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

WEDNESDAY, DECEMBER 2, 2009

FEDERAL TRADE COMMISSION
601 NEW JERSEY AVENUE, N.W.
WASHINGTON, D.C.
MS. DeSANTI: Good morning. Could you please take your seats now, we're about to start.

We have a terrific morning coming up for you, but I need to quickly annoy you with a very few housekeeping items. For those of you who were here yesterday, you can sleep through this part. First the security announcement we are required to read: Anyone who goes outside the building without an FTC badge will be required to go through the magnetometer and x-ray machine prior to re-entry into the conference center.

In the event of a fire or evacuation of the building, please leave the building in an ordinary fashion. Once outside of the building, you need to orient yourself to New Jersey Avenue. Across from the FTC is the Georgetown Law Center, look to the right front sidewalk, that is our rallying point. Everyone will rally by floors. You need to check in with the person accounting for everyone in the conference center. In the event it is safer to remain inside, you will be told where to go inside the building, and if you spot suspicious activity, please alert security.

Second, here are the technology announcements: As you might have seen, the FTC's home page has a link

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555
to the News Media Workshop webpage, where you can find a link to our Twitter page, located at twitter.com/ftcnews. People who are following the webcast can send questions for panelists using Twitter via the @ftcnews. We will try to pass some of these questions to the moderators. You should be aware, as the general counsel's office requires me to alert you, that your messages may be subject to disclosure under FOIA or other applicable laws. Also, there is Wi-Fi access available for those who want to write about the workshop in realtime. You will need to get an instructional pamphlet with the log-in code and those are out on the table just outside these doors.

Finally, I'm going to describe how today's presentations and panels will work. As you can see, we have a crowded agenda, so we're going to keep the introductions short, but I do encourage you to read the bios that you have in your folders, because every one of our speakers has outstanding accomplishments. We have only a few breaks, and a limited time for lunch. If you need to exit the room for any reason, please go ahead and do so, you don't need to wait for a break.

For the panels, each speaker will have three minutes to give an opening presentation that highlights the main points that he or she would like to make.
Unfortunately, we need to be strict on the time limits, given all that we have to cover.

After the presentations, then we'll have a moderated discussion, and if a panelist wishes to speak, please turn your table tent up on end. If you have questions for the panel, use the question card that is in your folder and look for Suzanne Drennon and Suzanne Michel, one of those two people over there, and they will take your question up to the co-moderator, and we will try to make time for audience and Twittered questions to the extent possible.

We are now ready to begin. The order of our first three speakers has changed, due to Representative Waxman's schedule, but not too much. First we're going to hear from Tom Rosenstiel, then Jay Hamilton, and then Chairman Henry Waxman will speak at 9:30. He needs to be back at The Capitol at 10:00 am for a vote, so we are really going to keep to that time table.

First, let me introduce Tom Rosenstiel. He designed the Pew Research Center's project for excellence in journalism and directs its activities. The project studies the revolution going on in the world of news and information, and has produced scores of reports since its inception. Basically, the Pew State of the media study is essential reading for anyone who
is interested in these issues.

    Tom?

MR. ROSENSTIEL: Thank you. I see I'm not quite the draw that Rupert Murdoch and Arianna Huffington were yesterday.

    (Laughter.)

MR. ROSENSTIEL: Well, I will make it less personal, and hopefully that will make up for the lack of people who came to see me.

    What I want to talk about in the ten minutes that I've got here is a definition of what are the essential problems facing what we think of as the news media, because I believe that they are not necessarily the problems that everyone thinks they are, or the problems that we expected.

    First of all, it's not really correct to say that the media are shrinking. A component of our media is more robust, richer, deeper and is growing, and that is the discussion element of our media, the commentary component of media that happens after the initial reporting, which is an essential, vital part of what the press is all about. The goal of journalism is to inspire public debate.

    What's shrinking, what we're worried about, is what you might call the reportorial media, the component
of the press that goes out and finds things out, the search light, the bearing witness, a variety of functions, which I'm not going to talk about today, but I do talk about a lot.

That's important because that expands the agenda. That tells the public what's going on. That grounds the public discussion that's becoming more robust in fact, and accuracy, and verification.

So, what's going on? What is causing this reportorial media to shrink? The first problem, and why should we care about this shrinkage. The first cause here is that the Internet has decoupled advertising from news. Many advertisers no longer need the news to reach their audiences. Whether it's Craig's List or Best Buy in their website, you don't need to wait for the Sunday insert to find out what's on sale, how much that iPod is now, you can find out when you're so eager to buy it that you wake up at 3:00 in the morning to find out how much it costs, or what is that flat screen now, you can go on their website and buy it, right then and there, in your pajamas.

So, the media as an intermediary for advertising is disappearing, particularly in larger markets, where the retailers and the consumers are online in large numbers.
The other problem with this is that from a civic standpoint, the way that media worked when advertising was the primary subsidy, was that the media bundled its information. We used classified advertising to subsidize coverage of the zoning commission, and the media in a sense could force feed delivery in mass information to the public. So, if you were interested in the bridge column, you might actually glance across the front page on your way to it. We had the creation of incidental news acquisition, a social science term that I sometimes use.

The Internet has decoupled news acquisition, has not only unbundled news acquisition, the way we consume it, it's even unbundled it from a particular news organization. When I'm online, I may go in and look for the subject that I'm interested in, and then find a variety of stories that answer the question that I'm looking for.

We are hunter gatherers for information online, and we're no longer, frequently, having a relationship with a news organization at one point during the day saying, New York Times, or Washington Post, or CNN, tell me the news right now. Increasingly, people are going in surgically, acquiring one story, or an answer to one question, within stories, and departing. They are
becoming their own editors.

I'm skeptical about whether we're becoming our
own journalists in mass, but we are becoming our own
editors, our own aggregators, creating our own diet of
media acquisition. Learning only what we want to know
when we want to know it. We are on-demand news
consumers, and this has a civic implication.

The irony here is that advertising improved
journalism, because it made news organizations more
independent from political faction or even any
particular interest groups at all. The concept, the
ethical concept embedded in the old economic model was
have so many advertisers that no one advertiser, or even
one category of advertisers, could push you around.
Every newspaper publisher in America, even bad newspaper
publishers, had the experience of telling the car
dealers to go, you know, if they wanted to take their
ads out for three weeks, or forever, sorry, but you're
just going to have to do it. The credibility of the
news organization was their franchise asset, and they
protected it, and they understood that and they could
get away with that because they had such a broad base of
advertising.

So, advertising, which evolved, in serious ways,
in the 20th Century, actually allowed news organizations
to become more independent to subsidize their journalism
directly through their relationship with the consumer
and then rent that relationship to the advertiser.

Now, what's going on, right now, is that the old
media is holding on, by and large, to its audience,
particularly print. The problem facing the news media
is a revenue problem, not an audience problem. But the
audience is migrating to old media's websites, and
there's no way to subsidize or monetize the reporting of
news online at this point. If there's a model out
there, we haven't figured out what it is.

In print, roughly 50 percent, it varies by
newspaper, roughly 50 percent of the audience, for many
newspapers, particularly larger newspapers, is now
online, but the industry makes only 10 percent of its
revenue online. If newspapers were to eliminate print
distribution, or print edition, they could probably cut
their costs, by my estimates, by about 50 percent.
Printing and distribution is about 40 percent of the
cost of the newspaper, there would be some other
economies that you could get, so you could cut your
costs by 50 percent, but you would be eliminating 90
percent of your revenue.

So, the question is, for the news media, is
there a new economic model to subsidize the reporting,
the gathering of news, this reportorial media, online. Are there new economic commercial models that can be invented, and if not, is there a way, then, to get larger contributions from a handful of sources and protect the independence of the news gatherer. This is really the question that you're here today and yesterday to talk about.

Imagine that, at least in print, and by the way, in every community that I've ever studied, the print news organization in that community has more reporters and editors than all of the other news organizations in that community combined. So, when we talk about this civic news, the news that is not sexy, that's expensive to acquire, and has a specialized audience, but probably is the kind of news that is going to be the hardest to subsidize. By and large, most of that reporting is done, at least initially, by the newspaper in any given community.

Imagine that the newspaper today in its print edition, with the revenues that it has, and most newspapers are cash positive, they are making more money than they are spending, they are not losing money on an operating basis. Most newspapers. That revenue, that 90 percent of the revenue that's coming from print is shrinking, rapidly. In the last two years, ad revenue
declined by 25 percent. This year that number is going to be even higher, I suspect, when the year is out.

That revenue is like the sand in an hourglass, and that amount of sand is the amount of time that the newspaper industry has left to figure out what its economic model is. Once these institutions vanish, they will be very hard to rebuild.

Now, do we care? I'll end with this point. Do we care whether these institutions survive? You know, we've survived without typewriters, we've survived without news reels, things do disappear, and we somehow manage to carry on. But I do think we have a stake as a civic society in the values that reside in these news institutions. The value that the news is there to inspire public discussion, that the journalist has his or her first loyalty to the citizen in a community, even above their commitment to their employer, that they are not tied to a political faction, that their goal is not a political outcome, that they're in it as a committed observer on behalf of the rest of their citizens, and that they're there to make the news accurate, as accurate as they can, and to report it comprehensively and in proportion and in text.

This is what we think of as journalists. What's growing, as traditional journalism shrinks, in the
reporting sphere is more self interest in reporting. Reporting from political interest groups and think tanks, special interests, even government, looking like journalism, that has an attempt to manipulate or shape the public discussion toward a certain outcome. That component of our reporting media is actually growing, just beginning to, but we're seeing more and more of that.

So, I think we have a vested interest in finding out a way to subsidize an independent press that works on behalf of, at least in spirit, on behalf of all citizens, and that is the question in the table, how do we continue to have what we think of as an independent press.

Thank you.

(Applause.)

MS. DeSANTI: Thank you very much, Tom. I now need to ask all people who are going to speak and the panelists to please turn your BlackBerries off, because it's interfering with the microphone feed. So, our next presenter is Jay Hamilton, who is the Charles S. Sydnor Professor of Public Policy at Duke University and director of the DeWitt Wallace Center for Media and Democracy, the scholarly work and numerous publications reflect his interest the economics of
regulation, public choice, political economy, environmental policy and the media. He's written or co-authored eight books, including All the News That's Fit to Sell: How the Market Transforms Information Into News.

Jay?

MR. HAMILTON: Good morning.

Since this is a journalism conference, you might have expected people to talk about the five Ws, about what we're looking at, who, what, when, where and why. In all the news that's fit to sell, I try to make the case that you should be thinking about an economic set of five Ws, and those are who cares about a particular piece of information, what are they willing to pay for it, or what are others willing to pay for their attention, where else can advertisers reach them, when is this profitable, that brings in the cost structure of writing the story, and why is this profitable, that brings in the question of the definition of property rights to information.

Journalists, and I know there are journalists in the audience, rarely get out of bed in the morning and say it's a great day to maximize profits, although I think we met some people yesterday who do roll out of bed and say that, I think it's a great day to maximize
profits.

But the set of stories that survive, the set of news outlets that survive, are going to be determined by the answers to those five economic W questions.

So, if you think about the economics that drives the market for news or information, one of the things that I think you need to think about is the demand side, in particular, what are the different types of information that people demand? A long time ago, Anthony Danielson in a book Economic Theory of Democracy said that people demand four different types of information.

One is producer information, that's data that helps you do your job, so when I was a management consultant, I read about hog farm management weekly, and that helped me do my job. Consumer information, that helps you get a better deal. Two months ago I was living up to a stereotype and looking for a Prius, and so I went on edmonds.com and I spent two days on Edmonds because that was going to get me a better car at a lower price.

Entertainment, that's not necessarily TMZ or people magazine. Entertainment information is things that you like to know simply because it brings you utility, things that are intrinsically interesting to
you. These first three types of information, the markets for them work fairly well, because if you don't get the information, you don't get the benefit.

So, if you were thinking about, say, going to a movie, you wouldn't hop in the car and follow somebody out of the parking lot and hope that they took you to a multiplex with a good theater. What you would probably do is go on movies.com, investigating that information, and then make your choice.

But there's a different type of information, it's citizen or voter information, and what Anthony Downs pointed out a long time ago is that that type of information, that fourth information demand, I think is to help you be a better voter, that's subject to a market failure.

So, suppose you were a voter, and you were thinking about gathering information about public affairs. It could be the case that more information would help you make the right decision, as defined by your own preferences. You could actually learn something by getting information, and you might really care about a particular policy issue, but the fact that your vote has an extremely low statistical probability of determining the outcome of election means that even if you care about an election, the fact that your vote
doesn't matter in a statistical sense at an individual level means that many people decide to remain rationally ignorant about the details of politics. That's the phrase economists use.

It goes against totally the Jeffersonian notion of an informed democracy, but I think it's very important to acknowledge. If I had taken those two days, when I was looking for a Prius, and instead studied the Obama Health Care Plan, I would not get a better Obama Health Care Plan, because I'm not the marginal voter on the Obama Health Care Plan.

So, for many people that remain rationally ignorant about the details of politics, some of you have been reporters, you've covered public affairs, and so as an economist I need a theory to explain what you were doing, okay, where was the demand for what you were doing?

So, I think of it in terms of the three Ds, diversion, duty and drama. Some people believe they have a duty to participate in politics. I'm one of them. I take my kids to vote and I try to convey to them that voting is what you do as part of a civic responsibility, but I'm not there from an investment perspective. I have no belief that my vote is going to change the outcome of an election. I'm there from a
consumption mode. I think I'm consuming the idea of being a citizen and a partisan of a particular party, but that's a duty motive.

Diversion, for some people, C-Span is like ESPN, and you're probably in this room, right, we have a biased sample, but for you, the details of politics are inherently interesting, and some of you also have a producer demand, you're doing your job, you work for an association, so you have another demand.

So, we've got duty, diversion, and drama, maybe I can't tell you the details of a particular bill, but I can tell you who's ahead and who's behind in the horse race. I can tell you about a scandal. I can talk to you about politics as a human interest story.

So, if you stand back and say, why are we here, what's different about the market for public affairs reporting, it's because the market for public affairs reporting has to deal with the problem of rational ignorance.

Now, all information is a public good. The statement the Wizards won last night is a public good. You can consume it and I can consume it at the same time, you can consume it without paying me for its generation.

What's special about public affairs information,
however, is that it creates a different type of public good, accountability. The set of people who were willing to read those stories about the school board, the set of people who were willing to read those stories about suburban growth, the set of people who were willing to read the stories about immigration reform, they were holding officials accountable, and we can free ride off of their efforts.

So, there is definitely a market failure in the market for public affairs. Economists would say it's generated by the public good nature of information, and the positive externalities, the positive spillovers that are generated by your consumption.

That's enough jargon, what would a real-life example be? I live in the Raleigh-Durham area, it's the thirtieth largest media market in the United States. The News and Observer did a story in December 2008, it was a three-day story, I talked to the newspaper, it cost $200,000 to produce, that three-day series. The story was about the probation system in North Carolina.

It turned out, over the course of about eight years, 580 probationers had murdered people while they were out on probation in North Carolina. Once that story was released and produced, it caused change in legislation, it caused changes in funding, and three
years from now, there will be people walking around the
Raleigh-Durham area who will not be murdered by somebody
on probation, because of that story.

But, does the News and Observer get credit for
that story from the person who wasn't murdered? No.
They don't. They're not able to monetize the benefit of
the stories that they tell. Their stories generate
positive spillovers, but the market doesn't reward them
for doing that. A story that costs $200,000, the News
and Observer can do that two to three times a year.

So, the main problem for the market for public
affairs is the stories that go untold because a news
organization can't fully monetize the benefits they
bring to society.

If you think about the incentives that are
involved in information creation, it could be I want to
sell you information, that's the subscription model. It
could be I want to sell your attention to others, that's
the advertising model. It could be I want to get your
vote, that's partisan information. It could be I want
to change what you're thinking about, that's the
nonprofit model, or it could be peer expression.

If there's a problem with commercial media in
generating a certain type of information, I think that
it would be interesting for us to try to examine those
other motives.

So, if you think about nonprofit media, the nonprofit ownership of news organizations, their subsidies, that's trying to tap into a different motive. If you think about the things that we'll be talking about later today, lowering the cost of journalism, that takes the demand problem as a given, but tries to address it in another way.

A hundred fifty years ago, partisan information helped solve this market failure. Thirty years ago, news organizations were owned by people, they were owned by families. Actually, if you think of the 1970s, there were two industries that were dominated by family ownership, news organizations and sports franchises, and both of them, being the owner provided you psychic income, psychic benefits, and provided a return to the community.

So, today, what I would like you to think about, is there a market failure? I think there is. Economists would use the term positive externalities, other people would think about it in terms of benefits that a news organization generates that it cannot monetize. When we look at the sessions that are coming up, part of it will involve tapping into a different motive, maybe the nonprofit motive, part of it would
involve lowering the cost, that's issues like
competition in journalism. Part of it might involve
raising the return to people who are interested in
public affairs. That's that debate about privacy versus
behavioral advertising targeting.

I want to be sure and stop and yield my time to
the Congressman. Thank you.

(Applause.)

MR. LEIBOWITZ: Thank you, Professor Hamilton,
for that excellent summary.

I'm honored to introduce Henry Waxman, who as
you all know is the Chairman of the House Committee on
Energy in Congress. He has represented the 30th
Congressional District of California since 1974, a
Watergate baby, and still youthful, and he has been
critical to much of the most important legislation for
American consumers that has been passed since the
mid-1970s involving the food we eat and the air we
breathe and the pharmaceuticals we need to stay healthy.

Chairman Waxman is very well known in these
parts, as one of the authors of the Waxman-Hatch Act, a
few people mistakenly invert that name, and which is a
law that speeds up introduction of generic drugs into
the market and lowers drug prices for American
consumers. He has also been a champion for rescuing the
regime he helped create from some unfortunate decisions by some very conservative, very misguided circuit courts. According to our Bureau of Economics, when this problem gets fixed, and we have every hope it will, in the health care legislation that he has helped to shepherd, consumers will save $3.5 billion a year.

Right now Chairman Waxman is involved in some of the most pressing legislation moving through Congress, including health care reform, global warming, consumer financial protection. That's what makes it even more of an honor to introduce the Chairman, he is a very busy man and his presence here today is really a testament to the importance of this issue, and which is, of course, the future of journalism.

Mr. Waxman, the podium is yours.

(Applause.)

MR. WAXMAN: Thank you very much for that introduction, and I would like to thank Chairman Leibowitz for inviting me here today.

It's a personal as well as a professional privilege to work so constructively with the Federal Trade Commission. The FTC deals with issues that affect the economic lives of all Americans, and over the past several months, the chairman has made it clear that the FTC will aggressively protect American consumers using
both the agency's competition and consumer protection
jurisdiction, and today's workshop is another example of
the FTC's vision of that under its new leadership, we
can tackle the 21st Century consumer issues.

I want to acknowledge Chairman Genachowski, he
has brought bold vision and strong executive leadership
to the Federal Communications Commission, and I know his
agency is looking very carefully at the public interest
issues that the future of the media raise in the context
of the agency's proceedings on broadband and open
Internet and related issues. He certainly has my
support for these important initiatives.

I wanted to attend today, precisely because of
the reasons Chairman Leibowitz expressed in his call for
this conference. We have important matters to consider.

Now, I've been Chairman of the Energy and
Commerce Committee for less than a year, and the big
issues that have dominated our attention so far have
been health care and the energy/climate change bills.
We've had other issues that are important, not of the
same magnitude. We've been trying to get tobacco under
FDA regulation, and revise our food safety laws. We
passed both of these through the House and the tobacco
bill into law.

At the same time, as the committee with
jurisdiction over the FTC, we've been working with the agency on a wide-ranging concerns about consumer protection matters, and most significantly, we have legislation that will come to the House floor next week, and hopefully pass very soon, which will give the FTC the tools it needs to effectively protect consumers during this economic crisis.

Meanwhile, thoughtful and concerned people who know the jurisdiction of our committee have expressed the concern that a significant and troubling trend is occurring in the media sector, developments that threaten the very existence of something very precious to our democracy, the continued existence of a critical mass of quality journalism in this country.

All around the country, people are facing this issue, and they're facing the issue which is a really tough question. When they look at the New York Times, the Washington Post and the LA Times, people wonder whether those newspapers will be around five to ten years in the future. People in Denver, San Francisco and Seattle already know the answer to that question: Newspapers in those cities have closed, and their communities are worse off because of it.

The newspapers my generation has taken for granted are facing a structural threat to the business
model that has sustained them. Professor Hamilton just
talked about the different ways we can make up for that
structural failure, that market failure, and I want to
go into some of that in a minute, but the newspapers and
other publications that have relied on advertising
revenues have been particularly hard hit, with the
decline by over 40 percent, and more, in those revenues,
as the Internet has cannibalized advertising,
particularly classified advertising.

The loss of revenues has spurred a vicious cycle
with thousands of journalists losing their jobs, which
reduces the quality of the paper and other publication,
it triggers the need for additional cost-cutting, as
newspaper managements attempt to copy their publications
are suffering snowballing declines in circulation, as
audiences shrink, advertising revenues fall off further,
even greater consolidation of the business has not
helped. We are seeing this market failure go on and on
and on.

Journalism on the Internet could try to fill the
void, but it's not certain it could generate replacement
revenues of such an extent as to ensure restoration of
the resources devoted to journalism by mainstream media
over the past several decades, or, quite frankly,
anything close to it.
This recent depression in the media sector is not cyclical, it is structural. As our recession in our economy ends, we are not looking at changes in the depression in the media area. Revenues will continue to be squeezed, and that in any event will see audiences fragmented in direct proportion to the number of URL addresses. Indeed, if anything, it appears these trends will continue to accelerate.

While this has implications for the media and the livelihood of people associated with it, it also has implications for our democracy. We have seen journalism playing an intrinsic role in getting the facts, reporting them, and making accountability possible in the public interest. A vigorous free press and vigorous democracy have been inextricably linked. We are here today because of these bonds and what they mean, and that's why this conference is so important, and I thank Chairman Leibowitz for bringing this all together.

We cannot risk the loss of an informed public and all that means because of this market failure. There's so much at stake, there have been numerous responses inside and outside the industry, and they focus on a number of areas that have been discussed already, but I want to go over them as well.

One, we could have establishment of new legal or
tax structures for publishers that can cushion the blow by permitting media companies of having the option of choosing other structures, such as nonprofit status, that removed the pressures faced by publicly listed companies.

Two, that we could have more philanthropic support for media outlets.

Three, examination of the antitrust laws and whether changes there might be of assistance.

Four, review of the cross-media laws and other ownership restriction that may constrain the commercial vitality of the industry.

Five, the exploration of new sources of journalism from universities operating news organizations to new hyper-local, web-based journalism enterprises to deliver local news and information and reporting.

Six, the prospect of public funding for quality journalism as a means to preserve a critical mass of resources and assets devoted to public media. This has been articulated by Len Downie and Michael Schudsen in their report commissioned by Columbia University's Graduate School of Journalism, the Free Press Organization, and others.

Now, Congress responds to market failures. In
fact, our job this year in trying to enact a health bill
is to make up for the failure of the market which
excludes so many millions of Americans from getting
health insurance, either because they have a
pre-existing medical condition, or the affordability is
not available to them.

In the environmental area, government responds
to the market failure that would occur if we asked one
enterprise to reduce pollution, and they found their
competitors were not required to do the same thing. We
need level playing fields.

In 1967, Congress made the judgment that public
funding for radio and television was important because
it would ensure the provision of content deemed valuable
in the public interest to serve large societal goals.
Content that the market would be unable to produce
without some government support.

Now, some argue that this model applied to media
publishers could preserve and maintain key functions of
modern journalism, investigative reporting, foreign news
bureaus, wide-ranging coverage of the arts, culture,
science and social trends by cushioning the economic
squeeze publishers are facing.

Others, of course, have raised red flags about
the dangers of government support of the press, and
whether support means government control or interference with the press.

Now, I have an open mind in all of these different proposals. In the face of continuing closures of mastheads across the country, I see every reason for us to discuss all of these various proposals. As this vital discussion proceeds, I would like to suggest several criteria for evaluating any proposed response.

First, there needs to be a consensus within the media industry and the larger community it serves that the proposal is in the public interest. Congress can't impose a solution to this issue, it needs to emerge from a consensus-building process involving the industry and the larger public.

Second, these initiatives require bipartisan support, vigorous endorsement, from both sides of the aisle. Those advocating for public funding need to address additional questions. They need to articulate the scope of such support, in terms of the activities to be supported and the dollars required. They need to respond to the concern that government's support of journalism would lead to the government control of content, and they need to explain the source of the revenues.

The Internet is replacing the public square as a
place where people in cities and towns across America go
every day to absorb news and information and to reflect
on issues and their meaning for our lives. The
atomization of content has resulted in the fragmentation
of audiences, so that the commercial basis to support a
critical mass of authoritative and informed news and
information is melting away. This is creating a public
policy issue of profound import for our future.

It's not our job to plug dikes and deny the
evolution of media. Indeed, there has been an explosion
of hyper-local journalism, along with the proliferation
of websites, and many of them are doing an excellent
job. But for all their energy and entrepreneurial
verve, do they address what is at stake here?

Jim Lehrer was interviewed by the Post in
Monday's paper. He talked about the value of original
reporting. He said the shouting and opinion and jokes
don't exist if there isn't first a story, and that's the
issue, an ongoing critical mass of original reporting.

Mr. Lehrer talked about all the commentary on
the health bill, and then he observed, but what was
actually in the legislation? We hear a lot of
commentary, we hear a lot of talking heads, we hear a
lot of statements, but if somebody wanted to know what
was in the legislation, where would they go?
Well, you go to a serious news organization, and what has been discussed here over the past two days is the future of serious news organizations in this country.

At the White House Correspondents Association Dinner last May, President Obama said, "You help all of us who serve at the pleasure of the American people do our jobs better by holding us accountable, by demanding honesty, by preventing us from taking shortcuts, and falling into easy political games that people are so desperately weary of. That kind of reporting is worth preserving, not just for your sake, but for the public's. We count on you to help us make sense of a complex world and tell the stories of our lives in the way they happen and we look to you for truth."

Well, we have to figure out, together, how to preserve that kind of reporting. As Chairman of the House Committee on Energy and Commerce, which has primary jurisdiction over the FTC, the FCC, so many interstate issues, which originated the public broadcasting law, we have to watch carefully the things that are being said here at this conference. I want you to know that my door is open for the best ideas and proposals, initiatives that you have to offer, especially where government may be involved, and I more
and more think as we look at these various solutions, government is going to have to be involved in one way or the other.

For those who articulate let us solve our own problems, just give us money, just give us an exemption from antitrust, just give us new tax treatments that make it all easier, eventually, government is going to have to be responsible to help resolve these issues and our whole society depends very much on reaching some resolution of a problem like so many other problems, that if left alone will not be solved by itself.

Thank you all very much for this opportunity.

(Applause.)

MS. DeSANTI: Thank you very much, Congressman Waxman.

Next we're going to have a presentation from Matthew Gentzkow, who is professor of economics and Neubauer Faculty Fellow at the University of Chicago Booth School of Business. He discusses empirical industrial organization and political economy with a specific focus on media industries, and his work has been published in leading scholarly journals such as the American Economic Review and Econometrica.

Matthew?

MR. GENTZKOW: So, thanks very much to the
Commission for inviting me.

I was asked to come and speak very briefly about some research, some recent research that I have been doing with Jesse Shapiro, who is a colleague of mine at the University of Chicago, and Mike Sinkinson, who is a Ph.D. student at Harvard, which work isn't really addressing the question what is the future of journalism or how is journalism going to change, but rather why should we care if it does.

So, as the Congressman alluded to, as Jay Hamilton alluded to, a lot of the motivation for being concerned about what's happening in the media over a long period of time, the motivation for regulating media in a different way, from other industries, is the view that there's some unique relationship between media and democracy. Effects of media on the political process, and what we're trying to do in this paper is in some small way quantify one small piece of why we care about what happens in particular to newspapers.

So, we're trying to think about happens, what should we expect to happen to the political process if daily newspapers become smaller, if daily newspapers close.

In this paper, we look at a variety of political outcomes, but the one I want to talk about today and
focus on is how newspapers closing, if newspapers shut
down, how should we expect that to affect participation
in the political process, how many people are voting in
elections.

So, along with that, there are a few related and
specific questions we want to address. The first is how
different are monopoly newspapers, how different are the
effects of monopoly newspapers from competitive
newspapers; if a second newspaper, a third newspaper, in
a market, closes, how should we expect the effect of
that to be different from the only newspaper in a market
closing? How different are the role of newspapers in
local politics, local congressional elections, as
opposed to national politics and presidential elections?
I think very importantly for what we're talking about
today, how have the effects of newspapers changed over
time, how did the effects, the role of newspapers in the
political process depend on what other alternative
sources of information are available?

So, we might think that newspapers had a
critical role in American democracy at a point in time
where there were few other sources of information. We
might also wonder how the advent of cable news, the
Internet, the increase of alternative sources, have
changed the importance of newspapers. Are newspapers
still relevant in a world where we have lots of
alternatives?

So, this is the broad set of questions that
we're trying to look at in this paper, and what we do to
try to get, again, at some small piece of this, is in a
lot of ways pretty simple. We've put together new data
that covers all of the daily newspapers in the United
States over a very long period of time. So, we can
follow all of the newspapers in the United States from
1870 up until 2004.

One of the reasons that that's useful is because
over that period of time, there are a huge number of
newspapers that have opened, new newspapers, and a huge
number of newspapers that have closed. There have been
competitive cities that lost their second newspaper,
there have been towns that had one newspaper where that
newspaper closed, there have been towns that never had a
newspaper before that got one, and we see literally
thousands of such events over this long period of time.

It also allows us to say something about, again,
as I said, these changes over time, and how has the role
of newspapers evolved as radio was introduced, as
television was introduced, as cable was introduced.
There's an obvious cost or caveat to go with looking at
things in such a historical perspective is we're not
going to have a lot to say about how is 2004 different from 2002 or what is the role of particular Internet sites, but I think hopefully this longer historical perspective will be useful.

So, the basic strategy here is to use the fact that these are sharp changes in these markets. There are many cases where you have a newspaper that has a circulation of 100,000, 200,000, which shut down in a market and overnight the availability of information changes dramatically.

There are many cases where a new newspaper starts up and very quickly has 20,000, 30,000, 40,000 readers, and again, it's a sharp dramatic change in the information people are exposed to, and we can look and see do voting patterns in those cities change at the same time? Do we see those big changes in newspaper markets associated with similarly large changes in voting patterns? So, that's the basic idea.

Let me summarize for you what we found. So, I think the overall message of this part of the paper is when newspapers close, fewer people vote. So, there's a strong, robust relationship between the presence of daily newspapers in a market and voter turnout, the number of people voting.

We also find that almost all of that effect
comes from monopoly newspapers. So, we see big, clear, strong effect on a community that never had a daily newspaper before getting one, big, clear, strong effects of the only daily newspaper in town closing, we see significantly smaller and in many cases indistinguishable from zero effect of the second newspaper closing or a third newspaper closing.

So, there are other reasons that we might care a lot about competition, there are reasons different from this why having a competitive as opposed to a monopoly media market can be important, but on this particular dimension, there's no real evidence in the data to support the view that there's something special about competitive newspapers and we should be especially concerned about preserving second and third newspapers.

We find in the early part of our sample that newspapers are important for both national and local elections. So, if we go back to the period before television, before radio, when daily newspapers in this country really were the only, or at least by far anyway the most important source for information about both local politics and presidential politics, it's pretty much the only way you wanted to learn about the presidential election was to read the daily newspaper. In that period of time, when newspapers close, you see
both local turnout and presidential turnout declining significantly.

Over time, as we follow this from the late 19th Century across the 20th Century, the importance of newspapers for presidential turnout has declined basically to zero. So, since the introduction of television, in 1950, newspapers no longer have any detectable effect on who votes in presidential elections. When a newspaper shuts down, presidential voting changes not at all.

That is intuitive, if you think about the fact that these alternative media, like television, provide a huge amount of information about national politics, and if you look at opinion surveys, where voters are asked where do you get information about particular elections, people overwhelmingly say that television is their main source of information about presidential politics, voters also say that newspapers are a much more important source of information for local, congressional races.

So, consistent with that, we find the importance of newspapers for presidential turnout has declined quite rapidly; however, the importance of newspapers for local elections has remained strong and is close to today where it was in 1890 or 1920.
So, newspapers continue to be important for local politics, and that's something that echoes I think a lot of speakers yesterday, and today, have talked about that the importance of local newspapers is especially clear for local politics, there are many communities where still the daily newspaper is the only or the vast majority of the journalistic resources devoted to covering city hall, to covering the state house, to covering local races.

So, that's an overview of what we find in this paper. I have a few more minutes, for those who are interested, I want to give a little more flavor of the nuts and bolts of how this analysis happened. This is how we do this, perhaps a little more technical, but hopefully clear.

To tell you a little bit more about what this data is we used to do this, we take this data on newspapers from directories that have been produced in this country since 1870 when our sample begins. So, every year, there has been published a directory of all of the daily newspapers in the United States. These things exist because newspapers have, for a very long time, been funded by advertising. Advertisers need to know where the newspapers are, so they can send their ads to them, and so these directories were initially
published by early advertising agencies that wanted to
cconnect their advertisers to the newspapers.

So, these directories list every daily newspaper
in the country, along with their circulation, their
prices, the city where they're located and so forth.
We've digitized these four-year intervals so we can
follow all of the newspapers in this country during this
time, and we're going to combine this with data on
county-level voting patterns, county-level voter
turnout, which is available over this period as well.

This is just, if you can see this, this gives
you just a flavor of what's in this data. So, the years
here run from 1872 up to 2004, and this is just the
number of daily newspapers in our sample over that
period. So, you can see, we follow the growth, the kind
of rapid explosion of newspapers in this country, that
happened in the late 19th Century. This was a period
where the cost of paper fell dramatically, because of
wood pulp paper being introduced. There were huge drops
in cost that were associated with the rise of the penny
press and the rapid growth of newspapers.

A gradual decline, and then a long, flat period
out to 1980, and then a slow drop in the number of
newspapers that's happened since 1980. 2008 isn't on
that picture, but if you put 2008 on that picture, it
follows right on that trend line. So, you couldn't look
at that picture and see any effect of the Internet.
There has not been any unusual decrease recently in the
number of newspapers. The number of newspapers that
have closed in the last four years is similar to the
number that closed between '96 and 2000, for example.

Incidentally, if you looked at circulation,
several people have alluded to this, too. If you looked
at newspaper circulation, you would see the same thing,
which is the trends in circulation that are happening
right now are trends that have been happening for a long
time, and there's no detectable, clear effect of the
Internet. Just in that time series.

So, when we say that we want to try to pin down
how these exits and entries of newspapers affect voting
patterns, there's a critical challenge in doing that,
which is it's not random where new newspapers open, and
where newspapers close. Newspapers tend to open in
communities where newspapers are becoming more
profitable, they tend to close in places where
profitability is decreasing.

In this data, the overwhelming thing that drives
entries and exits of newspapers is simply population,
cities that are growing get new newspapers, cities that
are shrinking lose newspapers. Population is also
associated with changes in voter turnout. So, you could easily find the spurious relationship between these things because voting is responding to the same things as the newspapers.

There are several things that we do to try to address this, to say quickly, I think the most important is based on prior evidence in our own analysis, all of those forces tend to push against what we find. So, it turns out that newspapers tend to enter communities where voter turnout and political participation is falling. Why? Because they enter communities where population is growing, and population growth is associated with reduced political participation.

It's intuitive, if you think about it, when cities are growing, new people are moving in, new people tend to have less attachment to the local community, people who have recently moved vote less, and so where population is growing, voter turnout is falling.

So, that bias, if anything, works against what we find, and the more we correct for those changes in demographic trends, the stronger our results become. We also do some other things, which I won't talk about.

I think in the interest of time, let me just have a few more pictures here that just sort of show you what's in this data. This picture, if you can see, to
explain it, does this work? This shows changes in voter turnout, in years relative to the entry of a newspaper. So, zero on that picture is the year when a newspaper entered. Things to the left are how is voter turnout changing before the newspaper entered. Things to the right are how does it change afterwards.

The thing I just want you to notice is there's one dot on that picture which is different from all the others. That is the year that the newspaper entered. There's a sharp increase in voter turnout, which is not part of some broad trend that's happening before or after, it's really uniquely at that point in time. It's pushing analysis like this further that allows us to disentangle these different things.

So, the implication, to turn this into numbers, how important are newspapers? A new newspaper in a market, on average, increases turnout by one percentage point. That sounds, you might think, small, you might think big. Among those who read the newspaper, not everybody reads a new newspaper when it opens, that increase is four percentage points. Among people who read the newspaper who would not otherwise have voted, those are the only people whose behavior can change, that increase is 13 percent.

So, this isn't a huge change, but it's a
significant and very clear statistical change and big

So, just to conclude, I think the summary is if newspapers close today, we should expect to see local participation, most likely decline, in cities that lose newspapers, we should expect to see no major effect of second newspapers closing, third newspapers closing.

There are other results in this paper which we'll make available, how does ideological diversity of papers matter for these effects, is it important to have a Republican and Democratic newspaper, how do partisan newspapers shift party vote shares and how are newspapers related to the advantage of incumbents and incumbency advantage in elections.

Thank you very much.

(Applause.)

MS. DeSANTI: Thank you. Thank you very much, Matthew.

MR. GENTZKOW: Sure.

MS. DeSANTI: Next we're going to hear from Karen Dunlap, who is the president and a trustee of the Poynter Institute. She's also a member of the board of directors of the St. Petersburg Times Publishing Company, the board of the Newspaper Association of America Foundation and the Eckerd Board of Trustees.
She has devoted more than 30 years to the education of journalists and aspiring journalists and has three times served as a Pulitzer jurist.

Karen?

MS. DUNLAP: Thank you, Susan, and thank you for the fine way you've organized this workshop.

Much of the information here has appropriately focused on the economic side of journalism, of the industry today. My topic is the importance of journalism to civic involvement, and I want to turn the conversation just a little bit to thinking about the people. The people involved. Tom Rosenstiel started by talking about the shrinkage of reportorial media, and I'll follow along that line.

I want to talk about the people who are involved in producing journalism, engaging communities in journalism, but more than that, the people who are called on to act in the role as citizens. Now, since journalism is often presented through news and feature stories, I want to make my comments about civic engagement through stories.

Last week, Lebrew Jones was released from prison because of a reporter, Christine Young. Now, that type of action by a reporter is not unheard of, but the circumstances of this case were unusual, and they are
instructive in the discussions that we are having today.

This is an excerpt from a column last week in the Times Herald Review of Middletown, New York. It says, "Lebrew Jones would still be behind bars for a murder that experts are convinced he didn't commit, if Christine Young hadn't investigated his questionable prosecution and conviction. Jones walked out of prison Thursday, after spending 22 of his 53 years behind bars, even though there never was a shred of evidence to prove he killed a young New York City prostitute named Michael Ann, Mickey Hall."

Here's what happened, let me tell you the story. Christine Young was a college intern in Manhattan reporting on runaway prostitutes over 20 years ago when she heard about a murder from two unrelated sources and what she heard convinced her, because of discrepancies in the time of the death in those two stories, it convinced her that the wrong man was convicted.

Now, during the next two decades, she reported for television and she reported for newspapers around the country, but she never forgot the murder and she gradually developed a file on Jones that she carried around in a plastic basket as she moved in various jobs. When in 2005 she moved back near New York to work in Middletown, she decided to track down Jones.
did, what she learned was that at about the same time she moved back there, he was transferred to a prison within 20 miles of her.

Young interviewed him. She read volumes of transcripts of the trial. She checked evidence and talked with those who were involved, including the mother of the victim, and the mother immediately said she thought the wrong man had been convicted.

Newspaper produced a multimedia presentation on its website about the case. Others got involved, and Jones was released.

My Poynter colleague, Al Tompkins, brought this story to my attention last week and he wrote about it in poynter.org in his blog, and the story is worth a close look for a number of reasons, but two stand out in light of our discussion. It speaks to two important qualities of journalism: It required reporting skills and it required the investment of time by individuals and by organizations.

The best reporting requires training and experience, and great works often require resources, particularly the resource of time. Those are some of the things we are concerned about in the changes in the industry today.

The story speaks to civic involvement, and let's
define civic involvement as moving others to act in ways that better a community, a group or the life of an individual. The job is still about comforting the afflicted and it is still the business of righting wrongs.

I want to briefly mention three stories that are nontraditional approaches to journalism, but that also serve civic life. The first is the Chauncey Bailey project in Oakland. When reporter Don Bowles was murdered by a car bomb in 1976, while he was investigating the mafia in Arizona, reporters flocked to Phoenix and continued the investigation.

When journalist Chauncey Bailey was shot down on the streets of Oakland in 2007, a coalition of media representatives formed to continue his investigation of violence and fraud associated with an Oakland business. Sandy Close of New American Media and Dori Maynard of the Maynard Institute convened the coalition, and it crosses media platforms, it includes representatives of a number of media organizations and associations, it includes freelancers, university professors, students and others. The continued reporting of the project, continuing the work of Chauncey Bailey, presents a stand against fear, and it shows a commitment to the community. That engagement invites residents to also
act for the good of their community.

Oakland is the base of spot.us, and some of its stories also show the importance of community engagement. As you know, spot.us is an innovative approach to financing specific stories from public donations.

One story, the Green Movement, comes to inner-city West Oakland as an audio report told by members of the community. It traces the history of the area and ties history to the community ecological efforts. Speakers tell what they have learned from generations past about farming, and in the middle of the city, effectuating farms to improve health and the environment. They are leading their community by telling their own stories.

By the way, both of those projects receive funding from the Knight Foundation, and in their recent report they talked about the importance of news and community, the community needs, the news needs of communities, Eric Newton will speak later and will talk about that.

The third example I'll mention is PolitiFact, and I'll make a point here to also keep that brief, because you will hear from Bill Adair later.

PolitiFact was developed by the St. Petersburg
Times to move citizens past apathy and cynicism when faced with elections, when faced with lies, half-truths, counter-charges. It has proven to be a useful step in holding figures accountable for what they're saying and in sorting out the truth for the public.

The innovative approach won the Pulitzer Prize this year for national reporting, and in all fairness, I should mention that the Poynter Institute owns the St. Petersburg Times, so I am not a dispassioned observer of it. But in each of these cases I've mentioned, journalism includes civic life because it encourages people to act in their role as citizens. It encourages people to act in their role as citizens. That means going beyond personal interests, going beyond trivial pursuits, sometimes going beyond self interest to focus on that which serves communities.

I'll give one more example. Last year, the St. Petersburg Times ran a series of stories on a child from Plant City, which is a town just east of Tampa. The title was The Girl in the Window. Maybe you've heard of it. Here's how part of that story starts. Three years ago, the Plant City police found a girl lying in her roach-infested room, naked except for an overflowing diaper.

The child, pale and skeletal, communicated only
through grunts. She was almost seven years old. The authorities had discovered the rarest of creatures, a feral child deprived of her humanity by a lack of nurturing. It was a reporter Lane DeGregory and photojournalist Melissa Lyttle who traced the life of Danielle after she was found in a waste-filled, roach-filled, closet-sized room. Neighbors knew that a woman and her two adult sons lived there in the filthy house, but they didn't know a child lived there. One did recall seeing a little girl peek through a broken window once, but they never saw the child again, until someone called police.

The story followed Danielle through the hospital, foster home, school, and finally to a couple who adopted Dani, and who with their son helped her thrive. DeGregory also wrote about the woman who kept her daughter in a closet for years, with only enough food to survive.

Here are some of the results of the story: The Children's Board reported a 30 percent increase in calls reporting cases of possible child neglect. The Times website had over a million page views, which was a record at that time. Large numbers of those who saw it online sent comments, sent emails, and commented in other ways. Calls to adoption agencies went up. One
couple reported adopting a son after reading the story. It was translated in at least seven languages, and appeared internationally, including in a newspaper in Tel Aviv and in a South African mother's blog. Educators used it in coach classes. One woman who had been adopted said she sent part of her retirement funds to Dani. Some said that they were shocked that a child in neglect like that could happen in the United States during the 21st Century.

It's that last comment that I want to focus on in terms of civic life. Journalism allows us to look through a window and see ourselves, see our communities, to come to grips with who we are, and what is going on around us. The story I've described and the effects are well known in many other stories in many other communities.

They include, for instance, the Washington story on Walter Reed Hospital, a Las Vegas story on the injuries and deaths to construction workers. They are familiar to us, but sometimes we lose track of the real effect of journalism, and we can lose track of the information that we have now might not be journalism.

I have given examples that show the best of journalism, but let me quickly mention that news reports today have faults, also. News reports today include
many questionable stories, story choices. I can only hope that I have heard the last of a couple who invaded a Washington dinner. Many stories are poorly reported, poorly edited, poorly produced, and we wonder why citizens don't understand them.

Some communities are still ignored or under-represented, and yes, sometimes facts are wrong. No doubt, some of you have been misquoted, once. Yet, day in and day out, society is served by outstanding journalism throughout the nation, throughout the world, on various platforms, in traditional and newer forms of news media.

The examples that I have given show that journalism goes well beyond information and observation. I'm concerned that some others have indicated that we could gain a volume of information and opinion, and we could have extensive channels of social interaction, and lose the news, lose the civic focus news. I'm concerned about that. By the way, I'm also concerned in some of the discussions of new models that suggest that we could move to a more elitist approach to news. Higher costs, consumed by a fewer number of people, and therefore have a few people who are well informed and masses who are misinformed or underinformed. There's a huge social cost in that, including the possibility of unrest.
Journalism brings communities together, it inspires individuals and groups to act constructively. It still seeks to right wrongs. It opens a window so that we can see ourselves as a society, and it points a path to improvements.

I don't know the answers for the financial problems in media right now, but I know that the bottom line, and we talked yesterday, it's not newspapers, it's not I would say even journalism, the real bottom line is democracy. Our interests should be in providing the journalism that serves civic life in a democracy.

I also know that we need to involve the people more. They need to invest, financially, in the news organizations that serve them and they need to be intellectually invested in the outcome of news. Congressman Waxman asked about solution, the public needs to be a part of finding those solutions.

Finally, I'm grateful to this Commission for convening this workshop. I hope you will continue to involve many voices in preserving journalism.

(Applause.)

MS. DeSANTI: Thank you very much, Karen, and now I'm going to invite the panelists to come up and I'm going to introduce the co-moderators to come on up, your name plates are out there, table tents.
We have two people who will be co-moderating this panel, one is Tom Krattenmaker, who has been dean of a law school, he's held senior positions at the DOJ, the FTC, and the FCC. The other is Jessica Hoke, who is on my staff and has done a terrific job in helping to put together this workshop, and once again, I have to ask that all attendees please turn off your PDAs and cell phones, because it's interfering with the webcast audio reporting. Thank you.

MR. KRATTENMAKER: Good morning, thank you for coming. The title of this panel is Public- and Foundation-Funded Journalism. If you want to know the questions we're going to try to get at, it seems to me it could have had a subtitle, I think maybe the people who organized it thought that the subtitle for public- and foundation-funded journalism might be niche or substitute. It occurred to me that a different question might be put there public and foundation-funded journalism to oxymorons. We'll discuss both those topics some time today.

As Susan kindly said, I'm Tom Krattenmaker, I'm a recovering academic, a federal pensioner, and a consultant to the director of the Bureau of Competition here at the FTC, and my associate, Jessica Hoke, is a graduating law student. I asked her how she wanted to
be introduced, and she said graduating law student sounds like the best.

We have here the most wonderful panelists, and a short period of time. We've got a servitude of talent and a paucity of time. Our solution to that is that everyone is going to begin, we've all drunk the Kool-Aid on this, with a four-minute statement, because we've all been so good, we've added a bonus moment in there. I wanted to say that I was able to do something for you today.

I can't speak for everybody here. I know I've never given a speech that only lasted four minutes, so this is going to be a first for me. Everybody is going to try to follow along with that.

As part of that strategy, we have sitting here our timekeeper, who has an office next to me, Dan Gilman, but for present purposes, to be known as the grim reaper. Dan will let us know when our time is up.

For those of you in the audience, first of all, I apologize if you feel like you're in a rushing subway train. We certainly have been moving things along very well today, but I shouldn't apologize to you, the quality or the quantity of everything that's been covered so far today, and I know this will follow along in the same vein.
For those of you, we are, one reason everybody is keeping our remarks short is that we are going to have a long period for questions and for dialogue among the panelists. If you would like to contribute to that, there are cards where you can fill out a question that you would like to have posed, and Chris, are you a recipient of cards, Chris Grengs back with the computer? I'm sorry, Suzanne Michel, and Suzanne Drennon, okay, any woman named Suzanne will be happy to take your card in the back. Just wave it around and she will pick it up.

In order to save time, we will not put in a break, and so I want to say right now the etiquette is if you need to go out and take a cup of coffee, go out and get a cup of coffee. No one is going to take umbrage if you walk out.

There are full bios, and so I am not going to spend 20 minutes reading everybody's biography. Rather I assume you came to hear from them, not of them. With that, I will turn it over, we're not going to go in alphabetical order because of scheduling issues, we have rearranged it somewhat.

Our first speaker for today is Vivian Schiller, and she is the president and CEO of National Public Radio. Thank you for coming.
MS. SCHILLER: Thank you.

I'm delighted to kick off this section on public foundation and journalism and being here with so many of my friends in the industry who interestingly represent various aspects of the public media landscape, including content creators, funders, educators and, of course, all great thinkers in this field.

I have spent my career in commercial media, at CNN, at Discovery and most recently at the New York Times where I was general manager of nytimes.com, but I came to NPR almost one year ago because I recognized the great potential for public radio amidst the current shifting landscape of the news business. A potential to build on our already considerable strengths to serve a public need in bigger, bolder and better ways. We are a good news story, amidst all of this sea of troubles that we have been discussing over these last couple of days.

A good news story, of course, with an asterisk, which I will get to in my four minutes. NPR, and public radio, is advantaged with a huge and really ridiculously loyal audience. We have almost 30 million listeners a week, and growing. Who listen on average, on average, the medium listening, four and a half hours a week. This is not a niche. This is not an elite audience. Our morning edition, for instance, is a larger audience
than any of the broadcasts' morning television shows, by a significant margin.

We have hundreds of journalists, doing original reporting, in 36 bureaus, 17 of them overseas. Our member stations are in nearly every community. A number of them have very, very strong news rooms. My friend John McTaggart from Minnesota Public Radio has one of the strongest. Many of the stations are the only locally owned and operated news organizations left in their communities.

NPR's nearly 500 member stations know their local audiences and are able to serve them with NPR's news programming, as well as their own local programming in a way unique to their local communities. That's all just radio. We also have become an indispensable source online at NPR.org, at every station website on iTunes and iPhone and soon on android, and that's not just audio, but text, photos, you name it.

Our audio is diversified, which gives us strength in a down economy. Our stations count on government funding and audience support, which is at an all-time high, by the way. They, in turn, fund NPR, which is also supported, in addition to its member stations, by underwriting, corporate underwriting, foundation grants, gifts from individual philanthropists.
and other sources of income.

So, now we look to build on this foundation of strength, both because we can and we must for all the reasons we've been discussing over these two days. First we will build on our already-strong reputation for balanced, independent, serious, original reporting, with more investigative reporting, more reporting at the national/international level, on serious themes like health care, like energy, like the economy, more foreign coverage.

Second, we will build on our existing efforts to beef up local news in partnership with our stations. We have various training programs in partnership with the CPB, and the Knight Foundation, by the way, who is also represented here, where is Eric? On a project called Argo, which is to beef up local online content at the station level. In partnership with other public media players, new not-for-profits, who are represented in these last two days. That's a very important point.

Third, we will build upon our effort to make content universally accessible. Eighteen months of experience with an open API has shown us that we can do more in partnership with all our public media partners. We are now prepping to broaden it into a larger public media API, a public media platform, if you will. It is
NPR organized, but to the benefit of stations with partners in all of public media, including our partners in radio distribution, APM, PRI, and also PBS, and many of the start-ups that are not-for-profit start-ups throughout the country.

All of these things take funding, we are pushing on all of our revenue streams, including philanthropy, but we are counting on continued increased government investment for stations and infrastructures in order to build on our original promise. This is not your grandfather's radio. We are nimble, we engage our audience, we work with partners, we are eager to bring ever more like-minded partners into the public media and better serve the public. That's our mission and why we're here.

Thank you.

MR. KRATTENMAKER: And fortunately, Vivian left a little bit of time on hers and since she is the head of National Public Radio, yes, I thought you would like to hear some very witty and charming stories about growing up in my small town of Quincy, Illinois on the banks of the Mississippi River, so if everyone would like to listen.

No, our next commentator, Joaquin Alvarado, the senior vice president for diversity and innovation at
the Corporation of Public Broadcasting.

MR. ALVARADO: At the Corporation, we're heavily focused, and to echo what Vivian sort of ended on, the possibility of creating new kinds of ecosystems around the public investment that goes into journalism currently, supporting local communities in their relationship with national initiatives, through NPR and American Public Media and Minnesota Public Radio, PRI.

We're in a unique moment, though, to take a step back. When you look at what's happening out in the country, around this question, and I've been on now this is like my seventh panel related to this issue, we have very strong trends, actually, coming from the public media field. There are things to build on. What we are doing better now is actually opening the door through this public media platform for software developers to participate in the question, do we have any software developers in this room right now? Two.

So, what's disintermediating the existing old business model for journalism is the innovations occurring in the broadband space, in the mobile broadband space. We need to bring them into the conversation as quickly as possible in a way that leverages our strength, which is the content that we've done, and this 40-year infrastructure that has been
built up on the lowest funding of any industrialized
country when it comes to public media funding, we've
managed to do a heck of a lot.

So, there's a lot further that we can go, but
one of the initial things that I have been tasked with
and have been working with Eric here and some of the
other major foundations is if we just actually pool our
money in a more collaborative way, and look for targeted
opportunities to fund innovation, we can do a lot more
than we've done ever before.

So, the Argo project represents that, and if we
can also start to map the investments that are currently
happening in this country and the innovations that are
succeeding, we can figure out ways to move resources to
them more effectively.

So, we can just do better than our current set
of resources. That, I think, starts to set the platform
for if there's going to be any infusion of additional
public monies, we don't want to fund legacy systems, we
want to try to fund the kind of innovative practices
which bring more community members into the fold.

I was really glad to hear the Chauncey Bailey
example was cited. I'm from Oakland, I am very familiar
with that, that had a deep impact in our community
because it brought diverse community members to the
question of what journalism can do to have that impact. Now, when you look at innovation and how minority audiences respond to media, they are at the most innovative edges of how media is getting distributed, and that's mobile, that's the Internet, that's broadband, that's even gaming, which also tends to be stunningly absent from our conversations around innovation.

We are a good way, if we do things right, at the Corporation, of moving resources into public interest content development. ITVS is a great example of a relationship we have with the independent community that has worked stunningly well, at extremely low cost, drives local engagement around critical issues, and documentary film making. We could go further than that and we could really take something on in the journalism space that I think would make a significant difference in all of this.

So, I'll just stop there.

MR. KRATENMAKER: Thank you, Joaquin. I was so interested, senior vice president for diversity and innovation, it's such an interesting combination, and I realize, I guess the point is that both of those tasks require that you be able to look into the future and not think it's just going to be a repetition of the past.
So, thank you for those remarks which really elaborated
that point.

Our next presenter is John McTaggart, who is the
senior vice president and chief operating officer for
the American Public Media Group, which includes
Minnesota Public Radio and Southern California Public
Radio, and he's also president of Classical South
Florida.

John?

MR. McTAGGART: Thank you.

Yesterday, if you were here, and sat through all
the presentations, I think we heard from more than 30
panelists and presenters talking about the business of
journalism, and talking about strategies and parsing all
the ways that we can meet the desires or needs of
consumers.

American Public Media doesn't really think about
it that way, and I want to talk a little bit about why,
and what informs our thinking.

For American Public Media, journalism is not a
business, it's a public service. It's foundational to
our mission and it's why we do it. We don't serve
shareholders, we don't serve consumers, we serve
citizens. The tone, and I think even the content of
today's conversations, have already started out
fundamentally different from yesterday, and that's readily appealing to us.

Chairman Leibowitz yesterday in his remarks reminded all of us that markets for public good may work imperfectly, and Representative Waxman used the words "market failure." As a civil society, you know, we don't trust the open market or the free market for public education, at least we don't trust it entirely. We don't leave to only the free market our needs for public safety, our needs for public health. American Public Media believes that public information, the information necessary for an informed democracy, should also not be left only to a free market.

The Federal Government has been investing in public media for more than 40 years. They've built infrastructure, with taxpayer funds, we've created a network of television and radio stations and now Internet services that have the capacity and the content for free and universal access to public media for virtually every American in the country.

That's an important investment. Public Media attracts, as Vivian mentioned, a large and growing audience of Americans, cutting across every cross-section of the demographics in the country.

We have a sustainable business model. It is
thought that government funding provides a substantial amount of the resources for Public Media. My organization alone, federal funding, state funding, all government funding combined accounts for less than eight percent of the resources that we use to operate American Public Media stations.

Public Media's far ahead of the start-ups. We believe in a diversity of voices, we believe there's more than one news organization that's needed in every community to serve our citizens well. So, this is not about making a case only for Public Media, but it is to make part of a case for Public Media as part of the dialogue and solution.

New start-ups, digital or otherwise, have to build infrastructure, have to find new revenue, have to create ways to sustain their service. We'll encourage them, we'll do whatever we can to support them, but Public Media is 40 years ahead of that with a sustainable business model, with audiences that are already loyal and relying on us, and we believe that there is an important opportunity for Public Media to serve even more than we are.

Continued and expanded public funding will strengthen local news organizations in every community where a Public Media station exists. Better Public
Media organizations will make for better partners, and Public Media organizations in every community are ready to create content, they are creating content and distributing important public service programming as it exists now.

I'm going to stop there and reserve time for the questions.

MR. KRATTENMAKER: Okay. Thank you, John.

We've already had one question from the audience for you and it is seeing that you have jobs in Minnesota, Southern California and South Florida, have you ever spent January in Minneapolis?

(Laughter.)

MR. McTAGGART: Northern Minnesota is even better.

MR. KRATTENMAKER: Our next presenter is Eric Newton, who is the vice president of the journalism program for the Knight Foundation.

Eric?

MR. NEWTON: Thank you. Thanks to the chairman and his staff at FTC for having us here today.

I would like to tell you about Cicero. When Cicero was sent out to the provinces, he was quite unhappy with the commercial news packets that were being sent out from Rome. Now really. He wrote back
complaining that what he needed to know were the votes of the Senate, but what he was getting were these weird stories about gladiators and ostriches. So, Cicero's not alone.

The Newspaper Association of America tells us that in 2007, there were 1,422 daily newspapers in America, but at the same time, there are 3,248 counties, 19,000 incorporated places, and 30,000 "minor civil divisions," like towns and villages.

All that government is not being watched over by the fourth estate and it wasn't before the Internet, either. A newspaper I once edited, the Oakland Tribune, got attention for its watchdog coverage. We watched over maybe five percent of the government within our region. That's the truth.

So, the market has not suddenly failed. The market has always picked and chosen what it's done. That's why I tend to believe the school of thought that's put forward by the Knight Commission, and the commission report says, "Journalism does not need saving so much as it needs creating. Journalism does not need saving so much as it needs creating."

We need to care about not losing the current flow of the news in the public interest, but at the same time, we really need to think about how to create a flow
of maybe 20 times more, which is what we actually really need. That's the line of grant making we've pursued at Knight.

We know we're agnostic about who creates the 20 times more flow, whether it's all the different kinds of organizations you've heard about over the last day and a half here. But for the most part, our nation's media policies when it comes to creating new forms of journalism are just old and in the way. They're of the industrial age, not the digital age. They often block innovation, which is what our grants are trying to create.

So, a couple of quick examples. Public Media: A lot of the government money that flows to Public Media is status quo money, not good enough. You know, change the rules and then every dollar CPD gives out is for innovation.

Nonprofit digital start-ups: The old rules don't treat them fairly, and make it hard to switch to be a nonprofit, they don't give nonprofit news organizations equal access to press galleries, nor do the nonprofits, are they able to exercise the community leadership that for-profits can in the way of writing editorials.

Another example is university journalism. It's
going on all over the place, students are showing they can do great journalism. By the way, if the nation's 200,000 journalism and mass communications students spent 10 percent of their time doing actual journalism, that would more than make up for all the traditional media jobs that have been lost in the last ten years.

But our old rules don't treat student journalists fairly either. Shield laws in many states don't protect them, don't even consider them to be journalists.

Final example is that the government itself is a huge mass media producer today, because of the Internet, but in general, not a very good one. It has all these Freedom of Information laws, but can't seem to figure out how to use the people's websites to actually provide the information it's supposed to provide under its own laws.

So, I'm not really sure how much of this the FTC can or should change. Hopefully news literacy will create consumers that can demand more, but there is one big thing I think the FTC could do. Consumers have to have universal broadband access to do well in the digital age. If you don't have it, it doesn't matter what kind of journalism falls in the forest, you won't hear it, you aren't connected, you aren't there.
So, the FTC could be out there saying, you know, hey, FCC, we are going to dog you mercilessly until you deliver on universal, affordable broadband access. That's the level playing field upon which everything everyone at this table and everyone else in the room depends on.

MR. KRATTENMAKER: Thank you, Eric. Although you did go over a bit, as I let you know, we did vote collectively to let you have some extra time, but you were supposed to spend it announcing grants to each member of the panel.

MR. NEWTON: That would be in the hall after the panel.

MR. KRATTENMAKER: That will be in the follow-up.

Our next presenter, Charles Lewis, is professor at and the founding executive director of the New Investigative Reporting Workshop at American University School of Communication.

Charles?

MR. LEWIS: Thank you, and I want to thank the Commission for having this affair and Mr. Leibowitz, the chairman.

Well, I think I'm invited here mostly because I've been deeply involved in foundation-supported
journalism, including the Knight Foundation, as a supporter. I didn't come to that easily.

So, one of the issues here and one of the messages, I think, certain folks like Tom Rosenstiel and Eric just alluded to, is we shouldn't exalt the past too much. I quit CBS 60 Minutes as a producer and started the Center for Public Integrity from my house. Why? Because I was frustrated that all the important stories of our time weren't being investigated by the commercial media. The Iran Contra story was broken in Lebanon and announced to the press by the Attorney General. That's a bad sign. The S and L story was mostly broken in the regional press around the country, not in Washington. On and on, I could give you like six other examples, but we don't have time.

So, I started the Center from my house, and over 15 years raised about $30 million from foundations and individuals, and we disclosed our donors and did 300 investigative reports, 14 books, and had a full-time staff of 40 people, 25 paid interns a year, and a network of 100 journalists in 50 countries called the International Consortium of Investigative Journalism.

I still have a skeptical view of the commercial media. Did the commercial media investigate the war contracts in Afghanistan and Iraq and disclose who had
gotten the most money? No. Sorry, the Center for Public Integrity did. I could take a lot of nonprofits and tell you what they did that others haven't done locally and regionally and nationally and internationally.

What is happening now is nothing short of thrilling, and quite extraordinary. We are witnessing nothing less than the dawn of an emerging new investigative reporting ecosystem in the country.

In '99, David Protas started the Innocence Project, now there are 50 Innocence Projects across the United States in journalism schools and law schools. There are now 10 to 12, at least, investigative reporting centers at universities. The one investigative reporting workshop I head here in D.C., I think is the only one in the D.C. area, but they are all over the country.

There are now 25 or more investigative reporting centers across the nation, many of them small, I mean local and regional state-based groups. Some started by their donors, and then they find journalists. Some started by the diaspora of immensely talented journalists with nowhere to work, and taking a page from A. J. Liebling, the only free press is the one you own, if you can't own it, why not start a nonprofit.
So, but it is really an interesting thing that's happening. In July an investigative news network was created of 20 of these investigative nonprofit centers, it will be incorporated and become a stand-alone C 3 in the next few months. That will become 50 to 100 groups by mid-2010. There's groups around the world that want to join it, not just the U.S. And what is happening? Well, the commercial media have recognized reality. They have opened up the Pulitzer Prizes to online news publishers, back in December, first time since 1917. Associated Press, the largest nonprofit journalism outlet in the world, started in 1846, has asked for nonprofits to put their content available to all the clients, first time since 1846.

The landscape is shifting. There's a great study about the scaleability and the capacity, it may surprise you, Jan Schaffer who runs the J-Lab, the Institute For Interactive Journalism at American University, did a study in June called New Media Makers, found that 180 foundations had given $128 million for journalism and news initiatives, $66 million of that for investigative reporting since 2005, not counting public broadcasts, which would get another few hundred million. So, there is something going on here that is growing and changing. In response to the hollow news
room phenomenon we've been living there.

So, I will save the rest for questions, but I find it all quite exciting, actually.

MR. KRATTENMAKER: Thank you, Charles. If you were following your bio, you noticed that this is Charles' fourth nonprofit that he started that he's working on now. So, I thought we could give those data points to Professor Gentzkow, he could plug them in and see what's done in participation at the local level.

Our next presenter is Mark MacCarthy, who is currently teaching and doing research at Georgetown University's Communication, Cultural and Technology Program and teaching about the economics of network industries.

MR. MacCARTHY: Thank you, Tom, and thanks to Chairman Leibowitz for doing this wonderful workshop on the future of news.

I'm at Georgetown now, but I spent many years on the Hill working as a Congressional staffer at the House Energy and Commerce Committee, and my ideas come from both the academic work that I am doing now and that experience as a Congressional staffer.

I want to develop the idea that public funding is part of the future of journalism. Chairman Waxman gave us the path to legislative success in that area,
earlier today, and I want to do what I can to try to meet the challenge that he set down for people who advocate public funding.

So, why do we need it? The conference has sort of set out the rationale, the Internet has undermined the advertising and bundling mechanism that has supported news production, charging online readers for access to news won't be enough. If the 80/20 split on revenue between ads and subscription is the same online as it is offline, then the most the strategy of erecting online pay walls could net is about 25 percent above the $3 billion they currently get from online ads. That's about $750 million, it's just simply not enough.

So, what do we do? Congress should adopt legislation that would provide substantial additional resources to the Corporation for Public Broadcasting to support local news gathering by public service media. This system of public service media already exists. What it needs is the funding to hire journalists to cover local and regional news. The school boards, the zoning meetings, the city council and the state legislatures.

As you've heard, CPB and NPR clearly recognize their opportunity to fill the local news-gathering role, a step in the right direction is NPR's new local
journalism project with support from both CPB and the Knight Foundation. With substantial additional federal funding, this initiative could be expanded.

A supplemental CPB funding request for this fiscal year, and all future funding requests should contain a provision for local news gathering. CPB already dispenses federal funds from news and public affairs for programs like News Hour and Frontline. One model for the new news and public affairs grants is the Independent Television Service that Joaquin made reference to, ITVS currently receives money from CPB to fund public television programming produced by independent production entities. I was involved in the funding of that entity back when I was a Congressional staffer over 20 years ago.

So, one of the objections, wouldn't the government control the news agenda and point of view? Not necessarily. Other countries, including Great Britain, have a tradition of publicly-funded news organizations that are vigorous critics of government policies. We have this tradition here in the United States as well, through the Corporation For Public Broadcasting. It has heat shield provisions designed to prevent political interference with news content.

Finally, should public support be conditioned on
the grantee maintaining some variety of nonprofit status? Some might allow grantees to be low profit and there's a legal status called LCCC that might permit this. In my judgment the key point is that their purpose has to be public. News-gathering grants would not preclude other support mechanisms, including philanthropy, donations from the public, and even some revenue from advertising and subscription fees. If their revenues exceeded their costs, however, they would have to use all or most of their net revenues for their public purpose.

I don't think all local news can be produced through government grants. Maybe it would be ideal to keep the center of gravity of the news business in the private sector, with only a supporting role for philanthropy and public funding. I don't know the right mix of funding sources, but I do think that public funding is an essential element of the mix, and a time to start developing this specific set of this idea is right now.

Thanks very much.

MR. KRATTENMAKER: Thank you.

The next presenter, Tom Leonard, is university librarian and professor in the Graduate School of Journalism at University of California, and Tom's
academic specialty is the historical development of the
media, since 1776. So, if anybody has had to compress
his time, it's you, Tom.

MR. LEONARD: I am going to switch on you and
give a different perspective here. I think many
meetings of this type, we have some vivid impressions.
We have a vivid impression of the founding fathers and
First Amendment and we are quite keen on that period of
American press history. We have a vivid impression of
the great comparative prosperity of news media in the
20th Century and some of us may be nostalgic for that
period. We certainly have a clear vision of the funk,
maybe the promise, but certainly more pervasively the
funk that news media are in today.

Missing, however, is that 19th Century. So,
this is sort of going to be a few words that might be
titled Mine the Gap. How did we get prosperous media,
the kind of prosperous media suggested by Matt
Gentzkow's graphs that we saw earlier in those bars
marching up and the number of newspapers, presumably the
profits they're making, that was also true, and by some
measures, civic engagement at least measured by voting
behavior.

How did this start in the 19th Century? You
know, actually if you look to the hardscrabble part of
the 19th Century, you will find voices that sound very much a part of our meeting today.

In the 1840s, in his private correspondence, Horace Greeley, the famous New York editor, described the field as nothing more than an assemblage of pains, a title we could probably use for everything that's been presented here. It was an assemblage of pains because he was convinced owning a New York, New York newspaper destined to make him rich, that he would never get any money from it, and an assemblage of pains because he knew that in New York in the 1840s, only five percent of the talented reporters and writers could ever hope to make a living.

Somehow, this changed. What were the facts on the ground and why was this ground fertile?

I want to draw our attention to three facts on the ground of the 19th Century. The first concerns copyright protection. It was very little help to newspapers and magazines. Indeed, they benefited by its absence.

American publications pirated British material until the 1890s. It was of immense help to our start-ups. By convention, as many of you know, the local papers that were the heart and soul of 19th Century journalism were printed freely from one another
through a system of exchanges. It's almost enough to say that 19th Century newspapering was built on plagiarism, it's certainly the case that 19th Century journalism was built on aggregators.

In light of Arianna Huffington's devastating presentation after Rupert Murdoch yesterday, and her posts today, I'm expecting to see Bart Simpson write on the blackboard, I will now honor aggregators, in the next Simpsons.

The next factor has to do with the pay wall. There was, of course, a pay wall in the 19th Century. Virtually nothing was published intending to be free, but what pay wall? Americans ignored it, jumped over it, laughed at it, drove editors and publishers to distraction. Nothing is more common in the 19th Century press than verses of this type.

"Would you know the cause, dear readers, why the paper stops today? It is because so many of you owe the printer and won't pay." That's from Iowa in 1872. I think many of the people who have made presentations about charging for content on the web will want to look up that verse and learn from it.

The third factor in the 19th Century that made things go was government subsidies, and Jon Leibowitz has already pointed out correctly how the postal system
and the publication of legal notices mattered, we might also mention the impressment of young children to work in the newspaper industry as news boys, something allowed in the 19th and early 20th Century, and of course the broadcasting licenses which handed newspapers enormous benefits in the early 20th Century.

So, because my time is up, I'll just say, if you want prosperity in the news, and you want to learn from the 19th Century, you have to understand three things: It didn't happen because the press was protected by strict limits on intellectual property, it didn't happen because payment schemes really work very well, and it didn't happen because the government stayed out of the picture.

MR. KRATTENMAKER: Thank you.

Our next presenter is Josh Silver, who is the co-founder and executive director of Free Press, and for those of you who don't know it, Free Press is a nonpartisan organization that's dedicated to engaging citizens in media policy debates and in creating more democratic and diverse media system.

Josh?

MR. SILVER: Thanks, Tom.

I just wanted to go on record that Tom's joke about Bart Simpson may be the most underappreciated joke
of the day.

I come to this issue of subsidy for journalism, how we're going to pay for it, with a very clear eye about the simple economic question, and that's what I want to sort of impart to the room, and that is, at the end of the day, we can theorize as much as we like about well, do I like government subsidy of journalism, do I not, there's obvious liabilities in it, but according to the data that we see, there's simply no choice. It's not as if we have this option that we can allow the market to prevail, to keep the government out, as many people have alluded to, and spoken in support of what I'm saying, it's not like we can do that and have any kind of confidence that we are going to not see the significant erosion of the fourth estate and what's left of it.

I think it's important that we understand that there needs to be a commensurate sort of psychic shift, if you will, the same principles that say, you know, our safety is so important, we have to have public subsidy of the police. Our safety at home is so important, we have to have subsidy of the fire department. Our children are so important, we have to have public subsidy of the educational system. It's that same line of thought that due to market forces, due to many kinds
that have been discussed ad nauseam over the past several months, that the government is going to have a role in it.

Now, I do want to cast a little bit of perspective about for people who say, woe is me, I don't want my tax dollars going into journalism. For folks who were with me in Minnesota, I apologize, I have to reiterate some stats that are really staggering. One company, AIG, has received 175 times more money in the past year or so for the bailout than the Corporation for Public Broadcasting received last year alone. We're looking at for the total bailouts, they're 1,223 times higher than the CPB's annual budget.

2008 earmarks coming out of the Congress, 41 times the budget of CPB, and finally, the U.S. Government did spend three and a half times more money on office furniture than the budget of the CPB. So, we have to keep that in mind when we think about scope and scale about what we propose to be spending.

If that increases, there are obvious conditions that have to be in place. First of all, if we are to increase the subsidy, we have to know that the firewall is rock solid, and Mark, who is my new BFF, alluded to this, but it has to be improved. I mean, we have to know that the kind of shenanigans that happened with Ken
Tomlinson a few years ago cannot happen again, and that's absolutely critical, and structure of part of that.

We have to know that the system nationwide is better run, especially at the local level, that we have station managers committed to producing journalism. We have to have a greater diversity of audience and content. We have to have a broader definition of what public media is with more of an attitude of abundance and less of scarcity.

It has been said here, but I do want to echo, if you doubt the ability of public broadcasting and public media to conduct enterprising, hard-hitting, critical journalism, just look at other systems, in England and Europe, where I would actually dare to say that they are more adversarial than the commercial and public media in this country, in general.

Finally, we have to move from platitudes to policies. I don't have to tell people in this room, there have been so many discussions about where are we going, what do we want to be, but now we are getting to a point where we have to figure out two things: One, what do communities really need, and we're getting there, there are great reports that have been referred to, the Knight Commission report, the Len Downie report,
and then we have to get down to the brass tacks, and really engage the public in what is going to be inevitably a political fight.

My time is up. My last word is I want to echo what Eric Newton said, we cannot ever look at any of this without also having an eye toward Internet policy and the fact that one-third of Americans don't have broadband and they are disproportionately poor and rural and that has to change at the same time.

MR. KRATTENMAKER: Thank you, Josh.

We now have an hour for discussion, and because everybody is doing such a good job of moving us along. What I want to start by doing is moving right down the panelists and ask them each to give me one more sound bite, and but I mean that, one sound bite. I'm going to start down at the right, but because they weren't warned about this, I'll call on myself first. I'll go first.

As somebody whose academic background was in studying the commercial broadcasting industry, I'm aware both of how many billions of dollars the Federal Government gave to that industry, and also the extent to which the Federal Government regulated it, and it was at best a very tame pussycat.

So, like many other people in the audience, I am wondering how it is that the future vision that's being
talked about of a vigorous, independent, publicly-funded press fits with what we saw in this country in the twenties, thirties, forties and fifties.

That would be my sound bite.

Please, Mark?

MR. MacCARTHY: So, the one point I would like to emphasize is how traditional mainstream and all-American government involvement in content is. We all have experience with our local public libraries, we go to public venues where theatrical purchases are provided, we go to museums that are funded by local and state operations, and these are all things that we accept, we like, we encourage, we enjoy, at the national level, the National Endowment For the Humanities, National Endowment for the Arts, the National Science Foundation, the National Institutes of Health, all provide funding for content, scientific, artistic content. This is not some weird, strange aberration and alien intrusion into our life, this is the way we do things in this country.

MR. KRATTENMAKER: Thank you.

Charles?

MR. LEWIS: Well, I confess, unlike some of the other folks on the panel, I'm not an expert on media policy, but I am fascinated by certain ironies. We send
out hundreds of millions of dollars to foster democracy around the world, including strengthening media. In recent years, we were doing that at the same time we were putting reporters in the U.S. in jail and issuing 60 subpoenas. So, I found that incredibly interesting. I am also fascinated by the percentage of money that goes to the media in other countries, which I know is an old saw, but it's pretty interesting. It's stunningly different landscape in other parts of the world.

As an investigative reporter, I also know, like it or not, that journalists would never acknowledge that news organizations, whether they're commercial or otherwise, are not famous for biting the hand that feeds them, whether it's advertisers, foundations, or government money, and that is an issue where I have some ambivalence, and I don't know the answers about some of these things, I'll candidly acknowledge.

MR. KRATTENMAKER: Eric?

MR. NEWTON: On the commercial side, I think tax laws matter, a lot. Tax laws helped the family owners of newspapers feel good about selling to the companies, tax laws could help the companies feel good about selling back to local families. I guess I first became aware of the strange
American feelings about news and information when I was editing the newspaper, and states started putting in sales taxes on newspapers, and I just found it odd that, I mean, here you had chocolate donuts and the newspaper. Tax the same, treat it the same. One is supposed to have to do with the First Amendment, the lifeblood of democracy, the other one, one quick fix to help America's commercial press is to drop these state sales taxes on news and information, and if you need to make up the money, you can double the taxes on chocolate donuts. I think society would be better off, I know I would be better off.

MR. KRATTENMAKER: That's an interesting thought, you know the Supreme Court has held that it's okay that you tax newspapers as long as you tax them the same as chocolate donuts. As long as you don't do it bad.

Joaquin?

MR. ALVARADO: I can't speak to the question of chocolate donuts. We're going to put $7 billion into broadband stimulus in this country over the next 14 or 15 months. That's federal funding going into the infrastructure of broadband. We should be about the innovation of public interest content on that, and I think journalism and education are the two core
strengths that the entire public media field at large can lay claim to, those are two key needs that will drive broadband adoption in poor, rural, minority communities. There's a win there, and it's coming in the next 12 months if we get it right.

So, when the national broadband plan comes out, if we can speak to that issue within that plan, then I think we can create a framework for smarter, more focused investments, and start to make the case that meets the criteria that Congressman Waxman laid out earlier this morning.

MR. KRATTENMAKER: Thank you.

Jessica? Do you have a sound bite?

MS. HOKE: I don't have a sound bite as much as something that I am looking forward to from the panel today. Yesterday, we heard from panelists and presenters that government should stay out of funding the news, and I think from the opening statements we've heard today, that's not the opinion of the panel. So, I think it will be interesting to hear how we can find ways to have government funding help the news and still find ways to keep the government from interfering.

MR. KRATTENMAKER: Vivian?

MS. SCHILLER: As a newby at public media, I've got convert syndrome about it and I'm kind of
insufferable at parties because I am so rah-rah about it, but I have just got to say, public media, the infrastructure of public media, sure there are certain things that could be corrected or fixed, but we have an incredibly strong, powerful, sophisticated infrastructure between the national organizations and all of the stations around the country. We have a strong system, we have other revenue streams.

An investment by the government, as it's always been, but an increased investment into public media, the ROI on that, to use a business term, in support of this public service, will go farther than any that I can imagine of any other sort of so-called bailout of the commercial newspaper industry, or even -- not that I want newspapers to go away, I love newspapers -- but any of the other industries that are going in. The system is there, it works, it needs support, so that we can develop the kinds of infrastructures and systems to be able to deliver on the digital age.

MR. KRATENMAKER: Thank you. Josh?

MR. SILVER: To the skeptics that have spoken in previous panels and yesterday about government subsidy, I think it's really important to keep reiterating, there is simply not enough private money in the forms of advertising revenue, subscription revenue, philanthropy
and otherwise to support particularly the local journalism that our informed participatory democracy requires.

I think there are inherent challenges to it, Chuck, I agree with you, they are significant, but the people in this room, the people who are thinking about this, it's really crucial that many folks leave your comfort zone, and start looking at policies, and figuring out which ones make sense, embrace the fact that there needs to be a role for government, as Congressman Waxman said, and it's like eating your broccoli, that's media policy reform.

MR. KRATTENMAKER: That's good.

Tom?

MR. LEONARD: I want to second Mark's very good suggestion that we can learn something from libraries. These are an upstart institution in the 19th Century. There had never been free public libraries before. They kind of rose in parallel with the great metropolitan newspapers that people could afford. They could never have prospered without strategic philanthropy. Carnegie at the beginning of the 20th Century, Gates at the beginning of the 21st. Although cultural wars certainly happen in libraries, it's remarkable the public trust they've earned, in part because they are places where
people of varying beliefs believe they're respected.

One of the reasons that library bond issues continue to pass, and for example people on the right don't attack libraries the way they do media, is for example that main public libraries now are a place for home-schooled children to get together. So, that model of actually contributing to the civic good, with a mix of public and private investment, is a very interesting one, and the end of the story is, if you count libraries and you count McDonalds, there are more libraries than McDonalds in the United States now, and if you begin to count school libraries, there are ten times as many libraries as McDonalds.

MR. McTAGGART: Thanks, I want to pick up on a thread or a theme, that's not so much about public funding as it is about innovation, and at least the tone that innovation cannot or will not happen within a legacy media organizations.

Two quick examples. I fully expect in my community of St. Paul and Minneapolis that Mike Sweeney, who is the publisher of the Star-Tribune, he is going to innovate at the Star-Tribune, and I expect the Star Tribune-to be healthy for quite some time, but two quick examples within my Public Media organization, one from the earliest beginnings, and one more recent.
In the earliest beginnings, it was innovative for us to choose FM when everybody was on the AM dial. I think that was the right choice. It was an innovative choice, it was a risky choice, it required a significant amount of investment, at that time, and I think for many public radio stations and certainly commercial radio stations, FM has proven to be certainly the innovator's choice.

But more recently, and thanks to a grant from the Knight Foundation, we have invested in an innovation within news itself, or within how we're doing news, and at American Public Media, we call this news innovation public insight journalism. Very simply it's the belief that someone in our audience knows more about the story that we're reporting than we do.

We have a very smart audience. If we can get that individual or those individuals who are the experts on that story to trust us enough to share their information and expertise with us, our journalism will be stronger. We now have over 80,000 of these experts in a trusted database, in a network. We have a growing network of news organizations that are partners with us in this, and we believe that by using these experts, both by their experience and their authority expertise, we can do much better journalism than we have been.
It's working. We've been doing it for about five years and we're excited about it. So, I think we have to make sure that legacy organizations, even legacy radio organizations, can and will innovate, and we shouldn't count any legacy media out too soon.

MR. KRATTENMAKER: Thank you.

John, I have to say that you sort of typecast yourself a little bit there, when you talked about the investment in FM, from my years of teaching I can guarantee you, anybody in the room who is under 35 has no idea what you were talking about when you suggested people used to listen to AM radio instead of FM.

MR. McTAGGART: Forty-five years ago when our organization started, it was a risk.

MR. KRATTENMAKER: Absolutely, most radios didn't even have FM band on them at that time.

The questions from the audience are really excellent ones, and they're running very heavily on the question of how do you do public funding and preserve integrity and independence, and so we need to talk about that. There are a couple of other topics that have come up, I thought I might throw out first for some discussion, because you all have been talking about that issue.

One them is, I mean, Eric has mentioned a couple
of times, and maybe this is just the old law professor in me, changes in law that might be helpful in order to bring about a more vigorous, more active public press, and another is that both Josh and Joaquin talked about, to some extent, it's not an issue of money or maybe in any way an issue of technology about the extent we a might be able to build on the technology.

I think I might throw out the technology question first. This is perhaps too general a question, but are we looking at money or are we looking at technology? What do others think about what it is that might be on the horizon with respect to new technology that may be providing increased opportunities for public-funded or for foundation-funded materials.

Again, and this reflects a question which was presented from the audience, if you had lived through my course in telecommunications law, you would have learned that virtually every cable company in this country is saddled with a requirement that they provide public educational and governmental access channels, PEG access channels. There's a huge investment in our country in those. I don't know, maybe Josh has the numbers, the viewership probably approaches zero on those.

MR. ALVARADO: Not true.

MR. KRATTENMAKER: Good. Fine.
MR. ALVARADO: Not true. So, PEG was the result of local governments making really important demands when cable got rolled out that there be universal coverage. As state-wide franchising becomes normalized, when telecom companies go in to provide triple play like FiOS or U-verse or AT&T, that is discombobulating the space in which PEG was possible.

So, if you speak to local governments, who in many cases are really fighting the good fight to get broadband connectivity out to their communities, working with organizations like OneEconomy, they are actually figuring out how to preserve that PEG function in a broadband space, but where the franchising is not working on their behalf.

So, I think that we confuse or we don't give enough credit to what's occurred that's positive with PEG or what goes away when that no longer happens. They are the ones recording the city council meetings that are in a searchable database that can be sourced by reporters who want to follow an issue.

MR. KRATTENMAKER: That's an interesting point, you get extra credit for marrying the case of the funding and technology. I wonder if anyone else wants to comment on technology or investments that we see. Josh had mentioned broadband access. I don't know if
there are others.

Vivian?

MS. SCHILLER: I think technology is the key to everything. I mean, the point is, the reason we exist as Public Media is to make our content available to people. If they want to listen to it, which they do, in large numbers, on FM radio, that's great, but guess what, technology is making and new devices are giving people many more places where they go for content. We have to be there.

That's why the formation of a public media platform is so critical, because especially Tom Rosenstiel talked about the atomization of news content. We talk about all these devices that are coming out. If we can't have the power of all of our original content, which hopefully will be growing, over the years, available and accessible, for communities, for software developers and for others to access, to be able to manipulate, I don't mean manipulate the journalism, but manipulate and select what they need and provide to our users on every device and in every form and in every which way, then we would have failed to remain relevant.

So, it's at the center of everything we do.

MR. KRATTENMAKER: Thank you.

Yes, Mark?
MR. MACCARTHY: Quick comment, Paul Starr when he talked about public funding in front of a Congressional committee about six months ago made the important point that public funding should be platform neutral, it really has to be a matter of creating the content, and then the distribution, whether it's mobile, broadband, or television or radio or text on an Internet site is something that should be up to the content producer and its associated distributing partners.

MR. KRATTENMAKER: Anyone else want to comment? Eric, technology and opportunities that are out there?

MR. NEWTON: Yeah, technology, money, the whole thing. I mean, the traditional media that survive in the 21st Century, you know, will be the ones nimble enough to create cultures of continuous change, and be able to keep up with the changes. So, it means new technology all the time. Not just we're going to move to the web and now we've fixed our problems, but how do you create that kind of a learning organization, new technologies, all the time, in a constant stream of innovation.

I mean, you know, many news organizations survived the 20th Century, many will survive the 21st. But instead of the big ones surviving, it's going to be
the nimble ones.

MR. KRATTENMAKER: Joaquin, did you want to talk
some more about the Internet and how it's affecting CPB?

MR. ALVARADO: Well, we are asking the question
of what money goes out into the system, how does it live
on beyond just its traditional broadcast base, and we
don't do a good enough job, I think, as a group of
people talking about this of understanding what local
stations are actually doing and not doing.

We have been surprised, I have been surprised at
CPB to find out that there are many local journalism
initiatives that stations are just bootstrapping because
they feel compelled to do so as connected organizations.

So, if we can do better as preparing the Public
Media field for a broadband space, and that's everything
from the Public Media platform, the PIJ, the Public
Insight Journalism Network represents the killer app in
my opinion for melding social networking with broadband
in a journalistic fashion. If we do better on that, if
we do better with broadband in terms of the stimulus
money going out and stations getting fiber connectivity,
we can actually create the kind of space where
developers at low cost can write applications for our
stuff, and we've got to make sure that we don't have
anymore panels where there's only two software
developers in the room. It's like trying to solve climate change without having India, China and the U.S. and Europe all in the conversation together. It's not going to happen this way.

MR. KRATTENMAKER: Well put.

MS. SCHILLER: That's an analogy.

MR. KRATTENMAKER: Josh, I wonder if you wanted to elaborate a little bit more about the point of the universal broadband access and the importance of that.

MR. SILVER: There is another divide that occurs that is often age-based and that is this understanding that virtually all media will be delivered by a high-speed Internet or broadband connection, in just a few years. It's already happening now. It's notable that TV sets being sold in box stores, at this moment, connect directly to the web, and it completely revolutionizes how people get their news and information, and we must remember that video television continues to be by far the dominant source of news and information, and that trend is not changing substantially. That's important.

We're looking at a parallel challenge here, and the parallel challenge is in that in the same way that we have to figure out how to subsidize and support a robust fourth estate, we also have to subsidize fast,
competitive, neutral broadband deployment nationwide. Once again, as with media, we have a rich national history of doing this. We did it with roads, we did it with phone service, we did it with electricity, and now it is absolutely critical that it happens in broadband.

Tom, probably the most important point to note, in the last nine years, this country has slipped from fourth to 22nd in broadband adoption and speed internationally. That's because of failed policy. So, that has to move at the same time as the media policy moves.

MR. KRATTENMAKER: Very interesting. I want to put explicitly on the table now what some of you have addressed: What, if any changes in law, would you welcome, from your point of view to make more accessible, more valuable, or even to build up the trustworthiness and integrity of public-funded or foundation-funded journalism.

Eric, I know you talked about this, but should I come back to you to begin with that? I know you've got a list.

MR. NEWTON: I said the ones about equal treatment of student journalists, equal treatment of nonprofit journalists, more innovation in money, in public media. All of those are, you know, rules and the
rules determine the outcome of the game a lot of the time.

So, I'm not one of those who has the mythology that the government has never been involved in media, very much involved from the very beginning. The question is, maintaining the sort of the firewall between that involvement and the content. But anything that we can do to level the playing field and give all the new kinds of emerging folks and the existing folks who want to innovate a chance to do it I think would be a good change, a good law change.

MR. KRATTENMAKER: Anyone else want to add to this? You've already added a couple.

MS. SCHILLER: I'll just chime in to say we need a re-examination and re-authorization of the Public Media Act. When was the last time we were here?

MR. ALVARADO: '92, it ran out in '96.

MS. SCHILLER: Right, so a lot has changed since then and we need to re-authorize reflecting the new realities.

MR. ALVARADO: I think amending --

MS. SCHILLER: Joaquin can talk about that.

MR. ALVARADO: Addressing what the authorization should look like, given all the things that are happening right now is one critical question. Another
is you don't want to re-authorize it, and make it a zero sum game. If we change the language and don't increase the funding, we're going to be really hamstringing the whole initiative. So, we have to address how much funding to do how much, and what in the language needs to be different to do that.

I would love to see a scenario where stations can have a pathway to absorb the innovations that Knight and other major foundations have been putting into the field in a way that builds towards the sustainability of these small, great, nonprofit journalism innovation start-ups. They're going to run into the same wall that stations run into. How do we make this sustainable over time, and that means you have to diversify your funding anyway. This is already the situation we have in public broadcasting.

So, if we can get a ramp there and preserve the species of journalists, professional journalists, before we lose them. This would be like the California condor project, just getting mating pairs together and whatever it takes.

(Laughter.)

MR. ALVARADO: Over the next few years, we can't take forever, we have to go right now if we're going to pull it off.
MR. KRATTENMAKER: Mark, did you want to add to this?

MR. MacCARTHY: Just to emphasize the situation, I like the image, it's going to be hard to get out of my mind.

But I think the diversity of funding is a key element. We've all known that funders have a way of wanting to have their point of view reflected in the entities that they've funded. It's been true of the advertiser-supported media for generations. The way you fix that is by diversifying so that no one entity can call all the shots, and I think that's going to have to be true in public media as well, funding that comes from the government is never going to be the whole ball game, it's going to have to be other sources as well.

Beyond that, I think you have to write into the statute the requirement that there is an independence of the entities that are funded. You've got to put it right in the statute, you've got to have Congressional oversight, you've got to have media oversight over that and you've got to build a culture in which the principle of independence is part of the DNA of the whole system. You do that and you'll get over time the same sort of resistance to government control in the publicly-funded media that you currently have in the commercial media.
It's just a matter of developing the tradition, developing the habits, and writing it in Congressional statute with media and Congressional oversight.

MR. LEONARD: Tom, can I add, on the issue of law and public policy, it's extraordinarily important in this environment of more and more, if you will, freelance news operations that access to knowledge not be priced outside their capacity. A lot of taxpayer-funded research has traditionally gone into commercialized journals where it was inaccessible, for example, to science writers, unless they worked at a university or worked for a rich news organization that could pay the toll.

The National Institutes of Health has instituted a very enlightened policy of bringing back that taxpayer-funded research into a repository, PubMed Central, where six months after publication or now 12 months after publication, anyone can see what the research was and use it.

The content providers are not so happy with this reform. They would like to roll back that access. These are companies with 34 percent profit margins, in some cases. It's a good business to be in, but not a good business for the middle landscape of journalists and writers who need access to material.
Another aspect of this would be the mass digitization project such as Google, but that's another topic.

MR. KRATTENMAKER: I think we need to open this up explicitly to the question of government and foundation funding as opposed to private markets. I think it's important to begin by the point that Eric and others have made, which is there never has been a complete government abstinence from funding of the media, or interaction with the media. We do not live in an anarchic society, so if you're running a newspaper down in your basement, you're still probably relying on intellectual property laws, tax laws have an effect on what you do, the way in which the transportation infrastructure is laid out has something to do with how it is that you deliver whatever news you create.

So, it's not possible in this day and age to imagine any kind of a business that exists entirely independent of government. That's just not something that could happen. But the questions that we're getting here are rife, without reading any particular one of them, how in your own world, if you are in the journalist world, or in the world that you're observing, if you are someone who is observing journalism from the outside in the professorial way, do or should the
public-funded or the foundation-funded media maintain independence and integrity? If a principal function is to be a critic of government, how does one be a critic of that which funds one?

That's a long question, which you can break down into pieces, and I sort of think everybody should have something to say about that, so I just want to move down, and this time I'm going to do it, I'm going to move out from the center.

So, Vivian, you're going first.

MS. SCHILLER: Well, thank you for giving me time to prepare. I mean, the proof is in the pudding. I mean, as journalists, any journalist gets a little oochie, to use a technical term, about direct government funding of content, but, in fact, if you take a step back, if you look at the commercial world, this is not a new concept. I mean, advertising appears in newspapers, advertising subsidizes the newspaper and all commercial media. Does that mean that newspapers have pulled their punches about those advertisers? Certainly not quality news organizations have not.

No news organization worth its salt is going to accept money with any kind of conditions attached. We didn't do it in commercial media, we don't do it with advertisers, and we certainly don't do it with
foundations. I would ask anybody in this room to say any instance in the history, at least of NPR, where a story has been slanted or favorable to a foundation funder.

Government money is the same thing. I mean, if you look at our coverage, we do plenty of criticism of the U.S. Government, and in any government institution, and there's no reason to believe that that would happen. If you spend any time in a news room and you spend any time with journalists, you'll know that, if anything, the opposite probably is true. Oh, they're funding us, let's look even more deeply into them. That's sort of the instinct of most journalists.

So, yeah, I mean, as someone I say that comes from commercial media, it takes a little bit getting used to, but again, if you really pull it apart, the analogies to all funding mechanisms are pretty similar.

MR. KRATTENMAKER: Yeah, I remember when that car talk show led the opposition of the Vietnam war.

Continuing to work from the outside, Joaquin, did you want to respond? I'm sort of moving out this way, just to go in a different order.

MR. NEWTON: I want to jump in. You know, it's about professional ethics, and one of the great things about the commercial newspaper industry is how many
hundreds of major newspapers have fantastic codes of ethics that they do hold each other accountable for and the professional organizations and journalism schools do hold them accountable. But it's the same thing in libraries and schools, and I mean, how do you keep the libraries independent, how do you keep the schools, the teachers, with academic freedom, and it's the building of these firewalls.

I think that rather than worrying so much about that, where we have a society with more than a century of professional litigation in these fields, it seems to me that using that as an excuse not to increase funding is sort of like saying we can't give more money to the libraries because somehow that's going to influence the library, so we can't have the schools teaching news literacy, because somehow that's going to hurt the kids.

I think it's a bogus argument that just keeps us from doing the right thing.

MR. KRATTENMAKER: Josh?

MR. SILVER: I think there are three structural changes that should be made right out of the gate that would be greatly protect public media from undue political influence. Number one is to abandon the appropriations process, which was the recommendation of the Carnegie Commission and Congress rejected it in the
late sixties. That is absolutely critical, because in the current system, you have a regular parade of politicians bemoaning coverage that they see as biased or unfair. That is a position that someone like Vivian should never have to be in.

Number two, I think we need to change the way that the Corporation for Public Broadcasting's board is appointed. It's currently appointed by the President, and no offense to the President's office, but that's too political. There are other ways to do it. That just makes more sense that would avoid that problem.

Number three, I think we want to bolster the roll of the ombudsman at the CPB and across the system. That would be helpful. There are great, like for example, NPR has a great ombudsman, but it could be better, there could be more resources allocated to it, if the funding were there.

As far as the funding those independent funding mechanisms go, I think it's absurd that the public airwaves, which we all in this room and everyone across this country owns, that the revenue from the auction of those, that spectrum, shouldn't go to Public Media. It should. That's one method.

Another would be a very small device tax on electronic media devices. There's many ways to do it.
Those are not specific recommendations, but examples.

MR. KRATTENMAKER: Chuck?

MR. LEWIS: Yeah, I would, from the other end, at the grass roots, I mean, nonprofits that operate, and they're growing every minute, like rabbits, there are --

MS. SCHILLER: Condor, rabbits.

MR. LEWIS: Rabbits, condor, sorry, yeah. There are a number of obvious things that commercial news rooms have done that many of the nonprofits, but not all, do, which obvious things like a wall between the fundraising part and/or advertising, but in this instance, actually some nonprofits also advertise, so they are blended, but a wall between the staff doing the journalism and folks who are more in the traditional publishing function of making it work financially.

No conditions, I agree with Vivian completely, of course, one rule of thumb is often is it my idea or someone else's idea, which is going to sound basic, but transparency I think is fundamental. A good number of nonprofits do not disclose their donors. I happen to think they should. The work, ultimately, if you are doing your job and you're investigating subjects that are inconvenient at the receiving end, if you're doing investigative reporting, the work will stand on its own, and if it doesn't, you actually won't get any more
funding and you will start to dry up as an entity. So, your integrity is reflected in the work.

Finally, ethical standards, there are multiple ethical standards in this country. I mean, the Society of Professional Journalists, there's a number of other standards. I think each organization should decide what their standards are. I think the SPJ's standards are too weak, actually.

So, those are the ways that at the grass roots level an organization, whether they're getting foundation funding, or corporate funding, or yes, government funding. So, there are ways to address this, I think, that are not surprising.

MR. KRATTENMAKER: Tom?

MR. LEONARD: I guess I want to second the suggestion that Josh made that an institution which in some ways is in decline, the ombudsman, or the public editor, needs to be taken another look at and beefed up, both from a point of view of news organizations, and from the point of view of government agencies in the business of funding. I think that that airing of different points of view and the transparency of surfacing the criticism and seeing what the facts are is just about the best hygiene we can imagine.

MR. KRATTENMAKER: Yeah, please. Mark?
MR. NEWTON: I think this is a temporary situation, that whatever kinds of funding we're talking about, because the primary relationship is between the news organizations and the people formally known as the audience. If they can manage that interactive relationship, they'll thrive. If they depend too much on any source of funding, be it advertising, the government, foundations, they won't do well. The relationship has to be between the news organization and people.

MR. KRATTENMAKER: Thank you. Mark?

MR. MACCARTHY: I think these are all good suggestions, but one that I think might be achievable at the same time that you actually increase the funding, as I said before, is write directly into the statute the requirement for independence. Maybe a mechanism that creates maybe a little of additional complexity might also act as a firewall.

If you think about the way ITVS works, the money goes from the government to CPB and then passes through to ITVS, and then from there, it goes to the independent producers. So, there's an extra layer that provides an extra layer of insulation that could very well prevent any kind of rogue interference by people at the funding agency itself, and that might help a lot.
MR. KRATTENMAKER: And John, since you've come all the way from South Florida, Southern California and Northern Minnesota, you get the last word.

MR. McTAGGART: Just a couple of additions to this. I think additional factors in this are diversity of funding for the organization that's receiving the funds, and an accountability with the community. I agree with Eric. A demonstrated accountability to the community. There's any number of mechanisms that would allow that to sort of come together, and not have to be sort of formulaic or even entitled, but a demonstrated support from the community for the organization that is the journalistic organization that then justifies or triggers or leverages a support from the public.

So, diversity of funding. Remembering, as I think Mark just said, government funding not flowing to the individual journalist, the government funding flowing to organizations that then employ journalists, and I think that any serious news organization has a firewall in place where organizational funding is certainly distinct from the activities of the journalist itself.

MR. KRATTENMAKER: Sorry, I inadvertently skipped Joaquin, he's too tall so I missed him.

MR. ALVARADO: Just speaking on behalf of the
corporation, our CEO, Pat Harrison, has said repeatedly, now is the time, we have to be open to these conversations, we have to go further than we've gone before. I think all of these are the right conversations to have, it's just a matter of critical mass, a timeline, what is the path, how many federal agency players need to be in the conversation at the same time.

We have a core innovation issue, but there's more opportunity than not, I feel, and we have to remember, there's something called American ingenuity, which Americans like to talk about, and we keep having this conversation about what's going away, not the possibilities in front of us.

I think the possibilities are for more news, more reporting, more interaction and transparency, and more engagement from diverse Americans. That's the possibility, and until we get to that narrative, you're not going to get the general public excited about saving the dying patient. We have to be about birthing the baby.

MR. KRATTENMAKER: Thank you. I believe we have one more person to hear from. Being from the government, I believe in treating everybody equally, and so apparently we're going to hear, I think, the Chairman
Leibowitz, would like to make a comment? He's been sufficiently aggravated by all this talk of rabbits and condors? Mr. Chairman, we would be pleased to have you come to the podium.

MR. LEIBOWITZ: No, thank you, I don't want to undermine all of the interaction you're having with the panel already. Thank you.

MR. KRATENMAKER: Please.

MR. LEIBOWITZ: I'll turn it back to you.

MR. KRATENMAKER: You're declining. Susan?

MS. DeSANTI: You still have time until noon.

MR. KRATENMAKER: No, we're good. Okay. Join me if you will in thanking these extraordinarily talented thoughtful people who came a long way to help us out. Thank you.

MR. LEIBOWITZ: I will do one other thing, since we're early. First of all, I want to thank Jessica Hoke and the legendary Tom Krattenmaker, who we are delighted to have back, for running this panel. Then also Susan DeSanti, Chris Grengs, Suzanne Michel and Suzanne Drennon's team for just doing a spectacular job in putting together this panel.

So, please, thank you, everyone.

(Applause.)

MS. DeSANTI: Just know that we start again at
1:00.

(Whereupon, at 11:40 p.m., a lunch recess was taken.)
AFTERNOON SESSION

(1:00 p.m.)

MS. DeSANTI: And I first want to address yet another housekeeping detail. The fans we don't have any control over, because they regulate the air throughout the whole building, so they can't change it specifically for us. The fans are louder over here, and not so loud over there. So, people who are bothered by it might want to move over there. It's colder over here, it's less cold over there.

So, we looked into this, we really did try to do something about it. So, this is life. Feel free to move, it's quite all right.

We're going to start today, this afternoon, we're very fortunate to have a senior representative from the FCC to briefly give us a sense of their ongoing and upcoming activities relevant to the topics that we've been dealing with today and yesterday. As Chairman Leibowitz said, the FTC will be coordinating closely with the FCC.

Here to speak on their behalf is Steve Waldman. Steve has just started as senior advisor to the chairman of the Federal Communications Commission, heading up the agency's efforts on the future of media. Until this week, he was president and editor in chief of
beliefnet.com, the leading spirituality site, which he co-founded. Before that, he was a reporter for Newsweek and U.S. News and World Report, and we're delighted to have him join us today.

Steve?

MR. WALDMAN: Thank you very much, Susan, and Chairman Leibowitz.

Julius Genachowski, the Chairman of the Federal Communications Commission, recently asked me to head up a major effort at the FCC to assess the full range of issues related to the future of media. This is my third day on the job and the first two have been mostly filling out paperwork, so I'm mostly here to listen. These have been two days of excellent hearings that I know are going to be enormously valuable to our efforts. So, I will just make a very few brief points, especially about government's role.

First, there are, in fact, good reasons for skepticism and caution when government, whether it's the FCC or the FTC, or anyone else, looks at the health of the news media. The news media is here, in part, to make life miserable for public officials, so it's understandable and appropriate that there would be some suspicion about why the government would be probing these questions in the first place.
As a former journalist and entrepreneur, I have a natural bias towards assuming that the private or nonprofit sectors will solve most of the problems facing the media. However, we are gathered here today in recognition that the new era, while providing breath-taking new options and innovation, may leave some holes. Some of those holes may not merely be unfortunate or inconvenient market gaps, but rather real threats to the public interest. News is both a public and private good.

A well-functioning news media is essential to democracy, and the ability of citizens to hold leaders accountable, and by the way, we should think not only in terms of public officials as leaders, but leaders of all institutions, from universities, labor unions, community groups and businesses as well. The ability of consumers to get the information that they need to lead their lives is part of what's at stake.

The question really is not whether the government should become involved in the media, as others have pointed out in the previous panel, the government already is very involved in setting the rules of the road for media and communications industry. FCC polices such radio, TV, mobile and the pipes of the Internet, with varying degrees of success.
What's clear is that inappropriate government policy can hinder innovation, and wise policy can enable innovation, and benefits for consumers and the public interest. The FCC already has several efforts under way related to these matters. By February, the FCC will produce a national broadband strategy. This is very high priority for the agency, and it is related to this conversation. Universal broadband is important for the future of news media in that Internet-based innovations, to provide better news and information, cannot be available just to the affluent or to the well-wired.

The FCC has also begun a process to preserve an open Internet. Regardless of the means for achieving this end, we should at least be clear on this much: The principle of an open Internet directly connects to the future of the news media. We've heard story after story about the exciting journalistic experiments around the country, the revolution in citizen journalism, the recent wave of local journalistic experience. All of these could falter if we didn't have an open Internet.

Thirdly, by law, the FCC is undergoing its quadrennial review of media ownership rules. The experts at the FCC are deeply conscious of the fact that this is a review like no others. The first in an era when the Internet has changed almost all the rules and
in which we see these challenges to journalism.

Though the exact process is not yet clear, the FCC will also be looking at several other issues related to the future of the news media, included but not limited to what are the gaps likely to be filled by innovation, without government doing a thing; and what, if any, are the gaps likely to be left unfilled?

We've talked a lot about newspapers, but crucially, what is the state of local TV news? What role can tax policy play in improving the news-related business models? What role did debt play in leading to stress on media companies? Very important, how does spectrum policy relate to these questions? What role does mobile play? What are the public interest obligations of broadcasters in this new era, and what is the best way for them to fulfill those obligations?

For that matter, in this new era, how should the FCC interpret its historic bipartisan commitment to ensuring competition, diversity and localism in the media?

So, thank you very much, again, for gathering this great collection. This gathering combines with really outstanding work that's been done in the last year by numerous other groups, and we look forward to working with the FTC, the other groups of stakeholders,
and citizens to ensure that the media continues to make
the lives of public officials miserable and perform
other important functions.

Thank you.

(Applause.)

MS. Desanti: Thank you, Steve, and now that
you've been three days on the job, you can say, yes, you
want to make the lives of government officials
miserable, but welcome to the life of a miserable
government official.

Now, I will invite the first panel for the
afternoon to come up, this panel will be moderated by
Suzanne Michel, who is Deputy Director in the Office of
Policy Planning, and Chris Grengs, who is our unofficial
technology expert who we have had here today.

MS. Michel: That's because Chris is younger
than Susan and I.

MS. Desanti: Exactly.

MR. Grengs: I like to tell them that I am not
as good as a 13-year-old, but I can keep up.

MS. Michel: All right, thank you, and welcome
back for the afternoon. The title of this panel is
called Reducing the Costs of Journalism. During this
workshop, we've heard quite a bit about the economic
challenges that are facing news organizations, many of
which have been driven by the loss of advertising revenue due to the rise of the Internet.

Well, cost reduction is a natural and typically necessary response to a drop in revenues. One way to reduce costs of journalism, of course, is just to do less and to cut news staff. So, we have certainly heard a lot about that problem faced by the industry.

But the goal of this panel is to explore more positive and more constructive ways to reduce the costs of journalism. News organizations are partnering and collaborating in exciting new ways. Digital technologies in the Internet can empower professional and citizen journalists to more efficiently investigate stories in ways that were not previously possible.

Our first speaker today is going to be Aneesh Chopra. Aneesh is Chief Technology Officer and Associate Director for the Office of Science and Technology in the Executive Office of the President. Part of the promise of the Internet is making government information increasingly accessible to all of us, and we're very grateful and lucky to have today the Administration's point person on that.

So, Aneesh, thank you for joining us, especially understanding that you have another commitment this afternoon and may be ducking out a little early. So,
thank you.

MR. CHOPRA: My very much pleasure, thank you for having me, and let me begin by saying that perhaps I come from the exuberant and enthusiastic wing of the government employee. I have a lot of enthusiasm and excitement around the work we're doing.

This is a wonderfully titled seminar, as it dovetails well with the President's commitment to a more open and transparent government. In many ways, a great way of reducing the cost of journalism is to make frictionless the information necessary to uncover those areas where leaders and actually the community at large can be held accountable and made more informed about the challenges we face.

I would like to describe the President's commitment to open government, and in the three areas that he had outlined for us on his very first full day in office. The President had issued an open directive, a memorandum, if you will, calling on the chief technology officer in coordination with the Office of Management and Budget to think through how government could be more transparent, more participatory, and more collaborative. So, I'll just take a couple of minutes and describe for you our vision in each of these areas, and its relationship to journalism.
First is on transparency. We launched, earlier this year, a web portal, data.gov, that is the platform through which, we hope, as much public information as you would like to consume will be made available in as accessible a manner as possible. We're envisioning from the more media-oriented topics those that occupy the news, like the White House visitor logs, which are now made available in machine readable format, through data.gov, and will be a staple of an ongoing publication through data.gov as outlined by the White House counsel's office earlier this year.

But even beyond some of those more higher profile data components, we have unprecedented levels of performance statistics and national data files. To help us understand what is the rate of childhood obesity in my neighborhood? To what extent is the graduation rate in my community, relative to others? All of these performance and outcomes goals, we will have what I would call round one of additions to data.gov, but we've now created a sort of an ecosystem where the general public, or media professionals, can literally request on data.gov data that they would like to get from the Federal Government, and we would evaluate how to make that information accessible in a new and more streamlined format.
We will, in hopefully not too short order, or not too long from now, be releasing a directive in guiding agencies in how to operationalize this philosophy. I can assure you that that directive will be very explicit about its call for releasing data.

Second, we must make our government more participatory. This is one that strikes me as a bit odd, as I am now the recipient of this transition from the old to new models of media.

Let me share a story. While we were tackling this health care reform issue on Capitol Hill, and it occupies a great deal of our media, we are in the midst of an implementation plan off what we believe to be one of the most fundamental investments this nation has made to transform the way care is actually delivered.

Our multibillion dollar investment in health care IT, a topic that is under way, and will turn to regulation by the end of this year. Through this process, we have had public hearings on what these regulations should look like, from the policy objectives, all the way down to the technology standards that will power how you and I as Americans can consume our medical information.

Surprisingly, this process has not had as much attention in the media. We have been embarking upon
this journey, and the second pillar of the President's open directive on participatory democracy have been focusing on how we can make government more accessible, we threw open the doors of this deliberative process, we actually engaged in a three-week, online forum, where we invited every American to come online and engage and vote ideas up and down and tell us what standards should be the basis upon which these regulations should be based.

It was the Huffington Post Innovation Fund, or whatever they call it, the Inspector Fund or whatever it is, that sent news media to investigate the impact of these health IT standards, not once, but at two of our most recent public hearings, and in between, mining the data on these open sites.

I just found it curious that while this significant policy issue opened up in terms of access lacked the traditional attention. Which leads to the final pillar of the President's directive, and that is on healthit.hhs.gov/blog/faca, for those that are already in the online forum.

The last pillar is on collaboration. Increasingly, we are relying on the American people to help us in the execution of policy, in the implementation. How do we support public safety without
understanding what the Twitter community or the online community at large is commenting on to help us inform about where they may be threats to public safety. How do our operational systems incorporate some of this new media feedback in our execution of public policy?

Again, keep your eye out as we roll out our open government directive, again, hopefully in the near future, and you will see in very explicit form how we intend to formalize our engagement with the American people.

All of this speaks to the question of the future of journalism. We're serving it up. A more cost effective way of accessing the information that you need to hold elected officials accountable and the operating units of government accountable.

Now the interesting question will be who will come, and in what manner?

Thank you.

MS. MICHEL: Thank you very much. Next we have Bill Allison, editorial director of the Sunlight Foundation, an organization that makes great use of government data.

MR. ALLISON: Thank you, I would like to thank the Commission and Suzanne and Chris for inviting me.

I'm a refugee from traditional media, with the
Philadelphia Inquirer, and I want to talk a little bit about what the Sunlight Foundation does and some of the things that we are concerned about when it comes to government data and some of the things that we are finding.

The Sunlight Foundation is a nonpartisan, nonprofit organization here in Washington, D.C. We use technology to make government more transparent and accountable to its citizens. We make grants to organizations like the Center For Responsive Politics, which does tremendous work cleaning up Federal Election Commission data and other organizations, through Sunlight Labs and the part of Sunlight that I head the Sunlight Foundation reporting group, we also make government data, we digitize it, we take free data sets in some cases that are available only on paper records and turn them into data, and in other cases, we bring together disparate data sets all in one place so you could compare lobbying with earmarked data or different kinds of information and get some real context out of it.

I wanted to talk about or start with an anecdote, I mean, one of the things we also do is a tremendous amount of training of reporters and journalists and try to teach them how to use federal
data, before it's from grantees like Center For Responsible Politics or straight from the source. We just did a series of trainings with data.gov with our partners at Associated Press managing editors and the Associated Press, and I think some ways, this is sort of the success story of what you can do with the data.

We introduced reporters to the data, showed them where to get it, how to use it, how to download it, warned them about what's in it and we had reporters who were trained on Tuesday afternoon or Thursday morning writing stories for Sunday's paper on where recovery money was going in their communities, talking about the jobs numbers, talking about all kinds of different issues that were raised by the data, but also really giving a picture of how recovery money is being spent.

These reporters, some of them who called me back and said that having access to the timely data, that they can manipulate, download, study, and guide them, made their reporting incredibly more efficient. I mean, they still had to make the phone calls, they still had to do all of the things that reporters have to do to write a newspaper story, but they had this guidance and they can save a lot of time, and the data really helped them out.

When one thinks of all the kinds of information
that government tracks, healthcare, education, household finances and wealth, foreclosures, unemployment, impact of foreign trade on domestic manufacturing, I mean, we can go on and on and on and on and on and on, it's not hard to see that having ready access to this data would be tremendously helpful for reporters.

At Sunlight we're big believers that government quality data freely available leads to better journalism, and we believe that in a government record is public, whether it's data or a document or some kind of disclosure, it should be put online in a searchable and downloadable format as soon as possible. But we're a long way from that, and among the problems we encounter, which every news organization runs into when they're using this kind of stuff, is that data isn't always available, and when it is available, it's not always accurate, sometimes it's inaccurate, impenetrable or even unusable.

Sunlight was one of the many organizations that supported the creation of a site called usaspending.gov, which I believe you're familiar with, and where it provides really one-stop shopping of federal contracting and grant data, who's getting money from the Federal Government.

In fact, the design of usaspending.gov comes
from a grantee of ours, OMB Watch, which created their
own government spending database in front of the
creation of USA Spending. Sunlight is also one of the
high end users of the data on this site, some of our
researchers rely heavily on it, or would like to.

To give you an example of one of the problems
with this data, there's a record in usaspending.gov,
it's on the site right now, you can look it up, if you
search for a company called Dynamic Research, they're in
California, and in 2009, they received a grant according
to usaspending.gov for $333 million, and in fact, the
company actually received a $1 million grant. We found
that there are whole programs missing from this data. I
mean, it's easy to pick out one record, but there are
whole programs missing, a tremendous amount of
information that's not there, and if you're a reporter,
can you really rely on this.

Bad government data is just a huge problem, and
again the nonprofit sector of the news organizations can
spend millions cleaning it up and it's really the
responsibility of the Federal Government to make this
data available in a format that can be used.

A second problem that we have is withholding
data, having to go through FOIA requests, there are
different organizations, or different agencies of the
government that will tell you that the architecture of
the database is proprietary, so you can't have the data
that's in it. I can tell you any number of stories of
having trouble getting data, but there should be a set
policy for releasing data quickly, and for public
records, we just start with this, make them online,
downloadable, and as close to realtime as possible.

Thank you.

MS. MICHEL: All right, thank you very much.

We heard earlier from Professor James Hamilton
this morning, he is at the DeWitt Wallace Center for
Media and Democracy at Duke University. We are very
happy to have him on this panel again to talk about the
future of journalism and how it might use technology.

MR. HAMILTON: Thanks.

This morning, I talked about the demand side,
and right now I would like to talk briefly about the
supply side. At Duke, what we're trying to help develop
is a field called computational journalism, and people
have different definitions of that. It could be the
combination of algorithms and data and some knowledge
from social science to lower the cost of discovering
stories, so essentially lowering your cost of doing
accountability or investigative reporting.

If you imagine, say, a set of 100 documents
right now, the software exists to take those hundred
documents, look at the entities there, look at the
people, look at what are surprising statistical
associations, mine those documents for a chronology, or
imagine videos, or transcripts, videos that don't have
transcripts. The government right now will fund that
software creation, if I tell you that it's related to
Homeland Security.

In fact, if you go back and look at software
development, Georgia Tech was funded by DARPA, Homeland
Security, DOD, to develop a program which is great
called Jigsaw, which actually does that text mining.
Carnegie Mellon was funded to develop the creation of
transcripts from video in three languages, English,
Chinese and Arabic. Again, relating to defense. The
reason why the government is willing to do that is
because it views defense as a public good.

Now, imagine that those hundred documents dealt
with state and local officials. In fact, if you think
about the State of Wisconsin, over a thousand people
have to file financial disclosure forms in the State of
Wisconsin, government officials, each year. But they
literally file paper forms that are handwritten. That
makes it very difficult to analyze for reporters.
Essentially, the government relies on the transaction
costs of doing that, the high transaction costs of doing that, to discourage the actual use of that information. If you think about, again, the State of Wisconsin, the state legislator committee hearings are videotaped, but there's no creation of a transcript. So, what we're hoping is that academia, as a nonprofit, can play a role in the development of open-sourced software that will allow reporters to do what lawyers, in large cases, what the government and Homeland Security are already doing, are already able to do.

We've been fortunate to hire Sarah Cohen, who is a Pulitzer Prize-winning reporter from the Washington Post. She hopes to develop an open source suite of reporting tools that would allow you to create a chronology, to take videos and create a transcript that you could then mine, and we also hope to be a catalyst in pulling research from other parts of academia, digital humanities, that's an area where right now, in Switzerland, people are analyzing over 600,000 forms from World War I. World War I was the first war fought by form, and they are looking at forms which are handwritten, trying to solve optical character recognition problems, which are very similar to the things that you would need to solve if you want to make

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the Wisconsin state legislators' financial disclosure forms easily readable.

So, what we hope to see is a development of open-sourced reporting tools that essentially would lower the cost to journalists of discovering stories. We realize that the data is going to be imperfect, and that there will be imperfections.

So, we see this as the start of story-making, that it will lower the cost to you of finding the part of the transcript or finding the stack of documents that will help you.

So, that's a supply-side story, and hopefully, I've shifted out the demand curve for DocumentCloud, because I think that they are doing some of the things that we hope to happen.

MS. MICHEL: Yes, thank you very much. You see the reason for my order here.

Next we will hear from the co-founders of DocumentCloud, Aron Pilhofer and Eric Umansky, who will also provide a demonstration of what the future could be.

MR. PILHOFER: While I'm inputting this, my name is Aron Pilhofer, I am an editor of interactive news at New York Times, which is one of those big organizations we've been talking about, legacy organizations. So, I'm
here with Eric Umansky, who is from ProPublica, and we're going to talk about a project that we are -- oh, no, that's not good.

MR. UMANSKY: So, we are here from DocumentCloud, as Aron was saying, it looks like we're running into some technical difficulties, but DocumentCloud is a new nonprofit that we have started that has no affiliation with the New York Times, nor ProPublica. It started using funding from the Knight News Foundation, and --

MR. PILHOFER: Tech support? Plan B.

MR. UMANSKY: Where's the tech guy?

I'm still talking.

DocumentCloud is, as I was saying, a Knight News Challenge-funded organization that we got funding as of this summer, and it is a two-year project funded by the Knight News Foundation to basically take original source documents that journalists achieve via FOIA, namely, or other methods, and to index that, to make them more searchable, more findable, more shareable, and to do it in such a way that we're extracting information from these documents.

So, I'm about to show you what that actually means.

MR. PILHOFER: So, the idea here, thank God, the
idea here, this project is a collaborative effort. I think you probably just covered that. But I think it also shows how larger news organizations can be somewhat nimble. I think you heard Eric Newton say today that many news organizations are going to survive, it will be the ones that are nimble, and I would just hasten to add that I don't think that nimbleness and size are necessarily mutually exclusive, particularly in my own news room.

I'm a reporter by background and trade, but I'm also a nerd by avocation, and that's what I do, on a daily basis I run a team of developers at the Times in the news room building tools like this. Some of the software we build I will show you right now because it's part of DocumentCloud and it will be part of the open-source release, and you can tell that I am talking very quickly, because I have very little time.

MS. MICHEL: Take a couple of minutes. We want to hear about the project.

MR. PILHOFER: Well, so, what DocumentCloud is is going to be think of it as a card catalog -- did you already say all this stuff?

It's an index of documents, and we're going to have organizations contributing, primarily primary source documents to us. Once they do, we will process...
those documents and make them far more easy to find by
pulling out entities, places, organizations, people, and
I'll just sort of demo how that might work.

So, you can see I'm logged into DocumentCloud
right now, and I want to hasten to add that this, what
you're seeing here today, I wouldn't even call this an
alpha. This is really more of a functional prototype.
It may ultimately not look anything like what you're
seeing here. So, we're showing it because I think it's
definitely easier to show than explain.

So, say I'm a reporter or just a member of the
public, I can log in. You can see I have various saved
searches here. You can do just normal search, like
here, I'll search CIA, and it will pull up documents
that are from our database that have been committed
here, and you can see a lot of the gobbledygook, that's
largely because a lot of these documents are OCR'd,
which is a very imperfect process of extracting text.
But some of the ones that aren't you see are quite good.

Then along the left, you can see what we've done
here is pull out all of these entities, these terms,
countries, web pages, places, cities, states. So, you
can start getting into more complex sort of faceted
search using DocumentCloud. Drilling into your
repository with these search terms that allow you to
cluster documents together in a much more meaningful way.

So, start to treat documents more like structured data, like columns and rows, rather than what we have now, which is just sort of your blunt instrument Google Search where you're looking for a particular text string within a group of documents, which may or may not always be successful.

So, just to give an idea of some of the faceted search, you could, for example here, you could click on an entity on the left and you could see up here in the search bar, it will add province or state.

So, this is in the background here, we've processed this through a piece of software called OpenCalais, which does all the magic here that you're seeing, pulling up these entities, and we've stored those as facets of the document.

So, as you drill down, now you're only going to see the documents that actually meet these two criteria, so it's just one, and I can click on that document and then you'll get this lovely -- this is the software that we built at the Times, we call it the Document Viewer.

This is a version of it that we're going to actually end up open sourcing this piece of software, but you can click through. It has this Google Book
style infinite scroll. There's search, within the
document, and of course zoom, which is one of the
features that is pretty important.

Once you find a document, you will have the
ability to do things with it, like if you have a project
ongoing that you want to add this document to, you can
create a label, have a notion of a cluster of documents
that you're sort of collecting that relate to a
particular project. So here I'm going to do that
Guantanamo project, even though it has nothing to do
with it. But I can download it in various formats,
including a Document Viewer format.

So, if I find a document here that someone else
has submitted, hey, I can do that, and it will download
it in a format that you will see here. I am not even
putting this on a web server, it will just basically
run. This is it. This is actually what the New York
Times version of the Document Viewer is going to look
like. We are a couple of weeks away from releasing
this. This will run regardless of platform, all it
needs is just purely HTML and JavaScript and CSS. So,
you don't need any back-end software to run that.

So, if I wanted to say upload, I'm going to
upload a test document. I'm a reporter, I have a pile,
I'm going to do something with it. I am going to choose
one from the desktop. Then I will process this. You can see on the left. This runs a little bit slow because it's working in a test environment, but you can see here it will process the pages, it should go relatively quickly. Then once it's done, it will be available for the search.

So, let's say I wanted to start finding connections between documents, I can do that through DocumentCloud here by, I'll start looking for terms related to Guantanamo, so here, I am going to start with injury. I come up with a lot of documents, right? Three pages worth. I want to start drilling down into those. I can add entities to this, faceted search to this.

So, let's say I want to look for a particular place, in this case it's I think they call it a natural feature, we need to change the language on that, but that's what Calais considers it to be.

So, we can drill down into it even further and get to a document that we want that really, in this case, relates to non-injurious interrogation.

So, you can get the idea that what this project is both a repository, a way of finding, searching, sharing documents, but most importantly, it is, at least for my own particular needs, it's a tool to analyze
documents, and to present them to the public.

We're a few months away from a real release of this, in, say, an alpha form, and the question often comes up, when we're asked about DocumentCloud, is something like this going to work? Can you get a bunch of news organizations to collaborate on something like a project like this? Can you get them to put their source documents in? I'll tell you that the answer so far is a resounding yes. We've got 38 news organizations already signed up for DocumentCloud, that includes the Los Angeles Times, Chicago Tribune, several top ten news organizations, NPR, many of the nonprofits, some of whom you've heard from today, signed up to be part of that. Two in the UK, one in Canada, and we haven't even started asking yet. Those are folks who have actually just approached us.

So, we are looking for more all the time. If anybody here is interested. info@documentcloud.org, and/or you can go to our website, which is just documentcloud.org, and I would be remiss, you did mention Knight Foundation, right?

MR. UMANSKY: Many times.

MR. PILHOFER: Many times, okay. So, that was just a very quick kind of column key overview. So, I think we'll just leave it there.
MR. UMANSKY: I would just add, one quick thing, and that is, it's not so obvious from this prototype that we have here, but organizations that contribute documents, whether it's the New York Times, the LA Times, any of the places that are going to be contributing documents, can keep those documents on their own site. We're not talking about a central repository here, because we want to make it in people's interest to contribute documents.

So, we'll operate much more like a search engine where you'll be able to do a search, and it will come up with these documents, and then when you click on that, you'll go to the contributing organization's website to view the document. So, they get all the page views, any ads that run on it, they get it. We're not looking to get any of that stuff.

MR. PILHOFER: So, and just lastly, there will be visualization tools, obviously there will be analytical tools, some of which Professor Hamilton was working with mentioned. This is just sort of a rough, yeah, this is just sort of drawing connections among documents based on keywords here. You can sort of see how that works. That's just a placeholder, we're going to build in some fairly sophisticated tools to help reporters and members of the public plow through these
documents and find those key connections that Professor Hamilton was talking about.

MS. MICHEL: Thank you very much.

Next we'll hear from Bill Adair, who is editor of PolitiFact and a Washington bureau chief for the St. Petersburg Times and a Pulitzer Prize winner for that work. Hopefully we can make the technology transition so that he can also show you about his work.

Do you need any assistance?

MR. ADAIR: I am all set, thank you.

I just wanted to give you a quick minute or two on what PolitiFact is all about. PolitiFact is a project of the St. Petersburg Times newspaper in Florida. We started it about two years ago, with the idea of fact checking the Presidential candidates. We did that through the truthometer, and you can see here, these are our latest truthometer items, and the whole idea is traditional fact-checking journalism harnessing the power of the web.

I'll show you how in terms of reducing costs we've been able to do this, thanks to a lot of things on the web. So, here you see our most recent truthometer features, truthometer items. The one other thing we have over on the right is our Obamater, which keeps track of the President's promises that he made during
the campaign. What we did was go through his speeches, his position papers, debates, and catalog every campaign promise that Barack Obama made. There were 505 when we first did our tally, we found about another 15 since then. What we do using old-fashioned journalism is see how he's done.

So, we rate them on our Obamater as Promise Kept, Promise Broken, Compromise, Stalled, In-The-Works or Not-Yet-Rated. We also sort them by category, here, I'll show you, this is going to be all the promises broken, which is always our most popular page. I think a lot of Republicans are diving for that page. Then if you click through, you can see that we have done research into the promise and then we get to our sources. This is what Aneesh spoke to about openness.

One, we want to be open with you about how we made our Obamater ruling and we want you to be able to go in and see if you agree with our rating. So, in this case, he said that he would end taxes for seniors making less than $50,000 a year. That promise has gone nowhere, and so we've rated that a promise broken. You can see here the sources that we used to make that determination.

Our most popular feature, though, is the truthometer, and here what we do is we listen to the
political discourse on any given day, and we then do research and rate the accuracy of what elected officials and now pundits are saying. So, you'll see here we've got a Keith Olbermann claiming that Ronald Reagan wouldn't pass the Republican litmus test. We gave that a half true. Paul Litman, we do anyone from Rush Limbaugh to Glenn Beck.

Glenn Beck is our most popular pundit page. I'll show you just some of the items we've rated on him. This is all just ordinary journalism produced in a webby way. Here's a Glenn Beck item, he actually said this on the radio, and he was serious, "In the health care bill we're now offering insurance for dogs," and he was basing that on a provision, a public health provision in the bill. We checked it out, we found that it was ridiculously false and we gave that our lowest rating, pants-on-fire.

You can see here, you can see Glenn Beck's track record, he's actually one of the people we've checked, and we only check things that we're curious about, he has not received any true or mostly true ratings, he's received three falses and two pants-on-fires.

We also do President Obama, and his record is a little better than some. He's got 64 trues, 34 falses, and three pants-on-fires. So, you should be happy with
MR. CHOPRA: I am, yes.

MR. ALLISON: So, we get a lot of cooperation from the White House Press Office and other press offices. The offices on Capitol Hill are very aware of us. So, they're pretty good.

Let me get to our point here about reducing costs, and transparency. As if you look over there on the right, you see under the About This Statement, some of the sources that we used in reporting this item. The kind of stuff that we do on PolitiFact would not have been possible ten years ago, because these kind of things just were not available.

I remember when I came to Washington 12 years ago, it was right about the time that, I think it was Newt Gingrich who had created Thomas, and Thomas was just getting started, but the whole idea of transparency is really only just beginning, and I'm really encouraged to hear the commitment, not just by the White House, but by everyone in government to more transparency.

I've got to say, though, we have a long way to go, and even when we talk about the White House visitor logs, I think we're not seeing every single visitor, we're seeing a subset of that. I would challenge our government and our White House to adopt what is the law
in Florida, the sunshine law, which basically says that as a citizen, as a journalist, you can go into any government office and say, I want to see what's in that file cabinet, or I want to see all of the mayor's emails, or I want to see all of the governor's correspondence. That should be the law of the land, I will say, and I think every journalist would say, in the Federal Government, and I encourage you to adopt the sunshine law, Aneesh, and you guys can probably do it by an executive order.

So, anyway, thank you very much.

MS. MICHEL: Thank you. If anyone in the audience has questions for any of the panelists when we move on to the question section, feel free to pass them up, they will be passed to me and we have Jessica in the back who will float through and she will bring it up to us.

Our next speaker will be Alisa Miller, who is president and CEO of Public Radio International, thank you for being with us.

MS. MILLER: Thank you.

I am excited to be here today to talk about what I believe is an incredibly important time for our democracy, both exciting for journalism, as well as steering for journalism and how we can sustain quality,
trusted journalism that helps us be informed,
enlightened, and whole power structures to account, and
at its best, inspire people based on powerful
story-telling to live their lives better.

I am the CEO of PRI, we are a public media
network, an organization focused on providing global
news and cultural perspectives to millions of people
each week, and in this role, I've listened to and
participated in many sessions about the future of
journalism, and I would like to underscore a key point
that I think is missed in some of these discussions. I
believe that we're not just facing a journalism business
model problem, but that we're suffering from a
journalism scope and quality problem in America.

Because even when profits were high, the fact is
that in many communities, and even from many mass media
news sources, key beats have not been represented for
years. Certainly not at levels that are sufficient
given these topics' importance to our society. This has
everything to do with incentives that were present in
the commercial sector, as well as the mass consolidation
of sources and channels in the last decade or so.

With that said, the impact of new media shifts
in advertising revenue and economic downturn, as we've
all been talking about, have only accelerated part of
this decline.

So, what can we do? At the same time, I'm incredibly optimistic in this digital environment, there is so much that's possible. I believe the future is about how we can strive to practice more of what we call at PRI galvanizing journalism.

PRI's galvanizing journalism model is driven by five major principles and it is more possible than ever today. Number one, meet the need. It starts with asking ourselves what are the unmet content needs that Americans have in terms of functioning in our democracy, on living successfully in our interconnected world.

For PRI, this means making the local to global connection, and have content that reflects the changing face of America, inclusive of diverse and robust voices. Number two, focus on context each day. Focus resources on conceptualized journalism and producing this journalism in a sustained manner each day and each week responsive to the new cycle.

Third, and I think a part that we can really explore today, is to leverage the power of partnership to tell stories differently. This means featuring diverse voices and focusing on nonduplication of resources, something that PRI has worked on for a number of years. We believe that partnership done right and
with experience can lead to a model that can be three to five times more efficient than traditional vertical journalism operations, and can complement these many institutions, and I look forward to sharing some examples of this.

In other words, don't look at your editorial capacity as your editorial capacity or the end of your editorial capacity. As Jeff Jarvis said in WebWorld, "Cover what you do best, link to the rest," but we think that should be just the start.

We can also partner more with our public, and blogs, who can provide eye witness accounts, highlight and bring issues to the fore and crowd source to attack complex topics together with journalists.

Number four, operate as a catalyst to galvanize organizations and resources. It's just not enough to create the content anymore. How are you helping and leading others to create content, too? And number five, model the transparency that we seek in others. Use the semantic web to help people make connections and understand our content better and how are we being transparent in how our content is actually being created.

So, I look forward to the discussion today, and thank you again for the opportunity.
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We do believe in transparency, that's our mission. We hold institutional power accountable to make this information transparent for people. Here's a project we did just this year on naming the top 25 subprime lenders in America, we thought after the crash a year ago we started working on this and we downloaded 350 million mortgages to start with from the HMDA data and then isolated it to seven and a half million subprime loans, who made them and where they were made and we created maps of this.

We listed every one of them, who their CEO was, who funded them, because they were all invested in by the major banks that we bailed out, by the way. But it was a good project. It got used on the front page of the Financial Times, every major California newspaper used this, because California was the epicenter of so much of what happened. It's still being used. We get attorneys general asking us for information, all of that. Because nobody quite made it accountable and transparent who did this to us a long time ago. So, that's one quick one.

Another, we do states of disclosure. We work in all 50 states. We've been tracking their ethics laws to see who is making their information transparent on conflicts of interest, and we grade the states. We've
been doing this for ten years. We actually give 20
states still get an F in this country. Michigan and
Vermont and Idaho still have no disclosure laws, no
ethical requirements for their members, and they don't
make it public. So, they get the lowest of the low.
But we could happily say that 24 states have actually
changed their laws to represent more openness and
ethical disclosures on conflicts of interest. The
latest being Louisiana, which went from an F to an A
under Bobby Jindal, because he came to us and said, what
do I need to do? We said, well, the only A state is
Washington State. So, they adopted all of the ethics
laws of Washington State, and now are disclosing it.

What difference does this make? Well, from the
newspapers in Louisiana, we hear different people are
running for office. Those who didn't want to disclose
anything are not running and those who don't mind that
disclosure are running. So, it's changing who's running
for office.

This is a little project on the transportation
lobby. We've looked up everybody who is lobbying on the
new transportation bill, thousands of lobbyists, as you
would expect, but we didn't know all of the issues
they're lobbying on, so we made a national map. We made
it for every state, every community, and you could go in
and see who's lobbying and who's paying them, and then
we're asking as sort of a crowd-sourcing project, tell
us who's doing that. Tell us what they're looking for,
because this is how our transportation policy is made in
this country, which is the worst way to do it, but we
thought we should make it more open and transparent and
that's getting traffic.

Just two quick ones. When the climate bill was,
and it still is, going through the Congress, we looked
up every single lobbyist, you can look up any one of
them, we have them listed by sector, by name, who's
paying for them, 2,000 and some lobbyists in this
country, four or so for every member of Congress, just
on the climate lobby bill. It was a good project, and
we decided to take it global as well, because of the
Copenhagen.

So, we did it in eight different countries and
we did a comparison of the fossil fuel industry's
lobbying on climate lobbying in all of these countries
and put this together. But we did a Canadian database,
we gave them the data of their lobbying in Canada, which
is going up this weekend and will be in the Montreal
Gazette. We did it for Australia, we gave them and we
predicted that Australia would probably not vote for
restrictions on their fossil fuels. Anyway, they
didn't, because we saw all the lobbying going on in
Australia.

But it's a good project. Again, we have partners. The center has two different partnerships I will just tell you about and then stop. We have something called the International Consortium of Investigative Journalists, it's 100 journalists in 50 countries who work with us to do these projects. It's a very efficient way to work and do global cross-border investigations. We helped start the Investigative News Network in the summer, bringing together 20 different organizations that are doing this at the state level, often many of these, and we find we can share data, share information, we can create the best of it. If the government will give us information or we can get it, and I have one FOIA request that I am going to pass on here.

If we can get this information, we can share it with these investigative centers and basically it makes more accountability, more transparency.

One of the things we wanted to do was Medicare during this whole issue of the new health care legislation. So, we, of course, followed FOIA and, of course, we were denied because lots of people in the government want to deny it and they said, no, it's
proprietary. If you pay $90,000, we will give you the
ten years of data that we are requesting for the
Medicare, because we want to show who's doing it.

Anyway, my time is up. I have to say this one
and then I will really, really stop. This is the last
one, last slide. It's a prototype. What have we done?
This is the Ujima project, it's called, and we have
taken all of the data and I give Ron Nixon at the New
York Times tremendous credit because it's his idea and
we are now expanding it to any African country, they
have no access to any kind of information, but it's
available in our country and it's available in Europe
and it's available from the UN, so we have reverse
engineered it. You can go in and go into Uganda and
find all of the arms sales, all of the aid traffic, who
that money is going to, they could do this and use all
of that information for their own reporting in each of
the countries. So, each country is listed on five or
six different topics, and it's something we want to take
to both Eastern Europe, East Asia and Latin America,
where we also have partners that we can do this for.
The data is available, it's making it and making the
interface and giving it to people, and, in fact, giving
it to journalists.

Thanks.
MS. MICHEL: Thank you so much.

We just have another minute or so of Aneesh's time. I just ask for your reaction, we've heard calls for more information and more accurate information from the government. We are sitting here in a room where the fans and the Wi-Fi don't work at the same time, so I'm wondering what's feasible and what's doable and what your thoughts are.

MR. CHOPRA: Well, let me begin by saying, I'm taking copious notes, because you learn a lot in these environments, and actually, I'm very grateful. Part of my service to the President is we act, not in budget cycles or multiple years, but literally in days. So, there will be several things that have come out of this that I am pretty confident we will take action on right away.

By the way, in defense of the $90,000 CMS issue, it's in part because of the patient privacy concerns, but I know that exact database that you are describing and I know the price point is fixed at that level, so I know about the issue.

MR. BUZENBERG: We don't want the patients' names.

MR. CHOPRA: I know, it's hard to de-identify, without going through some very difficult work.
I will make three observations. Observation number 1: Nothing can be better to cleanse the quality of data than more exposure, because then you point out the inaccuracies. What often happens is, look, we're all good people trying to do good work. It's maybe get a good set of laughs to say that someone uploaded an inaccurate report that Congressional District A doesn't exist, but the data is wrong. Well, you ask a technical question. Can we auto populate the Congressional district by geocoded map, right? So, you surface these stories, and you don't just say, woe is me, everything is wrong. We actually say, we can iterate and improve as we go.

By the way, a lot of the reason why our websites that we have launched carry the beta tag, and we're not removing the beta tag, is that we are constantly improving on their capability.

Number two: I would say that this notion of score-carding done by the public sector, these public stakeholders, whether they be the center or these nonprofit consortia, or media companies themselves, they have a remarkable impact. They capture the imagination. This notion that a politician would come to you and say, how do I go from F to A and then turn that into legislation, that should not be an uncommon occurrence.
By the way, same is true, we had a very specific conversation when best places to work in the Federal Government came out, which agency scored high or low in terms of their work force thing. I can assure you, a conversation was had about what does it take to get from bottom of the pack to top of the pack. Precisely the point you raised.

So, I strongly value those types of activities, and that's point number two, which is these create feedback loops, which then lead to action.

I would say the third point, and I would say this one is the most interesting one, that the third point is this notion of this line between what is this side of the FOIA request and that side of the request. You heard in this session that line is already blurred when we are "allowing" the American people to help weigh in. You asked one of these sites said, hey, others are coming in to help inform the answers, was it the PolitiFact thing, maybe it was? In a sense, that blur is healthy. This notion that you have to send something in and it like sits in some room and then something will come back to you, maybe or maybe not, that may be kind of the legacy world in which we're operating in, but really, this notion of collaboration is such that there should be an open place where conversations can take
I will go back to that health IT standards point, because I personally was involved in that effort, you theoretically could have had FOIA-like circumstances that would have taken weeks and weeks and weeks to kind of answer what an online forum surfaced and answered in minutes, because it was just the nature of the discourse and the platform that enabled it.

So, that third concept of this sort of ongoing, thriving, the product quality improves with time, aspect, I would imagine DocumentCloud has that same spirit, more documents in, the better the quality, the iteration.

So, anyway, I have several ideas that will come out of this, and I thank you for the chance to participate. With that, I am off to Boston. Cheers.

MS. MICHEL: Thank you so much. We appreciate your time and your openness.

(Applause.)

MS. MICHEL: We heard many calls for more government information. We're going to now launch into a conversation among the panelists, let me say, and if you would like to respond to any of my questions, Chris' questions or to each other, please turn up your table tents. Also feel free to jump in.
I encourage you to talk to each other, to respond to each other. You are the experts and we want to hear from you.

So, I will start the conversation, throwing out a question that we heard very many calls for more information, calls for more transparency from the government, from you today. Can any of you provide any specific suggestions, and some thoughts about how you think the information that you're calling for will lower the cost of doing good journalism?

MR. UMANSKY: I can respond.

MS. MICHEL: Yes, please.

MR. UMANSKY: Sure. So, as I mentioned earlier, in addition to DocumentCloud, I'm an editor at ProPublica, we're a nonprofit investigative news room, and one of our large projects has been bird-dogging the stimulus, and reporting on the stimulus on an ongoing basis.

I will say, when recovery.gov, the government's stimulus website, came out, and it's come out, as Aneesh said, in different versions and they have rated on it and improved a lot on it. We really, well, at first, there was very basic information on there, and so we went through it ourselves, downloaded information from various sources, put it online, and got enormous...
feedback from readers and an enormous response from
local reporters, because we had information that wasn't
even actually on recovery.gov.

When recovery.gov then improved, we then went
through the data again, and as others have pointed out,
we had to clean up the data time and again and spend an
enormous amount of time cleaning up the data. If they
were to spend more time, if the government were to spend
more time with recovery.gov and the data regarding the
stimulus, that would be enormously helpful.

MS. MICHEL: What do you do with the data when
you clean it up? Do you share it with other
journalists? Is there some way to make it more
accessible to everyone?

MR. UMANSKY: I am not the cleaner, so I can't
say exactly what we did when we cleaned it. But we then
put it online. One of the things that we did, for
example, was we created a database to allow you to
search by county, so effectively you could say, what are
the stimulus projects near me. You could type in your
zip code, you could look up by county, and that was
something that at the time recovery.gov didn't have.

So, that's the kind of thing that you spend time
and you're just able to offer more features.

MS. MICHEL: Yeah, Bill? I should say Bill
Adair.

MR. ADAIR: A lot of Bills, I think we have three.

One thing I think the government can do is one, I think the government deserves credit, more credit than it often gets for FOIA. I often tell other reporters who come up and work in our bureau that FOIA has a reputation for being slow and painful, and it's surprising sometimes that you can get timely information out of it, and I often have, and I think there are many people in the Federal Government committed to making FOIA work. Not just for news organizations, but for anybody.

But I think much of that process is still paper-based, and I just think the approach by too many in government is you can't have that. I'm very encouraged by the Administration's commitment to transparency, and I think if they walk the walk the way they talk the talk, I think we'll be in much better shape in four years.

These first steps are encouraging. But we talked about the White House visitors log, we're not seeing the whole log. We're seeing, what, I think a subset of people with names who others have requested or something.
So, for the Administration to say, well, we're being transparent, nuh-uhh. What they've done is put out a list of some people who have gone to the White House. I'm not on there, and I've gone. So, it's interesting that I think we need to hold them accountable when they say that they're open about it.

MS. MICHEL: Aron?

MR. PILHOFER: Yeah, I actually am, I spent most of my professional journalism career as a data cleaner, that's what I used to do. I mean, it sounds horrible, and it actually is, it's just about as horrible as you can imagine. Because almost everything you get from the Federal Government, or anywhere, you just have to assume that it's dirty data and you still have to go through it and split names and geocode addresses and standardize before you can actually start analyzing the data.

So, that's very frustrating. I'm not sure how much you can do about that, but I'll tell you what you could do right off the bat is build these systems with FOIA in mind. I mean, we were just talking about that, this FOIA request that Bill was mentioning, where there's nonreleasable information embedded in the database. If that system were built up front with FOIA in mind, you could have built in the ability to export that data in a format that would conform with both FOIA
requests and with privacy. I don't understand why that
isn't done, and I think it ought to be done.

MS. MICHEL: Bill, did you have a comment?

MR. BUZENBERG: Yeah, I mean, I agree with
everything that's been said completely. I think the
idea of just getting the raw, wholesale, structured,
machine-readable data is what the government has to
think about, and you get things on PDFs, I mean, that's
good. We get it on paper still. It's just, really,
they could think about this as here's the data, yes,
it's going to take some cleaning, they could do much
more of it, but if we had a machine-readable for the
whole database.

I mean, there's a lot of research that goes in
behind this, this, this and this, and sure there are
some things that are private and need to be restricted,
but so much of that information, the raw data, could be
released, could be made public, and in a format that we
could all use and use much more quickly. It would save
tremendous time. We do spend, we have teams of
researchers and they spend months and months and months
cleaning up data to make it useful.

MS. MICHEL: Bill Allison, I know Sunlight views
this as a very important issue.

MR. ALLISON: I just wanted to touch on one
thing about why go and do this, and a lot of these systems were legacy systems that were designed years and years and years ago, and when they put usaspending.gov online, they found that I think it was the agricultural department was listing loans and in part of the loan contract they would use the people's Social Security numbers as an ID number because it never occurred to them when they set this thing up probably in the 1940s or 1950s that a Social Security number one day online would cause problems with people.

But there are some new technologies that are available to clean up this data and process it more quickly. I mean, one of the big things that Sunlight Labs is working on is something called Matchbox, which is kind of an entity extractor, and matching, so when you have Boeing Company and Boeing, Inc. and all these other kinds of things that you can go through thousands of records and process them.

But again, this is kind of the outside working on the data, and I think that there just isn't a commitment inside the Federal Government to producing these records in a clean, usable format. I mean, and a lot of it, again, goes back to these legacy systems that are used.

MS. MICHEL: What's the role of organizations

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like opensecrets.org that mediate public databases and reporters in supporting investigative journalism?
You've talked about all the work you put into cleaning up this data, are there groups out there doing it, how do you get the cleaned-up data distributed to reporters who want to use it? How does that save on the cost of journalism? Where do you see the role of those kinds of organizations going in the future?

Professor Hamilton, I know you've written a little bit about this.

MR. HAMILTON: Sure. To make it even a harder question, I think the biggest market failure is in state and local reporting. So, we've been focusing a lot at the federal level, but at the state and local level, some of what we're seeing is with the decline of major newspapers in North Carolina, for instance, more people are getting denied their request for documents, more meetings are actually being held closed and they're essentially saying, we know you're not going to sue us, because you've already fired half your staff.

So, the fact that the mainstream media is declining at the state and local level, we're focused on federal transparency here, but at the state and local level, it's the news is even worse.

MS. MICHEL: Yeah, Eric?
MR. UMANSKY: I would just say this actually gets at a number of different issues that we've been talking about here, because databases are a way in which you can reduce costs for journalists. I think some people mentioned it earlier. We did a database earlier this year, again about the stimulus, and it was basically about proposed cuts. I believe it was in the Senate bill for school construction funding in the stimulus, because the House bill had the funding, the Senate bill didn't, so we said, see if your school district is basically having funds cut in the Senate.

It was this enormously successful thing, and one thing we could have done is just write a story about it. That could have been one model. But what we did instead, did write a short story, but we created this database where local reporters and residents could search. What happened was, and this wasn't even really more, frankly, thinking so much about it. What happened was we had somewhere between 100 and 150 local stories written about what was happening and the potential cuts basically in each community and each paper's community. If you think about it, it was a force multiplier. We never could have done that. If we had tried to do it ourselves, who knows how many dozens of reporters we would have had to assign to it, and the corollary is the
local reporter couldn't have done it themselves, because it would have been them pouring over all the data, cleaning up all the data. So, when these things married, it was a quite successful thing, and, frankly, a real reduction in cost.

MS. MICHEL: That raises an interesting question of who is and who can fund this kind of data clean-up to make these databases more usable to reporters? In the project that you talked about, where did that funding come from?

MR. UMANSKY: It came from our benevolent funders at ProPublica. We have a wonderful computer-assisted reporting director, and she oversees these projects, she's part of our news team, she's a full-time staffer. We hired more cleaners as necessary, effectively, but it's an integrated part of our news room. So, it's part of the overall cost of our news room. Which is not cheap. I mean, it is not cheap by any means.

MS. MICHEL: Jim?

MR. HAMILTON: I think it's important to talk about failures. So, last year, I applied for an NSF grant on computational journalism, because I wanted to see how the agency would think about the development of software that would help reporters. The responses from
the academic reviewers were bimodal. One set of reviewers said, this is impossible, you could never do public interest data mining. This stuff can't be developed. The other set said, we do this every day, it's all been funded by Homeland Security.

So, the idea that the government has wonderful software that they use for text mining, it was lost on the agency that there was a need to help develop software to help the people hold government accountable. So, I thought that was an interesting example.

MS. MICHEL: Bill Allison?

MR. ALLISON: One of our former colleagues at Sunlight used to love the saying that the future is already here, it's just not evenly distributed, and I think that there are a lot of these technologies out there that can bring down the costs.

Just to give an example, I'm going to bring it back to the Center for Responsive Politics. This is a website that you can go to now and plug in any entity, a member of Congress, any kind of name, it uses Google Search and some other search technology, and pull up all the campaign finance records, campaign contributions, lobbying, whether or not a member of Congress owns stock in a particular company and bring it all in one page.

That's something you used to have to go, and I
used to come down in 1995 to 1996 to Washington, I was working in Philadelphia, and spend days and days going from the SEC, to House Clerk's Office to Senate Office of Public Records, to I don't know how many other places, Justice Department, FOIA records, and now a lot of the stuff is online, and just with one search you plug it in and you click. That's a huge savings that just didn't exist ten years ago, 15 years ago.

MR. GRENGS: This is a question for Alisa. I think you mentioned earlier some of the ways you're using digital technology to leverage partnerships and researchers, and I was wondering if you could give us some tangible examples of what you're doing and how digital makes a difference in terms of getting information out to the public.

MS. MILLER: Sure, great. Two levels of this. One I think is we've been thinking a lot about and in a sense it's digital and in a sense it's just how to practice or operationalize the work of creating journalism. So, there's the aspect that we've been talking about of putting data out there that's reviewable and then has been scrubbed, and for us as a journalistic organization, how we can then take that data and create the kind of analysis that can help people.
I think one of the things that we worked on over a number of years is how the cumulative effects of journalists working together, and how multiple editorial organizations, how they can come together to create economies in terms of going after and creating content on a scalable basis.

So, for example, when we recently launched a new morning news initiative, a program called The Takeaway, in partnership with the New York Times, with the BBC World Service, with WGBH in Boston and out of New York at WNYC radio, that's an example of instead of paying for correspondents across the world, being able to leverage various organizations that can come together to create content in a way and really leverage resources to be credible in breaking and contextual morning news.

So, as many news organizations are figuring out how or having to cut back how we are investing to create more capacity in key areas, and obviously technology is a key way of how you end up collaborating because of systems and other things that can talk to each other.

The other way in terms of just economies, things like, and we're more fortunate to some extent in broadcasting, because each additional person that you reach, it's not like you have an incremental cost in terms of reaching them, unlike our friends in the print
model on the print side. So, that allows us to do things like podcasting, and for relatively nothing being able to have your content out there in various forms so that people can consume it in different ways, and becoming much more ubiquitous in a simplified way.

So, I think for us as the content creators, thinking about how digital technologies can help us tell stories differently and how we can scale that activity.

So, one of the things that we're thinking about at PRI is, okay, if we're managing ten partnerships really well in the analog plus digital world, how can we scale up to handle 100 partnerships really well, because we're no longer confined by broadcast hours and minutes.

So, one of the things that we're working on within Public Media and collating this with National Public Radio as well as the Minnesota Public Radio's national arm, American Public Media, is a public media platform which the purpose is an application layer, an API that allows us to pool our content in ways that allows developers and others to conceivably create new applications and things on top of it to be able to export our content, use our content in different ways, leverage analysis that we've created, and also partaking in things like DocumentCloud and other initiatives so that we can link sort of this public media universe so
that the people as well as other journalistic
organizations or technology providers can collaborate.

MS. MICHEL: Are you then talking about
partnerships and collaborations both in generating
content and in distributing content?

MS. MILLER: Correct.

MS. MICHEL: Okay. Are there other thoughts on
collaborations in creating content? Bill, how does CPI
work with other news organizations?

MR. BUZENBERG: Well, with this, I've talked
about the International Consortium of Investigative
Journalists. We have regular roundtables online which
we're drawing ideas that they're coming up with ideas in
Brazil that actually apply in India and so we come up
with a project that way and we've been doing that.

With the little Investigative News Network, the
same thing, we have these conference calls all the time
about editorial collaboration. We just did a project
yesterday that we released on campus assaults around the
country, a survey of 160 universities, and found a lot
of really interesting things, and we gave it to this
group early, and then they're using it. Many of these
are university-based, so they're doing their own
reporting based on the information we gave them.

So, there's a lot of back and forth in this
virtual way of working that's very efficient, this
future that you talked about is really being built now
and in so many ways.

MS. MICHEL: Bill Adair?

MR. ADAIR: I think it's interesting as we look
at this panel, I was just doing a little survey to see
how many of us are still in the for-profit world, and I
think it's just you and me, Aron. I think that speaks
that this thought that as times have gotten tough, that
journalism has to go outside of a commercial model to do
good journalism, and I think we definitely need to
explore that. I'm still hopeful, I think Aron probably
is, that we can still do these things within the
traditional media companies, because that's still the
way that the overwhelming majority of people are getting
their journalism, is from for-profit companies, whether
it's broadcast or print. Now, online is a slightly
different mix.

What we're hoping to do with PolitiFact is take
PolitiFact into the states. It's our hope that every
elected official in America should have to face the
truthometer, and we're seeking partners in different
states to do that, and our hope is, and we're open to
different ways of doing that, but I hope ultimately we
can still be a for-profit company and do that. It just
seems to work on the sort of scale that's necessary.

There just isn't enough foundation money out there to pay for a ProPublica in every state, to pay for a Center for Public Integrity that's going to cover the city council, that's going to cover the county commission.

So, it's our hope as we expand PolitiFact to find media companies that want to do this and still, hopefully, turn a profit.

MS. MICHEL: Aron, from the commercial side?

MR. PILHOFER: I guess so I'm the spokesman for the commercial side, interesting. I actually did used to work for a nonprofit as well, I worked for Center for Public Integrity, so I've seen it on both sides, actually. I've partnered with news organizations from the nonprofit side and I have partnered with nonprofits from the for-profit side, and if you look at what's going on in particular with the New York Times these days, we're partnering with nonprofits in San Francisco, with one in Chicago. We've experimented with some local blogs. We're branching out in ways that you probably wouldn't have seen five years ago, and we're not the only ones doing it.

So, I would expect that this sort of relationship between the organizations that have this
sort of bully pulpit, the New York Times, the St. Petersburg Times, the news organizations that are, I think, quite frankly, I think are smart, are going to start looking at that as the way both to increase their impact to, frankly, lower costs, and cover more, and satisfy that journalistic mission, and from the nonprofit side, I think organizations that are working with organizations like mine are going to benefit because we, frankly, raise their profile, and provide the impact that these organizations struggle to find because they're so new.

I think this is a really interesting area and I think this is definitely something to keep an eye on.

MS. MICHEL: We just have a couple of minutes left. So, I wanted to get to the idea of partnering with the public. Several of you mentioned that, or getting public input into your stories. Can you give more specifics about that?

Alisa, you mentioned getting input from the public. Can you expand on that a little bit?

MS. MILLER: Sure. One of the initiatives I spoke to earlier, our morning news initiative that we're actually doing with the New York Times, as I mentioned, is called The Takeaway, and part of it is how can we engage in an American conversation about things and
topics and news that's really important.

So, a key editorial strain of the show is how we can use technology to reach out and incorporate. So, there are examples where you'll have an hour, and tee up a particular topic, let's say it's on education or health care, and by the mid to the end of the hour, not only have we featured various voices that have been on the website, for example, or called in to this technology we use called SpinBox, but conceivably, people may be interviewed on the show in concert with experts because you have a person who is really being affected by a particular issue, and the expert.

So, it's about experts and expertise. I think that it's really about an editorial commitment to figure out how those things are incorporated together.

Of course, there's many examples, like what ProPublica has done with Shuttle Watch, which we worked on with you, where you're really leveraging crowd sourcing for people to help you mine through the data and try to figure out what is actually happening once the data set is made available.

So, I think there's a lot of opportunity there to look at the altruistic world that people care about these topics and these issues and how they want to communicate with and be a part of helping to enlighten.
MS. MICHEL: Other thoughts? Yeah, Bill?

MR. ALLISON: A couple of things. There's a group called Capital News Connection which serves a lot of National Public Radio stations based right here in Washington, and they have a feature on their webpage where you as a constituent can say, I'd like to ask my member of Congress this, you type in the information and leave the question and their reporters will go out and try to ask the question.

That's one example. I think another example is something that Sunlight was involved in in 2006 where someone in Congress had a secret hold in the Senate on the Coburn-Obama Bill, this is the one that created [usaspending.gov](http://usaspending.gov) and there was an ad hoc group of bloggers called Courtbusters, and Sunlight kind of joined in to try to find out who has the secret hold. You just had average citizens calling up members' offices and saying, does your Senator so and so have a hold on this legislation?

We had to do kind of reporting 101, we can't accept it, just when you say that no, he doesn't have a hold, we have to know who you talked to, was it somebody who is capable, did you get to the press officer, did you get to a legislative aide or was it just an intern answering the phone, did you get the name of the person
answering the phone.

But anyway, ordinary citizens got it down from 100 Senators of possible suspects with the secret hold to just four, and who jumped in but Talking Points Memo and Rebecca Carr who is with Cox News Service who did the final legwork reporting on those last four and found out, lo and behold, there were two members, Robert Byrd and Ted Stevens, who had the hold. It was Ted Stevens first and then Robert Byrd put one on later. So, that was kind of citizens kicking off the ball and doing all the legwork initially and bringing in reporters at the end to close the loop.

MS. MICHEL:  Interesting. Unfortunately, we are out of time, but this was a great panel and I thank you very much. Please give our panelists a round of applause.

(Applause.)

MS. DeSANTI:  We're going to move on to our next presentation. Please take your seats. This is what happens when you have a really fascinating panel, everybody wants to go up immediately and talk about everything that was put out on the table and that panel produced a lot.

But now we're going to move on, because we have Reed Hundt with us. Reed Hundt served as Chairman of
the Federal Communications Commission from 1993 to 1997. He's a principal of REH Advisors, LLC, a business advisory firm, and of Charles Ross Partners, an investment firm. He's the author of You Say You Want a Revolution: The Story of Information Age Politics, and critically, he's a member of the Knight Commission on the Information Needs of Communication in a Democracy, this is a very important report that was issued recently, and he's going to be telling us about it today.

Reed?

MR. HUNDT: Hello, everybody.

So, in a world that's unaccustomed for me, I'm actually going to talk about somebody else's work without claiming credit for it, and I am going to talk to you about the Knight Commission. First, however, I would like to thank Chairman Leibowitz and the Federal Trade Commission in general for organizing this very, very important conference. All of yesterday and all of today are the first two days that I can recall literally in 40 years where the government or any government agency has organized itself and organized different stakeholders to think through these very important issues in a holistic and complete fashion.

All through the 1990s, I can testify from
experience that the idea of having a conference like
this would have been thought to have been an
inappropriate intrusion of government on the thought
processes of the private sector, and I think that in
fact, the reality that a law is relevant to the shaping
of business opportunity and is a part of our culture is
one that we now seem to accept.

By no means does it imply that we want
government to effect the content of media or in any way
impinge on the freedom of the press, but I think that
it's great that we can have an honest discussion about
the relationship between law and the opportunities to
actually exercise a freedom of speech and transmit
information.

When I came out of law school, it was about the
same time as the Newspaper Preservation Act was passed,
which is definitely an out-of-date piece of news. I
mean, both me being a lawyer and the act are both a
little out of date. But it's high time, some 33 years
later, to take a fresh look at the relationship between
law and the opportunities for freedom of expression.

So, I commend the chairman for doing this, and I
hope that the spirit of openness that he and his
Commission have demonstrated is one that can be
continued as these discussions continue, since in my own
mind, there's very, very little doubt that there are affirmative positive steps that can be taken by probably more than one regulatory, or if you'll forgive the phrase, deregulatory agency that would be an aid of individual rights and freedom of speech.

One step taken in furtherance of that very goal was taken by the Knight Commission under the leadership of Alberto Ibarguen, the totally awesome head of that commission, and this is what I want to talk to you about.

This foundation, which was founded by a great newspaper family, assembled a group of commissioners, pretty clearly bipartisan, but more than bipartisan, drawn from a wide, wide range of disciplines, or to put it another way, we had newspeople sit down with Google, and mediated by Ted Olson, who as you know won at the same time the winner of the case that caused me the most personal pain in my entire life, Bush versus Gore, and also is without question one of the most meaningful constitutional scholars in the history of the United States.

So, this was a terrific group, and it was an honor for Michael Powell and me to be part of it, and to go along with it. For more than a year and a half, in meetings all over the country, this commission
deliberated, took evidence and built a heck of a record, and I'm going to give you just the summary of the outcome and I'm going to just try to underscore what I think are the most important points that the commission made without in any way hoping to discourage you from looking into the entirety of the report.

First and foremost, it was the fundamental conclusion that the lens to use when examining the media was a geographic lens with a focus on local communities. This notion of localism, many of you will know, actually goes right back to the earliest days of the regulatory paradigm for broadcasting, and was and has been, since those early days, the 1940s and 1950s, with a brief period of renewal in the 1970s, it has been consistently eroded over the years.

It has been purposely eroded from a business perspective, as media conglomerates have become national and international, seeking, quite reasonably, to obtain economies of scale, but what's happened over these decades is that the regulatory paradigm has become, and I think it's fair to say, fundamentally indifferent to the geographic location of media outlets. Indifferent to it. That doesn't mean against, it simply means not necessarily cognizant of.

What that commission concluded is without
reaching the question of regulation or nonregulation, that's the wrong lens for Americans. That the fascinating paradox, I wouldn't call it an irony, the fascinating paradox of the Internet is that more of the information is available without any boundaries of distance, the more that it actually needs to be translated to action in a local community.

That's the fundamental lens used by this commission. Why is that? Because communities, in fact, are where Americans solve problems, where they identify problems, and solve problems, and where accountability really occurs. I suppose you could say this is a piece of political science, and it's certainly there so that you can debate it, but here's what it isn't: It isn't a statement that for most problems we operate as a 300 million person collective and that we develop centralized solutions.

It's a statement that, like the computer itself, we are a nation of distributed activity. Like the whole network itself, we are a nation of distributed access. That, therefore, on a truly localized basis, people do, in fact, gather to debate such things as what should be the food served in the local school, to our kids in elementary school, should we have special diets, what do we do about curb cuts, what about people with
disabilities, should we put speed bumps in the road, and
on and on and on to issues of greater and greater
significance when they're aggregated across the country.

But our view and our conclusion was that all of
these issues, whether they're grave issues of national
security, and involve a war in Afghanistan or not, or
whether they're local issues about speed bumps,
nevertheless, that they start and in some way they're
ultimately resolved in a granular, local fashion.

Since that is what we concluded, then it
followed that the media should serve that and not
something else. A local community should not be
exposed, principally, to some sort of common denominator
news access that, in fact, didn't inform local people
about local issues. This, we concluded, served both
people in their individualized and in most of their
civic engagements, as well.

So, with this lens, we reached these
c onc lusions: That if we're going to focus on localism,
then we ought to think anew about the meaning of
competition and innovation on a localized basis. Most
tests, for example, about competition, which frankly
that the FCC in my time really tended to be national,
really needed to be local.

The second thing is that that led us to the
conclusion that to talk about support for public media really should mean, not exclusively, but in very large part, support for public media on a localized basis. This has various corollaries that include but are not limited to local media. So, for example, radio is intrinsically local as a technological matter.

The third recommendation, if you take the local lens and put that on, you reach the conclusion, and our commission reached the conclusion, that you will then be looking for local institutions to be hubs of local media. Community colleges, schools, community organizations, nonprofits that are particularly active in a particular town and in a particular city, that these can be hubs of journalistic activity that it does not follow that a very big building that has in it an enormous hundred million dollar printing press is a natural hub for a local community. That doesn't mean we shouldn't have those buildings. It just is let's think about what the hubs are, particularly in a distance-free, virtual world if what you want to serve is a local community.

Recommendation four is that public records acutely of a local kind ought to be accessible. To that end, standardized formats are absolutely necessary. So, having it be that thousands and thousands of towns and
villages do not have standardized formats raises an
unnecessary cost burden to access to that information. The same point could be made about health care records, the same point could be made about energy monitoring records, it's a point that could be made across the board, and on the very last slide, I make that point across the board.

Recommendation number five, that if we're going to put the local lens on, we ought to be able to develop metrics that relate to local communities, and we ought to be able to test on a community-by-community basis exactly how we're doing. This, I heard from a wonderful, wonderful presentation made by Chancellor Joel Klein of the New York Public School System last night is exactly the way he's approached the school system in New York. He has said, it is not a case where we want to fall to Simpson's Paradox and have it be that we look at an average, we want every school to stand on its own in some kind of metric-based measurement, so why don't we judge community access to information on this same basis instead of on big national averages, or even regional averages.

Then we talked about the information capacity of individuals and established the rights. I want to move quickly, in the interest of time, to focus on
recommendations.

As to individuals, then, we said, if individuals operate in a local community, then it also follows that they ought to be able to be educated in the use of digital media, on a localized basis, and that what's important is not the silos of federal, state and local, but rather all the ways that government and public institutions touch an individual in a local community. Think of the individual as the center and all of the arms of government as wheels, but it's the hub of the wheel that really matters here.

Recommendation seven, where would you go to that training? Again, local places is where you would go to that training. This is different than saying find it online at harvard.com, this is a different approach than that particular notion.

Recommendation eight, if we are going to focus on individuals in communities, then it follows that everyone ought to have very high-speed broadband. That in fact, having it be a country where a third, more or less, don't have high speed broadband is no more acceptable than saying more than a third you have students who aren't going to graduate from high school, prepared to go on to a job or to a community school or a third of the community isn't going to have access to
quality health care or a third of the people aren't
going to be secure in their homes against natural
disaster or acts of violence.

None of these statements would be acceptable, so
why should it be acceptable that a third won't be
connected to the information that makes it possible to
participate in developing, understanding and solving
problems. So, it isn't just a nice thing to have
universal broadband, if you adopt this local lens and
think about the individual in the community, it becomes
an absolute imperative, no less important than any of
these other acts of connection of all of us to each
other.

Number nine, if everyone is going to be
universally connected and being able to operate on a
local level, then we do not need gatekeepers of
information to establish the boundary conditions for
access.

Recommendation number ten, we aren't talking
only here about broadband, but about all technologies,
because we're really talking about information across
multiple platforms. So, the multiple platform approach,
which is also distinctly contrary to 40 years of FCC
regulation, just to point out what this is not, the
multiple platform approach is a recommendation that it's
not the first time you've ever heard it, but it isn't the way we currently do things in the United States.

Recommendation number 11, you would then expand all of the local media initiatives, this would follow, this is in the concluding category, and in particular, you would focus on the next generation. So, of all the things that I was probably and most enduringly proud of that the team at the FCC working with Senator Snowe and Senator Rockefeller was able to do in the nineties, it was the E-Rate, where we created a matching grant program that produced the following result which is from a 1997 through until yesterday, the single community of the United States that most readily had the lowest price access to high speed broadband was young people in schools and anyone that would go in a library. Over the last ten years, what we discovered is that that's the demographic that, outside of financial investors working on Wall Street firms and their offices 22 hours a day, have the highest usage rate of broadband in the country. We have, because we made the access available to the young people, first and not last, and simultaneously to those in the poorest communities, as well as in the richest communities, that is why we have, across all demographic characterizations of that generation of America today, the highest penetration rate for
broadband access and broadband literacy. Also, they're smarter.

So, this focus on this demographic is what our commission urges as the extra lens when you're thinking about these problems.

Recommendation 13, if you're going to communicate to them, then you have to empower them to participate in your problem-solving, and recommendation 14, that will lead to design decisions about all public spaces and communities, and here's the easy example, the example that my sister always talks about, because she's a librarian in the Montgomery County School District. There's not enough space for the computers, there's too much space for the books, they use the computers more than the books, the design is wrong. Sounds really simple, except for that it's a fundamental design decision which if altered will take many a year and billions of dollars will be spent over a long period of time to change the design. So, let's get on it. Let's start doing it.

And recommendation 15, when we do all of this, and when we go back and measure, let's look and see whether we succeeded. Let's look and see whether every community actually does have some virtual and real world information hub that is operative and people are
participating in it, and if they don't, let's ask ourselves why.

So, those are our recommendations, and they told me that I could have just a few seconds in which to say things that I think that I didn't run by anybody and these are those things and you're very nice to indulge me.

I like to add to everything else the following, which is, let's think about broadband not as a technological platform, although it is; not as multiple platforms, although it is; not as networks of networks, although it is. Let's not think of the conveyance, let's think of the thing conveyed; let's not think of the pipe, let's think of the think pipes; let's not think of the conduit, let's think of the content.

Let's see if we don't agree to the following: That there are five public goods that ought to be available at basically zero price, or very, very close to zero price, for everyone in America, all the time, everywhere, ubiquitously, and these are what I call leads, because I can't remember things without acronyms. So, they would be health care, energy, efficiency, information, education, democracy and security.

So, what do I mean specifically? By regulation, if your car is caught in a snow bank in the middle of
Iowa and you have a cell phone and you can't get out of that snow bank, instead of waiting there until, God forbid, you freeze to death or somebody else can save you, you can hit 911 and somebody will come and get you. That signal goes up to a satellite and this is by regulation.

So, why can't your health care records work the exact same way, and you transmit them anywhere, any time that you need, whether it's an emergency, or whether as in my case and you go to see the orthopedic doctor on Monday to ask why after all these years of running my feet hurt, he says, fill out this form. It's the exact same form I've filled out every time I've seen him for the last 20 years, and I fill it out and hand it to him, and I say to myself, is somebody going to then copy this down on another form and eventually type it into a computer? Because I can give him this little thumb drive which I would be happy to carry around with me and keep it in my pocket, and it's stupid not to be able to do this.

Also, $1 million is the amount of investment that we would see if we mandated electronic health care records and if they could be transmitted for free everywhere all the time. $100 billion is the minimum of investment that we would see. $1 million is 10,000 new
jobs. So, $100 billion is a million job years. This would be good, not bad, in our country at the present time.

This can be done at the stroke of a pen. It is necessary to write some words on top of the page before you sign at the bottom, but this is a totally feasible activity, not more complicated than 911, same point about energy information, the same point about access to education, there's no reason why these fairly thin streams of data need to be blocked by incompatible formats, uncoordinated transmission protocols, and extra price that ought not be charged by anybody.

So, they can all ride for free, which is what 911 does on the network today. If they can all ride for free on these networks, and if all these things rode for free on the network, the bandwidth usage they would represent would be trivial, but the empowerment of people in local communities would be awesome.

Thank you for listening to my add-on to the Knight Commission, and I hope you join me in admiration not of the things I said, but the very, very hard work of this commission who did it really to serve the public. Thank you very much.

(Applause.)

MS. DeSANTI: Now we're actually going to have a
break, for 15 minutes. Well, I take it back, we're
going to be back at 3:00.

(Whereupon, there was a recess in the
proceedings.)

MS. DeSANTI: I would like to invite the next
panel to come on up and take your places, please. To
the rest of you, please take your seats. We will get
started so that we can stay on time.

Let's get started. We still have a lot of
ground to cover. This panel is one that we've put
together because as we were preparing for this workshop,
we heard a lot about how consumers are using the
Internet and information on the Internet differently, or
approaching it differently, there are different things
that you can do on the Internet. We heard a little bit
about this from Josh Marshall yesterday of Talking
Points Memo, that he basically encourages his staff to
write for the Internet, differently than he would for
print.

So, we thought it would be very useful to have a
panel that focused on the different kinds of ways in
which you can engage consumers and inform consumers in
the new digital age, and that's the point of the panel.
We've given each of these panelists, we're getting
really lax here. Instead of three minutes, they get
four minutes, and each of them will go through a
four-minute presentation.

We're going to start with Jim Gaines. Jim is a
former corporate editor of Time, Inc., and was the
managing editor of People, Life and Time Magazines. He
is now the editor in chief of FLYP, a website for

MR. GAINES: Thanks, Susan.

Thanks to the Commission and Susan and
Elizabeth, who is floating around, for inviting us here,
and for the last two days, much of which I watched
yesterday, almost all of which the stream was a little
weird, but almost all of which yesterday I watched and
listened to, and frankly, found a bit depressing,
because so little of what I care most about was really
under discussions.

So much was about data and hits and clicks and
page views and content. I hate that word. It's amazing
to me, and it may have been the stream, or it may have
been real, I hope it was the former, that it was not
until mid-day today in the panel on public funding that
I heard the word "story". Alisa Miller talked about
story-telling in talking about PRI.

Hearing Arianna Huffington whining about pay for
content, hearing Rupert Murdoch quoting the founding
fathers yesterday was truly repulsive. Of course people pay for content. People will pay for what they want. One of the things that NPR and PRI are doing very well is telling stories that people want to hear.

I think one of the problems is our digital experience is disintermediated, no question about it. It's famous for that. I think one of the challenges that we have is re-intermediating what has been disintermediated.

I think that lots of things will contribute to that. But one of the things that won't is a cramped view of what journalism is. It is not data, it is not content, it's stories. It's things that it's not important what we put down on a page, what is important is what people take into their minds and hearts. For all the talk of transparency and databases, that is great, and it is the bulwark of good journalism, but it needs to be taken into the form of stories.

I'm going to run way over if I keep on this rant, so I will try to resist.

We haven't done a great job of journalism. It's, oh, my God, one minute? Okay. I will cut to the chase.

The new devices that are coming will change fundamentally the experience of the stories that we put
out. They will change the Internet from a lean-forward experience to a lean-back experience. I'm talking specifically about the Apple iTablet, the Microsoft Courier, but especially the descendents. You will be able to, I mean, radio is the ultimate lean-back experience. She was talking about 30 million visitors a week, four and a half hours a week, of consumption, that's because radio is a great story-teller, and a great leaning back experience.

That is what is coming in the broadband environment with these new devices, which we have become more flexible, more ubiquitous, and more important, which will require new arts and new crafts of story-telling in all media at once. That is the challenge that we're looking forward to.

I just want to repeat something that Eric Newton said this morning, quoting a Knight Foundation report, "Journalism doesn't need saving, it needs creating."

I'll stop there. Thank you.

MS. DeSANTI: Thank you very much, Jim, you've given us a lot to think about already.

Next we will hear from Kathy Times, she is the president of the National Association of Black Journalists, an Emmy-award winning investigative reporter and co-anchor of Fox 40 News at 9:00 in
Jackson, Mississippi. She so-authored the NABJ's First Diversity Census of Senior Managers Working At Network News Operations. She plans to increase training for NABJ members, who would like to assume managerial and executive positions in all media platforms.

MS. TIMES: Thank you so much, Ms. DeSanti, and to Chairman Leibowitz, for putting this conference together, and we are delighted to be here today.

I believe a more appropriate question is how will journalism be transformed by the Internet, because journalism will survive. I want to thank all of you for being here, because I certainly hope that you will take something away, and tell our stories to others.

Diversity and inclusion are two areas of great concern for the thousands of African-American members of my organization who are represented around the world. But we are also concerned about the black community at large, and how it will receive news and information in the future.

The challenges that our members face are very real and entrenched. Newspaper jobs held by black journalists were cut by an alarming 18 percent since 2001. Making African-Americans the single most targeted group for job losses in the news rooms across the country.
In real numbers, nearly 400 black journalists lost their jobs at newspapers alone last year, and they continue to do so today. Worse, 458 newspapers still have no minorities in their news rooms.

On the television side, as Ms. DeSanti just mentioned, we conducted our second annual NABJ census and it revealed facts about who's making the decisions. The 2009 census looked at the diversity of the management teams at 111 stations, owned by ABC, CBS, Fox, First Argyle, Media General, NBC and Tribune. Only 11 percent are people of color. Fewer are black.

At the network level, there are no African-American executive producers supervising nightly newscasts or those wonderful morning shows. The numbers are equally poor at online media outlets. Many of these start-ups left the starting gate without black journalists.

Without diversity, stories and events that are important to the African-American community are less likely to be covered, and more often misunderstood. The Obamas' triumphant first bump was one of those moments.

We want to enlist the help of not only the FTC and the FCC but the major networks, and even Fox, to dedicate resources that will lead to online partnerships and boost entrepreneurship. This will strengthen
coverage of the African-American communities.

Now, some partnerships have emerged, such as theroot.com, with the help of the Washington Post. We want you to consider solutions that will make training more accessible and ownership easier to attain.

Now, it is imperative that if any federal assistance is available, we use it to retool news rooms and assist African-American newspapers that are struggling. As newspapers downsize, and disappear, consumers will become more dependent on electronic media, namely, of course, the Internet and mobile devices.

African-Americans are more likely to access the web using handheld devices. Now, we implore the media to find more effective ways to reach them, with important and relevant stories, that impact their lives. We are not advocating feel-good bandaids, but rather pushing good business sense, a broader audience leads to more revenue. At the end of the day, that's what we need to eat.

In closing, it's important to point out that NABJ has long been a leading advocate for training and educating black consumers and professional and student journalists. We have programs in the Washington area that are held here every year and across the country.
with more than 83 chapters, on college campuses as well as professional chapters.

As NABJ celebrates its 35th anniversary, we are powered by change. We are ready at the starting gate. We've seen what's happened in the past, and that doesn't have to be the future.

Thank you.

MS. DeSANTI: Thank you very much, Kathy.

Next we're going to hear from Jason Seiken, who is the senior vice president of PBS interactive, where he is leading the transformation of PBS on the web and mobile platforms. Before joining PBS, he led content development for AOL's businesses in the UK, France and Germany, and before that, he was the founding editor in chief of washingtonpost.com.

Jason?

MR. SEIKEN: Thank you, Susan, and thanks to the Commission for this opportunity to share a few thoughts. At PBS, we're focused on transforming ourselves from the traditional broadcast organization to a right-brained/left-brained company. Right-brained because these days media organizations need to be risk-takers, experimental, fast-moving, and willing to cede significant control to the audience. Left-brained because we need to overlay that caldron of
experimentation with a hard-nosed business discipline of focused accountability and most important using data to drive decisions.

Three examples of how this works at PBS. A year ago we launched our video hub for kids. It was pretty much an overnight success with more than five million streams a month. But by examining the audience data, we knew kids were hungry for more interactive experience. So, we took a design that was designed to insert advertising into online video and repurposed it for an interactive online, interactive educational games. Instantly, linear television was transformed into an interactive experience. We saw a 10x jump in traffic to those videos.

A second example, when we launched video.pbs.org this spring, we decided to push the PBS brand in a risky new direction by adopting an unconventional design. The audience was somewhat taken aback. One older woman gave us the feedback that this isn't at all what I expected from PBS, it's so modern. Someone on Twitter said simply, this is "sick nasty," and it took the younger people in my organization to assure me that that was a compliment.

So, at the same time, we've adopted a disoriented approach to looking at video data and
rapidly iterating based on what the audience wants. We launched a video site in April and since then we are now on our seventeenth release, we're just about to launch our seventeenth version of the video site.

So, this approach has paid off with a larger, younger, more diverse and more engaged audience. On air, the average PBS viewer is pushing about 60 years old, but half the PBS.org audience is under the age of 35. Traffic to PBS sites has jumped to almost 20 million hits a month, and the average user on our video site is watching for 26 minutes per video screen. PBS.org is now significantly more diverse than the U.S. web population, indexing 82 percent higher for African-Americans and 55 percent higher for Hispanic-Americans.

The final example I use is our approach to local news and information. Rather than stick with our traditional model of a central PBS website and hundreds of local station websites, we've blown up a model with two changes that analysts tell us are industry firsts. First we architected the PBS video platform to allow three-way sharing of video, national to local, local to national and local to local. What that means is that the audience that goes to a PBS station website can now view local video side by side with programs like
Nova and Frontline. At the same time, local stations can bubble up their video to PBS.org and they can share it from station to station.

In phase two of this project, we're taking from a local national one step further by re-architecting PBS.org so that all visitors will automatically be given a seamless mix of local and national content, using their IP address and APIs to automatically suck in content. Sorry for that word, Jim. To automatically suck in content from local PBS websites to PBS.org.

So, for PBS, the key to this right-brained/left-brained approach has been to remain true to our key principle, which is to use every minute on air and every pixel online to help Americans make their lives better for themselves and their children, while at the same time embracing experimentation and risk-taking in how we live up to that principle.

In closing, a couple of thoughts about creating a right-brained/left-brained organization and how doing so is relevant to the future of journalism. The first key is institutionalizing risk-taking. The new media group at PBS has built an informal new category into our annual performance review. It's a failure category. The way it works is that if an employee doesn't fail enough times during the year, they get marked down.
Which means they haven't been taking enough risks.

The second key really is leadership. During the past two days, this conference has heard two very different stories, one from start-ups and another from the mainstream media. Personally, I think that in this time of marketplace upheaval, the key advantage that start-ups possess is that they are native, most of them are native born right-brained/left-brained companies. By contrast, most newspapers having enjoyed near monopoly status for decades are entering the right-brained/left-brained world, especially to the part that requires change and risk-taking.

When the dust settles, the winners will be the companies with extraordinary leaders, like Don Graham at the Washington Post, John Miller, who I know well from AOL, Paula Kruger at PBS, who are able to instill new cultures and transform their organization, their traditional organizations into start-up-like companies with a right-brained/left-brained approach that is second nature.

Thank you.

MS. DeSANTI: Thank you.

Next we will hear from Jonathan Miller, who practically needs no introduction, because we know he just got kudos. But I will say that Jonathan Miller is
digital officer and chairman and CEO of the Digital Media Group for News Corporation.

MR. MILLER: Thank you, Susan, thank you to the Commission, and most of all, thank you, Jason, for that kind remark and for the idea of getting kudos for failing. I would like to see if you can institute that at least in regards to myself. Because you do have to try some stuff.

Part of what I try to do for News Corporation, which is obviously a large, diverse and global media company, is figure out what's important. There's so much change going on and so many things that come up, and a big part of it is what do you actually focus on, what really matters, what makes a difference, what's important. Obviously very specifically to this, how does it affect news, information, story-telling, and is it forming on a global basis.

So, there's really three things right now that I latch onto, and think about, and sort of all day and all night. They're mobility, the realtime nature of information, and content, sorry, again, and the third is socialization of the Internet, and frankly of our lives, our digitalization and socialization of our lives.

So, let's look at each of those. Mobility I think is the most profound change that's going on right
now around the world in terms of technology. By some
time in 2011, most people in the world that access the
Internet will access it primarily over some form of
portable and mobile device. That is a profound change.
We are entering the post-PC world in a very real way.
We kind of know that and it's kind of exciting, with
 iPhones and Smart Phones, but it's a fundamental change.
The world is now shifting to a portable and
mobile environment. I think that affects everything,
economics, the kinds of information that people want,
where they want it, how they want it, the stories that
are told and how they are told. All that is affected by
mobility.

Also, it allows many, many more people to be
online and to be online all the time or most of the time
that they choose to be, because it is much easier, it is
much less expensive, it reaches neighborhoods and areas
of the globe that haven't been reached before. So, I
think it is a tremendous force for diversity at every
level, regarding the world community and the world
online community.

Second, about the realtime nature of things,
it's really been a profound change. There is technology
now that underlies it, we think of it in many ways, it's
often discussed as Twitter is realtime, and it is, but
there are many technologies, and essentially lead to the
world getting accustomed to and wanting to know what it
wants, get what it wants, when it wants, where it wants.

So, we want to know what's going on in Iran in a
disputed election when it's happening, just as we want
to know what's going on in our local community and with
our friends as it's happening. That is, again, a
profound change. We want that coupled with mobile, we
want that to be able to be available to us at any time.

The third thing is the whole socialization of
the 'net. This is a profound change, as we know, I
think everybody is familiar, with the leading companies
in that regard, but it's a profound change, obviously,
for the news business, and many others, as we now get
information from people we know, from interest-based
groups, and it is much easier now to form these kind of
interest-based groups of many, many different kinds who
represent many, many different communities.

So, I think socialization is also a force for
organization, for diversity, and for now really
performing an editorial aspect that was previously done
only institutionally. These will live side by side. By
the way, that is a really interesting and great world.

Lastly, given the time, there is one high-level
concept that you just always have to, I think, keep in
your mind, even though it's the simplest statement you can make of all, and that is bits are bits. That we are now seeing all of these bits come together, and Reed Hundt talked about this in terms of the regulatory and de-regulatory environment, that what was television is now really primarily delivered digitally to most people, for example, in the United States. The television you watch on your TV set is delivered digitally, just like the stuff you get on the web is digital and the stuff on your phone is digital.

So, bits become bits, and you want the bits that you want, where you want, when you want, and you want them timely and you want them to represent the kinds of information, stories, content, data, that you want. All of that is happening at the same time, and all of that affects not only many areas of business, but affects the news business very directly, and I think is underlying the profound change in the industry at this time.

MS. DeSANTI: Thank you very much.

Next we are going to hear from Linda Solomon who is an award-winning photojournalist, noted author and committee member of Citizens to Save the Eccentric, the local community newspaper who I think has the best name of any newspaper I've ever heard.

Linda?
MS. SOLOMON: Thank you very much, and it's truly an honor to be here today.

I am going to start with a story, and it's one that changed my life, certainly. In April of this year, I found out on Facebook, how ironic, that our local newspaper was closing. This was a complete shock to me. The Birmingham Eccentric in Birmingham, Michigan, a suburb of Detroit, connected our community for over 131 years. It's also the oldest business in Birmingham.

This is the paper that we all looked forward to every Thursday and Sunday. I remember when I started my freshman year at college, I asked my parents if they would send our subscription to my dorm, because I wanted to keep in touch.

When I started my career as a photojournalist, I felt comfortable enough to walk into the offices, without an appointment, of the Eccentric, and show my photos and one byline from the Detroit News. The editors were gracious and warm and, yes, they let me freelance. Two years later, I was hired by the Detroit News as a columnist, because of this experience.

So, when I found out our local paper was closing, I sent a letter to the editor about my feelings, and they were very personal. When the letter was printed, I asked my husband, who was the first one
to pick up the paper, and I said is it in? He said, yes, it is, but there's also a letter from the editor stating that the paper is not closing. I said, what? What happened? Now I'm going to tell you how a community saved a newspaper.

One of the citizens in our community had the hutzpah to come here to Washington to meet with Mr. Hunkey at Gannett, and pleaded with him to keep our paper on our kitchen tables. This was not an easy task. Because as you know, with the unemployment, as in Michigan and all of the other problems that we're currently having, the advertising dollars certainly were down, subscriptions were down, but yet he listened, Mr. Hunkey listened to this citizen, David Bloom, and said, okay, let's go back to the local publisher and see what we can do to save your paper.

So, there were some very difficult decisions that were to be made. Number one, we would have to increase subscriptions substantially in order to keep the paper alive. Now, that's not easy today.

So, I read this article and I said, well, what can I do? This is the paper that started my career, I want to help this paper. I called the editor, whom I've known for 20 years, and I said, can I volunteer to write a column? He was a little surprised. He said, you
would do that? I said, yes, I would, and I am also
going to ask other celebrities from our area to also
volunteer their time.

I called Hall of Famer Al Kaline, who has never
written a column, but he was writing a column. I called
Bob Woodruff, ABCs Bob Woodruff to write a column, he
started writing a column. Jill Rappaport from The Today
Show. All sorts of very famous people. The former
chairman of Ford Motor. They were all writing columns
to save this paper.

I have always specialized in working with
children and developed many programs in encouraging
children to express their feelings through photography,
and I said to the editor, would you give me the
opportunity to give children a chance to take
photographs and write for this paper? He said, well, if
you want to, and I said I would love that.

I put in my own column that I was volunteering
to do, that I was looking for young journalists to write
to me, to tell me how much they want to work for
newspapers. The response was incredible.

I will share with you some of the stories, I
mean, for a 13-year-old to see a photo that he has taken
on the front page of a newspaper is really something. I
mean, this builds self esteem, and then he was able to
photograph Curtis Granderson and also have that on the front page. This is an experience that changed this child's life.

Now, was he interested in newspapers prior to this? Probably not. But is he interested now? Yes. Are his friends reading newspapers? Yes. Do they walk past a newsstand and say, wow, isn't this cool? All the kids can have their photos on Facebook, but when you have your photo on the front page of a newspaper with your byline, that's something that stays with you for a lifetime.

So, while we were saving our newspaper, 45 minutes away, in a very academic community, a 200-year-old paper wasn't able to be saved, and that was the Ann Arbor News, and a friend in Ann Arbor called me and he said, Linda, why didn't we do what you did, but you know, it was too late. The paper had closed.

So, the importance here of getting right on top of this, right when it's happening, so that your paper can stay right here on the table, and that you can enjoy encouraging children to participate in the paper, that is the key. Because they are our future, and if they understand how important it is to share their lives and to share their hearts by contributing their words and their photos, then we'll be able to continue to receive
our papers.

MS. DeSANTI: Thank you, Linda.

Next we're going to hear from Deborah Osofsky, who is the National Director of News and Broadcast for the American Federation of Television and Radio Artists, a labor union representing over 70,000 journalists, performers and other artists working in the news media and entertainment industry.

MS. OSOFSKY: Thank you. I thank the Commission, Ms. DeSanti, Ms. Jex and Ms. Hoke and all of the other folks who made it possible for AFTRA to come and add our view to this workshop.

AFTRA has filed a comment, which I understand will be up online soon, that covers a number of areas, including our support of meaningful media ownership rules, but I'm going to focus my comments here on the topic from this panel, which is the informing consumers portion of the discussion. Care needs to be taken as we move into this Internet Age, as we move to multimedia platforms that Americans in their capacities as citizens and as consumers are getting the news that they need, that they're getting the high quality journalism that they need, and that means high quality professional journalists.

I noticed yesterday there was a lot of
conversation about citizen journalists, some made
references to that as well today. I believe that this
is a term that we should watch very carefully.
Essentially, everybody who is in this room, because you
have to think about what it means to say that there are
citizen journalists. If everyone and anyone is a
journalist, what's the value of the product that you're
trying to sell? I mean sell, not just sell to an
ultimate consumer individually, but also if you're
trying to sell to a foundation, to say to a foundation,
you should support our journalism.

So, be careful what you say and the terms that
you use. Professional journalists are expected to
adhere to a code of ethics, that includes truthfulness,
accuracy, objectivity, impartiality, fairness and public
accountability. Maybe your list looks a little bit
different, but there's certainly a code of ethics that
journalists are expected to uphold.

Citizen journalists are not held to these
standards. Moreover, citizen journalists don't have the
kind of resources to do the fact checking, the analyses
that are necessary in order to have a quality product.
These are important hallmarks of a professional
journalist.

So, let's call citizens citizens. Let's
understand that they could be citizen sources, and that's really important. We want to engage those citizens, that's important, too, but let's be careful and say, journalists are professional journalists, and citizens are citizens that simply being in a place where breaking news is happening with a cell phone does not make a person a journalist. That we need the context, the analysis, and the stories that make journalism journalism.

So, let's talk for a little bit about professional journalists, and make sure that as we progress through this digital age, that the journalists themselves have the resources that they need in order to do the quality journalism that Americans need as citizens and as consumers.

The combination of the proliferation of these platforms, and unfortunately, a cyclical downturn in the economy, has put a lot of pressure on journalists. I speak mostly from knowledge of broadcast journalists AFTRA represents. There has been a lot of pressure to try to do much more with much less. A lot less time available to do the journalism that needs to be done. There's a request to do additional reportage for the Internet, to feed that beast of the Internet, or to repurpose stories for iPods, downloads.
Reporters used to have, particularly in TV, used to have an editor or producer, a camera person or videographer, in order to get the full story. Now we're saying to some of our journalists, we're not going to give that all to you, you need to do that, many or all of those jobs yourself, and become a one-man band.

When reporters have more work to do, and they don't have more time to do it, something has to give. So, it's important that we focus on making sure, as we go into this digital age, that our journalists get a chance to be journalists, and do the quality of journalism that we all expect and want, that people are going to be willing to pay for, in one way or the other, either through their pocketbooks or that we expect the government or foundations to fund.

We need to make sure that the stories that Americans need to hear about their local communities, the zoning board, the schools, that all of that continues to get covered. That we get the kind of in-depth analysis that matters to citizens in a democracy.

So, we need to be vigilant in this new digital age to make sure that professional journalists have the opportunity to do the proper investigative reporting that we all want to see.
So, in sum, those with the expertise, those who follow journalistic standards and those who are going to have the time to do the proper journalistic work that professional journalists continue to be respected in the digital age.

Thank you.

MS. DeSANTI: Thank you, Deborah.

Finally, we're going to hear from Benjamin Todd Jealous, who was a member of the Knight Commission, about whose report you just heard, and is the CEO and president of the NAACP.

Benjamin?

MR. JEALOUS: Sure, and I used to run something called the National Newspaper Publishers Association, and from my perspective as a federation of 200 black newspapers, and my perspective I want to talk about today is somewhat, I think, imbued with that experience.

Probably the scariest thing about the Knight Commission on the future of information needs in a community of democracy is its name, right? We're talking about media and journalism without mentioning media and journalism because we're so freaked out that neither may exist and we don't want to seem anachronistic in our prognosis.

But the idea that I found most compelling is we
traveled around the country, we listened to people talk about the state of the quality of information, whether it's in the worldly west, whether it's in urban or northern California on the edge of the Silicon Valley, was the idea of information deserts, both geographic, as well as generational.

In other words, you may have broadband saturation, but you may have 30 percent of your voting population just not engaging. What that means, both for expanding broadband access in places where it's geographically just sort of a poor situation, whether it's not enough competition or there's none at all, but also for postal rates. Also for postal rates. Small publications like the one I used to lead in Jackson, Mississippi, the Jackson Advocate, we just treated most of our circulation, people all over rural Mississippi, the post office. But the rate structure is there to really benefit mass marketers, and it constrains the options for growth, for small publications, which become increasingly important in this sort of media moment.

Part of my role on the Commission was to remind people who just wanted to keep on talking about, oh, there's nothing like this has ever happened before. But actually, there are appropriate analogies from history that are available to us, including what happened to the
black press as a result of the, I guess the Knight Commission back then, and with the Kerner Commission, excuse me, and the desegregation of media.

The Baltimore AFRO, the Baltimore-Washington AFRO today has a circulation of I think about 25,000. In 1920, it had a bigger circulation than the New York Times. It was distributed in every major city from Charleston to New Haven. Up and down the railroad line. It had its own printing press, it was unionized, because it was worth unionizing, that's how big the staff was.

The analogy, I could spend more than the two minutes I have left or whatever, on the history, three big lessons came out of the experience, and by the way, the drivers were very similar, it was a loss of classified ads that drove it. It was the loss of classified ads to mainstream newspapers that killed black newspapers. So now it's the lost to Craig's List or whatever, but it's the same dynamic.

Three things come out. One: Giants fall. I was at the hundredth anniversary of the Amsterdam News last night, the Amsterdam News used to be a huge publication in New York City; it's not that today.

Two: Opinion journalism becomes more dominant. As your editorialist, I was a former managing editor, the editorial budget shrinks, the opinion budget is a
lot cheaper than hard news, and now citizen journalists, right?

Thirdly, the consequences of the social moment, this is that I'm talking about today, the consequences of the social moment are enhanced. Now, following the Kerner Commission report, the social moment was one of desegregation and enhancing it was a good thing. But the social moment right now is a different social moment. We're at moment where on the one hand we have probably the smallest number of hard-core bigots in our society we've ever had. Time is a good thing, and some folks dying off has been a good thing.

On the other hand, we also, and we want more people committed to a multiracial inclusive society than we've ever had. We also seem to have more people in the middle. People who can truly go either way. Folks who are stumping and going door to door for Obama, and New Hampshire got a whiff of this, where you would meet an independent who was crying because he didn't know whether to vote for John McCain or Barack Obama, right? I mean, they're kind of towards the center, but it gives an example of literally we have people who go this way or they can go that way. They're profoundly different leaders.

Because of that, we really had to be concerned
about what is happening in the media. We have two
dynamics. One, Kathy referred to, one aspect of, which
is the real threat of diversity in news of all sort
right now. Just as we have 458 newspapers that have no
minorities in the news room, 15 percent of our ad
agencies don't have any black employees. Period. Only
five percent of the advertising managers in the industry
are black. So, we're literally talking about something
that looks like a Jimmy Stewart movie in 2010.

Similarly, black media ownership is really under
threat, because when you have a recession, sinking in
with a major restructuring, the folks who are going to
be sort of marginal in ad budgets get hit hardest. So,
we have journalists being shredded faster, media being
under a greater threat, and then we're also dealing with
a dynamic that, quite frankly, where segregation has
been preserved in ad agencies, for instance, who are
critical to the budgets, say, of black radio, and black
newspapers much longer than should be acceptable. That
means that you have an environment that's more
vulnerable already that really is being pushed to the
brink.

At the same time, we have the mainstreaming,
proliferation of radio, the proliferation of radio on
television. So, we literally are in a situation where
we have to understand that there are profound social implications for the decisions that we make about whether or not diversity is a priority and who will say the Federal Government partners with as far as ad agencies, as far as where it buys ads, about whether or not it decides to make finishing the job of the 20th Century a priority as we move into the 21st.

Thank you.

MS. DeSANTI: Thank you very much.

We have got a number of wonderful and provocative issues on the table, and I would like to start by pulling together some themes from yesterday and today, and facts, and put them together in a question to all of you. We have one fact which is that the United States is gaining a much higher proportion of a minority population, and by 2050 is projected that the minority population will be the majority population.

The second fact is, mobile platforms are becoming more and more used, and I believe Jonathan, you were talking about the movement towards mobile. The third fact is that minority populations, according to the Pew Report, tend to use mobile devices, or handheld devices, more frequently than other populations.

So, I'm wondering, isn't there an opportunity here for better serving minority communities and how
could we go about taking advantage of that?

Jonathan, I thought I would start with you
because it's probably something you've thought about.

MR. MILLER: Thank you.

Yeah, I think it is, again, it's a profound one, not just in the United States, but globally, because in China, there will be as many people in two years using mobile devices to access the Internet as there are people in the United States. India is pretty close to that.

So, we're seeing very diverse populations on a global basis coming online. Most of the Internet users are no longer in the United States and that's forever going to be true. So, I'm extrapolating your trend even further, that it's a very broad trend.

I think that the cost of being online, the ease, and so on, as those things become easier, the cost comes down. The ability to use things becomes easier, you don't require a manual to use your phone. Although you could.

All of that serves to have many more voices emerge. As I was saying before, I also think in the world where socialization becomes easier and social networks become easier, you have the ability to self-organize. So, it's not just about Facebook and
Twitter and MySpace, there are literally hundreds of
thousands of social networks and social communities and
it's expanding on a global basis.

So, I actually think this is one of the
underlying natural trends that's going on towards
greater diversity. I think it's a United States trend
and it's a global trend, both are in concert.

MS. DeSANTI: But isn't there also a profit
opportunity that maybe news organizations should be
paying more attention to?

MR. MILLER: Absolutely. I think, again, on the
same reason that people can do it and self-organize,
companies can target and go after, if you want to call
them niches, fine, call them niches, and go after
different targets, different niches, in ways that you
couldn't afford to do before when you've just looked at
what it took you to do cost-wise, now you can do it.
Inevitably, you have to do it, because people want
things that are going to be tailored to them with
greater and greater, call it relevance. So, I think
actually if you don't do it, you're going to be
disadvantaged.

MS. DeSANTI: Jim?

MR. GAINES: Yeah, I would just say, I think
that there's a bottom-up solution as well as a top-down
one. I did a story for FLYP in Detroit, and it was really not the usual Detroit story, it was a story about what's going on at the grass roots in Detroit and it was very, very hopeful. It was all about young people and their technologies in their garages creating record labels and new media. I thought it was very interesting and very hopeful, also, that the director for Corporation of Public Broadcasting's title was vice president of diversity and innovation, because I think they are inextricably linked, and I think that to go to the overall question that's being raised by this conference.

Yesterday Jeff Jarvis was very explicit in telling the Federal Government to let a level playing field exist and stay off the grass. I would put it very differently. I would say, please make sure there's a level playing field, and tread lightly, because I mean, the Federal Government is us.

The real point is, broadband ubiquity is critical to our communications future, our information future, but equally critical is to make sure that that doesn't come with a digital divide. There was an idea that came up earlier about a device tax, that device tax could be better spent to make sure there's no digital divide than to underwrite the creation of journalism.
MS. DeSANTI: Jason?

MR. SEIKEN: There's another type of diversity that's absolutely crucial and has been missing, I think, so far from this debate, and that's socioeconomic diversity. There's still a huge digital divide in this country, both in terms of access to broadband and especially in terms of the types of content that are available, educational content that are available particularly to kids. It's not an area that the commercial media companies are particularly interested in, because there's not a lot of advertising revenue there, but it's something that absolutely has to be addressed.

The government is putting some money into it, Department of Education funded a wonderful program at PBS called PBS Kids Island, which is all about teaching literacy skills to Title I kids, and the Title I kids are where we see a huge percentage of those kids accessing this site from libraries. But there really hasn't been enough focus on serving the really truly needy segments of our society.

MS. DeSANTI: Deborah?

MS. OSOFSKY: I do want to add another comment on the diversity idea, and that is diversity also means source diversity. The fact that there are lots of
platforms to put information or news or stories out on
is great, but you need to make sure that there are
different view points in that that's going out on those
platforms.

So, when you have a situation where you have
media consolidation and you have too few view points,
too few sources, that's also an issue we need to be
aware of when we talk about diversity.

MS. DeSANTI: Kathy?

MS. TIMES: I will piggy-back off of what
Deborah said. Now is the prime time to do this, to take
this investment, because as African-Americans in our
community, we certainly are online, however one
interesting study pointed out that when we are online,
we're looking at consumer-related issues, career issues,
not necessarily health or politics; however, our
interest in politics is really heightened today, like
never before. So, I ask Jonathan Rogers, the head of TV
One, why? He said, it's not that we are not interested,
sometimes we don't trust the source.

So, now more than ever before is the time for us
to do the target marketing, to reach those communities
where newspapers are closing bureaus that did cover our
communities and were able to offer that specialized
coverage that no longer exists as our industry papers
disappear.

So, at NABJ, one thing that we are doing is laying the foundation for our own interactive network where we will use our members, many of whom have been pushed out the door or they're on the beach, so to speak, for a variety of reasons and their voices are not being heard. But we want to offer them that platform.

So, I think the Internet definitely provides a great place for us to all come together and partner with different newspaper outlets or rather television, because that is the trend now. You have got to have a partner in this, because people will go to the Internet, but at my television station, we have just produced an entire show surrounding the web, in our content, and using all the social networking and how stories are broken online on Twitter, and that's where the young people and African-Americans, many of them are looking down at their handheld devices and getting the latest information.

So, I think the wonderful thing about the web and its content is now is the time to enter a place in which in the past we were not able to have that kind of money and revenue coming from the television stations that we don't own.

MS. DeSANTI: Thank you. Elizabeth?
MS. JEX: I wanted to follow up on the issue of interactivity and diversity to ask you all how does digital technology and its interactivity allow you to tell more compelling stories than analog technology allowed, or more diverse stories, if at all?

MR. MILLER: I don't know if I'm supposed to start all the questions, but I will.

MS. DeSANTI: We're really appreciating it, Jonathan.

MR. MILLER: I'm happy to do it. There's always a trend and counter-trend, and I think in this case, the trend towards diversity of voices and stories outweighs the counter, the one towards concentration. Because there are so many different ways a story could get told now, and so many ways it can be accessed, it really does allow many more people to have a voice that they've never had, and even though our company may have some issues with some of the ways, the practices of certain search technology, search also provides a way to find things that has never existed before.

So, the overall trend is towards a much greater diversity of sorts, much greater diversity of voice. At the same time, diversity doesn't equal validity, as some other panelists have pointed out, and there is that aspect as well. But I think the good outweighs the bad.
The trend, the trend line is clear, and will continue to be so from the example that Linda cited earlier of kids who can now participate in different ways to people, again, as on a global basis.

So, the trend is there. The question, to me, is how does that get organized into meaningful things? How does there became economics under it, the different communities can be supported and there's real organization and meaning and depth to the voice.

So, I think there will be lots of voices, the question is, out of that can there emerge new institutions alongside the existing institutions that have both gravitas and merit.

MR. GAINES: I would answer, not that I disagreed with anything you said, but I would answer in a slightly different way. We haven't talked at all about gaming in the last two days. Gaming and education seems to me to be a killer app, and that is about story-telling. I mean, if you could get an avatar to show you your way through the French Revolution and see the pamphleteers on that side and the aristocrats driving through the streets on this side, you don't forget that. It's not something you have to memorize for the test.

Gaming brings with it, somebody called this a
culture of persistence, it's something you keep at. As the father of three kids of school age, persistence is something I strive for in their study habits.

But anyway, software development. We need to be talking more about software development, about bringing software development into the story-telling process, about bringing gaming into the story-telling process, and about the new devices, as I said, and I think that as we learn more, this is sort of like getting new pens. We need to learn how to put video and text and flash animation, or any sort of animation, JavaScript, and information graphics that move and databases that stream through information graphics that move.

We need to form a new vocabulary of story-telling around these new tools and devices. Just I mean, the story-telling is just far more compelling when you use all these media at once, and it's a great new day. I mean, I think that I'll quote another panelist from this morning who said we should not concentrate so much on the dying patient, but on the baby that's being born.

MS. JEX: I just wanted to follow up with Jason, can you describe a little bit about the gaming and the interactivity with children's programming at PBS?

MR. SEIKEN: Well, PBS, of course, we devote a
lot of our resources to media for kids, educational media for kids that's all curriculum-based. I can certainly endorse Jim's statement that at least for the two to nine-year-old set, games are killer app, the killer educational app. You put a game in front of a kid, and all of the sudden, he or she is not engaged in the lesson, he's engaged in something in fun learning. We've seen it over and over again in sites that we've launched, we're just about to launch one around biology, and the administration has a big initiative around STEM, science, technology, engineering and math, and this really, for young folks, games is the best way to get at that.

I also, while we're talking about kids, I want to raise something that I don't think has been talked at all about, but we've all over the last two days heard a lot about the diversity of voices, the fragmentation, the fact that professional journalists aren't the only ones who are providing information, it's no longer a world of newspapers and Walter Cronkite giving you your information.

In that environment, what's really crucial and is missing is media literacy for kids. Because when I grew up, you knew who to trust, right? You trusted your local paper, you trusted the New York Times, you trusted...
Walter Cronkite. I'm dating myself. These days, kids growing up, do they know the difference between a blogger or a citizen journalist or the New York Times?

MS. DeSANTI: Excellent question. I doubt my kids do.

Did you have something you wanted to say, Jonathan? I have another question.

MR. MILLER: No, no, please, go ahead.

MS. DeSANTI: Well, I just, I really, I want to say based on my own experience that the gaming as a teaching tool is powerful long after nine years old. Especially for boys like my guy. I suspect that if we all could read stories in that kind of a mode, we might find it taking us into new experiences and new learning that we hadn't thought of before.

So, I'm wondering how all of you are thinking about the future. Obviously the present is very involving and very much on everybody's minds, but in the future, you are going to have these people like my 12-year-old who learned about Roman life by going through the maze of a Roman town, through a game, that her teacher had created, and she's going to be expecting things to be equally interesting when she goes looking for news.

So, are we thinking about that for the future?
Benjamin?

MR. JEALOUS: So, one of the best kept secrets about the NAACP is that we really started as a media company. You look at how we spread and grew so quickly in the second decade of the 20th Century because of our leadership, from Ida B. Wells to W. B. Du Bois to Walter White, eventually Roy Wilkins. We're all journalists. They wrote. They wrote prolifically through black press and through mainstream press. The Nation, the publisher of the Nation was actually one of our founders, the publisher of the Nation before Du Bois even founded the crisis, we were in its pages, on a weekly, monthly basis.

So, as a journalist coming into this and the first journalist to run it since Roy Wilkins left, and a young one, I've been very focused on bringing new media into how we do what we do. So, one of the things that we realized was we had a bunch of young people coming to our website looking for civil rights history. We are going to launch a website that will not only tell the story of the NAACP in a way that's engaging, using folks who designed websites for the Smithsonian and so forth to design this virtual museum, but they also allowed the 1,200 communities that are active in the NAACP around the country to upload their civil rights history and to
bring it down by heroes and really tell the stories locally, encourage them to tell good stories. We're modeling it off of something that was successful at the California Council for the Humanities.

We're also rapidly building technology to serve the information needs of communities, for instance, about police brutality. So, we put up something called Rapid Report that allows you from your iPhone or your BlackBerry to actually file everything that we need to go to the Department of Justice to seek a pattern and practice investigation right with us from your PDA.

In a few months, we had 700 reports. We linked it up to Google maps and were able to see trends and in about a year or so we will actually roll this out and citizens will be able to see what the trend is in their community and will expand that to sort of through the range of discrimination complaints.

Voting last year, we created a viral voter registration application that increased, in the last three weeks of the National Voter Registration period, increased our tally for the year, the number of voters that we registered throughout the country, by 20 percent in two weeks, and brought down the cost by 80 percent, from $7 to $8 per registration to 76 cents.

I put all of that out there to say that part of
this is about news, part of this is about information and civic engagement, and preserving civil life. There is an increasing void that nonprofits have to step up and fill. There's a real opportunity to do that. Kathy referred to it with what they're seeking to do at NABJ. If we're going to maintain a sort of vibrant civic life in this moment of transition, because we've relied on professional journalists, for instance, for types of information like investigative reporting, that simply isn't being done anymore, in many communities.

So, what we're seeking to do with both digitizing the complaints that we're receiving, categorizing them, representing them geographically, partly it's to make it easier for the voter, but partly to make it easier for the journalist in that community to recognize the trend because they may not have the budget to go through all the files or in some instances the access anymore to the records down at the station that we used to be able to access freely.

MR. MILLER: I will take a shot at tying together games and journalism, and a little bit of what was just said. Because I don't think we want to turn journalism into game play, but these interactive game companies are really terrifically good at what they understand as an engaging premise and then they really
know what you do when you play. They know how long you play, how much you play, what you click on, what you don't click on, where you came from, what you go to, how long do you stick with it. That's what actually those game companies get fantastically good at is understanding how to do that. Incentivize your human behavior.

If you think about it now, what's becoming available to journalists and to people who use the medium is you can tell how long someone reads an article, did they click on the photo, did they not, where did they come from, where did they go, did they look to find out more information about it or not. You can really begin to understand how to motivate behavior in a different way if you really pay attention to that stuff.

So, I think that's a powerful tool for journalism and journalistic organizations if you think that way. Also, some of the information you were just describing, providing that to people who might not otherwise be able to do all this kind of analysis or assembly, all of that can be provided, again, this used to be impossible. Now it's actually relevant, what I just described is relatively mundane by your smart kid in a garage kind of stuff because the technology has
really progressed that far.

I think that's a terrific thing to harness. Now you're not just making an engaging story, you know exactly how engaging it is and what people like and didn't like about it, just by their behavior. You never knew any of that before.

MR. SEIKEN: I would agree with that and I would also mention another trend that we're seeing, particularly when it comes to gaming and particularly with how younger folks interact with content and the web these days. That trend is a trend of turning over more and more control to the audience. You see it on Facebook, you see it on MySpace, but you also see it in the more affected games.

We're launching a gaming site this month called Lifeboat to Mars which is all about biology curriculum for kids, and in order to win the game or in order to advance to the next level, you need to know your facts. But the really interesting thing is once you advance to the next level, it opens up a modding level, and modding is slang for modifying level, it allows the user to modify the game and to create their own game and you can't create your own game unless you know the facts, unless you know the curriculum.

This type of approach is becoming not just more
popular, but really what the younger audience expects and demands.

So, I think, and I was a journalist for 15 years, so don't shoot me, the purists in the room, but I really think that journalists need to be open to these types of developments and these types of opportunities. It's too many of my friends and colleagues in news rooms around the country are still very much focused in this one way type of we grew up in the mountaintop and we deliver the news to folks, when it ain't that way anymore. It's very much, for the successful organizations, it's very much a two-way street.

MR. GAINES: Could I just add my total agreement with that? Google Analytics is great for finding out, I mean, it's pretty primitive compared to what you're talking about.

MR. MILLER: It's not bad.

MR. GAINES: From what the gaming guys understand, but we get a lot of information on exactly how readers move around our stories, what they click on, what they don't. We try to learn the lessons from that, and it is true, it offends that traditional journalistic sense that we are the experts and you are the consumers. That whole mindset needs to go away and we need to understand that just having more information doesn't
prevent us from making imaginative leaps and figuring
out that there's a better way to tell this story. The
fact that we know more doesn't make us less, it makes us
more, it makes us able to get more off the page. We
just have to keep thinking about it what we're getting
into people's minds.

MS. DeSANTI: Deborah?

MS. OSOFSKY: I did want to pick up on something
that Mr. Jealous said about the use of his website to
gather information, that there's this information about
police brutality, people send it to you, you're trusted
and that's excellent, and so the information comes to
you, but then you use your journalists to then take that
information and do the other pieces, go do the
interviews that need to be done, do the analysis that
needs to be done.

So, it's a fabulous use of the Internet. It's a
fabulous place to be, but still, you're essentially
crowd sourcing, pulling in the information, but
ultimately, it goes through journalistic standards and
you have the time and the energy to be able to make it
into a proper story and have it be a trusted news story
at a later point. So, that does seem like a very
positive part of what we're dealing with in terms of
digital revolution.
MS. JEX: I wanted to bring Linda back in the conversation by asking you, do you think that small towns in America who still are able to engage in sort of analog traditions are performing the same kind of engagement that we've been discussing with digital technology in larger communities?

MS. SOLOMON: I would hope so. It's interesting when I talked about in our effort to save our paper, and I neglected to say we now have 3,000 new subscribers, but also with the impact of incorporating children and their wonderful knowledge of technology and certainly photography, I think it's so important for them to enhance that knowledge that they have in photography, and incorporate their image-taking into newspapers by the expression of true feelings.

In a program I developed for homeless children, where I visit shelters all over the country and I treat the children as journalists when I ask them to go off and capture what they hope for for a better life. Now, the images that they take are presented on cards and 100 percent of the proceeds goes back to helping them, but when they get to see the images on the Internet and when they share these images, it's life-changing. Some of the things that the children have expressed. Sometimes it's not easy to express something that's so personal,
but verbally, but when you can express it through photography, and when those images can be seen and hopefully change one's life.

I just, if I could give you a brief story, when we go to shelters, we find that when we ask the children what they hope for for a better life, they never hope for anything materialistic. They always hope for a good education. So, I feel that our program is really dispelling many misconceptions about the homeless in a variety of ways. But one image in particular really did change a child's life. It was an image of one little boy, he said I just hope one day to get a scholarship, and he had photographed the exterior of Rhodes College in Memphis and someone had seen this photo online and he now has a four-year scholarship.

So, we now know that something like this has changed this child's life, but it's so important to show these children that their feelings matter and that they're respected and that's always been my goal in working with children. I treat them just the way I would treat a friend who's a photojournalist. I give them that kind of respect so that when they go off on their assignment, they truly open up and share what's in their hearts.

MS. DeSANTI: Thank you.
Does anyone have a point they would like to make that they haven't had a chance to make?

(No response.)

MS. DeSANTI: You've been a terrific panel. Please join me in thanking everyone.

(Applause.)

MS. DeSANTI: We're going to go right into Lisa George's presentation now. Could you all please take your seats now.

We're going to have a presentation from Lisa George, who is an associate professor of economics at Hunter College. She is an empirical applied economist, that means she deals in facts, not theories, although I'm quite sure she's quite experienced with theories as well, specializing in the fields of industrial organization and political economy. She has a special interest in the economics of media markets and her current work examines factors that shape the production of differentiated content, which we've been talking about since yesterday, and the role of media in social networks, product consumption and political participation.

Thank you, Lisa.

MS. GEORGE: So, today I think my contribution to this discussion is to talk to you a bit about the way
economists think about media markets and how they deliver value, and then the ways in which technology changes those fundamentals of media markets.

Economics also has, I think, a useful way of thinking about the good and the bad. What we gain and potentially what we lose, and how to balance between them.

So, I have a lot of detail in my slides, you can look at them later, I'm not going to cover all of that material.

So, I'm going to talk about five fundamental characteristics, economic characteristics of media markets. The first is high fixed costs. We've heard about this, it's first copy costs. In traditional media markets, these costs of generating content have naturally limited the number of papers that any single market can support. Large cities have bigger papers, have more papers, and they also have higher readership. That's important because you can spread these content costs over a larger population.

One consequence of this that I've found in my work is that groups with minority taste, I mean I've looked at minorities specifically, but in general groups with distinct tastes are less likely to read traditional media in markets where they're a smaller part of the
population. So, this is a real disadvantage that just comes from these fundamentals of when you have a larger market, you can spread these costs.

Technology lowers much of the costs of producing content, easier and cheaper access to data and facts and opinions and also opens the market for the supply of content. From a consumer standpoint, we're at the FTC, so we're thinking largely about consumers, this really reduces the advantages of being in a large market. So, you're in a small market, you can access information that you might not have been able to support in your own paper, and you have more content that can satisfy minority tastes.

So, when we think about the new regime or the new shape of media markets, these are important advantages of new technology.

The second attribute is distribution costs. Newspapers are heavy, it takes a long time, and a lot of gas, and a lot of effort to move them around physically.

It is this physical cost of moving around newspapers that has shaped the geographic nature, the very small geographies of our small newspaper market in the U.S. Still, even if you think of today that we have a smaller number of newspapers as five or ten years ago, we still have about three times as many newspapers per
capita than many European countries, which have more concentrated populations in smaller geographies, in part because you can just get the news to people more quickly.

What we have lost, what we have less of in the United States, when we had to physically move around those papers, is some of the differentiation of opinion. Only the very largest cities could support more than one paper with different viewpoints. This is, again, part of just the fundamental costs of moving newspapers around.

Technology has transformed this distribution cost aspect more than anything else. I mean, it essentially costs nothing to move information across space. In electronic format, and so this naturally leads to less geographic and more viewpoint differentiation. We've seen this trend, really since the beginning of television, but it's continuing today in the print world with the Internet.

So, as we think about changing newspaper markets toward fewer papers covering larger regions, part of this is a movement toward something that we just couldn't have before, not necessarily that people needed or specifically wanted before. That's an important distinction.
Now, another effectiveness is what everyone, when you can move around information costlessly, well then everyone has access to everything. If you're going to read two articles this week about the war in Afghanistan and one about the health care bill and maybe a couple of product reviews, you're going to choose the best ones, likely, or maybe the ones that are easiest for you to access.

So, this will mean more attention to a smaller number of writers, we'll call them content producers, but they might be analysts, they might be experts, they might be reviewers, they might be reporters, but you'll in economics we call this a superstar market and there are lots of places where technology is leading to more superstar markets with more attention focused on fewer players. That is something that we will clearly see in journalism.

This year's Nobel Prize in economics went to Oliver Williamson, who wrote his work on the nature of productive activity that gets organized inside a of firms versus economic activity that's sort of organized in a more decentralized way. In my view, there's no industry where that Nobel Prize work is more relevant than in newspaper markets.

In a world where there were few opportunities

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for writers and experts to interact directly with readers and individuals and citizens writers and journalists worked for newspapers, they were tightly integrated, newspaper firms provided the resources, there was certainly low pay for journalists, low pay in this industry, but there were lots of journalists, and there wasn't a lot of risk of failure.

As technology allows more and more direct contact between readers and experts or journalists, we expect to see the disintegration of that tightly integrated newspaper firm. So, we expect to see more freelancers, more writers who are, say, experts in a topic in academia, or in think tanks, and other types of experts interacting directly with the public.

We see this already, we see, say, the New York Times hiring experts from outside, rather than sort of growing them in-house. We see more and more attention focused online toward non-journalists.

The content type, sort of following the Oliver Williamson theory of the firm analysis, some types of content are still going to reside within firms and the content type will really determine the vertical integration for the future.

What this in part means in terms of a welfare trade-off is more of the returns, more of the profits,
more of the value in writing is going to be captured by
the writers and the content producers, not necessarily
these media institutions, but there will be fewer of
them.

This slide has got a little too much jargon on
it, but we've heard, I missed yesterday, because I was
teaching, but I know we heard about aggregators versus
content producers, and economics has something to say
about this topic.

The value created in media markets has always
had two components to it. There's the value to people
of a particular story or article. So, I learned
something about health care in Vietnam, I learned
something about education reform, I learned something
about health care. So, there's value in that content
you read.

But there's also value to consumers in the
editorial function of picking the topics every day that
you're going to put in a particular piece of media to
cater to tastes. The New York Times does a pretty good
job of aggregating up topics that I like; however, there
are a couple of blogs that I follow, like the Marginal
Revolution, that does an even better job of finding
topics that I particularly am interested in.

But these two sources of value have long been
combined within media firms, but there's no reason that
they have to be and technology separates them. Because
its advertisers really value this bundling aspect,
advertisers don't really care very much about any
particular topic, they care about reaching consumers
with particular tastes.

So, the value in the bundling is really where we
would expect to see advertiser funding. So, I think in
the future, we will see advertisers focusing on the
bundlers. Newspapers are good bundlers, media firms are
good targeters, at least some of them. But the market
for bundling is competitive now. Used to be a monopoly
market, or close to a monopoly market, but today,
anybody can enter the market for bundling. They might
fail.

So, advertisers will be there. This, I think, the crucial piece for the future is the funding that
leaves how do we capture the value for that content. I
am a big proponent of micropayments, penny per click.
If you have 100,000 clicks on your article, you can
support content in this way, and I mean, there are some
reasons why I think media firms are resisting it a
little bit, but the technology is there.

So, in my view, this is the missing piece. From
a welfare standpoint, we've been hearing about how bad
this is because advertising subsidizes content, whatever. But there are reasons that this is actually a good shift. Despite what you hear from journalists who know we have a code of ethics and we beat up on our advertisers and we don't give them special treatment, there are always incentives inherent in advertiser finance to produce the kind of content that will attract advertisers.

So, the New York Times added a home section a few years ago. Not because of some intrinsic desperate need for people to read more about interior design, but there were firms selling a lot of furniture and home design products, and they could attract this advertising. So, it doesn't have anything to do with your code of ethics and do you beat up on the furniture producers or not, but there's an incentive to produce content that will bring in more revenue when you have advertiser finance.

So, losing advertiser finance in favor of subscriber-funded finance is a very good thing in that you see a shift toward more value.

One example that I've used about this distortion toward advertiser funding is that the largest papers with the most elite, high-educated, high-income readers, tended to have the largest share of revenues from...
advertisers. So, if you were at sort of a paper in Topeka, Kansas, you were already funding your content more with subscriptions than with readers than you were with advertisers.

So, this advertiser funding, if anything, it distorted content toward what was preferred by elites. So, it's another reason why subscriber-funded content can benefit us.

So, finally, my research has had quite a bit to say about the externalities associated with media markets. So, what you read affects what you do. What you talk about, whether you vote, what you buy. Also the presence of an active press can discipline politicians because the fear of exposure disciplines politicians can potentially limit corruption.

So, these are important things to think about when we consider exchanging technologies and changing media firms. But what we're seeing, it's not necessarily a loss of attention, people are not consuming less information about their world today, but it is a shift. So, we see people consuming less local information and more national information.

So, when we think about externalities, we have to think about, well, we're shifting the behavior and attention and voting and interest from local things to...
national things. For much of the 20th Century, a
criticism of the U.S. was isolationist, provincial, too
focused on domestic affairs, not enough focus on the
world.

So, a shift away from some local topics toward
more national and global ones made possible really first
with television, and today with the Internet, is not a
slam-dunk bad thing. It takes some data, it takes some
measurement, and some careful theory to weigh these two
things, but the important message from me today is that
there are things to weigh and balance. This is not a
story about well, here is what we lose.

It's the same factor on the politicians side.
So, when we think about, okay, we are moving to the
world with fewer papers covering large areas, we're
concerned that maybe we have less eyeballs on different
political offices, and so maybe we have more
opportunities for corruption.

But any given story, any given case, has much
more widespread and much more dramatic impact. So,
maybe the probability can go down of detection, but the
consequences can go up.

So, in the story I was talking about recently
has been the case of, I live in New Jersey, the New
Jersey Rabbis, a corruption case in Newark, which
instantly made national news over the Internet, on
television, actually some international coverage as
well.

So, these types of cases have a much more
dramatic impact when the world can see them than when
they were much more localized.

So, again, not to say that always the balance
works toward the future is better, but you need to weigh
the two factors.

So, we'll summarize sort of my trends, fewer
papers, more viewpoint differentiation, less geographic
focus. Larger freelance market for journalism,
especially for topics where expertise matters. So,
where journalists compete with academics or think tanks,
I think this plays less integration. More advertising
funding for the bundling piece, more reader funding for
content.

Then some gains and losses, at least the trade
we need to make, geographic versus viewpoint
differentiation, the geographic, the large number of
smaller papers in our country, different than many other
places in the world, arose in part because of the
physical costs of moving papers. Viewpoint
differentiation, which we've been gaining, has
advantages as well.
Advertiser funding, skewed content, especially toward elites, and as we move away from advertiser funding, we can get closer to the types of content that people actually want to read.

Superstar markets for journalism, higher risk, fewer journalists, but higher reward.

Finally, behavioral locally versus externalities. So, local versus global externalities, we need to make that trade-off.

My time is up, thank you.

(Applause.)

MS. DeSANTI: I would like to invite the panelists for the next panel, the one we've been waiting for, the new news, so come on up and join us.

This is the panel that everybody has been waiting for, because it is about the new news, new kinds of websites that are emerging now, and we're going to start with John Servais, who has been a political blogger with Northwest Citizen U.S., which he founded, since 1995. So, we have one of the pioneers with us. He was also a weekly newspaper publisher for three years and has worked on weekly alternative and other daily newspapers.

John?

MR. SERVAIS: Thank you. I started in Green Bay
Press-Gazette, 1960, when I was 20 years old as a news photographer, a wonderful start covering Lombardi and the Packers as a kid. I had no idea.

I want to say a little bit really in the opening of what Northwest Citizen is, why I started it, how it's evolved and its future, and I can't do that in three minutes.

What it is, it was started, despite my background in journalism, in and out of newspapers, and alternative newspapers, and weeklies, it started because of civic activism, and a frustration with the local daily newspaper not covering news that we felt should be covered. A couple of incidents that we had about 19 years ago.

For about ten years, it was strictly myself and a few other friends who wanted to contribute, and we did all the hand coding, the old-fashioned way. In fact, we started it before there were really any programs to do a whizzy-wog, but two years ago, I was able to take the technology and do a database which we bought and we now have about a dozen writers, I started off with a list of 30 to 40 writers that I would like to get.

These are people in the community, this is a little town of 100,000 people north of Seattle. People in the community who perhaps they're former elected
officials, perhaps they're professors at the college, perhaps they're accountants, but they're citizens who have a tremendous amount of expertise in some particular fields or knowledge of the local political scene. They're not just plain people who have an opinion. They're people who know what they're talking about. Just as you can look at your daily newspapers for guest columnists, this is what we're looking for. There is a tremendous amount of expertise as we've heard from a couple of previous speakers, in the communities. They don't get paid for writing, but they can write any time they want, any length that they want, 100 words, 3,000 words, I don't care. They can post them in the middle of the night if they're inspired, there is no editor. We do have editing services available for typos or sentence structure or even rearranging their paragraphs. We want good writing.

So, in the last two years, we've done that. A key thing to Northwest Citizen, anybody can comment, but the real actual name appears under their comment. There are no anonymous. We verify each person that they are actually the person that they are, that they say they are. We have had a few attempts at people pretending they're somebody else, perhaps through misdirection, mischievousness, whatever, we've stopped it.
We have over 150 commenters and we're open to more. We are not trying to go for quantity, we are going for a good online discussion. Boy, when a person is putting their actual name to their comment, that's a huge filter to keep the comments relative to the subject and not out of bounds.

We removed one comment once because it got out of bounds and that person we later had a beer, we straightened things out, they're back commenting.

I think I've mentioned the why, okay. By the way, the subject of the daily paper would not cover eventually blew up into our local port authority, $4 million loss, none of the commissioners were re-elected and three staff were fired, but for a year, our local paper would not cover it. Went to the Seattle PI, a wonderful paper that's no longer with us, and they came up to Bellingham, checked it out and made it a front-page story and that's what started to blow it away. But our local paper ignored it. They were in bed with the Court.

It's evolved now into a community discussion. Sort of unique. The format we've put together, you'll have to look at it, it's hard to describe it. The future. I'm getting more interest from advertisers. I'm going to be putting a new thing called Kachingle,
which allows voluntary donations to websites. It's brand new, in beta right now, I have no interest in the company, I'm interested in their concept.

My time is up. Thank you.

MS. DeSANTI: Thank you very much, John.

Next we will hear from Paul Bass who is the executive director of the not-for-profit Online Journalism Project and the editor of its daily news site, the New Haven Independent.

MR. BASS: Thanks, Susan, thanks for having me.

I would like to say this is the best time to be a journalist. I have been a reporter for 30 years. I've loved every day of it, because I love being a reporter, and this is the most fun I've had and the most difference I've ever made because I'm online doing nonprofit, independent local reporting.

Let me just take you back and walk you through it. I was on a book leave about five years ago, I didn't want to go back to my news room, because even though I liked the people, the company had been bought by a boring, smiley-faced chain that took us to seminars about how not to tell people their lead stunk because then you're going to get sued and so you have to kind of be phony all the time and not really run a newspaper.

I said, how am I going to do the reporting that
I love to do? I didn't like blogs, because I was a snob and I said I would do real reporting. I noticed on the Internet there was a chatroom, people were talking about making it like a public utility. Develop the funding model of the NPR style, not-for-profit, raised $80,000 to start, because I had to make a living, get some freelancers, just to cover news in New Haven.

What's happened in the last four-plus years has really surprised me. Our budget has grown to close to a half a million dollars. We have two editions now in our community, our second district community that had no papers for the last 17 years. We break a lot of stories all the time. We're a daily. We've involved our community in the traditional way of shoeleather journalism, we break stories that have made a difference, formed a safe streets coalition, gotten a corrupt person out of a job and everything, but more importantly, the reporting has sparked a community conversation and accountability for us that I have never experienced before.

When there's a shooting in a poor neighborhood, the family of the person getting shot is speaking with someone who makes laws and with someone who would never go in that neighborhood. This happens day in and day out, and as our journalism role is being defined, which
is what we went into business to do, just to cover
stories all the time, tell the stories in new ways, more
immediacy, use video and all that, but our opinions
count less, and journalism begins the conversation
instead of ending it. This good reporting starts a good
conversation and people decide where to take it.

The other media has been affected, too. Since
I've been in New Haven, we've gone from two newspapers
coming out every day, print, that have good-sized staff,
to one that has hardly anyone there. Five radio news
rooms, all gone, all big corporations, so now it's being
reborn.

When we started out, no one was covering the
school board. We showed up, the school board wasn't
even showing up. We took attendance, their rates were
lower than the people getting kicked out of high school
for truancy. We wrote about it, not only did they start
coming again, the daily newspaper started coming again.

This happened with the zoning board. We have a
friendly competition, not from under-funding, basically
from different levels we have accomplished from the
stories.

Then when national stories break, that's fun,
there's this terrible murder at Yale, we got on national
TV a lot, people were using our stories. But what
really matters is the day-in/day-out local reporting, and I think it's making a difference.

Everybody says what is your site? This morning I was at the Senate doing a story, they didn't know what news room to put you in, are you print, I was trying to figure out what do you call it, like Razzles, when you were a kid, is it a gum or a candy? I decided what we are is journalism-driven communities. The community online that starts with news reporting, but doesn't end with it.

Future funding, to make it sustainable, we have to come up with a lot of ideas. Some of us will survive, some won't. We are talking about partnerships with national organizations that cover local races, viable news room, we're going to get a development person, I will talk about that later if I have time.

Thanks.

MS. DeSANTI: Thank you very much.

Next we will hear from Marcia Chambers who is a journalist in residence and research scholar in law at the Yale Law School, as well as editor of the Branford Eagle, her town's online newspaper.

Marcia?

MS. CHAMBERS: Thank you very much, Susan, it's very important that you are having us all here today and
I am sure you are going to find a way to keep us all here.

I am part of the New Haven Independent and I began the Branford Eagle almost four years ago. I didn't begin it because we had no local newspapers in town. We had two weeklies, and we only have one now, but we had two. I began it because those two along with the regional paper were not covering the news of the day. This is similar to what John was saying, and in particular, we had an election that led to a whole series of events that was going uncovered that would have changed dramatically the government of Branford, as well as its commissions and its whole life.

My neighbors pleaded with me to go attend some meetings. This was the last thing I wanted to do, I was a magazine writer, I had no intention of becoming a local news reporter at all. I spoke to Paul, because I certainly wasn't going to work on those other two newspapers, and he suggested I come on board. I began the Branford Eagle as a column, so I was not laid off. I did this as a mission in the very beginning, and I must say at the end of the two years, the elected officials that had been elected were removed from office.

Over the four years of the Branford Eagle, as
Paul has said, a lot has changed in our area.

Connecticut as a small state was attached sort of at the hip a little bit to the New York Times, where I worked for many years. There was a Connecticut section. There is no longer a Connecticut section. Nor does the New York Times cover the state house anymore.

The Hartford Current has very few people in the state house and no longer covers the cities of New Haven. It is in bankruptcy. The New Haven Register, also in bankruptcy, it has no one covering the state house.

In part, this has led to a new development. I'm a member of the board of directors of a new organization that will begin to publish in January the Connecticut Mirror, which will have people at the state house in Connecticut in Hartford to look at state government and public policy and other issues. This is also funded, it's a nonprofit like we are, and it is funded in part by foundation funds.

So, that is also an effort I am on, part of some of whom come from the Current to invigorate our state coverage, of which we have very little at the moment.

The Branford Eagle actually expanded from a column to what I like to think of as a community newspaper, about a year ago. One of the dailies of the
Branford Review folded. The Journal Register Company, which owns the New Haven Register, also purchased some years ago, I'd say probably ten or 15 years ago, 16 weekly papers in and around the New Haven area. All 16 were closed about a year ago. The editor and reporter of one of them came to me and said, would you expand, and I agreed that I would, and I tried to get them to cover nearby towns, no, they only wanted Branford.

So, as a result, I now have a staff. These are freelancers, I have to do copy, as Paul reads mine, and we go from there. It's an been extraordinary experience, we can cover a great deal and we're becoming a very vibrant newspaper, I think, online, with lots of comments.

Last week, I asked a new blogger to come aboard, not a reporter, a blogger, and she is doing educational. We've already got 11 to 12 comments, so we've tapped into an area that needs to be done, and that's what's so much fun about it.

Thank you very much.

MS. DeSANTI: Thank you, Marcia.

Next we'll hear from Jim Brady, who is president of Digital Strategy for Allbritton Communications where he's currently working to launch a local Washington, D.C. news website. He previously served as executive
editor of washingtonpost.com for 2004 to 2009.

MR. BRADY: Good afternoon. Always good to be on the last panel of a two-day session.

MS. DeSANTI: Somebody has to be last.

MR. BRADY: Somebody has to be. About a year and a half ago, I was up in New York at CUNY, at one of Jeff Jarvis' all-day sessions on how to build a news room of the future, specifically the local news room of the future, and I was white boarding while Jeff was talking about how many people it would take to build out a local news room, and if you were just doing it only with no print, and little did I know a year later I would actually be doing it.

For me, when I took my time toward the end of my time at the Post, end of last year, I started to drift towards this idea of, God, I would love to go out and build a news room from scratch, not that I don't love journalism, not that I don't love the Washington Post, which I do, but I had started to realize that for as much as we had done on the web we were sort of like the in-law suite attached to the house.

You were in the house, which was great, but you were really not driving the ship, you were sort of off on an addition they had built to the house. I really got to the point of thinking I wanted to do something
where you could build a house from scratch, because I was at a conference a couple of weeks ago in Columbia, Missouri, and they had us in a conference. Michael Skoler, who used to be on Minnesota Public Radio, made a comment about how culture always trumps strategy, and it really stuck with me as a real truism, in that as much as the Post wanted to push forward into the new era, it still legitimately has a print business that drives the majority of their revenue and does and should garner a lot of the attention of people inside the building.

But what if you didn't have that print cost structure associated with what you were building and you could build a web news room from scratch that could embrace all these sort of things that make the web so wonderful, because I completely agree with Paul, this is a great time to be in journalism, if you can separate out the financial chaos with the actual tools of journalism.

A lot of people just bulk them together and say this is a terrible time for journalism, people are losing jobs. But if you can separate what is legitimately the business disruption with the actual tools of the craft, the tools are amazing right now and they have never been better to involve citizens in the creation and the publication of journalism to be able
for journalists in communities and citizens to talk to each other, to tell stories in a variety of different story-telling forms to crowd sourcing.

So, the decision was finally, my decision was finally to leave the Post and really experiment with going out and doing the web-only thing, and Allbritton, which owns two local TV stations, and Politico was willing to fund basically a project where we go basically hire 50 people and we try to build a local news website that covers this region, the Washington region, doesn't try to cover everything, because the sort of days of trying to put a reporter on, attached to every single municipal structure in the city is probably over, but what are the key things that matter in people's lives in the city.

So, I won't go through all of them right now, but so we're going to build a site that will launch in the spring, it will be very aggressive, aggressively engaged, not only the professionals that we hire but the hundreds of citizens in this area who produce information that's really valuable to the community, and on top of that, really move heavy into aggregation, move heavy into mobile, and try to build a website from the ground up that sort of is the culture, going back to Mike's comment about culture trumps strategy, but what
if you could build a culture before you build a strategy, and I think that what we're trying to do with this new website.

So, I have 30 seconds left, but I will not filibuster.

MS. DeSANTI: Thank you.

Next we will hear from Elisa Camahort Page, who is co-founder and COO of BlogHer.com, where she leads events, marketing, public relations and research.

MS. PAGE: Thank you. Hi, everybody.

So, if we go back six years, I was actually in Silicon Valley, high-tech, building hardware, running product line management and marketing for some product lines. We actually built digital communications platforms, but I wasn't much of an Internet user myself, other than searching, email, I wasn't a participant. I was a media-consuming hound.

I was an early adopter of Tivo. I had every magazine, I mean, I must have gotten so many magazines. I had recently bought a home and thought I was going to be the next Martha Stuart, despite no talent or time to do so. I have at this point 15,000 legally acquired songs on my iPod. So, I like it all.

But in a move that some of my friends thought was insane at the nadir of the .com bust, I walked away
from a high-paying job on total burnout and I started blogging as a purely personal expression. I had always been a writer from a business point of view, and discovered I actually also liked writing from lots of other points of view, namely mine, and I wanted to share mine.

Then I had my peanut butter chocolate moment about blogging and communications platforms and realized that blogging was this perfect marketing tool, and that's how I started having a marketing consultancy.

As it happens, one year later, serendipitously I met my two co-founders of BlogHer, Lisa Stone and Jory Des Jardins, and we originally founded BlogHer to answer a question we thought needed to die, which is where are the women who blog?

This is a recurrent theme, where are the women, it still comes up today, it is not just about blogging, it is not just about technology. In early 2005, this was after Carly Fiorina had been pushed out of HP, and people were saying, where are the women in Fortune 500 board rooms? There was a study that came out on the number of women on the Sunday morning talk shows, or mainstream newspaper, on webpages, where are the women there? Where are the women in Congress?

So, we thought, well, rather than talk about it
on our blogs, which, grant it, was the obvious thing to do, what if we blogged this idea we had to have a conference, covering all the same topics as any other tech conference or blogging conference, but with all women bloggers, all women experts.

Turns out it was the right time. Women were passionate and thrilled about the idea, they showed up in droves, 120 days later we had a sold-out event, all because we had the idea, we had good timing and we had the hutzpah to put the down payment for the meeting space on our credit cards.

But then we sat down and said, what should we do with all this passion and interest and energy? It turns out what we needed to do was create a media company.

Now, our backgrounds were complimentary. Lisa was a journalist, having worked at the Oakland Tribune, CNN, she started blogging the DNC for the LA Times, that's where she started blogging. So, from day one, she said, we need to have professional guidelines in place so that this is a quality, credible place to come for news, as BlogHer.com, which we then launched.

Jory had been in publishing and then ended up on the biz dev side of it. So, from day one, she was saying, how are we going to pay for this, who's going to help us pay for this, where are we going to get the
money for this? Because we all had mortgages to pay. A lot of people assumed, because we were women, that we were obviously forming a nonprofit. We were like, uh-huh.

So, and then I coming from a place where I lived and died by the P&L of my product lines, was like, what's our bottom line, how do we get to profitability, if we want to spend money here, where are we not spending money?

So, we kind of brought those day-one perspectives together, and we weren't just building a fun thing, we were building a business. All under the umbrella of who is our community, what do they want, what are they leading us to do?

Today, more than half of American women are active social media users, they use it weekly or more often. They are leaders and they are certainly the leading consumers in this country and that's why there is a business model here.

They are passionate about news, more than half of the users in our community turn to blogs for news, politics, tech, green, business, career, hard topics. They're getting interested in topics they didn't know they were interested in. We got an email saying, before BlogHer, I didn't know I had an opinion about health
care reform, but now I know, I want to have an opinion, I'm reading all the information, I'm getting into participating, I'm getting into the debate, and what we have now is people who are not only interested in the news, but they are invested in the news because they are part of participating in the conversation.

Thank you.

MS. DeSANTI: Thank you.

Next we're going to hear from Andy Schwartzman, who is president and CEO of Media Access Project, which he has directed since 1978. MAP is a nonprofit public interest telecommunications law firm representing the public's interest and promoting the First Amendment rights to speak and to hear. He's also a faculty member of the Johns Hopkins University Master of Communications Program.

MR. SCHWARTZMAN: Thank you, Susan.

One of the benefits of being in the last panel is that most of the important points have been made and things have been said and I'm very glad that some of the things that I wanted to stress have been discussed over the course of the days, particularly today I have a written statement that I submitted in the record and that is available for people that really talks about what I really do for a living, which is on the media
side, I certainly feel very strongly about the importance of broadband deployment and maintaining diversity and focusing on creating new institutions, and I've presented some thoughts about how the First Amendment obligations for government play into this.

The First Amendment not only authorizes but encourages aggressive government action to promote robust debate and civic discourse. As has been discussed, quality journalism is a public good and government should intervene, I argue, to promote it.

So, I support many of the proposals that have come forward, including subsidies of various kinds for public media and for innovation. But now I'm going to talk about what I'm not an expert in, which is one way that government can indeed facilitate the new methods of journalism. I have no idea if this will work, it's not the only answer, but it's an important one, and this too has been alluded to during the course of the discussions, and it's the LCCC model for ownership of media properties, and this has made me much more of a tax lawyer than I ever had been before, to get into it.

Basically, this is a newly developed business structure which may be particularly well suited to facilitate philanthropic and altruistic investment in struggling newspapers and TV stations in new media.
ventures. It's a hybrid form of ownership. That's what's interesting about it. When you've got a public good that's not being provided, there are interested citizens, there are foundations that may want to play into it, but that cannot, as we've heard, possibly finance on an ongoing basis the whole operation, and you may well have for-profit investors willing to participate and you may have altruistic investors who are willing to accept a limited rate of return for something that's important to their community.

Foundations also have the opportunity to make something called program-related investments. The LCCC, which stands for Low-Profit Limited Liability Company, is a modality that enables you to have different classes of ownership. So, you can take, for example, the bondholders out of the bankruptcy and give them a piece of the action and give them a profit opportunity. You could put in some community money, some foundational money and you may get some altruistic investors who are willing to take a limited rate of return and everybody can contribute and take or not take, as the case may be, out of it.

This is going to require some help with the Internal Revenue Service, which doesn't know how to handle these things. The LCCC model has been enacted in
a number of states, so that's not a problem. You can
incorporate in Vermont and have media property in
California. So, that part is taken care of. But we do
need some tax law changes in order to make it work, in
order to facilitate this and sell it. But I do think
it's an opportunity, something I want to continue to
explore, precisely because it may give us an opportunity
to find better ways to finance start-ups and maintain
existing media entities.

Thank you.

MS. DeSANTI: Thank you very much, Andy, that's
an important topic, and we appreciate having you bring
it up.

Next we're going to hear from Dean Christopher
Callahan, he's the founding dean of the Walter Cronkite
School of Journalism and Mass Communication at Arizona
State University. He's brought several new initiatives
to ASU, and he's currently also leading the National
News 21 Initiative, a 12-university program aimed at
transforming journalism education.

MR. CALLAHAN: Thank you, Susan.

I want to just talk a little bit broadly about
the role of journalism schools in providing content. As
I think most people know, this is not a new concept.
University of Missouri has produced a daily newspaper
for more than 100 years for that community, in Columbia, Missouri. The Dylan News Service, which covers Washington, four local newspapers, has been around for decades. I helped start something called Capital News Service here at the University of Maryland at College Park, covering state government news.

But certainly, the landscape in the last couple of years has changed dramatically. The opportunities for journalism schools to provide important rich content has never been higher.

One obvious reason is there's enormous need. But with that need has come an openness by news media companies, and even large news media companies, to partner with journalism schools that, quite frankly, wasn't there ten years ago, five years ago, maybe even three years ago.

What do journalism schools bring to the table? First and foremost, bright, young, energetic, aggressive reporters, to Paul's point, which I think is a great one, on the fun factor, our students aren't afraid of the future. I'm afraid of the future. My students aren't afraid of the future. They're excited about this digital age, and they are excited about the fact that we don't know exactly where it's going. They want to be part of helping inform what is going to be a new news
This year, my freshman class, from last year to this year, is up 45 percent. While that's higher than most schools, it's indicative of the great interest that is growing among young people in journalism in its new and various forms.

Well, what else do journalism schools bring to the table? They bring some terrific editors and terrific journalists, and there have always been wonderful former journalists at journalism schools. There are more today. For lots of reasons. I will tell you that in the last few years, I've doubled the size of my faculty and four of my full-time faculty are former executive editors of major metropolitan newspapers, including a panelist who you heard from yesterday, Len Downie, the former editor of the Washington Post.

Universities can also bring facilities and actually create physical news rooms and provide the equipment. Financial resources, and make no mistake, the sorts of programs that I'm talking about are expensive. The Missourian, the Cronkite News Service, the News 21, and the university-funded programs are probably the most expensive on a per-student basis than almost anything else at the universities.

Of course, a university can provide some sort of
fundraising capabilities. They have development operations already in place.

So, why should more journalism schools be involved, and I think very much more journalism schools should be involved, while it's grown in the last few years, these content providers at J-schools, it's still a very small minority of the overall J-school population.

Two main reasons. One is the learning environments that these create are tremendous. Essentially, what we're doing is we're combining the very best elements of the classroom and the very best elements of an internship, and combining them into one experience. Secondly, it's the right thing to do. It's universities serving their communities and that should be part, certainly part of the public university mandate.

Thank you.

MS. DeSANTI: Thank you very much.

Okay, last but surely not least, we will hear from Bill Densmore, and I have to say, I was reluctant to put you last on this panel, Bill, because it was your conference at GW that I first went to in May to start learning about all of these issues, and it was a terrific conference.
Bill is an expert on Internet information technologies and Internet-related business models. He was a 2008-2009 Donald W. Reynolds Fellow at the Missouri School of Journalism, and he's vice president, director and co-founder of CircLabs, Inc.

MR. DENSMORE: Thank you, Susan, and also thank you to both you and Jessica Hoke, who I am not sure where she is now, but I know you guys have done so much logistically to put this together, and I only know from doing a conference myself how much work it is.

I want to talk about an idea that is actually spawned from academia to play off Chris' remarks. It's a proposal about personal litigation, privacy, advertising and commerce, and I think you'll see when I'm finished talking in a few minutes that it relates to a lot of the themes we covered over the last day or so.

The defining challenge of news organizations in the 21st Century is no longer managing proprietary information that they have, it's really about helping us manage our attention to ubiquitous information. We've moved from a world of relative information scarcity, access restricted by a variety of technical choke points like presses, to a world of such information abundance that the average user's challenge is not how to access information, or even how to find it, but how to
personalize and make sense of it.

The Internet, as we know it today, is not up to this task. To unleash a new user-driven attention economy, the next generation Internet needs a common platform for sharing user identity, one which explicitly values and allows us to trade our privacy and make some market for digital information in the classic retail/wholesale sense.

In such a world, the new news organizations that we're talking about on this panel should thrive, because they will have a new way to exchange value for information.

This system, this platform, this clearinghouse, should uniformly exchange payments for the sharing of text, video, music, game plays, entertainment, advertising views, across the Internet. It could, for example, manage background, wholesale payments for content that is repurposed for advertising gain, by bloggers. Aggregating and settling copyright and other value exchanges among users, publishers and aggregators.

Now, it's easy to think of this as really too big an idea, something that would require significant technology and infrastructure, and that's true, it will. But to be compelling, the system has to have solid technology, a structure that enables the new media
service economy, and a motivating mission and culture. It has to be ubiquitous, it has to never be owned or controlled by either the government or a dominant private for-profit entity, and it should be massively distributed and in some fashion maybe ideally collaboratively owned. It should ride on the existing web, as we know it today, and web protocols, and not interfere with those.

We achieved this big an idea once before when the U.S. defense establishment developed the Internet, its goal was a massively distributed system that would withstand nuclear attack. Forty-some years later, it's the Internet's design itself that has exploded our information culture, more thoroughly than any feared warhead might have.

But while the system has exceeded beyond anyone's imagination to open up access to information, it's done little to enable the transfers of value to nurture and sustain information. The Internet eliminates physical information, product scarcity, becoming the perfect copy machine. As a result, the product-based model sustaining information creation crumbled, first in music, now in newspapers. What's needed is this ubiquitous social network that enables consumers to share value for information services.
In this new attention economy, we're moving towards a new paradigm, part aggregator, part content creator, part social network, and we're searching for a name for that service. It's sort of the thing that Lisa George was talking about in her talk earlier. For a lack of a better term, and I don't really like this very well, but I've called it the information valet, to describe this entity. It's been the focus of my research at the Reynolds Institute over the last year. Also earlier with the founding of Clickshare Service Corp. quite a while ago that I am part owner of, in that I have to say for full disclosure purposes has a potential related patent in this area.

So, it's also led to the creation and a major equity partnership with the University of Missouri and investment from the Associated Press of a company called CircLabs, but there's a missing piece. The need for a collaborative, transparent, nonprofit ownership of this needed clearinghouse for information transactions, my hope, and I'm just speaking for myself here, is that that missing piece can be formed as something that I call the Journalism Trust Association.

The mission of the Journalism Trust Association would be to help sustain, update and enrich the values and purposes of journalism through collaboration among
news media, the public and public-focused institutions. The JTA might be capitalized by major technology publishing, advertising, consumer and philanthropic organizations. It would guide in the creation of new standards and a platform for exchange of user authentication and transaction records, which enable a competitive market for information, respecting enabling consumer privacy and choice.

So, like common gauge railroad tracks, interstate highways or the standard 60-cycle current, this platform should create a level playing field for things like the gold standard measurement of user access to web resources, sought yesterday by Mark Contreras, and it would keep open the idea of personalization needed by Jason Seiken's PBS website.

It would create the opportunity but not the requirement to be able to charge for content the way Rupert Murdoch and Steve Brill would like. It would create the possibility for a user-controlled personalization advertising service, which would allow Arianna Huffington to survive without charging. Finally, it might allow for the accountability to users for their privacy sought by Jeff Chester.

So, just to finish up, because I know I've gone way over here, to make a new market for digital
information and attention, we need to start creating a unique ownership and governance framework, assemble the required technology, assess the impact on law, regulation, advertising and privacy. If you want to help with this idea, to help make it a reality, please go to www.journalismtrust.org where you will find the substance of these remarks, a slide deck and also more detail and my contact information.

Thanks for giving me a little bit of extra time.

MS. DeSANTI: I think it's only fair to compensate you, Bill.

I would like to start out with a question about sustainability. We've certainly heard about exciting efforts here, and there is a really, and I'm curious as to the difference between the revenue model for the New Haven Independent, and Jim Brady's effort, because there's a big difference in scale there, and the underlying question has always been these are great, how are we going to sustain them. So, maybe you could start, Paul, and then Jim you can follow up and we'll get everybody involved.

MR. BASS: My answers for the first five years and going forward are different. Looking back five years, it's not that I was smart, I was lucky.

If you look in the realm of local journal
experiments for local reporting that were able to produce payrolls for professional reporters to get salaries and health insurance, there were all of us who, unknown to each other at first, did the NPR model. Voice of San Diego, Mint Post, St. Louis Beacon, New Haven Independent, now a couple we've helped start get going and go in that direction.

It was a combination of grants, individual contributions and sponsorships. I don't know if that's long-term sustainable. My hunch is there is no one answer, no one magic bullet.

I think it's a good model because I think NPR did better than the big papers in the last recession. I think moving forward, we have to keep re-inventing it. I'm not sure that any one outlet is going to be sustainable. I think some of us are going to crash and burn. I did not expect to be in business five years later, I did not expect to have five times the budget. I know my budget is falling in place for next year, I don't know beyond that. I think we have to keep re-inventing it.

So, some of us are looking at these partnerships right now, we are talking with a couple of national outlets about having a joint archive of how we cover the state political races, we have a high coverage in Senate
races. We are partners with a Spanish language for-profit print newspaper, we share offices, stories that get translated into Spanish. We are looking maybe for funding for a bilingual news room in the future where we have a team of reporters producing multi-platform continually.

We are also looking at donors in a community who can afford that 15, the kind of people that theaters, for instance, go after, who now that we're established, can we get 15 of them to give $15,000 a year, guaranteed over three years. We've been offered by a funding foundation to give them an incentive, that if they do that, it will be partially matched. Those are some of the ideas.

MS. DeSANTI: Jim?

MR. BRADY: I think when this idea came up, it was a certain passion that I had for it being a for-profit model, not because I have anything against a nonprofit model, I think it's a great model, I think there's a sense, maybe this isn't correct, but there's a limited supply of where you can get the money to continue to fund nonprofits, but if you can figure out how to make a profit, then there is an endless supply of people who are more than willing to make profits, and if you can figure out how to crack the nut of how you can
turn local journalism into a profitable business, then there are all sorts of people who would be willing to follow that model.

I agree, so that in looking at how we would model this out, the idea from the beginning was always there is no silver bullet, I totally agree with that, that's got to be shrapnel. It's little pieces of revenue from a lot of different streams, and those streams will be display revenue, they will payroll revenue, certainly making a strong run at mobile advertising, using all of the GPS capabilities, your geo targeting capabilities that a local site like this has to have to be successful, also advertising that's a very small but relevant audience.

So, for me the model, I like the pressure of trying to figure out how to make money off this. I think that's something I kind of wanted because I do think, I'm a great believer that I love journalism and I've been doing it for 25 years, but I think we're all in agreement, I would assume, that if you can't figure out the business model for this, we're going to have a serious problem. That figuring out how to build a really cool website with great features, while ignoring the business model, seems to be a bit short-sighted.

So, for me, that was a certain passion in doing...
the for-profit thing just to solve that problem.

MS. DeSANTI: Elisa, I'm sure you have things to contribute on this?

MS. PAGE: Yeah. I do agree that there isn't one silver bullet, not only are you trying to put together multiple revenue streams, but those revenue streams change over time because this is an extremely fast-moving industry and environment we're in.

When we started BlogHer.com, we had almost 60 editors who volunteered their time at first, and then when we started to make a little revenue, we shared a little revenue. When we made more revenue, we raised what we could pay them, and so on. When we launched our publishing network, which is now over 2,500 bloggers, reaching 20 million unique visitors a month, we split the revenue with them.

So, and why we're able to generate the revenue is because of the community. So, they are what make us who we are and understanding who they are, what they do, how they behave, what their motivations are, what they purchase, and what they're doing is why we can go out and have for a list of Fortune 500 customers.

So, we have a very valuable audience. Yet, that is insufficient to stay in business, if we were to continue to do business the way we did when we launched
the network three years ago, we would be gone by now, because we launched it with your basic CPM banner ad, and so now we've had to get creative and develop different kinds of programs and engagement campaigns and different ways of measuring all so that we can match both the needs of our community and the needs of the advertisers and sponsors.

So, it does require agility and it requires just as much agility on the operating expense side as it does on the revenue side. So, when we have to adjust what we're doing at the top line, we have to go look at what that impact is, and where are we spending our money and how do we move it around and how do we make this all -- we signed up for projections when we got venture capital and we have to live by them.

That requires, sometimes, changing our approach, changing what we do, changing how we're spending our money. Sometimes I think I get a lot of questions about how we generate revenue, and nobody ever asks how we control our expenses. But it's two parts to the same equation that eventually is going to lead to profitability.

MS. DeSANTI: John?

MR. SERVAIS: Okay, I'll address the question, I was not going to volunteer, because Northwest Citizen is
not economically sustainable. Now, its cost to me is about how much one would spend if one had a golf hobby, and one of the things I would like to stress is that we heard a lot about technology costs over the past two days, really putting something online is incredibly inexpensive. A couple of hundred a year for the ISP, for the web posting, $200 for Expression Engine, which is a wonderful database program, rather than using a free one. My biggest costs are the young 26-year-old programmer that I use in order for us to create a unique format.

So, there is some advertising, there is some revenue. There are more advertisers who are interested. I'm looking forward to contributions. Two years ago I asked for contributions and got $100. I got the invitation to this conference, and I could not afford to come out here from the Northwest. A couple of the other writers said, we'll put it up on the web and ask for contributions. I didn't want that, because I didn't want the failure. Well, they did it anyway, and $1,500 came in within about four days and I'm here. So, it's not sustainable. But I think the point is that it's probably a model that can work in many communities, and it's only one of many models as we've heard here and yesterday.
In that, our goal, my goal, isn't to make a living. I make a living with another website that promotes commerce in a town. The goal is civic information, civic discourse, civic discussion, those things that we think are missing from the community. We have outstanding people who write about some developments and stuff, that are analysts and financial people, are not reporters, but they go into EISs and whatnot. So, on that basis, the costs are very low. There is some revenue and I am hopeful in the next year or two that it actually might pay me something. But how much, I don't know.

So, that's my answer.

MR. DENSMORE: Can I follow up on that?

MS. DeSANTI: Please, Bill.

MR. DENSMORE: You just said it's not sustainable but it's probably a model that can work in many communities. I don't think that was a contradiction when you said that. I don't think it was because I think what you're saying is it's not sustainable in the traditional economic sense.

MR. SERVAIS: Correct.

MR. DENSMORE: But it may be sustainable in the way that a PTA is sustainable. In the sense that there may rotate through your business a continuing secession
of people whose motivations and whose rewards have nothing to do with money.

MR. SERVAIS: Exactly.

MR. GRENGS: Following on that team of sustainability and engagement, John talked about how some of his audience has contributed to make his trip here possible, and I was wondering if some of the other panelists had any thoughts or stories about particular ways that they have tried to engage their audience that have worked that could be replicated in other ways or ones that might have failed. We obviously have some existing content providers, but if Jim Brady or Dean Callahan or any others have any other thoughts in terms of ways that multimedia might be used, or crowd sourcing engagement might be used or what are the limits of these methods and techniques.

MR. BRADY: Well, we've had lots of successes and failures, but I think the common theme is we were willing to try an awful lot of things at the Post and experiment with things, be willing to accept failure and hopefully accept some successes along the way. But I think that the theme certainly at the Post, where you got the most engagement from your readers, is when you made them feel like they were part of the conversation. I would even say we didn't go far enough for the
Post to do that. In my mind there's sort of two levels of engagement with the audience. The ones where you've let them comment on stories you've already written or question reporters who have already written a certain story or you cross that really big gap and you actually let them upload photos to your site, although most of us have asked for things like pictures of your dogs. We have sort of let the audience into our front yard, but not let them into the house is the way I kind of view it. We want you to be a part of the conversation, but not too much a part of the conversation, and I think that the next step, whether the mainstream media organizations or new media organizations have to cross is you have to let the audience into the house. You have to let them help and participate in the process of producing journalism.

So, a community to me is still the key. The example I always use at the Post is we had a Redskins Insider blog that -- you could put anything up on a Redskins Insider blog and we get 500 comments. I mean the Redskins are a religion in this city, even when they stink. There was a guy in there who was posting something about a son or relative who had an illness and needed to raise some money and like they raised, just like raised all this money out of this blog because all
these people who commented on the Redskins in this blog knew this guy, they had been trading email and e-comments with the guy for five years. No matter what, a lot of the news that the Redskins Insider blog reported was pretty commoditized, an injury report here and game report here, stuff you could get on ten websites. But if you wanted to meet these people and talk to these people every single day, you had to come to washingtonpost.com to engage with this group.

That's really in a lot of ways the stuff that's really unique about your website is the people that other people want to come talk to. So, that's why the community piece is going to be a huge part of the site. We don't want people to just come to the site because of the information and content we produce, we want them to come to the community because people feel like they have friends or in some cases people they want to argue with, but people they engage with and get them passionate about something.

MS. PAGE: Can I add that most companies, and I talk more often to companies than media organizations, but most companies say, oh, yeah, we have community, we're building community, we have a blog, or we have this. I always go to their home page and say, show me where your community is on your home page. It's never
If you really want to make the community feel like they're a valued part of what you're doing, you need to highlight that community, whether it's their faces, from their profiles, whether it's their comments. So, their comments are on the home page, whether it's community posts and headlines, whether you do it algorithmically or with human, we actually do it with human editors. Let your community actually show to the outside world as part of the top line of what people see is the only way you actually prove to them that they are a value, or the value that you keep saying they are, I guess.

MS. CHAMBERS: I would like to give one insight about, well shortly after I began the Branford Eagle, I had to figure out a way to let people know about the Branford Eagle. So, one of the things I did early on was to create a list, an email list, to send out to everyone, and that email has generated some requests from various folks, particularly the head of the public access television station in Branford called BCTV, and before long, the Branford Eagle was on BCTV.

So, I still have a show, I've been at it now for about two and a half years, I interview public officials and others. I have a Branford Eagle banner, and I have
a Branford Eagle logo that says you can read all about us at the newhavenindependent.org, and lots of people have learned about the Branford Eagle and will come up to me, I'll be in a diner and they'll say, hey, I just saw you on TV.

So, it's sort of a combined, it turned out to be, or it didn't start out that way, but it's turned out to be a marketing device for the column, and now for the community newspaper.

MR. BASS: Real quick, I think you were asking specifically about ways to involve the readers. One thing we did early on, at first we didn't have a lot of editing capability. We called our readers to catch typos, we keep a monthly list and whoever gets the most in a month gets a mug. So, it gets us to make fewer typos as we have them fix them and then list them, but then every month a new group will be competing to see who has the most.

That worked. A program, even though we have our own webmaster who said I want to do something, build for you all, build a crime map, if you just need the data every month. So, now you can go to any street, any date, any kind of crime and see it all mapped out.

Something that failed that I think will succeed on some of your other efforts, depending on your
relationship with the readers, I got a grant to do Citizen Critic, you do the place and the concerts and we throw them up there. But that didn't work. People like when we start the ball rolling sort of news coverage, they want us to kind of start it going as a professional work and then they'll do their own reviews. So, that's just three things we tried.

MR. DENSMORE: So that notion of authority is still there. They want that authority?

MR. BASS: I don't know that's universal. I really think these ideas are different in every community. I know there's that one website in Oregon that everyone reviews restaurants and they go on their own. So, I don't know that we can really take, but yeah, some places need more authority than others. I think journalists have a role in setting standards for authority.

MS. DeSANTI: Dean Callahan, could you share some of what you all are teaching your journalism students about how to engage communities?

MR. CALLAHAN: Certainly there is the techniques of the multimedia techniques, but beyond that, we're really trying to teach them a different way to think. We're focusing, two of the things that we are trying to embed in all of our students are the notions of

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innovation and entrepreneurship, and I can tell you that a few short years ago, those words were, well, one of those words would have been banned in journalism schools and the other simply wouldn't have been talked about.

How really sort of unshackling, if you will, these digital natives. One of the things that major news organizations are now looking to journalism schools for is for the students to help them think about what these products should look like. It's a very different world than it was just a few short years ago.

Now, how you teach innovation and how you teach entrepreneurship is, quite frankly, a little more complex than teaching how to write a hard news lead, but we think terribly important.

MS. DeSANTI: Andy, I wanted to come back to you, because the LCCC model you were talking about seems like an important idea for discussion in terms of the sustainability issue. One of the things I've heard about it is that it's a possibility, some people are thinking about it as a possibility if there are newspapers that are going into bankruptcy, the current owners have a lot of debt and all, if you can find people who want to make a profit but the rate of return doesn't have to be 20 percent for them to be happy, that this might be a possibility to get some of those people
involved in newspapers again. I'm wondering what you
have thought about in terms of the potential for the use
of this concept.

MR. SCHWARTZMAN: Well, certainly without
getting overly legalistic, the print packaged bankruptcy
approach makes a great deal of sense. You could take a
troubled entity and, surprise, as we've heard, most
medium and large-sized major market dailies break even
or make money even in this recession. Smaller community
papers do even better.

If the problem is debt, if the problem is some
bad business decisions that were made, if the problem is
somebody who paid too much, Sam Zell, an approach which
gives the surviving bondholders 50 cents on the dollar
in the form of future profits, which allows a community
foundation to kick in an endowment of some sort, allows
other foundations to make what are known as
program-related investments, and allows public donations
or other forms of charitable donations, and as I've
said, altruistic investors, people willing to take less
than the usual rate of return, and LCCC can combine all
of those.

So, I think it has promise as a means of taking
troubled properties and giving them a chance to survive.
It doesn't solve all the problems, it's not something
that is a universal fix. I do think the LCCC, as I've said, has promise for helping to incubate new ventures and brand new ideas and new platforms as well, but this is certainly one of the areas where I hope we can get the LCCC thing going sooner rather than later because of the current economic times.

MR. DENSMORE: There is no LCCC in federal law right now, but I know because I was part of the conversation, there is a mark-up being worked on now and it will probably get filed some time early next year.

MS. DeSANTI: That's definitely of interest.

Bill Densmore, I wanted to give you more time to talk about your project because I think that's an extremely interesting idea, it's a big idea, but why don't you go ahead and say some more of the things that you wanted to say about it.

MR. DENSMORE: Well, we really started off a year or so ago with the idea that we wanted to create a shared user network on the web, so that consumers could go to a most trusted information valet, this term that I've had to invent because the entity doesn't exist, and have an account with that information valet and be able to get a personalized relationship sort of put together in consort with that information valet, which has benefits for the consumer because the consumer now has a
better information experience, and is able to manage their privacy, because presumably, you would tell the information valet a little bit about yourself, and a little bit about your personal information preferences, and then you would have a trust relationship with that valet. Which could be a newspaper or could be an NPR affiliate or could be an NGO or a trade association that you're part of.

It has benefits, if your information valet is a news organization, it has a benefit to them because they can take what they know about you with your permission and share it with advertisers and hopefully get better CPMs on advertising.

It also means that and implementation of this that we're working on through CircLabs, this for-profit company that the University of Missouri is an investor in, is a tool bar that would ride on the top of your browser window and the sort of programming of that tool bar would be done by your home base information valet, so that they could, with your permission, serve you custom headlines, serve you custom ads that are related to your interests. That would be always with you.

One of the problems newspapers have today is only about one percent of the time that news consumers spend on the web reading news is actually at newspaper
So, if you're a newspaper and you want to monetize your users, it's pretty hard to do that if they're hardly ever on your website. So, this particular first implementation of an info valet concept would allow the newspaper to make money by showing you ads and by showing you custom information all the time.

Beyond that, I think the idea that I think is interesting is the extent to which you might be able to use information valet to settle transactions across multiple independent websites. I don't feel it's best to use the word micropayment to describe that, because that's sort of a red herring word now with a lot of consumers, but I think just as the way the copyright system trades activity about who's using what, across copyright clearance center, just as the cell phone system manages transactions and background, just as the cable companies have to settle activity among the suppliers of content, just as Visa and MasterCard have to track where you're going for your physical goods purchases, it seems to make sense that we might create a mechanism for sharing activity that you do across the web among aggregators and content providers and having a common way to settle that so that everybody gets rewarded.
MS. DeSANTI: Reactions? Other thoughts?
I'm going to take my personal three minutes now, before we end this panel. I have to take a couple of minutes to thank both our outstanding speakers, and my outstanding staff. A conference like this is possible only because leaders in journalism, advertising, economics and other fields are willing to donate their time and share their insights, and I know that journalism will survive and thrive because of all of the outstanding people we have had thinking about this problem and sharing experience and learning and ideas for the future, today and yesterday as well.

We are so grateful to all of you and all of those who came before you in making presentations, and speaking on panels. But before the panelists and the presenters came my staff. They researched these issues and found all of you to come and talk with us.

So, I need to thank them, I especially want to thank Elizabeth Jex, Jessica Hoke, Chris Grengs, Gus Chiarello and staff from the Bureau of Economics, Deborah Holt, Deepak Chandra and Robert Squibb for their persistence and talent in finding all of these speakers for us.

I also want to thank the many people who helped out in pulling this workshop together, and certainly
Bill, you're absolutely right, there's a lot of logistics to all of this. Suzanne Michelle, Tom Krattenmaker, Michael Wroblewski, Kelly Fine, Dan Gilman, Suzanne Drennon, Pat Schultheiss, Gail Kingsland, Brian Reita and Jerry McLaughlin.

With that, I can say that we now adjourn. Thank you.

(Applause.)

(Whereupon, at 5:36 p.m., the workshop was adjourned.)
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