

***Digital Transitions***  
**Remarks of Commissioner Meredith Attwell Baker**  
**Capitol Hill Media Summit**  
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A century ago, religious messages only reached as far as the pulpit permitted. Pittsburg radio station KDKA bridged that gap almost 90 years ago when it aired the first religious broadcast. Hundreds of stations and programs followed in its wake.

Religious groups were among the first to understand the transformative power of radio and broadcasting: in 1924, 1 out of 14 broadcast licenses were held by religious broadcasters. Today, 141 million Americans access religious broadcasting each month, increasingly through online platforms and the use of new media. You aim—like all successful broadcasters—to effectively reach your audience wherever they are. As a result, many of you find yourself walking a delicate balance, with one foot online in the new media world and the other foot in the traditional broadcast space.

New technology and platforms invite innovation and opportunity, but they also create uncertainty as traditional forms of communication evolve and consumer demands shift. We at the FCC are carefully focused on this digital crossroads, and I want to touch on two of these digital content transition points in particular. The first point involves the future of media and how technology affects how we disseminate, receive, and use the news. The second point relates to protecting children in a world of multiple screens and hundreds of content outlets, some of which can be productive, and some very harmful.

***The Future of Media & the First Amendment***

Over the past year, we have consistently heard that journalism and media need government help. Both the Federal Trade Commission and the Federal Communications Commission have initiated proceedings to study the future of media and journalism. We expect the FCC to issue its report by year end. In response, a number of parties have issued a call to arms. They seek a quick fix, a shot to the arm—the sort of costly government-funded bail-out that characterizes much of our current political dialogue. A staff discussion draft at the FTC mentioned proposals ranging from a government-backed Journalism Corps to a National Fund for Local News paid for by taxes on broadcasters, consumer electronic companies, and advertising. One source estimated that the proposed subsidies to the journalism industry could cost billions of dollars each year. Additional proposals suggest greatly expanded funding to support a Public Media 2.0 model.

Any discussion regarding the future of media must begin with the Constitution, which is why I want to start by addressing the importance of the First Amendment in this debate. Dr. Wright and the National Religious Broadcasters have provided strong and consistent leadership on the First Amendment, and I am grateful for this guidance. Our nation has flourished for over 200 years with a strong independent press, one that uniquely critiques and checks our government. This incredible tradition was bequeathed to the press by the First Amendment and must be preserved.

The First Amendment provides clear guidance when it comes to the freedom of the press and the freedom of religion. This country has thrived, and our political powers have been balanced by, a vibrant independent press. Justice Hugo Black explained in *Mills v. Alabama* that “[t]he Constitution specifically selected the press . . . as a constitutionally chosen means for keeping officials . . . responsible.”

We should not abandon nor tweak this tradition merely due to changing circumstances. Ironically, proponents of reform seek to protect journalism by undermining its core. Without true independence from government, the press could not serve its proud role as a check on governmental authority. Direct

government funding of journalism would also erode the public's attitude towards media, an attitude already characterized by more skepticism than trust. Only 20 percent of Americans believe that news organizations are independent of powerful interests, and 60 percent of Americans believe news organizations to be politically biased. Combining these metrics with government-sponsored journalism will clearly upset an already precarious relationship. Funding – no matter how well-insulated from editorial decisions – will only exacerbate concerns about a captured press.

I say this with full appreciation of the complexity and challenges facing traditional news outlets. I don't have to tell you that the media industry is facing unparalleled change. Like numerous industries, broadcasting is at an important transition point between a traditionally robust market position and a future filled with unknowns. This future provides great uncertainty and great opportunity. On top of economic shifts are real human costs. Professional journalists are struggling to adjust to job losses, shrinking budgets, and new business models. The journalist at the end of this transition will probably be different from his predecessor: my money says it will not be a man with a fedora and a typewriter. The form and function of journalism may also be different in the future, but the core attributes—objectivity, accuracy and creativity—must remain, so that we have journalists working to inform the public, even when it means uncovering the truth about powerful interests and uncomfortable controversies.

Proponents of intervention point to a number of challenges facing traditional media. 142 daily and weekly newspapers closed last year alone, from the Doylestown Patriot to the Rocky Mountain News. Only 26% of Americans read a print newspaper on a given day, and newspaper circulation has dropped 11% during the last five years. Exacerbating the shrinking print market is a rapidly shifting advertising model, the primary source of income for newspapers, broadcasters, and other journalistic endeavors. Studies show that advertising revenues have dropped roughly 45% over the last ten years.

Further complicating the economics is the shift to digital formats, whether online or through applications like the iPad, which I consider a real game changer. Scripps has reported that a print reader brings in \$500 in annual revenue, but an online reader only produces \$75. This sort of disparity serves as stark evidence of trading analog dollars for digital dimes. At the same time, newsgathering itself is an expensive proposition, one that is not getting cheaper. It requires high-quality staff and sufficient resources. By way of example, the Dallas Morning News spends \$30 million a year on newsgathering.

But I stand here today optimistic rather than downtrodden, because key players like yourselves are working hard to navigate the flood of changes and respond to our new digital world with new and adapted methods. The picture that's beginning to emerge highlights encouraging signs that deserve recognition.

One is the vibrancy of traditional and new media. We can access more content from more sources, and people of all backgrounds and ages are connecting to media in ways we couldn't have envisioned twenty, five or even one year ago. 91% percent of Americans continue to rely on traditional news sources. More often than not, new media and online news sources encourage more overall time spent drawing upon the news. In 2000, we spent 57 minutes a day getting news from traditional sources, and that figure has remained constant. Overall consumption time, however, is on the rise, with people spending an additional 13 minutes reviewing the news online.

The second is the entrepreneurial spirit of journalists and media companies. Each month it seems another media venture is formed—both for-profit and non-profit – to address a community need or potential newsgathering gap whether it be hyper local neighborhood news or international geo-politics. Transitions such as this one often lead to unique innovations. One recent example of a new business is TBD, a two-month old cross-platform venture focused on local news in and around Washington, D.C. from the same company that created Politico. Able to leverage existing resources from a local TV

broadcaster and cable news channel, this effort focuses on its online presence, smartphone applications, and Twitter updates. TBD took action several weeks ago, when it led reporting efforts on the Discovery Communications hostage crisis in Silver Springs, Maryland. It offers a mix of old fashioned reporting, with new technological and communications tools.

Although I'm highly skeptical about direct governmental efforts, my views are not intended to suggest that the government has no role in this debate. We are, for instance, currently undergoing our quadrennial media ownership review. As a society, we increasingly want video, news, and audio in a single converged format, yet the government's rules hamstringing the ability of traditional media companies from moving beyond yesterday's technological silos. A newspaper can't be combined with a local broadcast station in most markets today, and there are strict limits on the number of radio and TV outlets any one news company may own. I encourage discussions about how we can better tailor our rules to the current media marketplace. Would a paper be able to better leverage the costs of its reporters – and improve the breadth and quality of its product – if it operated within a converged newsroom? Or, perhaps, if multiple stations could share resources more efficiently? Innovative unions of this kind could benefit the entire industry, not to mention consumers. The government must also remain vigilant in ensuring that valuable online content is protected as our businesses shift towards digital distribution.

In the end, proactive government intervention into journalism is not just expensive and constitutionally problematic, it is also unnecessarily defeatist: it undermines the incentives for companies to create the next great journalistic endeavor. Many media players and efforts need time to find their footing in this new digital era, and we must provide these companies with the time to develop a healthy, innovative industry built for long-term sustainability.

### ***Technology and Parents***

The multiplicity of news sources also reflects how today's children interact with media. Ten years ago, we confronted a refreshingly straightforward model, one with 40 channel cable line-ups and modest, self-selecting VCR libraries. My own experience with 4 teenage girls reveals a significantly more demanding parental challenge. Denying permission to view content on the living room TV invites our children to open their laptops, cell phones, and iPads. Parents have 4 screens to protect, a task both daunting and time-consuming.

The statistics bear out this challenge. A decade ago, children had over 7 hours of media exposure every day. Fast forward to today, and that amount has jumped to over 10 hours of daily exposure. The biggest changes come from multitasking: simultaneous viewing on the TV and computer reflect a rise in broadband content and a proliferation of video games. 75% of teens have cell phones today, versus 45% in 2004. Similarly, 76% of teens have iPods or their equivalent, and 20% of all media consumption occurs on these mobile devices.

New platforms offer great promise and opportunity for parents and children, as well as heightened risks. Mobile devices unlock untold educational and learning opportunities and also provide parents and children with public safety and peace of mind connectivity. It exists today: digital-savvy parents making video calls to their children ...at slumber parties, retreats, summer camp and semesters abroad.

Opportunities for online access are critical to our nation's digital literacy: they help to ensure that all Americans benefit from the broadband age. Parents similarly profit from technological features designed to help them control multiple screens. Pay TV providers offer advanced blocking and filtering functions to limit children's television usage in a way that comports with each household's approach. Channels can be blocked, individual programs can be limited by rating or content, total TV time can be monitored, and access can be altogether limited. Parents also have the opportunity to limit access to

only trusted sources, like those channels and offerings provided by those in the room today. Wireless providers also offer features to limit access to particular functionalities and content, allowing parents to better manage such experiences.

The FCC is examining these issues in the Empowering Parents and Protecting Children in an Evolving Media Landscape docket. Encouragingly, our leadership on this issue has been respectful of our very limited statutory and constitutional role. This is not—nor should it be viewed as—an abdication of responsibility. The FCC does have a role to play in helping to demystify available technologies and educate parents about the tools available to them; much of these efforts will occur through private/public partnerships. We need to accomplish this task in close coordination with the substantial positive efforts going on both inside and outside of government, like NTIA’s Online Safety and Technology Working Group, the FTC’s OnGuardOnline, the Family Online Safety Institute, Common Sense Media, and countless other groups and organizations.

Last year’s digital transition, that so many in this room experienced alongside me, demonstrated the ability of the government to work collaboratively with industry partners to explain analog to digital, no easy task for the technologically disinclined. Our success there indicates that we can play a more proactive role helping parents parent. Technology can be daunting, but we need to work together proactively to educate and help parents, and develop better and more easily understood technological tools.

In my travels as a Commissioner, I have been extremely impressed by the focus and time spent on these issues. In Los Angeles, I visited with the teams at Disney working on a joint project with Common Sense Media. Their project, called the Phineas and Ferb’s “Digital Rules of the Road,” helps children understand Internet safety issues. In New York, Viacom highlighted its important work towards getting kids active and healthy with Nickelodeon’s “Let’s Just Play” program. There is no single solution or magical fix to protect children from negative or age-inappropriate content, but I invite all of you to work collaboratively with us as we navigate the roads ahead. Help us keep the focus on protecting children and providing positive messages.

Thanks so much for having me speak to you today.