

# 3 Television

## BROADCAST TV

**THE FCC BEGAN LICENSING EXPERIMENTAL** television stations as early as 1937, but sponsorship of programs by advertisers was forbidden during this testing phase. Almost immediately after World War II war ended, the FCC was hit with 158 new applications, many of them from newspaper and radio companies trying to head off anticipated competition. By 1948 there were 34 stations operating in 21 different cities, broadcasting to over one million television sets.<sup>1</sup> Newspaper companies owned over 33 percent of those stations, and by 1952 that figure had climbed to 45 percent.<sup>2</sup>

The *New York Daily News* applied for an ownership license in 1946, despite New York's already having three stations. Its managers had hit on an idea for differentiation: feature *local* news instead of the 15-minute national and international news broadcasts shown by the network stations. "Our plan was for a people's newscast," explained Leavitt Pope, an executive of Channel 11. It aired in the form of *Telepix Newsreel*, two local nightly newscasts filling a 10-minute slot at 7:30 p.m. and a 15-minute slot at 11 p.m., after the prime-time shows had finished. Channel 11 grew popular, particularly because it allowed viewers to see events hours after they occurred, rather than having to wait for national and international footage to reach stations days later.<sup>3</sup> Successful local newscasts sprouted in Chicago and Los Angeles at around the same time.<sup>4</sup>

Stations that were owned and operated by networks (O&Os)<sup>5</sup> began to add their own local news segments: New York's WNBC in 1954, followed by CBS's WTOP in Washington, D.C., WBBM in Chicago, and WCAU in Philadelphia. Initially, their coverage was limited to a "man-on-camera" format—an anchor reading telegraph announcements.<sup>6</sup> Then New York's WPIX began to enliven its newscast by including extensive interviews; and WBAP's *Texas Newsreel* experimented by doing away with the anchor altogether.<sup>7</sup>

Between 1945 and 1952, television's audience grew from being almost nonexistent to including more than 33 percent of American households. Advertising spending rose, too. In 1952, 6 percent of all advertising spending, or \$454 million, went to television ads; by 1960, \$1.6 billion, or 13 percent, did. During that period, advertising consisted of one-minute commercials, infomercial-like programs that were 15 to 30 minutes in duration, and sponsorship of whole shows. National advertising made up more than half of all television advertising between 1949 and 1952.<sup>8</sup>

**While many newspapers have been printing fewer pages, the average number of hours of news aired by local TV stations has increased by 35% in the last seven years.**

Television journalism did not truly find its stride until the 1950s when national news gained widespread popularity. NBC and CBS were each producing 15-minute newscasts that ran once a day: *Camel News Caravan* with John Cameron Swayze and *Douglas Edwards with the News*, respectively. Beginning in 1951, CBS's *See It Now*, hosted by Edward R. Murrow, devoted 30 minutes to in-depth coverage of a news event or con-

troversial public figure.<sup>9</sup> The popularity of such programs prompted NBC and CBS to lengthen their news slot to an hour in 1963, devoting a half hour each to local and network news.<sup>10</sup>

The networks began offering special events coverage, as well. Broadcasts of Queen Elizabeth II's coronation, Soviet ruler Nikita Khrushchev's 1959 visit to the United States, and other such events drew audiences fascinated by the chance to see history for themselves. When the networks dedicated airtime to the McCarthy hearings, their daytime ratings increased by about 50 percent.<sup>11</sup> And, in an early indication of TV news' potential influence, *See It Now's* extensive coverage helped turn public opinion against McCarthy.<sup>12</sup> During the four days of nearly nonstop coverage following President John F. Kennedy's assassination in 1963, the average home had the TV on for over 13 hours a day, and 93 percent of American homes tuned in during his burial.<sup>13</sup> By the end of the decade, two-thirds of Americans said TV was their most-viewed, most-believed medium for newsgathering.<sup>14</sup>

TV networks valued their news operations. Why they did is open to debate, but former newsman Ted Koppel argues:

“To the degree that broadcast news was a more virtuous operation 40 years ago, it was a function of both fear and innocence. Network executives were afraid that a failure to work in the ‘public interest, convenience and necessity,’ as set forth in the Radio Act of 1927, might cause the Federal Communications Commission to suspend or even revoke their licenses. The three major broadcast networks pointed to their news divisions (which operated at a loss or barely broke even) as evidence that they were fulfilling the FCC’s mandate. News was, in a manner of speaking, the loss leader that permitted NBC, CBS and ABC to justify the enormous profits made by their entertainment divisions....

“On the innocence side of the ledger, meanwhile, it never occurred to the network brass that news programming could be profitable.... Until, that is, CBS News unveiled its ‘60 Minutes’ news magazine in 1968. When, after three years or so, ‘60 Minutes’ turned a profit (something no television news program had previously achieved), a light went on, and the news divisions of all three networks came to be seen as profit centers, with all the expectations that entailed.”<sup>15</sup>

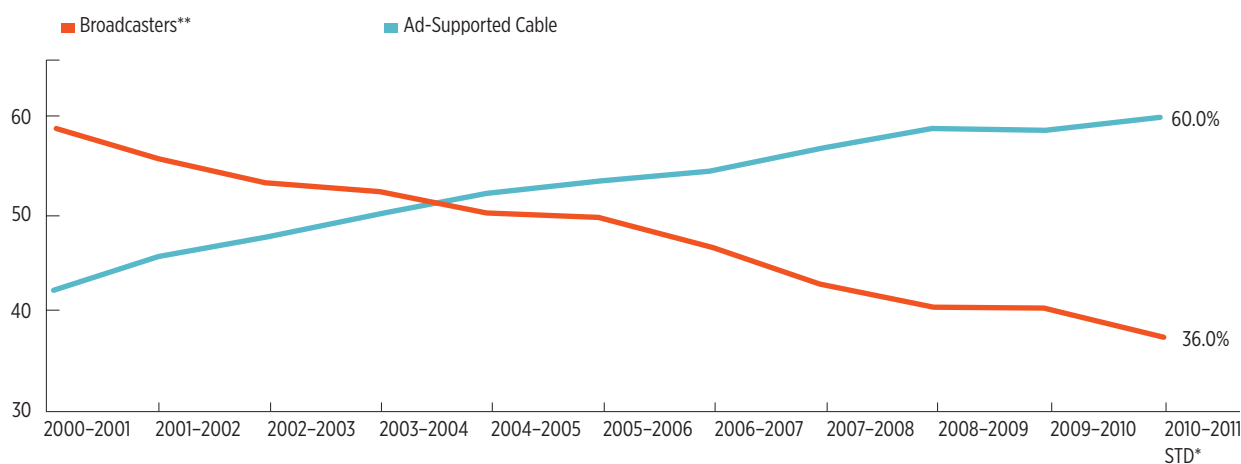
At the local level, there is no dispute that news has long been profitable for TV stations. In the 1950s, local stations would typically air their own half-hour news, weather, and sports programming directly before the network newscast, and deliver a short local summary directly following the network news.<sup>16</sup> By the 1960s and 1970s, many stations were airing more of their own news programming than of that provided to them by networks.<sup>17</sup> Local news was inexpensive to produce compared with entertainment programming, and it proved even more profitable, because local stations could sell and retain all the revenue from advertising during their local segments, rather than having to return a significant portion to networks, as they did during network programming.<sup>18</sup> As local news programs became more common, television stations relied on their two to three half-hour newscasts for more than half of their profits.<sup>19</sup>

### The Changing Economics of Modern Local TV News

Local TV news continued to grow and prosper over the next four decades, but by 2008 signs that the industry was entering a new era became apparent. At first, it seemed that perhaps the only difference between the economics of local TV news and local newspapers was a few years—that the economic forces that had devastated newspapers would soon take a toll on the revenue of local TV stations, and therefore their newsrooms. The broadcast audience continued its drift to cable, satellite, and the Internet.

## BROADCAST VS. AD-SUPPORTED CABLE VIEWING

Household Primetime Share Levels (percent)



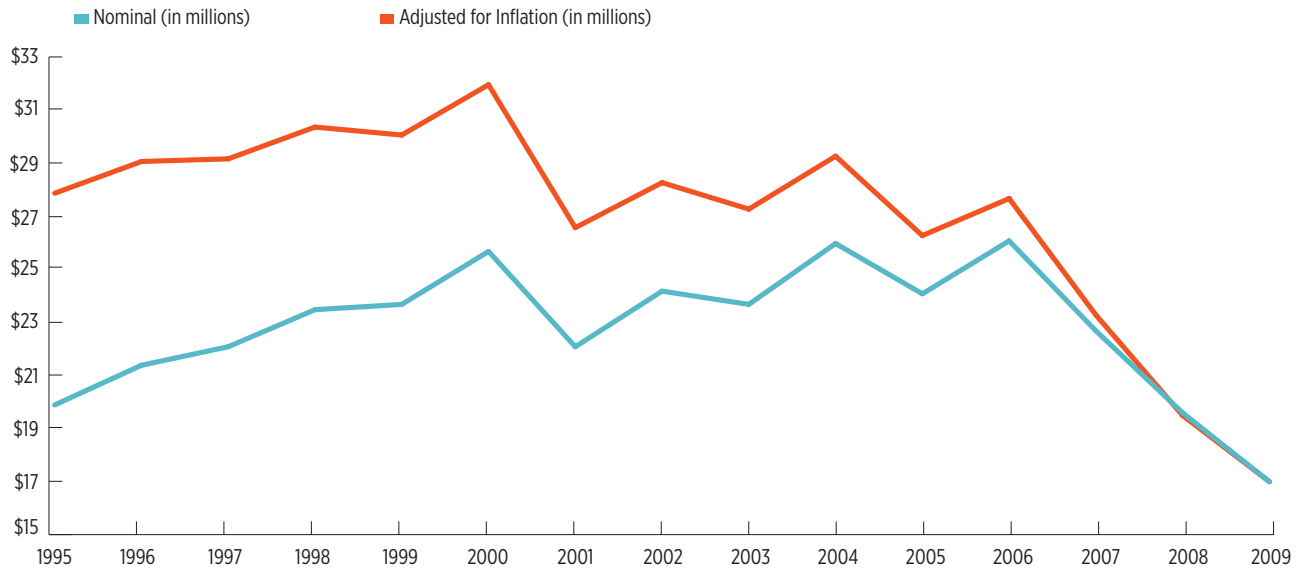
\*2010-2011 Season-to-date: 09/20/10-04/03/11 (28 weeks); Live + Same Day.

\*\*Broadcasters included: ABC, CBS, CW, Fox, Ion, MNT & NBC.

Source: Cable Advertising Bureau (CAB) analysis of Nielsen data.<sup>20</sup>

The economic changes from 2005 to 2008 hit local news-producing stations especially hard.

### AVERAGE STATION REVENUE OF NEWS-PRODUCING STATIONS (1995–2009)



Source: Pew State of the News Media 2011, citing MediaAccess Pro, BIA/Kelsey Group<sup>21</sup>

In comments filed with the Future of Media project, the National Association of Broadcasters said local TV news pre-tax profits declined 56.3 percent from 1998 to 2008—and that the drop was even sharper, 62.9 percent, in smaller cities (media markets number 150–210).<sup>22</sup>

But many local TV stations remain highly profitable. According to survey data compiled by the National Association of Broadcasters, a local TV station in 2009 with average net revenues and cash flow would have a cash flow margin of nearly 23 percent of revenues.

And local TV news had a strong year in 2010. While the rest of the economy was struggling, local TV stations' revenue rose. Ad spending on local TV in the first three quarters of 2010 was up 27 percent from the same period in 2009, according to a TVB analysis of Kantar Media data. Total local TV 2010 ad revenue was up 17 percent from 2009, reported BIA/Kelsey.<sup>24</sup> The reasons, according to industry analyst SNL Kagan:

“TV station revenue has been going gangbusters in 2010 thanks to the return of auto ad spending, a strengthening of core categories and influx of political dollars.”<sup>25</sup>

Indeed, news seems to be playing an increasing role in TV stations' overall finances. Pew's *State of the News Media 2010* report notes that the high percentage of income derived from news—44.7 percent in 2009—is “increasingly significant when considering the average television station that produces news airs an average of just 4 hours and 36 minutes of news per weekday. Advertising from the rest of the day—more than 19 hours—represents the remaining 56 percent of revenues.”<sup>27</sup>

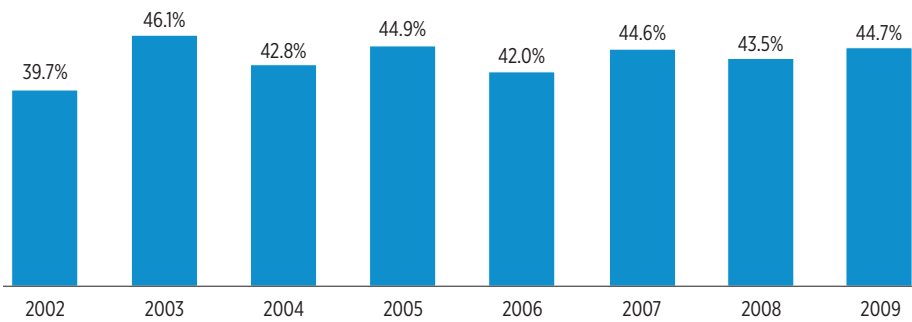
There are several reasons that the economic prospects for local broadcast stations and their news operations remain brighter than the outlook for local newspapers:

### FINANCIAL PERFORMANCE OF LOCAL TV STATIONS (2005–2009)

National Average			
Year	Net Revenues	Cash Flow	Pre-Tax Profits
2005	\$15,418,056	\$5,484,728	\$3,512,208
2006	\$16,849,704	\$6,290,389	\$4,210,359
2007	\$16,147,873	\$5,258,288	\$3,320,667
2008	\$15,837,222	\$4,703,953	\$2,686,481
2009	\$13,453,516	\$3,071,995	\$1,125,630

Source: NAB, Television Financial Reports, various years<sup>23</sup>

## AVERAGE PERCENT OF TV STATION REVENUE PRODUCED BY NEWS



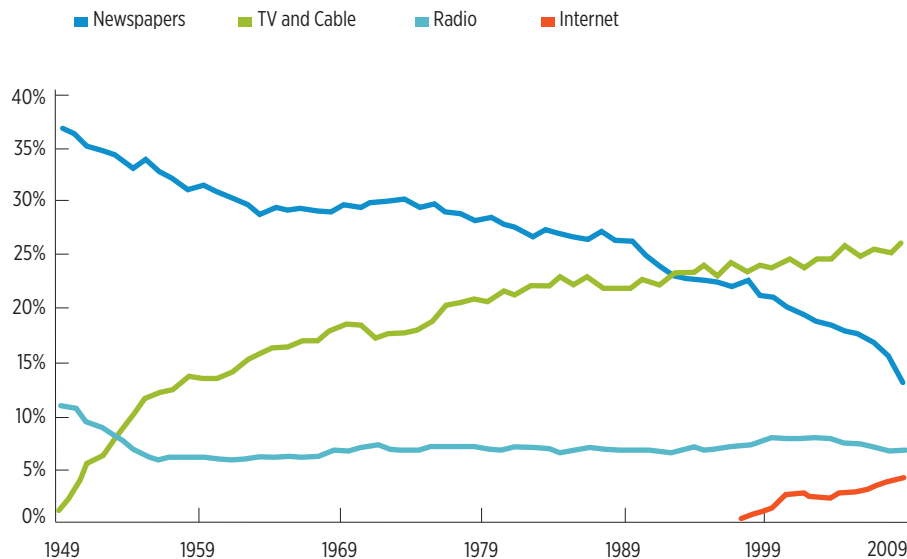
Sources: Pew Project for Excellent in Journalism, 2010 Report<sup>26</sup>

*People are watching as much TV as ever.* The average amount of time Americans spent consuming major media rose from 10.6 hours in 2008 to 11 hours in 2010, with the portion of time devoted to TV remaining fixed at 40 percent.<sup>28</sup>

*With viewing habits more fragmented, broadcast TV has retained some clout as an effective way to reach large numbers—not to the extent that it has in the past but still more than most cable networks.* As a result, significant ad spending on broadcast TV will continue.

## MEDIA SHARE OF U.S. ADVERTISING (1949–2009)

Share of total



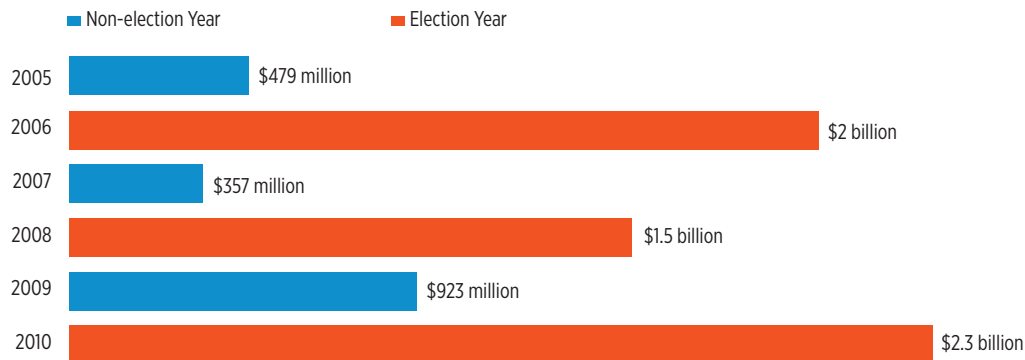
Source: Martin Langeveld at Nieman Journalism Lab; data from NAA, TVB, IAB, McCann

*A significant element that contributed to newspapers' gloomy fate does not exist in the local TV drama: classified advertising.* While the lion's share of newspapers' revenue drop resulted from classified ads fleeing to free or low-cost online venues, classifieds were never important to local TV's bottom line. (See Chapter 1, Newspapers.)

*Political advertising is soaring and is expected to grow in the future.* In January 2010, in *Citizens United v. Federal Election Commission*, the U.S. Supreme Court struck down portions of a national campaign finance law, making it far easier for corporations to spend unlimited amounts of money on political campaigns. Borrell Associates, a consulting firm that focuses on local media and advertising, estimates that the court ruling generated additional political advertising totaling \$400 million in the 2010 elections.<sup>29</sup> This created a windfall for local TV stations: in 2010, politi-

cal advertisers spent an estimated \$2 billion to \$3 billion on local TV stations, which may be as much as 100 percent more than in 2008—despite that 2008 was a presidential election year and 2010 was not.<sup>30</sup>

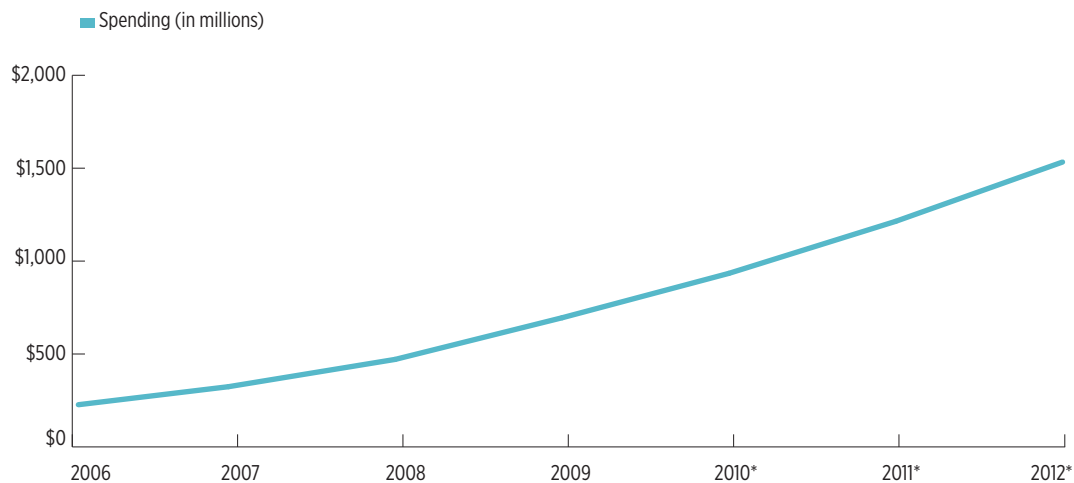
## POLITICAL SPENDING ON LOCAL TV



Source: Pew State of the News Media 2011<sup>31</sup> citing Campaign Media Analysis Group/Television Bureau of Advertising

Broadcasters are demanding and getting higher payments for their programming from cable operators in the form of “retransmission” fees. That means that the loss of local TV advertising as more viewers switch to cable will be at least partly offset by an increase in the fees that the highly profitable cable operators pay to local TV stations for broadcast programming.<sup>32</sup>

## RETRANSMISSION FEES FOR LOCAL TELEVISION SIGNALS



Source: Pew State of the News Media 2011<sup>33</sup>

\*Projected for 2010–2012

### The Current State of Local TV News

Today, the most popular source for local news is television. On “a typical day,” 78 percent of Americans say they get news from their local TV news station—more than from newspapers, the Internet, or the radio.<sup>34</sup> Fifty percent of all Americans watch local TV news “regularly.” Viewership rates have been declining over the years—along with consumption rates for all other non-Internet news sources—but they still remain higher than those for any other single news source.<sup>35</sup>

In addition, evidence is growing that, after a slow start, local TV stations are becoming important sources for news online. In fact, local TV news sites rank among the most popular news websites (those with at least a half a million monthly unique visitors), along with newspaper sites.<sup>36</sup>

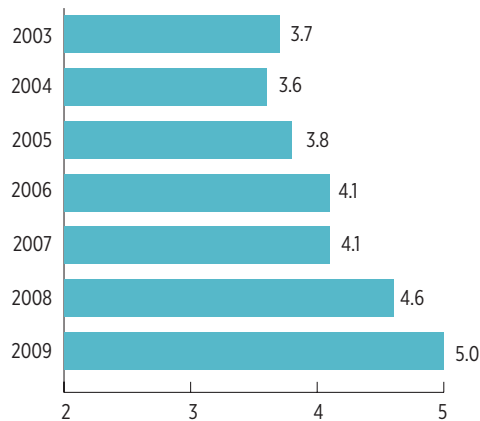
In other words, neither the ongoing migration of viewers to cable TV nor the growth of the Internet has changed the basic fact that most Americans turn to their local TV news team for local news.

Indeed, it could be argued that the “media food chain” has changed in a way that presents an historic opportunity for local TV news.

### There Is More Local TV News

While newspapers have been printing fewer pages, the average number of hours of news aired by local TV stations has increased by 35 percent in the last seven years, according to the *RTDNA/Hofstra University Annual Survey*, conducted by Robert Papper for the Radio Television Digital News Association and Hofstra University, where he is a professor.

### HOURS OF LOCAL NEWS (WEEKDAYS)

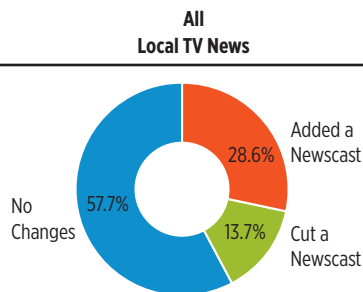


Source: Radio Television Digital News Association (RTDNA)/Hofstra Surveys based on survey responses of news directors<sup>37</sup>

In 2009, despite the depressed economy, 28.6 percent of all local stations—and almost 40 percent of those in the largest markets—*added* newscasts.

### CHANGES IN LOCAL NEWSCASTS (2009 VS. 2008)

#### All News Stations, Big 4 Affiliates and Other Stations



Changes	Big Four Affiliates: ABC, CBS, NBC, Fox	Other Commercial Broadcast TV Stations
Added a Newscast	28.2%	42.9%
Cut a Newscast	12.5%	18.2%
No Changes	59.3%	38.9%

#### Station Market Size

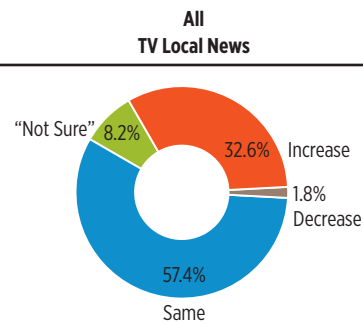
Changes	Station Market Size				
	1-25	26-50	51-100	101-150	151+
Added a Newscast	39.6%	22.6%	41.9%	19.7%	12.5%
Cut a Newscast	20.8%	16.1%	13.5%	10.0%	8.3%
No Changes	39.6%	61.3%	44.6%	70.3%	79.2%

Source: RTDNA/Hofstra 2010 Annual Survey

In 2009, news directors said they expected to increase the amount of news they offered in the coming year.

## AMOUNT OF LOCAL NEWS PLANNED IN 2010

### All News Stations, Big 4 Affiliates and Other Stations



Changes	Big Four Affiliates: ABC, CBS, NBC, Fox	Other Commercial Broadcast TV Stations
Increase	31.6%	50.0%
Decrease	1.7%	0%
Same	57.9%	41.7%
"Not Sure"	8.8%	8.3%

### Station Market Size

Changes	Station Market Size				
	1-25	26-50	51-100	101-150	151+
Increase	34.9%	26.2%	32.6%	34.9%	30.6%
Decrease	1.6%	4.8%	1.1%	1.2%	1.6%
Same	54.0%	59.5%	56.2%	56.6%	62.9%
"Not Sure"	9.5%	9.5%	10.1%	7.2%	4.8%

Source: RTDNA/Hofstra 2010 Survey, 38

The main reason for the increased hours: stations are adding or expanding "early-bird" morning news shows, beginning at 4:30 A.M. or even earlier.<sup>39</sup> Brian Bracco, vice president of news for Hearst Television Inc.'s 29 stations, suggests that these shows fill useful niches for the local viewer:

"They are starting their day earlier and are working harder and longer, and they are not at home at 5 or 6 P.M.—so that's where their source of news is.... [Consumers] need to know the weather, the traffic, get around the traffic jam.... [The mentality is] 'I want to be smart when I go to work and want to know the latest.'"<sup>40</sup>

Post-Newsweek Stations, the *Washington Post's* broadcasting division, which added early-bird news to many of its stations, believes that both additions draw in more revenue and make it more likely that viewers will tune in to later broadcasts. Deborah Collura, vice president and managing director of news at Post-Newsweek's seven television stations, says:

"Yes, it generates more revenue when you have these.... They [the sales department] need more inventory. I also think it gives you a jumpstart, a head start on your other newscasts. You are setting the plate earlier."<sup>41</sup>

As an economic matter, adding more newscasts is often cheaper than using syndicated programming. A Midwestern medium-market local TV station can acquire a syndicated show like *Oprah* for a half a million dollars a year, or *The Ellen DeGeneres Show* or *Rachael Ray* for a third of that cost. But adding a newscast can involve simply shifting resources and adding one show producer.<sup>42</sup> Steve Schwaid, director of news and digital content at WGCL-CBS in Atlanta, anticipates that adding a newscast will bring many advantages, including economic ones: "We'll add some staff, it won't be as expensive as syndication, but we'll create a greater local footprint for ourselves on the market, and [it] creates more ad revenue."<sup>43</sup>

In addition to adding newscasts, many local TV stations have become major online sources of news. (See Chapter 4, Internet.) And, if they broadcast in high definition on their primary channel, they typically have several additional, multicast channels available to program. Some station groups are using those new digital channels to air less expensive programming or as a way to repurpose existing news and programming content. Some are using them for weather reports, Spanish-language broadcasts, or live breaking news coverage when an emergency in the station's community calls for around-the-clock coverage.

The bottom line: while newspapers are producing less news, local TV stations are producing more newscasts and news content.

### While the Volume of News Has Risen, Staffs Have Shrunk

Rather than adding staff to sustain this increase in news, TV stations on average have actually cut personnel—“with the median full-time staff dropping from 32 in 2006 to 29 in 2009,” according to Pew’s *State of the News Media 2011* report.<sup>44</sup> Nearly two-thirds of local TV news directors reported staff cuts in 2009, according to the *RTDNA/Hofstra Annual Survey*.<sup>45</sup> And two-thirds of news directors said that despite the expanded number of hours of news, their budgets had decreased.<sup>46</sup>

Most news directors in 2009 reported that they had decreased their staff size.

#### AVERAGE LOCAL NEWS STAFF (2009 VS. 2008)

	All TV News	Big Four Affiliates: ABC, CBS, NBC, Fox	Other Commercial Broadcast TV Stations
Increased	11.5%	11.4%	15.2%
Decreased	64.1%	64.0%	60.6%
Same	24.1%	24.2%	24.2%
“Don’t Know”	0.3%	0.3%	0%

Source: RTDNA/Hofstra Surveys based on survey responses of news directors<sup>47</sup>

When asked about their planned hiring in 2010, however, news directors were optimistic, with those planning to hire outnumbering those planning to make staffing cuts.

#### PLANNED STAFF CHANGES IN 2010

	All TV News	Big Four Affiliates: ABC, CBS, NBC, Fox	Other Commercial Broadcast TV Stations
Increase	22.7%	23.0%	27.3%
Decrease	7.1%	7.8%	3.0%
Same	60.8%	60.8%	54.5%
“Don’t Know”	9.4%	8.4%	15.2%

Source: Radio Television Digital News Association (RTDNA)/Hofstra 2010 Annual Survey based on survey responses of news directors<sup>48</sup>

### Excellence in Local TV News

Have these productivity gains—more hours of news with fewer staff—helped or hindered quality? Of course, it is difficult to generalize. Despite the industry’s problems, the best of the local TV stations are still producing high-quality broadcast journalism of tremendous value to the community—while reaching a far broader audience than newspapers in terms of size, diversity, and socioeconomic status. It is hard to overstate the importance and value of these broadcasts.

During emergencies, the local TV station is often considered to be as vital a part of the local community as the police and fire departments, and despite cutbacks most local TV reporters and managers believe they still are able to excel in the midst of a crisis. Mike Devlin, president and general manager of WFAA-TV in Dallas, Texas, asked:

“Does the FCC know that WWL-TV [a Belo-owned New Orleans station] stayed on for 16 days straight without a commercial during Hurricane Katrina? Or that KHOU in Houston stayed on for Hurricane Ike down there...for 60 hours? When I look at that WWL coverage, there were people that, if they didn’t have WWL, would not have had a connection to the outside world or have known what was going on.”<sup>49</sup>



When Nashville suffered major floods in May 2010, the national press gave it little attention, but WKRN-TV stayed on for 16-hour stretches, airing both heart-wrenching human-interest stories and practical information. “These stations were lifelines,” says Matthew Zelkind, WKRN news director. “We told them where to get water, where to get shelter, how to get the water in drinkable condition.” The station used its website to stream its broadcast and solicited and aired information from users via email, Twitter, and by phone. Zelkind praised the staff’s dedication during such times, noting one case in which a photographer rushed to the office to deliver video, even though part of his own house had burned down. “His duty was to his profession. That guy’s a hero.”<sup>50</sup>

A group of the nation’s largest local television groups including Gannett, Belo Corp., and Raycom Media, have written that their stations provide around-the-clock coverage of severe weather events at a significant cost in resources and lost advertising revenue. In a filing with the Future of Media proceeding, they noted the example of WFMY-TV in Greensboro, North Carolina, interrupting its coverage of the highly popular Sweet 16 round of the NCAA basketball tournament to provide viewers with critical information about tornados that entered the region. The station moved its coverage of the basketball game to a multicast channel and used its primary signal to bring critical safety information to viewers. They also pointed to WPEC in West Palm Beach, Florida, and KFDM in Beaumont, Texas, which both routinely air half-hour hurricane preparation programs before emergencies occur (and offer print and online hurricane survival guides), in addition to extensive coverage when emergencies do happen.<sup>51</sup>

In March 2010, Jane Mago, general counsel for the NAB, testified at an FCC workshop:

“Just this past weekend for example, stations in Hawaii helped local residents prepare for the tsunami predicted to strike the Islands as a result of the massive earthquake in Chile, which fortunately did not come to pass. Stations in the mid-Atlantic and Northeast have been assisting their viewers for months now during this record-breaking snow season.”<sup>52</sup>

### **Local Stations Are Becoming More Creative Online**

For many years, local television stations invested very little in their websites or digital strategies, using them primarily as promotional vehicles or to list programming schedules. Today, however, stations and station groups are paying full attention to the second and third of the “three screens” available to news programmers: TV, the Internet, and mobile devices. WWL in New Orleans, for instance, relied on its website to stay connected to its community during Hurricane Katrina. Even when weather conditions relegated its news crews to back-up studios in Baton Rouge and to the station’s transmitter site, information was consistently available on its website. WWL.com offered forums where friends and relatives impacted by the storm could search online for each other, and its streaming coverage allowed displaced storm victims as far away as Georgia and Tennessee to learn about their community and their homes.<sup>53</sup> The station received awards for exemplary television and web coverage.<sup>54</sup>

Salt Lake City’s KSL-TV serves a market of over 3 million people, and its website consistently ranks as one of the nation’s top broadcast sites, drawing an audience of more than 3 million monthly unique visitors. The station was one of the first in the country to launch local classified ads, and though 70 percent of its traffic is driven by classified ads, its news and traffic is also among the top ten in the country.<sup>55</sup>

During historic snowstorms in the winter of 2010, crews at Hearst Television–owned WGAL in Lancaster, Pennsylvania, could not navigate around the viewing area due to road closures and snow. So the station enlisted viewers to help report the news, encouraging them to upload video, pictures, and information on the WGAL website to help alert the community to hazardous areas and other safety issues. Viewers responded in large numbers.<sup>56</sup>

Social media can sharpen coverage, bringing in new information and nuance. KDFW (FOX4) in Dallas has 200,000 Facebook fans for the station or individual reporters, an asset it actively uses in its on air reporting and to strengthen their bond with viewers. For instance, FOX4 recently was seeking examples of people who had mortgage foreclosure problems and found relevant interview subjects from among their Facebook fans. And News director

**KING-TV in Seattle found wasted funds in the ferry system; 9NewsKUSA in Denver uncovered mortgage fraud; and WTHR in Indianapolis did an eight-month investigation into how state officials inflated job statistics.**

Maria Barrs noted that after the station recently ran a piece about drinking among some area Lockheed workers, viewers pointed out that two of the workers recorded were contractors not employees—a distinction that the station then made in the follow-up piece. Then other Facebook fans suggested if they checked out a different parking lot, they'd find workers smoking drugs, a tip that also turned out to be true “Social media is a really powerful tool and we use it all the time,” Barrs says. “I’ve never seen our job as being a one way street. But now there are intersections all over the place.”<sup>57</sup>

Perhaps the most widespread new web initiative among local stations is the development of “hyperlocal” community websites, which allows for more granular coverage. In Charlotte, North Carolina, alone, Raycom Media has launched 60 community websites that will offer neighborhood-based hyperlocal websites.<sup>58</sup> DataSphere, the company building the sites for Raycom, is also launching 160 neighborhood sites for other broadcasters, including Fisher Communication.<sup>59</sup> In June 2010, Gannett Broadcasting launched hyperlocal sites in 10 markets.<sup>60</sup> Belo Corp. has partnered with Broadcast Interactive Media (BIM), which has over 90 affiliates in 73 markets. BIM’s products, such as the user-generated content platform YouNews, allow Belo stations’ website users to upload videos, photos, and stories to local websites and also enables online contests, and content exchange.<sup>61</sup>

These efforts have been rewarded, in part, with increased online ad revenue. Local TV online revenue was \$1.34 billion in 2010 compared with \$1.08 billion in 2008.<sup>62</sup>

FOX Television Stations CEO, Jack Abernathy, has been particularly bullish on the future of local TV news on tablets: “I think you can assume a younger generation that’s going to expect to see television on portable devices soon. If it can be scaled properly, it could be very, very big business.”<sup>63</sup>

Currently, the most popular content on TV station websites is weather, followed by local news. Some stations have launched specialized sites, like KWCH in Wichita whose Catch it Kansas covers high school sports statewide. In Oklahoma, Griffin Communications’ OKBlitz.com handles sports for the entire state and was projecting profits in 2010.<sup>64</sup>

Although newspapers still produce the number one websites in most large markets, local TV stations lay claim to the top local sites in 14 markets, including Minneapolis, Pittsburgh, Raleigh-Durham, and Salt Lake City.<sup>65</sup> An FCC analysis of three cities—Toledo, Richmond, and Seattle—revealed that the dominant online sources of local news were either local TV stations or newspapers. (See Chapter 21, Types of News.)

The 2010 *RTDNA/Hofstra University Annual Survey* of news directors found that staffing for television websites on average has gone up by as much as one full-time employee and one-part time employee over the last year.<sup>66</sup> As more stations invest meaningful dollars into building up their hyperlocal web coverage, it will be important to see whether they will also invest in additional reporters to help provide this more granular coverage.

Although most of the discussion about charging for content has been driven by newspaper companies, some local TV executives are mulling over the idea of paid products for their stations, as well. Rich Boehne, CEO of the E.W. Scripps Company, says that they will experiment with charging for certain premium services in the coming year. In general, he believes that the cookie-cutter nature of many local TV stations hinders their ability to develop and adapt to successful new business models. “Turn on the local news and it all looks the same, times four,” he says. Audiences will therefore have no compelling reason to stick with a particular station, or that medium in general, over time. He argues that the contraction of newspapers creates opportunities for local TV stations, but only if they seriously invest in creating original content: “Our job depends on great original content and agenda setting.”<sup>67</sup>

### **A Few Are Trying Innovative Collaborations With Independent Digital Ventures**

A small but increasing number of local TV stations have begun partnering with digital news operations to bolster coverage of their communities. San Diego’s KNSD-TV, owned and operated by NBC, has joined forces with voiceof-

**“Does the FCC know that WWL TV [in New Orleans] stayed on for 16 days straight without a commercial during Hurricane Katrina?” says Mike Devline of WFAA in Dallas. “Or that KHOU in Houston stayed on for Hurricane Ike down there ... for 60 hours?”**

sandiego.org—one of a growing number of nonprofit online news outlets that have emerged at the community level across the country—to produce two regular segments: “San Diego Fact Check,” a roughly five-minute piece analyzing the statements or assertions of local officials, and “San Diego Explained,” which tackles difficult subjects like public pensions. “They had depth of reporting that we could benefit from,” says Greg Dawson, vice president of news at KNSD. “It gives us something very strong that’s unique to that show.”<sup>68</sup> Scott Lewis, voiceofsandiego.org CEO, views the arrangement as “fantastic,” as it gives the site significant exposure and they get paid a retainer for their services.<sup>69</sup> The partnership became the basis for a commitment made by Comcast as part of its merger with NBC to attempt to create partnerships “similar in approach and level of involvement and support to the arrangement” in four other cities.<sup>70</sup> Additionally, NBC recently solicited proposals to participate in local news-sharing partnerships from nonprofit online news organizations in New York, Los Angeles, Chicago, Miami, Philadelphia, San Francisco, Dallas-Ft. Worth, Washington, and Hartford-New Haven, Connecticut.<sup>71</sup>

In Spokane, Washington, KXLY-TV has partnered with the *Inlander*, a weekly alternative newspaper, in an exclusive cross-promotional agreement that allows the station first-run rights on the paper’s long-form investigative stories. Also in Spokane, KREM plans to partner with a for-profit website called Tributes.com to offer online and on-air obituaries and share revenue with funeral directors. Collaborations are even happening between long-time competitors. In Seattle, KING 5 has teamed up with the *Seattle Times* to create a local online ad network that potentially will offer revenue to local blogs and hyperlocal sites.<sup>72</sup>

But these are only isolated examples of local stations trying to enhance their coverage through partnerships with other journalistic outfits. There are more opportunities. Newspapers are struggling to have more impact with fewer resources. Hundreds of new local news websites are producing good local journalism but lack a sufficient audience. Local public radio has begun to invest in local news. All of them have content—and need exposure. Meanwhile, local TV stations are producing more and more hours of news, with fewer people. They have airtime but lack sufficient content. It seems obvious that local TV stations could vastly improve their service to their community by pursuing local partnerships in ways they have not yet explored.

### Mobile and Local TV

Local TV stations are also attempting to capitalize on opportunities presented by the mobile phone. While many have developed applications (“apps”) for phones, local TV stations are also experimenting with a very different idea: beaming *broadcast signals* directly to the phone. In April 2010, 12 of the major broadcast groups—Belo Corp., Cox Media Group, E.W. Scripps Company, FOX Broadcasting Company, Gannett Broadcasting, Hearst Television Inc., ION Television, Media General Inc., Meredith Corporation, NBCUniversal Media, Post-Newsweek Stations Inc., and Raycom Media—announced plans for a stand-alone joint venture that would utilize their existing broadcast spectrum to deliver content to mobile devices. On November 18, 2010, the Mobile Content Venture (MCV) announced that by the end of 2011 it would be delivering mobile video service to markets serving more than 40 percent of the U.S. population. In early 2010, an experiment was conducted in which consumers were given phones equipped to receive broadcast signals. The most viewed type of programming: local news.<sup>73</sup>

**KNSD-TV in San Diego has a partnership with the nonprofit local website Voice of San Diego. “They had depth of reporting that we could benefit from” says Greg Dawson of KNSD. “It gives us something very strong that’s unique to that show.”**

### Investigative Powerhouse Stations

Local television news has broken numerous important, high-impact stories in the last decade. In 2000, KHOU in Houston broke the Bridgestone/Firestone tire story, which resulted in a federal investigation and forced the Ford Motor Company and Bridgestone/Firestone to recall 6.5 million potentially defective tires at a cost of \$300 million. WBBM in Chicago blew the whistle on dangers at Chicago’s O’Hare airport, and KMOV in St. Louis chronicled the failures of the East St. Louis school system. In fact, the 2010 Alfred I. duPont-Columbia University Awards, the top

honors for broadcast journalism, gave more awards to local TV than in recent years. Recipients included KING-TV in Seattle, for its four-month investigation of wasted funds in the ferry system; 9NewsKUSA in Denver, for its six-month investigation of mortgage fraud; WKOW in Madison, for its eight-month investigation of the Wisconsin Bureau of Consumer Protection; and WTHR in Indianapolis, for its eight-month investigation into how state officials inflated job statistics.<sup>74</sup>

In comments filed with the FCC, broadcasters pointed to WHAS in Louisville, Kentucky, whose investigation of sexual conduct between prison guards and inmates led to a new state law. In explaining the role TV stations play in promoting public health, the broadcasters cited the ways in which, during the 2009 H1N1 flu epidemic, stations offered community-specific information about vaccinations and how citizens could obtain them.<sup>75</sup>

RTDNA, which represents news directors, declared in its written comments that most broadcasters are good stewards of their licenses and go to great lengths to be reliable, dynamic sources of local news and information.<sup>76</sup> They cited KHOU in Houston, which won a regional Edward R. Murrow Award for its two-year investigation of the Texas National Guard. The station's investigation, which began with an inquiry into allegations of harassment and discrimination against female officers, then uncovered instances of corrupt practices and misappropriation of funds by the Texas National Guard's commanding officers. Ultimately, Governor Rick Perry relieved the Texas Guard's top officers of their command and installed new leadership, which for the first time in Texas history included a female commander.<sup>77</sup>

Evidence shows that, while many stations have cut back on in-depth and beat reporting, quite a few have preserved their "investigative team." The Pew Research Center's Project for Excellence in Journalism found that "although the substance of this enterprise reporting can vary widely by station, stations appear to have protected their spotlight and investigative teams as important to their brand." In some cases, this is more than merely semantics. Schurz Communications Inc. owns six television stations, including KWCH in Wichita, Kansas, and KY3 KYTV in Springfield, Missouri. Marci Burdick, senior vice president of news for Schurz, explains why both stations have kept their award-winning investigative units:

"Unless we are doing news and information that people can get nowhere else, we are nothing but a commodity. I think companies covering car wrecks and traffic accidents are kidding themselves if they think they are going to survive the Internet Age because that information can be gotten by anyone with an iPhone. So we have always preached in our company—and it is in our core values—serving our communities with deep information."<sup>78</sup>

Mike Devlin, general manager for Belo Corp.'s flagship station, WFAA in Dallas, Texas, says Belo senior management supports the decision to keep a strong investigative operation:

"There's a company culture that holds great value in that for the impact it has on local communities. The cable companies are not going to do it, [nor are] the telephone companies, the satellite companies. . . . The only people who can do this type of reporting are local television stations or local newspapers."<sup>79</sup>

Several top local television groups, including Belo, Gannett, Post-Newsweek, and Raycom Media, have stated that they understand the importance of investigative reporting. They pointed to WPLG in Miami, which broke the news that inmates, many of whom did not have licenses to drive, were permitted to drive county vehicles while on work release. After these TV reports, Florida enacted a new law banning the practice.<sup>80</sup> At KHOU in Houston, the station's executive producer for investigations is optimistic:

"From the standpoint of my own company and station, not only have we not reduced our investigative reporting efforts, but we now have an additional group of newsroom reporters selected to focus on generally shorter-turn investigations. Those efforts—in conjunction with the unit I have been a part of for the past 13 years (where we tend to focus on long-term, large-scope investigations)—has definitely increased the enterprise/investigative output of our station."<sup>81</sup>

**Early experiments conducted in mobile TV on phones indicate that local news was the most viewed programming category.**

Although most discussions of the fate of local news focus on newspapers, the number one source for local news today is actually television. On “a typical day,” 78 percent of Americans say they get news from their local television news station—more than newspapers, the Internet or radio.

At small-market station KBCI in Boise, Idaho, two reporters uncovered a trail of financial corruption by Boise’s mayor and his chief of staff that led to the resignation and indictment of both officials. Even a station in Monroe, Louisiana, was celebrated for its investigation of corruption within the local National Guard in the aftermath of Hurricane Katrina.<sup>82</sup>

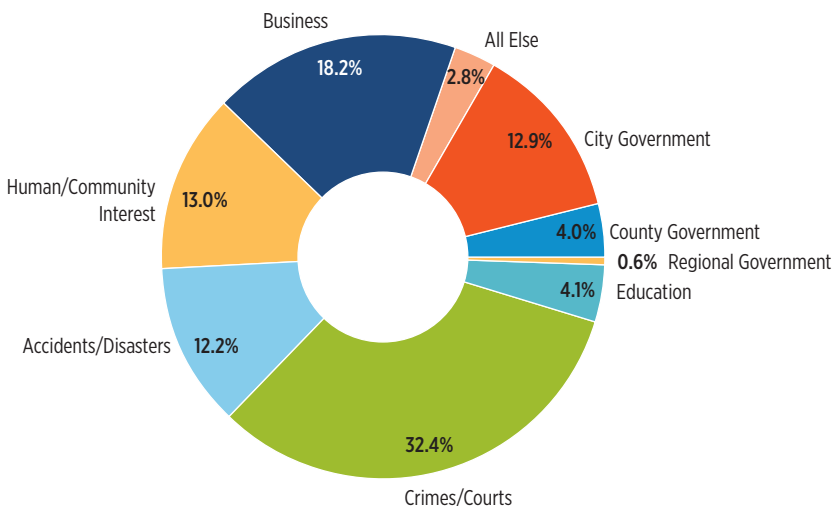
However, while many stations excel, several trends in local news are discouraging.

### Scant Coverage of Important Local Issues

Topics like education, health care, and local government get relatively small amounts of coverage these days. A study of Los Angeles newscasts over 14 randomly selected days between August 1 and September 30, 2009, conducted by the Norman Lear Center at the USC Annenberg School for Communication & Journalism, found that stories about local civic issues impacting L.A. residents’ lives, like transportation, community health, the environment, education, taxes, activism, and fundraisers took up *one minute and 16 seconds* of the monitored half-hour broadcasts. Stories about local government led the newscasts only 2.5 percent of the time. Only one out of 100 newscast leads was about the developing budget crisis.<sup>83</sup>

A 2009 Michigan State University study of local media serving 98 metropolitan central cities and 77 suburban cities revealed that city government received about one-third less television coverage than crime stories did.

### LOCAL TV NEWS COVERAGE ANALYZED BY TOPIC (2009)



Source: Data Adapted from News Media Coverage of City Governments in 2009-Michigan State University<sup>84</sup>

Local election coverage on commercial television stations is particularly lacking. In 2004, a study of local TV news coverage in 11 media markets found that only 8 percent of the 4,333 broadcasts during the month before the election had stories that even mentioned local races. During the run-up to the elections, the stations produced eight times more coverage on accidental injuries than on local races, according to the Lear Center at the USC Annenberg

## LOCAL MEDIA NEWS COVERAGE BY TOPIC AND MEDIA TYPE (2009)

### By Media Types

Story Topic	Newspaper	Television	Radio	Citizen Journalism
City Government	24.5%	12.9%	16.6%	16.5%
County Government	2.0%	4.0%	5.7%	6.1%
Regional Government	0.4%	0.6%	0.7%	0.5%
Education	8.7%	4.1%	5.3%	3.3%
Crimes/Courts	17.8%	32.4%	29.3%	14.6%
Accident/Disasters	4.1%	12.2%	9.9%	3.3%
Human/Community Interest	24.1%	13.0%	12.2%	27.4%
Business	16.8%	18.2%	17.3%	23.6%
All Else	1.7%	2.8%	2.9%	4.7%
N	3185	2870	543	212

Source: Data Adapted from News Media Coverage of City Governments in 2009-Michigan State University<sup>84</sup>

School. Meanwhile, the stations were flooded with TV ads about local races. In states with competitive Senate races, four times as many hours were given to advertisements as to coverage of the race. Yet less than one percent of the political stories that were done critiqued the ads. Among the examples cited in the Lear report:

“In Seattle, where there was an extremely close gubernatorial race, 95 percent of the half-hours captured in that market in the month before the election contained no stories at all about the race for governor. Time spent on teasers, bumpers and intro music in Seattle outnumbered time covering the Washington gubernatorial race by 14-to-one.

“Ten of the 11 markets in the sample had a race for U.S. Senate, yet 94 percent of the broadcasts analyzed in these markets failed to contain a single story about a Senate race.

“In Denver, where there was a highly competitive U.S. Senate race, 88 percent of the half-hours of news studied contained no stories about the Senate race. Six times as much time was devoted to crime, and twice as much time was devoted to stories about accidental injury, than to stories about the Senate race.

“Los Angeles stations collectively devoted less time to the Senate race in a month than they collectively gave to bumper music and teasers in a single night.

“Not one story about a race for the U.S. House appeared in the Los Angeles stories captured during this period....

“Non-candidate races—stories about ballot or bond initiatives—accounted for about four-and-a-half percent of all campaign stories captured in the 11 markets....

“Local races accounted for just 6 percent of all stories aired about elections in the 11 markets, compared to 61 percent devoted to the presidential election, but stations aired a sizable number of stories about the voting process....

“Only 3 percent of the campaign stories on the six local Spanish-language stations studied (in New York, Los Angeles and Miami) focused on local races.”<sup>85</sup>

It is unlikely that matters have improved since then. In 2006, viewers of local news in the Midwest got 2.5 times more information about local elections from paid advertisements than from newscasts, according to a University of Wisconsin study. The average length of a political piece was 76 seconds (down from 89 seconds in 2002), and “most of the actual news coverage of elections on early and late-evening broadcasts was devoted to campaign strategy and polling, which outpaced reporting on policy issues by a margin of over three to one.”<sup>86</sup>

Although there is no directly comparable study regarding the 2010 election, it seems that local coverage fared no better and may have fared worse: Writing in *PoliticsDaily.com*, veteran political reporter Walter Shapiro described a campaign rally of a candidate in a highly contested gubernatorial primary in South Carolina just 72 hours before Election Day:



“[T]here was one thing missing from the picturesque scene—any South Carolina newspaper, wire service, TV or radio reporters. What we are witnessing in this election cycle is the slow death of traditional statewide campaign journalism. I noticed the same pattern (and the same nearly reporter-free campaign trail) in Kentucky last month as I covered libertarian Rand Paul’s decisive defeat of the state Republican establishment in the GOP Senate primary.”<sup>87</sup>

It is not only politics that gets limited coverage. So do local business and economic matters. The University of Wisconsin study indicated that 47 seconds out of a typical half-hour broadcast related to “business/economy,” while another study by Wisconsin and USC Annenberg, in 2004, of over 8,000 hours of programming on 4,082 broadcasts in 44 markets, also found that only 47 seconds per half hour were devoted to business and economy.<sup>88</sup>

### Less Depth

Tom Rosenstiel, director of the Pew Research Center’s Project for Excellence in Journalism, testified at an FCC hearing that the amount of in-depth accountability journalism on many local TV newscasts has been declining for a while. From 1998 to 2001, Rosenstiel said, the percentage of stories generated by “enterprise reporting” (for example, digging into the details of city, county, or state records; asking bold questions of elected officials or corporate leaders) as opposed to stories based on press releases, chasing the action on the police scanner, or following a story already in the local newspaper, fell by 30 percent. Pew researchers also found an increase in instances of cameras being sent to events without correspondents, a higher percentage of “tell” stories (those narrated by the anchors), and greater use of material from press releases and syndication. The percentage of syndicated stories (that came from a national or regional feed) rose by 62 percent during that period. “And there is every reason to believe that this phenomenon of stretching resources thinner has continued through this decade,” Rosenstiel concluded.<sup>89</sup>

In Washington, D.C., the Media Policy Initiative team of the New America Foundation has conducted reviews of several local news markets as part of its Information Community Case Study Project and concluded that local television news programming—even in the nation’s capital—does not regularly address hard news subjects in the same depth as other media does.<sup>90</sup>

One cause (and effect) of the thinning coverage over the years is that fewer TV newsrooms now maintain a beat system. Traditional beats in local TV newsrooms included education, health, business, religion, government/politics, and crime/courts. Some stations have adopted hybrid models in which reporters do both general assignment and some specialties. Howard Finberg, director of interactive learning at the Poynter Institute says, “The basic beat reporting in a local TV newsroom is under a huge amount of stress. The institutional knowledge [of a beat reporter] is the ability to sort the wheat from the chaff, and that is disappearing.”<sup>91</sup> Wally Dean, a longtime news executive, coauthor of *We Interrupt This Newscast*, and currently director of training for the Committee for Concerned Journalists, says he is seeing stations refer to people as “beat reporters” when they are more accurately described as the point person for press releases on a particular topic. “Frequently the so-called ‘health reporter’ fronts the health news but is using hand-outs from the health industry or using material from one of the feeds coming into the TV station,” Dean says.<sup>92</sup>

TV news reporters appear to have less opportunity than they once did for time-intensive journalism. Two-thirds of news leaders responding to the Annenberg *Institutions of Democracy Media Survey* in 2005 said that profit pressures had reduced the number of stories they could assign that take time and money to report. Fifty-six percent said profit pressures had in fact increased the number of “quick and dirty stories” they ran. Watchdog journalism, the study reported, suffered the most.<sup>93</sup>

Many also see a growing emphasis on performance and aesthetics. “The criteria for hiring has changed,” says Mathew Zelkind, station manager of WKRN in Nashville. “The Walter Cronkites and John Chancellors are a dying a breed. In many cases, you don’t have journalists, you have performers. Aesthetics matters a lot. There are a lot of people on TV who wouldn’t have been 26 years ago. A lot of it is economically driven.” He added that his station has

**“Companies covering car wrecks and traffic accidents are kidding themselves if they think they are going to survive the Internet age,” says Marci Burdick of Schurz Communications.**

about one-third fewer reporters than it did 15 years ago. “We have fewer people, less specialization. Just fewer people on the street.”<sup>94</sup>

### **Despite Notable Exceptions, Investigative Reporting Is Declining at Many Stations**

The investigative operations mentioned earlier are important but increasingly rare. Investigative Reporters and Editors (IRE), a non-profit organization devoted to “improving the quality of investigative reporting,” states that submissions from local TV stations for its top awards have fallen by more than half since 1999.<sup>95</sup> Broadcast membership in IRE has also dropped, from 874 broadcast members in 2000 down to 648 in 2010.<sup>96</sup> Longtime news executive Fred Young says investigative units have become financially hard to justify: “Investigative people, in the eyes of some of the people who looked at the bottom line of those stations, were not as productive as the reporters turning a story a day. Investigative has suffered.”<sup>97</sup>

The *Columbia Journalism Review* reports that when it comes to making personnel cuts, investigative teams often are among the first casualties:

“Their reporters [the investigative unit] tend to be some of the newsroom’s most experienced and highly paid, and in some cases the unit is assigned a dedicated producer and photographer. That adds up to the kind of money that many cash-strapped stations well might decide to save or reallocate—no matter how prestigious the unit.”<sup>98</sup>

Roberta Baskin, a longtime investigative reporter, won a duPont-Columbia award for a series she did for WJLA in Washington, D.C., called “Drilling for Dollars,” about a chain of dental clinics doing unnecessary and painful root canals on children in order to collect money from Medicaid.<sup>99</sup> The day after she received the award, she and the rest of the station’s I-team were laid off.<sup>100</sup> Baskin, now working in the federal government, says:

“There is no longer any investigative reporting to speak of in Washington, D.C. It breaks my heart to see the shift toward doing more crime, fires, weather stories, instead of spending the time and resources to tell the public what they really need to know.”<sup>101</sup>

Bill Lord, the station manager who cut Baskin’s team, says that letting his I-team go was a painful decision purely based on the economic downturn and the timing of contracts.

“It really wasn’t a decision so much about the I-team as much as it was... a year and a half ago... we were, like every other station in the country, faced with a complete fall-off in revenues, and we had to adjust the expense line... It was the timing of contracts, which caused us to go that direction to save money. The investigative people tended to be higher paid than the others, but they also had contract windows that allowed us to do it in a timely fashion. As difficult as that was, we had to make that call.”<sup>102</sup>

Matthew Zelkind of WKRN in Nashville offers a similar description of the financial pressures that squeeze investigative reporting: “Investigative definitely suffers. One hundred percent. Long-form stories are dying because they’re not financially feasible.”<sup>103</sup> In previous years, Zelkind’s staff produced long pieces on homeless children, problems with the water treatment system, and a high school that had more than a dozen pregnant teens. He said he was told, “not to do it anymore.”<sup>104</sup> After a recent change in general managers, though, the station is doing more long-form pieces again, he said.

In some cases, critics argue that stations have continued to employ the “I-team” label while producing increasingly frivolous “exposés.” Former WBZ-TV Boston investigative reporter Joe Bergantino, now director of the New England Center for Investigative Reporting (NECIR), a nonprofit based at Boston University, laments the trend:

“Exploding picnic tables, dangerous department store hooks, the kind of scare-tactic stories that really, I think, have cheapened the whole meaning of what investigative reporting is... They are using ‘investigative reporting’ more as a label rather than

**Nearly a fourth of the crime leads in the Los Angeles stations were about crimes that did not take place in the LA media market.**



a real thing. The trend is that stations call promotable stories ‘investigative,’ while shrinking or disbanding their investigative units. Serious, in-depth investigative reporting happens on rare occasions in local television news.”<sup>105</sup>

Bergantino left his 27-year career in TV news two years ago when he was told that his station would have to start doing fewer “in-depth projects.” He believes that these cutbacks in substantive reporting are “costing the viewers, the citizens, a lot... in that they’re not getting the kind of information they need from television news to hold the government accountable, and the powerful accountable, and to be informed citizens in a democracy.”<sup>106</sup> Byron Harris of WFAA, who broke the savings and loan crisis story in the 1980s, says “Allowing public officials, corporate leaders, and community leaders to go unprobed, unchallenged, and unquestioned is a big problem.”<sup>107</sup>

One way that a number of TV stations have managed to preserve some investigative capacity is by teaming up with nonprofits. Such collaborations were pioneered at the network level. For instance, ProPublica, a nonprofit investigative entity, has partnered on various projects with ABC, CNN, CNBC, and CBS’s *60 Minutes*. . However, to work, nonprofit groups must figure out ways of earning money. New England Center for Investigative Reporting, another

### A study of local TV news coverage in eleven media markets found that only 8 percent of broadcasts in the month before an election had stories even mentioning local races.

nonprofit, has produced a dozen multimedia investigative pieces in the last 18 months. Bergantino, the group’s director, says, “There’s an opportunity for television stations in all the major cities where centers like ours exist, to essentially boost the quality and quantity of investigative reporting by connecting with our centers and paying them something for our work... to look to us to help fill that void.”<sup>108</sup> However, he noted that his organization has had difficulty getting paid for its work. Investigative News Network (INN), an umbrella organization of 51 nonprofit news organizations,<sup>109</sup> has produced several series (including “Campus Assaults,” which uncovered rapes at university fraternity houses

that administrators were hiding or ignoring), but CEO Kevin Davis says, “Local TV and radio outlets see it as a cheap way to get investigative reporting, and while we want to push the content to a wide audience, we [INN members] have to receive money for the work.”<sup>110</sup>

#### Bleeding Is Still Leading

For several decades, a popular saying about local TV news has been “If it bleeds, it leads,” referring to the tendency of local stations to emphasize more sensational incidents, particularly crime stories. Recent studies show that this tendency is alive and well, and may even be increasing.

- One out of three Los Angeles TV broadcasts *led* their newscast with a crime story, according to the USC Annenberg study.<sup>111</sup>
- In Baltimore, Maryland, crime was the number one topic on local TV news, representing 23 percent of stories, twice as many as other subjects, including city government, and schools, according to the Pew Project for Excellence in Journalism.<sup>112</sup>
- More than 44 percent of all stories aired by local television stations in the Michigan State study were about crimes, accidents or disasters—twice the level found in newspapers serving the same area.<sup>113</sup>
- An earlier Pew study of 2,400 newscasts and 30,000 stories that aired from 1998 to 2002 indicated that an even higher percentage of *lead* stories involved crime. “While crime, disasters and accidents make up 36% of all stories studied in our 1998–2002 study, they made up 61% of all lead stories, those given the most time and reporting resources on the air. And in subsequent, smaller 2005 studies crime, fires and disasters made up 77% of lead stories.”<sup>114</sup>

Some news managers say that they emphasize crime because viewers want it. “If I had a penny for every person that says ‘I do not watch that kind of stuff,’” says Steve Hertzke, former news director of KUTV in Salt Lake

## Viewers of local news in the Midwest got 2.5 times as much information about local elections from the paid advertisements than from the newscasts.

City. “Really? Well, the ratings say different.”<sup>115</sup> Clearly, crime stories are engaging and important to viewers, and easier to make visually compelling.

But others in the industry are not persuaded that the ratings demand quite this dominance of crime stories. Charles Gibson, the former anchor of ABC World News Night News and Good Morning America, and a former local TV journalist, told a gathering of news directors in 2006:

“What truly matters to people are their local schools, garbage collection, road repair, water quality, hometown healthcare. Those things are much more important to people than our regular fare on Good Morning America or World News Tonight. So why don’t you cover those things? Why do you lead night after night with crime and fire?”

He suggested that station managers were overly influenced by consultants and small, short-term movements in ratings, instead of long-term ratings and reputation.

“I know you all love the minute-by-minutes. They’re like news director crack. Seductive and addictive. But the reputation and eventually the ratings of your newscasts don’t depend on a minute. They depend on the weeks and the months and the years of good solid civic coverage of your city. More Americans get their news from local newscasts than from any other source. And that makes what you do important.”<sup>116</sup>

The economic crunch may be increasing the emphasis on crime stories, because they are less expensive to produce. Al Tompkins, group leader for broadcast and online at the Poynter Institute, and formerly a news director there, explains:

“Back in our day we led with it because we thought that’s what people wanted and we thought that was really important and exciting. Now the reason to do it is it’s by far the cheapest thing to cover. It’s principally driven by manpower and economics whereas once it was more driven by an editorial decision that, you know, ‘We’re action news, this is who we are.’ We could cover other stuff, we just don’t want to.”<sup>117</sup>

With advances in technology, TV stations now have cheap, easy access to sensational footage through daily national feeds from the network they are affiliated with. This allows them to air crime stories even when the crime did not occur in their coverage area. Nearly a fourth of the crime stories that led the Los Angeles newscasts in USC’s Lear Center study involved crimes that did not take place in the L.A. media market.<sup>118</sup>

### “One-Man Bands” Are Increasing

Many local TV stations are opting for “one-man bands,” defined by local TV news managers as journalists who do it all: conduct interviews, shoot video, and edit their own stories. As recently as five years ago, the typical production approach was to have crews of two people: a reporter and a camera person. Sometimes in a larger local market and at the network news level, a producer would also be part of the team. The replacement of that system with one-man bands has been rapid. About 31.7 percent of newsrooms “mostly use” one-man bands (compared with 22.3 percent three years ago), and another 29 percent “use some,” according to the 2010 RTDNA/Hofstra University survey. The highest incidence was in small markets, but even in big markets the practice is widespread, and 43.1 percent of news directors expect to use one-man bands in the near future.<sup>119</sup>

In some cases, this is clearly a wise efficiency and potentially even a journalistic improvement. Cameras are now smaller and lighter, which makes it easy for a reporter to carry one while out on a story. And video-editing software has become much more user-friendly, so reporters can readily be trained to edit their own material. Scripps

Television Station Group is requiring all their reporters and photojournalists to morph into multimedia journalists, as part of their “Newsroom of the Future” initiative, launched in 2009. Vice president Bob Sullivan says:

“We have moved from one strand [of content] coming out of the stations to three: mobile, web, and broadcast. How do we better prepare our broadcast journalists to service these three platforms? Can we do it under the existing format? The decision was ‘no.’ We had to reexamine the overall structure, the editorial processes of our newsrooms, and our production processes internally, as well as the processes of what a journalist is when they go out on the street.”<sup>120</sup>

Hearst Television Inc. launched one of broadcasting’s first multimedia training projects for newsroom staff, called the “Next Generation Newsroom Project.” Hearst’s Brian Bracco says news gatherers are equipped with laptops, smartphones, webcams, flip cams, and air cards. Reporters, photographers, and producers were trained in field editing, using Skype, and other new technological innovations. During a recent tornado, a reporter from Hearst’s Omaha TV station, with a laptop and a web camera mounted on the dashboard of the news car, was able to chase the funnel cloud, broadcasting live as the tornado headed down the road.<sup>121</sup>

Sullivan says that Scripps staffers must adapt to the changing circumstances: “It is all an ongoing process to get the Literal Larrys and Literal Lindas, accustomed to doing things one way, to understand that newsroom personnel must adapt, learn, and change with the times and technology.”<sup>122</sup> Susan

**“Frequently the so-called ‘health reporter’ fronts the health news but is using hand-outs from the health industry,” says industry veteran Wally Dean.**

Schuler, vice president of news at Raycom Media, which owns 31 television stations, had a similarly blunt message: “Each person needs three to five to six skill sets as opposed to the one or two they have now. Over the next few years it will be a requirement to keep your employment.”<sup>123</sup>

Without question some of these changes have reduced costs and sharply increased productivity per person. “We used to assign reporters one story a day. Now, under the right circumstances, they’re doing more and the quality isn’t suffering,” says Andrew Vrees, news director at WCBV in Boston. “We just need to be more efficient.”<sup>124</sup>

In theory, with the money saved from laying off no-longer-needed staff, stations could put more one-man bands on the ground. Multimedia journalist Ben Winslow, himself a one-man band in Salt Lake City, hopes that instead of a newsroom filled with 20 photographers and 20 reporters, “there will be 40 people who can do both. I hope we will have more resources of people to go out and practice journalism, do quality journalism.”<sup>125</sup>

But at many stations, that is not what has happened. On average, most stations have not used the savings to hire more reporters. “Let’s face it. It is what it is, and it is economic,” says Con Psarras, former news director and now vice president of editorials and special projects at KSL-TV in Salt Lake City. “It is an ability to cut heads, and it is a full-time-equivalent-reduction campaign. It does not make the pictures better. It does not make the stories better. It does not make the coverage on the web better—that’s a mythology. It just saves money.”<sup>126</sup>

The main consequence is simple: reporters who once just reported the news now have many other tasks, and more newscasts to feed, so they have less time to research their stories. At KREM in Spokane, Washington, a young, energetic reporter named Othello Richards says that on an average day he might be doing two separate packages on a double homicide-suicide to lead the 5:00 and 6:00 P.M. newscasts—operating his own live truck, shooting his own live stand-up on-camera, and shooting, writing, and editing the packages. He is also responsible for contributing to the station’s website.<sup>127</sup> KREM’s news director, Noah Cooper, has the smallest staff in town with 34 employees—down from 48 in 1999/2000—including seven reporters, all of them multimedia journalists (one-man bands). Each reporter is expected to be able to turn in two separate stories a day.<sup>128</sup> That level of daily production leaves very little time for in-depth research and investigation.

In a research study done at the Annenberg School for Communication at the University of Pennsylvania, Mary Angela Bock interviewed 65 video journalists (VJs) and found some subtle but important trends in how they cover stories. “Instead of the smaller cameras and simpler software making it easier to take chances, television VJs see themselves as having *less freedom* to take chances with their stories,” she says.<sup>129</sup>

“Many expressed concerns that news stories become preplanned, mapped out, and even written in advance; they have time for fewer interviews, and fewer video shots. They were asking themselves, ‘What can I do in one or maybe two shoots that will allow me to get back to my shop—my edit point is by about three o’clock—so I can cut my story, maybe shoot my own stand-up, and feed the darn thing by deadline?’”<sup>130</sup>

VJs who work for television organizations and must deliver a package each day said that deadline pressures make them more likely to pursue “easy, one-location features stories” than more labor-intensive pieces.<sup>131</sup>

Marco Villarreal, who has worked as a reporter at several local TV stations, said that at one station he worked at, he was so busy tweeting, shooting, and editing that he simply had less time to conduct interviews. The common casualty was the depth of reporting: “It’s the research. When I was one-man banding, if I had interviewed one or two people, I’d say, ‘Hey, that’s enough to get on the air.’” He feels the system can work quite well for many kinds of breaking news but not for “in-depth reporting.”<sup>132</sup>

Mike Daniels, who currently works at KESQ/KDFX in Palm Springs, California, previously worked as a one-man band in Grand Junction, Colorado. He describes a typical day of reporting for a VJ:

“Because I was one-man banding I couldn’t take the time that I would have liked in order to really cover the story. Shooting was rushed, interviews were rushed, and writing and editing was as well. It made me a quick writer and editor, but the quality wasn’t as good because of that. It was nerve-racking because I was always worried about shooting the right video and making sure the audio was correct.”<sup>133</sup>

To be clear, the invention of the one-man band could still end up being a positive development when employed thoughtfully and when VJs are equipped with journalistic training, so they know how to cover a story, how to ask bold questions, and how to push beyond the surface of a story in pursuit of enterprising and needed information for the viewer. Video journalist Ben Winslow of FOX 13 in Salt Lake City says he refuses to shoot his own live stand-ups. “I had a story the other day on the oil spill, and the kids are all flashing gang signs behind me.... There are certain things you cannot control, so you need a photographer.”<sup>134</sup> Bill Lord, station manager at Albritton Communications–owned WJLA in Washington, D.C., limits one-man bands to stories happening in one place, such as a Boy Scout anniversary parade at the National Mall. But he decided send a full crew to cover a recent thunderstorm. “You need a couple of sets of eyes.... You want to divide up the work of shooting, writing, editing, and feeding in such a way that you get a better product.”<sup>135</sup>

It seems worth reiterating the point that the efficiencies enabled by new technology would be even more clearly a plus for journalism if the savings from creating one-man bands were used to increase the overall number of reporters or invested in bolstering enterprise and accountability journalism in local television newsrooms. But if it is simply a way to have fewer bodies producing more news, more superficially, TV news will have stepped backward. Jill Geisler of the Poynter Institute, which trains journalists and media leaders, says that asking people to do multiple stories a day harms the quality of the reporting: “There is only so much water you can put in the soup.”<sup>136</sup>

**“Investigative people, in the eyes of some of the people who looked at the bottom line of those stations, were not as productive as the reporters turning a story a day. Investigative has suffered.”**

### **Advertisers Too Often Dictate Content Through “Pay-for-Play” Arrangements**

For TV news veterans and the audience as well, one of the most worrisome developments in local TV journalism is the rise of “pay-for-play” business deals in which news coverage is directly shaped by advertisers.

For many years, local television stations maintained a strict separation—sometimes called the “ad-edit wall” or the “church-state wall”—between the sales department and the newsroom, similar to the system at most newspapers. Those in the newsroom were told little or nothing about the deals made between the TV sales department and advertisers, so they would not feel pressured to direct coverage toward anything other than what was in the best inter-

est of viewers. But financial pressures have often broken down the wall, according to Stacey Woelfel, who chaired the RTDNA Ethics Committee for seven years and is now news director at KOMU-TV in central Missouri. “Pay-for-play is still an issue,” he says. “It’s the station looking for a dollar here or there where they did not have to worry about it before. What do they have to offer? Well...airtime.”<sup>137</sup>

In January 2008, Glen Mabie resigned from his position as news director at WEAU in Eau Claire, Wisconsin, over a coverage deal in which a local hospital would pay the station to air two health stories twice a week on topics selected from a list provided by the hospital. The only people the reporters could interview for those stories were personnel at that hospital, which would also have first crack at interviews for any other health stories the station did. Mabie says that station management removed the exclusivity provision after he and other staffers complained.<sup>138</sup> But he maintains that the executives told them to “wipe the big J for Journalism off their sweaters because that is not the way it is anymore.” The station later abandoned the plan, and the president of the company that owns the station made a personal appearance at the station to announce that they would not implement the deal.<sup>139</sup>

Trudy Lieberman, a professor at Baruch College at the City University of New York, conducted a two-year study on the crumbling ad-edit wall. She reported:

“In Austin, Texas, KTBC-TV viewers heard the morning news anchor Joe Bickett introduce a new electronic rehabilitation system for injured kids. Bickett then pitched to reporter Sharon Dennis who would have more on that story. Sharon Dennis presented a report on the computer-guided rehab program at Cleveland Clinic in Cleveland, Ohio. Dennis does not work for KTBC and there was no mention made of the fact that Dennis—a former veteran TV reporter—worked for the Cleveland Clinic. In fact, Dennis’s pre-packaged stories go out to local TV stations all over the country distributed to, among others, Fox News Edge, a service for Fox affiliates that in turn distributes to 140 Fox stations.”<sup>140</sup>

According to Lieberman, “The hospital had controlled the story. In some cases the hospitals pay for the airtime, a sponsorship, and in others they don’t but still provide expertise and story ideas at a cost. Viewers think they are getting health news but they are getting a form of advertising.”<sup>141</sup> KTBC news director, Pam Vaught, says the station has a policy mandating that viewers be informed when a story originated from and is reported by the Cleveland Clinic, but on that particular day a young producer was on duty in the KTBC newsroom and neglected to follow station policy.<sup>142</sup>

In 2007, an award-winning story by Steph Gregor in Columbus, Ohio’s *The Other Paper* reported that the Ohio State University Medical Center was paying local TV stations \$100,000 or more to air so-called “Breakthroughs in Medicine” segments that benefited the hospital—and the stations had not disclosed that the content was paid for by the Medical Center. One station vice president maintained that the segments were not ads but “vignettes,” and that he did not see anything wrong with them.<sup>143</sup> Ike Walker, news director at WCMH-TV in Columbus, Ohio, says he was not the news director at the time and that the anchorwoman who did the spots is no longer there. He also says that there is now a clear wall between sales and news departments. For instance, the station has run a special promoting good breast health that is paid for by a consortium of non-profit Ohio hospitals and healthcare organizations, but the consortium has no editorial voice or role in selecting the content, Walker says.<sup>144</sup>

**Roberta Baskin won the top award for a series about dental clinics doing unnecessary root canals on children to collect Medicaid dollars. The next day, she was laid off.**

Pay-for-play arrangements with the health care industry have prompted an outcry from journalists in the field. The Association of Health Care Journalists and the Society for Professional Journalists issued a joint statement urging local broadcast stations to avoid arrangements that improperly influence health coverage. The statement said that even if such deals are disclosed, handing over editorial decision making to hospitals violates the principles of ethical journalism and betrays the public trust.<sup>145</sup>

These advertising relationships are not limited to the health care sector. Forest Carr, a former ethics fellow at the Poynter Institute and longtime local television news director, says he has seen many manifestations of what he calls “stealth advertising” over the years—including an incident in which one TV station curiously decided to cover a food special at a shopping mall during a local flood. Carr explains:

“It’s pretty obvious the station was getting paid to do that at the mall. It wasn’t disclosed as such, and I asked the producer what was that about, and I was told that it was part of a deal where the mall paid the station to do it. And it was not disclosed to the viewer. It had serious adverse effect on the station’s ability to serve the public when the lives of the public were in jeopardy from bad weather moving through, and they had their weather guy tied up doing a commercial.”<sup>146</sup>

In many markets, shows not necessarily affiliated with the news department are being created just for the purpose of attracting pay-for-play partnerships. Steve Hertzke, then news director at KUTV in Salt Lake City, explained that station management came to him and wanted to create a “value-added show”—as such programs are now being called—that would be built around the station’s noon newscast. The 90-minute show would open with 30 minutes of news produced by the news department, which would be followed by an hour-long “value-added show” anchored by different talent drawn from the station’s programming department. In this latter hour, pay-for-play would be welcome.<sup>147</sup> But with a news show leading directly into the pay-for-play segments, how would audiences know to make a distinction between the two? Hertzke said that the plan was to use talent from the morning show rather than the news shows to host pay-for-play segments. Asked why the station was adding an additional show just for pay-for-play, Hertzke responded that they “need revenue because it is revenue that hasn’t been tapped.”

Some managers submit that pay-for-play is more acceptable if it is done on morning news shows, which generally have less hard news, or on a morning program that is built for entertaining. In Tampa, Florida, according to a *Washington Post* report, WFLA’s *Daytime* invited guests to pay to appear on the show, charging \$2,500 for a four-to-six-minute interview. The general manager defended the practice, saying that *Daytime* is not a news show nor is it operated by the news department.<sup>148</sup> After a public outcry, *Daytime* began more clearly labeling sponsored interviews.

How common are these practices? In a 2010 Pew survey, 24 percent of local TV news executives reported “a blurring of lines between advertising and news.” Several anonymously offered examples; a Pew summary of these comments stated:

“Sponsored segments have in some cases become paid content that looks like news. One executive described ‘news time paid for by a local hospital with hospital having approval over content.’ Another station executive, similarly, mentioned a daily paid interview with the local hospital.

“One broadcast executive described how ‘ask-the-expert segments’ are sold by sales people and then the news department is strongly encouraged to validate the expertise of these people by interviewing them for legitimate news stories. Others described the same thing. ‘We have an interview format newscast. Our sale staff has “sold” some interviews to our online experts. They don’t always offer great content, but a guest appearance is part of their sales package.’

“Said another news executive, ‘Our sales department comes to the newsroom with story ideas they’ve already “sold.” They just need a reporter to do the story.’”<sup>149</sup>

For the most part, TV station news directors and journalists dislike these arrangements, viewing them as unprofessional and harmful to quality. There is some disagreement about whether the bad situation is merely persisting or getting worse. Stacey Woelfel, former chair of the RTDNA Ethics Committee, says, “It has not gotten any better and it has not gotten any worse over the last five years or so.” Tom Rosensteel, director of the Pew Project on Excellence in Journalism, states: “The evidence we’ve seen suggests that this is much more widespread than a few years ago. That’s what I’m hearing from news directors.”<sup>150</sup> James Rainey, media reporter for the *Los Angeles Times*, recently won a prestigious press criticism award for his articles about at least three different pay-for-play cases. In an article about a woman who appears on local TV stations as an objective expert on toys—even though she’s actually paid by the toy manufacturers whose products she touts—Rainey concluded, “Local television news has become a hotbed for pay-to-play promotions.” He explained why the problem seems to be growing:

“The trend promises to continue and grow. TV news producers must fill an expanding news hole, particularly in the mornings, where many news programs have been extended from three to four, five and even six hours. And advertisers, fearful of being blocked by viewers with video recorders and mute buttons, don’t mind paying for promotional appearances that make them more visible and credible.”<sup>151</sup>



Some news managers continue to resist pay-for-play. KSL in Salt Lake City so far has been able to hold the line against any pay for play invading the newsroom, but it has not been easy, according to former KSL news director, Con Psarras: “There was a time when our sales staff was hoping to circulate a list of our preferred vendors so if we had a story about consumer electronics we could go to one place over another. Whenever they give me that list it is guaranteed we will not go to that place.”<sup>152</sup>

Some advertisers use pay-for-play to pit one station against another for their business. Marci Burdick, senior vice president of news for Schurz Communications Inc., says that some advertisers have shown her proposals from other stations supposedly guaranteeing that the advertiser’s experts will be interviewed in exchange for an ad sale. Burdick says she rejected the deals and that “it is a fireable offense in our company. Our sales manager will be the first to tell our advertisers our integrity is not for sale.”<sup>153</sup>

Another more subtle form of advertiser intrusion into newscasts involves product placement of the sort routinely accepted in movies but previously considered unethical in news operations. A 2006 survey found that out of 251 television news directors, 12.4 percent said they were either already doing or considering doing product placements within their newscasts.<sup>154</sup> Fairness and Integrity in Telecommunications Media also provided research on embedded advertising (including references to McDonald’s coffee being placed on local newscasts and Starbucks paying for product placement on an MSNBC cable newsmagazine show).<sup>155</sup> NAB and others responded that the station provides disclosures through on-air announcements and on-screen graphics.<sup>156</sup>

In 2008, the *New York Times* reported that KVVU Las Vegas had been paid to place cups of McDonald’s iced coffee on the news desk as anchors reported the news-and-lifestyle portion of the morning show.<sup>157</sup> The six-month promotion for the fast food chain was expected to “shore up advertising revenue” for KVVU, “[and would] not influence content,” the station said.<sup>158</sup> The station also noted that the cups “appeared in the 7:00–9:00 a.m. segment of the program, when the news was lighter, and did not affect content.”<sup>159</sup> A May 2010 article in *Broadcasting & Cable* magazine, entitled “Your Ad Here . . . and Here,” revealed that “insiders say an advertiser might pay \$350,000 annually to sponsor a leading midsize station’s sports reports. Branded props on the set of that station might go for around \$300,000, though that sum would include traditional spots, too.”<sup>160</sup>

### **The Airing of Video News Releases**

Video News Releases are video packages created by companies, governments or others hoping to influence the news. Sometimes they take the form of a fully-formed “news story,” sometimes they offer interview sound bites, and sometimes provide just B-roll (generic video) for video use in a real news story. Some VNRs feature actors playing reporters and include a suggested script to introduce the story. Some TV stations run them as full stand-alone pieces, others use snippets in other stories.

Some of the first VNRs were created by the automotive industry, which hired crews to film new model roll-outs and news conferences in the 1960s. The U.S. government produced VNRs, the source of some controversy in 2005.<sup>161</sup> By 1999, the largest VNR producer was Medialink, with \$27 million worth of sales in 1997. Today VNRs can be distributed to local stations through satellites, the Internet, and major network news feeds, such as PR Newswire, CNN Newsource, CBS Newspath, and Pathfire.<sup>162</sup>

In 2006, the media and consumer watchdog group the Center for Media and Democracy (CMD) released a report entitled *Fake TV News: Widespread and Undisclosed*, which found that over a 10-month period 77 broadcast stations and cable outlets ran 98 separate instances of 36 VNRs, without disclosing to viewers that these were video press releases rather than journalism independently created by local news teams.<sup>163</sup> In 2007, the FCC proposed fining Comcast \$20,000 for airing portions of VNRs without proper disclosure of the source. The VNRs in that case

**In some cases, “one man bands” improve journalism and efficiency. During a recent tornado, a reporter from the Omaha Hearst TV station was able to chase a tornado with a laptop and a web camera mounted on the dashboard of the news car, broadcasting live as the tornado headed down the road.**

**“Let’s face it—it is what it is and it is economic,” says Con Psarras of KSL-TV about one-man-bands. “It is an ability to cut heads and it is a full-time-equivalent-reduction campaign. It does not make the pictures better. It does not make the stories better. It does not make the coverage on the web better, that’s a mythology. It just saves money.”**

were produced for Nelson’s Rescue Sleep, General Mills’s Wheaties, Allstate Insurance, and Trend Micro. They were aired in cablecasts on a regional Comcast channel.<sup>164</sup> Public relations executive Joe Loveland has argued that even PR professionals shouldn’t support the use of VNRs without proper disclosure: “The use of PR people mimicking the dress and conventions of news reporters without real time disclosures of their mimicry crosses the line from briefing reporters to impersonating reporters.”<sup>165</sup>

In a 2005 Radio and TV Digital News Association survey of news directors, most said that they rarely used VNRs and that when they did they disclosed it properly to their viewers.<sup>166</sup> But more recently Stacey Woelfel, former chair of the RTDNA Ethics Committee and currently news director at KOMU, said that heavy use of VNRs continues today: “There is a lot of time to fill and not as many people to fill it as you would like to have. Sources of video that show up in the newsroom that are fun or interesting... still are attractive to TV newscast producers.”<sup>167</sup>

Indeed, on March 24, 2011, the FCC issued two Notices of Apparent Liability against TV stations for violating sponsorship identification rules. In one case, the FCC proposed to fine KMSP-TV \$4,000 for airing a VNR produced for General Motors without identifying the sponsor. In the other, the FCC proposed to fine WMGM-TV \$4,000 for airing a VNR produced for Matrixx Initiatives, the makers of Zicam Cold Remedy, without a sponsorship identification announcement. The piece featured medical experts talking about travelers catching colds, with one doctor adding, “But there are some things you can do to get better. Especially in the first 48 hours. To cut down on the severity and duration of symptoms. You can take an intranasal zinc preparation, like Zicam.”<sup>168</sup> The piece closed with a reporter saying, “To see this report again or to find out more about zinc as a treatment for the common cold, go to our website.” The stations argued that they should not have been fined because they did not accept payment for running the news releases and that the FCC action constituted an infringement on their First Amendment rights.<sup>169</sup>

Some defend the partial use of VNRs, or at least of the footage contained in them, as long as their provenance is disclosed to consumers. Longtime executive Fred Young says that the demand for content—“feeding the Hoover”—results in producers “sweeping stuff up.” “Today if you clearly identify where [the VNR] came from,” he says, “I have no problem with it. It is the people who are taking it and passing it off as news that bothers me.”<sup>170</sup>

News 8 Austin, a 24-hour local news station owned by Time Warner Cable—and the recipient of numerous awards for excellence in journalism, including a Walter Cronkite Award and a Regional Edward R. Murrow Award—is among the local cable news stations that sometimes use VNRs, under certain circumstances. News 8’s news director, Kevin Benz, talked about his station’s policy:

“There are video news releases produced by the Texas Parks and Wildlife Department. They are outdoors related and related to hunting, fishing, enjoyment of the outdoors, camping, parks, and those kinds of things. We fully vet them. We are completely transparent about where we get them and who gives them to us, both on air, and online.... If there is something that we feel is overly promotional, or only promotional, we don’t air it.”<sup>171</sup>

Some station managers say that attention from public interest groups, Congress, and the FCC has reduced their usage of VNRs. The Post-Newsweek Stations Group’s six local television stations do not use VNRs at all.<sup>172</sup> Steve Schwaid, former senior vice president of news for all 30 NBCUniversal television stations and current director of news and digital content at the local CBS station in Atlanta, is also leery of VNRs:

“We don’t use VNRs. Okay, they’re not allowed on my air, period. We have no control over them. The only exception will be if there is a recall on a pharmaceutical drug and [this is] the only video from inside the factory and we clearly label where it came from. But we do not take VNR handouts, period.”<sup>173</sup>



Some of the large television station groups have not banned VNR usage but, in the wake of the FCC's Comcast fine and the CMD report, they have designed and written new policies. Hearst Corporation vice president of news, Brian Bracco, described Hearst's current guidelines: "We do not use VNR stories as a whole, but if we use generic [VNR] video we have to identify it then, and identify it at the end of the newscast, as well. And we have to be clear where the VNR came from."<sup>174</sup> Renai Bodley, news director at FOX 13 in Salt Lake City, says her station often gets VNRs from such places as a local radioactive waste company, which supplies the station with video and audio they choose rather than inviting the local station to come and shoot a story themselves. Bodley has a policy with her newsroom staff: a "Courtesy of" marker must be burned into the videotape before they even review it in order to prevent it from being used later as B-roll (generic video) for another story without being identified as a VNR.<sup>175</sup>

The trailblazing VNR producer Medialink is now called Synaptic Digital,<sup>176</sup> and Brian Schwartz, director of client solutions in its Los Angeles office, says that his company does not use the term "video news release" much any more. But he says that news stations continue to use the video and interviews Synaptic sends out (from clients that include Siemens, General Motors, KIA, Land Rover, the Gates Foundation, and UNICEF), because it is free content, and stations complain that they do not have the resources to gather such material themselves.<sup>177</sup> Another big player in the field is DS Simon Productions Inc., credited with distributing the Rescue Sleep VNR, one of the four videos that led to Comcast's being fined \$20,000 in total by the FCC. When contacted for an interview, Douglas Simon, the company's president, responded emphatically: "I can tell you that despite the proliferation of third-party video, and the near-death experience of TV news, VNRs aren't a relevant communications tool anymore. I don't have anything else to add."<sup>178</sup>

### **Many Stations Now Outsource Their News Operations**

Some stations have dealt with cost pressures by getting out of the news production business altogether—literally outsourcing their entire newscast to another party.<sup>179</sup> Nearly one-third of TV stations say they are running news produced by another station, according to the 2010 RTDNA/Hofstra University Annual Survey. Professor Robert Papper, who conducts the study, says in his latest survey that there are 762 stations originating local news and another 224 that get news from one of those 762 stations. Some involve common ownership, some joint operating agreements.<sup>180</sup>

Communications Workers of America (CWA) and Media Council Hawaii say they have identified at least 25 television markets in the U.S. where stations have entered into "shared services agreements" (SSAs), in which one station effectively takes over the news operation of a second. CWA claims the SSAs reduce the diversity of local voices in a community by replacing independent newscasts with those of the brokering stations and invariably lead to reductions in news personnel.<sup>181</sup>

The Honolulu, Hawaii, market is the focus of an official complaint with the FCC by the Media Council of Hawaii, alleging that Raycom Media, the licensee of two Honolulu stations, entered into an SSA with a third station and is now operating a consolidated news service that provides programming to all three: the NBC affiliate, the CBS affiliate, and the MYNetworkTV affiliate. The plaintiffs charge that the SSA led to 68 layoffs—more than one-third the combined news staffs of the three participating stations.<sup>182</sup> Raycom has said the SSA was necessary to ensure its economic survival, no FCC approval was required because there was no change in ownership or control of the stations, and the FCC has approved similar arrangements in the past.<sup>183</sup> The matter is pending.

Another cost-saving strategy some stations have adapted is to contract out to a company that bills itself as a local news service—even though significant portions of the "local" news programming are created far from the markets it serves. The Independent News Network (INN; not to be confused with the Investigative News Network, mentioned above), produces anchored newscasts from its base in Davenport, Iowa, that are designed to look and feel local to viewers in its clients' markets. As the company explains on its website, "This service is delivered by experienced anchor and reporter teams at a fraction of the cost to produce it internally!"<sup>184</sup> Five days a week, INN produces a four-anchor news, weather, and sports program with anywhere from 26 to 28 minutes of

**A local hospital paid the TV stations \$100,000 or more to air so-called "Breakthroughs in Medicine" segments that benefitted the hospital, according to one report.**

airtime. Stations can save anywhere from \$40,000 to \$150,000 of monthly overhead, depending on the market size and how much local newsgathering capacity they opt to retain.<sup>185</sup> They have the option of feeding some local elements to Iowa to be inserted into the newscast, and INN encourages them to retain at least two reporters for that purpose. But if locally produced pieces are not up to INN standards, INN producers discard the material, and there are no local segments that day.

When asked if INN will grow into a company doing journalism that includes investigative reporting, enterprise news, and beat reporting, CEO Dave McAnally said, “That’s for somebody else to do. Frankly, the margins in that stuff, they aren’t there.”<sup>186</sup> The company outsourced its first news show in April 2001, and it now produces newscasts for at least a dozen stations, in locations that include Springfield, Missouri;

Cheyenne, Wyoming; Columbus, Georgia; Waterloo, Iowa; Omaha, Nebraska; Reno, Nevada, Gainesville, Florida; Jeffersonville, Indiana; Alexandria, Louisiana; Montgomery, Alabama; as well as for a block of Spanish-language, Azteca America—affiliate stations in Atlanta, Las Vegas, Dallas, Houston, Denver, San Diego, and San Antonio.<sup>187</sup>

Local stations do not always disclose to viewers that some of the seemingly local talent is actually delivering the news from across the country. For instance, on its website, WLTZ in Columbus, Georgia, lists the INN anchors in Iowa as part of its local news team.<sup>188</sup>

**“When I was one-man-banding, if I had interviewed one or two people, I’d say, ‘Hey, that’s enough to get on the air.’”**

### **Competing Stations Increasingly Collaborate to Save Money**

Another significant and controversial trend in local news involves competing stations sharing news reporting and production resources. More than 60 percent of stations say they are involved in some sort of cooperative newsgathering or coverage agreement with another station or medium.<sup>189</sup>

A common form of cooperation is “pooling.” Stations can save money and eliminate duplication by pooling their resources and sharing coverage of certain events. On November 13, 2008, NBC and FOX affiliates announced a plan to begin sharing camera crews in order to slash costs in markets like Philadelphia, Los Angeles, New York, Washington, Dallas, and Chicago—creating what they called “a local news service (LNS).”<sup>190</sup> CWA says it knows of 19 markets where two or more stations participate in an LNS.<sup>191</sup>

In a typical LNS, two or more stations contribute camera crews to a jointly run assignment desk that decides which stories to cover and feeds video back to individual newsrooms to be produced internally. FOX Television Stations CEO, Jack Abernathy, explained:

“Four [stations] are covering the same five stories every day. We bring the same pictures back every day. This venture will just cover those four or five stories in a pooling situation. And it has nothing to do with homogenization. It’s, ‘Gee, why don’t we take our limited resources and have them focus on independent reporting?’”<sup>192</sup>

In the Los Angeles market the FOX, NBC, and Tribune stations are members of the LNS, which is housed on the same lot as KNBC, the local NBC station. There is an LNS managing editor, financed by the three members. Each station donates an assignment editor and three crews in a rotating arrangement. Each morning, the LNS assignment-editor-of-the-day informs the stations what the LNS will be covering. Often in Los Angeles, it is a sporting event or a press conference with a local official.

In a written submission to the FCC, a group of some of the top local television station owners, including Belo Corp., Barrington Broadcasting Group, and Raycom Media, argued that LNS arrangements enable them to share and reduce costs for events such as press conferences and court hearings that do not require multiple cameras to capture almost identical feeds. The broadcasters said that the common element in all of these LNS arrangements is that they provide creative mechanisms for local stations to redeploy journalistic resources in the most effective manner possible for service to their local communities.<sup>193</sup>

In practice, enhanced service to local communities is not always the result. The June 2010 opening of a new Veterans Home in California provides a typical example: Various elected officials and veterans gathered for an event in Los Angeles, a substantial homeless veterans problem. The lone cameraman in attendance was from the LNS. He

placed his camera on the platform set up for the press, recorded video of the ribbon cutting, and when the event was over he packed up his camera and left. There was no reporter with him to ask questions of top elected officials, to ask questions of the veterans, or to pursue any enterprise stories that might have come to mind in the course of the event.<sup>194</sup>

Increasingly, cooperative news services are not only sharing footage from official events but also interviews, so stories on three different stations might feature the same newsmaker interview. And, as noted above, when a pool sends only a camera person, not a reporter, it is less likely to get the story behind the story—or an angle other than the one officials choose to show the public. Marci Burdick, senior vice president of news for Schurz Communications, says:

“What I think you lose then is what has been the value of the traditional journalism, which is...the reporter getting in there and finding out what the real story is and dig[g]ing down beyond the spray coverage and get[ting] into the issues about what really affects consumers in the school and city government.”<sup>195</sup>

Some stations have decided not to participate in pooling arrangements. Bill Lord, station manager at WJLA in Washington, D.C., explains:

“I don’t want to share my coverage plans for the day with the other stations; I don’t want to give up a couple of photographers to go do generic things that will play on all of the news stations.”<sup>196</sup>

Lord says there are some stories where pool agreements do make sense and have existed among competing stations for years.

“If you’re talking about a trial when the camera’s in the courtroom recording the testimony of a witness—that makes sense for a pool. But when it’s a story about the summer jobs program that the mayor is going to be talking about, it’s not just the head bite of the mayor you’re talking about, it’s all the ancillary information. It’s about going out and talking to the people who have the jobs. It’s about being relevant to an audience.”<sup>197</sup>

Rebecca Campbell, former president and general manager of WABC in New York and now president of the ABC-owned Television Station Group, agrees: “Our crews are our ambassadors. The minute you take that away, you lose that voice.... The money savings should be in technology not the voices.”<sup>198</sup>

Less controversially, increasing numbers of stations are sharing helicopters. A news helicopter costs at least two million dollars to buy, not even counting the expensive camera and transmission equipment. Four stations in Washington, D.C., now share one helicopter, an economically driven arrangement that even WJLA’s Bill Lord, who is not part of the pool for on-the-ground coverage, finally had to agree to:

“We held out for a long time—we kept our own chopper, because we had an inexpensive chopper deal—but in the end, it just made more sense to be a part of this, because the economics are such that nobody can afford a full-time helicopter for over a million dollars a year per station.”<sup>199</sup>

Even sharing helicopters can mean a compromise in coverage and diversity of information. Deborah Collura, vice president of news for Post-Newsweek Stations, finally sacrificed her Detroit station’s helicopter to a pooling agreement in order to maintain her investigative unit, and she spoke to this point:

“When I was in Miami, we were the first with our chopper over the Value Jet crash. You know, you send up a veteran reporter, and they talk from the chopper for hours. In Houston last year we sent our chief meteorologist over the devastation of the hurricane and it was fabulous. He went up for a couple of days and did these tours and it looked like a war zone.... When you are in a pool situation, you cannot do that.... It’s a missing element from the show.”<sup>200</sup>

CWA argues that LNSs undermine the FCC’s long-standing public interest goals of diversity, competition, and localism, as well as “evade the letter or spirit” of the FCC’s local television ownership rules.<sup>201</sup> In 2010, it called on the FCC to “tighten up the rules for attributing local marketing agreements and joint service agreements” and urged

the commission to “revise its reporting and disclosure requirements so both the Commission and the public know about these agreements and can better assess their effect on diversity, competition, and localism.”<sup>202</sup>

Finally, while pooling and sharing costly equipment like helicopters can be justified as a way of being able to afford more reporters in the field, TV executives generally have continued to order staff cuts per the mandates from station owners at the same time that they’re embracing these efficiencies. For some news directors, entering into pooling agreements may have helped prevent *deeper* cuts, but there is no sign that pooling, or other economies like shared helicopters and one-man bands, have led to an increase in investigative or enterprise reporting, particularly not at the multitude of stations that never invested in this kind of reporting to begin with.

### **Some Stations Use Their New Digital Channels for News, Many Do Not**

When Congress required broadcasters to switch from analog to digital spectrum, the efficiencies of digital transmission allowed each station to provide more programming streams. Typically, they could fit four channels onto their spectrum instead of one. At the time, broadcasters suggested that many of these new channels—known as “multicast channels”—would serve the local community with news and information. But according to the 2010 RTDNA/Hofstra University survey, only 4.1 percent of the stations created all-news programming on these channels, whereas 22.2 percent set up a 24-hour weather service, another 22.2 generated programming that fell into the category “other”<sup>205</sup>—which includes weather radar, sports, and other news programs—and 46.6 percent offered programming that was not overseen by a news director at all.<sup>204</sup>

NBC Local Media began rolling out new local 24/7 news channels on formerly unused multicast spectrum; the first such broadcast was in New York in 2009; Miami, Dallas, and a joint Los Angeles–San Francisco–San Diego channel followed in May 2011; and Philadelphia, Washington, D.C., and Chicago are slated for late 2011.<sup>205</sup> Each of the new channels will include a nightly, weekday newscast “complementing and expanding” on the newscasts already airing on the stations’ primary channels. According to local media president, John Wallace, “These new offerings continue our ongoing effort to expand our local news and information programming in our ten O&O markets.”<sup>206</sup>

Some news directors say they expect to be more involved in programming their stations’ multicast channels in the coming year. Plans for what those channels may provide include more news, more weather, more sports, and possibly some foreign-language programming—but this is no indication that stations intend to dedicate bandwidth or staff time to additional in-depth reporting. The Belo Corp., which says it uses its multicast channels to enhance local coverage, currently operates 17 multicast channels and plans to launch more soon. Its Boise station, KTVB, has dedicated its multicast capacity almost exclusively to local news, information, and public affairs, with one of its channels offering 16 hours of local news on weekdays and more than 25 hours of local news on weekends.<sup>207</sup>

Gray Television Inc., owner of 36 television stations across the country, has 39 digital channels up and running with syndicated programming from MyNetworkTV, CW, and This TV, which syndicates the film and television archives owned by MGM. Gray stations’ digital lineup also includes several local news and weather channels. Plus, some of its channels air local high school sports, and according to Robert Prather, chief operations officer and a director at Gray, they’re pushing to do more:

“When there is a natural disaster or weather in our markets, we will run 24 or 36 hours straight sometime[s] on news with no breaks—no commercial breaks. We did that for that Fort Hood tragedy, our Waco station did, when the guy shot all those people in Fort Hood—36 straight [hours of] programming. We moved our CBS programming over to our digital channel and ran a crawl on our regular station, ‘If you want to watch your local station turn to the digital channel.’”<sup>208</sup>

Some stations in Texas are using their digital channels for Spanish-language broadcasting and high school football.<sup>209</sup> A Raycom Media–owned station in Savannah, Georgia, that serves a large military community, broadcasts

**A Raycom-owned station in Savannah, Georgia broadcasts high school graduations on its digital channels and streams the ceremonies on the station website to enable deployed U.S. soldiers to watch their children graduate.**

**“We have an interview format newscast. Our sales staff has ‘sold’ some interviews to our online experts. They don’t always offer great content, but a guest appearance is part of their sales package.”**

high school graduations on its digital channels and streams the ceremonies on the station website to enable deployed U.S. soldiers to watch their children graduate.<sup>210</sup> Another Raycom station in Montgomery uses its digital channel when the legislature is in session to air special programming on issues and candidates. Raycom vice president of news, Susanna Schuler, says sports are also big on the digital channels:

“We have been using that to cover not only high school football and basketball—that gets a lot of coverage you know—but volleyball and swimming and track and things that don’t get that amount of coverage. And we partner with local colleges and [in] some cases those really aggressive high schools to let those kids run the cameras and let those kids field produce.”<sup>211</sup>

### A Large Number of Stations Do No News at All

Historically, when considering the public service performance of local TV stations, the FCC highlighted local news and public affairs (see Chapter 26, Broadcast Radio and Television), which could lead one to assume that all or almost all broadcast stations carry local news. That is not the case.

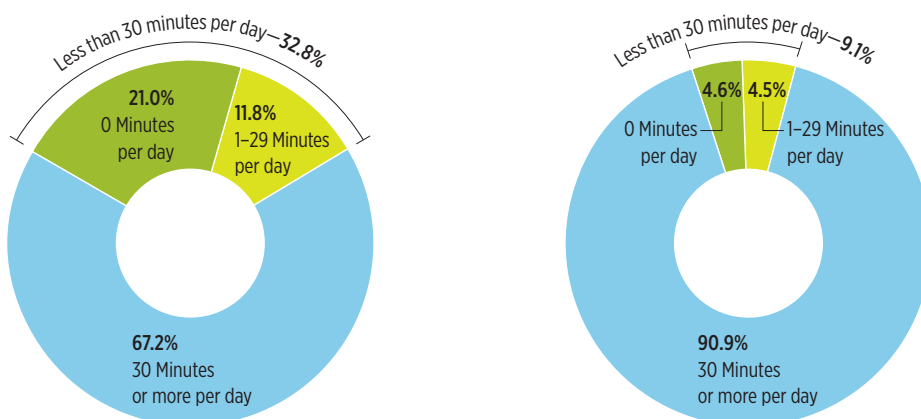
Three different studies have assessed this issue and come to similar conclusions.

First, a 2011 FCC staff analysis of data from Tribune Media Services, found that 520 local stations air no local news at all—258 commercial stations and 262 noncommercial stations. Adding in those stations that air less than 30 minutes of local news per day, 33 percent of commercial stations currently offer little or no local news. Most of those that do not offer local news are independent stations with no affiliation with a broadcast network. About 44 percent of the no-news stations are in the top 50 markets.<sup>212</sup> For instance, Los Angeles has 27 TV licensees. Fourteen of its stations provided 30 minutes or less of local news (including seven that provided none at all).

### PERCENTAGE OF COMMERCIAL STATIONS AIRING LOCAL NEWS (MINUTES PER DAY)

All Commercial Stations

Big 4 Affiliates Only



Source: FCC analysis of Tribune Media Services data<sup>213</sup>

Although large markets have more stations with no news, they also have more stations that *do* offer local news. Los Angeles also has 13 stations that offer at least a half hour of local news, including eight that offer more than two hours per day.

Conversely, medium and smaller markets tend to offer less news. A disproportionate number of markets with two or fewer local newscasts are small- or medium-size.

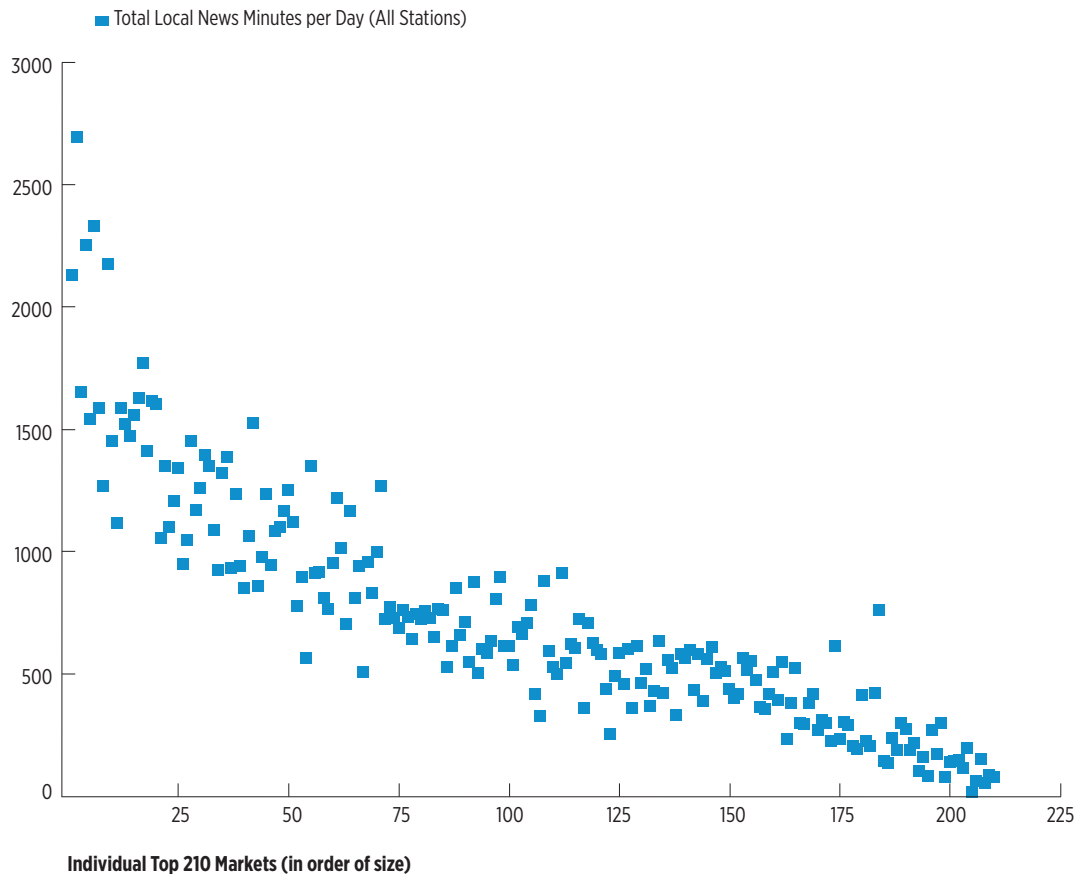
### TV MARKETS AIRING 30 MINUTES OR MORE OF LOCAL NEWS PER DAY (BY MARKET SIZE)

Market Size Range	Number of Markets			Total
	0-2 Stations	3 or 4 Stations	5 or more Stations	
1 to 50	0	10	40	50
51 to 100	0	32	18	50
101 to 150	6	41	3	50
151 to 200	34	15	1	50
201 to 210	10	0	0	10
Total	50	98	62	210

Source: FCC analysis of Tribune Media Services data

In terms of the raw volume of local news, citizens in medium and small markets clearly get less than their big-city counterparts. There were 92 markets that produced 500 minutes or less of local news (when combining all the stations); 91 of them were from medium or small markets (markets 101-210 in the chart).

### AVERAGE NUMBER OF LOCAL NEWS MINUTES OFFERED, BY MARKET SIZE



Source: FCC analysis of Tribune Media Services data

The FCC's Industry Analysis Division looked at the same question by reviewing TV listings for all stations. The approach yielded comparable results: in the top 100 markets, 35.7 percent of commercial stations air no local news. Among stations in all size markets, 30.6 percent do not air local news.



Finally, the 2010 RTDNA/Hofstra University survey found that 790 TV stations—about 44 percent—do not air news at all. It is important to note that the 986 stations that do offer news include 224 stations that are contracting for local news shows from other stations.<sup>215</sup> Some involve common ownership, some joint operating agreements, and some are paid—with either party paying the other depending on the arrangement. With that factored in, it appears that fewer than half the local TV stations in the U.S. actually have local newsrooms, according to the RTDNA data.

One station that dropped its news coverage is WYOU in Scranton, Pennsylvania, a CBS affiliate owned by Mission Broadcasting. The station had been airing the newscast of WBRE, an NBC station owned by Nexstar. According to a study by the New America Foundation:

“On April 4, 2009, due to lagging ratings, Nexstar abruptly pulled its newscast from WYOU and laid off 14 news and production staff. Mission Broadcasting replaced the news with the syndicated programming *Judge Joe Brown*, *Judge Judy*, *Access Hollywood* and *Entertainment Tonight*. Representatives at Nexstar Broadcasting stated the company would save \$900,000 annually by ending the WYOU newscast. ‘By offering a broad range of popular entertainment choices to our Wilkes-Barre/Scranton viewers, WYOU can provide additional attractive business solutions to our advertisers and as such we believe this is a win-win situation for our entire community,’ Louis Abitabulo, Vice President and General Manager of WBRE, said in a press release on the programming changes.”<sup>216</sup>

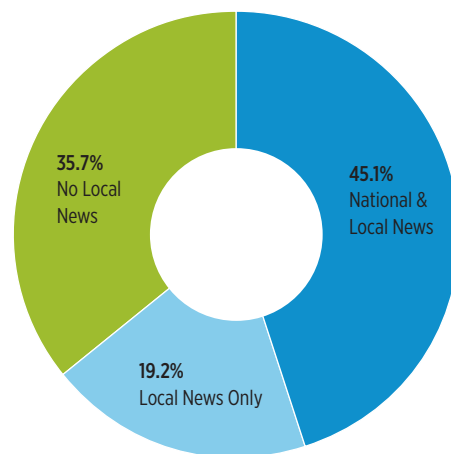
### Network News

At Columbia University’s May 2010 “Transitioned Media Conference,” senior vice president of NBC News, Adam Jones, projected a slide with the blunt sentence: “Network news viewership is in irreversible decline... [and the] traditional network news business model is broken.”<sup>217</sup> As is documented in greater detail in the Cable section of this chapter, the audience is shifting away from broadcast television to cable and the Internet, both of which are drawing off viewers and advertisers.

Given that the newcasts produced by ABC, CBS, and NBC were, for many years, the nation’s dominant source of news, their decline is of some significance. In its heyday, network news provided both original reporting and, just as important, a common “place” where much of the population got the news. During the 1970s, the three network evening news broadcasts enjoyed a 75 percent audience share of TV-owning households. Since audience numbers dictate advertising rates—the industry’s lifeblood—broadcast news aimed to appeal to the largest number of viewers possible. The networks’ economic motivations meshed well with long-standing journalistic principles: news programs aimed for the appearance of balance and objectivity. Network news divisions hired large teams of best-in-the-field correspondents who sought out credible sources of information, maintained bureaus around the world, and offered the public anchors like “the most trusted man in America,” Walter Cronkite, whose credibility with large numbers of viewers, for better or worse, helped establish a common cultural understanding of news events.<sup>218</sup>

At first, entertainment programming subsidized the networks’ news divisions in much the same way classified sections of newspapers paid for the reporting on the front page. Legendary CBS owner and CEO, William Paley, instructed his news reporters not to worry about costs, assuring them: “I have Jack Benny to make money.”<sup>219</sup> The era of news divisions oblivious to costs came to a definitive end in the 1980s, when GE bought NBC, Capital Cities purchased ABC, and Laurence Tisch took over CBS.<sup>220</sup>

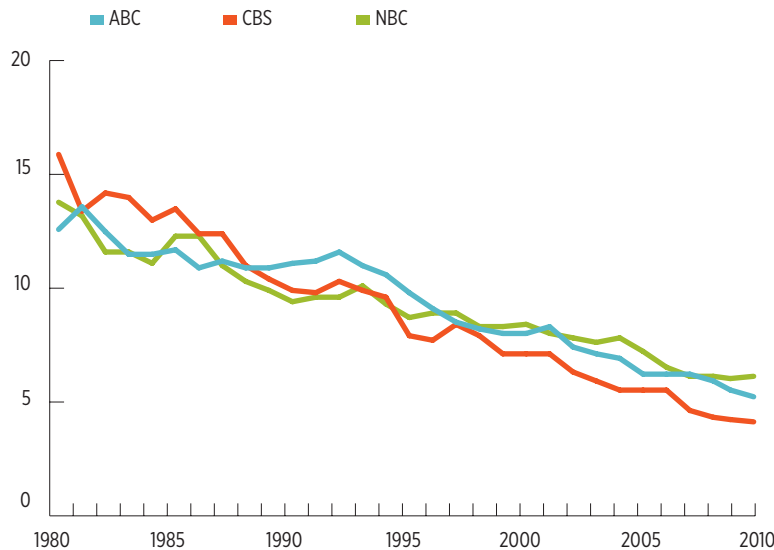
### LOCAL NEWS ON COMMERCIAL TV (2010)



Sources: FCC Industry Analysis Division.<sup>214</sup>

With the rise of cable news 30 years ago, the audience for network news began to erode. Today the combined audience for ABC, CBS, and NBC's evening news broadcasts is less than 20 percent of the overall television audience—and trends show a continuing loss of about one million viewers per year.<sup>221</sup> Network newscasts still reach a much larger audience than any particular cable news shows, but the abundance of choices has and will continue to erode the reach of network news.<sup>222</sup> As with newspapers, says TV news consultant Andrew Tyndall, "It is not the case that a single new type of news presentation has superseded the old format. Rather, the phenomenon is fragmentation."<sup>223</sup>

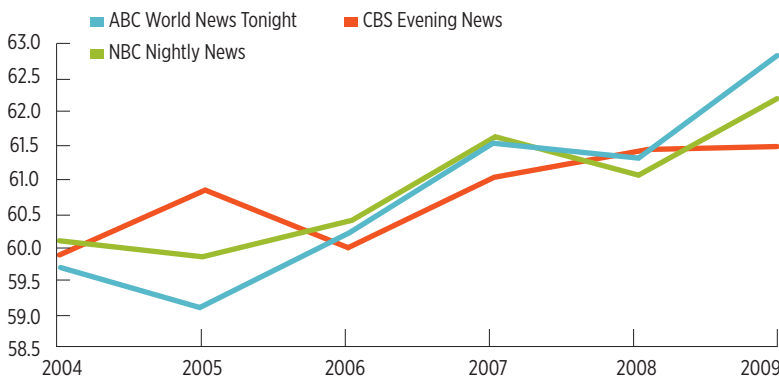
### BROADCAST NETWORK EVENING NEWS HOUSEHOLD RATINGS



Source: Pew State of the News Media 2011<sup>224</sup>

Meanwhile, broadcast news' remaining viewers are getting older. The median age watching network newscasts is 62.3 and rising. That makes these programs less appealing to advertisers who prefer to target younger viewers (ages 25 to 54) on the theory that they are more fluid in their consumer choices.<sup>225</sup>

### MEDIAN AGE OF NIGHTLY NETWORK NEWS VIEWERS (2004–2009)



Source: Pew State of the News Media 2010<sup>226</sup>

The long-term financial trend is downward, but in 2010 news programs saw rising revenue resulting from the overall recovery in ad spending. Pew estimates that all three were in the black, with ABC and MSNBC generating meaningful profits.<sup>227</sup> Tellingly, NBC News earns more from its cable channels, MSNBC and CNBC, than it does from its national broadcast channel; almost 60 percent of NBC News's \$1.8 billion in total revenue (cable and broadcast)



came from the two cable channels.<sup>228</sup> Media industry analysts have quickly come to understand that CBS News and ABC News cannot survive (or pay for newsgathering) on their own. The two news divisions already have alliances with CNN and Bloomberg News, respectively. They could substantially increase their partnerships in the future or be absorbed by their cable partners in order to spread the cost of newsgathering.

Traditional network news has always been an expensive operation. In their years of media dominance, the networks spent lavishly on footage that might not have added much to the story—such as expensive helicopter aerial photography of the White River during the Whitewater controversies of the Clinton administration. Even now, Disney, which owns ABC News, estimates that it takes 3.8 million labor hours to produce the network’s 1,600 hours of news annually.<sup>229</sup>

Like their newspaper and local TV counterparts, all of the network news divisions have tried to boost their viability by cutting costs. Pew’s *State of the News Media 2010* report estimates that network news has cut news division resources by more than half since their height in the late 1980s.<sup>230</sup> But network managers argue that recent cuts eliminated duplication and wasteful spending and should not harm coverage. “The time has come to re-think how we do what we are doing,” wrote David Westin, then president of ABC News, in an internal memo in February 2010. As part of that rethinking, Westin said ABC would “dramatically” expand its use of “digital journalists” (one-man bands) who report, shoot, and edit their own pieces. He also said that the newsmagazine shows, *20/20* and *Primetime*, would replace many of their full-time employees with freelancers.<sup>231</sup>

With the Internet’s explosion in popularity, network news divisions are devoting more of their resources to websites, social media, digital products, and mobile offerings. CBS News led the group with 1.62 million Twitter followers, followed by ABC with 1.18 million. But their website traffic has lagged behind that of the cable networks’ websites: ABC and CBS attract 19.3 million and 15.3 million unique monthly viewers, respectively, compared with 48.7 million for MSNBC and 67.8 million for CNN.com.<sup>232</sup>

For all their problems, each of the network news divisions still employs more than 1,000 people, and they continue to do extraordinary journalism. ABC and CBS News both won 2011 duPont-Columbia awards, the former for a series about sexual misconduct among swim coaches and the latter for an investigation of the causes of the Deepwater Horizon disaster.<sup>233</sup> And despite their declining audience, the three network evening newscasts still draw 22 million viewers—five times the number tuning in to the three major cable networks (CNN, FOX, and MSNBC) during primetime.<sup>234</sup> The truth is, network news is not a horrible business; it’s just not as robust as cable.

## CABLE TELEVISION

In June 1948, John Walson Sr., a lineman for the power company, erected a 70-foot antenna on New Boston Mountain in Mahoney City, Pennsylvania, and brought residents up the hill to watch TV programs they had been unable to receive in their homes. Because the town lay in a bowl of land surrounded by hills, they’d had no broadcast reception up to that point. Walson later ran a twin-lead wire down the hill, connected it to the power company poles, and boosted the signal into six homes at an installation charge of \$100, plus a \$2 monthly fee. On the other side of the country, in Astoria, Oregon, Ed Parsons, installed an antenna on top of a hotel to intercept the signal from a Seattle TV station broadcasting from across several mountain ranges and beamed it into his penthouse for the viewing pleasure of his wife and awestruck neighbors.<sup>235</sup> American ingenuity found ways to overcome topographical limitations in order to bring the newest media craze into homes in remote hamlets. A thankful Montana state senator later said, “Until the advent of cable TV, we in small places were isolated from many of the finer things in life. Now it is a different picture.”<sup>236</sup>

Though in its early years, cable was a niche business—70 cable systems served 14,000 customers in 1952—pioneers like retired naval commander Bill Daniels grasped its potential to grow. Daniels rented a microwave relay from

**In 1992, CNN, CNN Headline News, and CNBC had a combined audience of approximately 680,000 households. In 2010, Fox News’s median audience was 1.9 million, MSNBC was 747,000, CNN was 564,000 and CNN Headline News was 434,000.**

## New England Cable Network won awards for its one-hour program on a 40-year-old woman with advanced breast cancer who opted for home hospice care instead of radical medical treatment.

the Bell System at \$8,000 a month and transmitted a signal from Denver to Laramie, Wyoming. Customers paid \$150 for the connection, plus \$7.50 a month for the service, and voted to pick the programs they wanted to watch: “If more people wanted to watch *I Love Lucy* than Sid Caesar, then that’s what we showed,” Daniels said.<sup>237</sup>

By 1964, bigger investors stepped in, like Jack Kent Cooke, a retired publisher (and the future owner of the Washington Redskins), who dropped \$22 million into cable systems,<sup>238</sup> and by 1968, the cable industry had grown to include 3.5 million subscribers (6.4 percent of the population) and logged \$240 million in annual revenues.<sup>239</sup>

As broadcasters awakened to the threat cable posed, an alarmed official from the National Association of Broadcasters stated the issue starkly:

“What we have here is a completely unregulated business competing against a regulated industry, using as its major weapon the very product which its competitor turns out, and paying nothing for the product.”<sup>240</sup>

Broadcasters sought to stifle competition from cable operators through regulatory means. The FCC, which had in 1959 adopted a policy supporting the growth of cable TV, in 1966, took the side of the broadcasters. Specifically, the FCC imposed two conditions on cable systems: (1) a cable system *must carry* the signals of all local stations, and (2) a cable system was not permitted to carry the programs of a distant station when they duplicated the programs of a local station 15 days before or after the local broadcast (the “blackout rule”).<sup>241</sup>

Two developments in the 1970s “forever divided cable from broadcast TV in viewers’ minds,” according to the author of a book on the cable industry’s origins.<sup>242</sup> With the advent of Home Box Office (HBO)—the first network to offer subscribers “uncut, uninterrupted, and commercial-free movies direct to living rooms”—city viewers, who generally got good broadcast reception and thus had no need for cable, now had a reason to subscribe. Gerald Levin, a former divinity student who took over HBO in 1972, advanced the ball even further in 1975 when he leased space on an RCA satellite (six years for \$7.5 million) to deliver programming faster and more efficiently than was possible through the existing practice of using microwave towers or shipping videotape. Levin’s signature event: the “Thrilla in Manila” heavyweight fight between Muhammad Ali and Joe Frazier, broadcast live to pay-TV viewers on September 30, 1975.<sup>243</sup>

Satellite-delivered programming took another leap in 1977 when the Supreme Court blocked the FCC from enforcing rules that prevented cable from offering choice programming like movies and sporting events.<sup>244</sup> This opened the way for entrepreneur Ted Turner to operate his Atlanta-based facility as a superstation (WTBS) with national reach that could provide desirable programming to cable operators across the country.<sup>245</sup>

For the next 25 years, cable viewership grew, finally surpassing the broadcast TV stations’ combined total day (24-hour) viewership in the 2001/2002 season and surpassing its prime-time viewership two years later.<sup>246</sup>

### Cable News Networks

With the launch of Ted Turner’s Cable News Network (CNN) in 1980, a new era for news unfolded. Before that, major news stories often broke on broadcast TV with a “We interrupt this program” announcement. Now news was available 24 hours a day.<sup>247</sup>

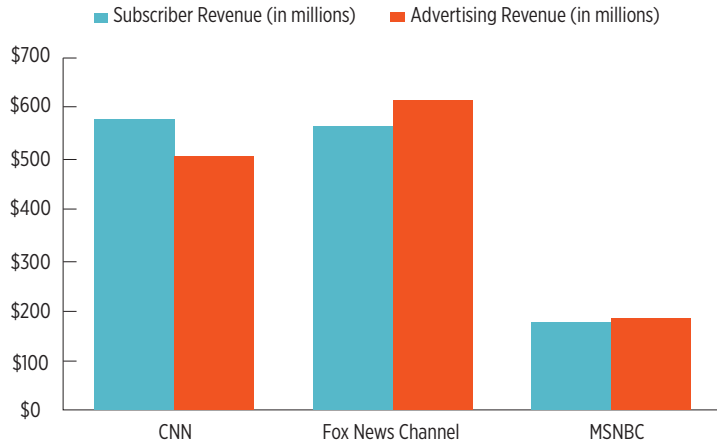
In the early 1990s, NBC-owned CNBC and MSNBC followed CNN’s lead.<sup>248</sup> FOX News launched in 1996, after its owner, Rupert Murdoch, gave cable operator TCI a \$200 million loan and an option to buy 20 percent of the network in exchange for carriage to 10 million homes. Murdoch also spent \$100 million to create the news network.<sup>249</sup> Today, there are at least 13 cable news channels, including those mentioned above, plus Bloomberg TV, HD News, and The Weather Channel.<sup>250</sup>

These news networks have grown exponentially over the past two decades. In 1992, CNN, CNN Headline News, and CNBC had a combined audience of approximately 680,000 television households during an average

quarter-hour. In 2010, FOX News’s median audience in prime time was 1.9 million, MSNBC’s was 747,000, CNN’s was 564,000 and CNN Headline News’s was 434,000.<sup>251</sup>

Unlike the broadcast networks, which depend on advertising as their sole revenue source, cable networks have the benefit of subscriber fees in addition to advertising dollars.

### CABLE NEWS REVENUE STREAMS (ESTIMATED) (2009)

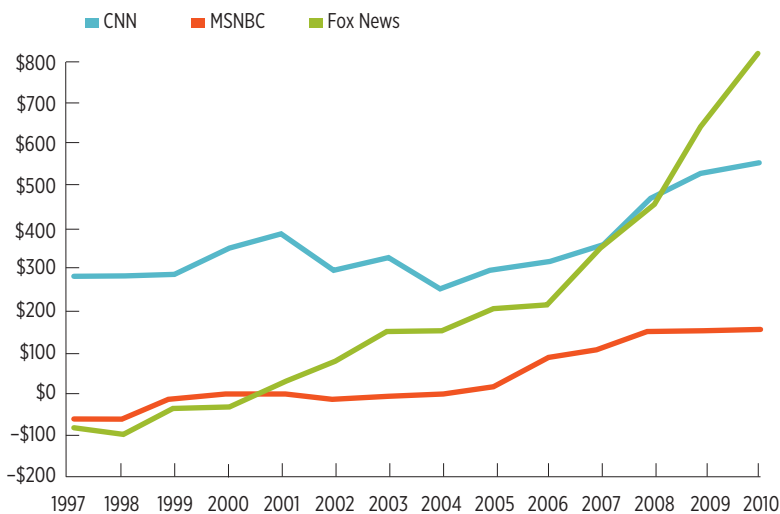


Source: SNL Kagan, a division of SNL Financial LLC, as discussed in The Pew Project for Excellence in Journalism, The State of the News Media 2010<sup>252</sup>

Audience actually declined in 2010—the biggest year-over-year decline ever—with combined viewership in prime time dropping 16 percent to 3.2 million.<sup>253</sup> Nonetheless, each cable news network projected increases in operating profits, continuing a long-term trend.<sup>254</sup>

### CABLE NEWS PROFITABILITY BY CHANNEL (1997–2010)

Total Profits (in millions)



Source: Pew State of the Media 2010 and 2011 Reports, citing SNL Kagan, a division of SNL Financial LLC<sup>255</sup>  
 Note: All figures are estimates.

All three cable news networks increased their investment in news. In 2010, overall spending at FOX News surpassed that at CNN and MSNBC, although CNN still has more staff and bureaus.

Though not a big moneymaker, the cable industry has contributed mightily to the flow of public affairs by sustaining C-SPAN (See Chapter 8, C-SPAN.), which, like most commercial cable channels, receives a fee based

## CABLE NEWS STAFFING (2010)

Channel	Total Staff	Change in Total Staff
CNN	4,000	no reported change
Fox News Channel	1,272	+72
MSNBC	600*	no reported change

Source: Pew State of the News Media 2011<sup>256</sup> \*Note: MSNBC's staff was last reported in 2007.

## CABLE NEWS BUREAUS (2010)

Domestic Bureaus			Foreign Bureaus		
CNN	Fox News	MSNBC	CNN	Fox News	MSNBC
Atlanta (HQ)	Atlanta	Atlanta	Abu Dhabi	Baghdad	Baghdad
Boston	Boston	Burbank	Amman	Islamabad	Bangkok
Chicago	Chicago	Chicago	Baghdad	Jerusalem	Beijing
Dallas	Dallas	Dallas	Bangkok	Kabul	Beirut (new)
Denver	Denver	New York (HQ)	Beijing	London	Cairo
Los Angeles	Los Angeles	Miami (new)	Beirut	Moscow (closed)	Frankfurt (new)
Miami	Miami	Washington	Berlin	Rome	Havana
Minneapolis	New York (HQ)		Bogotá		London
New Orleans	San Francisco		Buenos Aires		Islamabad
New York	Seattle		Cairo		Kabul
Orlando	Washington		Chennai		Moscow
San Francisco*			Dubai		Tehran
Seattle			Havana		Tel Aviv
Washington			Hong Kong		Tokyo
			Islamabad		
			Istanbul		
			Jakarta		
			Jerusalem		
			Johannesburg		
			Kabul		
			Lagos		
			London		
			Madrid		
			Mexico City		
			Moscow		
			Mumbai		
			Nairobi		
			New Delhi		
			Paris		
			Rome		
			Santiago		
			Seoul		
			Tokyo		

Source: Pew State of the News Media 2011<sup>257</sup> \*CNN transitioned its San Francisco bureau into a new Silicon Valley bureau in January 2011

on the number of subscribers signed up by a local cable operator. Cable's business model of bundling a package of programs for subscribers, rather than permitting them to choose individual programs a la carte, may be a factor in explaining how C-SPAN and the news networks were able to survive, and even thrive. As *New York Times* "Talking Business" columnist, Joe Nocera, explains:

"[U]nmoored from the cable bundle, individual networks would have to charge vastly more money per subscriber. Under the current system, in which cable companies like Comcast pay the networks for carriage and then pass on the cost to their customers—networks get to charge on the basis of everyone who subscribes to cable television, whether they watch the network or not. The system has the effect of generating more money than a network 'deserves' based purely on viewership. Networks also get to charge more for advertising than they would if they were not part of the bundle."<sup>258</sup>

### Local Cable News

Cablevision Systems Corporation launched the first 24-hour local cable news channel on New York's Long Island in 1986.<sup>259</sup> Other cable operators, including Time Warner Cable, Comcast Corporation, Bright House Networks, and Cox Communications, as well as television broadcast station owners Tribune Broadcasting, Hearst-Argyle Television, and Belo Corp., also launched local cable news channels in the 1980s and 1990s.<sup>260</sup>

In May 2011, there were approximately 39 local and regional cable news channels originating varying amounts of local news content. Roughly 20 to 30 percent of the population has access to these local cable news networks.<sup>261</sup> Of the 39 channels, 11 are owned by or affiliated with traditional news sources—such as a newspaper, broadcast TV station, or network—but typically they also have some association with a cable operator providing carriage.<sup>262</sup> One such entity is Chicagoland, a Chicago-area cable news channel operated by the Tribune Company, which also owns the *Chicago Tribune* and *Red Eye* newspapers, WGN-TV, WGN-AM, and *Chicago Magazine*.<sup>263</sup> On May 2, 2011, NBC announced the launch of new multicast 24/7 local news channels in Miami, Dallas, San Francisco, Los Angeles, and San Diego that would also be carried on its local cable outlets.<sup>264</sup> An additional 28 local or regional cable news channels are owned and operated by cable operators themselves.<sup>265</sup> For example, NY1, seen in 1.6 million homes, is owned by Time Warner Cable and provides a model for that company's seven other news channels in New York State.<sup>266</sup>

Offering local news to retain subscribers is a key element of the company's business strategy. Steve Paulus, a Time Warner Cable official, says that a popular attraction like NY1 helps reduce the "churn factor" and keep subscribers from switching to satellite or other telco providers.<sup>267</sup> "Subscribers won't leave cable if they think they'll lose NY1," he says. Time Warner launched News 8 Austin in 1999 in the hope that "News 8 would provide a community service and help differentiate cable from those rat bastards in satellite, who were stealing their customers at an alarming rate," according to Kevin Brass at the *Austin Chronicle*.<sup>268</sup> Kevin Benz, News 8's news director, says, "These stations were not meant to be ad-revenue producers."<sup>269</sup>

There are also regional news channels, such as New England Cable News (NECN), owned by Comcast, which reaches 3.7 million subscribers in more than 1,050 cities and towns in six New England states.<sup>270</sup>

By focusing on high-interest local issues, local cable news channels have driven up audience ratings. "We did 90 hours of live, continuous coverage during 9/11, because two of the airplanes came out of Boston," says Charles Kravetz, station manager and vice president of news at NECN. "When there's major news, weather, snowstorms, blizzards, our viewership is off the charts."<sup>271</sup> For NY1, a big boost came from a hotly contested mayoral race between David Dinkins and Rudolph Giuliani in 1993. "The local papers routinely credit NY1 as a source for political information, much more than our broadcast competitors," Paulus says. "Political acknowledge readily that NY1 is the only station that cares about covering politics."<sup>272</sup>

In a move that goes against the bare-bones norm of local 24-hour news stations, NECN has become a producer of award-winning documentaries. In 1997, the station won a prestigious George Foster Peabody Award for its one-hour program *Look For Me Here: 299 Days in the Life of Nora Lenihan*, the poignant story of a 40-year-old woman with advanced breast cancer who opted for home hospice care instead of radical medical treatment. NECN also conducted an 11-month investigation into the sexual abuse scandal by priests in the Boston archdiocese, airing its findings in December 2003 and January 2004 in an hour-long program, *Who Can Fathom the Human Heart? Father Shanley and the Church Crisis*.<sup>273</sup>

As local news networks have become established in their communities, they have become increasingly popular with viewers. In Florida's Tampa Bay market, Bright House Networks' Bay News 9 emerged as the third-most-watched morning show in a February 2006 survey—even though it is available to only 60 percent of the local television market. News 12 Networks has seven local cable news channels, five weather and traffic channels, interactive TV channels, and an expanding array of online and mobile ventures.<sup>274</sup>

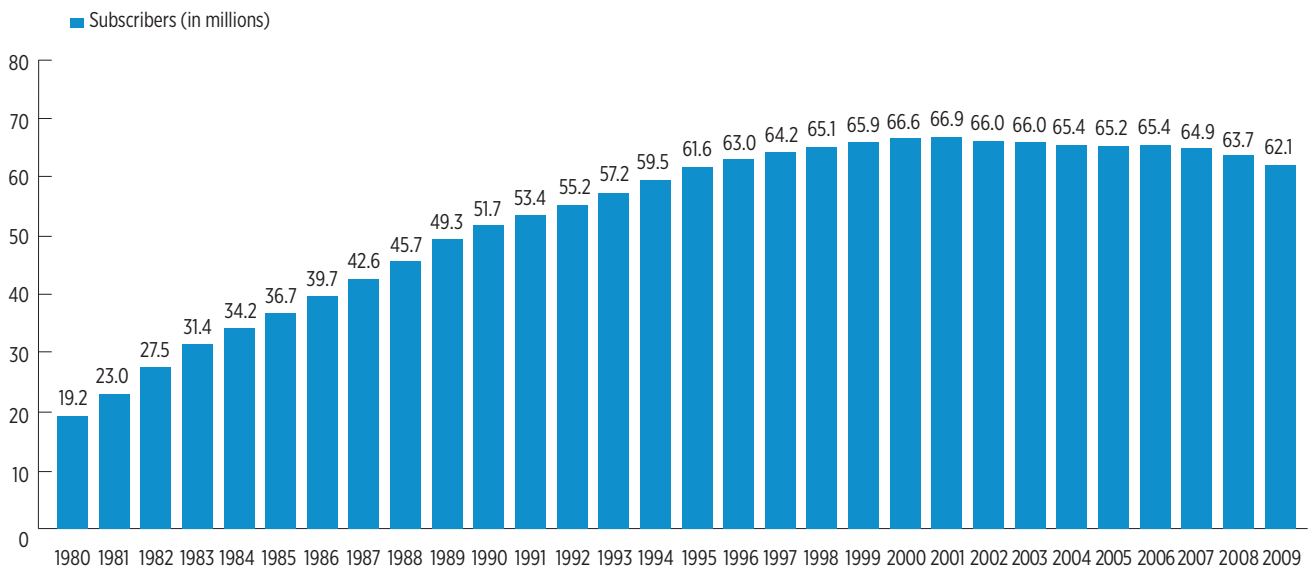
Local cable news channels use the Internet in different ways. For example, on its website, News 12 Networks (which operates in the New York metropolitan area) asks prospective users if they are cable television subscribers before allowing them to access its news and information pages. If would-be users are not cable subscribers, the site allows registration and access for a subscription fee of \$4.95 a month, or \$48 per year.<sup>275</sup> By contrast, Tampa's baynews9.com provides immediate access to its news and information to anyone who chooses to use its website.<sup>276</sup>

However, until NBC announced its decision in May 2011 to create new local news operations in five major metropolitan areas, the overall number of local cable news networks had not grown, and may even have declined in some areas. Most cable operators have not invested in local cable news and had no plans to do so. These stations generally set a goal of breaking even, rather than making a profit, according to cable industry officials interviewed by FCC staff.<sup>277</sup> Since 2003, several cable news channels affiliated with local, over-the-air broadcasters, newspapers, and cable operators have either stopped operations, or in some cases switched from broadcasting independent newscasts created by in-house staff to merely rebroadcasting news from an associated network channel. There are two exceptions to this general trend. One is Time-Warner, which plans to expand its local cable news stations because the company believes that local cable channels pay off in the long run, by reducing subscriber churn. The second is NBC, which is starting new local news outlets to fulfill promises it made to do so during the FCC's review of its proposed merger with Comcast—although it is unclear how much new local news reporting these entities will do. If they evolve into full-fledged local all news channels, the percentage of the population with access to local all-news cable programming will rise to roughly 29 percent.

### Cable Trends

Cable is an extraordinarily popular medium. The number of cable subscribers increased steadily for 25 years, from 9.8 million in 1975 to 66.25 million in 2000, and they declined only slightly over the next nine years, to 62 million in 2009.<sup>278</sup>

#### CABLE SUBSCRIBERS (1980–2009)



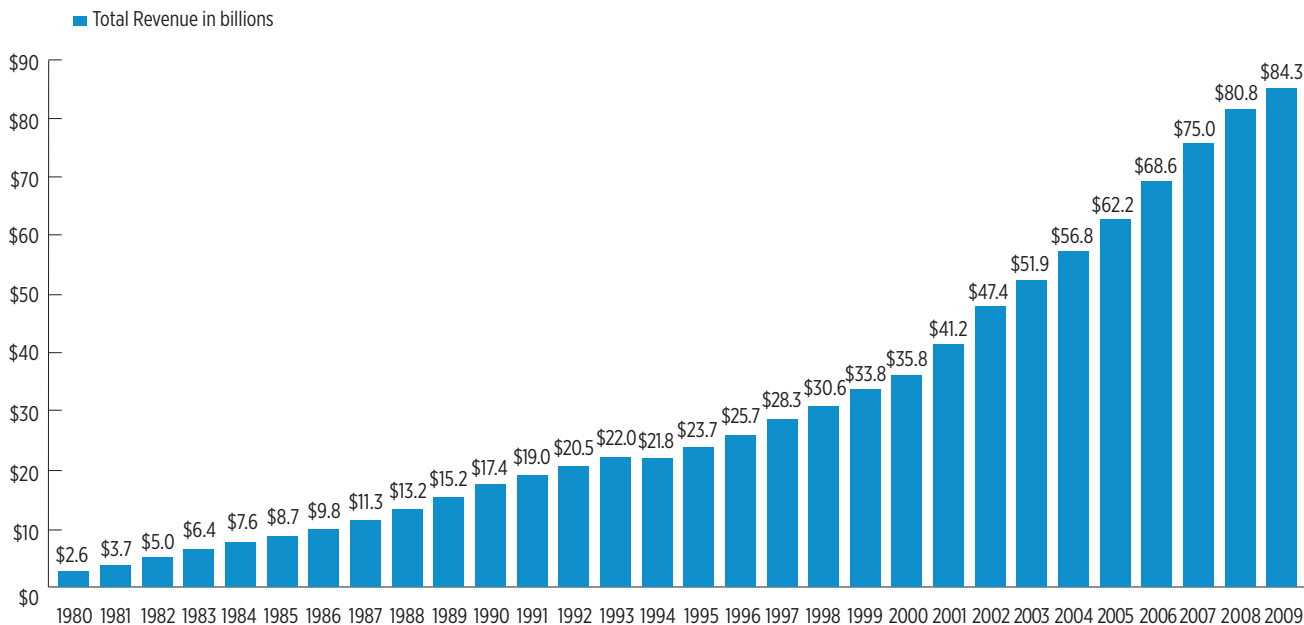
Source: SNL Kagan, U.S. Cable Industry Historical Projections, Volume 1 (1980–2009)

In recent years the growth story has become murkier. With the exception of a modest rebound in subscribers in 2006, the cable industry has been losing customers since 2003.<sup>279</sup>

In the view of industry analysts, cable continues to face threats from the growth of satellite TV, Internet video services (including free video websites such as hulu.com), the broadcast resilience, and the introduction of Internet TVs, which give consumers the capability to watch online content on a full-size TV without a computer.<sup>280</sup> Some analysts predict that pay-TV services (like cable) are likely to experience significant disruption by the end of 2015 in the form of 4 million to 5 million customers canceling their subscriptions.<sup>281</sup> Since this trend will inevitably increase the demand for broadband, cable companies are focusing on developing their broadband segments as subscribers cut the cord.<sup>282</sup>

Cable has a strong financial engine. Even though subscriptions declined in recent years, revenues have risen every year, from \$883 million in 1975 to \$84.3 billion in 2009.<sup>283</sup>

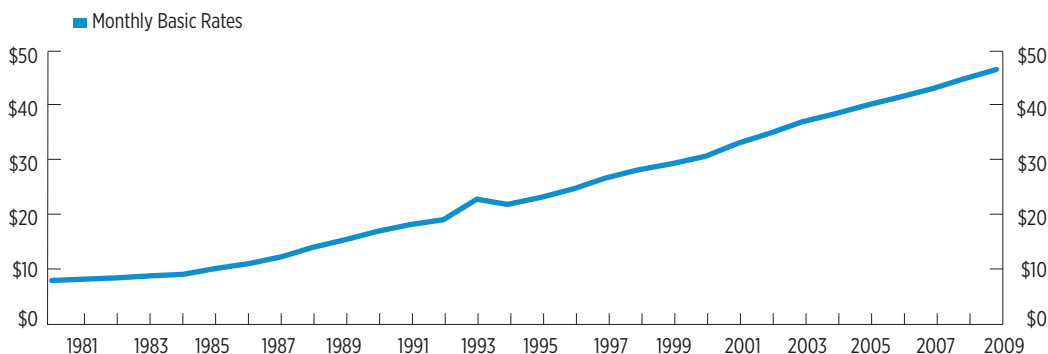
### CABLE MULTIPLE SYSTEM OPERATOR REVENUES (1980–2009)



Source: SNL Kagan, U.S. Cable Industry Historical Projections, Volume 1 (1980–2009)

Income per subscriber has also increased, from \$5 or less in the early years to between \$30 and \$40 or more for many cable systems in the 1990s.<sup>284</sup> Cable operators have earned profits that exceeded 30 percent in each of the past several years. Finally, while cable offerings have increased so have prices. The FCC’s 2011 Cable Price Survey notes that a typical subscriber pays \$92.10, if they sign up for video, Internet access, and phone service; and \$63.92 if they get only video service.<sup>285</sup>

### CABLE RATES—AVERAGE MONTHLY BASIC SERVICES (1980–2009)



Source: SNL Kagan, History of Cable TV Subscribers and Revenues, Broadband Cable Financial Databook, Oct 9, 2009



# SATELLITE TV

In a 1945 article in *Wireless World* magazine, science fiction writer Arthur C. Clarke laid out the blueprint for the global satellite communications industry. Clarke proposed launching space stations that would orbit Earth at 22,300 miles above the equator. Signals would bounce from an uplink on Earth to the satellites and then down to “small parabolas perhaps a foot in diameter.” Clarke never sought to patent this idea, which led to a multibillion-dollar industry. Though credited as the “Godfather of Satellite Communications,” he remained modest: “I suspect that my early disclosure may have advanced the cause of space communications by approximately 15 minutes. Or perhaps 20.”<sup>286</sup>

Twenty years later, on April 6, 1965, Clarke watched from a Washington, D.C., studio as the COMSAT Corporation, a government-created monopoly, launched its first satellite. His idea was on its way to becoming reality.

By 1982, the FCC concluded that DBS would provide high-quality television service to as many as 11 million people in rural areas who had no on-air reception or got fewer than three channels.<sup>287</sup> The FCC authorized DBS service, amended the Table of Frequency Allocations to permit DBS downlink operations in the 12.2 to 12.7 GHz band and uplink operations in the 17.3 to 17.8 GHz band, and adopted rules to prevent harmful interference to DBS operators from terrestrial licensees in the 12 GHz band.<sup>288</sup>

Despite the FCC’s push, intended to promote competition, the market was slow to follow.<sup>289</sup> None of the initial licensees survived, sunk by the high cost of launching satellites (estimated at \$700 million for the first year) and the lack of programming that differentiated DBS from on-air television. Given the prevailing rate of \$300 for equipment and \$39.95 a month for programming, few customers signed up.<sup>290</sup> DBS, at least initially, was seen as a major flop.<sup>291</sup>

Congress then stepped in to try to help DBS overcome obstacles it faced in getting subscribers. In 1988, Congress enacted the Satellite Home Viewer Act, which carved out a narrow exception to copyright laws in order to allow satellite carriers to deliver broadcast programming to satellite viewers without getting the copyright holder’s permission. This provision enabled DBS to target its service to the small number of households that did not receive broadcast programming (“unserved households”).<sup>292</sup> Even more critically, in 1992 Congress went further and enacted the “program access” requirements (section 628), which essentially prevented cable companies from denying popular programming to DBS and enabled DBS to begin offering this content to its viewers.<sup>293</sup> This boost was sufficient to get DBS off the ground.

Pent-up demand for an alternative to cable was huge. On June 17, 1994, DirecTV began providing high-power DBS service, transmitting over 50 channels of subscription and pay-per-view programming. Within a year, DirecTV had sold over a million systems, “far more than the number of VCRs, CD players and TVs sold in the same time frame when they were introduced,” according to author Stephen Keating.<sup>294</sup>

A satellite company has the option of providing local broadcast station programming—also known as “local-into-local service”—but is not required to do so. A satellite company that elects to provide local-into-local service is required to provide subscribers with all the local broadcast TV signals assigned to that designated market area (DMA) that ask to be carried on the satellite system and are otherwise eligible.<sup>295</sup> DISH Network provides local-into-local service in all 210 designated markets in the U.S. and DirecTV to 175 of them.

Local PBS stations and other noncommercial stations are generally included among the “local” stations offered.

In addition, satellite operators are required to set aside 4 percent of their capacity for “educational programming.” (See Chapter 28, Satellite Television and Radio.)

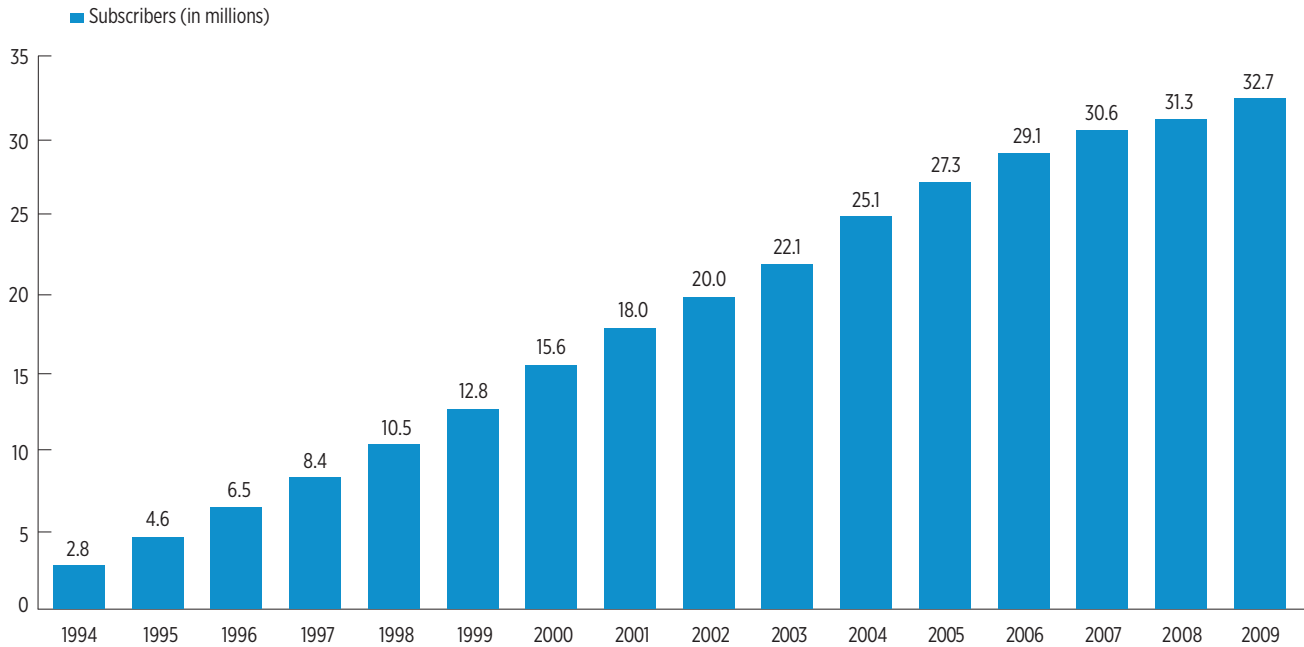
## Current State

DirecTV, the largest DBS provider and second largest multichannel video programming distributor (MVPD) in the U.S., serves 19.2 million subscribers and offers over 285 channels, more than 160 of which are in high definition (HD).<sup>296</sup> DISH Network, the second largest DBS provider and third largest MVPD, has 14.3 million subscribers<sup>297</sup> and offers over 315 channels of programming.<sup>298</sup>

From 1996 to the present, the number of DBS subscribers has risen every year.



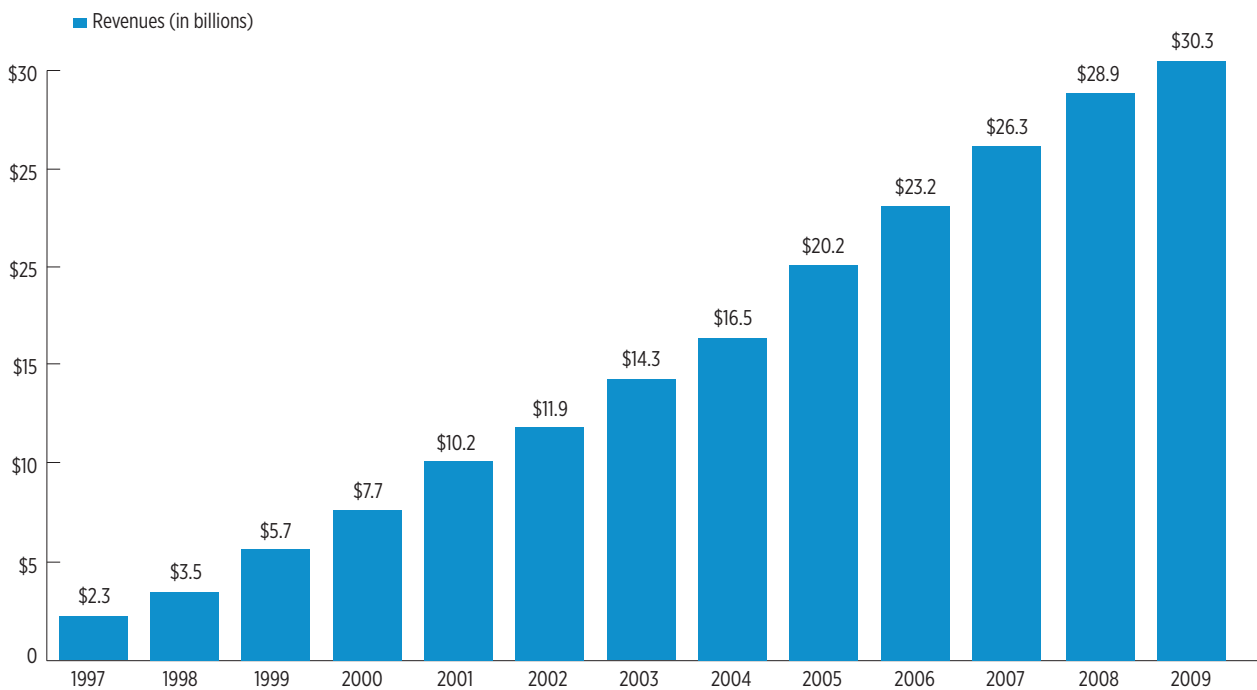
## SATELLITE TV SUBSCRIBERS (1994–2009)



Source: SNL Kagan, U.S. Cable Industry Historical Projections, Volume 1 (1980–2009)

Revenues have also continued to grow, from \$2.2 billion in 1995 to \$30.3 billion in 2009.

## SATELLITE TV REVENUES (1997–2009)



Source: SNL Kagan, History of DBS Subscribers and Revenues (1997–2009)

In 2010, both DBS operators reported strong profits. DirecTV netted \$2.198 billion, up from \$942 million in 2009,<sup>299</sup> and DISH Network saw a \$985 million profit, up from \$ 636 million in 2009.<sup>300</sup>

DBS has grown to become a significant provider of video services and a vibrant competitor to cable.

## Conclusions

The decline of newspapers created an opportunity for local TV news. Has it filled the void they left?

The best of the local TV stations prove day in and day out that local TV news can be great—not only performing the great functions of journalism, but doing so in a way that is accessible to a broad cross-section of the community.

Many newsrooms have begun trying to adapt creatively to the new realities, having reporters learn new skills and digital production techniques. Many have sought ways to squeeze out what they see as inefficiencies by cooperating with other stations or forming new partnerships. And some continue to offer high-quality local news.

Unfortunately, the evidence is strong that many local TV stations have not stepped up to meet the challenges of the moment and in too many cases may even have moved backward. On average, local news has become thinner, not deeper. The amount of coverage dedicated to important public issues—like education, health, or government—remains tiny, according to several studies. The amount dedicated to crime seems as high, if not higher, than ever. In-depth, investigative, and beat reporting are declining.

We found instances in which local stations appeared to sell their news time, and reputation, to advertisers—in some cases literally allowing sponsors to buy their way into news segments. Too many local TV station executives and managers have responded to financial pressures from owners by allowing advertisers to dictate—and in some cases to create—content, undermining long-standing journalistic standards.

Some cost efficiencies, like resource pooling and “one-man bands,” that could have freed money to finance more journalism—seem rarely to have led to that result. In some cases, they have instead resulted in less diversity of reporting.

Instead of using the money saved by new technologies and production efficiencies, and the additional money that poured into local TV stations from the historic levels of political advertising in the 2010 election season, to increase the pool of reporters who could cover their communities and more effectively monitor institutions and government agencies, many stations have opted to let those dollars simply flow to the bottom line. In today’s multitasking news operations, reporters given broadened production responsibilities have less time to do the labor-intensive reporting that can provide vital information to the local viewer and hold local institutions and leaders accountable.

All of these factors together may help explain why, in a recent survey by the Pew Project for Excellence in Journalism, 64 percent of TV news executives said that they believe their profession is headed in the wrong direction, compared with 35 percent who believe it is headed in the right direction. Amazingly, despite being relatively better off financially, TV news executives are significantly more pessimistic than even newspaper editors.<sup>301</sup>

Finally, we note that while we offer these criticisms of some local news operations, they are at least doing something. A study by the FCC Media Bureau found that 258 commercial stations do no local news at all. Another study found that of those stations that do air news, a good third of them are airing the broadcasts of other stations—meaning that as many as half the nation’s TV stations do not have a local news room.

It would be overly alarmist to declare that these changes have crippled the ability of local TV newsrooms to cover their communities. Some stations continue to provide extraordinary programming. And in general, local TV news is still capable of handling, sometimes brilliantly, many types of basic news—local weather emergencies, crimes, fires, earthquakes, and news that piggybacks off the shrinking news operation of local newspapers. What many local TV stations seem increasingly unable to do is enterprise reporting, investigative pieces, in-depth reporting, beat coverage of important local institutions, and stories that require reporters to do more than a few interviews.

The challenge to local TV news posed by the Internet will continue to be formidable. But local TV stations are well positioned to convert their strong local brands into digital businesses. In most communities, the leading websites for local news are those run by the TV stations and newspapers. In fact, it could be argued that local TV news is, based purely on the numbers, the best business model currently operating for sustaining local news. Given the current local media landscape, having the best business model may be viewed by some as akin to having the best sleeping berth on the *Titanic*, but local TV news operations have great opportunities to expand their reach and influence.

What about cable television? Cable television is doing financially even better than broadcast TV, since cable operators generate revenue from subscriptions, not just advertising. But so far, this relative health has not led the cable industry to invest heavily in news and public affairs in their communities. Currently, only about 25–30 percent of the population can watch one of the 39 local or regional cable news shows. And, with a few exceptions, cable operators view these as unprofitable and have no plans for expansion. While C-SPAN thrives, it is unclear whether state public affairs networks will.

Satellite TV does carry many local TV stations but the system of providing carriage for “educational programming,” including public affairs, has shown strains. For instance, only one state SPAN has managed to get satellite carriage. (See Chapter 8, C-SPAN and State Public Affairs Networks.)

Relative to the problems of local news, we feel no great concern about the quantity of national TV news. That is not to say that the national TV news system is fine as is. There are important ongoing debates about the quality and emphasis of network versus cable news. But the national news markets seem dynamic and fluid, with gaps created by market change currently being filled by innovation from existing or new media.

Local TV news remains the public’s number one source of news. Even though a small percentage of people get local news through the original method—an over-the-air signal—these channels are all carried on cable and satellite systems. And local TV news teams remain popular. Just as NBC radio became NBC television, which became MSNBC.com, we expect local news operations to have some staying power if they adapt to the changing terrain. What is less clear is how many will adequately perform the civic functions that their licenses require of them and their communities need.

So far, despite many outstanding news operations, it appears that many local TV news operations have not seized the opportunity presented them by the changing media landscape. So far, they have not filled the gaps left by newspapers.

