

# Information Needs of Communities and Citizens

## Comments from the Society of Professional Journalists

- 1. What are the information needs of citizens and communities? Do citizens and communities have all the information they want and need? How has the situation changed during the past few years? In what ways has the situation improved. Become worse?**

Since the early days of the American press there has been a symbiotic relationship between the press and the communities it serves. Despite what are, at times, contentious positions, the press and the public co-exist in a mutually prepared sphere so as to guarantee a cycle of communication that is beneficial to both senders and receivers.

On one hand the press has been tasked with providing accurate and timely information to its readers/listeners/viewers all the while serving a proper watchdog function on government and even corporations. In turn, the community, working through individuals, groups, public interests sectors and even the same government agencies, attempt to strengthen this bond of communication needs.

What is certain to many of us at the Society of Professional Journalists is that change, in varied forms and at various levels is needed and will continue to be required to serve the public in this endeavor. Gone are the days however, of viewing mass communications as a theory whereby a sender (generally the traditional media) provides information to the masses. Today, mass communication more correctly means the masses generate news and distribute it among themselves. Mass still means the community but it's not relegated to the receiver of information any more. This represents a significant shift in the communication model.

The press is learning that by sustaining close ties with the communities it serves and the neighborhoods in particular, it can enhance local coverage and in doing so also heightened its image as a "good citizen."

Traditional media is often the source of great community pride, so long as it realizes that it has to serve the interests of many neighborhoods. At small town media outlets, this has always been crystal clear. Community journalism is about the community first and foremost. State, national and world news follow. Sustaining good relations with the public is a priority, maybe just as important as the press' relationship with government and its sources for news.

According to *the Knight Commission on the Information Needs of Communities in a Democracy*, the press can be seen as having four primary functions with regards to its community – coordinate activities, solve problems, public accountability and a sense of connectedness.

To be sure, the press is needed in communities to provide a variety of roles. It serves as a watch on government and creates public accountability for those in public office. It serves as a voice for public grievances, giving its audiences a chance to speak out; it serves as a point of connectivity and aids in giving the community a face. It also provides public services beyond the aforementioned and often creates avenues for public involvement, from food drives and sponsorship of community events to assisting in fundamental democratic functions such as informing and monitoring and engaging in public discourse during election times.

The question that continually is raised in journalism conferences around the nation is – are these roles being fully realized and are the communities being served by the press?

In many major cities greater emphasis is being placed on targeting neighborhoods with more concentrated stories. There are more efforts to afford the man on the street a chance to express his views and “hyperlocal” content is the new buzzword. The more one can zoom in on a map the more relevant the media suddenly becomes to individuals. Talk of every person on every block being a story is common in some markets desperately trying to reach out in ways that make them relevant to the citizens, and in turn, viable from a business standpoint.

It seems that traditional media has and will continue to take its cue from social media with regards to creating more community connections. Many have tried successfully to tap into the social exchange of information that takes place among neighbors on avenues such as Facebook, My Space, Linked-In, bebo, Orkut, Live Journal and others. These social platforms continue to grow. Over the last five years there has been an expedition to more and more social media models. This has resulted in a greater sharing of personal information that is passing for news. In our country’s history, there has never been more information available about the populace as there is today. This sharing of information has allowed more and more people to be self-publishers as well as instant publishers within their communities.

The results have shown that for traditional media to be relevant to these social media users, they must walk among them and provide them with information in a new environment that is characterized by short bites of information, is personalized to address individual interests and has no shelf life.

. Connections to communities hopefully translates into stories that matter to people, but that remains to be seen. Simply having a presence on Facebook doesn’t guarantee the press a monetizing success when it comes to tapping into local content. There is also a growing concern that social media is becoming too overwhelmed with media intruders. Facebook is all the rage but there is a growing discontent on the interloping by marketing groups or the media into a social network that has the primary function of small circle connectivity. The average Facebook user has 120 friends, according to 2009 story in the Economist entitled *Primates On Facebook*. Seen as a fertile land for growing advertisers as well as ripe fruit for media entities wanting to harvest news consumers, there is a chance of alienating these people they are so desperately

trying to reach. In 2009 Virginia Heffernan wrote a piece for nytimes.com called Facebook Exodus in which she said “According to comScore, Facebook attracted 87.7 million unique visitors in the United States in July (09). But while people are still joining Facebook and compulsively visiting the site, a small but noticeable group are fleeing — some of them ostentatiously.”

**How have things gotten worse?** For starters the sheer mass of information has expanded so exponentially that it is hard to any one person to synthesis the news coming to them. From a realistic viewpoint, that’s always been the case. For decades the role of gatekeeper has been reserved for the editors at traditional media outlets to filter the vast amounts of news in any given day and provide only that which has been deemed relevant (in the mind of the editors) for the public.

But, the gatekeeper isn’t the only filter anymore and traditional media isn’t the only game in town. With content being delivered instantaneously to mobile devices, over the Internet and in 24-hour cable television, people have become their own gatekeepers, if for no other reason than self defense. That’s problematic in that people tend to shut out all news, including the important and reliable ones, as they fight the feeling of being overwhelmed. They are tuning out most the news that 20-30 years ago was a part of everyone’s daily life.

Tom Rosenstiel, director, Pew Research Center’s Project for Excellence in Journalism, said at the FCC hearing in March that the days of “accidental news consumption” are all but a thing of the past. There was a time when someone reading the paper, perhaps on the way to the sports page, would accidentally find news of interest on the front page or an inside story that would capture his attention and be read. Today, self-imposed filters have allowed people to skip all peripheral news and focus only on that which are of direct interest to them. Internet websites allow for personalization of news so one can select from categories and thereby limit one’s exposure to news that might be of value to them.

So, along those lines, the voices in place are so numerous and the content so confusing there is a real concern that America may well be the most information-rich society in the world but also the most misinformed. With everyone in the information dissemination business it’s becoming progressively harder for the right information to be heard above the constant drone of noise circulating.

During a Future of Journalism conference at Yale University Law School, a reporter from a large daily paper said 10 years ago 90 percent of his day was used producing original content for news consumption. Today, less than half. More than half of his day is trying to prove or disprove information that has surfaced in any given news cycle. He is not longer tasked with generating new content, but rather verifying information that has surfaced on the web, appeared in a Twitter feed or made a video debut on YouTube.

Given that more than 16,000 journalists lost jobs in 2009 and that can conservatively translate into 5.8 million stories a year lost (one story produced per day) and taking into account that those remaining and continually hampered from original reporting because of rumor-chasing duties, the clear answer to the question, how have things gotten worse, seems evident – less professional quality news is being generated and it occupies a shrinking share of the news market for consumers.

That quickly translates into a less informed and news-literate public and I think we all know how that translates into a declining foundation for democracy.

**Kevin Z. Smith**  
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# FCC Comment section on The Future of Media and Information

## Needs of Communities in a Digital Age

### Question 6:

**What are the best examples of Federal, state and local governments using new media to provide information to the public in a transparent, easy-to-use manner? When has this public information been provided directly to consumers and when has it been used as the basis for lower-cost reporting? In what formats should such data be provided? Should the laws on government provision of information to the public be changed?**

#### **1. Best examples of federal, state and local governments using new media to provide information to the public in a transparent, easy-to-use manner?**

More and more governments are using new media to provide information to the public in a relative easy-to-use manner. Experts in e-government have multitudes of examples, such as the award-winning sites honored by the Center for Digital Government (<http://www.centerdigitalgov.com/surveys>). Some examples include:

- Maine.gov DataShare provides database online in an easy-to-find drop-down menu, <http://www.maine.gov/cgi-bin/data/index.pl>.
- [www.data.gov](http://www.data.gov) has put a lot of federal information online and provided some neat ways for citizens to examine it, including the “DataMasher” gadget that allows people to combine data. However, still relatively little information is provided about state and local agencies, and even many federal agencies (e.g., three datasets available for the FCC).
- Online government sites that provide citizens a chance to find out if they or their friends are “in the system,” are popular, such as unclaimed assets (Washington state’s site is good - <http://ucp.dor.wa.gov/>) and statewide court records (Arizona’s: <http://apps.supremecourt.az.gov/publicaccess/>). However, this information should be provided in an even more useful and practical manner that is relevant to citizens, such as a “background your date” or “Look up your renter” Web page with various databases for screening individuals.

While President Obama’s Open Government Directive, the Open Government Initiative (<http://www.whitehouse.gov/open>) and other efforts are a positive movement toward putting information online, proactive dissemination is just one part of government transparency. Often the most useful information is that which is not put online. We see this when newspapers and nonprofits gather government data and put it online in easily searchable ways because agencies won’t (e.g., public employee salaries, campaign spending, inspection records). The best dissemination of government data is usually provided by non-governmental entities.

#### **2. In what formats should such data be provided?**

Data should be provided in formats that can be easily searched and downloaded by the average person. Online search forms should be provided for people who do not have the software or expertise to analyze the data. In addition to the search function, data should be provided in formats easily downloaded and examined: Excel and tab-delimited text files.

### 3. Should the laws on government provision of information to the public be changed?

Laws on access to government information need significant reform in the United States. Excessive secrecy and violation of public records laws are rampant throughout all levels of government.<sup>i</sup> Freedom of Information Act request backlogs are unreasonably long, with some requests stretching decades.<sup>ii</sup> Environmental journalists report that FOIA is so frustrating that they simply avoid the process altogether,<sup>iii</sup> which might explain why journalists comprise only 5 percent of FOIA requests.<sup>iv</sup>

The public records process is arbitrary and broken, based on the whims of record custodians and officials who may or may not adhere to the law or respond in a timely fashion. At the state and local level, on average law enforcement agencies illegally deny a valid records request for crime logs 71 percent of the time.<sup>v</sup> Florida court clerks admitted that they deny valid records requests if they feel the person doesn't deserve it.<sup>vi</sup> The FOIA process causes a wall of paranoia and mistrust between requester and agency,<sup>vii</sup> sometimes resulting in a contest of wills and psychological warfare. The U.S. FOIA is considered a poor model for other countries to follow, with Sweden and even South Korea possessing stronger laws.<sup>viii</sup> Statutory changes are needed to help change this secrecy culture:

- a. The federal Freedom of Information Act needs to include enforcement provisions for noncompliance, similar to some states' public records law penalties (e.g., jail time and fines for officials who knowingly break the law).
- b. Backlogs need to be reduced for FOIA requests. This could be helped through the Faster FOIA Act, sponsored by Sens. Patrick Leahy and John Cornyn. Improved funding and staffing of FOIA offices would help as well.
- c. FOIA exemptions are abused and need refining. In particular, exemption 3(b) is abused (as noted by a March investigation by The Associated Press), and other exemptions are widely applied, instead of narrowly applied.
- d. FOIA should be applied to the courts and Congress. Many states have applied their public record laws to their legislative and judicial branches. All three branches should be open to public scrutiny. It is unfair to impose these regulations on just one branch.
- e. The U.S. Privacy Act is applied overly broad, resulting in records that involve a live human to be withheld completely or redacted to the point of being useless. This is not how public records are disseminated at the state level. For example, mug shots of suspects are secret at the federal level but are widely available at the state and local levels.
- f. The Family Educational Rights and Privacy Act has been twisted beyond recognition (even its creator, former Sen. James L. Buckley, acknowledges this). Schools and universities have used this law, which was intended to keep grades secret, to close a variety of records, including parking tickets, serious crime reports and even lunch menus. FERPA needs to be completely overhauled.

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<sup>i</sup> See Jane Kirtley, *Transparency and Accountability in a Time of Terror: The Bush Administration's Assault on Freedom of Information*, 11 COMM. L. & POL'Y 479 (2006); TED GUP, *NATION OF SECRETS: THE THREAT TO DEMOCRACY AND THE AMERICAN WAY OF LIFE* (Doubleday 2007); Peter Hernon, *Government Information Policy in a Time of Uncertainty and Change*, in *FEDERAL INFORMATION POLICIES IN THE 1990S: VIEWS AND PERSPECTIVES* (Peter Hernon, Charles R. McClure & Harold C.

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Relyea eds., Ablex Publishing 1996); ALASDAIR ROBERTS, *BLACKED OUT: GOVERNMENT SECRECY IN THE INFORMATION AGE* (Cambridge 2006).

<sup>ii</sup> See *Justice Delayed is Justice Denied* (2003) by The National Security Archives, which studied delays in access, <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB102/press.htm>; *40 Years of FOIA, 20 Years of Delay* (2007), by The National Security Archives, which found the oldest pending FOIA requests going back more than 20 years, <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB102/press.htm>; and *Secrecy in the Bush Administration* (2004), by Rep. Henry A. Waxman, provides a comprehensive examination of secrecy in the Bush Administration, [http://oversight.house.gov/features/secrecy\\_report/index.asp](http://oversight.house.gov/features/secrecy_report/index.asp). Also, see *Government Secrecy: Decisions Without Democracy* (2007), by David Banisar, sponsored by OpenTheGovernment.org and People for the American Way Foundation, shows how secrecy has increased since 9/11 and how that hurts democracy and good government. <http://www.openthegovernment.org/otg/govtsecrecy.pdf>; and *Secrecy Report Card* (2009) by OpenTheGovernment.org provides a great summary of the state of secrecy today at the federal level, [http://www.openthegovernment.org/otg/SecrecyRC\\_2009.pdf](http://www.openthegovernment.org/otg/SecrecyRC_2009.pdf)

<sup>iii</sup> Robert McClure, *A Flawed Tool: SEJ Study Finds FOIA Little Used, Plagued by Delays*, 15 SE J. (Society of Environmental Journalists) 5 (2005), [http://www.sejarchive.org/site/sejournal/past/sej\\_fa05.pdf](http://www.sejarchive.org/site/sejournal/past/sej_fa05.pdf). Also, see Jennifer LaFleur, *The Lost Stories: How a Steady Stream of Laws, Regulations and Judicial Decisions have Eroded Reporting on Important Issues*, Reporters Committee for Freedom of the Press (2003), <http://www.rcfp.org/loststories/>; Charles Lewis, *Freedom of Information Under Attack in the Name of 'Homeland Security,' the Work of Journalists is Made Harder*, 56 NIEMAN REP. 84 (2002); Pete Weitzel, *Beware of Regulatory Creep as Secrecy Shrouds Records*, THE IRE J., Nov.-Dec. 2004, at 15; Ben Welsh, *Privacy, Security Block Access to Data*, UPLINK, Jan.-Feb. 2006, at 8.

<sup>iv</sup> See *Few journalists use the federal Freedom of Information Act* (2001), the Heritage Foundation examined 2,285 federal FOIA requests to find that only 5 percent of requests of selected federal agencies in 2001 were submitted by journalists. Most submitted by lawyers and businesses, <http://www.heritage.org/Press/MediaCenter/FOIA.cfm>. Also, *Frequent filers: Businesses make FOIA their business* (2006), Coalition of Journalists for Open Government analyzed 6,439 FOIA requests in federal agencies to find that only 6 percent of requests are submitted by journalists. About two-thirds are submitted by commercial interests and the rests by citizens and non-profits. See summary at <http://www.spj.org/rrr.asp?ref=31&t=foia>.

<sup>v</sup> See David Cuillier, *Access America: A Meta-Analysis of 32 Access Audits* (Study presented at the Society of Professional Journalists national conference, Sept.10, 2004, New York); Also, similar results were reported in Emily Erickson, *What Statewide Audits Tell Us About Access, Privacy, and Political Culture*, presented at the Association for Education in Journalism & Mass Communication annual meeting, August 2008, Chicago.

<sup>vi</sup> Michele Bush Kimball, *Law Enforcement Records Custodians' Decision-Making Behaviors in Response to Florida's Public Records Law*, 8 COMM. L. & POL'Y 313 (2003).

<sup>vii</sup> For an examination of the culture of FOIA in the U.S. and Poland, see Michael G. Powell, *The Emergence and Institutionalization of Regimes of Transparency and Anti-Corruption in Poland*, dissertation for Rice University, 2006, UMI Number 3216763.

<sup>viii</sup> For a comparison of U.S. FOIA and Sweden's FOIA, see Stephen Lamble, *United States FOI laws are a poor model for statutes in other nations*, 106 FREEDOM OF INFORMATION REVIEW. 51-55 (August 2003).

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## BUSINESS MODELS AND FINANCIAL TRENDS

**13. Many media companies are struggling, but others are reporting healthy profits. What explains the differences in performance? What roles are played by debt levels, consolidation patterns, government policies, geography, diversity of and/or decline in revenue streams, technological innovation, cost reductions, and audience growth?**

**1) Debt levels:** In the mid to late 1990s, many newspapers went on a buying spree. For example, throughout the late 1980s and early 1990s, the Tribune Company bought at least three major daily newspapers and another 4-5 television stations in markets as large as Atlanta, Philadelphia, Boston and New Orleans.

It must also be pointed out that it was at this point that the company went public for the first time. But to do these purchases, Tribune had to borrow massive amounts of money.

And then when Sam Zell bought the company in April 2007, Sam Zell invested another \$300 million before the purchase – which included such papers as the Chicago Tribune and the Los Angeles Times.

With Zell at the helm, Tribune Co. then borrowed nearly the entire amount of an \$8.2 billion deal to take the company private in late 2008; yet Tribune then declared for Chapter 11 bankruptcy protection in mid-2009. That company is still restructuring, in the process of selling off major assets such as the Chicago Cubs.

Another example of a company that possibly overextended itself is the now defunct Knight-Ridder chain of newspapers (now part of The McClatchy Company)

At one point, Knight-Ridder owned papers in Akron, Philadelphia, Detroit (eventually swapping the Detroit Free-Press for the Detroit News with Gannett), Kansas City, and Miami. While it did not go on the newspaper buying sprees of its competitors, the company moved instead into cable TV and radio stations in the 1980s.

In addition, the company showed some foresight to the coming demand for online data, creating Viewdata Corporation, which offered news and financial services on home computers.

The company also moved into computer-based graphics services; the Knight-Ridder Graphics Network went online in October 1985.

Then in 2004, Knight Ridder bought Star Publications was on its way to becoming a major powerhouse in publishing.

But seemingly as quickly as the company ascended to the top, it fell apart. Bleeding cash and with its crushing debt load – and under severe pressure from shareholders – the

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company put itself up for sale in 2005 and was then sold off in parts, with McClatchy taking most of it.

There have been some survivors and those who have even been able to thrive, however. The nation's largest newspaper company and a major television operator as well—Gannett Company Inc. – recently reported nearly double the earnings in the first quarter of 2010 as in the same period the previous year. Profits exceeded \$119 million, creating a net profit margin of nearly 8.9 percent.

The publishing division alone, which includes all the company's newspapers as well as USA Today, reported operating income of \$165-million plus, a 59.4 percent increase over the same period last year. Yet that company is living close to the edge as well on its balance sheet: it only has about \$100 million in cash on hand, while it has more than \$3 billion in debt.

**2) Consolidation patterns:** The consolidation of the newspaper and TV industry has led to strong business synergies, but in our opinion, may have hurt journalism standards. Newspapers in certain areas have

In the Cincinnati region, for example, Gannett not only owns The Cincinnati Enquirer but also the weekly Recorder chain that publishes five area weekly newspapers.

When Gannett sought to buy the Recorder chain in 2004, it even prompted an anti-trust investigation before the deal could be consummated because of competition concerns.

And that has led to overlapping beats and a lack of competition in an area that later lost one daily newspaper when The Cincinnati/Kentucky Post closed in 2007.

A recent study by Princeton professor Samuel Schulhofer-Wohl found that the closure of the Post led to less civic engagement – voter turnout was lower in subsequent elections, while incumbents were more likely to stay in office, according to the study.

**3) Government policies:** Throughout the last 20 years, the loosening of restrictions on ownership of television stations, newspapers and radio stations within the same markets have relaxed dramatically.

For example, a grand experiment in Tampa, Fla. was undertaken by the Media General-owned Tampa Tribune and its sister television station WFLA-TV in the mid 2000s. The two organizations were to share a newsroom and share stories and ideas. In a YouTube video, a newsroom manager says that higher competition has created multi-skilled journalists capable of not only writing for the newspaper, but also able to shoot and edit video for the TV news show. Media General has hailed the arrangement as a win-win for

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both news outlets – a way to add depth to TV news while adding more visual style to the newspaper and spreading reporting costs across two organizations.

But critics of the arrangement say that it has led to less in-depth reporting at both outlets, as well as a lack of diverse competition for stories.

**4) Geography:** Certainly, the areas that are hardest hit by the recession have seen a similar reduction in their news menus. In Detroit, Gannett-owned Detroit Free-Press reduced home delivery to three times a week in late 2008. Obviously, this was directly linked to that area's economy, which was tied to the automotive industry and was drastically impacted by the Great Recession.

Yet in other smaller markets, where Internet use may not be as prevalent, local newspapers are thriving. For example, operating income in the publishing division at Gannett revenue rose 59.4 percent in the first quarter of 2010 as compared with the same period in the previous year. While that division includes USA Today, most of those revenues came from publications at smaller to mid-size cities where the local newspaper is the main source of news for that area.

**5) Diversity of and/or decline in revenue streams:** One point to make here or somewhere is that newspapers and to a lesser extent TV stations were money machines for most of the last century. That led to expectations by investors and owners that profit margins as high as 30 percent would continue forever.

But the decline in revenue streams is a major issue at most local news outlets. The market for ad dollars has become increasingly fractured and varied as Internet outlets and self-serve online ad services such as Google's AdSense have come online. Advertisers can increasingly target to specific audiences instead of using mass media to get their message across.

This presents a major threat to the lifeblood of most news organizations – advertising revenue. The ongoing economic recovery will muffle this somewhat, but this trend will only continue at a slower pace in the coming years as a new generation of news consumers accustomed to getting information online for free or for little cost becomes more prevalent.

**6) Technological innovation:** In many ways, newspapers and TV stations helped create the very Internet and World Wide Web that is now challenging their bottom lines. Newspapers and wire services have led the way in getting information around the world quickly. And many newspaper and TV station websites continue to innovate with ways to gather and present data in a user-friendly way. For example, the website Politifact (an offshoot of the St. Petersburg Times) won the Pulitzer Prize for Public

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Service Journalism in 2009 for its ability to fact check so quickly online what politicians were saying on the campaign trail.

The lack of innovation has come in the business models – how can we turn our independent, thorough reporting and storytelling into revenue and eyeballs that will draw advertising revenues.

**7) Cost reductions:** Beginning even before the World Wide Web started taking market share from traditional media outlets, cost cutting has been a part of the media business during economic downturns. But the Great Recession has made it even worse. Some estimates have it as nearly 1,800 newsroom journalism layoffs or buyouts in 2010 alone to date – with nearly 5,000 lost in the last four years.

This has certainly hampered newsgathering efforts in many markets, as some stories have gone untold.

**8) Audience growth:** Newspapers and to a lesser extent TV stations do not suffer from an audience problem – they suffer from a revenue problem. In many cities and markets, readership is up, either through subscriptions and single copy sales or viewership. It's just that the ability to price the advertising product to the level that will pay for newsgathering has been weakened not only by the economy, but by the increasingly dizzying choices being presented both consumers and advertisers.

Among major newspapers, circulation fell 10.6 percent in 2009 as compared with the previous year, and 7.1 percent on Sunday. But there is some background noise to that number: many papers have retracted their suburban coverage or even coverage of the urban core to satisfy more affluent readers and advertisers. This was done as a cost-cutting move.

But as circulation has dropped, viewership of the websites of traditional news outlets has more than doubled over the last five years – proving that a reputable news brand can draw an audience, no matter the medium.

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Here is a look at the circulation declines year over year at the nation's largest newspapers:

**Top 15 Daily Newspapers Circulation**  
2008-2009

<b>Name of Newspaper</b>	<b>2008 Circulation</b>	<b>2009 Circulation</b>	<b>Percent Change</b>
Wall Street Journal	2,011,999	2,024,269	0.6%
USA Today	2,293,310	1,900,116	-17.1
New York Times	1,000,665	927,851	-7.3
Los Angeles Times	739,147	657,468	-11.1
New York Daily News	632,595	544,167	-14.0
New York Post	625,421	608,042	-18.8
Washington Post	622,714	582,844	-6.4
Chicago Tribune	516,032	465,892	-9.7
Houston Chronicle	448,271	384,437	-14.2
Philadelphia Inquirer*	300,675	361,480	20.2*
Newsday (NY)	377,517	357,124	-5.4
Arizona Republic	361,333	316,874	-12.3
Minneapolis Star Tribune	322,360	304,543	-5.5
San Francisco Chronicle	339,440	251,782	-25.8
Dallas Morning News	338,933	263,810	-22.2

\*- The jump is attributable to the inclusion, for the first time, of the Daily News, which is co-owned and now treated as an edition of the Inquirer. It is not an increase in the circulation of the Inquirer alone.

But it is important to note that these declines are in line with what would be expected in a major recession. Still, it has exacerbated what has been a 20-year declining trend.

Here is a good resource for follow ups:

<http://www.stateofthedia.org/2010/>

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**15. Does the efficiency and specialization of the Internet make it less likely to support the cross-subsidies that existed for many decades within newspapers (in which, for example, popular human interest content effectively cross-subsidized news reporting)?**

The aggregation of diverse content is one of the things that newspapers did so well – there was something for everyone in the daily paper. The Internet has exploded that model with its long tail of specialized content and niche sites. And that model has indeed provided a major threat to the aggregated news daily.

But the premise of the question is flawed – that news reporting doesn't sell. In fact, hard hitting news stories sell papers and raise ratings for any outlet as well as any sports coverage or popular human interest content.

The bigger cross-subsidy issue that must be addressed for newspapers is how much longer the shrinking print product can continue to support online efforts at each of those organizations. At most papers, the vast majority of revenue and profits (if there are any) still come from the print products. And the vast majority of the content and news gathering staff is paid for with those print revenues.

Advertising-based Web sites are still not nearly as lucrative as their print cousins. Some organizations (most namely *The Wall Street Journal*) have gone with a subscription model. A hybrid subscription/free model is under development at *The New York Times* in the coming months. But revenues at newspaper Web sites do not come close to covering the cost of operating a full newspaper newsroom.

So the challenge remains, online news consumers have been brought up with “free” news subsidized by advertising that does not cover the cost of gathering the news being presented. Some sites have found some success in “aggregating” reports from other online and print sources, but many papers have fought back either legally or through technology and blocking access to search engines and other copying.

And to that point, here is a cautionary tale pulled from the Wikipedia page about the Chicago Tribune and the Tribune Company:

On September 8, 2008, [United Airlines](#) lost (and later the same day almost regained) USD \$1 billion in market value when an archived 2002 [Chicago Tribune](#) article appeared in the "most viewed" category on the website of the [Sun-Sentinel](#). [Google News](#) index's next pass found the link as new news. Income Security Advisors found the Google result to be new news, which was passed along to [Bloomberg News](#) where it became a headline. (Tribune Company who owns both papers noted that one click on a story in non-peak hours could flag an article as "most viewed".)<sup>[9]</sup>

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## COMMERCIAL BROADCAST TV AND RADIO, CABLE AND SATELLITE

### **Question 17:**

**With regard to national commercial television and radio, what have been the trends, and what is the current state of affairs, regarding news staffing (for network, cable and satellite) and coverage (international, national and local)? What types of coverage or programming have been changed, and in what manner? Over what time period?**

The simple answer is that staffing is shrinking and coverage is changing from far-flung and in-depth to local and less complex. The recession only hastened industry evolution as a variety of forces converged.

Technological innovations continue to reduce the personnel necessary to gather and transmit news. In many cases, the audience has become part of the news-gathering effort, aided by what Bill Fee, general manager of Cincinnati's ABC-affiliate WCPO-TV, calls "the explosion of wireless network technology using ever-smaller devices to generate and transmit news through cell phones, laptops, and skype." Fee cites the "Green Revolution" in Iran late last year as one example and says it points to inevitably "smaller newsrooms, especially overseas, and much more technological news gathering."

At the same time, the economic downturn that's gripped America has applied fiscal pressure the networks and local stations could not ignore. The networks have slashed news staff, especially overseas but also in domestic bureaus across the heartland. Local stations have let go veterans and replaced them with cheaper, younger labor as many repurpose employees into newly created positions that combine skill sets previously held by separate personnel.

None of this will address the need for a new business model as audiences continue to fragment, not just through the growth of cable and the internet, but in how they consume the news on ever-newer devices. All this has stressed the advertising revenue that's been the lifeblood of commercial television and radio. The business model that built this industry won't sustain it under these pressures. As Scripps Media Inc. CEO Rich Boehne says, "As the audience fragments, the number of eyeballs watching traditional TV news gets smaller and the revenue shrinks."

Partially for economic reasons, partially to satisfy an audience gravitating toward shorter "bites" of news, coverage has changed dramatically in the last five years. The number of investigative reporters has plummeted, as has coverage of governmental bodies and the courts. Most television outlets no longer have beats, or areas of specialization, but rather employ generalists to cover spot news of the day, rather than trends, issues or what traditionally has been called enterprise reporting.

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Boehne argues part of the problem involves federal regulation that prevents in-market consolidation. He says that leads to duplication of coverage by three to five or more "TV news departments providing nearly the same content to a shrinking audience... fighting for 'share' as the overall pie gets smaller." He urges allowing stations to join forces and redeploy some resources to allow each then to pursue separate "broader and deeper news coverage across all media platforms". He predicts that would increase the storytelling and enterprise reporting on local television necessary at a time when coverage by newspapers is in decline. Boehne's perspective runs counter to other journalists who say fewer voices would lessen the variety necessary to allow for a richer, more diverse read of the community, providing educational and civic public service.

**Question 18: (split under its various topics)**

**For local commercial broadcast television and radio stations, what have been the trends for staffing, the amount of local news and information aired, the audience ratings for such programming and local station profitability?**

Some of the staffing issues were addressed previously. As Fee says, "For the most part, local stations have trimmed their newsrooms in order to cope with the staggering loss in profitability this industry has suffered." In addition to audience fragmentation, there's the free-fall of the advertising business (answered more fully below). Since employee payroll represents 50% of overall expenses at most stations, the severe revenue declines have left networks and some stations with few choices but furloughs and layoffs. Some station groups including Scripps have tackled the future without reductions in staffing, gambling that their efforts toward training staff with multi-media capabilities will pay off as audiences consume their product on its various platforms.

Rather than less time devoted to news programming, in reality stations are airing more hours of news each day than ever, as it has provided a less expensive form of programming than syndicated or dramatic shows. Unfortunately, more hours hasn't meant more news, as the same content repeats regularly.

Questions of audience ratings vary by market but overall, local news viewing has declined due to some of the pressures discussed in question 1, as in more competition from cable, internet, and other choices. Lower news ratings have created "an additional burden on local stations to maintain profitability... which has severely strained the viability of the local television business," says Fee. "Stations are simply fighting for their lives to remain solvent. Let me be clear. This is not a discussion about a smaller profit than a few years ago. It is about staying profitable, period."

What have been the roles of station debt, advertising revenue declines, government policies, efficiency improvements, and ownership consolidation (including combining the news staffs of commonly owned or operated stations)?

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For some companies, station and group debt has played a major role in cuts regarding news staffing and newsgathering. For the previous decade, owners' "thirst for more markets... resulted in oppressive debt for many players," says Fee. The result is clear with numerous Chapter 11 filings, in addition to cost-cutting measures that have impacted the daily journalistic enterprise.

The advertising business represents 100% of a local station's revenue, so you can't underplay the impact of its decline. Fee says it's "in a deep *depression*, not just a *recession*. In Cincinnati, the combined revenue brought in by the six local commercial stations fell 25% from 2008 to 2009." Fee also says government policies haven't helped. The FCC has publicly expressed its views regarding broadband and the digital spectrum, which Fee says "are very troubling to station owners. With traditional viewing waning, profitability plummeting and competitive news and programming operations proliferating, the digital spectrum represents a vital opportunity to maintain solvency. If the federal government limits or reduces our ability to utilize the spectrum, our livelihood will be severely threatened."

Efficiency improvements as discussed above don't have to impact journalism but clearly have. In cases where ownership consolidated news operations, layoffs have resulted in fewer voices and less content generated. Some stations instead have chosen to pursue joint news gathering partnerships for court coverage and press conferences in an effort to maintain newsroom staffing for unique coverage.

What has been the impact of competition for audience from the Internet or other information sources? How are these broadcasters using the Internet, mobile applications, their multicast channels/additional program streams, or other new technologies to provide local news and information? How have these changes affected the availability of educational programming for children?

No one can deny the overwhelming impact of competition from the Internet. From a newsgathering perspective, it allows flow of information around the clock instead of the time-specific on-air TV model. Further, "it floods the market with additional ad inventory, diluting pricing for advertising," Fee says.

Broadcasters are getting in on the act by creating sites "to use the internet to their advantage by building brand and making content available 24/7," says Boehne. New media including internet, mobile and other hand-held devices present an opportunity for television news departments to morph their message to current preferences of consumption. Fee says "This is television's future. If it is not embraced, stations will not survive." He quotes Boehne as calling it "running to the fire," instead of away from it.

Broadcasters haven't done a good job exploring the Internet as a platform for other local content categories that don't duplicate what's already on the air, thereby creating new programming relevant to the community. Any such expansion may have to wait until current economic conditions improve to allow investment.

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Mobile will play an important role from a content standpoint. Business models are yet to be determined. Local broadcasters are in the best position to provide impactful local content for mobile, plus they have the distribution system all ready to go.

**Question 19:**

**Broadcasters have certain public interest obligations, including that they provide programming responsive to the needs and issues of their communities and comply with the Commission's children's programming requirements. Cable and satellite operators have their own responsibilities (some of which are discussed below). Should these or other existing obligations be strengthened, relaxed, or otherwise re-conceptualized in this digital era? Should such obligations be applied to a broader range of media or technology companies, or be limited in scope? What should be the nature of those obligations, and what would be the most effective mechanisms for ensuring the availability of news and information? Have the FCC's past regulatory or deregulatory approaches (e.g., public interest guidelines, disclosure requirements, expedited license renewal procedures) been effective, and if not, why not?**

It is no wonder the FCC hasn't kept pace with whether new players provide or should provide the same public interest obligations as those broadcasters must fulfill. The pace of technological innovation would make it difficult for any agency to adjust with a constantly changing milieu. For this reason, the Commission should answer the questions within this topic in terms irrelevant to the specific medium but rather open to free market forces that will allow broadcasters to earn a return on investment in the very programming the FCC demands in exchange for our licenses. As Boehne says, "The regulatory topics mentioned above, while important, are not those of real-world impact on our service to public interest. Of larger impact has been the FCC's role in discouraging local consolidation of broadcast stations or certain broadcast station functions, and discouragement of cross-ownership with newspapers. These impede the natural development of local news organizations and their development of news content for developing digital platforms. The FCC should spend some time looking at these businesses from the consumer's point of view and allow broadcasters to adapt, thereby providing the most impactful service to communities."

The digital transition has allowed television outlets to expand content on a variety of platforms including digital sub-channels, which the FCC regulates. On the other hand the rapidly exploding use of web and mobile applications remain unregulated by the FCC. Even though they present opportunities "ripe for cultivation of news content", Fee urges the Commission to resist "further extension of federal regulation onto these emerging platforms." He says such a move would prove unhealthy, stifling content development and impeding "the rapid rush of broadband development for the masses."

The FCC also has made overtures to recapture some of the digital space currently owned by broadcast companies for telecommunications. Fee says that also would be "unfair and anti-competitive." Broadcasters need revenue from these digital subchannels emerging platforms to replace that lost in their legacy medium. Fee argues that "The biggest responsibility broadcasters

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must demonstrate as digital technology evolves is the *development of relevant, useful, responsible news and information on these emerging platforms that will serve as revenue enhancement for the station, but not to that end alone.*" Broadcasters must be allowed to prove they can supplement revenue-generating programming with meaningful news and information that serves the community.

**Question 20:**

**When determining whether the public's needs are being met, should policymakers assess the adequacy of community information by looking primarily at particular media delivery systems (e.g., broadcast, cable, satellite), by focusing on general media types (e.g., television, radio, print), or by looking at information availability within a community as a whole (e.g., neighborhood, city/town, state)?**

This question above all reveals the sea-change the FCC must embrace as traditional media have morphed into new forms not easily defined by old technology. Through time, the broadcast industry has been regulated while print has not, "staunchly defended by the first amendment", as Fee reminds us. "As the lines between media competitors become blurred, with the internet and broadcast becoming common ground for all media companies" Fee suggests allowing free market forces to determine how these new technologies and content platforms evolve. If "print media develops new content on unregulated highways, those same highways should be unregulated for broadcasters as well," even if broadcasters remain regulated in their principle line of business (the airwaves). This will serve the public interest as "the free market will reward content which is meaningful, useful and relevant. Broadcasters, cable and satellite companies, and newspapers all have a responsibility to serve the public interest, and the free market is the best way to determine who stays and who goes," says Fee.

Taken a step further, the FCC needs to consider if any of the options it poses within this question apply or should apply any more. As Boehne says, "Policymakers should assess the adequacy of community information through the lens of the information the consumer, the voter, the taxpayer, the local institution. Gone are the days when it's appropriate to look at media in its traditional silos, which were built upon existing methods of delivery versus preferred methods of consumption."

It is no longer appropriate to determine whether public needs being met through the lens of media delivery systems or media types. Boehne quotes an old saying in the media business: "'Communication is not what's being said; it's what's being heard.' The FCC might be well served by focusing some time on the real-world needs of those who are listening and being served, instead of focusing on those who deliver the information."

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## NON COMMERCIAL AND PUBLIC MEDIA

### ***21. With regard to nationally-oriented noncommercial television and radio (including public broadcasting stations), what have been the trends and what is the current state of affairs regarding news staffing and coverage (international, national, and local)?***

21) During the 1980's and 1990's as news coverage on commercial radio shrank in response to regulatory and economic changes, news staffing coverage on non-commercial radio grew. However, during this past decade, news staffing and coverage have shrunk. National Public Radio announced a cut of 64 positions in December 2008<sup>viii</sup> and another, smaller round of layoffs in April 2009<sup>viii</sup>. There have been some reductions in local station staffing as well. Maine Public Broadcasting laid off 8 staffers at the end of 2008. Colorado Public Radio cut and froze salaries roughly six months later.<sup>viii</sup>

Local, non-commercial television licensees normally devote more airtime to “public affairs” programming and documentaries than to daily news. But here, too, there's been evidence of staff reductions as a result of financial pressure.<sup>viii</sup>

<sup>viii</sup> *NPR to Cut 64 Jobs and Two Shows*, The Washington Post, December 11, 2008

<sup>viii</sup> - *NPR Cuts 13 In Second Layoff Round; Imposes Unpaid Leave*, paidContent.org Friday, April 24, 2009

<sup>viii</sup> *Colorado Public Radio Cuts Salaries*, Denver Business Journal. June 18, 2009

<sup>viii</sup> *State funding halved, Elkhart's WNIT Public Television Cuts Staff*, Indiana Economic Digest, February 17, 2010;

*Budget Cuts Force PBS-39 to Cancel Programs*, The Morning Call, October 13, 2009

*APT Cuts Program, Staff*, press release, Alabama Public Television, January 9, 2009

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***22) For local noncommercial television and radio stations, what have been the trends for staffing, the amount of local news and information aired, audience ratings for such programming and local station financial health? If there have been news staff contractions, what type of programming has been cut back or changed? What have been the trends in funding from governmental, private sources and viewer/listener donations? What has been the role of government regulation? What has been the impact of competition for audience from the Internet or other information sources? How are public broadcasters using the Internet mobile applications, their multicast channels/additional program streams, or other new technologies to provide local news and information? How are they collaborating with non-broadcasters? How have these changes affected the availability of informational and educational programming for children and other informational and educational material?***

The economics of non-commercial licensees, like those of all broadcasters, is precarious due to the long-term trends of increased competition and fragmentation of audience, exacerbated in recent months by the Great recession. Federal Government funding of non-commercial stations has been uneven. State funding has grown, as have contributions from radio listeners (the public radio audience experienced a sharp increase in the last half of the 1980's and the first half of the 1990's).<sup>viii</sup>and, over time has led many licensees to put that the percentage of revenue derived from governmental sources has shrunk. To some degree, this has been replaced by funding from listener contributions, which has grown along with the audience for such stations, especially radio, in the late 1980's and throughout the 1990's. However, non-commercial broadcasters have come to rely increasingly on dollars from corporate entities through underwriting grants. In a bid to encourage more of those grants, the standards for the on-air copy of underwriter announcements have been relaxed making underwriter announcements on television and radio look and sound increasingly like the advertising of commercial radio.

Non-commercial broadcasters, like their commercial brethren, have faced some additional competition from other media. There was some particular concern at the start of this decade, among public radio stations, about the impact of satellite radio on listenership. However, Sirius/XM, the satellite radio operator, reported only about 19,000,000 subscribers as of the end of 2009. As a result, it has had only a marginal impact on rating numbers for individual public radio broadcasters around the nation. The internet provides potential competition for many forms of traditional media. To date, the impact of the internet, including audio services known as "internet radio stations," on audience ratings has been muted. In addition, non-commercial broadcasters are free to join in creating and distributing programming, along with other entities, so it is possible, in theory, that as more consumers choose to find audio and video programming via the internet, they will continue to gravitate toward offerings of the same non-commercial entities they've chosen to rely on for television and radio programming. Government regulation can have a powerful impact on the shape and function of broadcast media. De-regulatory changes in both ownership and programming rules during the 1980's triggered a response by radio licensees that led to a major decline in news programming on commercial stations and

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undoubtedly contributed to the sharp rise in audience for public radio during the 1980's and 1990's.

<sup>viii</sup>Rowland, Willard D. Jr., Ph.D., Public Broadcasting in the United States, *Encyclopedia of Communication and Information*, p.16-17

***23) In general, how, if at all, should noncommercial television and radio licensees change to meet the challenges and opportunities of the digital era? How does the role of public media differ from that of commercial media? If there is a greater role for public media in meeting the information needs of local communities, how should that be financed? What***

While the fundamentals of journalism remain the same for broadcasters: seeking out truth through research and reporting in ways that are fair and accurate, there's no question the landscape over which audio and video journalism plays out is widening. The internet has brought broadcast-type programming to computers worldwide and, increasingly, to portable devices more versatile and capable than any transistor radio, or battery-powered TV. The barrier to entering the world of audio and video journalism has been dramatically lowered. Noncommercial television and radio licensees have already begun changing to cope with this new environment by placing much of its content on web pages and many are experimenting with social networking sites like Facebook and Twitter as alternative ways to communicate with a potential audience.

Some noncommercial stations have begun developing content exclusively for their web sites, as many commercial licensees have. This dramatically-widened landscape has stretched existing pools of funding and created what is probably the greatest challenge to the long-term future of these licensees, especially as producers of content, including local journalism. One way to approach this challenge is with cost controls and the Corporation for Public Broadcasting is seeking to encourage public broadcasting stations to have joint master control operations for just that purpose<sup>viii</sup>.

The Internet raises other questions about the role of licensees. What, for instance is the role of local broadcasters in an era when larger networks, in the case of noncommercial broadcasters entities like PBS and NPR can now reach audiences directly through their own web sites. NPR, for one, has, for now, adopted a strategy that will continue to emphasize local entities as a point-of-contact for network programming, even over the web, as a way of keeping those local entities strong enough financially to produce local news production.<sup>viii</sup>

But financial challenges are nothing new for noncommercial licensees in the U.S. Government finance is rooted in the idea that some of the programming desired by Americans is simply not commercially viable. To some degree this remains true today and so there remains a role for government funding for noncommercial licensees. While the seminal Carnegie Corporation report of 1967 called for full funding of public broadcasters via a tax on television sets, Congress chose instead a hybrid system in which public contributions and corporate underwriting also contribute to the system. Over the years underwriting standards have been loosened and while a

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further change might well benefit noncommercial licensees financially, the public it serves has come to see the “noncommercial” nature of the programming as a reason it supports the system and so there could be an offsetting decline if they perceive a growing sameness between underwriter announcements and their commercial brethren, the paid advertisement.

***24) Should the Public Broadcasting Act be amended to restructure and augment investments in noncommercial media? Are the experiences of other countries instructive on this question?***

The Society represents professional journalists who are dedicated to providing the public with information that, as much as humanly possible, is free of bias. One of our keystone documents is our Code of Ethics, which states, “Journalists should be free of obligation to any interest other than the public’s right to know.” A major role of all journalists is to act as the public’s watchdog over the activities of government. All of this combines to create a delicate situation when the journalism is being done, in part, with funding provided by the government itself.

The potential for conflict was recognized early on and was dealt with by the creation of the Corporation for Public Broadcasting. It actually receives the government funding and, in turn, decides on its disbursement to public broadcasting entities. However, this structure has not prevented some attempts by those in government to apply political tests to funding for public broadcasting.<sup>viii</sup> In considering any re-structuring of the Public Broadcasting Act, the Society believes great care should be taken to maintain the independence of public broadcaster’s journalism operation. Any increased government funding for public broadcasters should come from sources, or follow formulas, that keep it free of year-to-year control by officials of the legislative or executive branches of government.

<sup>viii</sup> Current, March 1, 2010

<sup>viii</sup> *NPR Amps Up*, Columbia Journalism Review, March-April 2010

<sup>viii</sup> *Kenneth Tomlinson Quits Public Broadcasting Board*, The Washington Post, November 4, 2005

**Irwin Gratz**  
**President of Society of Professional Journalists, 2004-05**

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## **Testimony of the Society of Professional Journalists and the SPJ Digital Media Committee regarding the FCC report: “Future of Media & Information Needs of Communities in a Digital Age”**

Last summer, researchers from the University of Southern California and Seton Hall University teamed to analyze hundreds of hours of news from local television news broadcasts in the Los Angeles market. Their research revealed a typical 30 minutes of air-time contained slightly more than eight minutes of local news, the majority of which was crime stories and soft news such as features.

In all, the television news programs provided a mere 22 seconds of local government coverage for every half hour of air-time. And stories of civic importance — such as pieces on local businesses and the economy, public corruption and health issues — accounted for just 13 percent of all air-time.

The Federal Communications Commission’s licensing rules dictate that television stations operate in the “public interest” and air programming responsive to local needs. But as Los Angeles Times reporter James Rainey put it, “broadcasters follow FCC rules like L.A. drivers follow stop signs: as helpful reminders for anyone who doesn't happen to be in a big hurry.”

Despite the seeming abundance of choices for news, opinion and analysis across content platforms, grave threats imperil the quality and quantity of information available to the public in the digital era. Legacy media outlets are scaling back coverage too quickly for promising online news operations to fill the gaps.

That’s why now, more than ever, the FCC’s efforts — via its investigation of the media’s future and its quadrennial review of media ownership rules — are vital to promoting the free flow of information to maintain a vibrant democracy. And the recent USC study of Los Angeles television news programming underscores the need for the government to act.

The research shows that cable stations, like other legacy media, often fail to provide the substantive news needed to inform the electorate and watch over the public’s interests. Given the constant staff reductions of media companies today, this situation is only growing worse exacerbating disturbing media trends that began decades ago.

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Responding to the FCC's call for input, the Society of Professional Journalists — the nation's oldest, most broad-based journalism organization — and its Digital Media Committee have outlined a series of recommendations on how the government can help the media.

The government should foster a diversity of voices across media platforms with statutory and policy changes that; make government information more readily available and retrievable; ensure all Americans have open and speedy access to the Web; increase spending on public media and enhance existing tax breaks and subsidies for the journalism industry.

Of course, any governmental action should preserve the editorial independence of the media, and the measures taken should not favor one medium over another or deter competition on the Web. In addition, SPJ's recommendations should not be mistaken for a proposed federal "bailout" of journalism.

These suggestions are meant to spur a candid conversation about the roles the federal government and states have long played in helping the media and the other content-neutral ways the government can assist the journalism industry today.

In their book, "The Death and Life Of American Journalism," Robert McChesney and John Nichols detail the steady erosion of quality journalism, which accelerated with the rise of corporate media in '80s and '90s.

In a recent issue of *The Nation* magazine, the authors describe how a select few companies came to dominate the news industry making immense profits. And, long before journalism's current tumultuous state, the companies were downsizing reporting staffs and producing cheap, fluff journalism "based on trivia, sensationalism and press releases."

At the same time, publicly traded conglomerates have wounded themselves by over leveraging themselves to snap up media properties while channeling the double-digit profits of recent years to Wall Street investors instead of investing in news operations.

As the result of these failed strategies, bad business decisions and the constant pressure of investors seeking ever higher profits, many cities' legacy media entities are on the brink of bankruptcy despite underlying operations that are still profitable.

The rise of the Internet and the emergence of the current economic downturn have created daunting financial challenges for the news industry. The Internet has freed channels of information dissemination for the public. But news has become an unprofitable commodity and advertisers are now seeking alternative means to communicate with the public.

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Meanwhile, news coverage continues to erode rapidly. Newspapers, for example, have eliminated one in three newsroom positions since 2001, according to the Pew Research Center's 2010 State of the News Media report. Similar cuts have ravaged the newsrooms of television and radio stations.

Ad revenue is diminishing as the economic foundation supporting the traditional media continues to break apart. From 2008 to 2009, ad revenue for local television and radio stations respectively plummeted 22 percent, magazine ad revenue fell 17 percent, network television was off 8 percent, and even online ad revenue dropped 5 percent overall, according to Pew.

Nichols and McChesney are especially grim — they question the journalism industry's ability to survive under the current economic model. "The market has voted journalism off the island," they wrote in *The Nation* last year. "This necessary nutrient of democracy will be washed away unless we recognize that commercial values are no longer going to provide us with sufficient quality journalism."

SPJ and its Digital Media Committee do not share the same level of pessimism for the future of the media. Nonetheless, we are alarmed by the industry's turmoil and concerned about the media's ability to continue fulfilling its mission.

In this regard, online media observers can draw hope from the growing numbers of numbers of blogs, community news startups and other websites providing local news, investigations and coverage of national and international affairs.

But, like television and radio stations, many are dependent on the shrinking share of original reportorial journalism produced by legacy media such as newspapers. And these news websites have yet to fill the gaps left by traditional media or find economic models viable for widespread use.

There's no framework to immediately and definitively fix the news industry. But here are recommendations for how the federal government, and the FCC specifically, can help Americans get the news they need.

### **Making prudent media investments**

The government should preserve, enhance and expand hundreds of millions of dollars of tax breaks and special subsidies to legacy media, and ensure news websites get the same benefits. Further, taxpayers should receive credits for media consumption including newspaper subscriptions.

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Such measures would be in keeping with the important role the government has historically played in supporting the media as outlined in “Public Policy and Funding the News” by Geoffrey Cowan and David Westphal of USC.

More than 200 years ago, our forefathers had the foresight to establish massive government subsidies to promote the growth of the news industry. Traditionally, government assistance has come via postal subsidies and special provisions in the federal and state tax codes — not to mention regulations requiring the publication of legal notices.

These subsidies and tax codes collectively amount to hundreds of millions of dollars in lost revenues for the government. And they allow for discounted mailings and special treatment for the media such as when newspapers write-off the purchase of newsprint and ink. The Internet, cable channels and broadcasters have benefited from government help, too.

Broadcasters receive their licenses for free provided they devote time to news and information that serves the public good. Cowan and Westphal of USC also point out that cable television news channels directly benefit from FCC regulations allowing cable operators to bundle services, which generate subscriber fees to channels such as CNN and Fox News.

Plus, the USC researchers highlight how Internet entrepreneurs — who’ve already profited from the government’s investment in creating the Internet and the federal “Internet Tax Moratorium” law — will soon reap benefits from stimulus monies to expand high-speed Internet access.

Today, new federal investments are needed for digital innovations and online journalism. News websites and blogs are creating a new news ecosystem and their development should be fostered. Another fund should be used to retrain journalists in digital media so they can create these new media operations and improve existing news outlets.

Additionally, SPJ and its Digital Media Committee couldn’t agree more with the FCC goal, highlighted in the National Broadband plan, of increasing federal funding to create a “robust public media” online for “broadband-based distribution and content.”

As for-profit media outlets eliminate arts coverage and decimate state, national and international bureaus, more government assistance is essential for public media to carry on investigations, cover hard news stories and produce pieces of cultural significance.

### **Expanding Internet access**

Digital media offer unprecedented opportunities for the sharing of news and information and fostering democratic engagement. That’s why it’s vital the FCC codify the widely stated “four

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freedoms” or principles of “Net Neutrality” so Internet Service Providers function as unbiased pipes that offer the same treatment to all users and data on the Internet.

The four freedoms provide that consumers should be able to: “[have] access to their choice of legal content;” “run applications of their choice;” “attach any devices they choose” to the Internet and “receive meaningful information regarding their service plans.”

We also support the two new principles, articulated by FCC Chairman Julius Genachowski: that broadband providers should not be able to discriminate against Internet content or applications; and Internet Service Providers should manage their networks in a transparent manner so consumers know if traffic is being manipulated.

No Internet Service Provider should be allowed to pick winners and losers on the Internet by slowing down certain traffic and erecting what some have dubbed “tollbooths” and “tiered access plans.” Nor should consumers be restricted from using devices and applications provided they don’t harm the network. These Net Neutrality rules should be applied to both wireless and wired technologies.

FCC Chairman Julius Genachowski put it best during a September speech to the Brookings Institution after he asked why the Internet has come to drive innovation and economic growth. “A big part of the answer traces back to one key decision by the Internet’s original architects: to make the Internet an open system.”

In the same speech last year Chairman Genachowski said, “We cannot know what tomorrow holds on the Internet, except that it will be unexpected; that the genius of American innovators is unlimited; and that the fewer obstacles these innovators face in bringing their work to the world, the greater our opportunity as citizens and as a nation.”

Chairman Genachowski’s position dovetails with that of the Society of Professional Journalists and its Digital Media Committee. Furthermore, we support the goals of the National Broadband Plan. However, we hesitate to take a stance on certain proposals within the plan pending the availability of more specifics regarding how they might be implemented.

For example, questions remain regarding the logistics of the FCC's potentially freeing new spectrum, which television broadcasters currently possess, in a manner that is fair and satisfactory to the stations involved. And, if bandwidth were to be freed, auctions would need to be conducted in an equitable way that gives companies of all sizes a chance to purchase it.

Additionally, we commend the FCC for creating the National Broadband Plan, but we await pending litigation clarifying the agency’s authority to regulate the Web. Plus, we expect answers

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to emerge in the coming months on a range of other questions about how the FCC and other government entities might implement portions of the plan.

In the interim, we wholeheartedly support proposals to increase provider transparency regarding Internet speeds and prices and the data companies collect regarding users. We believe in the necessity of a healthy, competitive marketplace for broadband services and back the idea of extending high-speed, affordable Internet access to every American.

In particular, we support the FCC's push for digital literacy, and we ask for more funding and a renewed effort on media literacy training as well. It is not enough to teach Americans to understand and utilize the power of the Internet.

Once it took the *Washington Post's* printing presses to enable reporters such as Bob Woodward and Carl Bernstein to bring down a president. But, in the digital era, Americans must realize they too have the power, as bloggers and citizen journalists, to alter the course of Democracy.

### **Promoting government transparency**

Though it can serve as a boon to education, innovation and trade, high-speed Internet access for all Americans won't better democracy if it doesn't promote greater government transparency.

What good is a speedy Internet without government information on the other end? Increased government funding is needed for all federal agencies and branches to publish and archive documents online in an easily searchable and retrievable form.

The government's existing online document publication and retrieval utilities fall far short of the uniform and comprehensive system America needs. And the Society of Professional Journalists is concerned with media and Government Accountability Office reports over the years. They depict a federal government seemingly unable — and sometimes unwilling — to readily preserve and share the trove of emails and electronic records produced daily.

The need for thorough, user-friendly online archives has only grown since federal officials have come to use personal and government email accounts to replace meetings and phone calls. At the same time, the government now prints fewer reports and federal employees increasingly use websites and new media to publicize and discuss policies.

Further, it is vital the National Archives and Records Administration succeed in overcoming cost overruns, delays and the other issues to create a comprehensive Electronic Records Archives for the federal government.

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Like other government agencies, the FCC also must preserve and share its documents and data online in a readily retrievable form.

### **Ensuring a diversity of voices**

The FCC exerts the bulk of its media regulatory power through the granting of television and radio station licenses and the enforcement of media ownership rules. The Society of Professional Journalists and its Digital Media Committee recommend that the FCC continue past rules restricting cross-ownership of media entities.

Large corporations, which already dominate America's biggest cities, have had little trouble creating media conglomerates across the U.S. under the existing regulatory framework, which also provides avenues to consolidation such as the duopoly waiver.

If media conglomerates are freed to control all or most of a city's major news outlets, consumers will receive news based entirely on those companies' financial decisions about the allocation of resources. Loosening the media ownership rules also creates opportunities for a single company to be the sole editorial decider and news content provider.

Corporations arguing for the relaxation of media ownership rules generally contend the Internet has given consumers a wide variety of news choices. Although community news startups are increasingly providing high-quality news, researchers have consistently shown that legacy media — newspapers in particular — still produce the bulk of reportorial journalism and they operate the most-viewed news sites.

Even the best community news sites draw much of their content from legacy media, according to a multi-university study in Pew's 2010 State of the News Media report. The report depicted a burgeoning yet fragile online landscape of community news sites, which currently lack enough original reporting and the financial means to replace traditional media outlets.

In a recent study of independent, city-specific local news providers, the websites examined by researchers Adam Lynn and Mark Cooper produced original hard news just 3.6 percent of the time. Most of the time, the sites just linked to legacy media stories.

Meanwhile, legacy media still serve as the primary means by which people get their news. In the same study, which used FCC survey data, Cooper and Lynn found "86 percent of the respondents use traditional media for local news and information." And "more than half of these individuals (46 percent of all respondents) use only traditional media and no alternative media."

Nearly seven out of 10 people say they get most of their local news from television stations, according to a March 2009 Pew Research Center poll. Even those individuals who get their news

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from blogs and social media websites ultimately are still relying on newspapers, television and radio stations for their information. Pew's ongoing study of more than a million blogs and social media sites found 80 percent of their links were to legacy media.

Some corporations contend a relaxation of media ownership rules will lead to more news because properties will share resources across platforms. But that's not the determination of Leonard Downie and Robert Kaiser.

In their 2002 book, "The News about the News: American Journalism in Peril," the authors found the majority of "news sharing amounts to little more than cross-promotion among co-owned or cooperating media."

"With a few exceptions attempts at synergy have produced relatively little additional original or improved journalism or new revenue," Downie and Kaiser wrote. "They mostly have 'repurposed' journalism already being produced by one news medium for use by another. In practice, this usually has meant repackaging newspaper journalism on television and the Internet, because newspapers continue to have by far the largest and most talented news-gathering staffs."

Generally speaking about mergers and acquisitions, research — such as the work of Case Western Reserve University professor Sayan Chatterjee — has shown the "synergies" large corporations predict from are often greatly overestimated. Their failure to materialize is one of the common contributing factors when corporate deals go bad.

For journalism in particular, mega-deals have not only failed to put the news industry on more solid financial ground, they've bankrupted many media companies and led to mass layoffs.

Allowing for greater consolidation in the media industry also fails to address the journalism industry's underlying problems in the digital age.

As the Pew Center put it in its latest State of the Media Report, "Unless some system of financing the production of content is developed, it is difficult to see how reportorial journalism will not continue to shrink, regardless of the potential tools offered by technology."

But the good news, as Nichols and McChesney point out in their recent piece for *The Nation* magazine, is "the politicians and regulators who have it in their power to do something about the decline of American journalism are finally paying attention."

It is incumbent upon the FCC, Congress and other government agencies to help the free press envisioned by our nation's founders flourish. For its part, the Society of Professional Journalists and its Digital Media Committee stand ready to offer guidance and support.

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**Hilary Fosdal**  
**Chair, Digital Media Committee**  
**Society of Professional Journalists**

## **INTERNET AND MOBILE**

### **37. What kinds of digital and media literacy programs are appropriate to help people both use new information and communications technologies effectively and to analyze and evaluate the news and information they are receiving?**

To begin, understand that this is not a project for this year, next year, or the next decade. It's a project that must start now and must last for generations. The project is absolutely necessary if America is to continue as a vibrant democracy. A nation cannot survive without a literate and well-informed citizenry.

The First Amendment gives all Americans the right to free speech. It does not say that only those who speak the truth shall be heard. In this digital age of information immediacy, misinformation and untruth can travel around the world faster than the speed of light. The public needs guidance. The Society of Professional Journalists has been a guide for journalistic ethics for more than a century. Its guidance is necessary now more than at any time in journalism history.

First, it will be necessary to form a coalition of all organizations, groups, and businesses that deal in information. That's just about everyone. But the major players – the organizers – will most likely be media and education organizations. SPJ can take the lead in forming such a coalition because it encompasses all media, is involved in journalism education, and has organizations in every state.

This first step includes setting a goal and game plan. The general goal should be providing all United States citizens with the tools necessary for information literacy. Briefly stated, all U.S. citizens should be able to tell fact from fiction. If SPJ can get commitments from several organizations this year, we could invite them to the national convention in October and announce the project. We could publicize it and expand it. Seek grant money. There are organizations that provide funding for community based projects, and this certainly is community based. It would be a great start if SPJ could announce at the October convention that it had coalition support and possibly grant funding. And who knows, perhaps the FTC would get on board.

Second, how can we accomplish this? Here are some suggestions:

We can begin with the media and educators. A general gathering of representative organizations can come up with a startup program. Such a program can include town hall sessions, publishing and broadcasting information, advocating changes in public education, seeking financial support, etc.

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Next, recruit private and government policy makers to lobby for inclusion in our primary and secondary education systems course content that provides students with the tools to access and analyze information. Help in this area could come from higher education communication experts, and language and semantic study groups. The result could be publication of texts or text supplements that teachers can use in classrooms. Exposure to analytical thinking, propaganda techniques, and inductive and deductive reasoning can benefit not only consumers of information but also consumers in general – in dealing with sales personnel, interpreting advertising, recognizing scams, etc. The campaign will be long and difficult. Change does not come easy in the education system, which must accommodate unions, bureaucrats, parents, and students. But the process must begin. And SPJ should be among the starters.

Also, celebrity support is essential. The program needs endorsements from people who are recognized and respected: Leaders in journalism, education, government, entertainment, etc.

In general, it's a missionary project. We need to proselytize. We need a creed and an army of advocates. We won't convert everyone, but everyone will know what we are doing.

Never in history has the public been exposed to so much information and with such speed. It's essential that citizens be equipped to survive that information bombardment.

**Paul LaRocque**  
**Member, Ethics Committee**  
**Society of Professional Journalists**

This seems to be heading along the lines of the national campaign that SPJ and other news organizations promoted in the 1980s, I believe: "If the press didn't tell you, who would?"

We tried to revive that with "Consider the source."

Some high schools are teaching media literacy. I think it should be a requirement in public school curricula. I also think higher education has a role. Such classes should be accepted as part of humanities electives.

I'd love a national campaign. Perhaps we could get leading news organizations to develop their own or give them a template to adapt to their own.

Town hall meetings are good places, but Rotary and Lions clubs, etc. seem to be better bets because they already have an audience attending regular meetings.

**Andy Shotz**  
**Chairman, Ethics Committee**  
**Society of Professional Journalists**

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We think the FCC should stay away from regulating the Internet in any way. As Peter (Sussman) puts it: "I am disturbed that we are even debating NOT whether the government should have any role but what KIND of role it should have. It's none of their damned business."

My own thinking is that the FCC was formed to manage the orderly implementation of broadcast technologies -- not the news and information industry and certainly not the Internet. It is far exceeding its authority and purpose in looking into those issues as possible areas of regulation.

We have a guarantee of a free and unfettered press, and any attempt by the FCC to set quality guidelines or instruct people how to evaluate news would tend to thwart that. For SPJ to suggest there is some level where FCC intervention would be appropriate would be to put our entire industry on an unending slippery slope of government regulation of the news media.

Another consideration is that the Internet is an international medium. The authority of a US agency to regulate it can be compared to the efforts by other governments to do so. In most cases, that has resulted in utter failures that have been decried by our citizens and protested by target net-based corporations. The US should not follow down that treacherous path.

Finally, the FCC's missteps in attempting to regulate the broadcast news industry over the past decades have demonstrated its inability to do so. For the FCC to try to regulate the evolving online news industry would surely hinder small entrepreneurs and make larger investors take pause. It is a frightening prospect to someone like myself, who has spent the last 19 years working on the transition of shifting journalism into interactive media.

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