

>> Susan DeSanti: Okay, let's get started. We still have a lot of ground to cover, and this panel is one that we put together, because as we were preparing for this workshop, we heard a lot about how consumers are using the Internet and information on the Internet differently, are approaching it differently, there are different things that you can do on the Internet. We heard little bit about this from Josh Marshall yesterday, of Talking Points Memo, that he basically encourages his staff, and he writes for the Internet differently than he would for print. And so we thought it would be very useful to have a panel that focused on the different kinds of ways in which you can engage consumers and inform consumers in the new digital age, and that's the point of the panel. And we're going to start with -- and we've given each of these panelists -- we're getting really lax here. Instead of three minutes, they get four minutes. And each of them will go through a four-minute presentation, and we're going to start with Jim Gaines. Jim is a former corporate editor of Time Inc. and was the managing editor of "People," "LIFE," and "TIME" magazines. He's now the editor in chief of FLYP, a website for digital multimedia journalism at www.flypmedia.com.

>> James Gaines: Thanks, Susan.

>> Susan DeSanti: I think you're gonna need to move it a little closer. I'm sorry.

>> James Gaines: Can you hear me? Yes? Thanks to the commission and Susan and Elizabeth, who's...

>> Susan DeSanti: Floating around.

>> James Gaines: ...floating around, for inviting us here and for the last two days, much of which I watched yesterday, almost all of which the stream was a little weird, but almost all of which yesterday I watched and listened to, and, frankly, found a bit depressing, because so little of what I care most about was really -- was under discussion. So much was about data and hits and clicks and page views and content. I hate that word. It's amazing to me, and it may have been the stream or it may have been real -- I hope it was the former -- that it was not until midday today, in the panel on public funding, that I heard the word "story." Alisa Miller talked about storytelling in talking about PRI. You know, hearing Arianna Huffington whining about pay for content, of

hearing Rupert Murdoch quoting the founding fathers yesterday was truly repulsive. Of course people pay for content. People will pay for what they want. And one of the things that NPR and PRI are doing very well is telling stories that people want to hear. I think one of the problems is we live in a disintermediated -- Our digital experience is disintermediated, no question about it. It's famous for that. And I think one of the challenges that we have is reintermediating what has been disintermediated. And I think that lots of things will contribute to that, but one of the things that won't is a cramped view of what journalism is. It is not data. It is not content. It's stories. It's things that -- it's not important what we put down on a page. What is important is what people take into their minds and hearts. And for all the talk of transparency and databases, that is great and it is the bulwark of good journalism, but it needs to be taken into the form of stories. I'm going to run way over if I keep on this rant, so I will try to desist. We haven't done a great job of journalism. It's -- it's -- oh, my God. One minute? Okay. I will cut to the chase. The new devices that are coming will change fundamentally the experience of the stories that we put out. They will change the Internet from a lean-forward experience to a lean-back experience. And I'm talking specifically about the Apple iPad, the Microsoft Courier, but especially the descendants. You will be able to -- I mean, radio is the ultimate lean-back experience. She was talking about 30 million visitors a week, 4 1/2 hours a week of consumption? That's because radio is a great storyteller and a great leaning-back experience. That is what is coming in the broadband environment with these new devices, which will become more flexible, more ubiquitous, and more important and which will require new arts and new crafts of storytelling in all media at once. That is the challenge that we're looking forward to. I just want to repeat something that Eric Newton said this morning, quoting a Knight Foundation report -- journalism doesn't need saving, it needs creating. I'll stop there. Thank you.

>> Susan DeSanti: Thank you very much, Jim. You've given us a lot to think about already. Next we'll hear from Kathy Times. She is the president of the National Association of Black Journalists, an Emmy Award-winning investigative reporter, and co-anchor of FOX 40 news at 9:00 in Jackson, Mississippi. She coauthored the NABJ's first diversity census of senior managers working at network news operations. She plans to increase training for NABJ members who would like to assume managerial and executive positions in all media platforms.

>> Kathy Times: Thank you so much, Ms. DeSanti, and to the chairman, Mr. Leibowitz, for putting this conference together, and we are delighted to be here today. I believe a more appropriate question is how will journalism be transformed by the Internet, because journalism will survive. I want to thank all of you for being here, because I certainly hope that you will take something away and tell our stories to others. Diversity and inclusion are two areas of great concern for the thousands of African-American members of my organization who are represented around the world, but we are also concerned about the black community at large and how it will receive news and information in the future. The challenges that our members face are very real and entrenched. Newspaper jobs held by black journalists were cut by an alarming 18% since 2001, making African-Americans the single most targeted group for job losses in the newsrooms across the country. In real numbers, nearly 400 black journalists lost their jobs at newspapers alone last year, and they continue to do so today. Worse, 458 newspapers still have no minorities in their newsrooms. On the television side, as Ms. DeSanti just mentioned, we conducted our second annual NABJ census, and it revealed facts about who's making the decisions. The 2009 census looked at the diversity of the management teams at 111 stations owned by ABC, CBS, FOX, Hearst-Argyle, Media General, NBC, and Tribune. Only 11% are people of color. Fewer are black. At the network level, there are no African-American executive producers supervising nightly newscasts or those wonderful morning shows. The numbers are equally poor at online media outlets. Many of these start-ups left the starting gate without black journalists. Without diversity, stories and events that are important to the African-American community are less likely to be covered and more often misunderstood. The Obamas' triumphant fist bump was one of those moments. We want to enlist the help of not only the FTC and the FCC but the major networks, and even FOX, to dedicate resources that will lead to online partnerships and boost entrepreneurship. This will strengthen coverage of the African-American communities. Now, some partnerships have emerged, such as theroot.com with the help of the "Washington Post." We want you to consider solutions that will make training more accessible and ownership easier to attain. Now, it is imperative that if any federal assistance is available, we use it to retool newsrooms and assist African-American newspapers that are struggling. As newspapers downsize and disappear, consumers will become more dependent on electronic media, namely, of course, the Internet and mobile devices. African-Americans are more likely to access the web using handheld devices. Now, we implore the media to find more effective ways to reach them with important and relevant

stories that impact their lives. We are not advocating feel-good Band-Aids but rather pushing good business sense. A broader audience leads to more revenue, and at the end of the day, that's what we need to eat. In closing, it's important to point out that NABJ has long been a leading advocate for training and educating black consumers and professional and student journalists. We have programs right here in the Washington area that are held every year and across the country with more than 83 chapters, on college campuses as well as professional chapters. As NABJ celebrates its 35th anniversary, we are powered by change. We are ready at the starting gate. We've seen what's happened in the past, and that doesn't have to be the future. Thank you.

>> Susan DeSanti: Thank you very much, Kathy. Next we're going to hear from Jason Seiken, who is the senior vice president of PBS Interactive, where he is leading the transformation of PBS on the web and mobile platforms. Before joining PBS, he led content development for AOL's businesses in the U.K., France, and Germany, and before that, he was the founding editor in chief of washingtonpost.com. Jason?

>> Jason Seiken: Thank you, Susan, and thanks to the commission for this opportunity to share a few thoughts. At PBS, we're focused on transforming ourselves from a traditional broadcast organization to a right-brain/left-brain company -- right-brain because, these days, media organizations need to be risk-takers, experimental, fast-moving, and willing to cede significant control to their audience and left-brain because we need to overlay that call to experimentation with a hard-nosed business discipline of focus, accountability, and, most important, using data to drive decisions. Three examples of how this works at PBS -- a year ago, we launched our video hub for kids. It was pretty much an overnight success with more than 5 million streams a month, but by examining the audience data, we knew kids were hungry for more interactive experience. So, we took a technology that was designed to insert advertising into online video and repurpose it to instead insert interactive online -- interactive, educational games. Instantly, linear television was transformed into an interactive experience, and we saw a 10x jump in traffic to those videos. A second example -- when we launched video.pbs.org this spring, we decided to push the PBS brand in a risky new direction by adopting an unconventional design. The audience was somewhat taken aback. One older woman gave us feedback that "this isn't at all what I expected from PBS. It's so modern." And someone on Twitter said simply, "This is sick nasty," and it took the younger people

in my organization to assure me that that was a compliment. So, at the same time, we've adopted a disciplined approach to the looking at data and rapidly iterating based on what the audience wants. We launched the video site in April, and since then, we're now on our 17th release. We're just about to launch our 17th version of the video site. So, this approach has paid off with a larger, younger, more diverse, and more engaged audience. On air, the average PBS viewer is pushing about 60 years old, but half of the pbs.org audience is under the age of 35. Traffic to PBS sites has jumped to almost 20 million units a month, and the average user on our video site is watching for 26 minutes per video stream. Pbs.org users are also now significantly more diverse than the overall U.S. web population, indexing 82% higher for African-Americans and 55% higher for Hispanic Americans. The final example I use is our approach to local news and information. Rather than stick with our traditional model of a central PBS website and hundreds of local station websites, we've blown up the model with two changes that analysts tell us are industry firsts. First, we architected the PBS video platform to allow three-way sharing of video -- national-to-local, local-to-national, and local-to-local. What that means is that the audience that goes to a PBS station website can now view local videos side by side with programs like "NOVA" and "FRONTLINE." At the same time, local stations can bubble up their video to pbs.org and they can share it from station to station. In phase two of this project, we're taking the local-national one step further by rearchitecting pbs.org so that all businesses will automatically be given a seamless mix of local and national content using their IP address and APIs to automatically suck in content -- sorry for that word, Jim -- to automatically suck in content from local PBS websites to pbs.org. So, for PBS, the key to this right-brain/left-brain approach has been to remain true to our key principle, which is to use every minute on air and every pixel online to help Americans make their lives better for themselves and their children while, at the same time, embracing experimentation and risk taking in how we live up to that principle. In closing, a couple of thoughts about creating a right-brain/left-brain organization and how doing so is relevant to the future of journalism. The first key is institutionalizing risk taking. The new media group at PBS has built an informal, new category into our annual performance review. It's a failure category. And the way it works is that if an employee doesn't fail enough times during the year, they get marked down, because it means they haven't been taking enough risks. The second key really is leadership. During the past two days, this conference has heard two very different stories, one from start-ups and another from the mainstream media. Personally, I think that in this time of marketplace upheaval, the key advantage

that start-ups possess is that they are native -- most of them are native-born right-brain/left-brain companies. By contrast, most newspapers, having enjoyed near monopoly status for decades, are immigrants into the right-brain/left-brain world, especially to the part that requires change and risk taking. When the dust settles, the winners will be the companies with extraordinary leaders like Don Graham at "The Washington Post," Jon Miller, who I know well from AOL, Paula Kerger at PBS, who are able to instill new cultures and transform their organization in -- their traditional organizations -- into start-up-like companies with a right-brain/left-brain approach. It's second nature. Thank you very much.

>> Susan DeSanti: Thank you. Next we'll hear from Jonathan Miller, who practically needs no introduction because we just got kudos, so -- but I will say Jonathan Miller is digital officer and chairman and C.E.O. of the Digital Media Group for News Corporation.

>> Jonathan Miller: Well, thank you, Susan, thank you to the commission, and, most of all, thank you, Jason, for that kind remark and for the idea of getting kudos for failing. I'd like to see if we can institute that, at least with regards to myself, because you do have to try some stuff. Part of what I try to do for News Corporation, which is obviously a large, diverse, and global media company, is figure out what's important. There's so much change going on and so many things that come up, and a big part of it is, what are you actually focused on? What really matters? What makes a difference? What's important? And, obviously, very specifically to this, how does it affect news, information, storytelling, and is it performing on a global basis? So, there's really three things right now that I latch onto and think about sort of all day and all night. And they're mobility, the real-time nature of information and content -- sorry again -- and the third is socialization of the Internet and, frankly, of our lives -- the digitalization and socialization of our lives. So, let's look at each of those. Mobility, I think, is the most profound change that's going on right now around the world in terms of technology. By some time in 2011, most people in the world that access the Internet will access it primarily over some form of portable and mobile device. That is a profound change. We are entering the post-PC world in a very real way. We kind of know that and it's kind of exciting with iPhones and smartphones, but it's a fundamental change. The world is shifting to a portable and mobile environment, and I think that affects everything -- the economics, the kinds of information that people want, where they want it, how they want it, the stories that are told and how

they are told. All that is affected by mobility. Also, it allows many, many more people to be online and to be online all the time, or most of the time, that they choose to be because it is much easier, it is much less expensive, it reaches neighborhoods and areas of the globe that haven't been reached before. So, I think it is a tremendous force for diversity at every level regarding the world community and the world online community. Second, about the real-time nature of things -- it's really been a profound change. There is technology now that underlies it. We think of it as -- in many ways, it's often discussed as Twitter as real-time, and it is, but there are many technologies that essentially lead to the world wanting to -- getting accustomed to and wanting to know what it wants, get what it wants when it wants, where it wants. So, we want to know what's going on in Iran in the disputed election the minute it's happening as it's happening, just like we want to know what's going on in our local community and with our friends as it's happening. And that is, again, a profound change. We want that -- coupled with mobile, we want that to be able to be available to us at any time. The third thing is the whole socialization of the Net, and this is a profound change, as we know. I think everybody's familiar with the leading companies in that regard, but it's a profound change, obviously, for the news business and many others, as we now get information from people we know, from interest-based groups, and it is also much easier now to form these kind of interest-based groups of many, many different kinds and represent many, many different communities. So, I think socialization is also a force for organization, for diversity, and, for now, really performing an editorial aspect that was previously done only institutionally, and these will live side by side. And, by the way, that is really an interesting and great world. And then lastly, given the time, there's one high-level concept that you just sort of always have to, I think, keep in your mind, even though it's the simplest statement you can make of all, and that is bits are bits -- that we're now seeing all of these bits come together, and Reed Hundt talked about this in terms of the regulatory, or deregulatory, environment, that what was television is now really primarily delivered digitally to most people, for example, in the United States. The television you watch on your tv set is delivered digitally, just like the stuff you get on the Web is digital and the stuff on your phone is digital. So, bits become bits, and you want the bits that you want where you want, when you want. You want them timely, and you want them to represent the kinds of information, stories, content, data that you want. And all of that is happening at the same time, and all of that affects not only many areas of business but affects the news business very directly and I think is underlined in the profound change in the industry at this time.

>> Susan DeSanti: Thank you very much. Next we're going to hear from Linda Solomon, who is an award-winning photojournalist, noted author, and a committee member of Citizens to Save the Eccentric, her local community newspaper, who I think has the best name of any newspaper I've ever heard of. Linda?

>> Linda Solomon: Thank you very much, and it's truly an honor to be here today. I am going to start with a story, and it's one that changed my life, certainly. In April of this year, I found out on Facebook -- how ironic -- that our local newspaper was closing. This was a complete shock to me. "The Birmingham Eccentric" in Birmingham, Michigan, a suburb of Detroit, connected our community for over 131 years, and it's also the oldest business in Birmingham. This is the paper that we all looked forward to every Thursday and Sunday. I remember when I started my freshman year at college, I asked my parents if they would send our subscription to my dorm because I wanted to keep in touch. When I started my career as a photojournalist, I felt comfortable enough to walk into the offices without an appointment of the "Eccentric" and show my photos in one byline from "The Detroit News." The editors were gracious and warm, and, yes, they let me freelance. Two years later, I was hired by "The Detroit News" as a columnist because of this experience. So, when I found out our local paper was closing, I sent a letter to the editor about my feelings, and they were very personal. And when the letter was printed, I asked my husband, who was the first one to pick up the paper, and I said, "Is it in?" And he said, "Yes, it is, but there's also a letter from the editor stating that the paper is not closing." I said, "What? What happened?" And now I'm going to tell you how a community saved a newspaper. One of the citizens in our community had the chutzpah to come here to Washington to meet with Mr. Hunkey at Gannett and pleaded with him to keep our paper on our kitchen tables. This was not an easy task, because, as you know, with the unemployment, as in Michigan and all of the other problems that we're currently having, the advertising dollars certainly were down, subscriptions were down, but yet he listened -- Mr. Hunkey listened -- to this citizen, David Bloom, and said, "Okay, let's go back to the local publisher and see what we can do to save your paper." So, there were some very difficult decisions that were to be made. Number one, we would have to increase subscriptions substantially in order to keep the paper alive. Now, that's not easy today. So, I read this article, and I said, well, what can I do? This is the paper that started my career. I want to help this paper," and I called the

editor, whom I had known for 20 years, and I said, "Can I volunteer to write a column?" And he was a little surprised, and he said, "You would do that?" And I said, "Yes, I would, and I'm also going to ask other celebrities from our area to also volunteer their time." And I called Hall of Famer Al Kaline, who has never written a column, but he was writing a column. I called Bob Woodruff -- ABC's Bob Woodruff -- to write a column. He started writing a column. Jill Rappaport from the "Today" show -- all sorts of very famous people, the former chairman of Ford Motor -- they were all writing columns to save this paper. I have always specialized in working with children and developed many programs in encouraging children to express their feelings through photography, and I said to the editor, "Would you give me the opportunity to give children a chance to take photographs and write for this paper?" He said, "Well, if you want to," and I said, "I would love that," and I put in my own column that I was volunteering to do that I was looking for young journalists to write to me, to tell me how much they want to work for newspapers. And the response was incredible. And I will share with you some of the stories. I mean, for a 13-year-old to see a photo that he has taken on the front page of a newspaper is really something. I mean, this builds self-esteem. And then he was able to photograph Curtis Granderson and also have that on the front page. This is an experience that changed this child's life. Now, was he interested in newspapers prior to this? Probably not. But is he interested now? Yes. Are his friends reading newspapers? Yes. Do they walk past a newsstand and say, "Wow, isn't this cool?" And you know, all the kids can have their photos on Facebook, but when you have your photo on the front page of a newspaper with your byline, that's something that stays with you for a lifetime. So, while we were saving our newspaper, 45 minutes away, in a very academic community, a 200-year-old paper wasn't able to be saved, and that was the "Ann Arbor News." And a friend in Ann Arbor called me, and he said, "Linda, why didn't we do what you did?" But, you know, it was too late. The paper had closed. So, the importance here of getting right on top of this, right when it's happening so that your paper can stay right here on the table and that you can enjoy it, encouraging children to participate in the paper -- that is the key, because they are our future, and if they understand how important it is to share their lives and to share their hearts by contributing their words and their photos, then we'll be able to continue to receive our papers. Thank you.

>> Susan DeSanti: Thank you, Linda. Next, we're going to hear from Debra Osofsky, who is the national director of news and broadcast for the American Federation of Television and Radio

Artists, a labor union representing over 70,000 journalists, performers, and other artists working in the news media and entertainment industry.

>> Debra: Thank you. Thank the commission, Ms. DeSanti, Ms. Jex, and Ms. Hoke and all of the other folks who made it possible for AFTRA to come and add our view to this workshop. AFTRA has filed a comment, which I understand will be up online soon, that covers a number of areas, including our support of meaningful media ownership rules, but I'm gonna focus my comments here on the topic from this panel, which is the informing-consumers portion of the discussion. Care needs to be taken as we move into this Internet age, as we move to multiple media platforms, that Americans in their capacities as citizens and as consumers are getting the news that they need, that they're getting the high-quality journalism that they need, and that means high-quality, professional journalists. I noticed yesterday there was a lot of conversation about citizen journalists. Some made references to that as well today. And I believe that this is a term that we should watch very carefully -- essentially, everybody who's in this room -- because you have to think about what it means to say that there are citizen journalists. If everyone and anyone is a journalist, what's the value of the product that you're trying to sell? And I mean "sell" not just "sell to an ultimate consumer individually" but also if you're trying to sell to a foundation, to say to a foundation, "You should support our journalism." So, be careful what you say and the terms that you use. Professional journalists are expected to adhere to a code of ethics. That includes truthfulness, accuracy, objectivity, impartiality, fairness, and public accountability. Maybe your list looks a little bit different, but there's certainly a code of ethics that journalists are expected to uphold. Citizen journalists are not held to these standards. Moreover, citizen journalists don't have the kind of resources to do the fact-checking, the analyses that are necessary in order to have a quality product. These are important hallmarks of the professional journalist. So, let's call citizens "citizens." Let's understand that they could be citizen sources, and that's really important, and we want to engage those citizens. That's important, too, but let's be careful and say journalists are professional journalists and citizens are citizens -- that simply being in a place where breaking news is happening with a cellphone does not make a person a journalist, that we need the context, the analysis, and the stories that make journalism journalism. So, let's talk for a little bit about professional journalists and make sure that, as we progress through this digital age, that the journalists themselves have the resources that they need in order to do the quality journalism that

Americans need as citizens and as consumers. The combination of the proliferation of these platforms and, unfortunately, a cyclical downturn in the economy has put a lot of pressure on journalists. I speak mostly from knowledge of broadcast journalists that AFTRA represents. There's been a lot of pressure to try to do much more with much less, a lot less time available to do the journalism that needs to be done. There's a request to do additional reportage to -- for the Internet to feed that beast of the Internet or to repurpose stories for iPods, downloads. Reporters used to have -- particularly in TV -- used to have an editor, a producer, a cameraperson or videographer in order to get the full story. And now we're saying to some of our journalists, "We're not gonna give that all to you. You need to do many or all of those jobs yourselves and become a one-man band." When reporters have more work to do and they don't have more time to do it, something has to give, and so it's important that we focus on making sure, as we go into this digital age, that our journalists get a chance to be journalists and do the quality of journalism that we all expect and want, that people are gonna be willing to pay for in one way or the other, either through their pocketbooks or that we expect the government or foundations to fund. We need to make sure that the stories that Americans need to hear about their local communities, the zoning board, the schools -- that all of that continues to get covered and that we get the kind of in-depth analysis that matters to citizens in a democracy. We need to be vigilant in this new digital age to make sure that professional journalists have the opportunity to do the proper investigative reporting that we all want to see. So, in sum, those with the expertise, those who follow journalistic standards, and those who are going to have the time to do the proper journalistic work that professional journalists continue to be respected in the digital age. Thank you.

>> Susan DeSanti: Thank you, Debra. And, finally, we're going to hear from Benjamin Todd Jealous, who was a member of the Knight Commission, about whose report you just heard, and is the C.E.O. and President of the NAACP. Benjamin?

>> Benjamin Todd Jealous: Sure. And I used to run something called the National Newspaper Publishers Association, a federation of 200 black newspapers, and my perspective that I'll talk about today is somewhat, I think, imbued with that experience. Probably the scariest thing about the Knight Commission on the Future of Information Needs of Communities in a Democracy is its name, right? Like, we're talking about media and journalism without mentioning media and

journalism 'cause we're so freaked out that neither may exist and we don't want to seem anachronistic in our prognoses. But the idea that I found most compelling as we traveled around the country and we listened to people talk about the state of the quality of information, whether it's in the rural Midwest, whether it's in urban, Northern California, on the edge of the Silicon Valley, was the idea of information deserts, both geographic as well as generational. In other words, you may have, you know, broadband saturation, but you may have 30% of your voting population just not engaging. And what that means both for expanding broadband access in places where it's geographically, you know, just a poor situation -- either there's not enough competition or there's none at all -- but also for postal rates, also for postal rates. You know, small publications like the one I used to lead in Jackson, Mississippi, "The Jackson Advocate" -- We distribute most of our circulation to people all over rural Mississippi through the post office, but the rate structure is there to really benefit mass marketers, and it constrains the options for growth for small publications, which become increasingly important in this sort of media moment. You know, part of my role on the commission was to remind people who just wanted to keep on talking about, "Oh, nothing like this has ever happened before," that, actually, there are appropriate analogies from history that are available to us, including what happened to the Black Press as a result of the -- I guess, the Knight Commission back then -- or the Kerner Commission, excuse me -- and the desegregation of media. "The Baltimore-Washington Afro" today has a circulation, I think, of about 120,000. In 1920, it had a bigger circulation than "The New York Times." It was distributed in every major city from Charleston to New Haven, up and down the railroad line. It had its own printing press. It was unionized 'cause it was worth unionizing. That's how big the staff was. And the analogy -- if I can spend a little more than the two minutes I have left or whatever on that answer is, you know, three big lessons came out of the experience. And, by the way, the drivers were very similar. It was a loss of classified ads that drove it. It was the loss of classified ads in the mainstream newspapers that killed black newspapers, right? So now it's the loss to Craigslist or whatever, but it's the same dynamic. Three things come out of it. One, you know, giants fall. I was at the 100th anniversary of the "Amsterdam News" last night. The "Amsterdam News" used to be a huge publication in New York City. It's not there today. Two, opinion journalism becomes more dominant, you know. As your editorials -- as former managing editor, you know, your editorial budget shrinks. Well, opinion is a lot cheaper than hard news. And, you know, citizen journalists, right? And, thirdly, the consequences of the social moment -- and this is what I'm talking about today. The

consequences of the social moment are enhanced. Now, you know, following the Kerner Commission report, the social moment was one of desegregation, and enhancing it was a good thing. But the social moment right now is a different social moment. We're at a moment where, on the one hand, we have probably the smallest number of hard-core dedicated bigots in our society we've ever had. You know, time is a good thing, and some folks dying off has been a good thing. On the other hand, we also -- And we probably have more people committed to a multiracial, inclusive society than we've ever had, but we also seem to people in the middle, people who can truly go either way, you know. Folks who are, you know, stumping and, you know, going door-to-door for Obama in New Hampshire got a whiff of this, where you would meet an independent who was crying 'cause he didn't know whether to vote for John McCain or Barack Obama, right? I mean, that's, you know -- They're kind of both towards the center, but it gives an example. Literally, we have people that can go this way or they can go that way. They're profoundly different leaders contemplating following. The -- And because of that, we really have to be concerned about what is happening in the media. We have two dynamics. One, you know, Kathy referred to one aspect of, which is the real threat of diversity in news of all sort right now. You know, just as we have 458 newspapers that have no minorities in the newsroom, 15% of our ad agencies don't have any black employees, period. And only 5% of the advertising managers in the industry are black, all right? So, we're literally talking about something that looks like a Jimmy Stewart movie in 2010. And, similarly, black media ownership is really under threat, because when you have a recession, you know, sinking in with a major restructuring, the folks who are considered to be sort of, like, marginal in ad budgets get hit hardest. So, we have journalists being shedded faster, media being under greater threat, and then we're also dealing with a dynamic that, quite frankly, where segregation has been preserved, in ad agencies, for instance, who are critical to the budgets, say, of black radio and black newspapers much longer than should be acceptable. And that means that you have an environment that's more vulnerable already, that, you know, really is being pushed to the brink. At the same time, we have the mainstreaming, the proliferation of radio, the mainstreaming of it, onto television. And so we literally are in a situation where we have to understand that there are profound social implications for the decisions that we make about whether or not diversity is a priority and who -- say, the federal government -- partners with as far as ad agencies as far as what -- you know, where it buys ads, about whether or not it decides to make finishing the job of the 20th century a priority as we move into the 21st. Thank you.

>> Susan DeSanti: Thank you very much. We've got a number of wonderful and provocative issues on the table, and I'd like to start by pulling together some themes from yesterday and today and facts and put them together in a question to all of you. We have one fact, which is that the United States is becoming -- it's gaining a much higher proportion of a minority population and by 2050 is projected to be -- the minority population will be the majority population. The second fact is mobile platforms are becoming more and more used, and, I believe, Jonathan, you were talking about the movement towards mobile. The third fact is that minority populations, as according to the Pew report, tend to use handheld devices more frequently than other populations. And so I'm wondering, "Isn't there an opportunity here for better serving minority communities, and how could we go about taking advantage of that?" And, Jonathan, I thought I'd start with you because it's probably something you've thought about.

>> Jonathan Miller: Thank you. I think it is -- Again, it's a profound one not just in the United States but globally, 'cause in China, there will be as many people in two years using mobile devices to access the Internet as there are people in the United States, and India is pretty close to that. So, we're seeing very diverse populations on a global basis coming online. Most of the Internet users are no longer in the United States, and that's forever going to be true. So, you have -- I'm extrapolating your trend even further that it's a very broad trend, and I think that the cost of being online, the ease, and so on -- as those things become easier, the cost comes down, the ability to use things becomes easier. You don't require a manual to use your phone, though you could. All that serves to have many more voices emerge. And as I was saying before, I was also thinking in the world where socialization becomes easier and social networks become easier, you have the ability to self-organize. And so it's not just about Facebook and Twitter and MySpace. There are literally hundreds of thousands of social networks and social communities, and it's expanding on a global basis. So, I actually think this is one of the underlying natural trends that is going on towards greater diversity. And I think that it's a United States trend and it's a global trend. Both are in concert.

>> Susan: But isn't there also a profit opportunity that maybe news organizations should be paying more attention to?

>> Jonathan Miller: Absolutely. I think, again, the same reason that people can do it and self-organize, companies can target and go after. If you want to call them "niches," fine -- call them "niches." And go after different targets, different niches, in ways that you couldn't afford to do before when you just looked at what it took you to do costwise. Now you can do it. And, inevitably, you have to do it, because people want things that are going to be tailored to them with greater and greater -- call it "relevance." And so I think, actually, if you don't do it, you're going to be disadvantaged.

>> Susan DeSanti: Jim?

>> James Gaines: I would just say I think there's a bottom-up solution as well as a top-down one. I did a story for FLYP in Detroit, which is in -- and it was really not the usual Detroit story. It was a story about what's going on at the grassroots in Detroit, and it was very, very helpful. It was all about young people and their technologies in their garages, creating record labels and new media. This -- I thought it was very interesting and very hopeful, also, that the director for Corporation of Public Broadcasting's title was Vice President of Diversity and Innovation, because I think they're inextricably linked, and I think to go to the overall question that's being raised by this conference -- yesterday, Jeff Jarvis was very explicit in telling the federal government to let a level playing field exist and stay off the grass. I would put it very differently. I would say, "Please make sure there's a level playing field and tread lightly, because, I mean, the federal government is us." The real point is broadband ubiquity is critical to our communication's future, our information future, but equally critical is to make sure that that doesn't come with a digital divide, and there was an idea that came up earlier about a device tax. That device tax could be better spent to make sure there is no digital divide than to underwrite the creation of journalism.

>> Susan DeSanti: Jason?

>> Jason Seiken: There's another type of diversity that's absolutely crucial and has been missing, I think, so far from this debate so far, and that's socioeconomic diversity. There's still a huge digital divide in this country, both in terms of access to broadband and especially in terms of the types of

content that are available -- educational content that are available, particularly to kids. And, you know, it's not an area that the commercial media companies are particularly interested in because there's not a lot of advertising revenue there, but it's something that absolutely has to be addressed. The government is putting some money into it. The Department of Education funded a wonderful program at PBS called "PBS KIDS Island," which is all about teaching literacy skills to Title I kids, and the Title I kids are -- we see a huge percentage of those kids accessing this site from libraries. But there really hasn't been enough of a focus on serving the really truly needy segments of our society.

>> Susan DeSanti: Debra.

>> Debra Osofsky: I do want to add another comment on the diversity idea, and that is diversity also means "source diversity." The fact that there are lots of platforms to put information or news or stories out on is great, but you need to make sure that there are different viewpoints in that that's going out on those platforms. So, when you have a situation where you have media consolidation and you have too few viewpoints, too few sources, that's also an issue we need to be aware of when we talk about diversity.

>> Susan DeSanti: Thank you. Kathy?

>> Kathy Times: And I'll piggyback off of what Debra said. Now is the prime time to do this, make this investment, because as African-Americans in our communities, we certainly are online. However, one interesting study pointed out that when we are online, we are looking at consumer-related issues, career issues, not necessarily health or politics. However, our interest in politics is really heightened today like never before. So, I asked Johnathan Rodgers, the head of TV One, why, and he said, "It's not that we're not interested. Sometimes we don't trust the source." So, now more than ever before is the time for us to do the target marketing, to reach those communities where newspapers are closing bureaus that did cover our communities and were able to offer that specialized coverage that no longer exists as our newspapers disappear. So, at NABJ, one thing that we are doing is laying the foundation for our own interactive network, where we will use our members, many of whom have been pushed out the door or they are on the beach, so to speak, for a

variety of reasons, and their voices are not being heard. But we want to offer them that platform. So, I think the Internet definitely provides a great place for us to all come together and partner with different newspaper outlets or, rather, television, because that is the trend now. You have got to have a partner in this, because people will go to the Internet, but at my television station, we have just produced an entire show surrounding the web and our content and using all the social networking and how stories are being -- they are broke online on Twitter, and that's where the young people and African-Americans, many of them, are looking down at their handheld devices and getting the latest information. So, I think the wonderful thing about the web and its content is now is the time to enter a place in which, in the past, we were not able to, you know, have that kind of money and revenue coming from the television stations that we don't own.

>> Susan DeSanti: Thank you. Elizabeth?

>> Elizabeth Jex: I wanted to follow up on the issue of interactivity and diversity to ask you all, "How does digital technology and its interactivity allow you to tell more compelling stories than analog technology allowed, or more diverse stories, if at all?"

>> Jonathan Miller: I don't know if I'm supposed to start all the questions, but...

>> Susan DeSanti: We're really appreciating it, Jon.

>> Jonathan Miller: No, I'm happy to do it. I actually think there's always a trend and a countertrend, and I think in this case, the trend towards diversity of voices and stories outweighs the counter towards -- the one towards concentration. Because there are so many different ways a story can get told now and so many ways it can be accessed, it really does allow many more people to have a voice that they never had, and even though our company may have some issues with some of the ways, the practices, of certain search technology, search also provides a way to find things that has never existed before. And so the overall trend is towards a much greater diversity of source, a much greater diversity of voice. At the same time, diversity doesn't equal validity, as some other panelists have pointed out, and there is that aspect as well. But I think the good outweighs the bad and that the trend -- the trend line is clear and will continue to be so from the

example that Linda cited earlier of kids who can now participate in different ways to people, again, on a global basis. So, the trend is there. The question, to me, is how does this get organized into meaningful things and how does there become economics under it that different communities can be supported and there's real organization and meaning and depth to the voice? So, I think there'll be lots of voices. The question is, out of that, can there emerge new institutions alongside the existing institutions that have both gravitas and merit?

>> James Gaines: I would answer it in a -- not that I disagreed with anything you've said, but I would answer it a slightly different way. We haven't talked at all about gaming in the last two days. Gaming and education seems to me to be a killer app, and that is about storytelling. I mean, if you could get an avatar to show you your way through the French Revolution and see the pamphleteers on that side and the aristocrats driving through the streets on this side, you don't forget that. It's not something you have to memorize for the test. And gaming brings with it -- somebody called this a culture of persistence, that you keep -- it's something you keep at. As the father of three kids of school age, persistence is something I strive for in their study habits. But, anyway, software development -- We, you know -- we need to be talking more about software development, about bringing software development into the storytelling process, about bringing gaming into the storytelling process and about the new devices, as I said. And I think that as we learn more about -- this is sort of like getting new pens. We need to learn how to put video and text and flash animation or any sort of animation -- JavaScript -- and information graphics that move and databases that stream through information graphics that move. We need to form a new vocabulary of storytelling around these new tools and devices. And just, I mean, the storytelling is just far more compelling when you use all these media at once, and it's a great new day. I mean, I think that I'll quote another panelist from this morning who said we should not concentrate so much on the dying patient but on the baby that's being born.

>> Elizabeth Jex: I just wanted to follow up with Jason. Can you describe a little bit about the gaming and the interactivity with children's programming at PBS?

>> Jason Seiken: Right. Well, PBS, of course -- We devote a lot of our resources for media for kids, educational media for kids. It's all curriculum-based. And I can certainly endorse Jim's

statement that, at least for the 2-to-9-year-old set, games are the killer app, the killer educational app. You put a game in front of a kid, and all of a sudden, he or she is not engaged in a lesson. He's engaged in something, in fun learning. We've seen it over and over again in sites that we've launched, and we're just about to launch one, in fact, around biology. And the administration has a big initiative around STEM, Science, Technology, Engineering, and Math. And this really -- For young folks, games is the best way to get at that. I also want to -- You know, while we're talking about kids, I want to raise something that I don't think's been talked at all about, but, you know, we've all, over the last two days, heard a lot about the diversity of voices, the fragmentation, the fact that, you know, professional journalists aren't the only ones who are providing information. It's no longer a world of newspapers and Walter Cronkite giving you your information. And in that environment, what's really crucial and is missing is media literacy for kids, because when I grew up, you knew who to trust, right? You trusted the local paper, you trusted "The New York Times," you trusted Walter Cronkite. I'm dating myself. These days, kids growing up -- Do they know the difference between a blogger or a citizen journalist or "The New York Times"?

>> Susan DeSanti: Excellent question. I doubt my kids do. Did you have something you wanted to say, Jonathan? I have another question.

>> Jonathan Miller: No, no. Please go ahead.

>> Susan DeSanti: I want to say, based on my own experience, that the gaming app as a teaching tool is powerful long after 9 years old, especially for boys, like my guy. And I suspect that if we all could read stories in that kind of a mode, we might find it taking us into new experiences and new learning that we hadn't thought of before. So, I'm wondering how all of you are thinking about the future. Obviously, the present is very involving and very much on everybody's minds, but in the future, you are going to have these people like my 12-year-old who learned about Roman life by going through the maze of a Roman town through a game that her teacher had created, and she's going to be expecting things to be equally interesting when she goes looking for news. So, how are we thinking about that for the future? Benjamin?

>> Benjamin Todd Jealous: Sure. So, the -- One of the best-kept secrets about the NAACP is that we really started as a media company. If you look at how we spread and how we rose so quickly in the second decade of the 20th century, it's because our leadership, from Ida B. Wells to W.B. DuBois to Walter White, eventually Roy Wilkins, were all journalists. They all wrote, and they wrote prolifically through black press and through mainstream press. The publisher of "The Nation" was one of our founders. The publisher of "The Nation" at the time and before DuBois even founded the "Crisis" -- we were in its pages on a weekly, monthly basis. The -- So, as a journalist coming into this and the first journalist to run it since Roy Wilkins left, and a young one, but had been very focused on bringing new media into how we do what we do. So, one of the things that we realized is that we had a bunch of young people coming to our website, looking for civil rights history. We're gonna launch a website that will not only tell the story of the NAACP in a way that's engaging and, you know, using folks who designed ed sites for Smithsonian and so forth to design this, basically, virtual museum but that will also allow the 1,200 communities that are active in the NAACP around the country to upload their civil rights history and to break it down by heroes and really tell stories locally, encourage them to tell good stories. And we're modeling it off of something that was successful at the California Council for the Humanities. We are also rapidly building technology to serve the information needs of communities -- for instance, about police brutality. So, we've put up something called Rapid Report that allows you from your iPhone or your BlackBerry to actually file everything that we need to go to the Department of Justice to seek a pattern of practice investigation right with us from your PDA. In a few months, we had 700 reports. We linked it up to Google Maps and were able to see trends, and in about a year or so, we actually will roll this out, and citizens will be able to see what the trend is in their community, and we'll expand that through sort of the range of discrimination complaints. Voting last year -- We created a viral voter-registration application that increased -- in the last three weeks of the national voter-registration period, increased our tally for the year -- the number of voters that we register around the country by 20% in three weeks and brought down the cost by 90%...from \$7 to \$8 per registration to 76 cents. I put all that out there to say that, you know, part of this is about news. Part of this is about information instead and civic engagement and preserving civic life, and there is an increasing void that nonprofits have to step up and fill. There's a real opportunity to do that. Kathy referred to it with what they're seeking to do at NABJ. If we're going to maintain a sort of vibrant civic life in this moment of transition, because we've relied on professional journalists,

for instance, for types of information like, you know, investigative reporting. That simply isn't being done anymore in many communities. And so what we're seeking to do with both digitizing the complaints that we're receiving, categorizing them, representing them geographically, part of it's to make it easier for the voter, but part of it's to make it easier for the journalists in that community to recognize a trend, 'cause they may not have not have the budget to go through all the files, or, in some instances, they may not have access anymore to the records down at the station that they used to be able to access freely.

>> Jonathan Miller: I will take a shot at tying together games and journalism and a little bit of what was just said, 'cause I don't think we want to turn journalism into game play, but what game companies, these interactive game companies, are really terrifically good at is they understand an engaging premise, and then they know what you do when you play. They know how long you play, how much you play, what you click on, what you don't click on, where you came from, you know, what you go to, how long do you stick with it. And that's what, actually, those game companies get fantastically good at is understanding how to do that and incentivize your human behavior. And if you think about it now, what's becoming available to journalists and to people who use the medium is you can tell how long someone reads an article. Did they click on the photo? Did they not? Where did they come from? Where did they go? Did they look to find more information out about it or not? And you can really begin to understand how to motivate behavior in a different way if you really pay attention to that stuff. And so I think that's a powerful tool for journalism and journalistic organizations if you think that way and also some of the information you were just describing -- providing that to people who might not otherwise be able to do all this kind of analysis or assembly. All of that can be provided. Again, this used to be impossible. Now it's actually -- what I just described is relatively mundane by, you know, your smart-kid-in-a-garage kind of stuff, 'cause the technology has really progressed that far. And I think that's a terrific thing to harness, 'cause now you can make stor-- Now you're not just making an engaging story. You know exactly how engaging it is and what people liked and didn't like about it just by their behavior, and you never knew any of that before.

>> Jason Seiken: I would agree with that, and I would also mention another trend that we're seeing, particularly when it comes to gaming and particularly with how younger folks interact with content

and the Web these days, and that trend is the trend of turning over more and more control to the audience, and, you know, you see it on Facebook, you see it on MySpace, but you also see it in the more effective games. We're launching a gaming site this month called "Lifeboat to Mars," which is all about biology curriculum for kids. And in order to win the game or to advance to the next level, you need to know your facts. But the really interesting thing is once you advance to the next level, it opens up a modding level, and modding is slang for playing for a modifying level. It allows the user to modify the games and to, you know, create their own game, and you can't create your own game unless you know the facts, unless you know the curriculum. And this type -- You know, this type of approach is -- it's becoming not just more popular but really what the younger audience expects and demands. So, I think -- and, you know, I was a journalist for 15 years, so don't shoot me, the purists in the room -- but I really think that journalists need to be open to these types of developments and these types of opportunities. It's -- it's -- You know, too many of my friends and colleagues in newsrooms around the country are still very much focused in this one-way type of, you know, "we're up in the mountaintop and we deliver the news to folks" when it ain't that way anymore. It's very much -- for the successful organization, it's very much a two-way street.

>> James Gaines: Could I just add my total agreement with that? We -- Google Analytics is great for finding out -- I mean, it's pretty primitive compared to what you're talking about, what the gaming guys understand, but we get a lot of information on exactly how readers move around our stories, what they click on, what they don't. We try to learn the lessons from that. And it is true it offends that traditional journalistic sense that we are the experts and you are the consumers. That whole mind-set needs to go away, and we need to understand that just having more information doesn't prevent us from making imaginative leaps and figuring out that there's a better way to tell this story than -- I mean, the fact that we know more doesn't make us less. It makes us more. It makes us able to get more off the page. We just have to keep thinking about what we're getting into people's minds.

>> Susan DeSanti: Debra.

>> Debra Osofsky: I did want to pick up on something that Mr. Jealous said about the use of his website to gather information, that there's this information about police brutality. People send it to you. You're trusted, and that's excellent, and so the information comes to you, but then you take -- You use your -- Journalists then take that information and do the other pieces, go do the interviews that need to be done, do the analysis that needs to be done. So, it's a fabulous use of the Internet. It's a fabulous place to be, but, still, you're essentially crowd-sourcing, pulling in the information. But, ultimately, it goes through journalistic standards and you have the time and the energy to be able to make it into a proper story and have it be a trusted news story at a later point. And so that does seem like a very positive part of what we're dealing with in terms of digital revolution.

>> Elizabeth Jex: I wanted to bring Linda back in the conversation by asking you, do you think that small towns in America who still are able to engage in sort of analog traditions are performing the same kind of engagement that we've been discussing with digital technology in larger communities?

>> Linda Solomon: You know, it's interesting. When I talked about --

>> Elizabeth Jex: You have to lean forward.

>> Linda Solomon: Oh, I'm sorry. In our effort to save our paper, I neglected to say we now have 3,000 new subscribers. But also, with the impact of incorporating children and their wonderful knowledge of technology and, certainly photography, I think it's so important for them to enhance that knowledge that they have in photography and incorporate their image-taking, you know, in newspapers by the expression of true feelings. In a program I developed for homeless children, where I visit shelters all over the country, and I treat the children as journalists when I ask them to go off and capture what they hope for for a better life. Now, the images that they take are presented on cards, and 100% of the proceeds goes back to helping them, but when they get to see the images on the Internet and when they share these images, it's life-changing -- some of the things that the children have expressed. Sometimes it's not easy to express something that's so personal verbally, but when you can express it through photography and when those images can be seen and hopefully change one's life. And I just -- if I could give you a brief story. When we go to shelters, we find

that when we ask the children what they hope for for a better life, they never hope for anything materialistic. They always hope for a good education. So, I feel that our program is really dispelling many misconceptions about the homeless in a variety of ways. But one image in particular really did change a child's life. It was an image of one little boy who said, "I just hope one day to get a scholarship," and he had photographed the exterior of Rhodes College in Memphis. And someone had seen this photo online, and he now has a four-year scholarship. So, we now know that something like this has changed this child's life. But it's so important to show these children that their feelings matter and that they're respected, and that's always been my goal in working with children. I treat them just the way I would treat a friend who's a photojournalist. I give them that kind of respect, so then when they go off on their assignment, they truly open up and share what's in their hearts.

>> Susan DeSanti: Thank you. Does anyone have a point they would like to make that they haven't had a chance to make? You've been a terrific panel. Please join me in thanking everyone. Thank you. We're going to go right into Lisa George's presentation now. [Indistinct conversations]

>> Lisa George: The technology all seems to be up and running. Is the microphone on?

>> Susan DeSanti: Oh, wonderful. Mm-hmm. [Indistinct conversations] Sorry, Lisa. Okay.

>> Lisa George: Actually, this is good. That's no big deal, but...

>> Susan DeSanti: All right, could you all please take your seats now? We're going to have a presentation from Lisa George, who is an Associate Professor of Economics at Hunter College. She is an empirical applied economist. That means she deals in facts, not theories, although I'm quite sure she's quite facile with theories as well, specializing in the fields of industrial organization and political economy. She has a special interest in the economics of media markets, and her current work examines factors that shape the production of differentiated content, which we've been talking about since yesterday, and the role of media in social networks, product consumption, and political participation. Thank you, Lisa.

>> Lisa George: So, today I think my contribution to this discussion is to talk to you a bit about the way economists think about media markets and how they deliver value and then the ways in which technology changes those fundamentals of media markets. Economics also has, I think, a useful way of thinking about the good and the bad -- what we gain and, potentially, what we lose -- and how to balance between them. So, I have a lot of detail in my slides. You can look at them later. I'm not going to cover all of that material. So, I'm gonna talk about five fundamental characteristics, economic characteristics, of media markets. The first is high fixed costs. We've heard about this as first copy costs. And in traditional media markets, these costs of generating content have naturally limited the number of papers that any single market can support. Large cities have bigger papers, have more papers, and they also have higher readership. And that's in part because you can spread these content costs over a larger population. And one consequence of this that I've found in my work is that groups with minority tastes -- I mean, I've looked at minorities specifically -- but in general, groups with distinct tastes are less likely to read traditional media in markets where they're a smaller part of the population. And so this is a real disadvantage that just comes from these fundamentals of when you have a larger market, you can spread these costs. Technology lowers much of the costs of producing content, easier and cheaper access to data and facts and opinions, and it also opens the market for the supply of content. And from a consumer standpoint -- we're at the FTC, so we're thinking largely about consumers -- this really reduces the advantages of being in a large market. So, you're in a small market, you can access information that you might not have been able to support in your own paper, and you have more content that can satisfy minority tastes. And so when we think about the new regime or the new shape of media markets, these are important advantages of new technology. The second attribute is distribution costs. Newspapers are heavy. It takes a long time and a lot of gas and a lot of effort to move them around physically, and it is this physical cost of moving around newspapers that has had a big -- that has shaped the geographic nature, the very small geographies, of our newspaper market in the U.S. We still, even if you think today, after we have a smaller number of newspapers as 5 or 10 years ago, we still have about 3 times as many newspapers per capita than many European countries, which have more concentrated populations in smaller geographies, in part because you could just get the news to people more quickly. And what we had lost, what we had less of in the United States when we had to physically move around newspapers, was some of the differentiation of opinion. Only the very

largest cities could support more than one paper with different viewpoints. And this is, again, part of just the fundamental cost of moving newspapers around. And technology has transformed this distribution-cost aspect more than anything else. It essentially costs nothing to move information across space in electronic format, and so this naturally leads to less geographic and more viewpoint differentiation. We've seen this trend really since the beginning of television, but it's continuing today in the print world with the Internet. And so as we think about changing newspaper markets toward fewer papers covering larger regions, part of this is a movement toward something that we just couldn't have before, not necessarily that people needed or specifically wanted before, and that's an important distinction. Now, another effectiveness is when everyone -- When you can move around information costlessly, well, then everyone has access to everything. And if you're going to read two articles this week about the war in Afghanistan and one about the healthcare bill and maybe a couple product reviews, you're gonna choose the best ones, likely, or maybe the ones that are easiest for you to access. And so this will mean more attention to a smaller number of writers. We'll call them "content producers," but they might be analysts, they might be experts, they might be reviewers, they might be reporters. But in economics, we call this a superstar market, and there are lots of places where technology is leading to more superstar markets with more attention focused on fewer players, and that is something that we will clearly see in journalism. This year's Nobel Prize in Economics went to Oliver Williamson, who wrote about the nature of productive activity that gets organized inside of firms versus economic activity that's sort of organized in a more decentralized way. And in my view, there's no industry where that Noble Prize work is more evident than in newspaper markets. In a world where there were few opportunities for writers and experts to interact directly with readers and individuals and citizens, writers and journalists worked for newspapers. They were tightly integrated. Newspaper firms provided the resources. There was certainly low pay for journalists, low pay in this industry, but there were lots of journalists, and there wasn't a lot of risk of failure. As technology allows more and more direct contact between readers and experts or journalists, we expect to see the disintegration of that tightly integrated newspaper firm. And so, we expect to see more free-lancers, more writers who are, say, experts in a topic in academia or in think tanks and other types of experts interacting directly with the public. And we see this already. We see, say, "The New York Times" hiring experts from outside rather than sort of growing them in-house. And we see more and more attention focused online toward nonjournalists. And the content type, following sort of the Oliver Williamson theory

of the firm type of analysis -- some types of content are still gonna reside within firms, and the content type will really determine the vertical integration for the future. What this in part means in terms of a welfare trade-off is more of the returns, more of the profits, more of the value in writing is gonna be captured by the writers and the content producers, not necessarily these media institutions. But there will be fewer of them. This slide's got a little too much jargon on it, but we've heard -- I missed yesterday 'cause I was teaching, but I know we heard about aggregators versus content producers, and economics has something to say about this topic. And the value created in media markets has always had two components to it. There's the value to people of a particular story or article. So, I learned something about health care in Vietnam, I learned something about education reform, I learned something about health care, so there's value in that content you read. But there's also value to consumers in the editorial function of picking the topics every day that you're gonna put in a particular piece of media to cater to tastes. And "The New York Times" does a pretty good job of aggregating up topics that I like. However, there are a couple blogs that I follow, like "The Marginal Revolution" that does an even better job of finding topics that I particularly am interested in. But these two sources of value have long been combined within media firms, but there's no reason that they have to be, and technology separates them. And it's because advertisers really value this bundling aspect. Advertisers don't really care much about any particular topic. They care about reaching consumers with particular tastes. And so, the value in the bundling is really where we would expect to see advertiser funding. So, I think, in the future, we will see advertisers focusing on the bundlers, and newspapers are good bundlers. Media firms are good targeters -- at least some of them. But the market for bundling is competitive now. Used to be a monopoly market or close to a monopoly market, but today, anybody can enter the market for bundling. Might fail. So, advertisers will be there. And this -- I think the crucial piece for the future is the funding that leaves, "How do we capture the value for that content?" And I am a big proponent of micro payments, penny per click. If you have 100,000 clicks on your articles, you can support content in this way. And I mean, there are some reasons why I think media firms are resisting it a little bit, but the technology is there. So, in my view, this is the missing piece. And in a welfare standpoint, we've been hearing about how bad this is because advertising subsidizes content -- whatever. But there are reasons that this is actually a good shift. And despite what you hear from journalists, who say, "No, we have a code of ethics, and we beat up on our advertisers, and we don't give them special treatment," there are always incentives inherent in advertiser finance

to produce the kind of content that will attract advertisers. So, "The New York Times" added a home section a few years ago, not because of some intrinsic, desperate need for people to read more about interior design, but there was a need -- there were firms selling a lot of furniture and home-design products and they could attract this advertising. And so, it doesn't have anything to do with your code of ethics and do you beat up on the furniture producers or not, but there's an incentive to produce content that will bring in more revenue when you have advertiser finance. And so, losing advertiser finance in favor of subscriber-funded finance is a very good thing in that - - if you see a shift towards more value. One example that I've used about this distortion toward advertiser funding is that the largest papers with the most elite, high-educated, high-income readers tended to have the largest share of revenues from advertisers. So, if you were at sort of a paper in Topeka, Kansas, you were already funding your content more with subscriptions and with readers than you were with advertisers. And so, this advertiser funding, if anything, it distorted content toward what was preferred by elites. And so, it's another reason why subscriber-funded content could benefit us. And so, finally, my research has had quite a bit to say about the externalities associated with media markets. So, what you read affects what you do, what you talk about, whether you vote, what you buy, and also the presence of an active press can discipline politicians because the fear of exposure -- excuse me. I just drank a water, so I seem to be very shivery. So, the fear of exposure disciplines politicians, could potentially limit corruption. And so, these are important things to think about when we consider changing technologies and changing media firms. But what we're seeing is not necessarily a loss of attention -- people are not consuming less information about their world today -- but it is a shift. And so, we see people consuming less local information and more national information. And so, when we think about externalities, we have to think about, well, we're shifting the behavior and attention and voting and interest from local things to national things, and for much of the 20th century, a criticism of the U.S. was isolationist, provincial, too focused on domestic affairs, not enough focus on the world. And so, a shift away from some local topics toward more national and global ones, made possible really first with television and today with the Internet, is not a slam-dunk bad thing. It takes some data, it takes some measurements and some careful theory to weigh these two things, but the important message from me today is that there are things to weigh and balance. This is not a story about, well, here's what we lose. And it's the same factor on the politician's side. So, when we think about, okay, we're moving toward a world with fewer papers covering large areas. We're concerned that maybe

we have less eyeballs on different political offices, and so, maybe we can have more opportunities for corruption. But any given story, any given case has much more widespread and much more dramatic impact. And so, maybe the probability can go down of detection, but the consequences can go up. And so, the story I was talking about recently has been the case -- I live in New Jersey -- the New Jersey rabbis, a corruption case in Newark, which instantly made national news over the Internet, on television -- actually, some international coverage, as well. And so, these types of cases have a much more dramatic impact when the world can see them than when they were much more localized. So, again, this is not to say that always the balance works toward, "The future is better," but you need to weigh the two factors. So, we'll summarize sort of my trends -- fewer papers, more viewpoint differentiation, less geographic focus, larger free-lance market for journalism, especially for topics where expertise matters, so where journalists compete with academics or think tanks -- I think this place, you'll see less integration -- more advertiser funding for the bundling piece, more reader funding for content, and then, again, summary of gains and losses -- or at least the trade loss we need to make -- geographic versus viewpoint differentiations -- geographic, the large number of small papers in our country, different than many other places in the world, arose in part because of the physical costs of moving papers, and viewpoint differentiation, which we've been gaining, has advantages, as well -- advertiser funding, skewed content, especially towards elites, and if we can -- as we move away from advertiser funding, we can get closer to the types of content that people actually want to read, superstar markets for journalism -- higher risk, fewer journalists, but higher reward, And finally, behavioral -- local versus global externalities. Oh, sorry. My screen is right in front of you, so I've been looking at the clock. So, local versus global externalities -- we need to make that trade-off. And my time is up. Thank you. [Applause]

>> Susan DeSanti: I'd like to invite the panelists for the final panel, the one we've been waiting for, the one about the new news, to please come up and join us. [Laughter]

>> Female Speaker: What?

>> Male Speaker: I was guessing you were...

>> Female Speaker: [Laughs]

>> Male Speaker: Makes it easy.

>> Male Speaker: Makes it very easy.

>> Male Speaker: Hey. Hey!

>> Male Speaker: Good to meet you in person finally. Nice piece in "The Times."

>> Male Speaker: Good to meet you.

>> Male Speaker: Thank you. Yeah, this is gonna be fun. Gonna be fun. I keep stealing your metaphor about the country road and sliding toward you. It is. [Indistinct talking]

>> Female Speaker: [Laughing]

>> Susan DeSanti: Okay, I think we're almost all here. Bill is racing up to take his seat. So, we're going to be starting. This is the panel that everybody has been waiting for because it is about the new news, the new kinds of Websites that are emerging now, and we're gonna start with John Servais, who has been a political blogger with nwcitizen.us, which he founded, since 1995. So, we have one of the pioneers with us. He was also a weekly newspaper publisher for three years and has worked on weekly alternative and other daily newspapers. John?

>> John Servais: Thank you. Yeah, I started in the "Green Bay Press Gazette" in 1960 when I was 20 years old as a news photographer -- a wonderful start covering Lombardi and the Packers. As a kid, I had no idea. I want to say a little bit in the opening of what NorthwestCitizen is, why I started it, how it's evolved, and its future and do that in three minutes. What it is -- it was started, despite my background in journalism, in and out of newspapers and alternative newspapers and weeklies -- it started because of civic activism and a frustration with the local daily newspaper not covering news that we felt should be covered and a couple of incidents that we had about 19 years ago. For about 10 years, it was strictly myself and a few other friends who wanted to contribute,

and we did all hand-coding. It was the old-fashioned way. In fact, we started it before there were really any programs to do a WYSIWYG. But a few years ago, I was able to take technology and do a database, which we bought, and we now have about a dozen writers. I started with a list of 30 or 40 writers that I would like to get. These are people in the community -- This is a little town of 100,000 people north of Seattle -- people in the community who, perhaps they're former elected officials, perhaps they're professors at the college, perhaps they're accountants, but they're citizens who have a tremendous amount of expertise in some popular fields or knowledge of the local political scene. They're not just plain people who have an opinion. They're people who know what they're talking about. And just as you can look at your daily newspapers for guest columnists, this is what we're looking for. There's a tremendous amount of expertise, as we've heard from a couple of previous speakers, in the communities. They don't get paid for writing, but they can write any time they want, any length they want -- 100 words, 3,000 words, I don't care -- they can post them in the middle of the night, if they're inspired. There is no editor. We have editing services available if they want it for typos or sentence structure or even rearranging their paragraphs. We want good writing. So, in the last two years, we've done that. A key to NorthwestCitizen -- anyone can comment, but their real, actual name appears under their comment. There are no "anonymous." We verify each person, that they are actually the person that they say there are. We have had a few attempts at people who pretend they're somebody else, perhaps little dirty tricks, mischievousness, whatever. We stopped it. We have about 150 commenters, and we're open to more. We're not trying to go for quantity. We're going for a good online discussion. And boy, when a person's putting their actual name to their content, that's a huge filter to keep the comments relative to the subject and not out of bounds. We've only removed one comment once because it got out of bounds, and that person -- we later had a beer. We straightened things out. They're back commenting. I think I mentioned the why. Okay. And by the way, the subject that the paper would not cover eventually blew up into our local Port Authority -- \$400 million loss, none of the commissioners were re-elected, and three of the staff were fired. But for a year, our local paper would not cover it. Went to the "Seattle PI," a wonderful paper that's no longer with us, and they came up to Bellingham, checked it out, and wrote a front-page story, and that's what started to blow it away. But our local paper ignored it. They're in bed with the Port. It's evolved now into a community discussion that's sort of unique. The format is one that we've put together. You'll have to look at it. It's hard to describe it. The future -- I'm getting more interest from advertisers. I'm

gonna be putting a new thing called Kachingle, which allows voluntary donations to Websites. It's brand-new. It's in beta right now. K-a-c-h-i-n-g-l-e. I have no interest in the company. I am interested in their concept. My time is up. Thank you.

>> Susan DeSanti: Thank you very much, John. Next, Paul Bass, who is the executive director of the not-for-profit Online Journalism Project and the editor of its daily news site the "New Haven Independent."

>> Paul Bass: Thanks, Susan. Thanks for having me. I want to say, this is the best time to be a journalist. I've been a reporter for 30 years. I've loved every day of it, 'cause I love being a reporter. It is the most fun I've ever had and the most difference I've ever made because I'm online doing non-profit, independent, local reporting. Let me just take you back and walk you through it. I was on a book leave about five years ago. I didn't want to go back to my newsroom, because even though I liked the people, the company had been bought by a boring, smiley-faced chain that took us to seminars about how not to tell people their leads stunk, because then you'll be sued, so you have to kind of be phony all the time and not really run a newspaper. And I said, "How am I gonna do the reporting I love to do?" And I didn't like blogs 'cause I was a snob. [Speaking indistinctly] And I noticed on the Internet at a chat room that people were talking about, "Make it like a public utility," developed the funding model of an NPR-style not for profit, raise \$80,000 to start 'cause I had to make a living, get some free-lancers just to cover news in New Haven. What's happened in the past four-plus years has really surprised me. Our budget has grown to close to \$500,000. We have two editions now in a community that had no paper for the last 17 years. We break a lot of stories all the time. We're a daily. We've involved our community in the traditional way of shoe-leather journalism. We break stories that have made a difference, formed a safe-streets coalition, gotten a corrupt person out of his job and everything. But more importantly, the reporting is sparking community conversation and accountability for us that I've never experienced before. When there's a shooting in the poor neighborhood, the family of the person getting shot is speaking with someone who makes laws and with someone who would never go in that neighborhood. This happens day in and day out. And as our journalist role is being redefined, which is back to what we went in the business to do, which is just to cover stories all the time, tell the stories in new ways -- more immediacy, use video and all that -- but our opinions count less, and journalism begins the

conversation instead of ending it. Good reporting starts a good conversation, and people decide where to take it. But the other media's been affected, too. Since I've been in New Haven, we've gone from two newspapers coming out every day, print, that had good-sized staff, to one that has hardly anyone there, five radio newsrooms all gone, all big corporations, but now it's being reborn. When we started out, no one was covering the school board. We showed up, the school board wasn't showing up. We took attendance. Their rates were lower than the people who were getting kicked out of the high school for truancy. We wrote about it. Not only did they started coming again, the daily newspaper started coming again. And this happened with the zoning board. We have a competition -- not for money. Our funding bases are different. But we have a competition for stories. And then when national stories break, that's fun, you know? There was this terrible murder at Yale of Annie Le. We got on national TV. A lot of people are using our stories, but what really matters is the day-in, day-out local reporting, and I think it's making a difference. And what I've come to see -- Everyone says, "What is your site?" Like this morning, I was at the Senate, doing a story, and didn't know what newsroom to put you in. Are you the print? You know, everyone's trying to figure out what you call it. Like Razzles -- remember when we were kids? Is it a gum? Is it a candy? I decided what we are is a journalism-driven community. We're a community online that starts with news reporting but doesn't end with it. And future funding to make it sustainable -- we've got to come up with a lot of ideas. Some of us will survive, some won't. We're talking about partnerships with national organizations to cover local races, bilingual newsrooms, maybe get a development person. I'll talk about that later 'cause I'm out of time. Thanks.

>> Susan DeSanti: Thank you very much. Next we'll hear from Marcia Chambers, who's a journalist in residence and research scholar in law at the Yale Law School, as well as the editor of the "Branford Eagle," her town's online newspaper. Marcia?

>> Marcia Chambers: Thank you very much, Susan. It's very important that you're having us all here today, and I'm sure you're gonna find a way to keep us all here. I am part of the "New Haven Independent," and I began the "Branford Eagle" almost four years ago, and I didn't begin it because we had no local newspapers in town. We had two weeklies, and we only have one now, but we had two. I began it because those two, along with the regional paper, were not covering the news of the

day. This is similar to what John was saying. And in particular, we had an election that led to a whole series of events that was going uncovered that would have changed dramatically the government of Branford, as well as its commissions and its whole life. My neighbors pleaded with me to go attend some meetings. This was the last thing I wanted to do. I was a magazine writer. I had no intention of becoming a local news reporter at all. I spoke to Paul, 'cause I certainly wasn't gonna work on those other two newspapers, and he suggested I come aboard. I began the "Branford Eagle" as a column. So, I was not laid off. I did this as a mission in the very beginning, and I must say, at the end of the two years, the elected officials who had been elected were removed from office. Over the four years of the "Branford Eagle," as Paul has said, a lot has changed in our area. Connecticut, as a small state, was attached sort of at the hip a little bit, to "The New York Times", where I worked for many years. There was a Connecticut section. There is no longer a Connecticut section. The Connecticut -- Nor does "The New York Times" cover the state house anymore. The "Hartford Courant" has very few people in the state house and no longer covers the cities of New Haven. It is in bankruptcy. the "New Haven Register" -- also in bankruptcy. It has no one in the state house. In part, this has led to a new development, and I'm a member of the board of directors of a new organization that will begin to publish in July -- in January, rather -- the "Connecticut Mirror," which will have people at the state house in Connecticut, in Hartford, to look at state government and public policy and other issues. This is also funded -- it's a non-profit, like we are, and it is funded in part by foundation funds. So, that is also an effort on the part of a group of people, some of whom come from the "Courant" to invigorate our state coverage, of which we have very little at the moment. The "Branford Eagle" actually expanded from a column to what I like to think of as a community newspaper about a year ago. One of the dailies, the "Branford Review" folded. The Journal Register Company, which owns The "New Haven Register," also purchased some years ago -- I'd say probably 10 or 15 years ago -- 16 weekly papers in and around the New Haven area. All 16 were closed about a year ago. The editor and reporter of one of them came to me and said, "Would you expand?" And I agreed that I would, and I tried to get them to cover nearby towns. No, they only wanted Branford. So, as a result, I now have a staff. These are free-lancers. I now have to recopy as Paul reads mine, and we go from there. It's been an extraordinary experience. We can cover a great deal more, and we're becoming a very vibrant newspaper, I think, online, with lots of comments. Last week, I asked a new blogger to come aboard -- not a reporter, a blogger -- and she's doing education.

We've already got 11 to 12 comments. So, we've tapped into an area that needs to be done, and that's what's so much fun about it. Thank you very much.

>> Susan DeSanti: Thank you, Marcia. Next, we'll hear from Jim Brady, who's president of digital strategy for Allbritton Communications, where he's currently working to launch a local Washington, D.C., news Website. He previously served as executive editor of washingtonpost.com from 2004 to 2009.

>> Jim Brady: Afternoon. Always good to be on the last panel of a two-day session, so...

>> Susan DeSanti: Somebody has to.

>> Jim Brady: Somebody has to be. About a year and a half ago, I was up in New York at one of Jeff Jarvis' all-day sessions of how to build a newsroom of the future -- specifically, the local newsroom of the future -- and I was whiteboarding while Jeff was talking how many people it would take to build out a local newsroom, you know, if you were just doing Web only with no print. And little did I know, a year later, I'd actually be doing it. For me, toward the end of my time at the "Post," end of last year, I had started to drift toward, you know, this idea that, "God, I'd love to go out and just be able to build a newsroom from scratch." Not that I don't love print journalism, not that I don't love the "Washington Post," which I do, but I had started to realize that, for as much as we had done on the Web, we were sort of like the in-law suite attached to the house. You know, you were in the house, which was great, but you were really not driving the ship. You were sort of off in an addition that they had built to the house, and I really got to the point of thinking I wanted to do something where you could build the house from scratch, because I was at a conference a couple weeks ago in Columbia, Missouri, an AS&E conference, and Michael Skoler, who used to be on Minnesota Public Radio, you know, made a comment about how culture always trumps strategy, and it really stuck with me as a real truism, in that as much as the "Post" wanted to push forward into the new era, it still legitimately has a print business that drives a majority of the revenue and does and should garner a lot of the attention of people inside the building, but what if you didn't have that print cost structure associated with what you were building and you could build a Web newsroom from scratch that could embrace all of these sort of things that make the Web so

wonderful? Because I completely agree with Paul. This is a great time to be in journalism if you can separate out the financial chaos with the actual tools of journalism. A lot of people just bulk them together and say, "This is a terrible time for journalism. People are losing jobs." But if you can separate what is legitimately the business disruption with the actual tools of the craft, the tools are amazing right now, and they've never been better to involve people, involve citizens in the creation and the publication of journalism, to be able for journalists and citizens to talk to each other, to tell stories in a variety of different storytelling forums to crowd-sourcing. And so, the decision was finally -- my decision was finally to leave the "Post" and really experiment with going out and doing a Web-only thing, and Allbritton, which owns two local TV stations and politico, was willing to fund, basically, a project where we basically hire 50 people and we try to build a local news Website that covers this region, the Washington region, doesn't try to cover everything, because, you know, the sort of days of trying to put a reporter on every single, you know, attached to every single municipal structure in the city is probably over. But what are the key things that matter in people's lives in the city? So, I won't go through all of them right now. But -- So, we're gonna build a site that we'll launch in the spring. They'll be very aggressively engaged -- not only the professionals that we hire, but the hundreds of citizens in this area who produce information that's really valuable to the community, and you know, and on top of that, really move heavy into aggregation, move heavy into mobile, and try to build a Website from the ground up that sort of is the culture. And going back to Michael's comment about, "Culture trumps strategy." Well, what if you can build the culture before you build the strategy? And I think that's what we're trying to do with this new Website, so... I have 30 seconds left, but I will not filibuster. [Laughter]

>> Susan DeSanti: Thank you. Next we'll hear from Elisa Camahort Page, who is co-founder and C.O.O. of blogher.com, where she leads events, marketing, public relations, and research.

>> Elisa Camahort Page: Thank you. Hi, everybody. So, if we go back six years, I was actually in Silicon Valley high tech, building hardware, running product-line management and marketing for some product lines. And we actually built digital-communications platforms, but I wasn't much of an Internet user myself, other than searching, E-mail. I wasn't a participant. I was a media-consuming hound. I was an early adopter of TiVo. I had every magazine. I mean, I must have gotten so many magazines. I had recently bought a home and thought I was gonna be the next

Martha Stewart, despite no talent or time to do so. And I have at this point 15,000 legally acquired songs on my iPod. So, I like it all. But in a move that some of my friends thought was insane at the nadir of the dot-com bust, I walked away from a high-paying job on total burnout and I started blogging as a purely personal expression. I had always been a writer from a business point of view and discovered I actually also liked writing from lots of other point of views -- namely, mine. And I wanted to share mine. And then I had my peanut-butter-chocolate moment about blogging and communications platforms and realized that blogging was this perfect marketing tool, and that's how I started having a marketing consultancy. As it happens, one year later, serendipitously, I met my two co-founders of BlogHer, Lisa Stone and Jory Des Jardins. And we originally founded BlogHer to answer a question we thought needed to die, which is, "Where are the women who blog?" This was a recurrent mean, "Where are the women?" It still comes up today. It is not just about blogging. It is not just about technology. In early 2005 -- this was after Carly Fiorina had been pushed out of HP, and people were wondering, "Where were the women in Fortune-500 boardrooms?" There was a study that came out on the number of women on the Sunday morning talk shows or mainstream newspapers op-ed pages -- where are the women there? Where are the women in Congress? So, we thought, "Well, rather than talk about it on our blogs, which, granted, was the obvious thing to do, what if we blogged this idea we had to have a conference, covering all the same topics as any other tech conference or blogging conference, but with all women bloggers, all women experts? Turns out, it was the right time. Women were passionate and thrilled about the idea. They showed up in droves. 120 days later, we had a sold-out event, all because we had the idea, we had good timing, and we had the chutzpah to put the down payment for the meeting space on our credit cards. But then we sat down and said, "What should we do with all of this passion and interest and energy?" And it turns out, what we needed to do was create a media company. Now, our backgrounds were complementary. Lisa was a journalist, having worked at the "Oakland Tribune," CNN. She started blogging the DNC for the "L.A. Times." That's how she started blogging. So, from day one, she said, "We need professional editorial guidelines in place so that this is a quality, credible place to come for news at blogher.com," which we then launched. Jory had been in publishing and then ended up on the bus-dev side of it. So, from day one, she was saying, "How are we gonna pay for this? Who's gonna help us pay for this? Where are we gonna get the money for this?" 'Cause, you know, we all had mortgages to pay. A lot of people assumed, 'cause we were women, that we were obviously forming a non-profit. We were like, "Unh-unh."

So -- And then I, coming from a place where I lived and died by the P&L of my product lines, was like, "What's our bottom line? How do we get to profitability? If we want to spend money here, where are we not spending money?" And so, we kind of brought those day-one perspectives together, and we weren't just building, you know, a fun thing. We were building a business, all under the umbrella of, "Who is our community? What do they want? What are they leading us to do?" And today, more than half of American women are active social media users. They use it weekly or more often. They are leaders, and they are certainly the leading consumers in this country. And that's why there is a business model here. And they are passionate about news. More than half of the users in our community turn to blogs for news, politics, tech, green, business, career, hard topics, and they're getting interested in topics they didn't know they were interested in. We got an E-mail saying, "You know, before BlogHer, I didn't know I had an opinion about health care reform, but now I know. I want to have an opinion, I'm reading all the information, I'm getting into participating, I'm getting into the debate." And what we have now is people who are not only interested in the news, but they are invested in the news because they are part of participating in the conversation. Thank you.

>> Susan DeSanti: Thank you. Next we're going to hear from Andy Schwartzman, who is president and CEO of Media Access Project, which he has directed since 1978. MAP is a non-profit public-interest telecommunications law firm representing the public's interest in promoting the First Amendment rights to speak and to hear. He's also a faculty member of the Johns Hopkins University Master of Communications program.

>> Andy Schwartzman: Thank you, Susan. One of the benefits of being in the last panel is that most of the important points have been made and things have been said, and I'm very glad that some of the things that I wanted to stress have been discussed over the course of the days, particularly today. I have a written statement that I submitted in the record and that is available for people that really talks about what I really do for a living, which is on the media side. I certainly feel very strongly about the importance of broadband deployment and maintaining diversity and focusing on creating new institutions, and I've presented some thoughts about how the First Amendment obligations for government play into this. The First Amendment not only authorizes, but encourages aggressive government action to promote robust debate and civic discourse. And as

has been discussed, quality journalism is a public good and government should intervene, I argue, to promote it. So, I support many of the proposals that have come forward, including, you know, subsidies of various kinds for public media and for innovation. But now I'm gonna talk about what I'm not an expert in, which is one way that government can indeed facilitate the new methods of journalism. I have no idea if this will work. It's not the only answer, but it's an awfully important one, and this, too, has been alluded to during the course of the discussions, and it's the L3C model for ownership of media properties. And this has made me much more of a tax lawyer than I ever have before to get into it. Basically, this is a newly developed business structure, which may be particularly well suited to facilitate philanthropic and altruistic developments in struggling newspapers, TV stations, and new media ventures. It is a hybrid form of ownership, and that's what's interesting about it. When you've got a public good that's not being provided, there are interested citizens, there are foundations that may want to play into it but that cannot, as we've heard, possibly finance on an ongoing basis the whole operation, and you may well have for-profit investors willing to participate, and you may have altruistic investors who are willing to accept a more limited rate of return for something that's important to their community. Foundations also have the opportunity to make something called program-related investments. And the L3C, which stands for low-profit, limited-liability company, is a modality that allows you to have different classes of ownership. So, you can take, for example, the bondholders out of a bankruptcy and give them a piece of the action and give them a profit opportunity. You can put in some community money, some foundation money, and you may get some altruistic investors who are willing to take a limited rate of return, and everybody can contribute and take or not take, as the case may be, out of it. This is gonna require some help with the Internal Revenue Service, which doesn't know how to handle these things. The L3C model has been enacted in a number of states, so that's not a problem. You can incorporate in Vermont and have a media property in California, so that part's taken care of, but we do need some tax-law changes to make it work, in order to facilitate this and to sell it. But I do think it's an opportunity and something I want to continue to explore, precisely because it may give us an opportunity to find better ways to finance start-ups and maintain existing media entities. Thank you.

>> Susan DeSanti: Thank you very much, Andy. That's an important topic, and we appreciate having you bring it up. Next, we're going to hear from Dean Christopher Callahan. He's the

founding Dean of the Walter Cronkite School of Journalism and Mass Communication at Arizona State University. He's brought several new initiatives to ASU, and he's currently also leading the national News 21 initiative, a 12-university program aimed at transforming journalism education.

>> Dean Christopher Callahan: Thank you, Susan. I want to just talk a little bit broadly about the role of journalism schools in providing content. And as I think most people know, this is not a new concept. The University of Missouri has produced a daily newspaper for more than a hundred years for that community in Columbia, Missouri. Medill News Service, which covers Washington for local newspapers, has been around for decades. I helped start something called Capital News Service here at the University of Maryland, at College Park, covering the state-government news. But certainly, the landscape over the last couple of years has changed dramatically, and the opportunities for journalism schools to provide important, rich content has never been higher. One obvious reason is there's enormous need. But with that need has come an openness by news-media companies and even large news-media companies to partner with journalism schools that, quite frankly, wasn't there 10 years ago, 5 years ago, maybe even 3 years ago. What do journalism schools bring to the table? First and foremost, bright, young, energetic, aggressive reporters. To Paul's point, which I think was a great one on the fun factor -- Our students aren't afraid of the future. I'm afraid of the future. My students aren't afraid of the future. They're excited about this digital age, and they are excited about the fact that we don't know exactly where it's going. They want to be part of helping to form what is gonna be a new news media. This year, my freshman class, from last year to this year, is up 45%, and I think, while that's higher than most schools, it's indicative of the great interest that is growing among young people in journalism in its new and various forms. Well, what else do journalism schools bring to the table? They bring some terrific editors and terrific journalists, and there have always been wonderful former journalists at journalism schools. There are more today for lots of reasons. I will tell you that, in the last few years, I've hired -- I've doubled the size of my faculty, and four of my full-time faculty are former executive editors of major metropolitan newspapers, including a panelist who you heard from yesterday, Len Downie, the former editor of the "Washington Post." Universities also could bring facilities and actually can create physical newsrooms and provide the equipment, financial resources. And make no mistake, the sorts of programs that I'm talking about are expensive. The Missouri and Cronkite News Service, News 21, and the university-funded programs are probably

the most expensive on a per-student basis than almost anything else at their university. And of course, universities can provide some sort of fund-raising capabilities. They have development operations already in place. So, why should journalism -- why should more journalism schools be involved? And I think very much more journalism schools should be involved. While it's grown in the last few years, these content providers at J-schools, it's still a very small minority of the overall J-school population. Well, two main reasons. One is, the learning environment that these create are tremendous. Essentially, what we're doing is we're combining the very best elements of the classroom and the very best elements of an internship and combining them into one experience. And secondly is, it's the right thing to do. It's universities serving their communities, and that should be part -- certainly part of the public university mandate. Thank you.

>> Susan DeSanti: Thank you very much. Okay, last but truly not least, we will hear from Bill Densmore, and I have to say, I was reluctant to put you last on this panel, Bill, because it was your conference at GW that I first went to in May to start learning about all of these issues, and it was a terrific conference. Bill is an expert on Internet-information technologies and Internet-related business models. He was a 2008-2009 Donald W. Reynolds Fellow at the Missouri School of Journalism, and he's vice president, director, and co-founder of CircLabs Inc.

>> Bill Densmore: Thank you, Susan. And also, thank you to both you and to Jessica Hoke, who I'm not sure where she is now, but I know you guys have done so much logistically to put this together, and I only know from doing conferences myself how much work it is. I want to talk about an idea that actually has spawned from academia, to play off Chris' remarks. It's a proposal about personalization, privacy, advertising, and commerce, and I think you'll see, when I'm finished talking in a few minutes, that it relates to a lot of the themes we covered over the last day or so. The defining challenge of news organizations in the 21st century is no longer managing proprietary information that they have. It's really about helping us manage our attention to ubiquitous information. We've moved from a world of relative information scarcity, access restricted by a variety of technical choke points like presses, to a world of such information abundance that the average user's challenge is not how to access information or even how to find it, but how to personalize and make sense of it. The Internet as we know it today is not up to this task. To unleash a new user-driven attention economy, the next-generation Internet needs a common

platform for sharing user identity, one which explicitly values and allows us to trade our privacy and makes a market for digital information in the retail-wholesale sense. In such a world, the new news organizations that we're talking about on this panel should thrive because they will have a new way to exchange value for information. This system, this platform, this clearinghouse, should uniformly exchange payments for the sharing of text, video, music, game plays, entertainment, advertising views, across the Internet. It could, for example, manage background, wholesale payments for content that is repurposed for advertising gain by bloggers, aggregating and settling copyright and other value exchanges among users, publishers, and aggregators. Now, it's easy to think of this as really too big an idea, something that will require significant technology and infrastructure, and that's true, it will. But to be compelling, the system has to have solid technology, a structure that enables the new media-service economy, and a motivating mission and culture. It has to be ubiquitous, it has to never be owned or controlled by either the government or a dominant private for-profit entity, and it should be massively distributed and, in some fashion, may be ideally collaboratively owned. It should ride on the existing Web as we know it today and Web protocols and not interfere with those. We have achieved this big idea once before. When the U.S. defense establishment developed the Internet, its goal was a massively distributed system that would withstand nuclear attack. 40-some years later, it's the Internet's design itself that has exploded our information culture more thoroughly than any feared warhead might have. But while the system has exceeded beyond anyone's imagination at opening up access to information, it's done little to enable the transfers of value to nurture and sustain that information. The Internet eliminates physical-information product scarcity, becoming the perfect copy machine. As a result, the product-based model sustaining information creation crumbled, first in music, now in newspapers. What's needed is this ubiquitous social network that enables consumers to share value for information services. In this new attention economy, we're moving towards a new paradigm, part aggregator, part content creator, part social network, and we're searching for a name for that service. It's sort of the thing that Lisa George was talking about in her talk earlier. For lack of a better term -- and I don't really like this very well, but I've called it the "information valet" to describe this entity. And it's been the focus of my search at the Reynolds Institute over the last year, and also earlier with the founding of the Clickshare Service Corp. quite a while ago that I'm part owner of, and which I have to say for full disclosure purposes, has a potentially related patent in this area. So, it's also led to the creation and a major equity partnership with the University of Missouri and

investment of the Associated Press in a company called CircLabs, but there's a missing piece and the need for a collaborative, transparent, non-profit ownership of this needed clearinghouse for information transactions. My hope -- and I'm just speaking for myself here -- is that that missing piece can be formed as something that I call the "Journalism Trust Association." The mission of the Journalism Trust Association would be to sustain, update, and enrich the values and purposes of journalism through collaboration among news media, the public, and public-focused institutions. The JTA might be capitalized by major technology publishing, advertising, consumer, and philanthropic organizations. It would guide in the creation of new standards and a platform for exchange of user authentication and transaction records, which enable a competitive market for information, respecting and enabling consumer privacy and choice. So, like common-gauge railroad tracks, interstate highways, are the standard 60-cycle current, this platform should create a level playing field for things like the gold-standard measurement of user access to Web resources -- saw it yesterday by Mark Contreras. And it would keep open the idea of personalization needed by Jason Seiken's PBS Website. It would create the opportunity but not the requirement to be able to charge for content the way Rupert Murdoch and Steve Brill would like, and it would create the possibility for a user-controlled personalization-advertising service, which would allow Arianna Huffington to survive without charging. And finally, it might allow for the accountability to users for their privacy sought by Jeff Chester. So, just to finish up, 'cause I know I've gone way over here, to make a new market for digital information and attention, we need to start creating a unique ownership and governance framework, assemble the required technology, assess the impact on law regulation, advertising, and privacy. If you want to help with this idea, to help make it a reality, please go to www.journalismtrust.org, where you'll find the substance of these remarks, a slide deck, and, also more detail and my contact information. Thanks for giving me a little bit of extra time.

>> Susan DeSanti: I think it's only fair to compensate you, Bill. I would like to start out with a question about sustainability. We've certainly heard about exciting efforts here, and there's a really -- you know, and I'm curious as to the difference between the revenue model for, you know, the "New Haven Independent" and Jim Brady's effort, 'cause there's a big difference in scale there, and the underlying question has always been, "These are great. How are we gonna sustain them?" So, maybe you could start, Paul, and then, Jim, if you could follow up.

>> Paul Bass: Sure.

>> Susan DeSanti: And then we'll get everybody.

>> Paul Bass: My answers for the first five years going forward are different. Looking back five years, it's not that I was smart. I was lucky. If you look in the country of all the journalism experiments for local reporting that were able to produce payrolls for professional reporters to get salaries and health insurance, there were all of us who, unknown to each other for the first, did the NPR model -- "Voice of San Diego, "MinnPost," "St. Louis Beacon," "New Haven Independent." Now a couple we've helped start get going will go in that direction. It was a combination of grants, individual contributions, and sponsorships. I don't know if that's long-term sustainable. My hunch is there's no one answer, no one magic bullet. I think it's a good model, 'cause I think NPR did better than the big papers in the last recession. I think, moving forward, we have to keep reinventing it. I'm not sure that any one outlet is gonna be sustainable. I think some of us are gonna crash and burn. I did not expect to be in business five years later. I did not expect to to have five times the budget. I know my budget's fully in place for next year. I don't know beyond that. I think we have to keep reinventing it. So, some things we're looking at is partnerships. Right now, we're talking with a couple of national outlets about having a joint archive of how we cover state political races. We have a governor and Senate race. We are partners with a Spanish-language for-profit print newspaper. We share offices, stories that get translated English to Spanish. We're looking maybe for funding for a bilingual newsroom in the future, where we have a team of reporters producing multiplatform continually. We're also looking at donors in a community who can afford that 15 -- the kind of people that theaters, for instance, go after, who, now that we're established, can we get 15 of them to give \$15,000 a year guaranteed over three years? We've been offered by a community foundation to give them an incentive, that if they do that, it'll be partially matched. Those are some of the ideas.

>> Susan DeSanti: Jim?

>> Jim Brady: I think when this idea came up, there was a certain passion I had for it being a for-profit model -- not because I have anything against a non-profit model. I think it's a great model. I think there's sort of a sense, and maybe this is not correct, but there's a limited supply of where you can get the money to continue to fund non-profits, but if you can figure out how to make a profit, then there's an endless supply of people who are more than willing to make profits. And if you can figure out how to crack the nut of how you can turn local journalism into a profitable business, then there's all sorts of people who would be willing to follow that model. And I agree -- So, in looking at how we would model this out, the idea from the beginning was always there is no silver bullet that I totally agree with, that it's got to be shrapnel. It's little pieces of revenue from a lot of different streams. And those streams will be display revenue, they'll be preroll revenue, they'll be, you know, certainly, making a strong run at mobile advertising, using all the GPS capabilities or geotargeting capabilities that a local site like this has to have to be successful. Using that, they'll start to deliver advertising to very small but relevant audiences. So, I mean, so, for me, the model -- you know, I like the pressure of having to figure out how to make money off this. I think that's something I kind of wanted, 'cause I do think there's -- you know, I'm a great believer that -- I mean, I love journalism. I've been doing it for 25 years, but I think we're all in agreement, I would assume, that, if you can't figure out the business model for this, we got a serious problem and that, you know, figuring out how to build a really cool Website with great features while ignoring the business model seems to be a bit shortsighted. So, for me, there was a certain passion in doing the for-profit thing to sort of solve that problem.

>> Susan DeSanti: Elisa, I'm sure you have things to contribute on this.

>> Elisa Camahort Page: Yeah, you know, I do agree that there isn't one silver bullet. Not only are you trying to put together multiple revenue streams, but those revenue streams change over time because this is an extremely fast-moving industry and environment we're in. When we started -- when we started blogger.com, we had almost 60 editors who volunteered their time at first. And then when we started to make a little revenue, we shared a little revenue. When we made more revenue, we raised what we could pay them and so on. When we launched our publishing network, which is now over 2,500 bloggers, reaching 20 million unique visitors a month, we split the revenue with them. So, it's very much -- And why we're able to generate the revenue is because of

the community. So, they are what make us who we are, and understanding who they are, what they do, how they behave, what their motivations are, what they purchase, and what they're doing is why we can go out and have, you know, a list of Fortune-500 customers. So, we have a very valuable audience. And yet, that is insufficient to stay in business. If we were to continue to do business the way we did when we launched the network three years ago, we'd be gone by now, because we launched with your basic CPM banner ad, you know? And so, now we've had to get creative and develop different kinds of programs and engagement campaigns and different ways of measuring, all so that we can match both the needs of our community and the needs of the advertisers and sponsors. So, it does require agility, and it requires just as much agility on the operating-expense side as on the revenue side. So, when we have to adjust what we're doing at the top line, we have to go look at what that impact is, and we have -- "Where are we spending our money and how do we move it around and how do we make this all" -- you know, we signed up for projections when we got venture capital, and we have to live by them. And that requires sometimes changing our approach, changing what we do, changing how we're spending our money. And sometimes, I think, I get a lot of questions about how we generate revenue, and nobody ever asks how we control our expenses. But it's two parts to the same equation that eventually is gonna, you know, lead to profitability.

>> Susan DeSanti: John?

>> John Servais: Okay, I'll address the question. I was not gonna volunteer because Northwest Citizen is not economically sustainable. Now, its cost to me is about how much one would spend if one had a golf hobby. And one of the things I like to stress is that we heard a lot about technology costs over the past two days. Really, putting something online is incredibly inexpensive. A couple of hundred a year for the ISP, for Web hosting, \$200 for ExpressionEngine, which is a wonderful database program, rather than using a free one. My biggest costs are the young 26-year-old programmer that I use in order for us to create a unique format. So, there is some advertising, there is some revenue, there are more advertisers who are interested. I'm looking forward to contributions. Two years ago, I asked for contributions and got \$100. I got the invitation to this conference, and I could not afford to come out here from the northwest. A couple of the other writes said, "We'll put it up on the web and ask for contributions." I didn't want that because I

didn't want the failure. Well, they did it anyway, and \$1,500 came in within about four days, and I'm here. So, it's not sustainable. But I think the point is that it's probably a model that can work in many communities, and it's only one of many models, as we've heard here and yesterday. In that, our goal -- my goal isn't to make a living. I make a living with another Website that promotes commerce in a town. The goal is civic information, civic discourse, civic discussion, those things that we think are missing from the community. We have outstanding people who write about some developments and stuff who are analysts and financial people, are not reporters, but they go into EISs and whatnot. So on that basis, the costs are very low, there is some revenue, and I am hopeful in the next year or two that it actually might pay me something. But how much, I don't know. So that's my answer.

>> Bill Densmore: Can I follow up on that?

>> Susan DeSanti: Yeah, please, Bill.

>> Bill Densmore: You just said it's not sustainable, but it's probably a model that can work in many communities. I don't think that was a contradiction when you said that, and I think it was, because I think what you're saying is it's not sustainable in the traditional economic sense.

>> John Servais: Correct.

>> Bill Densmore: But it may be sustainable in the way that a PTA is sustainable, in the sense that there may rotate through your business a continuing succession of people whose motivations and whose rewards have nothing to do with money.

>> Male Speaker: Exactly. Following on that theme of sustainability and engagement, John talked about how some of his audience has contributed to make his trip here possible, and I was wondering if some of the other panelists had any thoughts or stories about particular ways that they have tried to engage their audience that have worked that could be replicated in other ways or ones that might have failed? And we obviously have some existing content providers, but if Jim Brady or Dean Callahan or any others have any other thoughts in terms of ways that multimedia might be

used or crowd-sourcing engagement might be used or what are the limits of these methods and techniques?

>> Jim Brady: Well, we've had lots of successes and lots of failures, but I think the common theme was we were willing to try an awful lot of things at "The Post" and experiment with things, be willing to accept failure and hopefully accept some successes along the way. But I think the theme certainly at "The Post," where you get the most engagement from your readers is when you made them feel like they're part of the conversation. And I would say we didn't go far enough for "The Post" to do that, and in my mind, there are sort of two levels of engagement with your audience. There's the one where you let them comment on stories you've already written or ask questions of reporters who have already written a certain story or you cross that really big gap, and you actually let them upload photos to your site, although most of us have asked for things like pictures of your dogs. You know, we've sort of like let the audience into our front yard, but we really haven't let them in the house is the way I always kind of view it. We want you to be part of the conversation but not too much part of the conversation. And I think the next step that whether the mainstream media organizations or new media organizations have to cross is that you've got to let the audience into the house. You've got to let them help and participate in the process of producing journalism. And so community to me is still the key. You know, and the example I always used at "The Post" is we had a Redskins Insider blog that had -- you know, you could put anything up on our Redskins Insider blog, and we'd get 500 comments. I mean, the Redskins are just a religion in this city, even when they stink. And there was a guy in there who was posting something about, he had a -- I don't know if it was a son or a relative who had an illness and needed to raise some money. And, like, they just, like, raised all this money out of this blog, because all of these people who come to the Redskins Insider blog knew this guy. They'd been trading e-mail and comments with the guy for five years. And, you know, no matter what -- A lot of the news that the Redskins Insider blog reported was pretty commoditized. It was an injury report here, and a game report here, stuff you could get on 10 Websites, but if you wanted to meet these people and talk to these people every single day, you had to come to washingtonpost.com to engage with this group, and that's really in a lot of ways the commoditized -- you know, the stuff that's really unique about your Website is the people that other people want to come talk to. So that's why the community piece is going to be a huge part of the site. We don't want to just get people to come to the site just because of the

information and journalism we produce, because we want to build a community where people feel like they have friends and -- or in some cases, people they want to argue with, but just that people who engage them and get them passionate about something.

>> Elisa Camahort Page: Well, can I add that, you know, most companies -- and I talk more often to companies than media organizations -- but most companies say, "Oh, yeah, we have community, we're building community, we have a blog or we have this." And I always go to their home page and I say, "Oh, show me where your community is on your home page." And it's never there. And if you really want to make the community feel like they're a valued part of what you're doing, you need to highlight that community, whether it's their faces from their profiles, whether it's their comments, so that comments are on the home page, whether it's a community post in the headlines, whether you do it algorithmically or with human -- We actually do it with human editors. You know, letting your community actually show to the outside world as part of the top line of what people see is the only way you actually prove to them that they are of value -- the value that you keep saying they are, I guess.

>> Marcia Chambers: I'd like to give one insight about -- Well, shortly after I began the "Branford Eagle," I had to figure out a way to let people know about the "Branford Eagle." So one of the things I did early on was to create a list, an e-mail list, to send out to everyone. And that e-mail list generated some requests from various folks, particularly the head of a public-access television station in Branford called BCTV. And before long, the "Branford Eagle" was on BCTV. And so, I still have a show. I've been at it for about 2 1/2 years. I interview public officials and others. I have a "Branford Eagle" banner, and I have a "Branford Eagle" logo that says, "You can read all about us at the newhavenindependent.org. And lots of people have learned about the "Branford Eagle" and will come up to me -- I'll be in a diner -- and they'll say, "Hey, I just saw you on TV. " So it's sort of a combined -- It turned out to be -- It didn't start out that way, but it's turned out to be a marketing device for the column and now for the community newspaper.

>> Susan DeSanti: Paul.

>> Paul Bass: I think you were asking specifically about ways to involve the readers. One thing we did early on, at first we didn't have a lot of editing capabilities. We invite our readers to catch typos. We keep a monthly list, and whoever gets the most in a month gets a mug. So, it gets us to make fewer typos, as we fix them and list them, but then every month, a new group will be competing to see who has the most. That worked. A program, even though we have our own Webmaster site, want to do something free for you. I'll build you a crime map if you'll just fee in the data every month. So we now can go to any street, any date, any kind of crime and see it all mapped out. He does that for free and maintains it. Something that failed, which I think would succeed on some of your guys' other efforts, just depending what kind of relationship you have with your readers. I got a grant to do "Citizen Critic." You go review the plays and concerts, and then we'll just throw them up there. And that didn't work. What people liked is when we start the ball rolling. Sort of with our news coverage, too. They want us to kind of start it going with some professional work, and then they'll do their own reviews and critic. So that's just three things to try.

>> Bill Densmore: So that notion of authority is still there. They want that authority?

>> Paul Bass: I don't know if that's universal. I really think these ideas are different in every community. I know there's that one Website in Oregon where everyone reviews restaurants and they go on their own. So, I don't know that we can really take -- But yeah, 'cause some places need more authority than others. I think journalists do have a role for setting standards and authority.

>> Susan DeSanti: Dean Callahan, could you share some of what you all are teaching your journalism students about how to engage communities?

>> Christopher Callahan: Certainly, there are the multimedia techniques, but beyond that, we're really trying to teach them a different way to think. We're focusing -- Two of the things we are trying to embed in all of our students are the notions of innovation and entrepreneurship, and I can tell you that, you know, a few short years ago, those words were -- Well, one of those words would have been banned in journalism schools, and the other simply wouldn't have been talked about. How really sort of unshackling, if you will, these digital natives. One of the things that major news organizations are now looking to journalism schools for is for these students to help them think

about what these products should look like. And that is -- It's a very different world than it was just a few short years ago. Now, how you teach innovation and how you teach entrepreneurship is, quite frankly, a little more complex than teaching how to write a hard-news lead but we think terribly important.

>> Susan DeSanti: Andy, I wanted to come back to you, because the L3C model you were talking about seems like an important idea for discussion in terms of the sustainability issue. One of the things I've heard about it is that it's a possibility -- Some people are thinking about it as a possibility if there are newspapers that are going into bankruptcy and the current owners have, you know, a lot of debt and all, if you can find people who want to make a profit but the rate of return doesn't have to be 20% for them to be happy, that this might be a possibility to get some of those people involved in newspapers again. And I'm wondering what you have thought about in terms of the potential for the use of this concept?

>> Andrew Jay Schwartzman: Well, certainly, without getting overly legalistic, the prepackaged bankruptcy approach makes a great deal of sense. You could take a troubled entity, and, surprise, as we've heard, most medium- and large-sized major market dailies break even or make money even in this recession. Smaller community papers do even better. If the problem is debt, if the problem is some bad business decisions that were made, if the problem is somebody who paid too much, Sam Zell, an approach which gives the surviving bondholders 50 cents on the dollar in the form of future profits, which allows a community foundation to kick in an endowment of some sort, allows other foundations to make what are known as program-related investments and allows public donations or other forms of charitable donations and, as I've said, altruistic investors, people willing to take less than the usual rate of return, an L3C can combine all of those. So, I think it has promise as a means of taking troubled properties and giving them a chance to survive. It doesn't solve all the problems. It's not something that is a universal fix. And I do think the L3C, as I said, has promise for helping to incubate new ventures and brand-new ideas and new platforms as well, but this is certainly one of the areas where I hope we can, you know, get the L3C thing going sooner rather than later, because of the current economic times.

>> Bill Densmore: There is no L3C in federal law right now, but I know because I was part of the conversation that there's a mark-up being worked on now, and it will probably get filed some time early next year.

>> Susan DeSanti: That's definitely of interest. Bill Densmore, I wanted to give you more time to talk about your Information Valet project, because I think that's an extremely interesting idea. It's a big idea. But why don't you go ahead and say some more of the things that you wanted to say about it?

>> Bill Densmore: Well, we really started off a year or so ago with the idea that we wanted to create a shared user network on the web so that consumers could go to a most trusted information valet, this term that I've had to invent 'cause it doesn't exist, and have an account with that information valet and be able to get personalized relationship sort of put together and consort with that information valet, which has benefits for the consumer, because the consumer now has a better information experience and is able to manage their privacy, because presumably, you would tell the information valet a little bit about yourself and a little bit about your personal information preferences, and then that valet would be -- you would have a trust relationship with that valet, which could be a newspaper or it could be an NPR affiliate or it could be an NGO or a trade association that you're part of. It has benefits -- If your information valet is a news organization, it has a benefit to them, because they can take what they know about you with your permission and share it with advertisers and hopefully get better CPMs on advertising. It also means that they can -- An implementation of this that we're working on through CircLabs, this for-profit company that the University of Missouri is an investor in, is a toolbar that would ride on the top of your browser window, and the sort of programming of that toolbar would be done by your home-based information valet so that they could, with your permission, serve you custom headlines, serve you custom ads that are related to your interest. And that would be always with you. One of the problems newspapers have today is only about 1% of the time that news consumers spend on the Web reading news is actually at newspaper Websites. And so if you're a newspaper and you want to "monetize" your users, it's pretty hard to do that if they're hardly ever on your Website. So, this particular first implementation of an info-valet concept would allow the newspaper to make money by showing you ads and by showing you custom information all the time. Beyond that, I think the

idea that I think is interesting is the extent to which you might be able to use an information valet to settle transactions across multiple independent Websites. I don't feel it's best to use the word "micropayment" to describe that, 'cause that's sort of a red-herring word now with a lot of consumers. But I think just as the way the copyright system trades activity about who's using what across copyright clearance center, just as the cellphone system manages transactions and background, just as the cable companies have to settle activity among the suppliers of content, just as Visa and MasterCard have to track where you're going for your physical goods purchases, it seems to make sense that we might create a mechanism for sharing activity that you do across the Web among aggregators and content providers and having a common way to settle that so that everybody gets rewarded.

>> Susan DeSanti: Reactions? Other thoughts? I'm gonna take my personal three minutes now before we end this panel. I have to take a couple of minutes to thank both our outstanding speakers and my outstanding staff. A conference like this is possible only because leaders in journalism, advertising, economics, and other fields are willing to donate their time and share their insights, and I know that journalism will survive and thrive because of all of the outstanding people we have had thinking about this problem and sharing experience and learning and ideas for the future today and yesterday as well. And we are so grateful to all of you and all of those who came before you at making presentations and speaking on panels. But before the panelists and the presenters came my staff. And they researched these issues and found all of you to come and talk with us. And so, I need to thank them. I especially want to thank Elizabeth Jex, Jessica Hoke, Chris Grengs, Gus Chiarello, and staff from the Bureau of Economics, Debra Holt, Deepak Chandra, and Robert Squibb for their persistence and talent in finding all of these speakers for us. And I also want to thank all of the many people who helped out in pulling this workshop together. And certainly, Bill, you're absolutely right, there's a lot of logistics to all of this. Suzanne Michel, Tom Krattenmaker, Michael Wroblewski, Kelly Signs, Dan Gilman, Suzanne Drennon, Pat Schultheiss Gail Kingsland, Brian Rideout, and Kerry McLaughlin. With that, I can say that we are now adjourned. Thank you.