
BEFORE THE
FEDERAL TRADE COMMISSION
WASHINGTON, D.C.

FROM TOWN CRIER TO BLOGGERS:
HOW WILL JOURNALISM SURVIVE
THE INTERNET AGE?

NEW MEDIA WORKSHOP COMMENT
Project No. P091200

**COMMENTS OF THE
NATIONAL ASSOCIATION OF BROADCASTERS**

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Summary

Our local television and radio broadcasters and national broadcast networks occupy a central role in the nation's media ecosystem. The content and advertising competition produced by new media on the Internet and other new platforms have challenged news organizations in all sectors, including broadcasting. This challenge is particularly acute in light of today's sustained economic downturn.

In this new, highly competitive marketplace, it remains clear that broadcasting plays a sustaining role in local communities that is not being displaced by new media. Broadcasting continues to be the most trusted medium. It has earned that trust through decades of covering not only the high-profile events that drive the blogosphere, but the lower profile, day-to-day events that have broad impact in local communities. It has earned that trust by its leadership in emergency journalism, in which it is a lifeline for communities dealing with emergencies. And it provides a unique blend of national and local news coverage by virtue of the national-local partnership of the network-affiliate relationship.

Even as the broadcast industry economizes, it has deployed innovative new digital and Internet technologies to better reach viewers and listeners. Broadcasters are deploying new digital technologies, multiplying channel capacity in both television and radio, and making possible new mobile television services. They are providing essential platforms for community conversation on their Web sites, deploying iPhone and other mobile applications, and using social media platforms to interact more pervasively with their communities.

Policymakers should ensure that decisions assessing markets and policies take into account the overwhelming competition and diversity that exists in today's local media marketplace and should be cognizant of the dangers of imposing asymmetric regulation upon competitors. New and varied competitors to broadcast outlets have emerged, and the government should consider whether legacy regulations from a previous era now impede the ability of local broadcasters to continue to compete and to serve their viewers and listeners.

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Comments of the National Association of Broadcasters

Introduction

The National Association of Broadcasters (“NAB”) represents the nation’s television and radio broadcasters and broadcast networks. The more than 15,000 television and radio broadcast stations in the United States serve their communities of license through public service, local news, entertainment programming, and vital community information. Engaging in national and local journalism and acting as a lifeline during times of crisis is second-nature to television and radio broadcasters, who have thrived through repeated sea changes in technology and weathered every economic crisis since the Great Depression.

The Notice correctly points out that the content and advertising competition produced by the Internet and other new technologies has significantly challenged news organizations in all sectors, including broadcasting.¹ New technologies have produced dramatically increased competition for viewers’ and

¹ *Public Workshops and Roundtables: From Town Crier to Bloggers: How Will Journalism Survive the Internet Age?*, Notice Announcing Public Workshops and Opportunity for Comment (September 30, 2009) (the “Notice”).

listeners' attention and for advertisers' dollars. This challenge is particularly acute in light of today's sustained and profound economic downturn.² These secular and economic challenges have forced broadcasters across the United States to do more with fewer resources. Broadcasters are increasing their newsgathering efficiency with the creativity and dedication to community service that characterizes our industry.

Even as we economize, however, the technological developments fostered by the Internet have provided innovative new tools for reaching viewers, from online to mobile. The broadcasting industry is in the vanguard of deploying these technologies for the benefit of our communities. Even as technologies proliferate and our audiences seek content from a diversity of sources, broadcast journalism continues to occupy a central place in the local and national journalism ecosystems — particularly in times of emergency and crisis.

As we describe in these comments, we believe the government can best help our industry and the communities it serves by developing a new understanding of the relentless national and local competition that characterizes our markets, and the dangers of asymmetric regulation of directly competitive marketplace participants.

² See *BIA Lowers TV Station Revenue Forecast*, RADIO BUSINESS REPORTS/TELEVISION BUSINESS REPORTS, <http://www.rbr.com/tv-cable/15543.html> (July 1, 2009); *21 Percent Ad Decline Projected for Radio*, RADIO INK (July 13, 2009); Storm, Jonathan, *Economic Tailspin Batters Local TV*, PHILADELPHIA INQUIRER (May 20, 2009).

I. Broadcasting Continues to Occupy a Central Position in the Local and National News Ecosystems Even as Internet Content and Advertising Engenders New Competition.

Notwithstanding the sea changes provoked by the Internet and related digital technologies and the intense competition for advertising revenue among all types of traditional and online media, local television and radio continues to play essential roles in the media landscape that are not being displaced by online content providers. Broadcasting is the most trusted medium in the United States and is one that undertakes challenges that no other medium, new or old, is taking on. This trust and credibility are earned by broadcasters who are consistently covering day-to-day news events that matter to local communities and who are the essential first-informers of the media world when crises threaten their communities.

Broadcasting is Uniquely Trusted. A nationwide survey released in September 2009 by the Pew Research Center for the People and the Press found that “television remains the dominant news source for the public,” with 64 percent of respondents reporting that they receive most of their local news from television and 71 percent of respondents reporting that they receive most of their national and international news from television.³ Despite the unquestioned inroads made by Internet sources for news and information, 44 percent of respondents reported that local television stations “do the most to uncover local news stories,” and favorability ratings of local television news (73 percent) and national network news (64 percent)

³ The Pew Research Center for the People & The Press, PUBLIC EVALUATIONS OF THE NEWS MEDIA: 1985-2009, PRESS ACCURACY RATING HITS TWO DECADE LOW, p. 4 (September 12, 2009).

remain at the top of all media.⁴ This is consistent with other measures of media credibility, which consistently show that respondents rank radio and television above online media and other sources.⁵

Broadcast Journalists Cover the Daily Lives of their

Communities. This trust has been earned over decades of news coverage, but of course it could be lost or displaced by new competitors very quickly. A bedrock source of broadcasters' credibility in local journalism is the role of television and radio in reporting on the day-to-day life of the communities broadcasters serve. Broadcast journalists provide vibrant, competitive news coverage in local markets — not only of the high-profile news that merits comment in the blogosphere, but of the essential but low-profile news that emerges from city council meetings, zoning hearings and enterprise journalism about local officials and businesses.

Broadcasters certainly face increasing competition for local viewers from specialized blogs and Web sites that focus on specific issues of concern to their writers (and, of course, face dramatic new competition for advertising dollars from new Internet sources such as search advertising, a category that did not exist only a few years ago). But there are few online sources of news and information that aspire to cover the plethora of broad, day-to-day issues that communities demand from their local

⁴ *Id.* at 4, 11. Interestingly, local television news is not seen as partisan. Unlike many channels of information, local television news is seen as favorable by both Republicans (79 percent) and Democrats (77 percent). *Id.* at 12.

⁵ See, e.g., *Survey: Americans Increase Use of Online and Radio News Sources; Daily Newspaper and Television Use Drops* (ARAnet, September 24, 2009).

broadcasters. Broadcasters also provide additional, unique community service, including billions of dollars annually of free air time for public service announcements and funds raised for charities, other local civil organizations and causes, disaster relief, and needy individuals.⁶

A Commitment to Emergency Journalism Distinguishes

Broadcasters in the Media Ecosystem. A unique element of broadcasting's role in local markets, which undoubtedly contributes to the credibility that broadcast journalism has earned from its audience, is its leading role in emergency journalism. Broadcasters are the first-informers of the local media ecosystem, and they can be a lifeline for communities dealing with disasters, weather emergencies and other crises. As just a few examples:

- When a mine collapsed in Crandall Canyon, Utah, taking the lives of six miners and three first responders, journalists at Station KSL(AM), Salt Lake City, Utah, stayed on the job to produce wall-to-wall coverage of the emergency response, dozens of hours of special news programming, and nearly 80 additional newscasts.
- In the wake of Hurricane Katrina, 13 local radio stations banded together to continue broadcasting news, information about missing people, and other crucial content to New Orleans residents and first responders on Station WWL(AM), New Orleans. Television broadcasters WWL-TV and WDSU(TV) continued broadcasting despite the disaster by using transmitters in Baton Rouge, Houston and elsewhere.
- When the Interstate Highway 35 bridge over the Mississippi River collapsed in Minneapolis, television and radio stations remained on the air for days without advertising as the missing were identified

⁶ NAB's last comprehensive survey of radio and television broadcasters' community service in 2006 demonstrated that local radio and television stations provided over \$10.3 billion in community service in the previous calendar year. NAB, *National Report on Broadcasters' Community Service* (June 2006).

and the community dealt with the loss of life and critical infrastructure.

- When wildfires threatened listeners' homes in California, local radio stations in fire-ravaged areas provided up-to-the-minute, real-time information around the clock and, in many cases, made available feeds of their 24-hour coverage to other stations to relay to listeners in nearby geographic areas.

Other examples of broadcasting's unique role in emergency journalism occur daily in communities across the United States. This role is particularly acute during tornadoes, hurricanes and other weather emergencies, in which radio and television broadcasters play essential roles in warning communities of impending conditions, assisting in evacuation and emergency relief efforts, and reporting on the aftermath of weather emergencies. Online communications play an important role in supplementing broadcasting's role in emergency matters, of course.⁷ But no Internet source has stepped up to provide seamless, up-to-the-second coverage of weather emergencies and crises as has broadcast emergency journalism. The blogosphere can add flavor to the life of our communities, to be sure, but our actions in reporting on fast-moving crises can *save* lives.

Broadcasters' life-saving work also is demonstrated by their pioneering of the AMBER Plan (America's Missing: Broadcast Emergency Response).

Originally created in 1996 by the Association of Radio Managers with the assistance

⁷ In fact, an Internet streaming agreement between broadcasters and Yahoo! after Hurricane Katrina made the signals of New Orleans stations available in other communities in and around Louisiana, Mississippi and Texas, extending the geographic reach of broadcasters reporting on recovery and evacuation efforts.

of law enforcement agencies across the Dallas/Forth Worth area, there are now 120 state, local and regional plans, credited with the recovery of 492 abducted children.⁸

Finally, we note that television and radio broadcasts can be received on widely available battery-operated devices — devices that remain available and reliable in times of dire emergency when other information sources often overload or fail. These devices often are the sole source of crucial information in times of crisis. This combination of a massive and reliable point-to-multipoint distribution system available on mature, inexpensive and readily available mobile devices distinguishes broadcasters from other news-producing media.

The National-Local Partnership Fostered by the Network-Affiliate Relationship Benefits Local Journalism. Another crucial element that distinguishes broadcast journalism is its unique ability to combine local and national coverage of events that affect the lives of viewers. American broadcasting is unique because of the national/local partnership created by the network-affiliate relationship, which combines the “efficiencies of national production, distribution and selling with a significant decentralization of control over the ultimate service to the public.”⁹ Because of this partnership in both television and radio broadcasting, local

⁸ Please see www.broadcastpublicservice.org for dozens of additional examples and a state-by-state breakdown of the ways in which broadcasters serve their local communities through emergency journalism and other locally oriented services.

⁹ H. Rep. No. 100-887, 100th Cong., 2d Sess. 20 (1988). “[C]onsiderable credit for its existence must go to the framework in which it is broadcast — a framework formed by the national programming networks . . . [and local stations] synergy of local and national offerings.” *Report on Competition, Rate Deregulation and the Commission's Policies Relating to the* (continued...)

events that become of interest to the nation can be instantly covered across the United States, and high-quality coverage of national events that are important to local communities is available instantaneously to communities large and small across the country. This broad-based combination of national and local journalism has no analogue, to our knowledge, in the new-media sphere.

Overall, broadcast journalism continues to occupy a valuable role in the local and national media ecosystems that is not being displaced by Internet journalism. It competes for advertising and audience with all other information providers in local and national markets, including newspapers (and their Web sites), local magazines (and their Web sites), local blogs and other local Internet content, as well as national sources for advertising (including search).¹⁰ But the role of broadcast journalism is uniquely valuable and should be fostered in the new environment.

II. The Broadcasting Industry Is Using New Digital Technologies to Continue to Innovate in Broadcast Journalism.

The evolution of the broadcasting industry continues to heighten our ability to report effectively on the communities we serve. Digital technologies

Provision of Cable Television Service, MM Docket No. 89-600, 5 F.C.C. Rcd. 4962, 5037 (1990).

¹⁰ As is well known, the Internet has caused profound changes in the advertising marketplace. The shift in advertising dollars toward the Internet and away from traditional print and broadcast media has been extensively documented. See, e.g., Brian Stelter, *Ad Losses Put Squeeze on TV News*, NEW YORK TIMES (May 11, 2009); Stephanie Clifford, *A Look Ahead at the Money in the Communications Industry*, NEW YORK TIMES (Aug. 4, 2009); Joe Mandese, *Online Ad Spending Rises at Double-Digit Rates, Gains Share Vs. All Other Media*, MEDIAPOST (July 6, 2009); Joe Mandese, *Revised Forecast Predicts Internet Will Be Only Medium To Grow Ad Dollars This Year*, MEDIAPOST (April 14, 2009).

transform all industries, and broadcasting is no exception. The television industry has just completed an historic transition from analog to digital broadcasting, which will provide enhanced flexibility to create new and innovative services to provide information and entertainment programming to local communities.¹¹ The radio industry is now implementing digital broadcasting with an innovative in-band, on-channel technology that permits dramatically higher-quality audio and additional channels of digital programming without displacing current receivers, thus permitting greatly increased program diversity.¹² In addition, and as described below, broadcasters are of course embracing Internet technologies and are using these technologies in innovative ways to serve their audiences. It is a measure of the resilience of the broadcasting industry that these significant improvements in

¹¹ One opportunity created by the digital transition is the advent of “multicasting” — the ability of a television broadcast station to use its single digital channel to offer multiple programming streams. Broadcasters can use this capability to offer otherwise unavailable programming, such as sporting events, classic movies and local programming, including news. For example, in the New York City market, WNBC has launched “New York Non-Stop,” an all local news and public affairs channel that is carried on its 4.2 subchannel. Similarly, in Eugene, Oregon, KEZI-TV uses one of its subchannels to air original local news and weather programming around the clock. Additionally, some stations have chosen to intersperse locally oriented programming into network multicast programming, just as they do on their primary channels. KGO-TV in San Francisco, for example, airs daily showings of “View from the Bay,” a local news, lifestyle and entertainment program. And in Los Angeles, where many stations air new foreign language programming, including news, on their subchannels, KABC-TV airs the local public affairs show “Eye on LA” daily on one of its multicast channels. *See also* Greppi, Michelle, *A Sports Menu for Digital Channels: NBC’s Universal Sports Aims to Fill Stations’ Subchannels*, TELEVISION WEEK, Dec.1, 2008; *see also* Lieberman, David, *Old shows could find new life in digital TV: Upcoming shift in broadcasting opens door to multicast networks*, USA TODAY, Aug. 14, 2008, at 3B.

¹² There currently are 1,950 digital HD Radio stations broadcasting across the country.

public service are occurring despite increasing competition and the pressures of the current economic downturn.

An essential feature of local broadcast journalism is mobility, which is increasingly important to viewers and listeners. This is particularly essential in times of crisis, when communities rely on emergency journalism provided by broadcast journalists. Radio is the quintessential mobile medium, with hundreds of millions of portable receivers around the United States. Television, too, is mobile. On October 15, 2009, the Advanced Television Systems Committee adopted a standard for Mobile DTV broadcasting to handheld devices, and this technology now is being launched in commercial tests across the United States. This new digital technology will provide unsurpassed benefits to viewers — not only in satisfying the demand for mobility in daily life, but in increasing personal safety and security in times of crisis by making emergency journalism available when service disruptions on wired, satellite and even cellular systems make communications difficult.

Broadcasters are, of course, deploying innovative Web and mobile tools to more comprehensively serve their communities. Broadcast station Web sites that were once passive promotional opportunities for television and radio stations are now broad-based multimedia platforms that include video, user-generated content, and special features created solely for the Web.¹³ Broadcasters incorporate a

¹³ See, e.g., *NBC Local Site Strategy Sees Soaring Sessions*, *MEDIAWEEK*, Nov. 4, 2009 (NBC's launch of hyper-local Web sites with a local portal approach in each of its broadcast markets has resulted in page views increasing 296 percent); WRAL.com, <http://www.wral.com> (last visited Nov. 3, 2009) (accompanying breaking news coverage of (continued...))

variety of interactive devices into their Web sites to engage and expand their audiences.¹⁴ Blogs, in particular, allow broadcasters to supplement on-air coverage,¹⁵ reporters to add extra information and provide personal insights,¹⁶ and on-air personalities to connect with viewers in a less formal context.¹⁷ Live webcams offer up-to-the-minute traffic and weather information. Broadcasters also utilize mobile sites, iPhone and Blackberry applications, and RSS feeds to connect with an increasingly tech-savvy audience.¹⁸ They employ social media, such as Facebook, Twitter, and YouTube, to pervasively interact with their local communities, and they increasingly build social media features into their own

ex-governor campaign finance investigation with interactive timelines, live blog updates, and live web streaming of hearings).

¹⁴ NBC adopted an interactive strategy in ten of its major markets, allowing users to react to current events by selecting from a list of six emotions. NBC aggregates and incorporates users' moods into its home page, demonstrating how "locals are" feeling about certain stories. *See, e.g.,* Jim Iovino, *Tech Issues Cripple Metro Services, MoCo Traffic Lights*, NBCWASHINGTON.COM, Nov. 4, 2009, <http://www.nbcwashington.com/news/local-beat/Big-Problems-for-Metro-69066202.html> (indicating "locals are furious about Metro glitch").

¹⁵ Several stations use blogs to provide the "stor[ies] behind the headlines." *See, e.g.,* Wayne Havrelly, *Chatting with the Prince*, KGW REPORTERS' BLOG, Apr. 5, 2009, http://beloblog.com/KGW_Blogs/reporters.

¹⁶ For example, blogs provide anchors a "chance to voice opinions [they] can't normally share in the newscast." *See* Mark Curtis, *We all fell for it*, MARK CURTIS BLOG, Oct. 20, 2009, <http://www.azcentral.com/members/Blog/MarkCurtis/65510>.

¹⁷ One anchor has developed a blog to discuss "whatever's on his mind." *See* Mike Hart, *Balloon Boy "Grounded,"* FROM THE HART, Oct. 15, 2009, <http://www.turnto23.com/from-the-hart>.

¹⁸ Gray Television, for example, has launched 27 iPhone applications in its local markets nationwide. *See also* *NBC Local Site Strategy*, *supra* n. 13 (each local portal is also available as an iPhone application).

sites.¹⁹ Additional content from interviews and news stories that might not fit into a linear newscast is available on the Web, and Web sites often include in-depth coverage of local events, such as high school sports²⁰ and other community activities.²¹ The incorporation of user-generated content into broadcasters' sites multiplies the impact of citizen journalists through broader and more effective platforms for their content, contributions, and views.²² These technological advances provide new opportunities for broadcasters to connect to their communities.

New technologies are infusing newsgathering as well. Broadcasters of all sizes are deploying multimedia journalists (sometimes called "MJs" or "backpack journalists"), who cover local or even neighborhood events with video and the written word, often composing and editing their story on a laptop and transmitting it back to the station for posting via Skype or WiFi.²³ Digital video and audio

¹⁹ See, e.g., News10.net: Sacramento California: Live Online, <http://www.news10.net/news/liveonline> (last visited Nov. 3, 2009) (allowing users to create screen names and personal profiles and add other members as "friends" through the Live Online portion of a broadcaster's website).

²⁰ See, e.g., WOWT High School Sports, <http://www.wowt.com/highschoolsports> (last visited Nov. 5, 2009).

²¹ Many broadcasters' Web sites include community calendars to inform the public of upcoming local events. See e.g. Community Calendar, <http://cbs2chicago.com/calendar> (last visited Nov. 5, 2009).

²² See e.g., WLWT's u Local, <http://ulocal.wlwt.com> (last visited Nov. 3, 2009) (providing a "u Local" section on broadcaster's website for users to share photos, video, and stories).

²³ See, e.g., Paul Fahri, *WUSA Moves to One-Person News Crews*, WASHINGTON POST Dec. 12, 2008, at C01. (discussing Gannett station WUSA's transition to multimedia journalists). WUSA employs thirteen "digital correspondents" compared to eight "anchors;" WUSA9.com: Meet the Team, <http://www.wusa9.com/company/bios> (last visited Nov. 3, 2009).

streaming technologies that were not available just a few years ago, such as LiveStream, are permitting live video broadcasts without the need for satellite or microwave trucks; these technologies are not only cost-efficient but can permit live feeds to be transmitted from areas that could not accommodate the gear needed for a traditional remote feed.

Because of increased competition and the economic downturn, this multitude of new technologies and media is being deployed largely by an industry that has not been able to hire significantly to accomplish these new tasks. In addition, market-based combinations among broadcast stations are artificially restrained by legacy ownership regulations.²⁴ Accordingly, local news joint ventures are being formed in some markets under which stations “pool” photographers for certain assignments.²⁵ These arrangements, built on the less formal pooling arrangements that many stations have implemented to cover court hearings and other venues where only one camera is permitted, allow two or more stations to share footage of commodity news events such as press conferences. The arrangements permit broadcasters to deploy increasingly scarce resources for highly demanded enterprise journalism, rather than for redundant coverage of commodity events.

²⁴ See 47 C.F.R. § 73.3555 (2008).

²⁵ See Paul Fahri, *The Story out of 3 Area TV Stations: They'll Create News-Sharing Service*, WASHINGTON POST, May 22, 2009, at C01 (discussing plans for three Washington news stations, WRC, WTTG, and WUSA, to follow Philadelphia and Chicago models for “pooling” news-gathering resources, including sharing helicopters and live footage).

III. Government Can Assist in Sustaining Local Journalism By Ensuring that its Policies Recognize the New Marketplace And Regulate Market Participants Symmetrically.

The Notice asks whether new policies for tax treatment, copyright, antitrust and public funding are appropriate to assist local news. The overarching contribution that government can make, however, does not require a change in statutory law. It is ensuring that decisions assessing markets and policies take into appropriate account the overwhelming competition and diversity that exists in local markets today as a result of multiple modes of communications. Television and radio broadcasters compete with a plethora of traditional media and new-media market participants, from newspapers and local bloggers to national search engines increasingly marketing advertising services in local markets. The effect of this competition should be considered in policymaking and in considering specific proposed business arrangements among media outlets.

Government also should be cognizant of the significant costs of asymmetric regulation — imposing regulatory costs and restrictions on some marketplace participants, while leaving others unencumbered by regulation. The imposition of significant structural and behavioral regulation on one type of competitor can result in increasingly scarce capital flowing to non-regulated market participants rather than regulated industries. Government policy can directly influence private investment, and it should be an aim of government to foster, rather than impede, investment in beneficial industries such as television and radio broadcasting. We suggest no subsidy or direct government benefit here, but only

suggest that direct competitors be treated more symmetrically for purposes of regulation. As the Internet floods local and national markets with entirely unregulated competitors with potentially enormous market strength, it is appropriate for government to consider whether legacy regulations from a single-platform era continue to be relevant in a multiple-platform media ecosystem.

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The NAB appreciates the Commission's attention to this important topic, and looks forward to the December workshops.

Respectfully submitted,
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