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Testimony

Before the Subcommittee on International
Organizations, Human Rights, and
Oversight, Committee on Foreign Affairs,
House of Representatives

For Release on Delivery
Expected at 10:00 a.m. EST
Wednesday, June 17, 2009

BROADCASTING TO CUBA

**Observations Regarding
TV Martí's Strategy and
Operations**

Statement of Jess T. Ford, Director
International Affairs and Trade



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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss GAO's work on U.S. television broadcasting to Cuba. The United States has been broadcasting to Cuba for more than two decades via Radio Martí and, subsequently, TV Martí to "break the information blockade" and promote freedom and democracy in Cuba. U.S. television broadcasting to Cuba is performed by the Office of Cuba Broadcasting (OCB), which is a U.S. government entity, overseen by the Broadcasting Board of Governors (BBG), and based in Miami.¹ OCB operates TV Martí, which broadcasts news, commentary, and entertainment programming to Cuba. From the inception of these broadcasting efforts, various questions have been raised regarding their purpose, quality, and effectiveness. In light of the more than \$500 million that has been spent over the years on broadcasting to Cuba and OCB's almost \$35 million annual budget, we have reviewed a variety of issues related to the effectiveness of OCB's television broadcasts.

Since the inception of TV Martí in 1990, GAO has reported on longstanding weaknesses in TV Martí's operations.² My remarks today will be based on two recent GAO reports, issued in July 2008 and January 2009.³ Based on your interest, my remarks today will focus mainly on key observations regarding TV Martí. These observations include the following:

1. OCB's approach for broadcasting and what is known about the size of TV Martí's audience in Cuba.
2. How BBG and OCB ensure TV Martí's compliance with journalistic principles.

¹The BBG also oversees the operations of the International Broadcasting Bureau (IBB), which provides broadcasting services to OCB.

²GAO, *Broadcasts to Cuba: TV Martí Surveys are Flawed*, [GAO/NSIAD-90-252](#) (Washington, D.C.: Aug. 9, 1990); GAO, *TV Martí: Costs and Compliance with Broadcast Standards and International Agreements*, [GAO/NSIAD-92-199](#) (Washington, D.C.: May 6, 1992); GAO, *U.S. Information Agency: Issues Related to Reinvention Planning in the Office of Cuba Broadcasting*, [GAO/NSIAD-96-110](#) (Washington, D.C.: May 13, 1996).

³GAO, *Broadcasting to Cuba: Weaknesses in Contracting Practices Reduced Visibility into Selected Award Decisions*, [GAO-08-764](#) (Washington, D.C.: July 11, 2008) and GAO, *Broadcasting to Cuba: Actions Are Needed to Improve Strategy and Operations*, [GAO-09-127](#) (Washington, D.C.: January 22, 2009). Both of these reports were conducted in accordance with generally accepted government auditing standards.


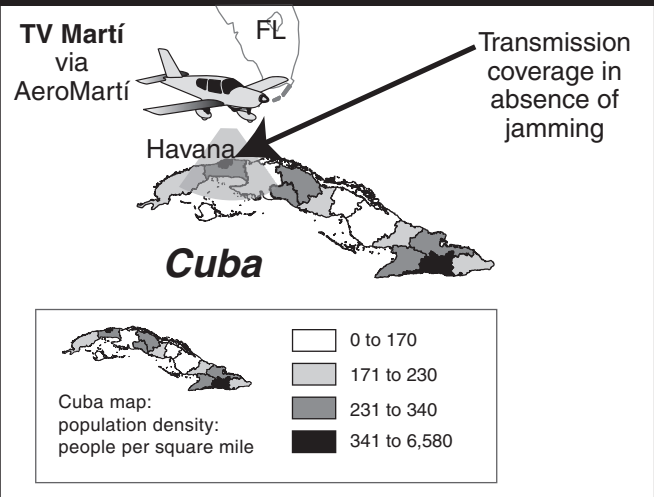
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3. The steps taken to ensure that U.S. television broadcasting to Cuba adheres to domestic and international broadcasting laws, agreements, and standards.
 4. The steps that BBG and OCB have taken to address management and oversight challenges.
 5. BBG's International Broadcasting Bureau's (IBB) contract award process for television broadcasting to Cuba.

In brief, Mr. Chairman, we found certain actions are needed to improve the strategy and operations of U.S. television broadcasting efforts to Cuba. To assist decisionmakers in formulating the U.S. broadcasting strategy and making funding decisions, we recommended that BBG assemble data to help decisionmakers assess the effectiveness and return on investment of OCB's various transmission methods. We also made recommendations in other areas, such as operations and contracting practices, which BBG said it will implement.

Broadcasting Approach and Audience Size

OCB broadcasts TV Martí to Cuba through multiple transmission methods, but the best available research indicates that its audience is small. To overcome the Cuban government's efforts to jam its signals, OCB broadcasts TV Martí through an "over-the-air" broadcast via an airplane (or AeroMartí), two satellites (DirecTV and Hispasat), and the Internet. Figure 1 shows—in the absence of Cuban jamming—the projected coverage, cost, and broadcast schedule of selected TV Martí transmissions.

Figure 1: Coverage, Cost, and Broadcast Schedule of Selected TV Martí Transmissions

Coverage	Cost	Schedule
<p>TV Martí – DirecTV satellite</p>  <p>TV Martí via TV Azteca on DirecTV satellite</p>	<ul style="list-style-type: none"> • Approximately \$500,000 per year 	<ul style="list-style-type: none"> • 3½ hours per day, 5 days a week (2 hours per day on weekends)
<p>TV Martí – AeroMartí</p>  <p>TV Martí via AeroMartí</p> <p>Transmission coverage in absence of jamming</p> <p>Cuba map: population density: people per square mile</p> <ul style="list-style-type: none"> 0 to 170 171 to 230 231 to 340 341 to 6,580 	<ul style="list-style-type: none"> • Approximately \$5 million per year for air services and fuel 	<ul style="list-style-type: none"> • 4½ hours per day, 6 days a week

Sources: GAO analysis of Office of Cuba Broadcasting and International Broadcasting Bureau data; Nova Development (clip art); Map Art and Map Info (maps); and Cuba National Statistical Office (population density data).

During the past 3 years, OCB has allocated significantly more of its resources for additional TV Martí transmissions, particularly the airplane, than Radio Martí transmissions. Due to the U.S. government’s lack of access to Cuba, OCB has difficulty obtaining nationally representative data on its audience size. In addition, decisionmakers have limited information to help assess the relative success or return on investment from each of OCB’s various transmission methods. For example, it is impossible to determine from IBB’s telephone surveys whether TV Martí’s audience is due to AeroMartí, which costs about \$5.0 million annually, or the DirecTV transmission, which costs about \$0.5 million annually. While there are no nationally representative data on the size of OCB’s audience, the best

available audience research—IBB telephone surveys—indicates that TV Martí’s audience size is small.⁴ Specifically, less than 1 percent of respondents to IBB telephone surveys since 2003 reported that they had watched TV Martí during the past week.⁵ Notably, results from the 2006 and 2008 telephone surveys show no increase in reported TV Martí viewership following the launch of AeroMartí and DirecTV broadcasting in 2006. OCB broadcasts face jamming by the Cuban government. However, despite some efforts by IBB and OCB, they still lack reliable data on the number, type, and effectiveness of the signal jammers. As a result, it is unclear how much of the television signals can be heard and seen in Cuba.

Also, while OCB officials emphasized the changing media environment in Cuba and an increase in domestic and international broadcast competition as challenges for OCB in attracting and maintaining an audience, OCB could do more to address the challenges posed by its competitors in the Cuban media environment. Furthermore, although BBG coordinates with other agencies regarding U.S. policy toward Cuba, coordination is minimal on issues such as audience research. Finally, even though the United States has been broadcasting to Cuba for more than two decades, OCB lacks a formal strategic plan approved by BBG to guide decision-making on its funding and operations, such as its recent proposal to change TV Martí’s newscasts’ schedule from two, half hour evening newscasts to five minute news updates every half hour in fiscal year 2010.

⁴Other information suggests that TV Martí’s audience may be larger. For example, 21 percent of recent Cuban émigrés responding to a nonrandom, 2007 OCB survey reported watching TV Martí within the last 6 months before leaving Cuba. However, these results likely do not represent the actual size of TV Martí’s audience.

⁵IBB’s telephone surveys are IBB’s only random data collection effort in Cuba, but these data might not be representative of Cubans’ media habits for two main reasons: (1) Only adults in homes with published telephone numbers are surveyed, and, according to BBG documents, approximately 17 percent of Cuban adults live in households with published telephone numbers; and (2) BBG and OCB officials noted that, because individuals in Cuba are discouraged or prohibited by their government from watching U.S. international broadcasts, they might be fearful of responding to media surveys and disclosing their media habits, and thus actual audience size might be larger than survey results. However, in each of the telephone surveys conducted since 2005, interviewers indicated that 6 percent or less of respondents expressed or demonstrated signs of fear when answering questions over the telephone.

Compliance with Journalistic Standards

IBB's annual reviews have identified problems with TV Martí broadcasts' adherence to certain journalistic standards, but IBB's review process has some weaknesses. IBB has an annual program review process that serves as the main tool for assessing TV Martí broadcasts' compliance with journalistic standards, such as accuracy, balance, and objectivity. Since 2003, IBB reviews have made recommendations to improve TV Martí's adherence to certain journalistic standards, particularly related to ensuring balance and objectivity. However, OCB staff have received little training regarding compliance with journalistic standards and, in general, OCB has not ensured full implementation of IBB's recommendations. IBB has recently developed a process for improving its oversight of the implementation of such recommendations. While we found that IBB's process provides useful feedback regarding broadcast content and production quality, we identified several aspects of the process that could be improved. For example, IBB's qualitative reviews lacked consistency in their methodology and reporting and often do not clearly state whether the broadcasts are in full compliance with journalistic standards. In addition, while the program analysts who perform the reviews receive training regarding language, regional expertise, and technical production, they have received limited training for skills—such as program evaluation—that would assist them in conducting program reviews.

Adherence to Domestic and International Broadcasting Laws, Agreements, and Standards

While IBB and OCB have taken a variety of steps to help ensure that U.S. television broadcasting to Cuba adheres to domestic and international broadcasting laws, agreements, and standards, several concerns remain. The Smith-Mundt Act⁶ generally prohibits the domestic dissemination of public diplomacy information intended for foreign audiences, although legislation authorizing TV Martí allows some domestic dissemination in limited circumstances. IBB and OCB have taken a variety of steps to minimize the domestic dissemination of TV Martí programming. For example, according to IBB officials, in deciding which television station to contract with to place TV Martí programming on DirecTV, they evaluated the geographic coverage of each station's broadcasting, with the intent of minimizing domestic dissemination. However, TV Martí broadcasts reach U.S. audiences in several ways. For example, residents of Miami can watch TV Martí programming on local cable or DirecTV, and anyone can access streaming video from OCB's Web site. In addition, some commercials

⁶22 U.S.C. § 1461. Originally enacted as Section 501 of the U.S. Information and Educational Exchange Act of 1948, this law is commonly known as the Smith-Mundt Act.

shown by a Miami television station contracted to air TV Martí programming had contained paid political advertisements during the programming, which IBB typically prohibits. BBG officials told us the standard contract language prohibiting the airing of political advertisements was inadvertently left out of the contract with the Miami television station. According to these officials, they have taken steps to address this problem. However, no similar standard contract language prohibiting other potentially inappropriate commercials existed, at that time. Finally, in response to complaints by the Cuban government, the international body that serves as a forum for such disputes—the International Telecommunication Union—found that U.S. television broadcasts cause harmful interference with Cuban broadcasts. State officials indicated that no action had been taken in response to the International Telecommunication Union’s determinations that U.S. television broadcasts caused harmful interference.

Management and Oversight Challenges

Despite some efforts by BBG and OCB, some oversight and management problems persist. Several entities—including BBG, IBB, and the State Office of Inspector General—provide oversight of OCB operations. For example, the State Office of Inspector General has performed three inspections and audits related to OCB since 1999, each of which resulted in multiple recommendations. These various oversight efforts have identified three main categories of problems in recent years: poor communication by OCB management, low employee morale, and allegations of fraud and abuse.⁷ For example, the State Office of Inspector General has reported on OCB employee desire to improve communication, and a recent Office of Personnel Management survey found that a majority of OCB employees who responded expressed concern about the information they receive from management on what is going on in the organization. OCB employees have specifically expressed frustration with the lack of any formal system for disseminating information from management to staff or for staff to provide input to management. In responding to recent audit reports, BBG and OCB have taken steps to address nearly all of the auditors’ recommendations.

⁷One allegation of fraud and abuse, which BBG brought to the attention of the State Office of Inspector General, has been substantiated in recent years. Investigators from our Office of Forensic Audits and Special Investigation found some indications of mismanagement, but much of the evidence was anecdotal or hearsay and did not provide a sufficient basis upon which to continue the investigation.

Contracting Practices

In July 2008, we reported on our evaluation of the processes that IBB used to award a contract to a Miami-based broadcasting television station to broadcast TV Martí. In December 2006, IBB leased airtime on TV Azteca, a commercial television station in Miami that is carried on the DirecTV satellite. However, IBB's approach for awarding the TV Azteca contract did not reflect sound business practices in certain key aspects. Government contracting laws and regulations provide agencies flexibility to use noncompetitive procedures, if adequately justified, to meet their needs. In certain respects, however, IBB did not document in its contract files key information or assumptions underlying its decisions to not seek competitive offers, limit the number of potential providers it considered, or the basis used to negotiate the final prices for the services provided. In addition, IBB did not actively involve its contracting office until just prior to contract award. Furthermore, while justifying the December 2006 award of the contract on the basis of urgent and compelling need and the determination that only one source would meet its minimum needs, IBB chose to exercise multiple options on the contract to extend the period of performance into 2008 and took limited steps to determine how it might compete future broadcasting requirements. Collectively, these weaknesses underscored the need for IBB and OCB to improve their practices to enhance competition, improve transparency, and ensure accountability.

Prior Recommendations

In our July 2008 and January 2009 reports, we made several recommendations to BBG to improve OCB's strategy and operations. We recommended that BBG conduct an analysis of the relative return on investment from OCB's various transmission methods and coordinate with other agencies, such as the U.S. Department of State and the U.S. Agency for International Development, to obtain additional information regarding the obstacles and effectiveness of TV Martí. We also recommended that BBG direct IBB to enhance guidance and training for program analysts conducting program reviews and take steps to ensure that political or other inappropriate advertisements do not air during OCB programming. In addition, we recommended that BBG direct OCB to provide staff with training regarding journalistic standards and establish mechanisms to improve communication with employees. With regards to contracting, we recommended that the BBG reinforce existing policy and guidance to plan for and employ appropriate competitive approaches, adequately document key decisions, and ensure the timely involvement of stakeholders.

Following the issuance of our reports, BBG indicated that it would take steps to address our recommendations. For example, to address our recommendation that OCB conduct an analysis of the relative success and

return on investment of OCB's individual transmission methods, BBG indicated that it would conduct this analysis using surveys that include questions on the reception of OCB's various transmission methods. In response to our recommendations, BBG also indicated that it aimed to provide an enhanced, comprehensive training for its program analysts who review OCB's compliance with journalistic standards, as well as training to OCB staff regarding journalistic standards. With regards to contracting, IBB issued a memorandum reminding all offices of critical acquisition requirements, including the need to ensure that acquisition files are thoroughly documented with all information and assumptions supporting key decision factors.

Mr. Chairman, this concludes my prepared statement. I will be happy to answer any questions you or the other Subcommittee members may have.

GAO Contact and Staff Acknowledgments

For more information regarding this testimony, please contact me at (202) 512-4128 or fordj@gao.gov. Jason Bair (Assistant Director), Emily Gupta, Leigh Ann Nally, and Katherine Trimble made key contributions to this testimony. Technical assistance was provided by Joseph Carney, Martin De Alteriis, John Hutton, Ernie Jackson, Armetha Liles, and Elizabeth Singer.

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