

The Future of Public Television
The Cultural Policy Center at The University of Chicago



**The Future of Public
Television**

Presented by:
Cultural Policy Center
The Harris School of Public Policy
The University of Chicago

Transcript
Day Two, Session One:
Should Public Television Listen to
the Radio?
December 3, 2004

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at this conference.

So that is this afternoon at 2:30. If you will look at your programs that will be, I think, a very exciting way to close the conference.

Finally, I would like people to-if they have the time either at breaks or at a moment that you have free-fill out the evaluation form. It is enormously helpful to us at the Center that we know how this has been useful, how you have perceived what we have tried to do, and it helps us because we are going to work hard to do a follow-up to this conference. I'm not sure what that will be, but we are already talking about how we can move to the next step with this.

What you should know is that the transcript of the conference and all the proceedings that you have heard will be on the Web. We have this fine transcriber over here on this side of the theater who has been listening carefully, has two tape recorders -- one of which did die and got fixed, but that's why she keeps two going -- and she is going to make sure that every word of this is captured. So for any of you that want to check on various pieces of what you heard, it will be on the Web. I can't guarantee how fast that will be, but it will be within the next couple of weeks.

Thank you very much. It's now John Callaway's.

John Callaway Carroll, thank you very much. Good morning, everybody. Just one other housekeeping note, and that is that the opening session yesterday was recorded by C-SPAN. And if you'll keep in touch with our Web page, we will let you know when that will be broadcast.

As we developed the themes for this conference on the future of public television, certain people -- I remember talking to Newt Minow very early on -- many, many months ago. And Newt will be interested to know that his remarks were echoed by others without any knowledge of what Newt had said. But Newt said, "if you're looking for structures, if you're looking for performance in public broadcasting,

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take part of your conference and spend some time on radio, public radio and perhaps other forms of radio." People kept saying that to us. Radio's audience and public radio's audiences are going up, etc. So we listened.

That's why this session today, which is entitled "Should Public Television Listen to the Radio," is on this agenda. We will use this opportunity not only to talk about the possible lessons that public television can learn from public radio and other radio, but we're going to get a chance to get an update, all of us, on what public radio is doing, period, and WFMT, what they are doing. I think this will be -- I hope -- a very useful and educational session.

Now, Kevin Klose, the president of NPR, who's an old friend of mine -- he used to be on *Chicago Tonight* often during his Chicago journalism days -- had warmly accepted our invitation to be here, and then some things came up and he wasn't able to. He has sent his very able colleague Kenneth Stern to replace him, which is kind of like replacing Dan Marino with Joe Montana. In other words, we're in good hands. Ken Stern is the executive vice president of National Public Radio. Waggle your hand, Ken.

As executive vice president, he oversees, directs, and coordinates the activities of NPR senior management team, and he joined NPR in 1999 after working with U.S. international broadcasting bureau in Washington.

Now, Torey Malatia is going to be here. We're going to start without him. He is, as you know, the president and general manager of WBEZ, Chicago Public Radio, which now has the second largest weekly public radio audience in the nation. Torey Malatia will be here shortly.

Steve Robinson -- Steve, you can raise your hand -- Steve has been with 98.7 WFMT in Chicago since the year 2000 and currently serves as the senior vice president for radio at the station. Under his direction, WFMT has enjoyed the largest audience and highest ratings in the station's 52-year history. Steve will have a very interesting story to tell.

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Ken, first of all, thank you very much for coming in on such short notice.

We want to ask you about Mrs. Kroc's money, etc. Let's pretend for a minute that that grant hadn't come in, and let's ask you to give us a kind of portrait of what National Public Radio is at that point: how many bureaus, how big, what's your budget is, etc. And welcome.

KEN STERN Actually, I don't like to think of the world without the money from Mrs. Kroc. Thank you for that question.

Actually, if I could sort of pick up on your notion of public radio, starting with public radio audiences going up, that's a true statement, and maybe even an understatement. Twenty years ago, the audiences for public radio were really fractional. NPR itself had about, in the early 1980s, we had about two million weekly listeners. That's grown very steadily over time. When I started at NPR about five years ago, we had thirteen million weekly listeners. Today it stands at about twenty-two million weekly listeners. It's been really an extraordinary growth. *Morning Edition* and *All Things Considered* are the second and third most-listened-to programs in the country, commercial or noncommercial. It's still trailing Rush Limbaugh.

The reason for this is, I think, many fold, but I think it has to do with changes in the environment and the choices that NPR and public radio really made. The history of public radio and lessons of public radio, I think, relay a lot to choice. When NPR started some thirty years ago, it really was an alternative to the major news organizations that dominated news reporting in the country, most importantly CBS News. A lot has changed on the way to being an alternative.

The major news networks have stepped back significantly from serious and in-depth news reporting. Even the strongest faction of serious journalism in the country, print, has stepped back. It didn't escape anyone's notice at NPR when last year the *LA Times* won five Pulitzer prizes and the reward from their corporate parent

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was a 15 percent reduction in their newsroom budget and a parallel reduction in the size of their newsroom staff.

There is a serious vacuum in serious news and journalism in the country, and NPR and public radio has really tried very hard both on the international, national, and local basis to step into that vacuum. We've made some choices along the way to invest, almost to the exclusion of everything else, in serious news journalism.

As others have stepped back from, for instance, international reporting, we've tried very hard to expand our international reporting. Even without the Kroc gift, we would have opened this year our 14th international bureau in West Africa. That's actually, along with *The New York Times*, the only American news bureau in West Africa right now. None of the networks are there. None of the other papers are there. I think it reflects a serious commitment on the part of NPR to in-depth and serious journalism.

The results of this, I think, has been the audience growth that we've seen over the years. What has driven up NPR's audience on almost every occasion is the news cycle, and the reason that audience growth has gone up even faster in recent years is because the news cycle has expanded. Once-in-a-decade events now occur every year. Since I've been at NPR, we've had the Election of 2000 and its aftermath. We had 9/11. We had the war in Afghanistan. We had the war in Iraq that ended and then continues to this day. All those have driven up NPR's audiences. Unlike the television cable networks, when audiences go up in the news cycle, they don't go down again.

That's the experience we've seen almost on a step plateau. A major event happens, audience goes up, and then it plateaus. It does not decline. That's, we think, the result of our investments in news and serious news as we've grown our journalistic capabilities over the last generation.

John Callaway It is interesting when the

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cable networks have a big bounce on a war or major news event, and then it goes back down. How much money do you spend on promotion? Or is most of this just word of mouth?

Ken Stern I think promotion is probably what public radio or, at least NPR, does worst, among all things. We don't do any promotion.

John Callaway That's what I thought.

Ken Stern We have no budgets for it. It is word of mouth. So all of you get out there and start telling everyone about us.

One of the challenges we face is that people's perceptions of NPR are often shaped by others; by *Saturday Night Live* or even Fox News. I think there is a hangover of perception that we need to deal with. NPR is now one of the largest news organizations in the country. Just in terms of foreign bureaus, only *The New York Times* and the *Washington Post* have more than we do.

John Callaway How many bureaus do you have?

Ken Stern We have fourteen now, if you include Baghdad.

John Callaway Fourteen overseas bureaus.

Ken Stern Fourteen overseas.

John Callaway And then how many domestic bureaus or major domestic reporting cities do you have?

Ken Stern I'll give you two answers to that question. NPR itself has reporters in about 35 American cities, but really we cover the country because we are a network that works hand in glove with our member stations, and we have member stations in every major metropolitan area, actually every minor metropolitan area of the country, and they contribute to our stories.

John Callaway But you have 35 staff reporters throughout the United States?

Ken Stern We have far more than 35. We have 35 locations.

John Callaway You have 35 locations. How many reporters or reporter/producers do you have?

Ken Stern Our newsroom staff is closing in on 350. Half of that is in D.C., and roughly half of that is around the country and around the

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globe. So it's a pretty big news organization at this point.

John Callaway The total budget pre-Mrs. Kroc money, the total budget?

Ken Stern About 110 million.

John Callaway Now, tell us about Mrs. Kroc and what difference that 200-plus million dollars will make and what you intend to do with it.

Ken Stern It makes both an enormous difference and almost no difference at the same time. How do you like that for an answer? It makes no difference in the sense that Mrs. Kroc's extraordinary gift was for endowment, and it is the level of interest that it peels off in any one year is actually relatively modest in relationship to the overall budget of NPR. So this year we'll go from 110 million to approximately 120 million. A piece of that is from Mrs. Kroc, but not a majority of it.

So in terms of the overall spending in one year, actually, it makes only a marginal difference, which makes it important for us to continue to raise money in all the ways that we have before.

The huge difference it makes is that it creates an even keel for the vessel that never existed before. NPR, and I think public radio as a whole, has always been underfunded. In many ways, it's a great university without an endowment. When I arrived at NPR five years ago, if we had lost our revenue streams, we would have blown out our reserves in about two and a half weeks. That's not a good position to be in, especially when you have to spend millions of dollars on a moment's notice when something like 9/11 happens, things that are outside the budget.

What Mrs. Kroc gave us for the first time is a certainly that NPR will be around not just for the thirty years of its history, but thirty years from now, and that's an extraordinary vote of confidence and a measure of relief for all of us inside public radio.

John Callaway But for the increment of millions that you will get for the operating

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budget, what will you do with that?

Ken Stern We will do with it what we do best, which is report the news. We have about 230 million dollars from Mrs. Kroc, and I think we received about 231 million ideas about what to do with it. We made the decision that the thing that has the most social value and the most importance to our listeners now and in the future is to be the finest journalistic organization that we could possibly be in a world in which journalism is under attack from tighter and tighter budgets.

John Callaway But you're doing some hiring.

Ken Stern We are. We are expanding our newsroom. We've committed to a \$15 million, 45-position expansion over the next three years. We intend to open several more foreign bureaus over the next year, two years.

John Callaway Can you say where those are?

Ken Stern I might be wrong, but I think probably next on our list are Cairo and Shanghai. One of the things that we know is that we have one reporter in China now, Rob Gifford, who does an extraordinary job trying to tell the story of 1.2 billion people. We think he needs a little help. Those will be the next two, we believe, but then probably more in Latin America, more in the Middle East, and more in Asia. We have a goal of getting 25 foreign bureaus over the next five to seven years.

John Callaway Torey Malatia just walked in. Torey, welcome. Torey might be interested in knowing, Ken, whether some of that Kroc money will be coming to the stations in any form, other than a clearly, even more superior form of news reporting.

Ken Stern Torey, you interested in that?

Torey Malatia No, I already know the answer.
(Laughter.)

John Callaway Well, we don't.

Ken Stern I'll tell everyone. This is obviously a restricted endowment, and some of the money is, by its terms, an endowment for the NPR foundation. What we hope it will do is two things. One is expand NPR service to its listeners through the stations and provide better

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content. Secondly, it's allowed us over the last few years prior to this year, the station contribution to NPR has risen rather dramatically. Payments to NPR have risen dramatically because of the news cycle and the need to really increase our news coverage.

For the first time for many years, we've been able to flatten out charges to stations, and we've been able to do that because of Mrs. Kroc and other enhanced revenue streams. So that's been, I think, a great advantage to public radio as a whole.

John Callaway Ken, I think one of the basic questions that this conference wanted to raise was why is it that you have this splendid national and international news gathering organization. We know television with all of its production demands is a more expensive thing, but relatively speaking, why do you have that and public television doesn't have anything approaching it? Is there something structural at the beginning? Was there some constitutional scheme that allowed you to grow into this that we with all of our different shows just didn't do?

Ken Stern I think there are probably some structural things and then some decisions along the way that are different. Obviously unlike in public television, there is a central, international news organization in public radio called NPR that is not replicated within television, and I think if production capacity had been bifurcated or divided without a central organization, public radio would not have been strong. So I think structurally the people who decided at the station to come together and create NPR some thirty years ago and made the choice for purposes of news; there needs to be a central organization to create that news, not just distribute it.

John Callaway It was a station-created organization.

Ken Stern Right. It's a very strong and smart decision that I don't think has necessarily been replicated within public television. So that's an organizational aspect that is different.

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But NPR wasn't always what it is today, even 20 years ago. We didn't have our first foreign bureau until the early '80s, some 12 to 13 years after our founding. Along the way some choices have been made about what NPR is. Not what public radio is, but what NPR is and what only NPR can do. There are things that NPR can do but others can do just as well, and we don't need to do those.

But what NPR can do that no one else can do in public radio is national and international reporting on a significant scale, and we've invested virtually all of our resources into that one thing, and that's a choice that we've made along the way. Nothing is ever set in stone in public radio. It's debated to this day, and I'll go home tonight and it will probably be debated then. But that's the choice we've made, and that's an important decision that I think has had positive consequences for public radio as a whole.

John Callaway By the way, go back on your 100 million dollar budget and break it down. What are the sources of revenue for that budget?

Ken Stern The sources of revenue, roughly half come from contributions from stations.

John Callaway What would that be?

Ken Stern It's now roughly 60 million dollars. So that's essentially fees for programming: *Morning Edition*, *All Things Considered*, *Day to Day*, *Talk of the Nation*. That's roughly half. Roughly 30 percent comes from corporate sponsorship. Another 15 percent comes from foundation and endowment interests. And the rest comes from a wide variety of things that add up to 4 or 5 percent of the budget.

John Callaway This may be jumping ahead a little bit, but you see National Public Radio people associated in programming like the Bill Moyers programs. If public television wanted to begin to think about a national/international news-gathering organization, above and beyond the resources that the Lehrer NewsHour is able to cobble together, do you foresee any possibility of

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a significant relationship of your growing news team being available for reasonably substantial television work?

Ken Stern I think that's an interesting and open question. Obviously our first commitment is always to radio. That being said, we now have an enormous and powerful machine. And frankly, NPR people are on TV all the time; sometimes on public television, sometimes on other networks. It's actually going back to your promotion question: what are the key aspects of promotion for us?

We do have a relationship with PBS, a very valuable relationship. We do news briefs on an hourly basis on the evenings. I don't know if they are carried here in Chicago or not, but they are carried in about half the country. We've had a relationship with Bill Moyers and other parts of PBS, so we see that growing relationship over time as part of a really leveraging, you know, what is, I think not necessarily easily replicable news infrastructure now.

John Callaway The other thing which the people who said we should listen to radio if we want to talk about improving public television's performance, particularly public television news and public affairs, is that somehow, and perhaps you can tell us how this developed, you are able to integrate what you do with local stations, apparently much better than we do in public television. Do you agree with that, and if so, how does that work? How did that come to be?

Ken Stern I'm actually not sure of the history of it all. I think the relationship between NPR and its member stations on a content basis is actually terribly important. I wouldn't necessarily compare it to TV. Different mechanisms. But it's terribly important.

You asked me how many bureaus we have around the country, and I gave you the answer. One is how many does NPR have. I gave you that answer. But then the real answer is we're everywhere because we're everywhere there is a member station. Virtually most member stations

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are engaged in some substantial news-gathering and supporting the network.

John Callaway You're talking about what, about 770 stations?

Ken Stern Really about 250 stations, many with multiple transmitters, which comes up to 770, but 250 organizations, really. That's in every state in the country, and when we don't have reporters in Alaska, we have Alaska Public Radio. So I think that's a tremendous sense of network that is not necessarily true across public broadcasting, and that's very important for us.

John Callaway Torey, first of all, welcome. Let me go to you now. In WBEZ, we have in the world of public television, we have stations that say while we would love to do more local programming, we just don't have the money. By the time we get done paying the PBS fees for membership and the primetime programs and the lights and the water and the desks and all of that, we just don't have much left for local programming.

Yet I look at an operation like WBEZ and it seems to me like it's grown and it's grown and it's grown. What's your story, and how do you do it? And welcome.

Torey Malatia Thank you. I apologize, first of all, for being late. Thank you very much for inviting me. In spite of my being late, I think you'll all, as public broadcasters, be very proud of me because for the last half-hour, in spite of my complete lack of knowledge, I think I said several insightful things on the Ed Paschke panel upstairs. So that's what kept me. I'm doing this because I know you're all wondering when I'm going to take off the coat.

John Callaway Let the record show that Torey is taking off his coat. (Laughter.) Very good. Now we're going to really cut loose.

Torey Malatia Getting back to it, I don't know. Maybe we just kind of view this a little differently than we should, but why do we do local programming or why do we stretch the budget to invest in local programming? It's sort of like asking a symphony orchestra why they perform

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Tchaikovsky's Fifth using instruments. That's what we're supposed to do. That is the primary mission of public radio, and I believe in public television.

Even though we all have a desire to see a very strong, vital national system, we are essentially first responsible to our own communities, and that community isn't necessarily just a propagation community. I understand that. If Nan Lin were here, he'd remind us about the virtual community, and that's true. We serve people on the Internet, people who can't be talked about in geographic terms, but still, we have limited and unique audiences, and they come first. Part of that is choosing the very best acquisitions you can for them, but the other part of that is serving them in a way that is worthy of their contributions. So we just do it.

I think everybody knows that that's a priority, and so staff is very open with ideas. Can't do them all, but we generally try things a lot. It's an increasing challenge to find ways in which we can do more of that kind of work, but that's the kind of work we should be doing.

John Callaway Torey, you'll forgive the naiveté of my question, which it's embarrassing when I hear your answer come back. Well, you have to have instruments if you want to have the symphony orchestra. But the fact of the matter is that there are so many local operations in public television that don't play the instruments, and that's why I asked the question.

You didn't always have the kind of full local, substantial local programming schedule that you now have. Tell us the story about how the increments. Where do you get the money when you build something? How did it work? Did you get grants that spurred you? Was it mostly subscriber dollars? How did you finance it? Because other people in public television will say, "We can't find the money."

Torey Malatia You can't. It's true. I mean, I'm sure this has been mentioned at this

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little gathering before, and that is that the economics of radio and television are so vastly different that it is quite possible in radio to do things that are at least get them on the air that aren't imaginable as television productions without substantial additional staff and funding. This station, and I think a lot of public radio stations around the country, have always had a lot of local service. It's just that the local service has become more focused, more sophisticated and more memorable, perhaps.

John Callaway But Torey, I've read speeches of yours in which you have talked about, for example, in Chicago, the proud history of local programming of WMAQ, WBBM, etc., etc., and that public radio was an embarrassment by comparison, if you look at it historically.

Torey Malatia In terms of quality, I think that's true. I think that, in fact, audiences are now conditioned to say -- the word "local" is a dirty word. I mean, audiences are now conditioned to think of that as sort of bargain basement programming because it's so associated in public radio with really inept work.

John Callaway Now, are you talking back in the old days or are you talking even to the present in many stations?

Torey Malatia It depends on the station, etc. I think we do a lot of work that needs improvement, so I'm not sitting here as some kind of beacon of excellence, but I do think that we are increasingly aware that one of the main things that audiences value is competence. Competence is assumed to be not just polish, but preparation, substance, thoughtfulness, the sorts of things that one sees in the best acquisition material. So local stations are increasingly measured against that standard. That's okay.

That's quite proper, but I do think that that does change the economic question, even for radio stations. It puts us in a position where we really must invest more heavily in our work to make sure that we can come up to those quality standards. But it doesn't change in any way, or increase in any way, the intensity of the

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local service mission, which is ours by license. It's ours by having the right to take up spectrum space. We must serve locally.

John Callaway How much importance do you place on the local schedule, given the powerhouse national programming that you have, that is experienced. And before you came in, Ken was able to tell us about the great growth of audiences of NPR. Have you experienced that kind of audience growth, and does local programming, in your view, contribute to that?

Torey Malatia Well, it must, and it can, and it should.

I guess I would back up and say I think what stations have attempted to do -- and I'm now trying to speak about public radio stations, local public radio stations in general -- is to provide local service around the best acquisitions they can secure. Naturally, they have put those acquisitions that have reached certain levels of quality and performance that the local service has yet to reach in the prime audience times, so that those acquisitions receive a kind of centerpiece in the station schedule, allowing the local programming to supplement it with the hope that it will grow and become as revered and sophisticated as the acquisitions and so on.

That has for many years put acquisitions in prime audience time the best possible exposure for these programs, which as contributed significantly to their ability to both grow in audience and grow in revenues. This is merely the way history has played out. This is not to take away from the quality of these programs. Remember, they were put there at prime audience time because they were so good. But it has indeed been a major asset for acquisitions through the years.

When I say acquisitions, I mean not just NPR programming, but programming that comes from other national producers. Garrison Keillor, for example, his program, by contract, must run at 5 p.m. local time on Saturday. It is about the only program that I

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know of in public radio that still demands -- demands -- an air time, specific air time. And that is brilliant on Garrison's part. There is a mission involved there. He wants to create a program like the programs of radio long ago where everybody is listening at once.

But he is also establishing a time slot for himself that is his and his alone. That builds the potential for audience growth and revenue growth in ways that I think are often not understood by audiences, but perhaps more understood by broadcasters.

John Callaway How are you doing with a program like *Eight Forty-Eight* in terms of audience?

Torey Malatia Now we're doing well.

John Callaway Why do you say it that way? Was it a long struggle?

Torey Malatia Struggle? It wasn't a struggle. It was slow growth. Struggle implies that we were biting our fingernails, and we weren't. I mean, we sort of knew that it would take a long time, and we were committed to it, and we didn't care if it took a long time, and we sort of let it happen and gave it what it needed, and now it's turned out to be successful. But yes, it took a long time. But it still has a ways to go.

I think that's another thing that I think we've learned in radio that perhaps is worthwhile to pass onto our brethren in television, and that is that we have found that the amount of time it takes to establish a new product is much longer than our funding normally suggests is proper. Our funding does not match the schedule necessary for the audience to gravitate towards programs and to begin to connect with programs. So it's not just a matter of funding so that you get the best staff and hire the best talent and all of that. It's how long you can hold on while you're taking losses. It's too short. It needs to be much longer.

John Callaway What's your budget?

Torey Malatia It's going to be 17 million next year.

John Callaway Break it down for us in terms

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of the sources, the major sources, of revenue.

Torey Malatia Well, half comes from the audience. I don't know, about 20 percent or so from underwriting, and a little less than 10 from government funding, meaning not just federal government, but also we get some state money and some local money, some city money. Then there is foundations and ancillary revenues, that sort of thing.

John Callaway How important is your ability to integrate local weather, traffic, and news into the national programs that you carry, and was that, pardon me for going back to the word, a struggle or a conversation?

Torey Malatia I think audiences that traditionally turn to radio for news in drive times have been shaped largely by the great commercial services in each community of the past that are still holding tremendous power and sway, and those, traditionally, are organizations that offer things like traffic, weather, and local stories. I don't see why we shouldn't either. It wasn't a difficulty. It costs money, but I think that it's a way in which we can provide a service that is richer than, but resembles a commercial radio tradition that, I think, has had its value for the American public up until now.

John Callaway I also raise the question because it is difficult in public television to do that kind of work, and we're trying to learn from what has happened with public radio in that respect.

The other thing that happens in public television a lot is that you've got a great program idea, and you go to a public television station, and they'll say, you know, "We've extended all of our operating funds on everything that we're doing. If you really have a fabulous new idea, you better bring some financial support. You better get a foundation. You better get an underwriter," etc., etc.

If somebody walks into BEZ with a new idea, do you take that idea and say, "We'll try it out of operating funds," or do you say, "No, we've used all of those, and now you

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better help us and get an underwriter."

Torey Malatia Well, the economics are very different. That's important. For example, the set of pieces that we did with Alex Kotlowitz and Amy Dorn that won the Peabody two years ago was funded for \$15,000 out of operating budget because we didn't have any money at the time, but we didn't want to pass up on it. We thought it was a great thing. So we just figured, well, we'll raise \$15,000 more somehow. But in television you could never do that. You'd be talking about chunks of dollars that would substantially veer the ship off course.

Even in radio, as you do more and more work that's good, more and more people come to you and say, "We'd like to do this thing with you," which is great, but the operating budget can only absorb so many variances -- we manage by variance, actually. So at some point we do reach a place where without additional assistance or funding we can't proceed with projects, and we've turned some away that I regret turning away, and I am sure that that will happen in the future.

In September the board voted for us to proceed with a fifteen-million-dollar campaign that includes a substantial program development fund that, once we've satisfied the goal in the next five years, will provide funds that we can use instead of operating funds to pilot programs to dip in for unexpected needs or if someone walks in and has a great idea, we'll be able to do that. But that's not for another five years.

John Callaway One last quick question, and then we'll go to Steve. How are you doing on trying to use the Internet as a source of public support, as opposed to the traditional on-air pledge drives?

Torey Malatia I think we were among the first radio stations to begin to accept secure pledges over the Internet, and we've always done well, and we continue to do well that way.

What we're working on now, and I think ultimately becomes a challenge for

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broadcasters who find that the Internet is being used increasingly as an extension of your service and people expect a lot of service from them, is to find a way on our Web site to allow people to pull up their own accounts. So that if there is a pledge drive and you wish to respond, you can go to our Web site, and instead of just pledging and hoping that you're due -- because for a lot of people, that's an issue. Like, didn't I do this two months ago? You can actually pull up your account, see where you are, see when you're expiring, etc.

That's the sort of thing increasingly, I think, will put demands on our infrastructure because we have to fund all of this design and find a way to sustain it. But I think in the long run will prove to keep that curiosity, and that's what it started out as, an important destination for people who wish to support public radio.

So I guess the short answer is it's doing really well, and the better it does, the more we're going to have to invest in it to make it continue to perform well.

John Callaway What percentage is Internet-driven?

Torey Malatia It represents about, I'd say, overall a million dollars' worth of effort out of our budget. That includes staff, benefits, consultants.

John Callaway No, I mean how much revenue do you get, compared with on-air pledge drives?

Torey Malatia Well, on-air pledge drives represent about -- I don't know, a third or so of the total individual giving goal each year, and pledge drives are close to over 50 percent now, coming in online, even as we're on the air asking for money and telling people to call.

John Callaway I'll just throw it out. If you have three million in pledge, what would you get through the Internet?

Torey Malatia A million and a half at least.

John Callaway Okay. Now, we come to Steve Robinson -- enhanced underwriting, but you don't want

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commercials. The difference between enhanced underwriting and commercials is with enhanced underwriting, you can do a thing for United Airlines, but you can't say oh, there's a great \$99 trip to New York deal. You can't make that kind of direct claim.

So, Steve, tell us about how this operates, how did this come to be, and are there very many of you in this land of broadcasting?

Steve Robinson There are five things that make WFMT unique. It started in 1951 as a commercial, classical radio station, and it remains that way today. But, as you mentioned, John, we are nonprofit. We're a 501(c)(3). We received a quarter of a million dollars in grants in the last two years from the NEA for a program called "Exploring Music." So we are very definitely nonprofit, but as you said, we are commercial, have been from Day One. We're at 98.7, and it's licensed commercial, and we do run commercials, or spots, if you'll forgive the expression.

Two things about that, though, that make us unique, and this does make us unique among any commercial classical station, is that those commercials are read live by the announcers. We don't accept any preproduced jingles or any agency copy or anything like that. It's all read by the announcer. I liken it to driving through the interstate in Vermont, though the beautiful Green Mountains and not having your view obscured by billboards. There's a billboard law in Vermont. So it creates kind of an aura which is unique. So it's nonprofit, commercial. The commercials are all read live or on tape, but by our announcers.

The fourth thing that makes us unique is that Dan Schmidt, when he was in my chair ten years ago, decided to try to augment the money that we lost from rejecting preproduced commercials by creating a member division. So we are a listener-supported station. We run three pledge drives a year, and we just completed a very successful one last week, as did Torey. We have

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27,000 members. So we're nonprofit, commercial. Commercials are read live by the announcer, and we're member-supported.

John Callaway How many of you are there in this country that operate that way?

Steve Robinson None that have the live read policy. There are a handful of commercial stations -- WCRV in Boston, a station in Cleveland, KING-FM in Seattle -- which are nonprofit organizations, which are commercial, but none of them have the live read policy, so none are quite in the category.

We also like to think that the excellence of our programming is different as well, because we're uncompromising in the way we program classical music. The station has won more Peabodys and Ohio States and Armstrong awards than most stations, the ASCAP Deems Taylor award last year. So we do everything wrong. We do everything we're not supposed to do. We break all the rules about programming classical music, and I think that sets us apart as well.

John Callaway What is your budget?

Steve Robinson It's about six million.

John Callaway Break that six million down and tell us what the sources of revenue are.

Steve Robinson Well, simple. It's about three and a half million from advertising, which is a high for us, and about two and a half million roughly from member support. We also have another division, which was created thirty years ago to syndicate the Chicago Symphony and then the Lyric Opera. That's called the WFMT Radio Network, which brings in now about a million gross. We produce and syndicate classical, jazz, and folk programs all over the U.S. and the world, and we're probably the most active producing syndicator of those programs in the country. Ken may squirm a little bit at that, but we work very closely with NPR in that endeavor.

John Callaway How important are ratings to you, and give us a little historical context on what happened after the sale of your only competitor, WNIB?

Steve Robinson Chicago was the only market

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for about ten years that had two commercial classical stations, the other one being WNIB, a family operation, you might say. It was sold in February of 2001 for 165 million to Bonneville, the Mormon church. Our ratings went up after that. We were about a 1.5 rating in this market. It went up. It kept creeping up. It took a while for people to realize what was going on.

But the question is if the ratings are important to us? In an odd way, no. I remember two quarters after WNIB went off the air, we had a 2.9, which was historic. I went running into the sales office and said, "Paul, did you see what happened?"

He said yes.

I said, "Well, well?"

"Well, that's nice."

The point being that our advertising sales are driven by the quality of the audience, not necessarily the size of the audience. Similarly when that peak of 2.9 slipped a little bit down to the current level, about 2, Paul had the same reaction. "Well, that's okay." Nothing's affected by our share, it seems. In fact, advertising, as I said, is at a high. So people value the audience more than the numbers in the audience.

John Callaway So what would you say to the person who was thinking about the application of everything you just talked about? Let's say you have a midlevel, city-size public television station that said, you know, "We would like, aside from the national stuff and the acquired stuff that we carry, we would like to get into the local programming business in a more vigorous way than we have. We would kind of like to do -- it wouldn't be classical music.-we'd like to do a significant amount of cultural programming, and we would try to find, if the constitution could be amended and public television could take some commercials that actually had call to action, take the \$99 flight, but we would try to take that approach and have classy ads."

People would say "Well, that's a slippery slope. Once you take a few, then

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you're going to end up with the used car dealers in about three years. You'll never know what hit you."

Do you have that? Do you have that problem? Are you always kind of fighting off the slippery slope?

Steve Robinson Well, no. And in answer to the question should a midlevel or any kind of PBS station try it, I should have pointed out, and it's important, that a quarter to a third of the advertising revenue comes from nonprofit clients, comes from the Lyric Opera, comes from the Chicago Symphony, comes from Ravinia, comes from all the nonprofit arts organizations in town and theatre organizations that want to advertise on WFMT.

I'm pretty sure that noncommercial stations are allowed to run, quote/unquote, ads for a nonprofit organizations. I don't know that many stations actually do it, but that's allowed, and that includes the whole gamut of ads, calls to actions and prices. If I were doing that at a PBS station, that's one of the approaches I would take, because we're raising about a million dollars from those organizations. Again, I'm not sure it applies to TV, but if I'm not mistaken, public stations are allowed to do that, and we do it as a commercial station.

John Callaway But you're able to have a call to action in your commercials.

Steve Robinson Right.

John Callaway You've got the smooth voice announcer who is saying, "And you can fly this weekend for \$99." You can do that, right?

Steve Robinson Yes.

John Callaway What would happen if you had to live by the rules of PBS? And you could have your enhanced underwriting. You could do your United Airlines spot. You can talk about the skies are beautiful when you're up there, flying, God, the clouds are pretty. But you can't talk about that \$99 deal. What would happen to your operation?

Steve Robinson You mean if we . . .

John Callaway If you couldn't do any calls to action? Go to Saks Fifth Avenue this week. Go

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to Ravinia this summer. Tickets are only \$9.95.

Steve Robinson I don't think it would change much at all, particularly if I'm right, that we could run calls to action and prices for the nonprofits. If we could tell you what the ticket price was at Ravinia, which I think we can, a noncommercial station can do that, I don't think it would change much at all. One of our largest advertisers is LaSalle Bank, a big bank here in town. I think if we went to them and said we're going to be noncommercial tomorrow, I think they would still support us, as they do.

John Callaway Because they have ads that don't have to mention the latest, "get over here for this 2.5--"

Steve Robinson Right. They're an important BEZ underwriter, and I don't think their support of us would change.

John Callaway Now, you've got your people and you've got your music. Now we're going to listen for the next whatever -- by the way, how much can you put in, in an hour in the way of commercials on your station?

Steve Robinson Well, we have a self-imposed limit of 12 minutes, and we don't hit that often, except in this quarter. We pushed that envelope in this.

John Callaway Describe your local programming above and beyond the local announcers who are live and who are introducing classical music. What do you have in the way of public affairs, news, etc.?

Steve Robinson Well, we have hardly anything in the way of public affairs and news. We do have a program that we've created called "Exploring Music," which is on every night Monday through Friday at 7:00 with Bill McGlaughlin, which is there to educate, inform, entertain, and make classical music more enjoyable and understandable for people. We syndicate that to 19 stations around the country, and that runs for an hour without a break.

The network that I referred to produces an awful lot of programming for public stations around the U.S., and we carry much of it.

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We just are finishing an eleven-hour documentary on the life and music of Leonard Bernstein, called "Leonard Bernstein, an American Life," including the repeat and translators, broke a record for us, cleared 700 markets in the U.S., but we aired it on FMT with no break.

John Callaway How long have you been working on that?

Steve Robinson Well, that was produced by an independent producer in Philadelphia, Steve Rowland. He worked on it for five years. We've been working with him on it for four years. That was a very big project for us. It took Steve five years to do it, 100 interviews, 900,000 dollars, including a quarter of a million we raised to help distribute it and support him. But that runs for an hour with no break.

We created a series called "The Global Maestro" about Paul Freeman, a Chicago-based conductor who believes in diversity in programming and building and making his orchestra diverse and his audiences diverse. That's a two-hour show which airs with only one break at the hour. That's syndicated all over the country.

It's a long list. Milken Archive, American Jewish Music with Leonard Nimoy is a two-hour show we syndicate, and on and on. Seattle Symphony. New York Philharmonic. There's a lot of national programs that we air. We produce most of them.

John Callaway If you were called to testify before a national commission looking at funding mechanisms for the future of public television and you were asked, can, without destroying the notion of public television as a place that's not cluttered with ads, given the WFMT experience, could you look the commissioners in the eye and say you can comfortably do good advertising in public television and we are a perfect example of why you should pay attention to us?

Steve Robinson I would say yes and I would say to the congressman or -woman, that PBS is halfway there with the enhanced underwriting. There's a very thin line between those enhanced

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underwritings and a simple call to action. You know, the wording we play with in public radio because we have to worry about this on our network shows, "call this number for more information," so we change it to "the number to call for more information is" There is hardly any difference there.

John Callaway Well, very good. I want to go now to the audience for your questions and comments on what you have been hearing. Yes, can we get a mike down here?

Steve Robinson Not to mention we were the home of Studs Terkel for over 40 years, for those of you outside of Chicago.

Ron Kunde My name is Ron Kunde. I'm with Chicago Media Action. This is a question for Torey Malatia. For the last year or so, we've been communicating with WBEZ with regard to getting "Democracy Now," Amy Goodman's program, on the radio. Now, Tavis Smiley has recently said that he's going to be discontinuing his radio program. An hour will open up on your schedule. Can you truly consider Democracy Now, considering that they spend a good portion of their time saying things that your corporate underwriters might not find pleasing.

John Callaway Let me ask you, tell us a little more about the program.

Ron Kunde Amy Goodman is the host.

John Callaway It comes out of?

Ron Kunde It comes out of New York. It's a Pacifica program. It's been on -- this is their seventh or eight year. It's broadcast on cable access. There is one public radio station, I think in South Dakota, which carries it. I think it's on an Indian reservation.

John Callaway Okay, okay. This is a conference on the future of public television, but if you want to give a quick response to that, Torey.

Torey Malatia There will be no draft. I think I said that very clearly. (Laughter.)

I don't think that what Tavis was attempting to do is supplement or replaced by what Amy is doing. I think Tavis is probably the

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boldest, most admirable risk that NPR has taken in years that I think was pretty much a failure, just speaking artistically. But I love failures because that's how we get our best work. It's unfortunate it didn't continue because I think it could have become really a fine and very successful program. But it will continue, actually, with a different host.

But what it is, is a commitment to find a way to let America hear voices that public radio is just not reflecting, that are American voices that we need to hear, and I just think that is so true to mission and so wonderful. What we would want to do is we would want to see a way we could replace that program with something, and it may indeed be the vehicle itself with a new host, and we'd be working closely with NPR on this, that continues that effort because it's where we must go, I think.

As far as Amy's program, it is being considered very seriously by WLWU -- it actually fits its format -- which is a community station here in Chicago that has as part of its mission social justice, as it is owned by a Jesuit University. I know that that's being considered. I don't know what the results are going to be.

Steve Robinson Could I interject something about WBEZ, as a member?

John Callaway Please.

Steve Robinson I don't think it's been said. Torey was maybe a little modest. I mean, when he was asked about local programming, we do it because we do it, WBEZ does an extraordinary amount of local programming. When you mentioned *Eight Forty-Eight*, for those of you who don't know it, it's a daily, 90-minute program on news and culture, a magazine style program. It's enormously ambitious and expensive. And there's *Odyssey* and *This American Life* started at WBEZ. So when Torey says he does local, he does it to an extent probably greater than any public station.

John Callaway I had a long conversation with Torey recently. I tried to tell him how great his station was, and he was having none of it. He just won't listen to me.

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Torey Malatia No, no, no.

John Callaway I'm just kidding you, Torey.

Torey Malatia I accept your compliments on behalf of the people who do the work. But I would say that we, as far as realizing the vision of what we should be to this community, we have a long way to go. I just think it's important we keep stride.

John Callaway We'll go back here.

Jim Jim (inaudible). Can you speak to the issue of alternate electronic media and how you're handling that and how that might be appropriate for television? Television had to deal with the cable situation. You and television now are going to have to deal with the Internet, going to have to deal with other electronic gadgets and so on, other ways of distributing the content. How do you all feel that's going to play out in the future and what impact is that going to have?

Steve Robinson If you're asking about satellite radio and that connection, we decided if you can't beat them, join them. So WFMT Radio Network has partnered with XM, and we have provided them with literally hundreds of hours of programming almost since their inception, and it's good for us. We're actually starting to see some income from it. We think they are a good partner. We don't see XM and any other one, Sirius, as necessarily, at least for now, as much of a threat to our over-the-air broadcasting. So we see them as partners.

John Callaway Ken, don't you have a huge number of your programs on satellite?

Ken Stern We have some of our programs on satellite. Obviously technology changes how people want to get content, and every broadcaster, every network needs to be concerned with what their audiences want. That being said, I think everyone lumps alternative mediums together as one as if they are all one. I think there is a big issue of channel conflict. But some of the channels out there, I think, are very supportive of the core business; in our case, it is radio.

I think the Internet, which

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many people consider to be a large threat, has actually has been enormously complementary to radio and has reinforced the bonds between listeners and local stations. I think it's a mixed bag that needs to be dealt with in some type of holistic method, and I think all of us are trying to work on that together.

John Callaway Do you expect *All Things Considered* and your flagship news programs to be on satellite in the next few years?

Ken Stern No, I don't. There's a lot of reasons for that, but perhaps the most obvious is I don't actually see the service basis for putting those programs on satellite radio. They are available everywhere in this country through our member stations, so I don't see there is any reason to provide them via satellite radio. There is just no service case there. I think there would be a channel conflict issue if they were there.

The satellite radio, we've seen really two values to it. One is for people to get content that they can't get in their local markets, because they are not carried in their market. We've done that. That doesn't apply to *Morning Edition*, *All Things Considered*, and to *Time Shift*.

I think the opportunity is to push out other content that isn't available. If I can use sort of a new lingo, it's a bandwidth issue that public radio stations have that they can only put out so much content. NPR can only get so much content out there through member stations, and that limits the audience we can reach. There are ways to reach new audiences either through the Internet or satellite radio or television or a variety of other mediums, audiences that aren't currently being served by public radio. That's a real opportunity.

John Callaway Back here?

Dick Daly Good morning. I'm Dick Daly, senior vice president of broadcasting at WNEB in Buffalo, which is kind of a midsized joint licensee, radio, public radio and television.

John Callaway Welcome.

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Dick Daly Just a couple of comments. I was news director at Minnesota Public Radio in the early and mid '70s, kind of as this whole enterprise was just getting going, and there was a lot of resistance from NPR to trying to do anything to localize their programs, or in those days it was really only one program, *All Things Considered*. There was, as I recall, a five-minute local cutaway opportunity and a 90-minute show, and we decided to time-shift the show an hour and turn it into a two-hour program and put a lot of local content throughout it. The folks at NPR were pretty horrified, and it all sorted itself out over time.

So it has been a struggle at times over the past several decades. It isn't a struggle anymore, but there is some history of difficulty.

I think it's worth observing that because there was so little national programming in the early days of public radio, there's a long tradition of doing it yourself, of doing local programming. I mean, in those early days, there was ATC, there was a handful of cultural offerings. Once in a while some hearings coverage of Watergate or something, and that was pretty much it. You couldn't ride the network in the early days of public radio.

Steve Robinson Wasn't *Morning Edition* created specifically to marry the national and local?

Dick Daly Absolutely, you're right, Steve. By the time *Morning Edition* came along, it had been pretty well established there should be some local opportunities, and so that was less of a struggle, although I think the clock has changed a fair amount over the years there as well.

I think Ken made an important point that I'd like to expand on just very quickly. I think public radio's success is due to us doing a lot of things right and very well over the several decades, but I think unlike public television where the look-alike cable channels began to intrude on the traditional turf, in radio, the commercial world just walked away, just left the playing field. I mean, there is no

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semblance of quality or civility or anything else out there.

I suspect that if the clock was rolled back and commercial radio became as it was twenty, thirty years ago, some of our public radio listeners might migrate back. I mean, I don't know what's going on in the Chicago market, but I can tell you in Buffalo there is just nothing you can listen to except public radio, if you have half a brain in your head.

As I say, we've done a lot of things right. A lot of the success is due to us, but some of it is due to the opposition just leaving.

John Callaway Thank you very much.

Dick Daly The final comment, Steve is absolutely right. A noncommercial station can run full-blown commercials for nonprofits for symphonies, and we do that quite actively.

John Callaway Thank you. We have a gentleman down here.

Art Hackett Art Hackett from Wisconsin Public Television. One of the things that I see as very different about public radio's pledge drives versus public TV's pledge drives, at least in Wisconsin, is that when public radio starts pledging, the people I hear asking for money are the same people who are there with me day after day, week after week. In our case, partly because we don't have any local personalities, so to speak, because our only local personalities are news people and we don't let them do pledges.

So what happens is now when pledge comes on on public TV, all of our regular programming goes away and we have Peter, Paul, and Mary, these things you only see during pledge drives, so there's no connection between asking for money and the programs that you're actually supporting, and what's more, now we run canned pledge breaks. It's not our station manager asking for money, our development director asking for money. It's somebody who --

John Callaway Somebody out there.

Art Hackett Out there. I don't know who they are.

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Steve Robinson Why is that? I've often wondered, why the programming in the pledge so different. I mean, you would never broadcast Andre Rieu -- I don't understand. Why is that?

Art Hackett I don't know. I don't know. I mean, our program, the program that I work on, we're in pledge next week. It's pulled. I think the theory, to be honest, is that your regular customers, your regular viewers, were already tapped out. In other words, they give money year after year anyhow. The only purpose pledge serves is to bring in new one-time shots to get a pledge premium --

Male Voice Precarious situation.

Art Hackett Or draw a new person to the team.

John Callaway Torey, what are your rules or standards for who does or does not take part in pledge drives on WBEZ?

Torey Malatia They must know how to read the phone number without getting it mixed up. (Laughter.)

John Callaway You can see how much fun Torey is to work with.

Torey Malatia No, I mean, everybody does it. It's on-air folks, of course, but it's also producers.

John Callaway News people?

Torey Malatia News people don't do it during news. They are allowed to do it during non-news programming. They love it, actually, but during non-news programming.

John Callaway But would you agree with the premise of this gentleman's comment, and that is, it's really effective when the family you're with then does the pledging. Or do you have a different view?

Torey Malatia No, no, no, I agree. I think there is research that shows that, but just a couple of things I'm sort of wondering as I'm listening to your question. A sort of a classic analysis, so forgive me if it's wrong nowadays. My knowledge of television is like a decade old.

 But it's the notion that radio stations have station loyalty and television

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stations have program loyalty. I don't know if that's still true, but if so, I wonder if there is some way to break through that because in a way, all of this hinges a little bit on that notion, that the people who tune into pledge drives on public radio generally are experiencing a lot of aspects of the radio station that are familiar because they have a lot of exposure to it, all through the schedule. I think that's the sort of thing that could be replicated on public television, but I don't know.

Steve Robinson Actually, Geoffrey Baer is sitting up there, the producer from WTTW, produces a wonderful series of portraits of neighborhoods in Chicago. And if I'm not mistaken, Geoffrey, those are among the most popular pledge programs we have. Isn't that true?

John Callaway Get a microphone to Geoffrey Baer.

Good morning, Geoffrey. You knew you couldn't get away without being heard.

Your most recent programs are on the northwest side. You're making your way around the metropolitan area with these programs that explore the communities.

Geoffrey Baer I'm really glad this subject came up because I don't know the answer to this either. There's a popular belief that if you put on *Frontline* and *Nova* or if you tried to run pledge breaks during *Chicago Tonight*, that the calls just don't come in.

John Callaway It's true. I can tell you, we would have a tremendous *Chicago Tonight* program, a tremendous rating, and then seven people would pledge. Then back in those days you put Leo Buscaglia on in the next half-hour hugging people, and you would just - they would just flood.

Male Voice You should have hugged more people, John.

John Callaway Right, but I'm saying. Now, you seem to be, the stuff you do, seems to be somewhere in between. In other words, you're local, but you're not doing nasty, in-depth interviewing of people on controversial issues. These are pleasant shows you're doing. They show

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off our community, etc., etc. So you do get tremendous responses, do you not?

Geoffrey Baer These programs do bring in a lot of pledge dollars, and one of the things that we really love about them is that they seem to have found that balance. I'm sort of repeating what you say, that they serve the community. No, they are not hard-hitting, investigative at all. We're sort of telling the story of the community from an historical perspective. And at the same time, they are some of our top-grossing programs and some of our top-rated programs.

John Callaway Now, that's what makes it different, because many of the pledge programs that are the most successful don't do anything in ratings. They are ratings embarrassments. But somehow they get that niche for people who want to be hugged or who want their finances improved or whatever.

Geoffrey Baer Two weeks ago I was listening to BEZ during the pledge drive a lot. I'm a big BEZ listener. I'm a member. That's something that I have always been struck by, you know. I hear the same voices and the same programs on BEZ during the pledge drives, and you had a radio engineer on as a pledge host at one point, which I thought was just fantastic. People are very invested in the station and seem to really relish the opportunity to get on and talk about it. But again, these are all sort of longstanding beliefs, and there is popular wisdom about station loyalty versus program loyalty and radio versus television.

The other thing in public television is that it would be a very risky proposition for us that we can't necessarily afford to take. We know that Andre Rieu -- by the way, Andre Rieu was one of the top grossing pledge programs last week when we ran it - we know that will bring in the dollars, and we rely on those dollars to stay above water, so it's very hard to say we're not going to put on Suze Orman this week. We're going to just run hour-long *Chicago Tonights* and Bob Sirott is going to -- well, we couldn't do that because it's the same kind of

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issue that you have, not during the program. But it would be very risky to do that, and so we are a little bit trapped there.

John Callaway The other thing, Geoffrey, that ought to be said is that if I'm not mistaken, that many of these pledge programs have premiums. You get a specific premium. People are subscribing to the station at that same moment, but they don't come back. In other words, they weren't sitting there saying, "I'm going to become a part of the WTTW community." They are saying, "I want that CD," and then they don't resubscribe.

Geoffrey Baer That's interesting too. It's another interesting, very interesting difference from public radio. You don't hear them pitching the premiums at all. You'll hear Torey or -- well, you'll have a special premium at certain times, but you'll generally hear them say, "And when you call, ask your operator. We've got a number of different premiums." Whereas in public television, boy, the minute that red light goes on, I'm holding up the tape. I'm saying, you know, "And you can get the program you're watching right now." The popular wisdom again is it's a very transactional type of thing.

John Callaway Let's move it around. We've got over here, a gentleman with his hand up. Good morning, Jim -- I mean Joe. Good morning.

Joe Bruns Joe Bruns for WETA, a joint licensee in Washington. We began this discussion with some questions about why can't public television do like public radio does so well in news organization, producing news programs and so on. Then there were several comments about the difference in scale, correctly observed, between radio and television.

But just to give an example of how important that difference in scale is, the one-hour nightly news hour costs more than \$20 million a year to produce that one hour on television. When you look at that, and the cost of doing news, television news or television programming generally, and try to compare it with what it costs to do it on radio, even while extremely effective on radio, and NPR does a

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wonderful job, it's hard to translate from one medium to the other.

Ken Stern I think that's true. One of the things we use, actually, as a fundraising fact is that CNN spent more on coverage of the first Iraq war than NPR spent on its news budget for the entire year. So there is a difference in scale.

But one thing I would say to what radio has done that I think other television has not is it's made some choices and invests -- if we had taken our limited resources and spread them over different types of services, I think it would be very difficult for us to have the scale that we do, even in the limited sense we do. We've made some choices and priorities that I think has some lessons for public television as well.

Steven Robinson What's the cost of *All Things Considered*, if you had to isolate it? I know it's hard, but generally.

Ken Stern It's very hard because the show, what drives the show is the news division itself. The news division is about a 60-million-dollar enterprise. Really, NPR is the news division, so you know our entire 120 million of our budget is built around supporting it. So I would actually say the cost of *All Things Considered* is 120 million, because the whole infrastructure is built to do really just a handful of shows.

John Callaway Very good.

Yes, over here?

Scott Sanders Hello, my name is **Scott Sanders**. Can you hear me?

John Callaway Yes.

Scott Sanders I'm with Chicago Media Action.

John Callaway Now we're having trouble. Just bring that microphone a little closer. Very good.

Scott Sanders Two points of information, first. I think it's probably inaccurate to say that the simple difference between the commercial and enhanced underwriting announcement is a call to action. I think some things have happened that call that into question that's a slippery slope,

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and I'm not sure anyone can exactly say what a commercial is and isn't at this point on the broadcasting.

Second point of information, *Democracy Now* is available as a television program, and in the future, once it is on some more big-city radio stations, it would be nice to see it on some public TV stations as well.

I'd like to bounce off of *Democracy Now* to getting to discuss it a little bit more. In many people's view, including all of our membership in Chicago Media Action, we believed that *Democracy Now* is probably the finest nationally available public affairs program. I believe the reason for that is perhaps threefold. One is the extremely democratic structure at Pacific Radio that has recently been created that permits such extremely high quality programming to be made.

The second reason is, as John touched on, the quality of the people involved with it and their dedication, their desire to produce.

The third reason is that Pacifica is a completely noncommercial network. I'll even go as far as to say that even if you have those three things all together, even that may not guarantee true quality, but it might help.

Specifically, and this is a story that's not covered too much lately, but some people in the room may remember some problems at Pacifica. The Pacifica board essentially wanted to sell off the five stations that were in the network or compromised them to such a degree that they no longer functioned as public channels. People responded to that. They organized. They educated. They didn't give up.

Now there is a fifty-page set of bylaws available at the Pacific Radio Web site which I urge all of you to read because it is a piece of beauty. It's a work of art. It represents the order of a court as well, several courts, actually, because they couldn't solve their problems there. They could never figure out how to run things, how to give everyone a voice

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and how to stick to their mission. People kept coming in from the outside.

Male Voice How come Pacifica takes government support?

Scott Sanders It takes it extremely small government grant. It does an incredible amount of independent fundraising from its listeners, and that's another lesson that I think public radio through Pacifica can teach public television.

So I would just like the panel's opinion on what they would think of adding into Jerold Starr's proposition these very highly developed and very interesting bylaws that Pacifica has created, putting that into this national trust structure that we've been talking about.

John Callaway Let's hear some comment, and then we'll take our break.

Male Voice If the question is what do I think of the Pacifica bylaws and how it applies to public television, as you said, I guess it's fifty pages long and I haven't even looked at the first page of it. So I guess I would just have to punt that and say --

Scott Sanders I could clarify real briefly. It includes proportional representation, instant runoff elections for local station boards, which then elect, in cooperation with management -- the management has board members on the station boards -- they elect the national Pacifica board.

John Callaway Okay, so you have a deep, democratic kind of thing.

Scott Sanders Oh, yes.

John Callaway Any comment on the panel?

Steve Robinson I loved Pacifica. I worked at KPFA, by the way, and I love what they stand for. It's also one of the most dysfunctional organizations I've ever run across in my life, and I worked at KPFA, so I know a little bit about it.

John Callaway Torey, anything?

Torey Malatia No. You know, Pacifica has a very long history and has been quite significant in the development of the general public's awareness of public radio, community broadcasting, etc., and I think that what they are doing is good

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for them. It's good for their audiences, and that having that around is a good thing.

I think that Pacifica's desire to make the rest of the public radio world sort of in its image is misguided, that I think there is a need for different kinds of public radio platforms serving different aspects of public service. So that's the way -- I think there is room for both, always has been. I think that's what's make it rich.

John Callaway Gentlemen from radio, thank you very much for being here.

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