



PUBLIC NOTICE

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FCC LAUNCHES EXAMINATION OF THE FUTURE OF MEDIA AND INFORMATION NEEDS OF COMMUNITIES IN A DIGITAL AGE

COMMENT SOUGHT GN Docket No. 10-25

Comment Date: March 8, 2010

As the nation's expert agency involved in media and communications policies, the FCC has begun an examination of the future of media and the information needs of communities in a digital age. The objective of this review is to assess whether all Americans have access to vibrant, diverse sources of news and information that will enable them to enrich their lives, their communities and our democracy.

The Future of Media project will produce a report providing a clear, precise assessment of the current media landscape, analyze policy options and, as appropriate, make policy recommendations to the FCC, other government entities, and other parties.

The bipartisan Knight Commission on Information Needs of Communities recently declared:

America is at a critical juncture in the history of communications. Information technology is changing our lives in ways that we cannot easily foresee.

The digital age is creating an information and communications renaissance. But it is not serving all Americans and their local communities equally. It is not yet serving democracy fully. How we react, individually and collectively, to this democratic shortfall will affect the quality of our lives and the very nature of our communities.¹

The layoffs of thousands of journalists have prompted concern from a wide variety of independent analysts and groups that we may end up with fewer "informed communities." Last

¹ *Informing Communities: Sustaining Democracy in the Digital Age: The Report of the Knight Commission on the Information Needs of Communities in a Democracy* (Oct. 2, 2009). Available at <https://secure.nmmstream.net/anon.newmediamill/aspn/kcfinalenglishbookweb.pdf>.

year, a consortium of non-profit media groups issued “The Pocantico Declaration,” which concluded, “There is an urgent need to nourish and sustain the emerging investigative journalism ecosystem to better serve the public.”² The Pew Project for Excellence in Journalism recently stated that business trends in the media were “chilling,”³ and a 2009 report from the Columbia Graduate School of Journalism observed that “accountability journalism, particularly local accountability journalism, is especially threatened by the economic troubles that diminished so many newspapers.”⁴

These trends could have dire consequences for our democracy and the health of communities, hindering citizens’ ability to hold their leaders and institutions accountable.

On the other hand, while this moment carries great risk, it also presents significant opportunity. The digital age is creating an exciting variety of new sources, business models and delivery methods for news and information. Citizens act increasingly not only as information consumers, but also as information providers. Small start-ups, Internet giants and traditional media companies have accelerated the pace of innovation. In some parts of the media, consumers have more choices than ever and it’s not hard to see how the digital revolution will positively affect news gathering, journalism and information dissemination in many ways.

In sorting through these trends, the starting point is the First Amendment. Any time the government reviews the structure of the news media, it must do so with great sensitivity to the paramount need to protect free speech and an independent press. Moreover, the Future of Media project starts with the assumption that many of the challenges encountered in today’s media environment will be addressed by the private for-profit and non-profit sectors, without government intervention. We will remain mindful of the Hippocratic Oath of physicians, “First, do no harm.”

Government policy should at a minimum avoid hindering innovation and, when appropriate, should facilitate a vibrant media. It should do so in furtherance of some of the longstanding, public interest goals of national media policy: diversity, competition, localism,⁵

² *The Pocantico Declaration: Creating a Nonprofit Investigative News Network*. Available at <http://watchdogsatpocantico.com/>.

³ *Pew Project for Excellence in Journalism: The State of the News Media 2009, An Annual Report on American Journalism* (Apr. 23, 2009). Available at <http://www.stateofthemediamedia.org/2009/index.htm>.

⁴ Downie, Jr., Leonard, & Schudson, Michael, *The Reconstruction of American Journalism*, *Columbia Journalism Review* (Oct. 19, 2009). Available at <http://www.journalism.columbia.edu/cs/ContentServer/jrn/1212611716674/page/1212611716651/JRNSimplePage2.htm>. Accountability journalism “aims to foil the arrogance of power and self-dealing. . . . It holds government officials accountable to the legal and moral standards of public service and keeps business and professional leaders accountable to society’s expectations of integrity and fairness.” *Id.* at 9.

⁵ See, e.g., *2002 Biennial Regulatory Review-Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Notice of Proposed Rulemaking, 17 FCC Red 18503, 18505 (2002).

access to emergency and public safety information,⁶ and the availability of service throughout the country.⁷

This Future of Media project will review the state of the traditional sources of news and reporting, but journalism will constitute only one facet of the analysis. It will also consider the relative health of the various systems that provide a variety of news and/or information to consumers and communities (*e.g.*, information about schools, crime, disaster procedures and public health matters).

The Commission has a number of ongoing proceedings related to the subject of this study, including those involving media ownership, universal broadband, open Internet, and children's issues. This project will draw heavily from those efforts, as well as the high quality studies, proceedings and investigations outside the FCC, to take a holistic look at the future of news and information media. The Commission may hold additional workshops or hearings, conduct interviews, and potentially commission new research. It is hoped that the resulting report will inform the Commission's actions in these ongoing proceedings and policymakers in general.

The future of media is a topic of great consequence to all Americans, so this discussion should not be the purview of only communications companies and their Washington representatives. All Americans rely on the availability of national, international and local news and information. Consumers can offer views or analysis either through the new website (www.fcc.gov/futureofmedia) or by using the traditional Commission Electronic Comment Filing System (ECFS). (Specific filing instructions may be found below.)

Here is a preliminary list of questions that the FCC is considering. We encourage comments from both citizens and media experts:

Information Needs of Communities & Citizens

1. What are the information needs of citizens and communities? Do citizens and communities have all the information they want and need? How has the situation changed during the past few years? In what ways has the situation improved? Gotten worse? Consider these categories:
 - media platforms (*e.g.*, broadcast, cable, satellite, print, Internet, mobile, gaming);
 - media formats (*e.g.*, video, audio, print, email, short message formats);
 - geographic focus (*e.g.*, international, national, state, regional, local, neighborhood, personal);

⁶ See 47 U.S.C. §151.

⁷ See 47 U.S.C. §307(b).

- media affiliation (e.g., independent, affiliated with an advocacy organization or movement, academic, governmental);
 - organization type (e.g., commercial media, non-profits, public broadcasting, cultural/educational institutions);
 - types of journalism (e.g., breaking news, investigative, analysis, commentary, beat reporting, objective reporting, advocacy, specialized, general interest, citizen generated, collaborative); and
 - topics (e.g., politics, crime, schools, health, disasters, national news, foreign news, children’s programming).
2. How have the changes in the media landscape affected the delivery of critical information in times of natural disasters, extreme weather, or public health emergencies? From where do people get their information in such situations? What, if anything, should the Commission do to ensure that communities receive such often life-saving information widely and quickly?
 3. How do young people receive educational and informational media content? How do they consider and process the news and information provided to them? How should these patterns affect government policy toward the future of the media?
 4. Are media consumption patterns different in minority communities? How would those differences affect business models for various media platforms? What are the implications for the availability of news and information in minority communities? How should such business models and their implications affect government policy?
 5. What roles should libraries and schools play in supporting community information flow? How can communities best make use of citizens’ talents and interests in the creation, analysis, curating, and sharing of information?
 6. What are the best examples of Federal, state and local governments using new media to provide information to the public in a transparent, easy-to-use manner? When has this public information been provided directly to consumers and when has it been used as the basis for lower-cost reporting? In what formats should such data be provided? Should the laws on government provision of information to the public be changed?
 7. How can we measure the importance of the availability of local news and information for community health and consumers’ needs? Are there ways of measuring the vibrancy of local news and information flow and correlating such metrics to positive community outcomes, such as school quality, voter turnout, other forms of civic participation, improved public health, effective emergency responses, crime, reduced political corruption, or the development of social capital in general? How can efforts to “map” information sources be most effective?

8. Compared to earlier decades, are Americans more or less likely to seek and find more specialized media (*i.e.*, that focused on a specific topic, appealing to a specific demographic group, or promoting a similar ideology or world view)? What are the positive and negative consequences of such patterns?
9. How have the changes in the availability of different types of news and information consumption affected different demographic groups? Are benefits or problems concentrated by income, age, geography, educational level, race, gender, religion, or other factors?
10. In general, how should FCC policies change to better consider the information needs of communities in the digital era?
11. How should other governmental entities consider the information needs of communities in the digital era? Are there changes in tax law, copyright law, non-profit law, noncommercial or commercial broadcasting laws or policies or other policies that should be considered?

Business Models and Financial Trends

12. In general, what categories of journalism are most in jeopardy in the digital era? What categories are likely to flourish? While much is still to be determined as media companies test various business models and payment approaches in the coming years, based on what is known now, are there news and information needs that commercial market mechanisms alone are unlikely to serve adequately?
13. Many media companies are struggling, but others are reporting healthy profits. What explains the differences in performance? What roles are played by debt levels, consolidation patterns, government policies, geography, diversity of and/or decline in revenue streams, technological innovation, cost reductions, and audience growth?
14. How do trends in advertising affect the viability of different models? Will the abundance of advertising inventory prevent web advertising rates from rising to a level that could support more online content models? Or will demographic or locational targeting or other technologies raise advertising rates? What effect will such advertising trends have on consumer privacy?
15. Does the efficiency and specialization of the Internet make it less likely to support the cross-subsidies that existed for many decades within newspapers (in which, for example, popular human interest content effectively cross-subsidized news reporting)?
16. In the aggregate, how much money do Americans spend on news and information media and how has that changed over time? Which companies and industries have benefited from these shifts and which have suffered?

Commercial Broadcast TV and Radio, Cable and Satellite

17. With regard to national commercial television and radio, what have been the trends, and what is the current state of affairs, regarding news staffing (for network, cable and satellite) and coverage (international, national and local)? What types of coverage or programming have been changed, and in what manner? Over what time period?
18. For local commercial broadcast television and radio stations, what have been the trends for staffing, the amount of local news and information aired, the audience ratings for such programming and local station profitability? What have been the roles of station debt, advertising revenue declines, government policies, efficiency improvements, and ownership consolidation (including combining the news staffs of commonly owned or operated stations)? What has been the impact of competition for audience from the Internet or other information sources? How are these broadcasters using the Internet, mobile applications, their multicast channels/additional program streams, or other new technologies to provide local news and information? How have these changes affected the availability of educational programming for children?
19. Broadcasters have certain public interest obligations, including that they provide programming responsive to the needs and issues of their communities and comply with the Commission's children's programming requirements. Cable and satellite operators have their own responsibilities (some of which are discussed below). Should these or other existing obligations be strengthened, relaxed, or otherwise re-conceptualized in this digital era? Should such obligations be applied to a broader range of media or technology companies, or be limited in scope? What should be the nature of those obligations, and what would be the most effective mechanisms for ensuring the availability of news and information? Have the FCC's past regulatory or deregulatory approaches (*e.g.*, public interest guidelines, disclosure requirements, expedited license renewal procedures) been effective, and if not, why not?
20. When determining whether the public's needs are being met, should policymakers assess the adequacy of community information by looking primarily at particular media delivery systems (*e.g.*, broadcast, cable, satellite), by focusing on general media types (*e.g.*, television, radio, print), or by looking at information availability within a community as a whole (*e.g.*, neighborhood, city/town, state)?

Noncommercial and Public Media

21. With regard to nationally-oriented noncommercial television and radio (including public broadcasting stations), what have been the trends and what is the current state of affairs regarding news staffing and coverage (international, national, and local)?
22. For local noncommercial television and radio stations, what have been the trends for staffing, the amount of local news and information aired, audience ratings for such programming and local station financial health? If there have been news staff contractions, what type of programming has been cut back or changed? What have been

the trends in funding from governmental, private sources and viewer/listener donations? What has been the role of government regulation? What has been the impact of competition for audience from the Internet or other information sources? How are public broadcasters using the Internet, mobile applications, their multicast channels/additional program streams, or other new technologies to provide local news and information? How are they collaborating with non-broadcasters? How have these changes affected the availability of informational and educational programming for children and other informational and educational material?

23. In general, how, if at all, should noncommercial television and radio licensees change to meet the challenges and opportunities of the digital era? How does the role of public media differ from that of commercial media? If there is a greater role for public media in meeting the information needs of local communities, how should that be financed? What role, if any, should government subsidies play? Should legal requirements regarding underwriting and advertising be changed?
24. Should the Public Broadcasting Act be amended to restructure and augment investments in noncommercial media? Are the experiences of other countries instructive on this question?
25. What should be the role of non-profit media that are not noncommercial broadcast licensees (for instance, non-profit websites, news services, mobile applications, or reporting-oriented organizations)? What public policy changes (including changes to the tax law, corporate law, or rules about advertising) could improve the viability of non-profit models? How should noncommercial television and radio licensees work with independent non-profit media entities to improve efficiency and content quality? What changes in law or practice could encourage better collaboration among non-profit media?
26. To what extent are low power FM (LPFM) stations providing local news and information to the communities that they serve? Should the LPFM requirements be changed to encourage more of such programming by stations, and/or the technical interference requirements adjusted to allow the licensing of additional LPFM stations?
27. With regard to cable television, local franchising authorities can require a cable operator to provide channel capacity for Public, Education and Government (PEG) channels and some facilities and funding for such channels. Are these channels being used as effectively as possible for the provision of useful news and information to communities? How has the role of PEG channels changed over time, and how could their effectiveness be improved? Does statewide franchising change the number and composition of PEG channels? Does it serve to promote the intended benefits from PEG channels or undermine them? Are there other ways to provide for the benefits from PEG channels in the digital age? How should operators of PEG channels work with noncommercial television and radio licensees, as well as with other non-profit media entities?
28. With regard to satellite television, Direct Broadcast Satellite operators are required, as a condition of their FCC authorizations, to set aside four percent of channel capacity for

noncommercial programming of an educational or informational nature. Are these channels being used as effectively as possible? How could this system be improved? How should operators of these set-aside channels work with noncommercial television and radio licensees, as well as with other non-profit media entities?

29. How are foundations helping in the provision of local news and information? How much has been given toward local news and information experiments? What is the focus of the efforts? What is the likelihood of long-term commitments? In general, how much journalism and other forms of information provision can be supported by private-sector non-profit sources?
30. What roles have journalism schools or programs or other university operations played in the provision of local news and information? What more could they do in the future? What are the risks?

Internet and Mobile

31. With regard to the Internet and mobile-based applications, which news or information operations are successful, and why? How should we define success? Do they tend toward a particular type of information or format (*e.g.*, news, commentary, independent, government-generated, user-generated, advocacy-oriented programming)? What are the most successful business models (*e.g.*, for-profit, non-profit, subscription, micro-payments, advertising-based)?
32. What role will and should user-generated journalism play? In what ways can it improve upon traditional journalism, and in what ways can it not substitute for traditional journalism? How can the quality and effectiveness of citizen journalism be further improved?
33. What have been the trends for online advertising in general and specifically advertising supporting news and information parts of websites, both nationally and locally? How about on mobile platforms?
34. What might be the role of popular technologies heretofore associated with entertainment or social interaction, such as gaming systems or social media?
35. How would policies related to “open Internet” or “universal broadband” or other FCC policies about communications infrastructure affect the likelihood that the Internet will meet the information needs of communities? Are there search engine practices that might positively or negatively affect web-based efforts to provide news or information?
36. Do minority-owned media or media targeted to minority communities use broadband tools differently than other media?

37. What kinds of digital and media literacy programs are appropriate to help people both use new information and communication technologies effectively and to analyze and evaluate the news and information they are receiving?
38. With regard to mobile devices, what role will mobile communications services and devices play in meeting the news and information needs of communities during the next five to ten years? What is the impact of those trends for consumers, businesses and policymakers? Should that role be reflected in the Commission's regulation of the industries involved?

Newspapers and Magazines

39. What are the trends in staffing and coverage at newspapers? Where staffs have been cut, what kinds of staff have been reduced, and what kinds of news coverage have been affected? What impact, if any, do such cuts and reductions have on the ability of broadcast radio and television, cable, satellite and other electronic media to serve communities' news and information needs? What characteristics distinguish newspapers that are relatively healthy from those in less sound financial condition (*e.g.*, size, debt levels, cost structure, circulation patterns, advertising rates, taxes, ownership structure, location, technological innovation, Internet operation, Internet competition)?
40. What are the trends in staffing and coverage at print magazines specializing in news and information?

Research and Further Questions

41. The Future of Media website, at www.fcc.gov/futureofmedia, lists recent, relevant research and studies conducted both by the FCC and by a variety of outside groups (a list that we will be regularly supplementing). To the extent that they contain recommendations, which are the most meritorious? Which are the most troubling? What other subject areas should be studied and/or additional data collected? Are there other completed studies that should be added to the list and considered? What research topics would further the work already being done in the academic community relevant to the questions asked here?
42. What questions have we failed to ask that we should?

Some comments may relate to topics that are already being dealt with in other ongoing FCC proceedings. Because we want to avoid duplication of effort, if you've already filed in another ongoing docketed proceeding, there is no need to resubmit your comments here. The Future of Media project will be reviewing the records in those proceedings. Going forward, if you are filing ECFS comments on a topic raised here that is also being covered in another proceeding, file your comments both here and in that proceeding. Other ongoing Commission proceedings of possible relevance to this study include:

- Public Interest Obligations of TV Broadcast Licensees (MM Docket No. 99-360);

- Empowering Parents and Protecting Children in an Evolving Media Landscape (MB Docket No. 09-194);
- Broadcast Localism (MB Docket No. 04-233);
- 2010 Quadrennial Regulatory Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996 (MB Docket No. 09-182);
- Creation of a Low Power Radio Service (MM Docket No. 99-25);
- Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations (MM Docket No. 00-168);
- A National Broadband Plan for Our Future (GN Docket No. 09-51); and
- Preserving the Open Internet/Broadband Industry Practices (GN Docket No. 09-191/WC Docket No. 07-52).

For purposes of the Commission's *ex parte* rules, this project will be treated as exempt.⁸ *Ex parte* presentations may be freely made and need not be disclosed on the record, although filing in the record is encouraged.⁹ We find that this approach is justified because, as in a notice of inquiry proceeding, the public interest will best be served by encouraging free communication between the Commission and the public and because the preliminary nature of this proceeding obviates any risk that interested persons will be prejudiced unless they receive notice of *ex parte* presentations. To the extent that presentations in this exempt proceeding address the merits of other permit-but-disclose proceedings, appropriate disclosures should be made in each other covered proceeding. In the event that this proceeding develops to the point where a notice of proposed rulemaking is issued, we anticipate that the status of any such proceeding will be changed to permit-but-disclose, as is the norm when a notice of proposed rulemaking is issued.

Comments may also be submitted via the Future of Media website (www.fcc.gov/futureofmedia) that we are launching today; though, if you have a long document to submit (*i.e.*, three pages or longer), please use the ECFS system. All comments posted on the Future of Media website forums (www.futureofmedia.uservoice.com) and on the Future of Media website blog (<http://reboot.fcc.gov/futureofmedia/blog>) will be made a part of the official docketed record as well. For this reason, interested parties are advised to review not only ECFS, but also the website, to ensure that they are aware of all relevant views expressed to the Commission in this proceeding.

When filing comments using the Commission's Electronic Comment Filing System (ECFS) or when filing paper copies, please reference GN Docket No. 10-25.

- Electronic Filers: Comments may be filed electronically using the Internet by accessing ECFS, at: <http://www.fcc.gov/cgb/ecfs/>. Filers should follow the instructions provided on the website for submitting comments.

⁸ See 47 C.F.R. § 1.1200(a) (giving the Commission and its staff discretion to determine the *ex parte* procedures in a particular proceeding).

⁹ See 47 C.F.R. § 1.1204(b).

- For ECFS filers, in completing the transmittal screen, filers should include their full name, U.S. Postal service mailing address, and the applicable docket number: GN Docket No. 10-25. Parties may also submit an electronic comment to ECFS by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message: “get form”. A sample form and instructions will be sent in response.
- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission’s Secretary, Marlene H. Dortch, Office of the Secretary, Federal Communications Commission.
 - All hand-delivered or messenger-delivered paper filings for the Commission’s Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. The filing hours are 8:00 a.m. to 7:00 p.m.
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For further information about this Public Notice, please contact Steven Waldman, at (202) 418-2030, or William Freedman, at (202) 418-1415. Press inquiries should be directed to Janice Wise, at (202) 418-8165.

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