

## **Nebraska Radio and Television Foundations Answer Frequently Asked Questions**

The NET Foundation for Television and the NET Foundation for Radio researched and compiled information on three areas in which volunteers get questions from prospects,

- Where money comes from
- Perceived elitism and bias
- Programming of competitors.

Michele Peon Casanova, the Foundations' Marketing Director, Individual Giving, says, "We want board members to feel prepared to overcome any objections a potential donor might have to making a gift."

The following documents are the result. Feel free to adapt them to your own needs.

## **JUNE 2005—DRAFT**

### **WHERE DOES THE MONEY COME FROM?**

***Argument: Other over-the-air broadcasters don't ask me to contribute. In what ways are PBS and NPR really that different from the commercial networks and stations?***

Reality: In addition to being non-commercial, PBS, NPR and local public broadcasting stations are organized differently than commercial broadcasters.

PBS and NPR are not broadcast networks in the same sense as the commercial television broadcast networks such as NBC, CBS and ABC. Local commercial broadcast affiliate stations give up portions of their local advertising airtime in exchange for network programming. PBS and NPR local stations pay substantial membership dues for the rights to broadcast programming acquired and distributed by the national organization. As membership organizations, the boards of directors of both PBS and NPR are made up largely of the general managers of local stations from throughout the country.

The amount of money that member stations must pay in dues to PBS or NPR varies by market size, service area, and the amount of non-federal financial support (NFFS) that stations generate on their own. Dues are proportional, based largely on market size and local fundraising success. For funding purposes, statewide networks like NET Television and NET Radio are considered by PBS and NPR to be an individual “member station.”

#### What is the relationship between PBS/NPR and member stations?

The “membership” relationship means that, for example, PBS stations have greater latitude in local scheduling than their commercial counterparts. However, PBS has a policy of “common carriage” requiring most stations to clear the national prime time programs on a common schedule, so that they can be more effectively marketed on a national basis. NPR feeds many of its daily national programs on a “rollover” basis, repeating programs on a satellite system throughout the day so that stations can carry them “live” in their time zone or record them for later broadcast.

Unlike its counterpart National Public Radio, with headquarters and production facilities in Washington, D.C., PBS has no centralized program production. (The PBS administrative headquarters is located in Alexandria, VA but houses no program production facilities.) All of the programming carried by PBS, whether news, documentary, or entertainment, is created by (or in most cases produced under contract and sub-contract with) individual member stations, including NET Television. Many of NET's national productions have been broadcast by PBS under sub-contract agreements with other member stations like WGBH and Thirteen/WNET, the producers of national PBS series like *American Experience*, *NOVA* and *American Masters*.

Once a program is delivered to PBS, the network (not the member station that supplied it) generally retains all rights for rebroadcasts; the suppliers retain some rights to sell the program material in non-broadcast media such as DVDs, books, and licensed merchandise.

In addition to income from membership dues, PBS and NPR each receive some federal money specifically for program and project development through the Corporation for Public Broadcasting (CPB). The CPB, a private corporation, receives an appropriation from the federal government. By law, 95 percent of this money goes to support local public television and radio stations, programming, and improvements to the public broadcasting system as a whole.

CPB's records show that congressional appropriations accounted for 14.9% of PBS' 2004 revenue. (Source: *Los Angeles Times*, May 29, 2005.) Less than 2 percent of NPR's budget consists of funds from CPB. (Source: *The Nation*, May 23, 2005.)

(The above includes information from: wikipedia.org, cpb.org, current.org)

### Where does local stations' funding come from?

"CPB-qualified" local stations that meet certain minimum staffing and organizational criteria receive Community Service Grants (CSGs) from the CPB. Stations also raise money through membership, major giving and endowments, grants and production contracts, the sale of program underwriting, and institutional support.

Each public TV station's CSG includes a base grant—a flat sum of about \$400,000 that goes to every station—and a variable incentive grant based on the amount of non-federal financial support (NFFS) the stations raise themselves. Public radio CSGs are also made up of a base grant and additional service incentive grants, and are affected by the amount of NFFS raised by stations.

The amount of each station's CSG is adjusted to reflect local fundraising success.

### How do local stations pay for PBS/NPR programming?

Stations generally use their CSGs to offset their PBS or NPR dues. CSG funding covers a large percentage, but not all, of the fees that member stations owe to PBS or NPR each year. Stations pay for three categories of services from PBS: membership dues, program fees, and the interconnect fee that entitles stations to receive programming over the PBS satellite system. NPR member stations pay membership dues, an interconnect fee, and can use program packages ("News," "Arts and Performance," etc.) that include popular programs like *Morning Edition* and *All Things Considered*. Stations pay extra fees above and beyond the basic packages for programs like *Fresh Air*.

***Argument: NET receives state and federal funding. I pay taxes. What is the purpose of my additional investment in NET?***

Reality: Funding for public broadcasting in Nebraska comes from diverse sources. The success of public broadcasting in Nebraska during the past 50 years has been the result of investments from both the public sector and private sources.

State appropriations (43% of total NET funding in 2004) are used for technological infrastructure—TV and radio transmission and satellite and distance learning technology—and toward production of a limited amount of general-interest programming, such as NET Television broadcasts of Nebraska high school sports championships and live coverage of the Nebraska Legislature on NET2. It would not be possible for NET to serve all the citizens in Nebraska (where the relatively small population is widely dispersed over a large geographic area) and to provide the entire state with the same high-quality signals and services, without the state's investment in infrastructure.

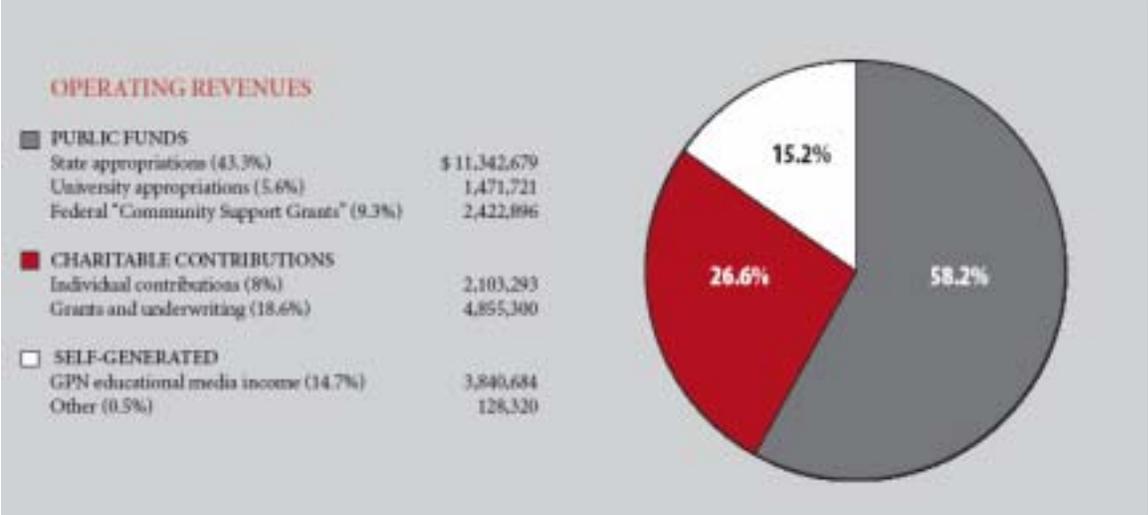
The University of Nebraska makes direct operating appropriations (5.6% of the 2004 total) to the UN-L Television Department for expenses related to NET Television flagship station KUON-TV, for which the NU Board of Regents holds the license.

NET Television and NET Radio each receive Community Service Grants (9.3% of the 2004 total) from the Corporation for Public Broadcasting (see explanation, above).

The NET Foundation for Television and NET Foundation for Radio administer contributions from individuals (8% of the 2004 total) and funding in the form of competitive grants, production contracts and underwriting (18.6% of the 2004 total) that together pays for most of the local programming that is broadcast on NET Television and NET Radio.

The NET Foundation for Television and NET Foundation for Radio each make a “production grant” to NET of the monies raised for their respective networks every year. This funding enables NET to invest in producing local programming that is made by, for, and about Nebraskans. Because of these funds and NET's other non-federal financial support, NET is one of a small number of public broadcasting organizations in the U.S. that are able to provide locally-originated programming and other services to viewers and listeners, rather than acting only as a “pass-through” for national programming.

NET also generates some of its income (14.7% of the 2004 total) through the GPN educational media library sales system. 0.5% of NET revenue comes from fee-for-service sources, such as commercial broadcaster's rent paid for antenna space on NET towers, etc. (See pie chart, next page.)



(2004, audited.)

## **REVISED JULY 2005**

### **PERCEIVED BIAS AND ELITISM**

“Whenever the people are well-informed, they can be trusted with their own government. Whenever things get so far wrong as to attract their notice, they may be relied on to set them to rights.”

Thomas Jefferson to Richard Price, 1789. ME 7:253

**Argument:** *Americans don't value public broadcasting as a reliable source of news and information.*

Reality: Forty-one percent of Americans rank PBS as the most trusted source for news and public affairs programs, compared with other network broadcasters. (Source: Roper poll, February 2005.) Nearly 90 million people watch public TV each week. (Source: Nielsen Media Research.)

NPR member stations reach 30 million listeners each week; each week, over 23 million people listen to NPR news programs such as *Morning Edition* and *All Things Considered*. NPR's overall audience has grown by over 41% in the past four years, which included such major news events as September 11, 2001; the 2003 Iraq war, and the 2004 election. (Source: npr.org, Arbitron Nationwide.)

**Argument:** *NPR and PBS news and public affairs programs are politically biased.*

Reality: During 2003, the Corporation for Public Broadcasting (CPB) commissioned two polling firms – the Tarrance Group and Lake Snell Perry & Associates – to conduct a nationwide survey and a series of focus groups to solicit public comment regarding how well public broadcasting is meeting its legal and ethical obligation to ensure objectivity and balance. The studies showed that the majority of the U.S. adult population does not believe that the news and information programming on public broadcasting is biased. The plurality of Americans indicate that there is no apparent bias one way or the other, while approximately one-in-five detect a liberal bias and approximately one-in-ten detect a conservative bias.

Both surveys confirm the same thing: The majority of the U.S. adult population does not believe that the news and information programming on public broadcasting is biased.

Seventy-four percent of individuals who are “consumers” of news and information programming on NPR found there was no liberal bias. Seventy-eight percent of the general respondents indicated that NPR did not have a liberal bias.

Fewer than 15% of Americans say that NPR coverage of the war and/or the Bush Administration is slanted.

Eighty percent of the adults in the United States say that they have a favorable impression of NPR as a whole.

(Source: cpb.org; excerpt of “Open to the Public,” a report to Congress on steps taken by the Corporation for Public Broadcasting in response to Section 19 of the Public Telecommunications Act of 1992 for the period January 1, 2003 to December 31, 2003.)

NPR, CPB and PBS are serious about objectivity:

NPR employs an Ombudsman, Jeffrey Dvorkin, to investigate complaints and analyze listener comments. From October 2003 to January 2005, the NPR Ombudsman received 84,943 e-mail comments from listeners. In that period, which included an election year, approximately 7300 listeners complained that NPR news coverage was “too conservative,” while approximately 1500 listeners complained that it was “too liberal.” (Source: npr.org, Ombudsman’s reports.)

On April 5, 2005, CPB appointed former NBC newsman Ken Bode and former *Reader’s Digest* executive editor William Schulz to newly created positions as CPB Ombudsmen. Their purview will extend beyond NPR and PBS to include all independent programs, even those not produced or created by NPR, PBS or funded by CPB, that are aired by local public stations.

PBS is actively considering hiring its own in-house ombudsman, pending the recommendations of an independent committee examining PBS’ content and editorial standards. The panel’s recommendations—which are likely to include the appointment of an ombudsman—will be released in June 2005. (Source: Online Newshour.)

***Argument: The Chairman of the Board of the CPB has said that public broadcasting is biased. Doesn’t that affect PBS and NPR’s relationships with its viewers and listeners?***

Reality: The Corporation for Public Broadcasting was created by an act of Congress in 1967. The Public Broadcasting Act (PL90-129) authorizes the CPB to “carry out its purposes and functions and engage in its activities in ways that will most effectively assure the maximum freedom of the noncommercial educational television or radio broadcast systems and local stations from interference with or control of program content or other activities.”

The Corporation for Public Broadcasting receives an annual appropriation from the federal government. By law, 95 percent of this money goes to support local television and radio stations (mostly through stations’ Community Service Grants), programming, and improvements to the public broadcasting system as a whole.

The opinions of the CPB’s current chair have attracted a lot of attention; the political climate in which public broadcasting operates has varied widely since its inception. CPB’s role, by statute, is to set broad policy for public broadcasting and to be a firewall between political influence and program content.

PBS and NPR and their member stations, including NET Television and NET Radio, are accountable for setting and living up to the highest possible standards for journalistic integrity, objectivity and balance.

***Argument: Public broadcasting news and information programming is produced only for an elite.***

Reality: Public broadcasting is a source of news and information that is available to all Americans. Because of the public/private investment that has already been made in NET, public television and radio stations broadcast to any Nebraskan with a TV or radio. Future investment will determine what programming is available on those stations. (Note: Omaha has separate public radio stations that were established before the creation of NET Radio in 1991.)

PBS is available to everyone:

Most PBS stations (and all NET Television broadcast stations) are available to people who cannot afford cable or who choose not to have it. 30% of Nebraska households that use television do not subscribe to cable. (Source: Nielsen Media Research from the National Cable & Telecommunications Association.)

38 percent of “poor” households in the U.S. do not have cable. (“Poor” is defined as income of approximately \$19,000 or less for a family of four including children. Source: U.S. Census Bureau report, September 2003.)

Public broadcasting treats viewers and listeners as citizens, not just consumers:

News coverage on PBS and NPR is not limited to whatever amount of information can be conveyed in the time available between commercial breaks. Public broadcasting provides viewers and listeners with longer, more detailed news stories during *The News Hour* and *Frontline* on PBS, and on NPR’s *All Things Considered*.

Public broadcasting gives all its viewers and listeners—whatever their age, income level, physical ability or geographic location—access to information they need to engage in constructive dialog with their fellow citizens about the important issues facing our state, the nation and the world.

NET Television and NET Radio are Nebraska's locally-owned, statewide media:

For many people in large parts of Nebraska, public TV and radio are the only locally-owned over-the-air broadcast stations.

Only two of Nebraska's 17 commercial television station licenses are held by an in-state company. The Carlini family's Greater Nebraska Television is the license-holder of both KNOP North Platte and KHAS Hastings. Out-of-state companies own all of the other commercial television licenses in Nebraska.

Of Nebraska's approximately 73 commercial FM radio stations, Waitt Media of Omaha owns or operates 24, and Three Eagles Communications of Lincoln owns five. Clear Channel Communications of San Antonio, TX owns 10 Nebraska FMs; Journal Broadcast Group of Milwaukee, WI owns five; Eagle Communications of Hays, KS owns three; and Triad Broadcasting Company of Monterey, CA owns three.

About 20 independent in-state companies own and operate their own FM radio stations in Nebraska. These stations are located in Ainsworth, Albion, Alliance, Auburn, Bridgeport, Broken Bow, Fairbury, Gering, Gordon, Imperial, Kearney, Kimball, Lexington, McCook, Norfolk, O'Neill, Ord, Sidney, Superior, Winnebago and York.

Of these locally-owned Nebraska FM stations, only a handful carry local programming that originates from their studios. Most locally-owned stations in Nebraska use some form of syndicated on-air content that is distributed via satellite and controlled with computer automation systems, so that it is not even necessary to employ a local announcer or "board operator" on-site to supervise playback.

(Source: FCC station license information compiled at Northpine.com.)

## **JUNE 2005—DRAFT**

### **WHAT PROGRAMMING IS ACTUALLY SHOWN ON THE CHANNELS THAT COMPETE WITH PBS?**

**Argument:** *Americans no longer value public television in the 500-channel cable universe.*

Reality: For the second consecutive year, a Roper Public Affairs & Media poll shows Americans consider PBS the nation's most trusted institution among nationally known organizations. And, PBS is the second most valuable service taxpayers receive, outranked only by military defense by two percentage points.

**Argument:** *Cable channels like Food Network, HGTV, TLC, the History Channel and Animal Planet make PBS unnecessary because they have filled program niches first identified by PBS.*

Reality: Households with digital cable can receive up to 20 supposedly "PBS-like" niche-appeal cable channels. Cable channels like this have an **undeserved reputation** for offering programs similar to those on PBS.

Just four media groups own nearly all of these cable channels: A&E networks (A&E, History Channel, Biography Channel), NBC Universal (Bravo), Scripps Networks (HGTV, the Food Network, DIY, Fine Living) and Discovery Communications (Discovery and up to 20 other Discovery sub-brands including TLC, Animal Planet and BBC America).

When they were launched, these channels did offer specialty programming in certain genres that were pioneered by PBS, such as arts, history, nature and science, cooking and how-to.

Much of the programming that is **currently** carried on these channels is unscripted "reality" programming. This situation is unlikely to change soon.

Reality programming dominates the PBS "look-alikes."

#### On TLC

The cable channel created to offer public-service and educational programming that was formerly known as The Learning Channel was bought by Discovery in 1991. It has been branded TLC and uses the tagline "Life: Unscripted." TLC now airs hours of home makeover, car repair and wedding preparation programming every week. TLC is developing shows with titles such as "Terrible Parent," "The Sit Down," "Going Hollywood," "Wedding Chapel," "Ballroom Boot Camp" and "Supernatural." (Source: Multichannel News, April 2005.)

#### On A&E

Basic cable tier A&E currently carries one arts-related program, "Sunday Morning with the Arts." Reality programming dominates in prime time, with series such as "Dog the Bounty Hunter," "Cold Case Files," "Growing Up Gotti," and "Knievel's Wild Ride." A&E no longer

produces or carries such programs as “Nero Wolfe” or literary adaptations like “The Scarlet Pimpernel.” Some of these programs have been moved to A&E’s Biography Channel (on the premium priced digital cable tier)—which in turn no longer carries much biography or documentary programming.

In an April 2005 interview with the *Boston Globe*, Bob DeBitetto, A&E’s executive vice president of programming, said: “Classic arts programs, whether theater or ballet, are not where our network is going. Our tagline now is the art of entertainment.”

### On Bravo

Likewise, although Bravo’s slogan is now “watch what happens,” to reflect its reality emphasis, Bravo continues to enjoy a reputation as “the arts and film network.” Currently, Bravo carries “Celebrity Poker Showdown,” “Showdog Moms and Dads,” “Queer Eye for the Straight Guy/Girl” and “Project Greenlight.” Bravo’s “Inside the Actor’s Studio,” now in its tenth season, includes as many project-related promotional appearances by contemporary celebrities and TV stars like singer/actress Jennifer Lopez and the cast of “Will and Grace” as it does career-spanning interviews with established stage and screen actors.

Bravo has in development such series as “Situation: Comedy,” a reality series that tracks the creation of a sitcom; “Battle of the Network Reality Stars,” an update on the old “Battle of the Network Stars;” “Kathy Griffin: My Life on the D-List” and “Hidden Howie: The Private Life of a Public Nuisance,” depicting comic Howie Mandel’s home life. (Source: *New York Newsday*, May 3, 2005.)

***Argument: Some of the cable channels with good reputations for quality have in fact gone “reality.” The programming on some of the other Discovery and A&E channels still offers an adequate replacement for PBS programming. My children/grandchildren enjoy Nickelodeon and the Disney Channel.***

Reality:

### There is advertising on children’s cable

Viacom’s Nickelodeon interrupts programming with paid advertising at all times of the day. During its “Nick Jr.” block of pre-school programming from 8 AM to 1 PM (Central time), Nick airs top and bottom-of-hour breaks that include both paid advertising and promotional material. All programming on The Disney Channel and Playhouse Disney includes “commercial breaks.” Disney does not run paid ads from other companies during these breaks, instead it runs promotional announcements for its theme parks and for programming on other Disney/ABC channels.

Despite the competition from commercial sources, five of the top ten programs among children 2-5 are commercial-free PBS KIDS series. (Source: Nielsen Media Research.)

### Cable program content does not equal PBS content

The actual program content on cable niche channels is much different than that found on PBS. The educational mission and substantive content of PBS programming is missing from most of the programs on the look-alike niche cable channels.

PBS and its stations combine accuracy and scholarship with entertainment and do not emphasize sensationalism in history and nature programming. PBS station operators are universities, government and community licensees that take their educational mission seriously.

### History and science *are* best on PBS

Cable history programs generally don't offer viewers any new information, they simply repackage what is already well-known about a topic.

History programming on the Discovery channels and A&E's History and Biography Channels is heavy on World War II documentaries and programs on "the history of" pop culture personalities and other topics that can be assembled cheaply from public domain sources. This material can be shown over and over again with minimal payment to rights holders.

These programs are made without archival images and sound and lack the new, original scholarship by historians and experts that is required by PBS series such as *American Experience* and *American Masters*.

PBS's *Nature* and NOVA do not sensationalize their nature and science documentaries or limit their coverage of the natural world to "dangerous" or "exciting" animals, expeditions and experiments. PBS does not produce programs like "Shark Week," "The Crocodile Hunter," and "Who Gets the Dog," as seen on the Discovery and Animal Planet channels.

The Discovery Channel has in development such programs as "I Shouldn't Be Alive," "Deadliest Catch," "Go Ahead, Make My Dinner," "Dirty Jobs" and "Pop Nation: America's Coolest Stuff." (Source: Multichannel News, April 2005.)

### PBS how-to is life-long learning for adults

PBS pioneered the TV how-to genre with programs like *The French Chef*, *Victory Garden*, *This Old House* and *New Yankee Workshop*. Today, channels such as TLC, HGTV, Food Network, DIY and Fine Living fill hours of airtime with program content that seems similar to PBS how-to series, but lacks the emphasis on quality materials, industry best practices and safety precautions that distinguish those pioneering PBS series from today's imitations.

Watching Norm and the *This Old House* crew carefully demonstrate the steps and tools involved in building and finishing a project using industry best practices is not the same experience as watching one of today's many TV carpenters construct stage-set-quality projects from plywood to meet an artificial 24 or 36-hour deadline.

Note: Commercial ventures are diluting PBS brands

National Geographic nature and science specials are shown on PBS and are also carried by National Geographic's own cable channel (partly owned by News Corp., the parent company of Fox), which carries advertising—a PBS partner is now a commercial competitor.

Even *This Old House* now competes with PBS. Repeat episodes of *This Old House* and its spin-off programs are shown during the day on A&E and HGTV. TimeWarner now owns the *This Old House* brand.

PBS, Sesame Workshop and HIT Entertainment (producer of “Barney and Friends” and “Bob the Builder”) are partners with Comcast in a new digital cable channel for children that will include commercial breaks between programs.

”I don' t like pitching products to young children and I never have,” said Joan Ganz Cooney, a co-founder of Children' s Television Workshop (now ~~Sesame~~ Sesame Workshop) and the chairwoman of the executive committee of its board. “But to some degree that is nostalgia for a time that is past. The whole society, the whole business is so commercialized, even public television. This is another way of getting PBS' excellent programming to children.” (Source: New York *Times*, March 30, 2005.)