TOPPLE THE TOWERS

Why public radio and television stations should radically reorient toward digital-first local news, and how they could do it

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INTRODUCTION

Imagine that public broadcasting never happened in the United States — that the educational stations and networks never formed; that the Public Broadcasting Act of 1967 never passed; that NPR, PBS and all of their hundreds of member stations never existed. Now imagine that this year, in 2017, there was a sudden, national wave of interest in creating a new media system subsidized by taxpayer dollars. What would such a system look like?

Would it be network of television and radio stations that primarily function as local pass-throughs for national news, cultural and entertainment programming, much of which arguably duplicates services already available in the commercial market? I doubt it.

The current public broadcasting system serves millions of people with remarkable programming, but is also a holdover from a very different time, both in terms of its organizational structure and its mission. On the occasion of the Public Broadcasting Act’s 50th anniversary, it would be worthwhile for everyone in the public media community to ask themselves: What would I want public media to be if we started it over from scratch?

People will come up with many good answers, but here’s mine: I would want public media to be a widely-dispersed system of nonprofit, user-supported local news organizations specializing in public service journalism and publishing primarily online, primarily in text — in other words, a ProPublica in every city, made economically feasible by government subsidies.

In this paper, I will argue why such a system would best achieve the goal of meeting the information needs of all Americans. I’ll also game out a radical proposal by which public radio or television stations could fully convert themselves into local news organizations for the digital age, and also explore some more practical, incremental approaches toward change.
I.

RAISING THE BAR VS. FILLING THE GAPS

I’ve worked in or around public media for the past 12 years, and for the last three I’ve hosted and produced The Pub, a podcast from the public media trade publication, Current. Most episodes consist of essays on matters of interest to the public media community, and also of interviews, usually with current or former public media professionals.

In all of those conversations, I’ve noticed there seem to be two distinct philosophies among my peers about the essential mandate of public media. I will call these two philosophies the “fill-the-gaps mandate,” and the “raise-the-bar mandate.”

“Fill the gaps” asserts that public media exists to offer important things that the non-subsidized market fails to offer in sufficient measure. (Note: I refer to public media as “subsidized” and most other media as “non-subsidized” because the latter category encompasses both for-profit media and nonprofit media that is not subsidized by government in any significant way other than through its tax exemptions. Unsubsidized nonprofit media, such as ProPublica, represents one of the fastest-growing and most exciting media categories today.)

“NPR is here to talk about the points of view that are not getting a platform,” is how NPR editor Alicia Montgomery articulated one aspect of “fill the gaps” when I interviewed her on The Pub in the summer of 2016. At the time, she was leading NPR’s Code Switch unit, which covers race and identity. She made the remark in response to common criticisms of Code Switch to which I invited her to respond: that it only covers race from the perspective of people of color, that it makes every issue into an issue about race, etc.

To the latter criticism, she responded sarcastically, “I wonder if these are the same people who read the sports section and say, 'Why is everything in here about a game that was played, or box scores?''

To extend Montgomery’s argument, sports — at least certain sports, generally played by men — receive ample coverage from non-subsidized media, while matters of race and identity do not receive ample coverage, particularly as covered by people of color. Many outlets do fine work in this area, but there are few that command the mass audience that NPR enjoys, and it is therefore NPR’s role to fill that gap left by non-subsidized media.
Another classic example of public media working to fill gaps can be seen in public television children’s programming. Fred Rogers, in his now-legendary 1969 testimony before the U.S. Senate Subcommittee on Communications, crystalized how he saw *Mister Rogers’ Neighborhood* as being distinct from popular commercial TV shows watched by children at the time:

> On *Mister Rogers’ Neighborhood*, “we deal with such things as the inner drama of childhood. We don’t have to bop somebody over the head [...] to make drama on the screen,” Rogers said. “I think that it’s much more dramatic that two men could be working out their feelings of anger — much more dramatic — than showing something of gunfire.”

In the years since Rogers offered that testimony, commercial children’s television producers—partially in response to the criticism articulated by Rogers and also the popularity of his show and others on public television—began offering more educational and developmentally-beneficial children’s shows, such as *Blues’ Clues* and *Dora the Explorer* on the children’s cable network Nickelodeon.

However, commercial television still lags in offering such programming for the youngest viewers, said PBS Vice President for Children’s Programming Linda Simensky in her 2015 appearance on *The Pub*. It is in serving preschoolers where PBS Kids continues to try to fill a gap, she said.

> “At PBS, we’re thinking about kids between the ages of two and eight. Cable channels run that age and slightly older; they’re thinking about kids six-plus,” said Simensky, who herself worked at Nickelodeon before coming to public broadcasting.

It should also be mentioned that even if Nickelodeon offered more shows for preschoolers, those programs would still only be available to children whose parents are able to afford cable or streaming services. Public television, in contrast, continues to be available for free, over the air, to the overwhelming majority of American households.

Other examples of public media trying to fills gaps left by unsubsidized media abound: geographically-comprehensive emergency broadcasting, specialized information services for farmers and fishers, community announcements for rural and tribal areas, cultural programming on fields of the arts that commercial media neglects, and—most significantly for the purposes of this paper—intelligent local news and public affairs programming.

In contrast to filling the gaps, the “raise the bar” philosophy of public media’s fundamental purpose was strongly argued on *The Pub* by Eric Nuzum, who was in his final days as NPR’s vice president for programming when he spoke to me in the spring of 2015. Soon after, he began his current job as head of original content at Audible, a commercial, subscription-based service. The original mission of public media, Nuzum argued, was not necessarily to be free, or to provide categories of service not found in the commercial
“Its actual mission was to be better. To climb the ladder. To be things that were extraordinary,” Nuzum said. “Because it was founded by people who were really worried — legitimately worried — that television was going to dumb down the American public, and there would not be things of quality that would aspire to be bigger.”

Nuzum’s adherence to the “raise-the-bar mandate” is evidenced in his legacy at NPR, where he oversaw development and launch of the quiz show *Ask Me Another* and such podcasts as *Pop Culture Happy Hour*, both of which duplicated services available in the non-subsidized market.

“There are lots of trivia podcasts; *Ask Me Another* is the best. There are lots of podcasts that talk about pop culture, and *Pop Culture Happy Hour* is the best. I want to hit that mark, and I don’t want a competitor to hit that mark,” he said.

Nuzum’s overt competitiveness might sound heretical to some in public broadcasting, and more broadly to political conservatives, who often argue that government — or government-subsidized entities — should not compete with private enterprise. But the “raise-the-bar mandate” does find support in the foundational texts of American public broadcasting.

Kennedy-era FCC chairman Newton Minow’s famous 1961 speech to the National Association of Broadcasters, in which he characterized commercial television as a “vast wasteland,” did not indict television for shutting out marginalized voices or for failing to serve a wide array of needs; it indicted television for being bad. While Minow’s remarks had nothing directly to do with public broadcasting, his phrase “vast wasteland” was a rallying cry of those who, just a few years later, successfully advocated for the Public Broadcasting Act of 1967, which created the Corporation for Public Broadcasting.

Nuzum himself, in arguing in favor of “raise the bar,” points to a 1966 letter by author E.B. White to the Carnegie Commission on Educational Television, which conducted research and made recommendations that eventually formed the basis of the Public Broadcasting Act. White wrote, “Non-commercial TV should address itself to the ideal of excellence, not the idea of acceptability — which is what keeps commercial TV from climbing the staircase.”

Upon signing the Act, President Lyndon Johnson spoke of America’s “appetite for excellence” and public broadcasting’s charge to bring forth “the best in broadcasting,” and spoke not a single word about underserved communities or holes in the marketplace.

The first and last authority on American public media’s mandate is the Public Broadcasting Act itself, and it endorses both “raise the bar” and “fill the gaps” — conveniently in the same sentence: “It is in the public interest to encourage
the development of programming that involves creative risks and that addresses the needs of unserved and underserved audiences, particularly children and minorities."

As we approach the Act’s 50th anniversary, it seems clear to me that filling the gaps will be a more relevant — and more politically viable — core mission for public media, should public media get to exist for another 50 years.

I’ll concede that “raise the bar” remains relevant on terrestrial radio, where there are few sources of high-quality commercial programming. That is, of course, a highly subjective assessment, but I feel all the more confident in it based on the correspondences I’ve maintained in recent years with politically conservative public radio listeners who continue to be devotees, despite what they perceive to be public radio’s liberal slant, because they think there simply isn’t anything else smart on the dial. (Also, see WHYY reporter Alan Yu’s August article in Current: “Love it or hate it, truckers say they can’t stop listening to public radio.”)

Public media’s near monopoly on quality in the realm of terrestrial radio is partly a function of economics: there simply isn’t that much money in radio anymore, so the only broadcasters that can still afford quality are nonprofits, which generally have lower fixed costs and more diverse income streams than their commercial counterparts. However, the situation is dramatically different on the internet, where commercial and noncommercial players are on more equal footing.

Commercial and other non-subsidized entities have, in recent years, made enormous creative contributions to the burgeoning podcast market, where they are unencumbered by the huge economic barriers to entry present in commercial radio, such as the costs of commercial broadcast licenses and tower facilities.

“Part of the public radio value equation has been that it was a very unique island in a sea of mediocrity and other audio entertainment. That is no longer the case,” said Nuzum in his appearance on The Pub, in reference to podcasting and other forms of internet-based audio programming, such as the content he now offers at Audible.

Indeed, while the NPR Politics Podcast is very good, I think Vox’s The Weeds — a comparable commercial product — is just as good. Likewise, NPR’s Pop Culture Happy Hour is very good, but so is Slate’s Culture Gabfest. In my opinion, NPR’s daily news podcast, Up First, is significantly outmatched in quality by The Daily, a direct competitor from the for-profit New York Times.

On the television side of public media, “raise the bar” is much less relevant today, be it on terrestrial/cable TV or in on-demand video. It’s debatable whether public TV’s national news and information offerings — such as the PBS NewsHour — are really that much better than their commercial counterparts. Local news and public affairs shows on many public TV stations easily outmatch the perpetually dismal quality of commercial local
TV news, but the difference in scale between the two renders the comparison almost pointless. Only a handful of public television stations, most of them in the largest markets, offer a 30-minute or longer daily local news program.

When it comes to public television’s cultural and entertainment programming, “raise the bar” is almost totally irrelevant, and has been for some time in this “Golden Age of Television,” which critics contend began in the late 1990s or early 2000s. Cable, network, and streaming services are all offering stunningly high-quality dramatic and comedic scripted programs, sometimes called “prestige television,” that easily outmatch the creative achievements of any scripted public television shows, with the possible exception of those programs that American public television simply imports from foreign — mainly British — sources.

“I do think the world has changed dramatically since the advent of public broadcasting,” said CPB board member Howard Husock on The Pub in 2015. “The Golden Age of American original drama, which public television originally contemplated supporting — we’re seeing an incredible flowering of that in the commercial marketplace. I think, in that context, it’s appropriate for public media to think about what roles are not being filled.”

Since our conversation, Husock has become one of the most controversial (some might say hated) figures in public media for his series of op-eds advocating for the elimination of federal funding for the Corporation for Public Broadcasting — a stance that would appear incongruous with his role as a CPB board member. However, the CPB board is a partisan body by law, and Husock is a Republican who sees his role on the board as that of an overseer, not a booster.

“[P]ublic media today looks far too much like a niche programming service for a left-leaning, upmarket urban constituency,” Husock wrote in a March 2017 piece for the Washington Post, as Congress considered a budget proposal from the Trump administration that called for eliminating the CPB’s funding. “Public media must demonstrate that it can serve truly diverse audiences in ways the private market can’t. Otherwise, the system’s budget will deserve to be zeroed out.”

If we imagine that Husock is the kind of person advocates for public media will need to persuade in the inevitable funding battles to come, he has demonstrated one, big soft spot. As he put it to me in 2015 when contemplating the question of public media’s ongoing relevance, “If the answer were that every role is being filled [by non-subsidized media], then it’s plausible to think about, ‘Should public broadcasting go on?’ I happen not to think that that’s the case when it comes to a cause that’s near and dear to my heart — and I know that is very important to the Corporation today — and that is local journalism.”
II.
THE CASE FOR LOCAL

In 2009, there was a flurry of conversation about the need for public media to bolster its local reporting capacity.

“Public stations do not have a strong record of spearheading local investigative journalism, and most public radio broadcasters have little or no local news reporting staff,” wrote the Knight Commission on the Information Needs of Communities in a Democracy, in its September, 2009 report (though the same could have been said of public television). “It is important now for public policy in the digital age to play a more determined role in enhancing the performance of public broadcasting in local news.”

Two months later, journalism scholars Leonard Downie, Jr. and Michael Schudson echoed that point in their report “The Reconstruction of American Journalism” for Columbia Journalism Review.

“Public radio and television should be substantially reoriented to provide significant local news reporting in every community served by public stations and their Web sites,” they wrote, and they proposed a specific policy change to accomplish that goal: “The CPB should require a minimum amount of local news reporting by every public radio and television station receiving CPB money, and require stations to report publicly to the CPB on their progress in reaching specified goals.”

CPB did not heed that recommendation, though it did launch a number of initiatives aimed at building up local journalism muscle across the public media system, such as its Local Journalism Center project announced in 2010.

It’s not a coincidence that both of these reports came to similar conclusions about public media in the same year: 2009 was a year of particular carnage for the newspaper industry, following the 2008 financial crisis. Newspapers have historically led the way on substantive local journalism, and in the bleak of 2009, advocates for strong local reporting were contemplating a post-newspaper world and asking themselves who could pick up the torch. Public media seemed a logical candidate.

Nearly a decade later, we are not yet in a post-newspaper world, but we do seem headed in that direction. Between 2005 and 2015, the number of reporters and editors in America’s newspaper industry plummeted nearly 40 percent, from 66,490 to 25,090, according to the Bureau of Labor Statistics. Granted, at the same time, there has been a corresponding increase in employment at new, digital-native news organizations. However
that growth has been both modest (relative to the scale of the newspaper contraction) and geographically concentrated, according to a 2016 analysis of the available data by University of Pennsylvania doctoral candidate Alex T. Williams published in Columbia Journalism Review.

“Between 2004 and 2014, the number of news reporters in Washington, DC, and Los Angeles actually grew, while it stayed about the same in New York City. Relatedly, most digital news outlets are located in these major markets. As a result, citizens outside of these areas likely have fewer reporters acting as local watchdogs and the media system is becoming increasingly concentrated in coastal cities,” Williams wrote.

In Husock’s 2015 article for the conservative journal National Affairs that occasioned our conversation on The Pub, he laid out a case for public media shifting more of its resources toward filling the gap in local journalism being left by the dramatic and ongoing contraction of the newspaper industry:

“A nationwide network of some 364 television stations and 1,048 radio stations, most managed by independent licensees and present in every state and major city, would seem like an obvious candidate to fill the coverage gap. Public broadcasting — or ‘public media’ as it prefers to be called in the digital era — was not originally conceived primarily to be a provider of journalism, but it has, especially through local public radio, already begun to move sharply in that direction, as local stations across the country have become alive to the fact that listeners will both tune in and provide financial support for newsroom operations whose work fills a role others are vacating.”

I think Husock is right, and I don’t think one needs to approach this issue from his same conservative ideological viewpoint to come to the same conclusion. However, to effectively fill the local journalism gap as Husock suggests, it may not be enough to simply shift away from other types of programming — the national news, the cultural and entertainment shows, etc. Public media may need to shift away from broadcasting itself.
III.

THE CASE AGAINST BROADCASTING

Husock is correct that local public media organizations — public radio stations in particular — have significantly stepped up their local journalism game in recent years, both in a deliberate effort to fill the gaps being left by their local papers and also to justify their ongoing existence as users are able to get national content via the internet. However, local content continues to represent a small portion of a typical station’s overall expenditures and efforts, most of which are still dedicated to the old mission of locally broadcasting national content.

Oregon Public Broadcasting is widely considered a jewel of the public media system and produces a relative bounty of local programming for its radio, television and online platforms. According to figures shared by OPB, local content accounted for 65 percent of the organization’s $11.2 million fiscal year 2017 content expenditures, compared with just 35 percent spent on acquiring national content. That’s very impressive in a system where there are still small stations that spend virtually nothing on local content.

However, when looking at OPB’s overall expenditures, the $7.2 million spent on local content is dwarfed by the $25 million spent on everything else. This is hardly surprising, because broadcasting is incredibly expensive. You need big buildings, studios, master control centers and towers, highly-skilled people to operate and maintain all those facilities and a leadership team to administer them. And, of course, you need an army of fundraisers and underwriting sales reps to bring in the money that pays for all of the above. Broadcasting is expensive.

Compare OPB — a gold-standard public media organization that nonetheless spends less than a quarter of its budget on local content, only some of it journalistic in nature — to a digital-native, online-only local news nonprofit, such as Voice of San Diego, which spends about three quarters of its $1.7 million budget on content, according to its CEO and editor Scott Lewis.

“Voice of San Diego is good. It has more impact journalistically than many entities much larger than it,” Lewis wrote to me, pointing to several major investigative stories his staff has broken this year, such as an exposé on San Diego’s regional planning and transportation agency that led to a formal investigation and the resignation of its longtime director.

“I love KPBS,” Lewis wrote of San Diego’s public radio and television station,
but he argued it has “trouble ever owning major stories” despite being a vastly larger organization. “KPBS has skilled reporters but it seems like many go a long time without doing one of the two or three local stories they squeeze in [Morning Edition or All Things Considered] every day. When they do, they’re forced to do web, TV and audio and it seems like a real bottleneck.”

I will join Lewis in acknowledging the fine work produced by KPBS journalists, however what he observes about the broadcasting production bottleneck is quite consistent with my experience as a public radio reporter and as a journalist covering the public media industry. Generally speaking, what makes good radio or TV is finding strong scenes, colorful characters, striking sounds and/or visuals, and painstakingly weaving them into absorbing narratives. In contrast, what makes some of the best text-based journalism is simply finding important information that the public doesn’t yet possess and writing it up as briefly and plainly as possible.

For a timely (albeit non-public media) example, The New York Times reports that one reason NBC News editors rejected journalist Ronan Farrow’s October exposé on the alleged sexual misconduct of movie producer Harvey Weinstein was their concern that Farrow would be unable to get any of Weinstein’s accusers to appear on camera. Farrow took his scoop to The New Yorker, which had no reservations about breaking a story for which there were not any strong visuals.

This distinction between broadcast and text news brings to mind something that The Boston Globe’s Sacha Pfeiffer said to me when we worked together at Boston’s WBUR. At the time, Pfieffer had recently come to public radio from the Globe’s celebrated Spotlight investigative team (she would later be played by Rachel McAdams in the 2015 movie of the same name), and radio reporting seemed to her, she said, to resemble “arts and crafts” as much as it did the kind of investigative print journalism she was used to doing. It was evident to me that Pfeiffer also had great love and respect for public radio, but she did eventually go back to the Globe.

Indeed, a vast amount of time and energy goes into making broadcast journalism look and/or sound beautiful and compelling—so much so that the time spent acquiring information worth broadcasting can feel like a drop in the bucket. Moreover, the titanic and ceaseless effort involved in filling out an entire programming day can prevent broadcast news organizations from selectively targeting the main force of their efforts to those few stories where they can make the biggest impact.

Broadcasting, of course, has its merits — reach being the most obvious. Half of Americans say they often get their news via television and a quarter of them get it via radio, according to survey results published in September by the Pew Research Center. The number of people getting their news from online sources is closing in fast at 43 percent, but those sources are numerous beyond counting, while television and radio stations hold ground in a landscape where property is finite. Simply having a spot on the dial draws audience in a way that simply having an internet address does not.
However, internet-native news nonprofits have proven their ability to maximize their reach by partnering with traditional broadcast outlets, supplementing their online audiences with broadcast audiences without having to pay the astounding overhead costs of maintaining their own stations. Of the local journalism that KPBS touts in its own annual content reports, those pieces that look the most journalistically significant were either done in collaboration with text-based news orgs, such as Voice of San Diego, or were reported by inewssource, a nonprofit newsroom that is physically housed by KPBS but is otherwise independent.

According to that same Pew report, 37 percent of Americans still often get their news from local TV news. The survey did not distinguish between public and commercial stations, but considering how slim local public TV news offerings are in most markets, it’s reasonable to assume that most respondents meant commercial. What if a local public television organization, instead of throwing money into its own TV station, made video packages and simply handed them to the local commercial stations? The public organization would save massively on overhead, the commercial stations would get free content, and viewers would get stories that would likely be more substantive than what they usually see on the 11 o’clock news. Everyone wins, right?

“Sure, we’d save on some costs without the broadcast infrastructure, but we also get much more revenue from our distribution of broadcast programming than we spend,” wrote OPB CEO Steve Bass when I asked him to contemplate giving up broadcasting entirely.

Indeed, the other chief virtue of being a radio and/or TV station, beyond audience reach, is the ability to use that reach to make money — via underwriting and membership drives — and to therefore be able to afford to make more content. The role that stations play in locally broadcasting content from national networks may be sliding slowly into technological obsolescence, but the money that stations make by broadcasting that programming is, to a great extent, what allows them to produce local content.

Buying and broadcasting national content “makes a positive contribution, at least for the foreseeable future,” Bass wrote.

However, were a public station to abandon its traditional broadcast services, new revenue doors might open while others closed. The fundraising successes of such digital-native nonprofits as ProPublica and The Texas Tribune indicate that donors are eager to pay for investigative journalism; perhaps if OPB were able to devote even more of its organizational heft to such work than it already does, more donations would follow.

Or perhaps not, and perhaps it wouldn’t matter anyway, because online-only, text-based journalism is far cheaper to produce than broadcast journalism. Perhaps the news organizations that local public broadcasting stations ought to become in order to best serve their communities are, as a bonus, simply
less expensive to operate. That is precisely what Voice of San Diego’s Scott Lewis argued to me.

“Effective local newsrooms should not be bigger than 25 journalists,” Lewis wrote. “I believe giant newsrooms, save for a few major entities, actually lose significant productivity when they cross this line.”

Lewis laid out an elaborate hypothetical for what an optimal digital local news nonprofit might look like: a newsroom of 25 reporters and editors plus some additional support staff, all of which might cost about $4 million annually, in his reckoning. This fantasy organization, he estimated, should be able to build a contributing member base of 20,000 people, jointly contributing $2 million annually at an average of $100 per member. Add in major gifts and institutional philanthropy, sponsorships, live events revenue and merchandising, and Lewis is confident that the rest of the money could be found — without even factoring in the possibility of government subsidy.

“What people don’t realize is how cheap it would be to run something like this. Compared to a normal museum or opera house or symphony, $4–5 million is NOTHING,” Lewis wrote.

Beyond the savings involved, giving up on broadcasting could also present public stations with a one-time opportunity to raise significant funds by selling what, for most of them, is likely the most valuable thing they own: their broadcast licenses.
IV.

A RADICAL, AND PROBABLY IMPRACTICAL OPTION FOR TRANSFORMATION

Earlier this year, wireless carriers such as Comcast and T-Mobile spent almost $20 billion buying up electromagnetic spectrum occupied by television channels in a first-of-its-kind reverse auction run by the FCC. About $2 billion of that went for noncommercial station spectrum, and of that, $94.5 million went to Rhode Island PBS in exchange for a UHF channel that the station will simply be able to move into the VHF band. To put that amount of money in context, the annual budget of Rhode Island PBS is only about $3 million.

When I spoke to Rhode Island PBS President David Piccerelli on The Pub, he said he and his board planned to put most of the astounding sum they had earned in the sale into an endowment, but also to spend some of it accomplishing the UHF to VHF move and paying for expensive broadcast facility upgrades that they’d been putting off. As I wrote in Columbia Journalism Review in May, that sounds like “a sensible expenditure, assuming the intention is for Rhode Island PBS to go on being a television station. There’s no reason to take that as a given.”

The back-of-the-envelope math generally used by people in the nonprofit world is that endowments yield, on average, five percent of their value in spendable cash every year. If Rhode Island PBS put its $94.5 million into an endowment, it could make, on average, $4.7 million a year in perpetuity, without running another pledge drive, without selling another underwriting spot, and without broadcasting another minute of television. What can you do with $4.7 million? According to Scott Lewis, you can run a digital-only newsroom with 25 journalists, and still sock $700,000 away for a year when the endowment performs below average.

Rhode Island PBS is an extreme example. It was lucky enough to have an expendable broadcast license in an electromagnetically crowded part of the country where wireless companies were starving for spectrum. But all public radio and television stations are sitting on licenses that they could theoretically sell in order to help fund their transition into a local ProPublica.
Unfortunately, the spectrum auction was, itself, an extreme example of the cash that can be had in exchange for a channel, because the wireless companies that were buying are highly profitable, rapidly expanding enterprises. Unless and until the FCC decides to again reallocate some spectrum from the broadcast bands to the wireless bands, the only buyers that radio and television broadcasters can hope to court are other broadcasters, and that is not a seller’s market.

“If you were really going to sell these things, the time to do it probably would have been right around 1996 when cross-ownership rules changed,” said Marc Hand, CEO of the Public Media Company, a consulting firm that, among other things, advises public media orgs on buying and selling licenses. That Clinton-era broadcast deregulation to which he referred allowed single entities to own many more stations than was previously allowed, so large commercial and noncommercial organizations spent huge sums buying up licenses. The market, in Hand’s estimation, topped out in the early 2000s.

Further complicating matters is that most broadcast licenses in the public media system are designated noncommercial by the FCC, and thus can only be sold to another noncommercial entity. Generally, there are only two broad categories of organizations that are interested in buying noncommercial licenses: public/community stations and religious broadcasters, the latter of which, Hand said, have more or less saturated their desired markets already.

According to Hand, the theoretical value of a noncommercial license today, based on recent sales, is $2–2.50 per person within range of the frequency, though he questions whether many public stations could even find a serious buyer.

Some public stations, however, broadcast on licenses in the commercial band — WNYC being the prime example. New York Public Radio could theoretically sell its 93.9 FM frequency to a commercial broadcaster.

“But even with WNYC, had they sold at the peak of the market, a commercial station in New York probably would have gotten $180–200 million, and now it’s down substantially,” Hand said, estimating a sale price today of under $50 million for one of the most valuable radio frequencies in the United States. In an endowment, $50 million could yield $2.5 million annually—a figure that admittedly looks puny when considering New York Public Radio’s total revenues in 2016 were more than $82 million.

There is the possibility of another spectrum auction in the future that would bring wireless carriers back to the table as buyers, though it won’t happen for at least 10 years, according to Ari Meltzer, an attorney at Wiley Rein LLP who helped craft the rules for the first auction.

“While the auction was able to clear a lot of low-hanging fruit (institutional public broadcasters who were not really invested in the mission, second and third tier network affiliates, independent stations, and overlap stations), the next wave of broadcasters either were not interested in participating
or demanded prices that were too high,” Meltzer wrote to me. “I would not expect the FCC to try again until there is a significant change on either the supply or demand side.”

Meltzer also raised the possibility that improvements in wireless broadband efficiency could obviate any future need to reallocate broadcast spectrum for wireless use. The conclusion here seems clear: Whether in a spectrum auction or in the conventional market, most local stations should not expect to make much money by selling their licenses, if they could sell them at all.

I should also acknowledge that, according to figures compiled and shared with me by the Station Resource Group, only about half of public media station organizations hold their own licenses. The other half are licensed to colleges/universities or state/local government authorities, which might be tempted to spend the proceeds from any license sale on things having nothing to do with public media’s mission. That is precisely what public media advocates fear will happen in New Jersey, where state government garnered $332 million in the spectrum auction for two NJTV channels.

Also, any station that gave up on broadcasting would also sacrifice its eligibility for Community Service Grants, which are the primary mechanism by which the Corporation for Public Broadcasting distributes funds to local public media organizations. This was confirmed to me by CPB spokesperson Letitia King, who consulted with CPB’s general counsel.

“Funds allocated for CSGs may be paid only to qualifying radio and TV stations,” King wrote.

CPB does make other types of grants, and has historically funded projects that have little if anything to do with radio or television broadcasting. For example, the Corporation announced in September a $419 million grant to NPR “to help public radio stations in ‘Tornado Alley’ improve and expand their local emergency-messaging capabilities on mobile devices and other digital platforms.” But, despite being a digital-only effort, this remains a grant to a radio network and its member stations.

I asked King if CPB, under its interpretation of its own legal mandate, could direct some of its discretionary (non-CSG) grants to organizations that have nothing to do with radio and television, such as a local non-profit text-based online news organization.

King replied that such funds “may be used to acquire programs and services from non-broadcast entities, including companies that provide online services, as long as the services support radio or TV programming – such as supplementing broadcast programs with related online content, engagement, etc. If a nonprofit newspaper applies for a grant, we will evaluate the request accordingly.”

I would not be the first person to argue that CPB must find ways to untether its mission from broadcasting. In 2010, then-CPB board chair Ernest Wilson
made the case in testimony before an FCC workshop on the information needs of communities that public media should “move beyond broadcasting” and must reimagine itself as “public service media.” Until that happens, the reality is that any organization hoping to win federal funding for public media must keep at least a foot in radio and/or television.

In the meantime, there are some less radical, more practical options that station leaders can explore to further reorient their missions toward local journalism.
V.

SOME MORE REALISTIC IDEAS FOR TRANSFORMATION

Some of the most exciting journalism to come out of public media in recent years has been from organizations, or units within organizations, that have embraced the operating philosophy of “online first, on-air second (or maybe never).” Historically, many such units have grown out of blogs based at stations or networks, and then sometimes grown to include podcasts and regular on-air spots.

NPR’s Code Switch is perhaps the prime example, and much excellent work also came out of NPR’s Project Argo, a 2009 initiative funded by CPB and the Knight Foundation to pilot blog-based news verticals at a dozen stations. Most have since discontinued, but WBUR’s health news vertical, CommonHealth, is one that lives on and is among the station’s many strong offerings.

The digital team at Minnesota Public Radio “does a lot that has no expectation of being for air,” MPR visual news editor Regina McCombs wrote to me. “Although sometimes it surprises us,” she wrote, such as in the case of a September piece by MPR’s Nancy Yang about collaboration between farmers and artists in Minnesota’s Hmong Chinese population that began as an online-only text article with photos by MPR’s Maria Alejandra Cardona, and only later became a radio feature.

At Colorado Public Radio, “we look for opportunities to break away from daily radio-centric features,” CPR digital editor Hart Van Denburg wrote to me, pointing to a 2016 text-and-images article by CPR’s Nathaniel Minor about efforts to preserve Colorado’s Fraser River. After publishing the piece online, Minor was interviewed about it on-air by a CPR host. This allowed CPR to turn Minor’s reporting into radio programming without weighing him down with the onerous task of creating a scripted radio feature on top of his text piece.

While clicks are an imperfect metric of success, it’s worth noting how much audience that online-first content can generate for stations. At KERA in Dallas, the most-viewed story in KERA.org’s history is a charming and useful 2014 listicle by then-digital editor (now managing editor) Eric Aasen: “Here Are 39 Things You Should Do In Texas Before You Die.” The article, which had no on-air component, has been viewed half a million times over the last three years and continues to generate traffic, KERA Vice President for News Rick
Holter said.

Whether considering audience reach or mission, station leaders should feel comfortable making new hires and/or starting new initiatives that have no obvious or immediate connection to broadcast. They might even consider setting an easily quantifiable goal in that direction — to spend perhaps 20 percent of the station’s budget on online-first journalism within five years, for example.

One particularly dramatic example of a station plunging in that direction is the 2013 merger of St. Louis Public Radio and the St. Louis Beacon. Launched in 2008, the Beacon was an online-only, donor-supported news org staffed by 15 former journalists from the St. Louis Post-Dispatch. They did fine work, but had trouble finding enough money to stay afloat. St. Louis Public Radio and the Beacon raised about $3 million from donors to fund their merger — an initial funding round that’s still helping to pay for the newsroom, said St. Louis Public Radio General Manager Tim Eby.

“We had always had the aspiration to want to grow our newsroom,” Eby said. “Bringing the Beacon into the operation was by far the quickest way to get it done, as opposed to adding one or two people a year over several years.”

According figures Eby provided, St. Louis Public Radio’s local programming expenditures jumped from approximately 15 percent of the station’s overall budget pre-merger in FY 2013 ($825,000 out of $5.6 million total) to 34 percent in the current fiscal year ($2.75 million out of $8 million total). If that’s not a radical reorientation toward local news, it’s certainly a significant and rapid one.

As newspapers across the country continue to lose some of their most experienced reporters to layoffs and buyouts, other station organizations could consider making a similarly dramatic play for talent. Dramatic plays can often attract dramatic funding. However, in that scenario, it is vital for stations to allow newspaper journalists to continue doing what they do best, rather than awkwardly forcing them into the mold of standard-issue broadcast reporters, producers or hosts — as WBUR did to the The Boston Globe’s Sacha Pfeiffer.

An example of the right way to do it: one of the former Beacon reporters who now works for St. Louis Public Radio is Brent Jones, whose title is “data visual specialist.” He primarily reports from data sets and creates visualizations, such as the series of charts he published in April showing the alarming rise in Fentanyl-related deaths in St. Louis and St. Louis County, an area plagued by the opioid crisis.

“My work often (I hope) informs our reporters’ work on air,” Jones wrote to me, but his own work is obviously invisible on the radio, and St. Louis Public Radio has been wise to allow him to remain on that course.
Lastly, station leaders who are intrigued at the prospect of becoming a little, local ProPublica have, as of this writing, a remarkable opportunity to try it out on a small scale. In October, ProPublica announced the creation of its new “Local Reporting Network,” a three-year grant program in which it “will pay salary plus an allowance for benefits for one full-time reporter dedicated to investigative work throughout 2018 at each of up to six partner news organizations in cities with population below 1 million.” Public broadcasters would seem to be ideal candidates for these grants.

It’s notable that the grant application emphasizes ProPublica’s desire to “support accountability reporting” — precisely the kind of journalism that I have argued here is the most important gap to be filled on the local level by subsidized media.

In researching this paper, several public media insiders reminded me that they have a mandate to serve all Americans, and that not all Americans are online. That’s true (though barely so, and likely won’t be for much longer). But people do not need to directly consume watchdog journalism in order to be served by it. Reporting that holds the powerful to account and spurs change serves everyone, and may be the highest form of the “public service media” that Ernest Wilson envisioned as the necessary future of public broadcasting.
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