

COMMISSIONER MICHAEL J. COPPS
REMARKS TO THE NATIONAL NEWSPAPER ASSOCIATION
WASHINGTON, DC
JULY 21, 2011

Thank you, Reed, for that kind introduction, and also congratulations as you embark upon the presidency of the National Newspaper Association. Your 30 years of dedicated service to the Swift County *Monitor-News* stand out as a shining example of a journalist's devotion to his community. I also want to thank my good friend Jane Harman for warming up the crowd for me. She was for years one of my heroes on Capitol Hill and she still is as she undertakes her new role leading the Woodrow Wilson Center. The Center is fortunate to have someone of her ability and character at its helm.

I jumped at the invitation to address this particular audience because we are both focusing on one of the most urgent challenges confronting our democracy today: the future of the news. Our challenge is to reinvigorate American journalism at this perilous moment when not even its continued existence is guaranteed. Traditional journalism—newspaper and broadcast—has incurred life-threatening injury, not just from the coming of the Internet but even more so from a generation of private sector financial hyper-speculation that too often encourages the quarterly dividend to trump the common good. The problem is worsened by 30 years of public policy apathy and outright abdication of responsibility by various entities, including the FCC. As for new media on the Internet, we haven't yet gained online what we have lost in traditional media. No one yet seems able to find the model or the momentum to support in-depth, resource-intensive journalism online.

So you're a very special audience because many of the newspapers you represent are a last bulwark of journalism—news focused on the needs, concerns and voices of your diverse cultures and communities. You cover the events and community issues that help nourish small “d” democratic dialogue. Maybe that's because many of you operate on a different financial model than the one I just mentioned; maybe it's because news has been in your bones for generations; maybe the folks in your towns, counties and municipalities have come to expect journalism that helps them really understand their communities. Whatever the cause—and I'm sure there are many—the hometown community newspapers that many members of this Association operate are integral to a healthy Fourth Estate, and a healthy Fourth Estate is integral to a healthy democracy. Our 235 year-old experiment in self-government cannot carry the heavy burden of an ill-informed electorate.

The facts are brutal. Hundreds of state, national and international bureaus have been shuttered. Thousands of reporters are walking the street in search of a job rather than working the beat in search of a story. Glitzy infotainment substitutes for real news and “if it bleeds, it leads” determines news-worthiness. Maybe all that *bleeding* has something to do with why America isn't *leading* the way we used to. I have had a front-row seat to watch this devastation for ten years on the FCC. And I have come to realize that without a serious national effort and some significant changes, our media

environment will only get worse. I believe we can—and I believe we must—find ways to redeem the promise of journalism because good journalism is so vital to redeeming the promise of America.

You as journalists have the lead role here. But you should also realize there are millions of Americans in communities from coast-to-coast who know that something is not quite right, who understand the consequences of fewer voices and less news, and who are looking for solutions. I have met them everywhere I go. I have seen citizen action at work, even in this day when so few special interests wield so much outrageous power. So I know Americans can still be agents of change in their own country. My point is there is support out there to tackle this problem. It needs to be harnessed; it needs to be engaged. Fair warning, though: engaging means finding the courage to speak up and to weather the visceral knee-jerk reactions that come whenever “public policy” and “the press” are mentioned in the same sentence.

There are two schools of thought on what role government should play in providing the infrastructure to inform our citizens. The first school would say, “Leave this important task to the free market and deregulate the entities that serve this purpose.” That school has been in charge of the classroom for most of the past 30 years. It’s why we are where we are. Or, as my old boss Senator Fritz Hollings might say, it’s why “the ox is in the ditch.” It’s why we’ve had an ongoing orgy of private sector consolidation with a few mega-media companies buying up small, independent newspapers and broadcast stations in search of those always beckoning—but seldom found—economies of scale. Actually, the more frequent result of merger mania has been cutting deep into the news muscle of the combined organizations in order to pay down the huge indebtedness these transactions inevitably entail. My friend Frank Blethen is clearly onto something when he argues it’s not the newspaper model *per se* that’s broken; it’s the financial model that’s been grafted onto our media sector that has wreaked such havoc.

The irony in the “hands-off” approach is, of course, that the more government abdicates its responsibility to enforce the rules on the books or to provide our citizens with different viewpoints, the stronger government becomes. In a society where watchdog journalism is essential, more than two dozen states don’t have a single reporter accredited to Capitol Hill. How’s that for holding the powerful accountable? At the state level, legions of lobbyists outnumber professional journalists by orders of magnitude. At last count, PR professionals outnumber journalists 3-to-1 and I’m certain the gap is widening. Who can begin to count the stories—the good, the bad and the ugly—that go untold and undiscovered because investigative journalism is on the endangered species list?

The second school maintains that there is a role for government in general and the Federal Communications Commission in particular. The general public policy role is to provide an environment that encourages the production and dissemination of news to all our citizens. It’s as old as the Constitution and as apt as ever. And it remains reigning Supreme Court doctrine: “It is the purpose of the First Amendment to preserve an uninhibited marketplace of ideas in which truth will ultimately prevail.” Infrastructure

building is part of this general charge—from postal roads in the early days to national broadband now. Supporting a diversity of business models—like non-profit media, for example—and providing appropriate tax incentives could be other parts. So perhaps could looking at postal rates and their role in newspapers’ current problems. Keeping markets open and competitive instead of allowing them to constrict and constrain is also a key government function. The FCC shares with other agencies the responsibility to keep telecommunications and broadcast media open and competitive. Our role is also to encourage that the public spectrum—a still scarce resource—is put to good public purpose. The Commission is charged with encouraging the availability of communications infrastructure to every American, ensuring the distribution of news and information, making the airwaves accessible, protecting consumers, encouraging innovation and new technologies, and keeping government leaders and citizens alike informed about the potential and the pitfalls of developments in the communications sector. As regards broadcasting, we are charged with licensing stations and ensuring that they serve the public interest. A license to broadcast is a privilege, not a God-given right, and the privilege of keeping the license depends—at least in theory—upon the quality of stewardship a station delivers. We have not revoked a license in more than 30 years.

Last month the FCC released a long awaited report entitled “The Information Needs of Communities” which chronicled the great upheaval that many of you have lived through and which highlighted a worrisome lack of local accountability journalism. I agreed with many of the report findings, but I was seriously disappointed at the lack of specific, hard-hitting recommendations to confront these problems. The report detailed many instances of FCC shortcomings. A third of commercial broadcasters do little to no news. Media companies routinely game the ownership rules through clever stratagems like shared service agreements, leaving lots of people the option of watching the same exact news program on three different channels. The list goes on. But when it comes time to step up and do something meaningful with the issues in the FCC wheelhouse, the report instead calls for *philanthropies* to do more, suggests that *Congress* might want to act, and proposes that the *IRS* do something. I looked in vain for comprehensive proposals for the *FCC*, or even for some healthy starts in that direction—like developing up-to-date public interest guidelines for station licensing. We had those once—we just never bothered to implement them.

I shared a stage with Ted Koppel over at the New America Foundation right after the report came out, and Ted confirmed what I have heard from Walter Cronkite, Dan Rather, Marvin Kalb, and a host of other veterans—that broadcasters once-upon-a-time felt a deep and solemn responsibility to do real news. Back then they knew the bargain that had been made for free use of the people’s airwaves. The network owners knew it, too. Bill Paley told his news operation that he had Jack Benny to make money, so they should go out and do the news and he would figure out how to pay for it. That didn’t last. News operations began to see themselves as profit centers, so now we see examples of hospitals giving \$100,000 to stations to do stories painting them in a good light and guests on morning news shows actually paying to get on the air. So I wasn’t really surprised when an Annenberg study last year looked at the evening news in Los Angeles and found an average of just 22 seconds of hard local civic news per half hour broadcast.

Now don't get me wrong—there are a lot of broadcasters out there still working mightily to serve the public interest, trying to do for their stations what you are trying to do with your newspapers. The problem is trying to do that job in such an unforgiving financial marketplace. How different an environment from the one many of you and your broadcaster friends—often small independents run by families with generations of skin in the game—grew up in! Whoever observed that “all change is not progress” surely had a point.

At the beginning of this month the Third Circuit Court of Appeals handed down an important decision on the FCC's media ownership rules. It was a victory for consumers, media advocates and, I believe, anyone looking for more diversity in their media. One part of the decision sent back to the Commission was the much-loosened and loophole-ridden newspaper-broadcast cross-ownership rule that the previous FCC had approved, over the strong objections of Commissioner Adelstein and me. I hope such a rule will never again emerge through our portals. Please note: I said “hope”—I bring no guarantees. The Court also told us that when we look at ownership going forward, we are to do so in a more public and transparent fashion. We failed that one miserably in 2007 when the last newspaper-broadcast cross-ownership rule was rammed through.

A major part of the Third Circuit's decision addressed the FCC's unforgivable lack of action on the diversity front. America's media have a serious diversity problem. In a country that is nearly one-third minorities, people of color own 3.6 % of full-power commercial television stations. Minority-owned newspapers do better but not much—just 9%. Those diversity shortfalls shortchange not just a lot of people—they shortchange our country. Diversity in coverage and diversity of viewpoint both hinge, in the real world, on diversity of ownership. We've known the facts for years. It should be the urgent priority of the FCC to act aggressively on this now. Why we are not continues to mystify me.

At this point, some in the audience might be saying, “All this talk is about yesterday. Wake up! We're in the Digital Age. Everything has changed.” Now, I yield to no one in believing that the Digital Age holds amazing promise for expanding the scope of our democratic dialogue. And it is true that technology has in a number of ways revolutionized news-gathering and that innovation is always occurring on the Internet. Upstart investigative project ProPublica has won two Pulitzers in two years, crowd-sourcing is being used on a grand scale, and Twitter disseminates first-hand accounts the world over, including one from an unsuspecting neighbor who didn't realize the helicopters he heard overhead were in fact on a mission to kill Osama bin Laden. Barriers to self-publishing are lower than they have ever been. There is lots of commendable experimentation, but let's recognize that building a new town square paved with broadband bricks and stacked with good news and information is not going to happen on auto-pilot. Nor will the Internet achieve its promise via so-called “content farms” popping up to churn out repetitive, previously-aggregated popular stories in hope of snagging some digital revenue. Right now approximately 90% of the news and information journalism that Americans rely on, including the news they read online, originates from traditional journalism—newspapers and broadcasting. There may be lots

of channels and web avenues out there to distribute what is produced, but what is produced is far fewer original stories. The analogy of a bucket brigade is a good one: more and more buckets (the millions of websites) but less and less water (original reporting) to go around. Meanwhile the fires rage. So everywhere around us are telling signs that the news and information journalism we relied on for so long is dwindling and the Internet cannot fulfill its democratic potential without sustainable journalism. Consider this: According to a recently-released study for the Commission, written by Professor Matthew Hindman, local news online accounts for less than one-half of one percent of page views and, staggeringly, almost 98% of local news originates from traditional news outlets. For those who say, “Be patient and all will be well,” my reply is that we don’t have the time to sit idly by and endure further diminishment of our civic dialogue. Time is not our friend.

It’s not a new challenge that we face. Our Founding Fathers knew how important the spread of information was to the success of their fledgling country and they made it happen by providing newspaper subsidies and building postal roads for delivering the news—an expense second only to that of preserving the young nation’s defense. Thomas Jefferson famously said, “Were it left to me to decide whether we should have a government without newspapers or newspapers without a government, I should not hesitate for a moment to prefer the latter.” But then he went on to say, “But I should mean that every man should receive those papers and be capable of reading them.” How does Jefferson’s advice translate into our Twenty-first century world?

Which brings me to my last point. We need to be a news literate people. Our goal should be that every American possesses the skills to discern news from infotainment, fact from opinion, and trustworthy information sources from untrustworthy. This is not an inconsequential challenge. In an era when facts are scarce and opinions are abundant, it’s tough slogging to make sense of the barrage of information coming at us. For some, the easiest route is to pick the opinion narrative that best suits their ideologies, read nothing else, and just shout it from the roof-top. But if we are serious about tackling the mountain of obstacles that our kids and our country confront, we’d better find our way back to the facts real quick. Our kids and grandkids are inheriting a country that’s lacking a lot of the assurances you and I had growing up, and it is nowhere written in the stars that their country is going to be the land of opportunity many of us enjoyed. Our present civic dialogue is not going to get us there.

This is not a right or a left issue, because the dialogue on both sides will benefit as its quality is enhanced. If Americans learn the value of hard-hitting journalism at an early age, it will not only translate into a sharper-eyed electorate—but it might also drive profits for quality content providers as consumers demand more reliable, less-biased information. We also need to get serious about public support for public media. Right now, consumers shell out thousands of dollars for electronic devices, hundreds more for data plans, and yet they respond to surveys that they will not pay for news, not even a nickel. The country’s pitiful investment in public media mirrors this reluctance. Compared to other democracies that invest in robust media to the tune of \$50 or \$100 and more per capita per annum, we ante up about \$1.35. And the debate taking place in your

nation's capital right now is this: shouldn't even this paltry amount be zeroed out? Go figure.

Happily, there is good work being done on the literacy front. One example is the News Literacy Project that pairs secondary school students with active journalists who instill such skills as determining veracity, quantifying bias, and identifying the level of accountability. As its founder, Alan Miller, has said of the students he has encountered, "most view all the information that appears on their screen as created equal." The Carnegie-Knight report "Young People and News" also came to the conclusion that the respondents were "ill-equipped to process the hard news stories they encounter." There are other organizations and academics working on this issue, too. What we need is a way to get it to scale quickly.

The FCC's National Broadband Plan firmly advocated for new forms of literacy, but we need to get past the point of merely promoting awareness and take real steps to incentivize increased news literacy programming in our schools and communities. A worthy down-payment toward building this into our educational system would be a K-12 online news media literacy curriculum. There's something here for every grade level and every age. We could begin by taking an inventory of materials already available out there that could be identified and selected from. I am constantly amazed at how much material exists, but no one knows what everybody else is doing. So we could put together a clearing-house of the best ideas and programs that teachers could use in their classrooms. The teachers could then tailor their programs to their local school needs, engage their students with news and information not otherwise available to them, and teach them how to evaluate this information. Let me also emphasize that schools would be free to use this or not, thereby avoiding some of the jurisdictional knots that so often tie the Department of Education's hands.

I see a real opportunity for a public-private partnership to get this worthwhile endeavor off the ground. There could be roles for local businesses and civic organizations, government and philanthropies, community media centers, libraries and PEG stations, and for many others to utilize their expertise and even their personnel—not just to provide access to the digital realm, but to foster the skill-set necessary to make sense of the terabytes of information floating around in cyberspace and to know what to look for when they pick up a newspaper. If we expect there to be a demand for quality news, then we need to teach the lessons on how to determine quality. Who knows?—maybe we could actually move from the Information Age to the Comprehension Age. But it will take a lot of people pitching in to get it done. You know, there could be a wonderful role here for organizations like The National Newspaper Association, too. I hope you'll consider it. As individuals, I hope each of you will think about taking this message back to your communities and maybe contact your school boards to make yourself available as community news experts and outlets to give this endeavor wider reach. Perhaps you might hold some community roundtables, too. And I want especially to recommend this to the Next Generation folks in the audience, because here's something you can do for journalism—and for your country.

I was reminded of the power of news when I saw a story coming out of Japan after the devastating tsunami and earthquake a few months ago. Power to the newspaper's printer was knocked out, but people were desperately hungry for any morsel of news and information, so the paper's dedicated staff actually wrote out the news by hand and then physically posted it around town. We saw something of the same spirit at work here at home this year as tornadoes and floods and droughts and fires stalked the land. Here, too, information was lifeblood for so many communities. And you responded. I'm here to thank you for that. And I'm here to ask you to join me in a great national effort to rescue the news, to restore a flourishing journalism, and to make sure that the lifeblood of news and information continues to course through the veins of our great democracy.

Thank you for your attention.