proposing an alternative way.

Also, I should point out, in historical context if we say $100 per person that you have that as a credit, well, you know, the -- as current law stands, the top marginal tax rates are going to be roughly 40 percent. So we're allowing $100 per person, but if I'm a wealthy person and I decide to give, you know, $10 million to X-charity, well, the government is actually giving

$4 million of that. So, you know, they're a little hard-pressed, I think, to really make that case.

One other point I just want to get on the table, and obviously people will disagree here, I'm less -- you know, my main hat is as an economist. And, you know, I guess I sort of grade the media by how well informed the public is on economic issues, kind of like the teacher's how other students do, and they're horrible. You know, I was hearing stories saying that drilling offshore is, you know, very popular. Well, I wonder how many people think that drilling offshore is a really good idea if they knew that it would have almost no impact on our dependence on foreign oil or the price of gas, which is true. I'm sorry, that's true. I really doubt many people think that drilling offshore is good in and or itself. Now, why do so many people not know that? Because we get he said/she said reporting.

And I could go on, but I'll just mention one other case. We have almost 10 percent

unemployment because the media almost completely missed the housing bubble, which was very easy to see. So, I mean, I could go on, but I don't think we could sit and celebrate and say, oh, the media's done a great job, at least not where I sit.

MR. WALDMAN: Well, just to tease that out, how -- if we were in a voucher world where the voucher system had existed starting 10 years ago, how would that have prevented the housing bubble collapse?

MR. BAKER: Great question. It's -- you know, you can't make any guarantees here, but I'm not happy with the top-down system. So the -- a lot of the discussion here is, well, we all know the right people, we're just going to make sure we don't get dirty hands on them and they'll do the right thing. And I want to say no, we don't know the right people. We've got a lot of the wrong people there because they made really bad calls, so we need different people. So if we threw this open and it were a bottom-up system and people

were throwing their $100 out there, would it get to the right people? Who knows? But I think you have a better shot. I'm a big fan of democracy and I think that's a much more democratic system.

MR. WALDMAN: Craig, you raised over $100 billion for us in 5 minutes.

MR. AARON: You're welcome.

MR. WALDMAN: You should work with the public TV people on -- two of your ideas related to either taxing advertising or limiting the deduction on advertising. Given that one of the main causes of the crisis in journalism is a contraction of advertising, doesn't taxing advertising actually make it worse?

MR. AARON: Well, you know, I don't think it does. And first of all, I guess I just spewed that as necessarily a main cause. I mean, I think it's a factor. There's no question advertising markets are changing, especially when it comes to local advertising monopolies. So you might say, well, you know, there aren't as many ads going into the newspaper and, you know, now

the newspaper has fewer pages and they're closing down. But, you know, overall I find that our lives are quite saturated by advertising. If you wanted to, for example, exempt certain industries, small businesses could be exempted perhaps, even newspaper advertising if you really wanted to, you know, offer that kind of incentive, but you still have lots and lots and other kinds of advertising, which I think, you know, hasn't necessarily been a net good. So why not take something like advertising, very pervasive, a lot of people maybe even have some issues with it, not necessarily economically efficient, take a small percentage to support the quality local journalism that we need.

You know, and I think, you know, one thing I actually like about that model is it does look at, you know, it's a business tax, not necessarily on individuals. And, you know, I think if you told people that a little bit of that advertising spending was going to actually support quality content instead of the other way around, which is so often the case, I think they could get

behind it.

MR. WALDMAN: Eric, the hearing about the projects that Knight funds -- and just as an aside, I think, you know, when the history's written of this era and if things turn out okay, I think the Knight Commission -- the Knight Foundation really deserves a lot of credit for both sticking their fingers in the many holes in the dike and stimulating an incredible wave of innovation that's out there. So it leads to another question, which is why do we need to do any of this? I mean, haven't you gotten -- don't you have this all under control at this point?

MR. NEWTON: I thought I was going to be penalized for coming to Washington with only one practical idea, but now I'm in trouble for just that one, I guess.

The problem we're having is that too many of these experiments are working out. You know, we thought we would fund a lot of things on a one-time basis just to see what happened. And what happened was that a lot more of them

succeeded than we anticipated. We thought maybe if 1 in 10 worked out, that would be terrific and there'd be some new models. But now there are dozens and dozens and scores and scores.

And the editorial sides of their operations are doing fairly well. They're working on their governance issues and their business development, and they need more help with that.

They need a huge amount of help on the technological side. No one foundation can pay for all of that. We certainly can't, not even Ford, not even Gates could pay for it all.

And the way I see it, and these charts don't show it, but, you know, in my household the contributions to media are significantly larger than $1.35. And I think what we've developed in America is a system of choice. You can choose to contribute 2-, 3-, $400 to public media, and many people do, or you can take the buck and get it for free. By pouring money into technology, by pouring money into innovation -- and not just a little, not just 10 percent of what CPB does now,

but 50 percent or, sure, let's get rid of the propaganda money and use that. Or why don't we take the broadband adoption money and use that? And why can't we develop a really serious fund so that what we do is we give people more choices? We're giving them more public media to consume.

And I think if you want more money from the public for public media, you have to give more media to the public.

MR. WALDMAN: Well, what are we missing by not doing that? If your projects are this successful, why isn't that sufficient?

MR. NEWTON: Why don't they scale by themselves? Eventually they will. But are we willing to wait 10 or 20 years for communities to go without the kinds of news and information they need to run their communities and their lives?

MR. WALDMAN: So you think this is a transitional issue, not a fundamental public good issue? You feel like over the course of 20 years these will evolve and be self- sustaining?

MR. NEWTON: I think eventually they

will. At the same time, I think we're entering in a different era. We're entering an era of continuous change. So if we think we're going to go from the fixed models of the 20th century to a bunch of fixed models of the 21st century and make one transition, that's not it. It may well be that the media institution of the 21st century needs a significant amount of technology money just to keep up.

MR. WALDMAN: Just so I have a sense of where we are right now, the grants that the Knight Challenge funds, if that money disappeared within 12 months, how many of those programs would be able to survive on their own without foundation funding?

MR. NEWTON: Probably the original idea of 1 in 10 would self-scale.

MR. WALDMAN: Thank you. Did you have --

MS. GOODMAN: Yeah. Steve Coll, you had said, and I think I agree with you, that the -- it's much harder to start conceiving of the

strings that should be attached to increased funding than it is to come up with funding sources. So I wanted to explore that. And specifically, one of the reasons why there haven't been many strings or concrete standards for public media is because everyone's too afraid to do it because it starts looking a lot less content-neutral when you demand local journalism or some of the other things we're talking about. So what kinds of standards or strings were you thinking of and how do you avoid that problem?

MR. COLL: Well, I mean, to be honest I think there's a lot more work in policy development that needs to be done in this area. And I think a lot of the energy has gone into thinking about the revenue side and the framework and not so much unto this area.

But I have gotten as far as trying to work backwards from the end. And so the end has to be a system in which innovation is as well rewarded as legacy institutions, that the democracy that Dean talks about it invigorated,

and that that process is content-neutral. So how do you get to such a place where the money can flow in both directions simultaneously and not be attached to content agendas?

And I do think that governance is not going to be the answer to that question, that there is no perfect top- down governance; that there will be a role for peer-to-peer transparency and accountability in some sense at the community level; that that is the science model that works as well as it works with its periodic failures, but that the best form of governance in the science model is horizontal, not vertical. So in this case we're talking then about communities where that would be the case. I know it's a little abstract, but I do think that the concrete piece of it is the infrastructure piece and that that is a very good way to work backwards from what a successful model would look like because that is very easy to distribute both to innovators and to legacy institutions.

The question is embedded in yours, which

is how do you link those infrastructure investments to the goals of local news or at least a broad definition of news that is directed toward holding government to account, holding power to account, holding -- informing communities? I think I'm stuck there myself to be honest.

MS. GOODMAN: Right. And that -- it brings us back to the opening of this session, which was there was a move the FCC made in 1945, which was to create the infrastructure piece. But it wasn't until 1967 when there was some dealing with the content side that we developed a public media system.

And I think in parallel there's a suggestion that all we need is broadband now. And then a counter suggestion I think from this panel and from everyone we've had before is that there's another piece to this and the other piece gets tricky.

MR. WALDMAN: There -- Jan Schaffer suggested on an earlier panel what, I guess, I would consider sort of a cousin to the voucher

idea that I wanted to throw on the table, which is essentially piggybacking directly onto the charitable deduction and essentially giving double charitable deduction if it's going to a 501(c)(3) media operation. Since we're just throwing ideas around I wanted to see what you thought of that. Dean?

MR. BUZENBERG: I don't think it's a bad idea, but you still have to sort of deal with the bottom end that, you know, for a lot of people they're not taking -- they're not itemizing, they're not taking advantage of tax deductions. But, you know, it's -- let me put it this way. I think that'd be a good idea compared to where we are today.

I would think the voucher system, that you have an amount of money that's, you know, basically use or lose, you'll get obviously much greater participation than if you say, okay, you know, take 50 bucks out of your pocket. And again, if you're at -- if you're in a 0 bracket or 10 percent bracket, I mean, again, I don't know

how she'd structure that because double 0 is nothing, double 10 percent still doesn't get you too far. But, I mean, anything we could do to improve that I think is a step in the right direction. But, again, I'd prefer the voucher system.

MR. WALDMAN: President Bollinger, this is probably a naïve question to anyone who's a law professor, but you said that one of the ways we could protect this is to expand the -- certain legal protections and rights. How do you do that?

MR. BOLLINGER: You appoint great justices of the Supreme Court, first of all, and then you bring cases. And then you take the cases -- the decisions that have been made, which are actually very strong in this area of developing a constitutional right against government interference in content even though you're the recipient of government funding, and there is some strong cases. Now, it's not, like anything constitutional law, fortunately, not uncomplicated. It is complex. But that's how you

do it.

I mean, I think -- if I could just add two things very quickly. I think one is that the issues of improper government control of publicly funded institutions or the legitimacy of public funding of activities in the society I think is really vastly overdone. I mean, not only do we have $30 billion a year coming in from NIH to universities to fund scientific research -- which is a huge lever if the government wanted to censor. We have had state universities for 200 years. And we have benefited by having a dual system of state universities and private universities. Public universities have advanced certain intellectual agendas and subjects, and private universities have picked these up. They've been, I think, on the whole, more responsive to certain public values, like diversity, over time. And I think that's also true of public broadcasting.

I think there are two reasons why you have, I think, public funding of activities like

information. One is market failure and people have mentioned that. We're just not getting the sort of things that we need through the market. But the other is it is a distinctive voice. There are things that we may want in a society that can only be done by having public funding. We have national parks. Parks could exist under private free market management, but we want as a society to have national parks. It says something about us as a society. I think public-funded media as just a piece of an overall tapestry of media is also something that brings a distinctive voice to the marketplace of ideas.

The last thing I'd say is that I think the risks of improper government control have to be weighed against the magnitude of the problems we're facing and the needs. We only have, by my count, a couple of dozen, maybe 30 full-time correspondents from American media covering China. This is the most important thing in the world -- among the most important things in the world is what happens to China over the next decade or two,

and we need to know more about that society. The same is true about Africa or India or the wars that the country is engaged in.

Media have closed many, many foreign bureaus. Foreign correspondents are far fewer today. We have a tendency to be a provincial society. This is a very grave problem is we are not out there in the world getting information, bringing it back to us. And that really has to be weighed in the balance.

Plus, as I said, we are in a competitive environment now in this global marketplace of ideas where we have to respond, you know, to the great values of American journalism as against other views of the way journalism should develop.

MS. GOODMAN: Yeah, this is for Mr. Aaron just on the spectrum fee. We don't have a commercial broadcaster up here, but -- so I'll ask a question that I think they might ask, which is if you were to impose a spectrum on the commercial television -- I assume we're talking about broadcast spectrum -- you would further endanger

their efforts to do local news and further squeeze them on that. And then they would say that after all, they actually are doing local news whereas most public broadcasting -- most public television broadcasters are not. So why would you shift resources from a sector that is doing local news to a sector that is not doing local news?

And then related to that, given that we're not talking anymore about a broadcast-only ecosystem, but a broadband multiplatform ecosystem, why should funding of public media, which is multiplatform, fall on the shoulders of broadcasters?

MR. AARON: Well, I think that the broadcasters have been one of the most heavily subsidized industries we've ever had, and they've enjoyed free licenses to the public airwaves for decades and decades and decades, and they've made a whole lot of money doing that. So I think, you know, at this point, that's one of the options we need to look at, and actually our model looks at radio and TV. That may be a reason to look at

some of the other models.

But I think ultimately, you know, we've been subsidizing them for a long time and there are some great local -- there's some great local news being done, but there are also a lot of communities where great local news isn't being done. And I think this relatively small amount of what they're bringing to the table based on their revenues would go a long way to better serving local communities. And I think that greater social good outweighs maybe the more narrow interests of the broadcasters in this case.

MR. WALDMAN: If you're basing it on spectrum and basing it on the idea that spectrum is essentially a public asset, why would you limit it to broadcasters and not apply it against wireless as well?

MR. AARON: Well, they've paid. Although, I mean, I think we could talk about different ways to do that, too. That's probably a longer conversation. I'd have to rely on my colleagues at the New America Foundation to take

that all the way. But, you know, the point is, I think, sure, okay, let's look at those (inaudible).

MR. WALDMAN: I wasn't suggesting it. It's just a question.

MR. AARON: (inaudible) it's wide open. But I think that the broadcasters in particular, those licenses were handed out a long time ago and they didn't pay for them. And the tradeoff was supposed to be meeting public interest obligations, which really have become largely meaningless. And so I think, you know, they claim, in fact, that they spend, you know, billions of dollars a year providing those three hours of children's programming. Well, why don't we start there? Remove those obligations and instead they can put that money into public media. I mean, those are the kind of trades I think we should probably start talking about.

MR. WALDMAN: We're just about out of time. Sorry.

MS. TATEL: Not to pile on, but just

another question about some of the other proposals in the five that you listed. Political viability I was thinking about as you were talking about it. And in particular the ones that say "tax" in them. Can you talk a little bit about how you would sell that?

MR. AARON: Sure. Clearly I've done such a good job already. But, you know, I think what we have to do is we actually have to go out into local communities and talk with people about what those benefits are. You're absolutely right, in the Beltway "tax" is a very scary word. But I think when we go out there and actually explain these things, talk about how they could be used, talk about what local communities need, and then you suddenly hear, well, you know, advertisers might have to pay a tiny little tax, I think that could be a pretty popular idea, you know. We can spend some money on branding and, you know, call it, you know, some other fun word.

But, you know, the fact is that, you know, there are social benefits from the taxes we

pay. This would be another one. And, in fact, I think it would create a greater public good than the way that money is currently being spent now. Or if you look at the amortization model, you know, we're really looking about just spreading out that deduction and, you know, bringing up the tax base somewhat, but really creating a whole new source of money. And I think those are the kind of things that actually, you know, if we actually go out and, you know, workshop this and talk to the public, maybe there are better ideas out there. But I don't think just the fact that there are taxes involved in a reason to take them off the table.

As we've talked about the magnitude of this problem, we're going to have to have solutions that measure up to all the things we're trying to replace. And, you know, that's going to take billions of dollars over the long term. And we're going to have to ask ourselves as a society, you know, where -- what do we need and how are we going to pay for it? And that's what we're trying

to get at with these various options.

MR. BAKER: As a practical matter, I'll just throw that in, if you think of advertising it is an intermediate product, intermediate good that's passed on in the price of final products. It may well be the case that the response to the tax is they will tell us is they'll advertise much less. So in terms of what the consumer pays, they may actually end up paying less because, you know, the tax, in effect, is the advertising that, you know, raises the price of the product.

MR. WALDMAN: Any final comments before we go?

MR. NEWTON: Yeah, I'd just like to say that I'd like to question a few of the assumptions. I don't think the commercial media's always bad, public media's always good, basing a full-time correspondent at a cost of a quarter million dollars a year somewhere is the only way to get news from that place. I really think that we're probably actually not done experimenting and the real answers to the future might be next

year's answers. So, again, I go back to an innovation fund, a technology fund, and how can the United States during this time of digital transition really open some new options, not just for coverage of the other side of the world, but for coverage -- intelligent coverage of our own communities?

MR. WALDMAN: Thank you. This has been a terrific panel and we very much appreciate it.

(Applause)

MR. WALDMAN: Panel 5 on Communications and Regulatory Policy. Can everyone have a seat so we can start with the Discussion Panel 5? We're going to get started now with the fifth panel.

MS. GOODMAN: We've been moving through this day from generalities to greater and greater specificity, so we're hoping to conclude with an examination of concrete policy proposals carrying on from our last panel for restructuring, improving, enhancing the governance, the licensing and the coordination and support of public media.

We're going to start with Ken Ikeda, Executive Director of the Bay Area Video Coalition.

MR. IKEDA: Thank you, and thank you for the opportunity to participate today.

I want to do a little reframing around the public education/government and broadcast community and the PEG community. Nan and Joaquin touched on that and did a great job, but just to go a little bit deeper on notions around it. The public education/government, PEG, community is remarkably diverse. There are over 1,000 operators nationally and they're registered and organized through membership organizations such as the Alliance for Community Media, ACM and NATOA, the National Association of Telecommunication Officers and Advisers. A recent report from ACM mapped PEG stations nationally as well as collaborating NGOs and I found these numbers to be pretty remarkable, over a million volunteers actively involved in PEG communities and over 250,000 nonprofits and all the folks that they represent also benefiting from affiliation with

PEG operations. So there are significant lessons to be learned from the PEG community and I think the data is just now catching up to provide narrative around that. So on behalf of the PEG community we hope we can ask the FCC for assistance in furthering data collection around that.

Within the public media ecosystem, PEG in mission and in function to its local community as a non-gatekeeper of broadcast media who services whether it's training, whether it's arts and cultural programming or whether it's news reporting is available to all and driven by locally determined interests and needs. That's a very important distinction. BVAC the organization with whom I work is relatively new to the PEG community. We're nine months in. But perhaps one reason we're here is I think we're an effective bridge between PEG, Public Broadcasting, and independent producers. We've supported Public Broadcasting content and producers for years while maintaining an open door to the general public and

media professionals seeking technical and creative support. So we're used to working and assisting first-time storytellers right alongside of Academy Award winners. And we're also used to working in prison programs, middle schools and high schools on a daily basis and we also define that as public service. Of course they're very different, but I just point to that distinction because in this conversation today we've been referencing public service at times and it means many things.

If we do believe though fundamentally that media is ubiquitous and that media literacy is a basic social competency then those engaged in direct service at a level where access to technology and civic participation is getting enabled, I think it becomes really clear why PEG is so important. PEG is the space in which citizens find their voice, in which they discover their communities and where they invest their time and emotion. So we are participants in a complex ecosystem and overall though I would say that PEG still continues to struggle to own their piece of

that.

For PEG, the right to broadcast in terms of channel assignment is tenuous at best. It is cause for consternation among many PEG operators because these shits reflect in their minds a lack of value and understanding for PEG as well as an underlying assumption that PEG should just be comfortable living online and hurry up and get there. However, PEG was built on the cable broadcast and this and this remains vital for many PEG operators and in effect it's really core to their operations. So I urge the FCC to not consider PEG's future as an either/or proposition whether it's online or broadcast only. Rather, my recommendation is that the PEG community and FCC work together to leverage opportunities that broadband presents as a space through which its impact and engagement with the public can be deepened and strengthened. So I'd like to make a few recommendations quickly. And these are both to the general public media group that's assembled as well as directed to the FCC speaking on behalf

of PEG.

It's for PEG to work closely with local governments and leadership to model innovative use of municipal fiber networks. It's for PEG to extend an invitation to Public Broadcasting to define what public service media means and what it looks like within the local service context. It's for PEG to organize as a field to not only push for legislative reform on an ongoing basis but to apply together its aggregate capital resources to purchase and own its own broadband network. And it's for PEG to organize as a field to architect local, regional and national peering agreements over incumbent cable operator lines and/or municipal dark fiber.

So I want to give an example of this in the real world very quickly. In San Francisco, we are launching a program called N3, a neighborhood news network for San Francisco, and essentially this is a project in which we are supporting local journalism by using municipal fiber that connects 12 community resource centers and these include

cultural institutions and nonprofits. And essentially it is a backend that allows for a 1-gig network that supports, ingests and distribution of content and this is heavy digital media content whether it's HD quality or not. The added benefit of that is because of where they're located, we are able to basically aggregate content in real time for live cultural performances and document events or convene people to stay in time for simulcasts around public elections and discourse and things like that.

We're the beneficiaries of a visionary mayor and CIO, Chris Vein, who not only support experimentation but assume risks in partnership with us and so I thank them, because what they've created, I've just described the Neighborhood News Network, a public service, but what they have allowed for is a public service infrastructure or infrastructure as service, rather, which will ultimately support economic development, workforce development and community development.

MS. GOODMAN: Next we have Rod Bates,

General Manager of Nebraska Educational Telecommunications and also Chair of the Association of Public Television Stations.

MR. BATES: Thank you, Ellen, and thank you, Steve. It's been a very interesting day.

I'm here for a couple of reasons. One is we operate a state network. Another is that I'm chairman of the Association of Public Television Stations which represents most of public broadcasters across the country whether they're a community licensee, university school district or a state network. And much of the work of public broadcasters is similar, but I was asked to address some of the unique characteristics of state networks. There are 14 of us around the country that operate statewide networks and I'm co-chair of that group, the Organization of State Broadcast Executives.

Nebraska's network operates a statewide Public Broadcasting network and a statewide Public Radio network. We're members of both PBS and NPR. Our television service began in November 1954 long

before PBS was even established. Our mission statement reads that we enrich lives and engage minds by connecting communities and celebrating Nebraska with services that educate, entertain and enlighten. Today more than 99 percent of the population in the United States is able to receive a free over-the-air local Public Broadcasting Service. In Nebraska, as well as many other rural states, this would not have been economically feasible without the structure of a state network. In Nebraska, we have counties whose populations are 500 and they range all the way to 500,000. There is no way a small rural population could sustain its own radio or television station through voluntary donations alone, but a state network serves the entire population and it's much easier.

I used this analogy in one of my Appropriations Committee hearings, that in New York City a single tower and transmitter with a typical range of 50 miles would reach roughly 10 million people. Voluntary donations from a

population of this size could sustain a public television operation. In Nebraska, we had 9 transmitters, 14 translators, a satellite transponder to distribute our programs and services to less than 2 million people. So a base of state support enables us to provide universal service in a cost-effective and efficient manner from a central location. There aren't a number of studios across the state. With the mandate to convert from analog to digital the State of Nebraska invested $46 million in NET's conversion. The federal government's share of NET's conversion costs was less than $5 million. Now most states are seeing declines in tax revenues that translate into significant reductions in state- supported Public Broadcasting. In Fiscal 2009, there were rescissions of over $29 million. A survey of states for Fiscal 2010 projects an additional net loss of $10 million. We're estimating additional reductions in the $20 to $30 million range in Fiscal 2011. These estimates include all states by the way not just state networks.

State networks provide all the services you find in most single station operations. In addition, many provide statewide education services for the classroom as well as professional development for teachers. Several provide emergency information on a statewide basis and many provide the only statewide access to news and information about state government. This ranges from things like legislative coverage to news and documentaries on topics of state interest.

We're all doing what gets to the problem that Mr. O'Shea raised earlier in the day. For example, in Nebraska we partnered with the executive, legislative and judicial branches of state government and implemented a communications technology redesign that dramatically increased the public's access to their state government. By bringing multimedia technology and broadband capabilities into the state capital, Nebraska's citizens now have simultaneous access to nine internet streams from the legislative floor, every legislative hearing room, the supreme and

appellate courtrooms and the governor's press room. The cameras are remotely controlled from our facilities. This service can be delivered live on any of NET's four digital television channels or its radio network.

We're also archiving audio of the legislative proceedings and audio plus video of the sessions of the court proceedings. It is part of a strategic priority to create a public media archive. The coverage is offered to the state's commercial radio and television stations as well. It would be impossible for us to sustain the quality of programs and services we have without pooling our resources with other Public Broadcasters across the country for a core schedule provided by PBS and NPR.

Additionally, NET partners with local and state entities to leverage its TV, radio and online presence. For example, NET developed a multi-part service using TV, radio and online resources exploring solutions to the underage drinking problem. This multimedia service

benefited from NET's partnerships with the Nebraska Department of Health and Human Services, the Nebraska Center for Alcohol and Drug Abuse and other partners.

Public Broadcasting you've heard all day has been chronically underfunded since the act was passed in 1967, but the national system was predicated on the idea that the federal government would provide seed money in the form of a base grant and additional funding based on the amount of nonfederal financial support that licensees could raise locally. Today over half of our funding at NET comes from the State of Nebraska. Less than 12 percent comes from Congress, 22 percent from private sources including donations, grants, contracts and corporate support. The University of Nebraska provides about 7-1/2 percent of direct funding.

If we're going to build a broadband network for the American public, we need to ensure there's an adequate level of funding finally not only to support access but also to acquire and

produce educational, cultural and public media programs and services. No other media is providing this kind of content that we do.

The media landscape has changed dramatically in the last 50 years. Public broadcasting television stations are in many cases the last locally owned and operated television stations. We are local in structure and mission and we are committed to providing local and locally relevant programming. We are using our digital capabilities to offer innovative educational and public safety services and provide extensive outreach efforts in close cooperation with other groups. NET partnered with the Native American Public Telecommunications Organization, the Nebraska Department of Education, the Mary Riepma Ross Media Arts Center, the Alliance Public Library and the North Ponca Tribe, and numerous other partners in over 20 screenings of the American Experience film We Shall Remain. We also developed a website with supplemental resources. All of this was integrated into the Omaha Indian

Nations Public School curriculum.

We talked about the trust in Public Broadcasting from the Roper poll. It is the most trusted source of news and information for the American public. But finally, I'd be remiss if I didn't state the obvious. The foundation of public television is education. The fundamental principle of the Communications Act was to have education as central to public media. This includes providing trusted news and information sources. During the 2008 and 2009 school years, NET's Nebraska Studies website containing information specific to Nebraska history was visited by 540,000 unique visitors, more than 103,000 lesson plans were downloaded and multimedia learning subjects on the site were viewed more than 16 million times. This website was developed with the Department of Education, the Historical Society and has become the de facto textbook for fourth-grade students throughout the state.

We are very excited and supportive of

the progress that PBS has made with the Digital Learning Library and is totally compatible with our strategic priority to expand the public media archive to include content that can be downloaded into any classroom in the state. We can address the educational needs of this country I think by improving education and lowering the cost in using this technology. It was interesting that the FCC several years ago became so concerned about the lack of children's programming on commercial television that they established a minimum requirement of three hours a week. Public Television does that every day before noon. Our programs are not reruns of old sitcoms. We're the only source of programming truly aimed at getting our kids ready for school.

I also think this is one of the most exciting times in our industry's history. We've heard of the seriousness of the situation we're in, but we are now redefining public media. Whether it's over the air, online with partners in our community, we have the opportunity to provide

Americans with access to content and resources on demand when they want it, where they want it and on whatever device they choose.

MS. GOODMAN: Next we'll hear from Bill Kling, president and CEO of American Public Media.

MR. KLING: I thought with all the initials we had today that I should explain what American Public Media is. It's the second-largest producer of programming for public radio. It's about half of the size in audience that National Public Radio is. And unlike NPR, it's the largest operator of Public Radio stations in the country.

Most of what I will talk about today has to do with Public Radio and its ongoing transformation into public media. What I'm most concerned about is the polarization of audiences by commercial media along with the corresponding declines in reportorial journalism in American media. The New York Times last week had an article in which they wrote about the liberal and conservative media that are "fomenting the public's anger." I think we can't escape that if

you watch or listen to talk radio or cable television. I think that anger is driving polarization in government at all levels and it's one of the reasons that Congress is gridlocked, fearful and losing almost any sense of decorum.

Polarized content makes big money. That isn't going to change. We can't change it and our regulatory system encourages it. But in England like many European nations, the tabloids have long played an incendiary role. They have more fun even than the worst of our talking heads. The difference between us is the strength of their public media. The domestic BBC which re-centers its large audience with fact-based, centrist reportorial journalism. We set out to create that kind of public media system in this country 40 years ago, but a combination of factors have caused us to largely fail in terms of impact. Steve Coll talked about the legacy infrastructure that he had seen when he saw a map of Public Radio at NPR. It's certainly there. We cover the population, but it's vastly underperforming and

many of us are facilitating that underperformance.

FCC regulation set almost no standards for the application of noncommercial educational frequencies. They set aside the spectrum, but it's one of the reasons we're underperforming. There was no definition of who could get them expect that you be nonprofit. Many colleges and universities applied for the frequencies and then buried them deep within special interest departments in their colleges. The lack of foresight by CPB to set tough standards that demand significant community service in return for their funds, one of the reasons we're not doing better, and Congress' misreading of public media as a threat rather than seeing that it would be their best hope for a rational centrist media driving civic debate is another one of the unfortunate elements of our history. I think if you look around all of us who've been here today, all of us are at fault in some way. So here are some proposals that could help move public media forward.

National Public Radio is one of our great successes and I think it's time to focus now on local communities starting probably with the larger metropolitan areas where there is a greater population to be served. My proposal would be to create in some way two or four or six philanthropically funded public media models that demonstrate the potential of a fully formed public media company, a significant centering institution in each community. Design the models to create and distribute content on every available media platform, truly public media companies, design them to demonstrate best practices in content development, structural efficiency, governance and leadership. And then use those models to help community leaders, philanthropists, government and the public see the potential of the impact of public media. In watching this over 40 years we know what it's about, you've heard a lot of technical discussion here today, but the greater public does not. Until we can show them, until we can demonstrate it, I don't think we're going to

make the case.

To extend the impact of those models to others nationally I think we're going to need some additional vision and some regulatory change, and I've written much more in a paper that's over on the table, but at the FCC we need to think about requiring higher local community impact of at least the CPB funded licensees that license renewal time. I don't know anybody who will come to the FCC and suggest that you make it tougher for us to get our licenses renewed, but I think if you don't at least for those that are getting federal money, we're not going to have the incentive to raise our standards. At CPB raise the standards for the eligibility of funding, I'm looking at Bruce Thierault who knows this better than I do, at least in the larger cities and use them to incent better public media performance. CPB still requires only four full-time paid staff paid at least the minimum wage in order to justify federal funding even in New York City. That seems to me to be less than we could demand for a

federal grant.

For foundational leaders I hope that they will consider using their influence to gather national and regional foundations together to fund the models that will demonstrate the potential of public media. It isn't going to happen any other way than to have it happen through philanthropy. In Congress some kind of caucus to try to understand the promote the relationship between a strong public media system, a more informed centrist society and a more rational civic agenda and create a plan to properly support the kind of media that can deliver that.

We had some good plans, some good statistics shown here today on ways in which we could look for additional money in taxes and fees, et cetera. Particularly the Free Press I thought was creative on that. So all of that needs to be done in concert with Congress. But in my experience, there's never been a moment of greater opportunity or challenge for our nation's media. We can either continue down a path of polarization

balanced only by failing models of fact-based journalism such as newspapers or we can create a strong public media to feed an informed citizenry.

As I said, I put a lot more of this into a paper. There should be enough copies for all of you. I'm happy to respond to questions later.

MS. GOODMAN: Thank you very much. Next we hear from Craig Parshall, senior vice president and general counsel, National Religious Broadcasters.

MR. PARSHALL: Thank you. It's a pleasure to be here. First of all, a little bit of background in terms of who we are. The word religious is somewhat innocuous. The religious broadcaster part of National Religious Broadcasters really means that we represent and we are the preeminent organization representing Christian broadcasters and our motto is to keep the doors, electronic and digital and communication channels open for the dissemination of the gospel of Christ. We're distinctly Christian. We're not a come-all religious group.

Our association is specifically oriented toward a Christian world view in terms of communications and media.

The vast majority of our broadcasters, and by the way, we're not all broadcasters, but most of our members are broadcasters, and the vast majority of those are nonprofit, they're noncommercial both radio and television. Then when you switch the lens and take a look at our nonbroadcasting members, allied communication organizations, publishers and publicity agencies and so forth, the vast majority of those are 501(c)(3) nonprofits. So I think we have a distinct interest in this very important subject today.

I've got a lot of facts and figures in the published and prepared remarks and I won't go over all of those in terms of the percentages in terms of what we do and much time we spend on news and information, but I will spotlight a few of our members just to get you some anecdotal feel for what we do. One of our larger nonprofit

broadcasting members is the Christian Broadcasting Network which is Virginia based. They cover not only national, regional and local news, but they also cover global news. They have reporters in the Middle East and they have a very vibrant Washington, D.C.-based news service. Then we have Total Living Network, Chicago based, and they have an outreaching that's nationwide. They recently were nominated for an Emmy award for their documentary work on the Mercy Ship project where physicians volunteer their time to help terribly disfigured people in West Africa. They also have a great public affairs approach. I've been on their roundtable, flown in from D.C. to be part of a roundtable about current events and news discussions with people from the Tribune and the Sun Times. So they do a nice job I think of bridging the secular and Christian media dividing point which I'm going to address in a couple of minutes.

I recently had a conversation with WVAC. They're a commercial operation with just two

stations up at Harrisburg, Pennsylvania, but they're I think a good metaphor for what a number of our nonprofit broadcasters do. They have six news segments every day dealing with some aspect of local or regional news. They're part of the same scenario that I found nationwide in terms of staffing and that is that the vast majority of our broadcasters in terms of radio have full-time staff, five or less members. In terms of part-time employees they have five of fewer part-time people. So we really operate with a very skeletal crew, but we do a great deal. I don't think it's a great mystery that if we had additional incentives and additional sources of revenue we'd be able to do a great deal more in terms of news and information.

One of the barriers frankly to a Christian media participating in a healthy landscape from my perspective is some of the distrust that I think that may be out there about what we're all about. I'll use a recent illustration in President Clinton's comments about

right-wing media and right-wing talk show hosts contributing to the bombing in Oklahoma during the very solemn commemoration of that terrible tragedy I think did a disservice. I was hoping that some of the mainstream media would ask him to clarify, so when he was on ABC's This Week he was given a softball and a pass I think. When Politico covered the issue they had an op-ed from someone who was sympathetic. And there was another amen from another broadcaster, the Time's Mark Halperin in a published piece I should say, not broadcast media, gave an amen to the amen chorus for that charge. The problem is a lot of folks associate Christian media with so- called right-wing media and sometimes either look at us as impossible to be objective or downright dangerous.

I know that some of the recent comments made in terms of the greatly quality of work that's being done by Public Broadcasting cites a survey that they are the most trusted, and I think it was PBS specifically, broadcast outlet in America in terms of news and current affairs, and

that's true. The second on the list was Fox at 29 percent and CNN I think at 25 percent. PBS took the top tier at 40 percent. But I'm wondering about the other 60 percent of Americans. Sixty percent of Americas are saying that they don't trust greatly any media outlet and I think that's a uniform problem that all of us have.

I've listed in my prepared remarks some very troubling tendencies over the current four or five years in terms of mainstream media using epithets against Christian media that I find to be troubling. So I think that we have to overcome the distrust. We have to be able to be invited to forums like this, and I thank you, Steve, for inviting National Religious Broadcasters to help bridge that gap and let you know a little bit more about who we are.

But in concluding let me tell you that I did a little bit of research on this whole issue of bemoaning the quality of journalism today and found out not surprisingly that it's not a current issue. As a matter of fact, I came across a

speech by Claire Booth Luce in 1961 to the Women's Press Club where she was talking about the decline in the quality of journalism. She noted that an editor came up to her and said the number-one job of journalism is to survive economically and she said she realized that. So somehow we have to balance this need for economic survival with the need as she put it for enlightenment. Then a few years later I saw a speech by Daniel Burstein who was the Librarian of Congress kind of raising the same issue with a different take, but saying declining standards of journalism was his concern.

Then I came across a speech in the 1980s from Abe Rosenthal from the New York Times and I think in a sense it gives the answer that I would bring to this and it may not be a satisfactory answer to many of you but it's kind of a structural answer, and that is that if we fertilize, not subsidize, not federalize, but fertilize the media landscape and then let media do its best and respect the freedom of the press not as a barrier but as something that is an

integral part of what media does. Rosenthal defined the freedom of the press this way. He said the essence of the freedom of the press is allowing the press in its most essential decision-making processes to be left alone on issues of what to publish, when to publish and how to publish. And I think that that would really give you the background of where we think some of the answer are.

Let me mention two practical solutions that I see for noncoms. While obviously Public Broadcasting has done some great stuff in terms of production values, there's just no question about it, and also the depth of their reporting, but we see noncommercial broadcasters as an untapped avenue for increased news and information. So we have two proposals. First of all, we would suggest that a current rule in circulation at the FCC be initiated and accepted and that is this, that the current rule of the FCC that prohibits noncoms both television and radio for doing any fundraising for other 501(c)(3)s, that rule by the

way prohibits it in all but catastrophic situations like Katrina or Haiti, that it be changed this way, that noncoms be allowed to spend 1 percent of their broadcast programming time per year supporting and promoting 501(c)(3) organizations. That 1 percent can basically be used any way that the broadcaster feels is appropriate. We think that 1 percent is a pretty reasonable rule and we think it will be handled appropriately. How will that solve problems? It will create a synergy first of all between nonprofits and broadcasters. Second of all, it will we believe advance the public need because 501(c)(3)s are by definition supposedly those that seek solutions to public problems.

Secondly, we would suggest that the FCC take a long and hard look at its sponsorship and underwriting rules that severely restrict the ability of noncommercial broadcasters to raise money. Right now the rule is that you can have very short placement of underwriting or endorsements that identify but don't promote the

sponsor. But where the line is between the two has been very blurred and it has been problematic. We think that those need to be changed dramatically. We also think that those spots should be short and concise, but we think that there's no problem with promotion as long as you limit the number of those types of promotional sponsorships. So those are two ways in which noncommercial radio and television can do a better job hiring staff to do some of the investigative reporting that you feel right now is scant. Thanks.

MS. GOODMAN: Thank you, Mr. Parshall. We turn now to Susan Harmon, managing director of Public Radio Capital.

MS. HARMON: Thanks very much. I want to frame my comments around two issues, one having to do with station ownership and a second one having to do with access to capital. I'll begin with a quick story that illustrates what we're doing at Public Radio Capital and how we're seeing things at this point.

In 2000, Colorado Public Radio had one FM station in the metropolitan Denver area and that station was broadcasting a mixed format of news and classical music and getting about a 4 share of average quarter audience in Denver. Today after several iterations of buying stations and now having two FM stations, one broadcasting news and information, the other classical music, Colorado Public Radio has jumped over 6 share of audience, so a significant jump in the audience metric.

But that's just the start of the story because with the revenue generated by that consolidation and unification of stations you have better quality of local journalism in Denver, you have more cultural content, a better board of trustees representative of the community and CPR is a work in progress becoming a much greater force in that community as a cultural institution. It's already beginning to test new programming on its AM station that will reach a younger and more diverse audience. It's ready to partner with

other institutions that it wasn't eight years ago. So the story of Colorado is really a part of our core business at Public Radio Capital. In the past almost 10 years that we've been in business my co-founder and Mark Hand and I have seen the development of transaction, about $230 million worth of transactions that are related to the media assets of Public Radio to acquire stations and finance them for the purpose of public service. At this point we are deeply confident in the value of radio going forward and the fact that FM radio combined with new media on parallel platforms for distribution and audience engagement will just be the focus of our work for years to come in this field.

Based on our experience however we think that it's wrong to focus so much on the stand-alone station, that we need to look much more at the scale that's possible if you have multiple stations under a single infrastructure. That scale such as we see in Colorado Public Radio, Minnesota Public Radio, that we've talked

about in Nebraska, that is the operating scale that is going to fuel the new developments and the diversity of growth that we want to see. As we go forward with this, we also think that that kind of unification of stations, some call it mergers, particularly in the major markets are going to foster market solutions, some of the things that Bill I think was alluding to there where you can have greater scale and serve more audience with distinct formats.

How do we see that affecting policy or what are some of the points connected with that? For us we see that there are going to be joint ventures between nonprofits, joint ventures between noncommercial and commercial entities, a variety of ownership and operating structures that have not been commonly developed in our field. So we hope that FCC policies will help leverage current assets in these kinds of innovative configurations and collaborations that can yield the greatest public service. It's really a new thing. There are interpretations of underwriting

rules that need to be looked at, collaborations between commercial entities and nonprofits. The FCC has given little guidance in the area of lease management agreements. That's something that could really foster relationships and growth of these partnerships of stations. So that increase of scale through merger, unification of stations we think is going to be tremendously important to the development of public media.

Secondly I want to turn to money. Last year in a very tight credit market we helped North Texas Public Broadcasting add a second station which will significant increase the scale of public service in north Texas. That was an $18 million transaction funded entirely by mission-based lenders including our own Public Radio Fund. It demonstrates that big projects like this depend on the availability of significant capital. That thread has run through the comments all day today. So one of the greatest challenges that we face is the access to capital for building this industry, the stations that are going to be sold off by

universities as they have financial pressures, commercial stations that are selling below market that we might get for public media, also the limits on mission-based funders that could help fuel that kind of growth.

So what do you do about that? One of the things that we would suggest is you look at opportunities in the federal government. For example, the Small Business Administration doesn't loan to nonprofits. We think that's an interesting area to look at in terms of whether those investments typically connected with the private sector could be opened to nonprofits.

One final point I want to make in both arenas in terms of station ownership and access to capital, it would be useful if the FCC would take off the table for quite a long period of time the idea of repurposing radio spectrum. We think that radio is a very different animal than television and speculation about the potential loss of spectrum creates unnecessary anxiety about the future of radio which by all indicators is very

strong and robust and the connection between radio and multiple platforms is one that we think is going to have tremendous productivity in terms of greater public service to much greater audiences in this country.

MS. GOODMAN: Last, Terry Clifford, co-CEO of Station Resource Group.

MS. CLIFFORD: I'm last. So I guess I'd better keep it brief too.

SRG is a coalition of leading public media organizations focused on strategy, policy and innovation. Our members' roots are as Public Radio broadcasters. We've also recently made a major effort to map public media and content and service goals over the long arc ahead 10 years out, and that's a CPB supported study that will be submitted into the record in this proceeding.

There were so many great things that were talked about, it would be fun to talk about a lot of them for many hours, but I'm going to leap right to four things that we think would really make a difference in terms of the FCC's treatment

of public media.

First, pay attention to the infrastructure of public media. In the four decades since the passage of the Public Broadcasting Act we've learned that the disciplines of scale, use and impact really do matter. A robust public media future requires strong foundational institutions to anchor the service. Second, make platform-specific policies imbued with cross-platform sensibilities and mindful of public media's particular role. This is definitely a challenge for the FCC which is structured in platform- specific divisions that compete for spectrum and leadership mindshare. Revolutionizing capacity in broadband and wireless opens a universe of possibilities but we're in big trouble if the focus on broadband results in an erosion of our capacity on our broadcast platform. Decisions regarding spectrum allocation, noncommercial policies, reporting obligations, these are all constantly in motion regularly analyzed, debated, revised across all the

platforms and every decision formal and informal impacts our ability to address our mission. The FCC, CPB, NTAA, and Congress need to act in a coordinated and reinforcing manner mindful of the larger purpose and the specific steps that will strengthen and expand public media. When things are in synch the results can be powerful. Out of synch is usually to our detriment.

Finally and most important, public media is underresourced and the FCC can take action to change that. We urge consideration of the proposal by Henry Geller, the Commission's former general counsel and a lot of other people here all done out with the free press. We could probably add one or two options even to that. But the proceeds should be committed to a fund for public service media administered by the Corporation for Public Broadcasting which was created for that purpose which is used to a firewall which you do not need to recreate somewhere else and which is quite capable of administering a public media fund.

There can be debate forever about the future of public media and journalism. The FCC has the power to make this more than trading words and niceties. I'm going to quite Steve Waldman, what at the end of the day should we be worried about you said at your press club thing? Are there ways in which the media system is not providing citizens what they need and what the founders believed was essential to democracy? Are there public policies that could make it better? This is SRG's answer to that question. If the FCC did nothing else, zero, in terms of public media except to assess the fee that we're talking about and allow CPB to shepherd the investment, it would have a profound effect and literally lift the quality of electronic journalism in this country to a totally new level.

Thanks. Those are my comments.

MS. GOODMAN: Thanks very much. So much to drill down on. Let me start with you, Mr. Parshall. I guess my question is you're not eligible for CPB funding. Would you like to be

eligible for CPB funding? Or do you not believe there should be CPB funding of anybody?

MR. PARSHALL: That's a great question. By and large, and I've taken kind of an informal poll of our members, they're not interested in federal funding. We do have a philosophical view. We really do want the landscape to be fertilized from the standpoint of our broadcasters and our media people, help fertilize the ground but don't subsidize us. I'll give you an example. Northwestern Radio is one of our members and they without federal edict, I know there's a lot of dispute about the localism proceeding and we filed a comment against it, mandates about having advisory councils and so forth. But we have nothing against our voluntary decisions to have this kinds of mechanisms to ascertain local interests on our own without federal mandates or federal funds. Northwestern Radio is an example. When I interviewed them during the localism proceeding, one of our members, a noncom radio network, I asked, what do you do? He said we

bring in leaders from the community in a number of our communities of license and we ask them what's important to you. We have our own form of ascertainment. I was very impressed with the extent to which they discern that on their own without mandate and without funding. On the technological side I'll use Moody Radio as an example, a Chicago-based national radio network and also a member of ours, these are all Christian networks, without cost to the people who are users has made available an iPhone application where people can download the iPhone application and get their audio anywhere in the country on their iPhone completely free. In the last 2 months, they started the project and they've had 10,000 people download that application again without public funding. This is something they were able to do from a charitable standpoint because of the help of those who believed in their mission. To answer your question, while it's tough and I don't want to be Pollyannaish about the economic climate, it's very tough for us right now, but

we're surviving and we would prefer to be able to do this I believe on our own with some incentives like the 1 percent broadcast time for promoting other nonprofit organizations or loosening up the rules in terms of limited sponsorship and underwriting spots. That's the kind of fertilizing we want. Beyond that I don't think we'd be interested in direct subsidies.

MS. GOODMAN: Following-up on that underwriting piece, Susan Harmon, because you also mentioned underwriting I think in the same connection about promoting other nonprofits, and it seems to me the world that we're all talking about where there are many more of these partnerships may lead, one, both to more demand for those sorts of on-air promotions for your partner. And two, it may also lead to more agenda-driven, a more specific mission than CPB-eligible stations have typically had in connection with the partner.

So for example, if your partner is a museum, it may have the museum's agenda. Which

raises I think both questions about underwriting, should that be liberalized to support those kinds of partnerships? And two, the question I asked Mr. Parshall, even if your members are not interested in PPB funding, there may be others who have a particular perspective and who are noncommercial broadcasters who would like to be eligible for CPB funding. So I'll put both of those to you, Susan, to respond to.

MS. HARMON: Part of this I think what you're getting at, Ellen, is what should we expect to happen if we change some of these things and liberalize or have new partnerships or commercial and noncommercial connections, and I'm sure others on the panel have things to say about that.

MS. GOODMAN: Let me clarify. Are you for liberalizing that particular underwriting rule. You mentioned underwriting rules but it wasn't clear to me that you were for liberalization.

MS. HARMON: Yes. I think the point is if you have good values and govern well and you

know what your mission is you can liberalize the underwriting rules to generate more revenue toward our public service purposes.

MR. WALDMAN: Are you talking about the 1 percent thing? You're talking in general underwriting rules, liberalize?

MS. HARMON: I took a bit from what you were saying, Ellen. As we look at these new partnerships how do we guarantee that we're still doing where we started which is a noncommercial, high-quality service that is reaching audiences in a way that we set out to do maybe 40 years ago? I would say, and again I was thinking about this today, part of this is grounded in governance and the way the nonprofit is set up as a whole in terms of the trustees for it, the values of it and the mission of it and I think those are the governors for some of these what could be thought of as slightly more commercial arrangements for how the money gets there.

MS. GOODMAN: Bill Kling?

MR. KLING: You have in your files the

history of something called the temporary commission on alternate financing that Chairman Jim Cuello set up and chaired and it was filled with senior members of Congress as well as public broadcasters and FCC members. At that time the only underwriting that was allowed was to name the company that was underwriting the program. They explored that all the down through an experiment that WNET did with straight commercials and they allowed that for a period of time to see what would happen. The debate ended with something in the middle called enhanced underwriting which is what we've got now which has certain things we can do and certain things we can't do. But the negatives from going all the way to commercial which included everything from the rates that you get as noncommercial broadcasters for Associated Press news or something like that, there were dozens and dozens and dozens of things that were thought to change including music rights, et cetera, if you were seen as able to run commercials. The NET experiment if I remember it

correctly was not particularly successful. It didn't change the game. But I guess I'd say before you even think about that, and I am not in favor of it, before you even think about it go back and look at that file because it's all there including the experiments allowing temporary running of commercials.

MS. GOODMAN: Let me just ask you both about the other underwriting proposal which was the 1 percent which was allowing noncommercial stations to promote third-party nonprofits.

MR. KLING: I think somebody hit it already which is the pressure on noncommercial stations. How many of you think that more pledge drives are a good idea? You wouldn't get very many yeses from our audience. The pressure to do it; if you do it once, we've done it twice, once when 911 blew WNYC off the World Trade Center and they were in crisis to get back on the air and we got a waiver and raised money for them to do that, and another time when a local symphony orchestra was about to go bankrupt. But we hid behind the

waiver. It was very important to be able to say these are rarely granted. If they're given away or taken away, there is no waiver required, we'll have everybody lined up wanting it and our institutional relations will be the worst. So I would again not change your policy.

MR. WALDMAN: Did anyone else have anything on the percent?

MS. CLIFFORD: The other thing to remember is that the underwriting policies would be interpreted by different organizations differently and so in the case of a system where you have a lot of use of network programming, we currently have a situation in which many stations feel that National Public Radio pushes the edge more in the direction of a hard sell than they are that comfortable with, but the underwriting is part of their programming and it's basically embedded. And so in theory of course every local station could throw the underwriting message off but that would cause all kinds of problems for NPR. So I think that this isn't just a matter of

how do the local stations feel about how they would interpret it. You need to understand that whatever you do, another party can take the most liberal interpretation possible and that is what will be put on the air of the local station.

MR. PARSHALL: Could I respond to that? Bill makes an excellent point. No one likes those fund drives except it seems that some of my favorite programs are used as part of the carrot and I enjoy the programming on Public Broadcasting during those fundraising drives. But here's the fact, and that is that it would prove to be I think a natural restraint because people don't like them and you have to give some credence to the general managers who know that. That's I think a barrier or restriction to the abuse that might take place. First of all, we have a 1 percent rule in terms of programming time. That's a limitation. But then you have the limitation that the GM does not want to offend his audience by having nothing but fundraisers for 501(c)(3)s. A lot of our folks would like to do informational

promotions by letting communities know what 501(c)(3)s are out there to help community needs. So it really does serve an educational and informational purpose in addition to raising funds for those 501(c)(3)s.

MR. BATES: Again, going back to a state network which is a little bit different animal, we couldn't possibly do this. We've got state government policies, we've got university policies as well as PBS policies and then ultimately the FCC. But just imagine. I think we did a count one time. There are thousands if not hundreds of thousands of nonprofits in the state. So you do it once. Now how are you going to exclude tens of thousands of others when they come to you and say we want time as well? It would just be impossible. I don't see how that could possibly work.

MR. FREEDMAN: In the interests of the FCC's equal time rule, let me just make a point which is that what commercial broadcasters argue is that particularly in this economic climate

where they're fighting for survival economically for advertising, where revenues have dropped precipitously, is it fair for them to be competing for advertising with noncommercial stations that are receiving government subsidies? Because there is one advertising pie in a particular market and what their argument is is that noncommercial stations should be noncommercial, they should be subject to the underwriting rules, they should be subject to the solicitation for nonprofit rules and commercial should be on the other side and never the twain shall meet because it's unfair because noncommercials often get government subsidies. How would you respond to that, Mr. Bates?

MR. BATES: I think that's exactly what I was just saying. First of all, I was on the PBS board and every so often they look at those underwriting guidelines and I actually finding myself pushing to liberalize them a little bit thinking that we would see revenue come in because we're chronically underfunded. Statistically it

didn't happen. Maybe it's the economy. Maybe it's something else. I don't know, but there wasn't a big bump in revenue as a result. We're still within the FCC guidelines, but even with that little relaxation, it was kind of a nice pilot test to see if it would make a difference and I don't think the needle moved that much.

MR. WALDMAN: A question on that. Why shouldn't that just be up to you to decide? Why shouldn't each station or each state association decide its own underwriting guidelines with the natural check being your own judgment, the processes you've just describe and the knowledge that if you abuse it you're going to alienate your most important funding source, your donors?

MR. BATES: Number one, I think we are so heavily subsidized not only by the federal government, and I gave you the percentages, but especially the state it would be difficult for me to justify the need for state support if I were looking so much more commercial. It just doesn't make any sense.

Secondly, I think it sort of violates the trust we've established with our audience. That's what they expect of us. The reason we're the most trusted source right now is just because of this. I think there's a perception that we're independent and we're not influenced by advertising so I wouldn't want to breach that trust for a second.

MR. WALDMAN: Just to round out the discussion on underwriting guidelines, we've only been talking about it in terms of relaxation, but there's actually three choices. There's relaxation -- four, relaxation tightening, leave it the way it is or clarify in some way that's neither relaxation nor tightening but clarity. So which of those four options to you support? Why don't we start?

MS. CLIFFORD: I don't think that there's very much of an upsurge of demand for an examination of underwriting rules right now in the field. There will always be some. It's really not perceived as a problem. There would be

probably some additional problems and some maybe advantages created by moving it over or moving it over like that sort of thing. There would mostly be disadvantages.

MR. WALDMAN: So that's leave it as is?

MS. CLIFFORD: Tightening, there would be actually disadvantages with tightening because underwriting is in the Public Broadcasting system. It's a significant source of funding and it's one of the areas that has been growing compared to say government funding.

MS. HARMON: I'm afraid I started this. In terms of the mention of it I think that in general I agree with Terry that there's not a lot that would need to be changed. But what I think we would like to look at and the specifics are if you were in some kind of partnership with a commercial entity, what are the relationships there? How could you foster that partnership when the regulatory environment is so different on both sides, and it's a very precise piece of it.

MR. WALDMAN: One thing as I understand

it before we keep going down the line, correct me if I'm wrong, but we have underwriting guidelines on the broadcast itself but I don't believe we have underwriting guidelines on the websites for it. So as you think about as is, clarity and all that, include that in your calculations.

MR. PARSHALL: Just to add a few comments. I think we need clarification and relaxation, but I've heard some really great arguments on why Public Broadcasting shouldn't qualify so I'll agree with you on that. But I think the religious noncoms who don't take public subsidy are in a different position. We've said we don't want the public involved. Make this a volunteer situation. Help us create our own dynamic.

And by the way, we're not talking about turning into commercial stations. My noncom people that I've talked to about this proposal have said for heaven's sakes we don't want to sound commercial, we don't want to e commercial, so we're talking about nuancing these rules. But

right now the rules say that if you have a spot, a sponsorship, that says Builds Best Mattresses Ever and that's the name of the organization or the name of the company, then you can use that and it's an identifying but not promoting sponsorship and it's okay. But if you have Builds Mattresses and then the comment during the sponsorship piece is we provide the best mattresses in town you've violated an FCC rule because it's not part of their branding. That's artifice and I think it needs to be clarified in terms of the overrule rule, the relaxation, we're talking about nuancing it, we're not talking about 15-minute spots, 5-minute spots. We're just talking about short spots, limited ones, but I believe we should be able to promote those people who promote us in terms of wanting to be able to build a relationship with the listening audience.

MR. WALDMAN: Bill?

MR. KLING: Definitely a vote for leave it the way it is. Commercial broadcasters have for as long as I can remember the

it's-not-a-level-playing-field excuse and it's always related to the fact that we're subsidized and they're not, and I think you heard enough testimony today illustrating all the ways in which commercial broadcasters are in fact subsidized including the cost of their original licenses. So I think it's a fair deal and it works and read the TCAF report and I think you'll see that even if you enhanced it further it wouldn't really benefit us.

MR. WALDMAN: Rod, you're for leave as is?

MR. BATES: Yes.

MS. WALDMAN: Ken?

MR. IKEDA: It's a space outside of PEG somewhat, but, yes.

MS. GOODMAN: Bill Kling, you mentioned the possibility of public interest obligations on noncommercial stations so I want to pursue that a little bit to get your sense of what they might be and also you mentioned CPB not having strict enough standards for funding. So what might they

be and should they be the same ones that CPB applies or should the FCC do something different?

MR. KLING: No, I think we need a combination of carrots and sticks. Philanthropy certainly can provide some carrots. If they could help us develop some models of what we're talking about, if we had half a dozen public radio stations in major cities in this country with 100 reporters which is doable, it would shock people in terms of value of public media and what it could deliver and it would change the debate over failing news models overnight. So that's a carrot. The foundations could come along with incentives if you do certain things you might be one of the models that we'd set.

The sticks, I know that it's more complicated because I was once involved in setting those standards in 1970-something at CPB, but frankly in some ways they're lower now than they were then and public media has changed significantly. To say that in a major city you only need to have two full-time and two part-time

equivalent full-time employees, so a total of four all together and they only need to be paid minimum wage to be eligible for the funding as a public media company, that to me is a standard that's too low. It might be right for small communities. It's not right for the community I live in or Chicago or New York or Los Angeles and many others.

So I know that when CPB raises them or proposes to raise them, Congress comes down on them and says you're picking on my city or my station or whatever and I don't know whether they have the ability to stand up against that, but I think they should, and I think anybody who gave them support would help.

As far as the FCC goes, if I were to suggest that you at license renewal take a look at public service providing public interest programming provided by stations, it will never go through. Commercial media will not favor that, and they're very powerful. I don't know whether the religious broadcasters would support it. But

if you just looked at those that are receiving federal money for public purposes, for public broadcasting, public media purposes, I think we would benefit by having standards raised. If the standards are raised, if we have to provide some kind of news broadcasting, if we have to have some kind of news department, you're faced with that and you've got two choices. One is to fight it. The other is to go to our local funders or your audience or your institutional parents or whatever and say this is no regulation. We've got to do it. And to me that's a plus. Anything, either carrot or stick that causes public media to start on that track toward becoming a significant journalistic organization is a plus.

MS. GOODMAN: Let me pursue that a little bit with you, Ken Ikeda. So there were such a rule that looked at outputs of some kind, and maybe it was news and maybe in the top 25 markets that was doable but in some other markets, or maybe in some markets it was doable with in-house or slightly increased resources, in other

markets it was not doable and it forced partnerships. How would you see that playing out in terms of you talked about BAVC being a bridge between existing Public Broadcasting and other kinds of media creators? Could you see a requirement on Public Broadcasters, CPB-eligible broadcaster, doing X, Y, or Z as a way to foster these partnerships because they would have to look outside in order to fulfill that requirement?

MR. IKEDA: I think tightening the guidelines and requiring more would do what the economy has done in terms of innovation. I think Public Broadcasting has benefited from the reality of that innovation and the manner in which it happens has changed dramatically. So you can have small boutique shops, you can one or two developers who don't even show up in the same city area and provide solutions on your behalf. In the same way if the result of some of these service requirements pushes Public Broadcasting entities, the physical ones, to become stronger community anchors, anchor institutions, then I think as a

result they'd have to partner. I was alluding to this somewhat, but when we start to talk about public service entities or public service media as this new identity, what's not often mentioned is there are those thousands and thousands of nonprofits who have been around for 30 to 35 years who are highly effective, highly focused and mission driven to provide services in fact.

But the reality is, and the funder equation has not been addressed here, that as institutions, and I give the benefit of brand in this, not necessarily effectiveness, Public Broadcasting institutions have the ability to reorganize entire communities in terms of priorities and that's not just service priorities, but the funding priorities. So as a small nonprofit you are simply unable to request in a single year your entire operating budget to essentially exponentially raise your capacity even if you have a terrific solution, even if you are actually in the best position to deliver on those things.

So it's a scale issue, but I'm all for it because I actually think it will promote partnership and it will deliver new practices and new workflow to Public Broadcasting and new relationships. We are all interested in collaboration.

MS. GOODMAN: Just to take this a little further, Rod Bates, one of the things you add do this conversation is an illustration of how public media institutions, there's a wide variety and when you're serving rural populations you're part of the state network you have a different mission than say a community licensee in a top 25 market. If there were to be standards whether they were set by CPB or set by the FCC, how could they work in a way that addressed the variety of licensees out there should there be a menu of obligations?

MR. BATES: Actually we have an experience with the University of Nebraska where the College of Journalism and Mass Communication and the College of Fine and Performing Arts wanted to partner with us to learn to deal across media

because we have radio, we have television, we have an interactive media department. My first thought was we'd better orient them to this stuff because we just invested in all this digital equipment and I didn't want them to destroy anything. So we came in and within the first few weeks the people -- this wasn't a regular internship program. We are paring them up with people that have been doing this kind of media for years. And they admitted that they were learning as much from the students as the students were learning from them.

So to Bill's point, I come down sort of in the middle of this. I see a lot of value in these partnerships frankly, but I also see the risk of diluting the brand the trust and everything else. I think you have to be careful there, but there is something you can do I think to partner with a lot of these folks. When we were talking about foundation funding, for example, typically the idea comes from within and we go to the foundation knowing that that's something that they're passionate about. It's not

go to the foundation and get the money but we got to do what they ask because -- you see what I mean? You can do that with nonprofits and a number of partnerships that we've done where you do have a community problem that's been assessed and you identify them as a legitimate partner and you can bring them in. That's very different than putting a PSA up and saying please contribute to them or please promote them. That's a different matter altogether. But I do believe that we need to do a better job in Public Broadcasting of partnering.

When it comes to funding and requiring that, I'm very skittish about that because we're chronically underfunded and I think that just dilutes it. But what we're doing with POV and Independent Lens and some other things I think is appropriate. It's giving voice to people that normally wouldn't have that and I think you can do a lot of that in new media.

MR. WALDMAN: Bill, did you have anything else on this topic?

MR. FREEDMAN: I had a question. Working in the media bureau we've wrestled with this whole idea of what should the public interest obligation be? How should we define it? And how should we enforce it? I found Mr. Kling's statement in his written statement that we should in the course of renewing at least CPB-funded noncommercial educational stations requiring a demonstration of significant public service and locally originated content. I've got some practical questions as to how that type of procedure would work, what would be the evaluation, what would be the metric, what would be the consequences for a station that failed to meet the standard? Would they lose their license? What would happen? And what would the impact of the adoption of this type of a system for CPB-funded noncommercial educational stations be with regard to renewal applications for other noncommercial educational stations or commercial stations for that matter? The devil seems to be in the details.

MR. KLING: The devil is always in the details and it's fraught with pitfalls as you suggest. You might end up taking licenses away from all of the good performers and give them to all those that are doing nothing. But it goes back to what I was saying earlier about the FCC, good Frieda Hennock, one of your commissioner colleagues, was the one in 1945 I think who set aside the frequencies. At that point in time nobody thought they were worth anything so it wasn't much of a giveaway, kind of get her off your back. But they turned out to be worthwhile, and yet all through that period from 1945 until now, nobody set any criteria really other than nonprofits for who could get them. Should they have been shepherded more carefully so that you could actually say we have made judgments about who gets them and how they will serve the community? The answer I always got from people who are long gone at the FCC was we don't want to get into that definition. We don't want to decide. If you're not willing to make any gutsy

moves, then you're going to end up with what we've got which is a vastly underperforming -- as much as I admire everything we do and I'm proud of what we do and we reach 18 percent of the population in Minnesota with our programming, a very successful operation in California and one growing in Florida, I'm proud of what we're doing, but if you look at America versus other major European countries, we're nowhere. So when I say underperforming I don't mean it as an insult. I mean that we haven't set up the incentives to improve it. So that was one of the -- it's easy for me to say raise the standards and look at this more carefully and require local programming, your bureau has got the people who can really think it through and see what are the unintended consequences and then we'll all get to comment and we'll end up telling you not to do anything at all, but sooner or later we've got to start somewhere.

MR. WALDMAN: Not to get down into too much nitty- gritty there, but on level of

generality you mentioned a couple of different principles. You mentioned news, something having to do with whether a station has news. You mentioned local programming as another principle. Can you talk on that level at least? Where do you think the key principles are that ought to go into a definition of meeting public service?

MR. KLING: This is what you do in broadcasting. You keep saying it over until the mike comes on. Now I think we're talking about public media and we're talking about all the ways in which we serve audiences. I'm appalled by 40 years of federal investment leaving us with major cities that have two, one, none members of their news department in public media, what's probably the most important thing we do. We do an awful lot in arts and culture, we cover other kinds of programming, but clearly news has come up to be left to us as sort of the last best chance. And in five years someone is going to look back and say my God they had the opportunity to do it, we didn't do it, it's too late and this country has

fallen into media chaos.

So I don't want to be alarmist but I think that's true. I think you can see it happening. I think it is so profitable that it isn't going to go backwards. And if that's the case then start looking at us and I would concentrate on ascertaining what a community needs. We have something that Joaquin Alvarado heads called Public Insight Journalism. It's got 100,000 people in the database now that are tagged according to their expertise all over the country and when a reporter wants to do a story they can go and get an expert out of that group of expertise who will volunteer to give you significant information that makes your story easier, cheaper, faster to do and it's a better story than it would otherwise have been. So there are some efficiencies that we can create, but if you don't focus us on having to do something for the community, you at least have to do public ascertainment. Everybody hated public ascertainment. We're doing public ascertainment

rather aggressively even though it's no longer required because it's where we're getting our best ideas, it's where we're getting to know minority communities that are coming and saying you don't know us well enough and here are the issues that you're missing.

The Public Insight Network is a massive version of public ascertainment. So put public ascertainment back, but use a 2010 version of it and not a 1970 version of it. You can't say you must have three members of your news department, but you can say demonstrate how you are providing that kind of news, information, critical community connections through your service and that's where I'd head.

MR. PARSHALL: Steve, can I make a point, just one other distinguishing factor between Public Broadcasting and the noncommercial religious broadcasting world? We have consistently opposed mandates, even though as I mentioned Northwestern Radio and all of our members are networks and do their own form of

ascertainment. We just simply don't want mandates. Likewise, we don't want a mandated clarification of the public interest obligation. I can understand if I were in the shoes of Public Broadcasting asking for additional funding, an enhanced standard might be a smart political way to go, but we would be opposed for that to be applied to our noncommercial religious broadcasters.

MS. HARMON: In terms of Bill's point about regulation, I think I would take a slightly different tack on it because I'm not sure you can -- I share your frustration about the lack of performance particularly in the major markets, duplication of service, our inability to reach more people, to have bigger impact, so I really am exactly on that same wavelength. But I don't think it could be achieved by a tighter regulatory format at the FCC in terms of licensing. I think a more profitable area to focus it on has to do with those models that you talked about before.

And also I thought one of the most

provocative slides that we saw today was from the free press in terms of where the U.S. is in funding. So many of these ideas -- Pat Harrison has talked earlier today about the problem of funding what exists and adding new and the limitations of the funding. If we focused on the funding issues I think there are some pretty sophisticated rhythms in the field to know what it would take to encourage greater impact in terms of fostering mergers and some really dramatic --

MS. GOODMAN: So you're for carrots and no sticks.

MS. HARMON: Yes, carrots but no sticks around regulation because I just don't think it will result in what you're after. That would be the main point.

MR. BATES: One of the reasons I'm in Washington now is that CPB invited me to participate in the CSG review that they have to go through every three or four years. We have spent a lot of time talking about this very issue. We want to encourage people to respond better to

their communities, but we have had lengthy debates about it's like Bill said, the devil is in the details here. I don't think regulation necessarily helps you. I'm an advocate of the carrot all the way.

If we went around the room and just asked people what do you call local service and for every community you'd get different answers. There are similar themes that run through it, but whether it's X-number of reporters in a community, that isn't necessarily a good measure. You could have the best reporter, you could have 100 beautiful reporters, but are you making a different in your community? What impact are you having? How do you measure the impact? You can ascertain the need, you can address the need, but maybe in a very poor way. So it's really hard to set a regulation that says this meets your local service requirement. I think it has to be an incentive and if you see some exceptional work being done and needs to be held up as a model, I think that's okay. And if you do what Bill is

doing and that's a good thing, we'll reward you somehow. But I think making it a requirement for eligibility is a dangerous place to go. I don't think it's appropriate for CPB to start meddling in content essentially.

MR. IKEDA: A bit of a prediction. I think one thing that broadband has enabled and I think a lot of nonprofits in the PEG community have very closely monitored or evaluated in the National Broadband Plan is there is a movement right now around social metrics whether they're dashboards, whether they're evaluation processes, but the web is enabling that to happen. They're getting quite sophisticated and I think they're ultimately going to point toward inefficiencies in terms of cost measured against other non-Public Broadcasters delivering those same services so that it costs significantly more for a large institution with a huge overhead to produce a local show than it would a nonprofit. This is not a quality assessment. These are still high-quality productions. And the example of

remix with PRX having a part-time person essentially one day providing 24/7 -- for a satellite channel and PEG stations which were never arguing for less money but still have managed to successfully introduce 50-plus hours a week or original content, 200-plus producers contributing content with sometimes two or even one full-time staff person. So those are the production sides of things, but I also think the social impact is going to rise up and nonprofits are getting quite sophisticated in measuring that and they'll be able to then because of the web pull up statistics from the Public Broadcasters and put them right alongside what they're doing.

MR. WALDMAN: On the commercial side over the last years there has been some discussion and even some action that a 21st century approach to these kinds of regulatory issues would focus on disclosure, online disclosure of certain metrics in the hope that rather than having a regulatory rule that having the disclosure of certain metrics would create a kind of market pressure toward

improvement without the government mandating it and it sounds like you're going in that direction as a general matter. If that were a way that one were to consider, what would be the sorts of metrics that ought to be considered? Whether it's a government thing or a foundation thing or something that just is organized organically, what do you think the metrics that people ought to be looking at to assess whether or not a station is serving the community?

MR. IKEDA: I think it will lead toward some very specific methodologies that allow us to test whether we're effective or not. The cleanest examples are on voting, registration and then voting. They could be literally around cause-based donations. There's a great example that we supported called Not in Our Town and it's essentially an online environment that is a real-time space to respond and act around hate crimes, and so there are tangible ways to assess that. It's not just send a formatted letter to your locally elected official or federal official.

It's also supporting actual pickets, sending stickers, showing up in person and organizing local committees to march. So there are concrete ways to assess that that we can do because of additional environment.

My hoped-for result or outcome of this is that we have some self-organizing, so this acknowledgement that we are operating within the NICO system. So that if you do have this institution that is in fact the largest and is able to act as the anchor, they don't get to claim and they don't need to claim that they are the primary provider of education content in the K-12 environment when, in fact, for $100,000 they're providing 10 hours of exposure to media content where the nonprofit down the street for $100,000 is providing 300 hours of direct service using that content. So I think in the best of scenarios we will self-organizing, that it's sustainable. And the same thing applies to content creation. When people want more locally produced content they need to look outside their walls.

MR. KLING: Just two comments. One, on the license renewal process, you could ask if you're not going to set and standards then why do it? We spend an awful lot of money renewing, I don't know, 50-some stations and it's just processing paper, you could save us some money by getting rid of it.

The second thing I meant to say in my report and didn't is that I feel very strongly about -- if Frieda Hennock were here today she'd be arguing for set asides of broadband for public service use and I'm not sure everybody realizes that every time -- as we move away from the broadcast spectrum and you're talking about how fast can you get it back, we can reach 14 million people in Los Angeles with a transmitter that runs on 600 watts of power. If we tried to reach 14 million people with broadband as somebody said earlier we'd be bankrupt. We spend now $500,000 a year in our company alone on broadband spectrum in order to serve the audiences and I don't think everybody realizes that every time you download

podcast or stream audio or stream -- some of our radio services are now showing up in the rating services because the streams are so strong and not as radio stations but as streams. The Arbitron people are picking up the streams. I don't think everybody realizes that every time someone does that it's a collect call to us, and if you can keep that in mind and think about the devil's in the details, but how could you as part of a regulatory environment where certain gifts of broadband regulation are made to people, what could you take back for public interest?

MS. GOODMAN: A question on consolidation. Obviously that looms large in the commercial media discussions and ownership considerations. Susan, you suggested that consolidation would have a salutary effect in public media in ways that might not in commercial media.

MS. HARMON: I think we've already seen it. It's also a matter of degree. A classic from Minnesota Public Radio is 40-some stations now

compared to Clear Channel was 500 at one point. We're talking quite different numbers. And I also think this comes back again, so why put a few stations together in Public Broadcasting and get a different effect than you do in commercial? It's the way the model is, the noncommercial model, the nonprofit model versus a private enterprise model and the fact that the nonprofit model is driving back the money generated from a multiple station environment back into programming, back into content. It also relates to the governance and the local-rootedness of it.

I think the results are quite different and I think we've been much too fearful of this in Public Broadcasting through the years that we don't have at this point, talk about frustrations, it's frustrating that we don't have in my mind more examples of where a few stations have put together, I talked about Colorado, that's just happening in recent history and there are not enough opportunities or not enough demonstrations of what that could produce in terms of local

service.

MR. WALDMAN: In the Broadband Plan there was a proposal directed at noncommercial media which I think didn't get a lot of attention because there were many other controversial aspects of the broadband proposal, but it was really quite a dramatic proposal which was to say that any public TV stations that put spectrum back into the pot on an entirely voluntary basis, that 100 percent of the proceeds would go back into public media which was not a proposal that was made on the commercial side, that 100 percent would go back into public media. I don't know that there's been a big groundswell of public TV stations coming in and saying that we want to do that, and I'm curious about that. Assess whether or not that kind of a proposal will get any traction, or looked at another way, what are the obstacles to the sorts of consolidation that you think would be useful?

MR. KLING: I'd go back to a precedent that you set. Rod knows Public Television much

better than I do, but when I think it was Michael Powell worked through the process of what we called EDS frequencies and allows them to be cellularized and, therefore, able to be used for WiMAX. They used to be intended for point-to-point microwave and a lot of us, including our company, had quite a few of them that we never quite were sure what we were going to do with them, but we thought they might be used some day. We did use them, but not to any great benefit. You came back and said you may sell these or I think you said lease them for 100 years or something, and Sprint came along and bought them and they paid big money for them after we got smart and negotiated a bit. That money came to us. So in the case of our company we got $25 million for that spectrum. That went into our endowment that gives a 5 percent permanent return.

When you say give it back, but the money will go to your industry but not to you, you get very proprietary thinking. So if you said it goes to you, Rod, you can get it if you turn back some

of that spectrum, I suspect you'll get a more positive answer.

MR. BATES: Can we talk?

MR. WALDMAN: One of the many tasks that the Project of Future of Media is tasked with is taking that very vague statement in the broadband plan which didn't say it one way or another, it wasn't definitive that it had to go to the industry as a whole versus a particular station, it was vague, and fleshing that out and considering whether or not there's a policy there that makes any sense, so I would encourage you now is the time to summon up the devil to provide the details. Sorry, Craig. Did you have a follow-up?

MR. BATES: Mark Ersling is going to kill me for this, but I have had the opinion -- this is where I see the opportunity right now. If you were to do something with the voluntary return of that spectrum that had a direct benefit to the people that are giving up that spectrum and if it were adequate, I think there's an opportunity to

once and for all adequate fund what we do. And this is what I've said before. If I were guaranteed the bandwidth necessary to continue the services I currently offer and I had an endowment that Bill just alluded to that threw of enough interest to allow me to build on these services or continue to acquire content and services, that's a discussion that I think -- I think that's how we could fix all of this frankly because we've been chronically underfunded from the beginning. But it can't be done in a piecemeal basis. It can't be done for a cheap acquisition. It can't be done into a pool of money that's now going to be spread over thousands of other organizations. It's too valuable for that. And I don't think Public Broadcasters want to continue to struggle as they've struggled for 40 years.

MR. WALDMAN: Sorry. Just one more question on that. If you go 100 percent in the other direction and have 100 percent of the proceeds going back to the station itself, couldn't we or you be accused of setting up a

policy that is rigged to help only the current incumbents as opposed to trying to also help new players in public media?

MR. BATES: Yes.

MR. WALDMAN: But that's okay with you?

MR. BATES: You sure could. I think there's been a political appetite historically to fund infrastructure and I think in the State of Nebraska in particular it's extraordinary to me how much they've invested in hardware and infrastructure to get this service out to everyone. To Bill's point, everyone goes right to the major markets because you can do it so cost-effectively, but if you want universal service, it's expensive and there isn't fiber running to every home for obvious reasons. And so I have as a steward of the place I run, I want to look out after those folks. I think there are ways that you could maybe -- like we've done with Point of View or Independent Lens to give an opportunity for others to participate, but that's going to be like it's currently done. It has to

be a competitive process probably. You just can't open this up to the world because now you've really put is in inadequate funding for the next 40 years. That's the concern.

MR. KLING: I agree, but I think you got to realize what's practical. First of all, your precedent with the EDS frequencies is there so you'd be changing your precedent if you did it in another way. Secondly, let's say that we don't have any television spectrum so I don't win if you do that, but those who do have it I think should then bear greater responsibility for the public media system.

For example, we've had some advantages including being able to build an endowment out of earnings that came from for-profit companies and from selling EDS frequencies et cetera so when we saw what was happening in Los Angeles in terms of full-time news and information, our parent company said we will back the development of a full-time news and information service in LA by leasing a frequency from a small community college and

taking the audience from 100,000 people to 600,000, now the most listened to Public Radio news station in LA, taking the budget from under a million to over I think $15 million. It's a huge success. And it's a huge success because all the overhead is managed by the parent company, the legal department, the accounting department, the membership processing, the technical staff, et cetera, and it leaves the money raised in LA to go right into content. So they're winning every award in journalism, they have a news department of 20-some reporters and more is expected of us because of what resources our company has.

That isn't to say everybody is going to do it, but if Rod's got another $500,000 million coming in from a spectrum sale, either he'll do something like that or produce national programs for our system or it will go to the benefit of our system. What you want to watch out for is having it absorbed by the State of Nebraska or by the college of something or other. You should really be careful that parent institutions don't cream

money meant for public media entities off for some version of overhead.

MR. WALDMAN: Thank you. Let me draw this to a close. First of all, thank you very much to this panel which was really outstanding. I very much appreciate that we got into some real detail on some of the difficult dilemmas of actually trying to implement certain principles.

Secondly, these hearings have a tremendous amount of behind-the-scenes work and I wanted to thank some people who were instrumental. First my partner Ellen who did so much of the work to pull this together, and Krista Witanowski. And then questioners Bill Freedman, Jamila Bess Johnson, Jennifer Tatel. And then a large cast of people on the staff here who pulled this together, Vanessa Lemme, Erica Porter, Lois Neely, Jane Frenette, Shayna Perkins, Stephanie Brown, John Enoch, Simon Banyai, Andrew Kaplan, Maia Barber, Donald Harvey, Ronnie Murray, Carlyn Walker, Cozette Ballesteros, Jeff Riordan, Steve Balderson, the ASC staff, IT staff, and the

security office.

Finally, just a final call to say we're heading into the final few months of the fact and research gathering part of this project and I strongly encourage everyone to think about what we've talked about today and go to the next level of detail. And if there are ideas that you're noodling around with or that have come up or that you want to push, now is the time to develop it and kick it around amongst yourselves or with us. We're happy to give feedback. But this is a moment really that is perhaps a bit unusual in the FCC's history where everything is on the table, all sorts of ideas, regulatory, deregulatory, new and old are being considered and so it ought to be a moment for real creativity and I would encourage everyone to take advantage of that. Thank you very much.

(Whereupon, at 5:10 p.m., the PROCEEDINGS were adjourned.)

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

/s/Carleton J. Anderson, III

Notary Public in and for the
Commonwealth of Virginia
Commission No. 351998
Expires: November 30, 2012