

THE INFORMATION NEEDS OF COMMUNITIES

The changing media landscape
in a broadband age

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Executive Summary

In most ways today's media landscape is more vibrant than ever, offering faster and cheaper distribution networks, fewer barriers to entry, and more ways to consume information. Choice abounds. Local TV stations, newspapers and a flood of innovative web start-ups are now using a dazzling array of digital tools to improve the way they gather and disseminate the news—not just nationally or internationally but block-by-block. The digital tools that have helped topple governments abroad are providing Americans powerful new ways to consume, share and even report the news.

Yet, in part because of the digital revolution, serious problems have arisen, as well. Most significant among them: in many communities, we now face a shortage of local, professional, accountability reporting. This is likely to lead to the kinds of problems that are, not surprisingly, associated with a lack of accountability—more government waste, more local corruption, less effective schools, and other serious community problems. The independent watchdog function that the Founding Fathers envisioned for journalism—going so far as to call it crucial to a healthy democracy—is in some cases at risk at the local level.

As technology offered consumers new choices, it upended traditional news industry business models, resulting in massive job losses—including roughly 13,400 newspaper newsroom positions in just the past four years. This has created gaps in coverage that even the fast-growing digital world has yet to fill. It is difficult to know what positive changes might be just around the corner, but at this moment the media deficits in many communities are consequential. Newspapers are innovating rapidly and reaching new audiences through digital platforms but most are operating with smaller reporting staffs, and as a result are often offering less in-depth coverage of critical topics such as health, education and local government. Many local TV news broadcasts remain excellent, and, on average, they actually produce more hours of news than a few years ago—but too few are investing in more reporting on critical local issues and some have cut back staff. Beyond that, a minority are exhibiting alarming tendencies to allow advertisers to dictate content. In most communities, commercial radio, cable, and satellite play a small role in reporting local news. Public TV does little local programming; public radio makes an effort to contribute but has limited resources. Most important, too few Internet-native local news operations have so far gained sufficient traction financially to make enough of an impact.

On close inspection, some aspects of the modern media landscape may seem surprising:

- > An abundance of media *outlets* does not translate into an abundance of *reporting*. In many communities, there are now more outlets, but less local accountability reporting.
- > While digital technology has empowered people in many ways, the concurrent decline in local reporting has, in other cases, shifted power away from citizens to government and other powerful institutions, which can more often set the news agenda.
- > Far from being nearly-extinct dinosaurs, the traditional media players—TV stations and newspapers—have emerged as the largest providers of local news online.
- > The nonprofit media sector has become far more varied, and important, than ever before. It now includes state public affairs networks, wikis, local news websites, organizations producing investigative reporting, and journalism schools as well as low-power FM stations, traditional public radio and TV, educational shows on satellite TV, and public access channels. Most of the players neither receive, nor seek, government funds.
- > Rather than seeing themselves only as competitors, commercial and nonprofit media are now finding it increasingly useful to collaborate.

This report looks not only at the changing face of media, but at the relevant policy and regulatory situation, including the FCC's own track record. Our basic conclusion: with the media landscape shifting as fast as it has been, some current regulations are out of sync with the information needs of communities and the fluid nature of modern local media markets.

In crafting recommendations, this report started with the overriding premise that the First Amendment circumscribes the role government can play in improving local news. Beyond that, sound policy would recognize that government is simply not the main player in this drama.

However, greater transparency by government and media companies can help reduce the cost of reporting, empower consumers, and generally improve the functioning of media markets. And policymakers can take other steps to remove obstacles to innovation and ensure that taxpayer resources are well used.

Our specific recommendations follow six broad principles:

- > Information required by FCC policy to be disclosed to the public should, over time, be made available online.
- > Greater government transparency will enable both citizens and reporters to more effectively monitor powerful institutions and benefit from public services.
- > Existing government advertising spending should be targeted more toward local media.
- > Nonprofit media need to develop more sustainable business models, especially through private donations.
- > Universal broadband and an open Internet are essential prerequisites for ensuring that the new media landscape serves communities well.
- > Policymakers should take historically underserved communities into account when crafting strategies and rules.

It is a confusing time. Breathtaking media abundance lives side-by-side with serious shortages in reporting. Communities benefit tremendously from many innovations brought by the Internet and simultaneously suffer from the dislocations caused by the seismic changes in media markets. Our conclusion: the gaps are quite important, but they are fixable. In other words, we find ourselves in an unusual moment when ignoring the ailments of local media will mean that serious harm may be done to our communities—but paying attention to them will enable Americans to develop, literally, the best media system the nation has ever had.