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**Study Finds Television Stations Donate an Average of 17
Seconds an Hour to Public Service Advertising
Kaiser Family Foundation
January 24, 2008**

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VICKY RIDEOUT, M.A.: Study of entertainment media and health. And thank you all for being here. A lot of people in this room today work for government agencies or non-profits that have something important to say to the public. Maybe you're trying to tackle childhood obesity by encouraging kids to exercise, or perhaps you're working to raise awareness about heart disease in minority communities, or maybe you're from a local group that's trying to collect coats for homeless people here in DC. In fact a lot of you in this room are trying to communicate some of the most important things that people need to hear. But one thing you usually don't have is a big budget to give you the tools you need to communicate that information. If you worked for a fast food restaurant or a sneaker company you'd have lots of funding to get your message out, but you don't. One tool you do have is public service advertising, ad space that media companies make available for free to help promote good causes. And that's what this forum is all about.

We've all heard about the changes in the advertising landscape, no one's watching TV anymore, or if they are they're fast forwarding through the commercials. Companies are reaching their customers online, or on their cell phones, or through social networking sites. Thinking about these new media technologies is incredibly important for non-profits and

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government agencies undertaking public education campaigns. But just as the 30 second TV spot continues to be the mainstay of commercial advertising, television is still arguably the most powerful tool available for reaching people with public service campaigns. Frankly, there's no other medium that comes close yet in terms of the amount of time people spend using it, or the size of its audience, or the instantaneousness of its impact. And that's why so many organizations including the Kaiser Family Foundation still consider televised PSA campaigns to be a cornerstone of our efforts. In fact, our foundation has been very fortunate to be able to forge very successful partnerships on PSA projects with every one of the media companies that will be represented on our panel later this morning and for that we are very grateful.

There are a lot of folks who are cynical about PSAs, who say they're a wasted time or they just don't work and surely we've all seen our fair share of bad PSAs, just as we've all seen our fair share of bad commercial ads. But what the research shows is that PSAs can be effective if they are well designed and if they get enough air time in front of their target audience. And there's the rub. How do we provide air time for PSAs when media companies can charge top dollar for those same spots? How does any one organization get its spots on the air when there are so many worthy groups competing for

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such a limited amount of time? Can media companies do more to provide more air time than they do now? Should they be required to? If not how can organizations adapt to the current environment and be as effective as they possibly can be?

This is an especially appropriate time to be having this conversation. A little over 12 months from today our country will be transitioning to digital television. Networks that have enough analog spectrum for one channel today may have enough digital spectrum for four channels next year. One of the issues to be addressed in this transition is, should broadcasters public interest obligations be updated for the digital era, and if so how? Ten years ago a presidential advisory committee was appointed to study this exact issue and to make recommendations to the FCC. The committee recommended that broadcasters should be required to air a specific minimum amount of PSAs, that some proportion of them should serve local issues and that they should run during all day parts. By contrast under current law there is no requirement to run PSAs.

This morning we're releasing a study that looks at the nature of public service advertising on television. How much of it there is, what it looks like, when it airs, who sponsors it, what topics it addresses. After that we're going to hear from three of the five members of the Federal Communications

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Commission who have been kind enough to join us here today and I'd like to introduce them to you now.

First, Commissioner Jonathan Adelstein has been a member of the Federal Communications Commission since 2002 and was appointed to a five year term in 2004. Before joining the FCC he served for 15 years as a staff member in the United States Senate.

Commissioner Michael Copps has been a member of the FCC since 2001 and his current term runs through June of 2010. Prior to joining the commission he served as Assistant Secretary for Trade Development at the US Department of Commerce.

Commissioner Deborah Taylor Tate became a member of the FCC in January 2006, prior to that she was Chair of the Tennessee Regulatory Authority and also served as legal counsel and Senior Policy Adviser to Governor's Lamar Alexander and Don Sundquist.

And I'm very pleased that our discussion with the Commissioners and with our panel of representatives from the television industry and non-profits will be moderated by former ABC news correspondent Jackie Judd, who now serves as Vice President and Senior Communications Advisor here at the Foundation. And we thank all of you for taking the time to be with us.

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The study that we're releasing today was designed in collaboration with Professor Walter Gantz, who is Professor and Chair of the Department of Telecommunications at Indiana University. Professor Gantz has conducted numerous large scale content analyses on media and health for organizations such as The National Cancer Institute, and his research has been widely published. The implementation of the study was overseen by Dr. Nancy Schwartz, a research scientist and instructional designer with the Academic Edge.

What I'd like to do now is ask Dr. Schwartz to come up and share with you the methodology that was used in the study, and then have Dr. Gantz present some of the key findings. Please join me in welcoming Dr. Nancy Schwartz. [Applause]

NANCY SCHWARTZ, Ph.D.: As Vicky noted, the purpose of this study was to examine how much time on average is being donated to public service advertising on TV, what times of day PSAs air and what topics are being addressed by PSAs. In order to answer these questions we collected a sample of 1,680 hours of television in the fall of 2005 and coded all non-programming content, including PSAs in that sample. The study is a five year follow up to a study we conducted in 2000, using the exact same methodology.

Ten broadcast and cable networks were included in the study. These were the four major broadcast networks, five

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basic cable networks, and the top rated Spanish language network. For each network programming on local affiliates in seven different markets across the country was recorded. The seven markets were New York, Atlanta, Chicago, Dallas, Denver, Los Angeles, and Seattle. This methodology allows us to capture both network level and local PSAs and takes into account possible regional variations in PSA practices by pulling equally from seven different markets across the country. One full week of programming was recorded for each of the ten networks in each of the seven markets.

Using a composite week methodology to help guard against seasonal variations, the sample was recorded over a period of two and a half months in the fall of 2005. The study deliberately used an inclusive definition for PSAs. We included spots from traditional non-profits, such as the United Way and American Red Cross, and federal government agencies, such as the CDC and the Department of Transportation, along with network branded campaigns, such as NBCs "The More You Know" and CBS "Cares". We also included community calendar announcements.

The FCC defines a PSA as being one for which no charge is made. Thus the study needed to distinguish spots that used airtime donated by the networks or affiliates from spots for which the sponsor purchased air time. So for every one of the

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PSA like spots identified, letters, emails, and telephone calls were made to sponsors, stations and cable franchises asking about the financial status of the spot. And wherever possible the status was confirmed by both the sponsor and the media company.

In the end we identified 15,095 possible PSAs and determined that of those PSAs 969 were donated and 626 were purchased. And with that I'd like to introduce Dr. Gantz to present our findings. [Applause]

WALTER GANTZ, Ph.D.: Good morning. The first thing we found is that a little more than one out of every four minutes on television is devoted to something other than programming. About 16 and a half minutes an hour, or 27-percent of all airtime is non-programmed content. This is an increase in non-programmed content of about 50 seconds an hour over what we found in 2000, mostly more advertising. For most of our finding we're concerned exclusively with donated PSAs.

Only a very modest amount of air time is donated to public service ads on television. The broadcasting cable stations in this study donated an average of one-half of 1-percent of all air time to PSAs. Across all the channels in the study, an average of 17 seconds an hour was donated to PSAs. If you compare the broadcast, cable, and Spanish language networks you see there was a small difference between

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broadcast and cable, 18 versus 15 seconds an hour, with Univision donating an average of almost a half minute an hour.

In prime time, when the largest number of viewers are watching, there was an average of just six seconds an hour donated to PSAs on broadcast, nine seconds on cable, and 23 seconds on Univision. Among all the donated PSAs in the study, 46-percent ran them during the overnight period, from midnight to 6:00am. For the broadcast stations 60-percent of the PSAs ran after midnight, while on cable 38-percent aired after midnight. On the Spanish language network the comparable figure was 35-percent.

In 2000 there was an average of 15 seconds an hour donated for PSAs; in 2005 the average was 17 seconds an hour, not a statistically significant difference. In 2000, 43-percent of all donated spots ran after midnight, in 2005 46-percent did, again, not a statistically significant change.

One thing that did change is that there was more non-programming content, as I noted earlier. About 50 seconds more an hour, but not more PSAs. One other place where there was a statistically significant change was in the amount of time donated to PSAs on the cable networks, where the average went from seven to 15 seconds an hour.

In addition to looking at how much time was devoted to PSAs on television we examined the issues that were being

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addressed. We found that, on average, about one out of every four PSAs concerned a health topic of some sort, the next most common topic was fundraising. Spots generally designed to solicit donations for the non-profit sponsor. Looking more closely at the health PSAs you can see here how the topics break down with fitness as the number one topic, at 6-percent of all donated PSAs, followed by cancer, with 4-percent of all donated PSAs, and then HIV/AIDS and wellness, with 3-percent each.

Just to give you a sense of how this works out time wise for a week, this is equivalent to two minutes and 52 seconds a week of PSAs on fitness, if you leave the TV on 24 hours a day. This is less than two minutes a week on cancer, and a minute and a half on HIV/AIDS. We also looked at who sponsors the PSAs that are aired. Overall, 71-percent of the spots have a non-profit as the sponsor or co-sponsor, 38-percent have a media company as a sponsor, usually the company that is airing the spot, 15-percent have a government agency as a sponsor or co-sponsor and 8-percent have a for-profit as a sponsor or co-sponsor.

Another issue of concern to non-profits is the number of PSAs that specifically serve the needs of small, local non-profits on local issues. In this study we found that on average about one out of every five donated PSAs is locally

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oriented. Broadcasters were much more likely than cable stations to run local spots, with the Spanish language network the most likely of all.

We also documented how long those PSAs were. We found that the 30 second spot continues to dominate the PSA universe. More than two-thirds of all donated PSAs were 30 seconds long. About one in four donated spots used a celebrity spokesperson of some kind, often the star of the network on which the PSA aired. Most donated PSAs offer some provision for viewers to follow up and get more information. Compared with 2000 data there's been a real change in how that information is offered. The proportion of spots with a phone number to call dropped, while the proportion with a web address increased, in this case from 32 to 75-percent.

Next I'm going to move very briefly to some findings on paid PSAs. In 2005 there was an average of 10 seconds an hour of paid PSAs. Not statistically different from what we found in 2000. Not surprisingly, paid PSAs do get aired at better times of day where 46-percent of the donated PSAs aired between midnight and 6:00am, 27-percent of paid PSAs aired during the same time slot.

Half of all paid PSAs focused on health issues with the most common topic in 2005 being alcohol and drug abuse prevention. Between 2000 and 2005, the number of paid spots on

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alcohol and drug abuse went up while the number of paid spots on smoking went down. The number of paid spots on sexual health, HIV, and STDs also increased from 2000 to 2005.

In sum, the amount of time made available for public service announcements continues to be extremely limited and that time is spread across a multitude of topics. Our report offers a sobering reminder to national and local non-profits and government agencies about the challenges of using donated PSAs for public education campaigns. And to discuss how to best meet these challenges and to where we go from here, I'm going to turn it over to Jackie Judd.

JACKIE JUDD: Thank you Walt. [Applause] Good morning everyone and thank you for joining us. Good morning to the panel. I would like to start the conversation this morning with hearing from each of you some general and brief comments, your reaction to the study, starting with Commissioner Copps, then Commissioner Adelstein, and winding up with Commissioner Taylor Tate. Commissioner Copps.

COMMISSIONER MICHAEL COPPS, Ph.D.: I need to get out of Marty's direct line of site. [Laughter] Good morning. It's always a good morning when the Kaiser Foundation is holding one of its invariably interesting and invariably timely forums on behalf of kids and family and the public interest. Kaiser has been incredibly affective in shining a light on

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issues that we need to act on but which some powers that be are often happy to leave in the shadows.

PSAs, they live in a kind of a land all their own, undefined, bereft of standards or guidelines or rules, without qualitative or quantitative measurement but still tenuously wetted to the idea of serving the public interest. Let me be clear as to where I think public service announcements fit in to the public interest. They are one way, if done properly, of serving the public interest. They are not the only, nor even the primary way but they can be part of that quid pro quo broadcasters make with we the people in order to obtain their licenses. And PSAs can be very, very good. Some like "Friends Don't Let Friends Drive Drunk" have become a part of the vernacular and even save lives. Others like "This is Your Brain on Drugs" was named by TV Guide as one of the top 100 ads of all time. So with enough creativity and with sufficient repetition at times when people are actually watching, PSAs can have a real positive impact.

But the new Kaiser study documents how far we still have to go, on average of 17 seconds per hour for donated PSAs isn't much and even that numbers a little deceiving because on the major broadcast networks 60-percent of donated PSAs run between midnight and 6:00am. This subprime scheduling for so

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many PSAs tells me that subprime problems aren't exclusive to the housing industry.

This year, by the way, broadcasters have a special challenge, and I want to digress for just a second here, preparing television viewers for the upcoming DTV transition. As some of you know I don't believe we're doing nearly enough on that score, I'm not going to get into that today, but I do want to make one point that is germane to this discussion on PSAs, it's going to require lots of airtime to make viewers aware of what's coming and what they need to do to prepare themselves for the DTV transition. But it would be tragic if we saw all these other kinds of PSAs and public service programming cut back to accommodate this new need. Stepping up to the plate here means broadcasters doing both the DTV transition and moving ahead and not cutting back on PSAs.

I don't think there's anyone who would question the potential benefit of PSAs, including broadcasters who site the value of donated PSAs as one of their major community contributions. And let me acknowledge and commend those broadcasters in whose breast the flame of the public interest still burns brightly, I've met many of them. They're not only running PSAs but they're also providing the kind of local news and information that is what the public interest must be primarily about.

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Unfortunately such broadcasters are less and less the captains of their own fate, and more and more the captors of the unforgiving expectations of Wall Street and Madison Avenue. That's where the commissions public interest standard comes in, or more accurately where it should come in. While the market place is placing its demand on broadcasters, the public interest standard is supposed to define what the American people are entitled to expect in exchange for their use of the public airways.

The problem right now isn't that the public interest standard is so vague that it can mean anything; the problem is that it's so vague that it means nothing. That is the troubling legacy of the 1980s when we had an FCC chairman who declared that a television is nothing but a toaster with pictures and that's precisely how he and his accomplices set about to oversee, or maybe under-see is a better word, the whole thing. This deregulation of the media coupled with the tsunami of consolidation that we have endured since the 1990s has inflicted incalculable harm on our media and on our country.

Well the time is here my friends to turn the page and craft a new definition of the public interest for the 21st Century. Breathing new life into the public interest standard is on my bucket list before I leave the FCC. [Laughter] It's

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time to tell broadcasters what we expect to receive and to return for their free and exclusive use of the public airways. During most of my tenure at the FCC the public interest has been allowed to languish. The question on DTV public interest obligations launched by Chairman Kannard in 1998 has never been brought to completion. We've devoted an incredible amount of time and effort to getting the technical part of the DTV transition right, as we should, but precious little to the central challenge how the public interest will be served by digital broadcasting.

Now there are two exceptions, thanks to a lot of great work from many people in this audience we made real progress on children's television. And more recently in November, the commission adopted a standardized disclosure form that all TV broadcasters will fill out quarterly describing the specific steps they took to serve the public interest.

A standardized public interest form was one of the ideas that the Gore commission was able to achieve consensus on back in 1998 and a specific relevance here, one of the things that will be disclosed are donated and paid PSAs, the sponsoring organization, the general PSA goal, the number of times aired, and the percentage of times aired during prime time. These forms will be available electronically on the stations website and submitted to the FCC. And they should

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provide the public and the public's watchdogs with invaluable data about how well local stations are serving the public. Good broadcasters can be recognized for the job they're doing, but those who may be attempting to free ride on the good works of others will be more readily accountable. Accountability, in turn, requires an honest to goodness licensing process at the FCC. Eight year licenses renewable by postcard application and bereft of FCC examination and accountability do not serve the public interest.

It is time to greatly shorten the license period and to make sure that everyone understands that serving the public interest means specific public interest guidelines, obligations and accountability. In December the commission adopted a localism notice a proposed rule making that I believe could have gone and should have gone much further than it did to redeem the promise of the public interest.

It does however tee up the idea of processing guidelines for station renewal and here in is an opportunity to consider a processing guideline on PSA minimums. Not that I think processing guidelines are the end all and be all of the public interest but we have the opportunity here to use this discussion to prepare the ground for some real public interest protections in the hopefully not to distant future.

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So our challenge is to make the most of this imperfect proceeding as a vehicle to lay the groundwork for a better proceeding to come and you need to be a part of this proceeding so the ground is prepared and that is why I strongly encourage your participation in this proceeding.

In conclusion the time is coming in our country, I believe, when the hopes of millions of Americans for an end to the media madness of the last quarter century can be vindicated and when real honest to goodness public interest considerations can begin at long last to set the direction of our broadcast media. It's going to take a lot of commitment, it's going to take a lot of work, don't get me wrong about that, but many folks listening to me here in this audience today have long since made that commitment and have long been doing that kind of work. They know, you know, and I know, that at the end of this crusade we can have a media environment safe for diversity, safe for minorities, safe for women, safe for children, safe for families, safe for local news, safe for local talent, and safe for the precious civic dialogue upon which the future of our democracy depends. There is no more important work than this for you and for me to do in the months ahead, and it's the least we can do for ourselves and for our children. Thank you. [Applause]

JACKIE JUDD: Commissioner Adelstein.

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COMMISSIONER JONATHAN ADELSTEIN, M.A.: As always, I thank you Commissioner Copps for such an eloquent and powerful statement this morning and thank you Jackie for this, for helping to focus us and to Vicky for doing this incredible study. We really need this kind of data and this kind of objective analysis, we hear a lot of claims and counterclaims about what's being done for the public interest, what kind of PSAs are being run, but here are the hard facts.

The bear facts are in front of us about what is and isn't happening and when it's happening. PSAs have long served such an important role in making sure that Americans get these critical messages, whether it's about HIV/AIDS or cancer or parents control over the television that they're watching, these are really critical tools to get these messages out to people on the device that is not just a toaster it's the most important thing that they watch in the house. Unfortunately I think PSAs are treated more like advertisements rather than what they are, public service announcements. When broadcasters and cable operators view PSAs as advertisements I think some unnecessary choices are made. It becomes a zero sum calculation for every PSA that's one less paid ad. That's why I think people see ads for every PSA they see. No wonder important messages get drowned out and we see that half of the PSAs are airing after midnight. So maybe insomniacs are well

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informed but humans aren't nocturnal animals, unlike cats, and I love cats, don't get me wrong.

But we need to be airing these at a time when people see them, we need to be airing them often enough so that people can get the message. I think PSAs should be viewed as what they are, they're a service to the viewing public and our goals should be to increase the number of PSAs and the amount of time donated to deliver these important messages. I'm pleased to see a slight increase in the average amount of time, it's statistically insignificant as you said but at least we're not seeing it go down, but 17 seconds an hour isn't much to crow about. As report finds this is only one half of 1-percent of air time and 39-percent are paid by sponsors.

So in light of the overall competitive pressures in the market place and that's what we hear from broadcasters, I certainly do commend them for what they are doing. I think it's important, there's a lot of commitment and it takes an effort to even get that level of inventory out of the paid ad side to the PSA side, and that's to be commended. But I think more airtime is needed, I don't think this is enough and I, well, there's not a decrease, we need to see a big increase to make this really meaningful.

And as I was reading the statistics I was disappointed to see that despite the fact that broadcasters have public

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interest obligations on the law, but they're airing only slightly more PSAs than cable operators who don't have such legal requirements. In fact, cable operators show one-third more PSAs in prime time than broadcasters. I'd like to see both cable and broadcasters increase the number of PSAs they're doing.

But this is hard evidence and it raises real doubts as to whether the current public interest requirements are having any impact at all. Apparently the legal distinction isn't resulting in a distinction in what is actually happening through PSAs. So clearly we need to step up the level of accountability since the law requires special efforts by broadcasters to serve the public interest.

I'd also like to say it's fortunate to see that the Spanish language network, Univision, is offering substantially more PSAs than their English language counterparts, and that's to be commended. There's a lesson here that others can learn from.

Now PSAs are just part of the public service obligations, as my colleague said. It's not even a primary way of delivering the public interest but it's a critical one. So the question is where do we go from here? Notwithstanding certain difference in how broadcast and cable are regulated, I think that broadcasters and cable operators have an obligation

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to promote the interest of the American people. They have a special responsibility, this isn't just some other business that delivers widgets, this is the market place of ideas.

I think people in the industry understand their special moral obligation that they have, the problem is with this massive consolidation that we've seen there is enormous pressure to meet the bottom line ahead of all else. And those who advocate more PSAs, how do they meet their numbers, how do they meet their goals as managers, and how does the system reward that? It becomes, I think, virtually impossible in a market place in the long run for those of good conscious, and there are many in the industry, to have their voices heard when the demands of Wall Street are so much louder than these demands of the public. Through rare forums like this and through the efforts of the FCC and other government agencies we need to step up to the plate on behalf of the American people because the market place otherwise won't do it.

Clearly we need to launch and quickly complete real action to establish strong and quantifiable public interest obligations in this digital age of broadcasting. This effort has languished, as you heard, for nine years now. And I was very relieved after nine long years we got the enhanced disclosure item finally done just this last month, making it easier for researchers like Kaiser, you won't have to go

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through the same efforts anymore to dig through and code through all these videos to figure out what's going on, we're going to ask people to actually tell us what they're doing and tell us when, where and how.

And that's long over due but I'm glad we got that done, but still, the big public interest obligation, the one that the Gore commission talked about so long ago has languished, I think unconscionably. It's time that we start making sure that those requirements are put in place, that we're providing viewers with, and subscribers with more locally and nationally relevant PSAs. These PSAs have such an impact on, for example, the idea of educating children about the dangers of drugs doesn't just inform those children and their families, it helps the overall society. Keeps people out of jail, keeps people from being hurt by people who are addicted to drugs, the impacts, what economists call externalities, are so wide spread and so important that we have to do more.

One example of something that is in our purview and that is in the industries purview that we need to do more on is the national transition to digital television, that Commissioner Copps talked about. It's one of the most pressing matters before us today and a lot of people, especially the most vulnerable Americans don't know about it yet but in February 2009 commercial TV stations across America are going

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to cease analog broadcasting and begin airing in digital. And every citizen in this country needs to start knowing about this now. So we need to be doing more PSAs on this.

I'm pleased to see the industry is stepping up to the plate and saying they're going to do a lot more and substantially more, but I think that PSAs for the DTV transition are not a substitute for this very limited and meager number of PSAs that are running already. We don't want to see that increased effort on DTV bump out what is already a totally inadequate number of PSAs that are running nationwide. They should be supplementing them and it's a good place to start to increase those numbers so that the next Kaiser report, which will be easier to do thanks to the enhanced disclosure item, will show big improvements.

So that's a good place to start. We certainly need that next Kaiser study to show real improvement and because we have such an important group here today, I'm pleased you're all here, we're going to work together to make that happen. So thank you for doing this and thanks for having me. [Applause]

JACKIE JUDD: Commissioner Taylor Tate.

COMMISSIONER DEBORAH TAYLOR TATE, J.D.: Thank you so much and thank you for including me Vicky. I've always enjoyed being here, as Commissioner Copps said, it's always a good day for children and families when Kaiser is involved and as I've

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said many times provides such important information to local, state and federal officials, and so we appreciate your involvement in this and Dr. Gantz, congratulations on birthing another baby.

No matter where I go citizens think that the FCC and me as a commissioner are around to police the media and to be a censor and while most of you are already very aware of the fact that I feel a very strongly about what our children see and watch and are exposed to, I try to spend most my time focusing on is encouraging the media to have more positive family friendly and even uplifting information and affects, which can actually improve the lives of American families. The media obvious can make us laugh and cry and take us to places that we have only dreamed us, keeps us informed and entertained, and most importantly, in times of disaster, can give us information to help us be safer.

So whether through emergency alerts or warnings or post disaster coordination, we rely on the media to deliver much timely information that truly can save lives. One of the best examples of the ways in which media, broadcasters and cable operators operate in the public interest, is the topic of today's report obviously, the donation of time for public service announcements and I think that we don't need to lose track of the word donation because it has been donated time.

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We are all familiar, as both of my colleagues have said, with the revolutionary ways that PSAs can transform societal attitudes from drug use and smoking, drunk driving initiatives to child safety seats and reducing the stigmas regarding mental health issues.

Who can name the animal who taught us about forest fires? Of course everybody in the room can and who can finish the sentence "Only you can prevent" forest fires. And that's because Smokey the Bear since 1944 has had such an impact on million and now, as we see from this room, generations of Americans. I'm hoping, as my colleagues mentioned, that we have similar results from the PSAs that broadcasters and cable companies will be running regarding the DTV transition. I mentioned it every where I go because I think it's incumbent not only on broadcasters in the media but on all of us and all of you in this room to help us get the word out that the DTV transition will indeed take place on February 17 of 2009. So I hope that you all will help us spread that word.

I appreciate those of you who are here from the media industry who have already joined us in this effort as the commissioners have already mentioned, whether through the almost billion dollar commitment made by cable and broadcaster run PSAs, crawls, news stories, or even through hosting local

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events to help prepare communities for this indeed revolutionary event.

On a personal note, I know how important these partnerships can be. From my time with two governors' administration and sharing the state commissions and working with several non-profits producing statewide debates in Tennessee one of my first phone calls has always been to broadcasters and the media in general. Working together in Tennessee we helped improve child immunization rates, increase adoption rates, and educate citizens regarding telephone scams and many other criminal activities.

Last week I happened to be in Nashville and spoke with Tennessee broadcasters about what they're doing to prepare for the DTV transition through both the technological changes that need to occur and also targeted messaging, as my colleagues have mentioned. As part of the discussions we also talked about public service announcements on a variety of subjects that they air. The leading topics of public service campaigns by Tennessee broadcasters are similar to what we've seen with Dr. Gantz's study; they include national charities, obviously, children's charities, blood donations, drunk driving, poverty, hunger, homelessness and obviously health issues. TV broadcasters in Tennessee reportedly raised \$3.8 million in

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direct contributions and pledges related to disaster relief in 2005.

Just a few highlights that I wanted to share with you, they average 95 PSAs a week, over half of the broadcasters aired public affairs programs of 30 minutes in length, and 100-percent of them aired PSAs on children's issues, something near and dear to most everybody in this room. And it isn't just in air time, obviously, from radio DJ's on the air to on air other personalities, many lend their personal time and efforts to specific issues and fund raising efforts. For over 15 years news anchors from our local CBS affiliate have spent 24 hours at Monroe Carell Children's Hospital featuring live feeds for the annual children's hospital telethon. This goes on all across America.

Much of what we see in the study today also is true locally as well. I think, and at least from my own personal relationships, that they do this because of their role as good public citizens, good corporate citizens, and also in their role as broadcasters. I thank and applaud them for all these efforts. And on a larger scale, NOB reports that in '05 local television and radio stations report contributed approximately \$7 billion in airtime for PSAs. And the average television station aired 136 PSAs per week. Approximately half of those, actually more than half of those were aired about local

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community issues, something that my colleagues talk about a lot and that we're all concerned about and that is more localism.

Let me offer a few specific examples about how some of the communities are having an impact. In January after the South Asian tsunami WSIS in Atlanta held an all day telethon, for instance, and raised more than \$1.6 million. After hurricane Katrina ravaged New Orleans, 19 local radio stations put competition aside and launched an unprecedented partnership to begin bringing critical information throughout the days to survivors.

Last November KWAT in South Dakota joined local Salvation Army and held an auction that raised over \$8,000 to buy holiday gifts and I could just go on and on and on. Literally there's thousands of these stories and I'm very encouraged by this but I think that we can't lose sight of the fact that people are doing good things out there as broadcasters in their local communities.

Turning to the Kaiser report we see that there was a slight increase nationally for the time that was dedicated to PSAs between 2000 and 2005. And on a personal note, I guess, what pleased me the most was the finding that the children's issues and health information continue to be the primary subject of the matter of donated PSAs. Thirty-eight percent of the PSAs were on children's issues and almost three minutes of

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PSA time each time each week was devote to fitness, something else that we've been hard at work on at the FCC. Throughout my professional career, obviously, these have been some of my very top priorities and continue to be with my colleagues at the FCC.

So should broadcasters be doing more? There is always room for improvement. The difficult question is whether improvement requires government intervention and intervention is one thing, regulation is another. Case in point is our childhood obesity task force and many others of you who have been working on this issue, and the resulting PSAs, food and media pledges, and other hours of focused awareness of the problem and the positive messaging that has occurred, such as encouraging active lifestyles and healthier choices. Not just through PSAs but also by changing paid advertisement. In fact, many of the companies have pledged not to use any of their characters, as you well know, to advertise on healthy foods. And many media companies are reducing the number of overall ads for unhealthy foods. Eye on Media has pledged to completely ban unhealthy food ads from its children's programming.

I think that we need to take a practical look and bring some common sense to the current task facing local broadcasters across the country. The biggest event in television history, last century or this century, at least since the advent of

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color television I guess, is going to take place in 390 days. Broadcasters are juggling hundreds of technical, legal, policy related issues that they have never faced before.

I recently had the opportunity to visit the top of the Empire State building and see the myriad of antennas that will have to be reconfigured in preparation for the DTV transition. The structural issues alone are monumental when you consider the number and size of antennas that must be replaced or relocated in order to provide these digital signals. Hundreds of thousands of broadcasters across the country are contracting with and relying upon only a handful of engineers that are trained to do this specific type of work. The challenge is indeed extraordinary.

At the same time that broadcasters are facing the DTV transition, as part of our media ownership review, as you all have heard, the FCC has adopted proposals that impose new, all be it necessary requirements on broadcasters. We adopted an order that you all just heard about and I won't go into that now but depending on the size of the broadcasters some of these could indeed be time consuming and difficult undertakings. I think we need to be mindful of the risks associated with forcing broadcasters to dedicate a large amount of time to filling out paperwork and complying with regulatory details

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rather than committing that time to more local news and community affairs.

In light of these new challenges and the new responsibilities facing broadcasters today, I think that we must proceed cautiously when considering further regulations which might reduce the broadcasters flexibility in programming investments, in their technical upgrades, and ensuring a successful DTV transition. Today certainly the Kaiser Family Foundation and Dr. Gantz's research provides some interesting insights to these and other questions that are facing all of us, facing non-profits, facing the FCC, and indeed American citizens. But this requires a careful balancing of the need for regulations that will serve the public interest against the risk that a shift in resource allocation could have on broadcasters at the very most important time in television history and it could potentially have a negative impact on viewers.

The value of public service announcements can never be overstated and I do agree with some of the conclusions in the report that non-profits need to be looking at new and innovative ways to seek more screen time on other screens and that there are new partners arriving on the scene that they need to look toward with new services and new technologies which may even help a more targeted audience. As always, tank

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you for your work in trying to quantify the amount of PSA time that stations are donating. I also appreciate, obviously, the ad council, all those who donate their time to create these spectacular creative ads that we all enjoy. Thank you.

[Applause]

JACKIE JUDD: Thank you all very much. I think we've heard a real spectrum of opinion on this subject this morning. I'm going to pretty quickly turn it over to the audience but I do want to start with a question or two myself first.

Commissioner Copps, at an event very similar to this one five years ago when the earlier report was released, you had said at the time that if the numbers didn't change there would be a strong reaction down the road. And I think you delivered that strong reaction this morning. You said the current standard means nothing, perhaps the life of the license needs to be shortened, what I would like you to clarify is your view on whether a minimum requirement should be instituted, if so, what that minimum requirement should be and does it apply across the media landscape?

COMMISSIONER MICHAEL COPPS, Ph.D.: Let me try to answer your question, although I'm still trying to recover from the shocking revelation that I am actually older than Smokey the Bear. [Laughter]

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You're right about the strong reaction. The strong reaction, that was not just Mike Copps' strong reaction, the strong reaction is what I see everywhere around the country where I go no matter what kind of hearings we're having on media ownership or localism or anything else on the part of the American people. And that's what makes me optimistic that we really are getting into a period here where we can do some meaningful reform to resuscitate the public interest.

I am not really prepared to say exactly what kind of minimum requirement we should have as I tried to indicate in my remarks earlier. I think PSAs can be an important of the public interest obligation. I think if they are going to be judged to be an important part of that obligation there has to be some better definition, some better way on an ongoing basis to quantify and to measure and to analyze and hopefully we'll get that from the disclosure report and see exactly where we are and it could well be depending upon what the mix is and we get around to actually doing a comprehensive set of public interest obligations of this imitable requirement would be part of that. But I think its part of a larger menu that we have to look at holistically and then decide which individual parts, how far you go on each individual part.

JACKIE JUDD: Commissioner Adelstein, can you take that question on?

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COMMISSIONER JONATHAN ADELSTEIN, M.A.: Sure. One of these things. Yes. I think that we need to get going on the public interest obligations, this things been languishing since 1999. Again, I'm not prepared to say what exactly we should do because we haven't even had the opportunity to get public comment on this. This is the shocking thing that something of this level of importance would languish for this long, without even having an notice out there that allows us to look at what do the broadcasters say, what do the public interest groups say, what does the foundations think. Get everybody's opinion and decide how to move forward.

I do believe that we need quantifiable requirements. We need something that really results in accountability. PSAs certainly are an important part of public interest work-

JACKIE JUDD: Let me stop you there, what do you mean by quantifiable requirements?

COMMISSIONER JONATHAN ADELSTEIN, M.A.: In other words, if we're going to have public interest obligations that are clear we have to say what some of the standards are and set standards that can actually be measured. As opposed to some big, you have to be nice to your community, you have to serve your community. How do you serve your community? How many hours? How many local programs do you have to run? What kind of responsiveness do you have to show to the concerns in the

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community, something that we can actually measure? That's what I mean and certainly if we're looking at those kind of measurements I would expect the public PSAs would be a part of any quantifiable analysis.

Now whether or not they're required per se or whether that's part of a broader issue raises some constitutional issues as well. As far as how prescriptive the government can be, those are important issues for scholars that can weigh in on the record. That's the kind of discussion we need to have but we're not even having that discussion because there seems to be refusal by the commission despite repeated attempts by Commissioner Copps and I to at least get it started to even consider this issue.

JACKIE JUDD: Commissioner Taylor Tate, in your remarks you suggested that further government regulation could bring harm to the industry. What kind of harm?

COMMISSIONER DEBORAH TAYLOR TATE, J.D.: First of all I'd like to say something about the citizens who came to our media ownership hearing and talked about the positive impact that broadcasters were having all across America. So in cities where we went all across America we had many stories about the positive impact that media was having. So I want to make sure that we're fair and balanced here.

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JACKIE JUDD: And you made that point in your remarks very well.

COMMISSIONER DEBORAH TAYLOR TATE, J.D.: And the other thing is I just, I really want to thank my colleagues for being reasonable and realizing that we do need to proceed in a measured way as we go forward, that this is one report using five or six cities across the country and that this is something that needs to be an open dialogue. I mean, I shared some of the statistics from Tennessee that are, I think, show a lot of commitment. There are also some other, I think, issues about whether or not if a non-profit, for instance, partners with a corporation or if a corporation buys a number of ads and the non-profit ends up getting 10-percent of those, does that get rated under Commissioner Adelstein's regulatory scheme or not?

And so I think that there are many of these issues that we need to discuss and I think that we need a lot more information. I really appreciate the study and the amount of work that went into it, but I certainly think we need a lot more information.

JACKIE JUDD: Okay, quickly then I want to turn it over to the audience.

COMMISSIONER MICHAEL COPPS, Ph.D.: I have one comment because I think in this whole thing, and I want to be careful

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how I say this, we have to distinguish between good corporate citizenship and serving the public interest. In so many of the hearings that we had broadcasters came up and had people they were helping come up and say without the broadcaster we couldn't of raised \$5,000 for this charity or buy prom dresses or doing other things, all which are very good, all of which we had a long tradition of in this country of good corporate citizenship no matter if we're media or not media we expect corporations to step up. So I'm glad to hear of those contributions but they are not the totality of this debate and they are not the heart and soul of this debate of how the public airwaves are actually used to enhance localism and diversity and local news and serve the public interest and I think we have to make that distinction.

COMMISSIONER JONATHAN ADELSTEIN, M.A.: If I could just expand that for one moment, I think that's right but there's people of conscious in this business. A lot of them understand the moral responsibility and the power that they hold and they try to do the best they can. But they're up against some pretty serious market forces that reward those who make the most money. They have elaborate systems in these national conglomerates that are quantifiable about how they make money. That's the measure in corporate America and there's nothing wrong with that.

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But what about the public side, why is the government sitting out trying to put its thumb on the scales to say yes you have an obligation to your shareholders but you also have an obligation to the American people. If we just sit it out and say let the market take care of it, the market will take care of it in terms of making as much money as possible for these large corporations. And I don't have a problem with them being very profitable but I think that it's a role of the government to be an advocate for the American people. To try to help those of conscious within these companies that say how about just a few more PSAs, and there are many of them that try that and they get their accountants and the green eye shade folks saying we can't afford that, we've got to meet our quarterly numbers. If they can say well the government is asking us to do it, and it's not going to be a competitive disadvantage vis a vis our competitor because our competitor's being asked to do it as well, then it's definitely something that serves the broader public good.

JACKIE JUDD: Well we have folks on the next panel from the industry who will take those issues on. I would like to open it up briefly to the audience and if I can I would first like to recognize reports working on deadline. I saw a gentleman up in the front before with a pen and pad, I thought maybe he was one. And if you can stand, tell us your name and

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your affiliation that would be great. Reporter? Can you wait for the microphone please?

BOB ROWE: Bob Rowe, British Medical Journal. Anyone who follows broadcaster at all, or all of the media knows that the broadcast media has a shrinking share of the American public's attention. How is, why are we focusing, I know that the responsibility of the FCC is to focus on the broadcast as opposed to broader media, internet, online, etcetera. How do you, can you try and put all of this into a greater context of where the American public's attention is going and the role of PSAs there.

JACKIE JUDD: Who wants to take that?

COMMISSIONER MICHAEL COPPS, Ph.D.: Well, I think we all recognize the emergence of new media. Actually I think some of the same problems attending old media are shaping up to affect new media, so I think we should continue to be interested in both of them. But the point of fact is most people still rely for their news and information on that television or their newspaper. The fact is that television is on in most houses for eight or nine hours a day, the fact is that that is a principal means of conveying these messages right now and then just from a more practical standpoint, that is obviously where the legislative charge is for the FCC to be involved with the broadcast.

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At some point in this evolution of a new media environment, the countries going to have to start asking some of these broader questions about should there be such different systems of oversight when it comes to the public interest and is the public interest affected by all of these things. Perhaps we'll get to that, I think if we're ever going to really understand convergence and deal with convergence we'll have to do that, raise some nodding and some questions that will demand a legislative fix, but those are questions that really, it's a profound question on the future of this country.

JACKIE JUDD: Thank you very much. Thank each of the panelists for each of your thoughts, your ideas, particularly as you all noted it's such an interesting time as the dawn of the digital era is close by. I'd like to ask you if you can switch seats with our other panel, if you can stay and join us for the following hour that would be terrific, but we thank you very much. [Applause]

Joining us on our next panel as they're getting seated I will start introducing them. Vicky Rideout, who you all know. Next to Vicky is Maureen O'Connell, who is Senior Vice President of Regulatory and Government Affairs for the news corporation. Christina Latouf, who is the Executive Director of Marketing Communications for Time Warner. Cheryl Heaton, who is President and CEO of the American Legacy Foundation, as

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many of you know the foundation grew out of the settlement between the tobacco industry and many of the states. Marty Franks, the Executive Vice President of Planning, Policy and Government Relations for CBS. Ivelisse Estrada, who is the Senior Vice President of Corporate Community Relations for Univision Communications, and Kate Emanuel, Senior Vice President of Non-Profit and Government Affairs at the Advertising Council.

Before we begin our discussion with them however we are going to put the lights down and show you a brief video so we can all see what we've been talking about this morning, a collection of PSAs, short ones, long ones, national, local, a variety of issues, and then we'll resume the conversation.

[Audio of commercials 1:00 - 1:05] [Applause]

Maureen O'Connell, I'd like to start with you.

Describe if you will what Fox's philosophy is about donated airtime and whether that philosophy or responsibility to the public differs from cable to network?

COMMISSIONER MAUREEN O'CONNELL, J.D.: Our philosophy is that donated airtime is an important part of our overall public service obligation. Both on our stations, at the network level, and on our cable channels where there is not formal public service obligation but where we believe that we have a responsibility to provide service to the public through

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PSAs, through news, local and national news, through public affairs shows, through our emergency announcements, and through our active participation in our communities where we have talent that go out and work with local charities.

So there's a whole array and public service announcements are an important part of that obligation. One example of one of the public service announcement campaigns that we are engaged in is in partnership with Kaiser, just last year in 2006 we started a campaign called PAUSE, which is designed to ask teens to stop and think before they make choices. It covers an array of possible behaviors by teens but we think it's a really good campaign, the response that we've gotten on the website has been very positive, we've gotten educators who are interested in getting more information. It's been a very good campaign that we're really proud of.

JACKIE JUDD: Marty Franks, I should tell you this is being webcast so Commissioner Copps, though he's not here, will later see your comments. [Laughter] Is 17 seconds an hour enough?

MARTY FRANKS: Again, thank you. It gives me a chance to address something that I think is a slight flaw in the report and I don't mean, I think otherwise it's a terrific report. It does a terrific job of counting, of taking into account the quantity of PSAs, unfortunately I didn't find the

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footnote that dealt with the quality in terms of the time. Nothing about gross rating points, nothing about the reach, and with affection and respect, I think that's a major flaw in the report.

And let me, if I may, tell a story that I think may, about 18 months ago, when we were preparing for our SuperBowl a year ago, we sat down and we decided that we really wanted to try and do a PSA on mentoring in the SuperBowl. And we worked at it and worked at it, we lined up Big Brothers and Big Sisters as a partner in the exercise, and through sheer good luck we ended up, we'd always planned on using maybe one of the coaches and one of the players. Well it turned out that the two coaches, both African-Americans by the way, one was the mentor of the other. So we did a PSA with Tony Dungy and Lubby Smith, ran in the game, it blew up the Big Brothers, Big Sisters switch board and website, there was extensive news coverage of it and in your report, I believe, that would show as one PSA.

So if I may just do a couple others and I'll be quick.

JACKIE JUDD: Yes, and then Vicky's going to jump in and comment on what you just said.

MARTY FRANKS: Oh, go ahead Vicky.

VICKY RIDEOUT, M.A.: No, no.

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MARTY FRANKS: Well I wanted, Vicky felt, made I think one mistake that was then made by our panelists. My boss, Leslie Moonves, was the co-chair of the Gore commission and I had the high honor and the distinct pleasure of helping write and edit the report that came out. And so I, whenever I hear stuff from the Gore commission I kind of sometimes I go, "Gee, is that the same Gore commission I worked on" because I hear variety of different outcomes from it. But one of them, one of the myths in those languished 10 years is that somehow, I mean, broadcasters are thrilled to have been able to go digital, make no mistake about it. But this notion that somehow there's a windfall to be had from the four or five channels we're going to be able, technically that is absolutely correct, we have the opportunity to have four or five more channels. In that 10 years a number of companies, including my own, have looked very hard at how we were going to make that money and no one in 10 years has made the first nickel off of that multiplex.

And so the notion that somehow we ought to have a large additional public interest obligation, we absolutely ought to have a public interest obligation but the notion that somehow it should be increased because we're going to have this multiplex windfall is simply just a myth.

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JACKIE JUDD: Well I want to get back to that issue, but I'd first like Vicky to weigh in on this point that Marty raises that time was measured, reach was not.

VICKY RIDEOUT, M.A.: Right. I mean it's a really good point that there are some PSAs that are run in excellent time slots and we've been the beneficiary of that on multiple occasions from multiple panelists here and we're really grateful for that. I mean, we've been in the SuperBowl pre-game with PSAs and that's really important because you reach a huge audience. Last week we were in the season premier of American Idol and I read in the paper that those spots were going for like close to a million dollars, so it's something extraordinary that broadcasters do provide and cable networks do provide.

The reason that we look at the time of day that PSAs air in the report is precisely because we all know that the Nielson ratings and the audience size varies a lot, that prime time is when you get by and large the most audience and the midnight to 6:00am is when you get the least and that's why we took a look at kind of the proportion of spots and what you see in prime time versus what you see overnight.

JACKIE JUDD: Christina Latouf, Marty gave me a perfect jumping off point to ask you this question, and that is the PSA

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landscape in the new digital age, these are the PSAs, do we see more time devoted to PSAs, less time? Turn your mic on please.

CHRISTINA LATOUF, M.B.A.: First off let me say that Time Warner is not very exposed in the broadcast market. We own 50-percent of CW, the network. Where we're looking really with DTV is with our cable networks and our cable systems and our cable groups, both of those groups are part of several cost industry consortiums looking at the issues. We have started working with the NCTA, for instance, to, I think it's about \$200 billion committed to getting out the message about the transition to digital television. So I don't think I can answer your question specifically. I can say what we're doing at this point to prepare, prepare not just cable consumers but also non-cable consumers as well.

JACKIE JUDD: Well who would like to take this question though and let me run a scenario by you. A company has four digital channels, will it be possible, will it be likely or unlikely that PSAs are buried on the one digital channel that has the lowest ratings and can't sell time.

MARTY FRANKS: Well first off, no, I'm not aware of anyone other than some of the public stations that have, there are some people that have two digital sub-channels but one's a weather loop, a weather radar loop and the other might be some other less than almost immeasurable audience. I mean, there is

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no one who, no one in the country other than, channel 26 here does a terrific job with their multiplex, but there is no commercial broadcaster that I'm aware of, and I'm happy to stand corrected, that has been able to figure out how to do a multiplex beyond maybe the radar loop, NBC has done a terrific job of trying to promote their weather plus option, I don't think they're making a nickel off of it.

And so, I understand your question but it's a hypothetical in the extreme because not only has nothing come up in the 10 years since the Gore report and since we all started going digital, but there's nothing on the drawing boards at any of the commercial broadcasters.

COMMISSIONER MAUREEN O'CONNELL, J.D.: That was absolutely the case at Fox too. We have one channel. We haven't figured out how to make money on another channel and the reality is that when you put very expensive programming on the air you have to figure out how to make money.

JACKIE JUDD: Ivelisse, I want to ask you, as we saw on the video, a lot of the subjects dealt with in PSAs are very sensitive subjects in particular in certain communities. So how do you convince affiliates to take your lead and run some of these PSAs that do deal with delicate subjects?

IVELISSE ESTRADA, M.A.: Well we are very conscious of our audience and we have a great knowledge of the cultural

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sensitivity so we will not put on the air something that we think it's going to be a joining of our audience. So we work, like in that case, Kaiser Family Foundation, to make sure that the PSA was culturally relevant and that as well as having the right information and the call to action. We don't put PSAs on the air that don't have that toll free number where people can call for information, or the website.

So, like I said, we work with an organization, we know the community very well, we have a great unique relationship with our community for many, many years based on trust and we respect that enormously so we would not put on the air something that is going to be insulting to them.

JACKIE JUDD: Is there any campaign that you've looked at that you knew wouldn't work for your audiences?

IVELISSE ESTRADA, M.A.: What we do is sometimes they come to us with campaigns that are already done in English and they want to translate it into Spanish, that doesn't work for our audience. We always work with the organization to create PSAs that are going to be, again, culturally relevant. That's where our relationship with the Kaiser Family Foundation has been phenomenal because it's really a joint, it's a partnership. We know the community and they know the topic, we work together to bring the message in a relevant way.

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JACKIE JUDD: Kate Emanuel, of the Ad Council, the study clearly shows how darn difficult it is to get airtime, what strategies does the council suggest to its clients to be successful and competitive in this marketplace?

KATE EMANUEL, M.A.: That's a great question and we're really glad to be here on the panel today and talk about PSAs. I think there's two things, when you're talking about TV support in a cluttered media environment, we actually do get a lot of TV support by cable and broadcast but you have to be very strategic about it. All the panelists up here today from media companies give us an enormous amount of support across all divisions but it doesn't fall in our lap. And we work hard with these companies, we look at their corporate initiatives, whether it's Time Warner on education or we have a great partnership with Newscorp on global warming, Univision on health and so we try and be strategic and match up our docket with the companies priorities. And we also just distribute nationally to about 33,000 media outlets.

So, if you look at our media, donated media pie across all media, it's about \$2 million per year and TV is about 23-percent of that, or \$464 million, which is a huge amount. I think the other thing is a lot of times we talk about PSAs, it boils down to TV and TV absolutely is an important medium as Vicky was saying. There's nothing that can beat the emotional

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impact of a poignant PSA or a TV commercial but we have fully integrated programs for all of our PSAs now. It's not just about TV PSA, it's all media platforms, radio, print, out of home, outdoor, it's PR, it's your integrated marketing, it's using new emerging technologies.

So just as Americans are changing the way they communicate so is the Ad Council looking at this and you kind of have to constantly update your toolbox. And I think we do trainings or talk about our 10 essential points for a good PSA, there are a whole host of factors that go into how you're going to get your message heard and more importantly if you're making social change. I think sure donated media and TV is very important but at the end of the day we look at results and social change, we carefully monitor all of our PSAs and I think whether or not someone talked to a friend about underage drinking or autism awareness, we really look at the end of the day the results not just the donated media.

JACKIE JUDD: And when you, just a quick follow up, when you share the essential points of what to do, what's on the list of what not to do? What's a deal breaker?

KATE EMANUEL, M.A.: Yes, what is a deal breaker. We get a lot of requests where it's not even a PSA-able proposition. It really has to be, there's got to be a strong individual action someone can do. We tend not to do

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fundraising campaigns, we tend not to do advocacy campaigns, not that those aren't important but we found that PSA directors tend not to support advocacy or fundraising campaigns.

JACKIE JUDD: But fundraising was second on the list of the most commonly heard subject in PSAs.

KATE EMANUEL, M.A.: And that might be true, I think when we've done, the few fundraising campaigns we've done, we haven't found that they've been that successful. It might get donated medium, I'm not sure about the fundraising appeals.

MARTY FRANKS: I think that the fundraising is frequently local rather than national.

JACKIE JUDD: Oh, okay.

MARTY FRANKS: I think the Ad Council's thrust is much more national.

KATE EMANUEL, M.A.: Right.

JACKIE JUDD: Okay. Cheryl Healton, I want to turn to you. At the Foundation at one point you were able to buy airtime for PSAs, I think you're a little less able to do that now. So how have you had to adjust your media strategies through these various phases?

CHERYL HEALTON, Ph.D.: Well as people here I think know, the Foundation was created out of the litigation between the states attorney general and the tobacco industry and we were provided a stream of income from the states through that

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settlement over a decade that ended in 2008. We get continued payments into that fund only if the collected market share of the tobacco industry is 99.05-percent, a threshold that is virtually impossible to reach and will in all probability never be reached. As a result though we have a large rainy day fund, the amount of money that we've been able to put into the award winning truth campaign has dropped by about 50-percent since the inception of, in fact it's dropped by 75-percent from buy in the initial years.

The way we have managed that has really been two fold, one is we have slowly shifted away from broadcast TV to cable. We were 75-percent broadcast TV, 25-percent cable and now we are the exact inverse of that. We have also, I don't think there's any media company on the panel that has not been of help to us in one way or another in our quest to get the reach and frequency that we know from our scientific studies we need to have to continue to reduce the uptake of smoking among young people. The campaign, as I think people may know, has won over 400 awards both domestically and internationally including all of the major awards for demonstrated proven impact. We know from our research studies that for every year the campaign is on about 300,000 young people do not take up the smoking habit.

Similarly in the fairness doctrine years, when there was televised tobacco advertising, very similar declines

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occurred both among adolescents and among adults and when those equal time ads were taken off the air there was the single largest increase in smoking in the history of the United States in a given year. So the power of the media and the stakes that are, the stakes that we're facing in terms of expanding PSA availability, whether its paid or donated, they couldn't be higher.

And though the commissioners may not still be here I would just make one key point that the notion that advertising is a bad word is really not the case. When I took this job I said we can't advertise our way out of the tobacco epidemic among adolescents, I came in as a big skeptic. I have been completely transformed in my views because we used a branded campaign that created a counter brand to the tobacco industry and that turned out to be enormously successful in getting young people to say, "No, I don't want to do that. I want to affiliate with this other brand. The brand called truth." And so I would just say that the potential for that across a whole range of health and social activities and things we want to impact is enormous and has really not been tested the way it could be tested because in our case we were able to initially put \$100 million a year behind it. Granted that was only two days of the tobacco industry's marketing budget in the US

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alone, but it was enough to reverse a very terrible trend in adolescent smoking.

JACKIE JUDD: I want to turn it over to the audience in a moment or two but one question I'd like to ask any of the panelists who want to respond from the industry, and that is I probably can't imagine how many organizations knock on your door asking for free airtime. So what gets your ear? Who breaks through the clutter? How are those decisions made? Maureen?

COMMISSIONER MAUREEN O'CONNELL, J.D.: Well we try to focus because, and I'm speaking more at the network level, we try to focus on a couple different issues that we're going to kind of go after because we do have limited time. We program two hours of prime time a day and three hours on Sunday. So we try to focus on, and right now we're focusing on education and the teen issues through PAUSE, prevention of teen pregnancy and one laptop per child. So we try to focus on that and the way we come at those issues is who is our audience. We have a mostly younger audience and so we want to reach that audience.

We also look at is it an established organization, does it have a really good website. PAUSE has a great website with lots of information about all of the issues that teens face from obesity, not obesity, I'm sorry, from eating disorders to sexual behaviors to HIV/AIDS, a lot of really good information.

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So we look at those kinds of things. And so those are the, that's kind of the starting point for us.

JACKIE JUDD: Yes.

IVELISSE ESTRADA, M.A.: We also prioritize based on our campaigns and now we are celebrating the fifth year of a very successful health initiative and we address all issues particularly affecting our Spanish speaking audience, namely obesity and diabetes. But we have work in all different topics, cardiovascular disease, cancer, you mentioned it, and then we partner up with national and local community based organizations that can provide the resource of information for the call to action.

So for us one of the priorities is the issue and then of course the PSA, the organization has to be 501-C3 and the quality of the PSA is important and the quality of the Spanish language. That's why we really work with the organizations like we have done with Kaiser, with the Partnership for a Drug Free America to make sure that the message is well thing so that we can have a good reaction from the community.

So right now for us, for Univision, the key issues that we are working on are health, civic participation with it in incredibly successful campaign last year on citizenship, and then DTV. It was interesting that both, all the three commissioners mentioned that we were the first broadcast

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company to launch a very comprehensive cross platform campaign to inform our audience on the transition because our, we have a big number of our audience that they watch over the air broadcast only, so that's going to be a big issue for us.

JACKIE JUDD: Marty, yes. How do you choose who gets that airtime?

MARTY FRANKS: It's a real problem even if you go to two or three minutes an hour of PSAs there's not going to be enough PSA time to cover even the national campaigns that are put together by professionals like Dr. Heaton, like Kaiser, and so it is, it's a never ending problem.

I would, I guess, to smaller entities that are looking as to how to get in, I guess cleverness does pay off. You don't necessarily have to have a produced PSA, probably the best example I can think of in the last four or five years, we used to have a show on called "The Guardian" about a lawyer who ended up working as a public defender as a advocate for children in court. And to my surprise I heard from an executive at one of our affiliate group companies who was on the board of something called Casa, not the Joe Califano drug Casa, but the court appointed special advocates.

And so they made the, they were clever about how to make the contact. They had somebody, they had somebody who knew somebody who knew somebody, which is always a good way in.

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And they came in and they made a fascinating presentation, we went to the star of the show, which reminds me of a point I'd like to make later about the study, he was happy to do it. And so on the, because production costs can be such a problem for doing this, we did a couple of very simple PSAs on the set of the show after they were finished taping one day with the star, Simon Baker, who's a fairly attractive young man. And when we put it on the PSAs went through the roof, Casa got more volunteers than they, but it was a, it requires some creativity.

I think the other thing though is to make sure that your expectations are, I mean, you may not have as Kate said, you may not have a PSA-able message. And you may not have a national message, and in many instances what you may have is a really terrific local cause that again, isn't going to be measured by the study, but you can put it, a lot of time that stuff ends up in local news and gets terrific coverage in local news that makes it pop in a way that frankly a PSA might not just given the nature of the cause.

JACKIE JUDD: Kate, you wanted to jump in on this?

KATE EMANUEL, M.A.: Sure. I just wanted to echo what they were saying is we actually do PSA surveys of PSA directors of radio, and TV stations and magazines and newspapers about every couple of years. And we asked just that, why are you

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picking PSAs, we want to figure out what their decisions are and it's the same thing. Usually the top three, the importance of the issue, if it matters to their listening interviewing audience, and then high quality creative so I think there's a number of reasons why a station picks this particular issue.

And I think what's also important is we have national contacts with all the national companies, working closely with Marty, etcetera. But we also have a local, PSA directors at the local level are just like you and me, they care about a particular issue so we also have 10 local media average directors that knock on the doors of individual PSA directors. And so, again, its what they care about in their viewing audience.

JACKIE JUDD: Sometimes I think it's so discouraging when you look for a strategy and one piece of it is just luck. How do you make luck? Anyway, questions from the audience and if we could start again with working press that would be terrific, the gentleman here with the red tie, stand up, your name and your affiliation please.

JONATHAN MAY: Hi, Jonathan May with Communications Daily. Question for the three broadcast network executives on multicasting, two parter. One, does multicasting allow for more opportunities for PSAs? And second, more of a business or strategy question on multicasting and do any of you see an

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inflection point for it becoming more of a viable business model?

COMMISSIONER MAUREEN O'CONNELL, J.D.: If you have any ideas about multicasting, bring them on, we'd love to have them. That really is where we are. We've gone, spent a lot of time and money and gone around and around and around and haven't figured it out. If we did have a multicast channel, I think we'd put PSAs on it. But first we've got to figure out is there a business model.

MARTY FRANKS: Only one thought and I don't mean to be completely flip, I mean, we could almost do a PSA channel and it might make some people in the room feel good because they'd go and see it, but on the other hand the other 99.99-percent of the American public wouldn't and so I continue to be frustrated by this notion of that somehow there's a windfall opportunity from multicasting. There may well be, there may be some kid in Coopertino coming up with the right strategy tomorrow and I hope he knocks on CBS's door first, but so far there's pretty smart people in this business and in 10 years nobody's been able to figure that out and a whole lot of people have lost a whole lot of money.

JACKIE JUDD: This gentleman over here.

TODD SHIELDS: Hi, Todd Shields with Bloomberg News. For the three network reps, straight up the dem's say that this

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study released today gives them standing, or means that we should have more federal regulation for more PSAs. So should there be a federal regulation that increases the number of PSAs that your networks have to run?

COMMISSIONER MAUREEN O'CONNELL, J.D.: No. [Laughter]

MARTY FRANKS: I was actually, Mike Copps and I have been friends for 35 years, every once in a while he's wrong. I was actually encouraged to hear him say today that PSAs are only one part of the issue. I don't know, again, if you just count then you miss our SuperBowl PSA, or you miss the impact of our SuperBowl PSA.

And so, clearly we're happy to have a rational discussion with some intellectual rigor about our public interest obligation, by and large it's just not a conversation we've been able to have yet.

JACKIE JUDD: Why not?

MARTY FRANKS: Well, one of the commissioners has been quoted as saying that he doesn't think that the cost drives should count towards the public interest. I think that would come as a heck of a shock to a lot of very well intentioned local community groups that put a whole lot of effort into getting into coats to people who need them.

JACKIE JUDD: So there's disagreement even over the definition, before you go beyond of what is a PSA.

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MARTY FRANKS: Well I think anytime government gets, several of us have gone through the exercise in the last couple of years of sitting in various unsundry government offices, hearing suggested scripts for the PSAs we ought to run on any number of subjects. They kind of read like mattress labels. [Laughter] They read like government by committee. So, yes, big surprise there's some, I mean, Dr. Heaton's point is one of the best that could be made about the advertising notion works. I mean, I think there are some people who would prefer that the anti-smoking commercials kind of be like broccoli and if they're broccoli the kids aren't going to watch them.

It's my gripe, another concern I have with the study, I'm not quite sure why you broke out what the significance of the category of celebrity PSAs was. If somehow the suggestion is that those are second class PSAs well frequently in the public debate those are, because it's just promotion for the network. Well, Katie Couric, the Katie Couric PSAs on getting colon cancer screening I think the American Cancer Society thinks those are pretty good PSAs. And the Mike Wallace PSAs on depression, I think the Psychiatric Association thinks those are pretty good PSAs. And yet we have fights all the time about whether those are real PSAs with the many in government.

JACKIE JUDD: Vicky, just a quick response to his question of why it was broken out and then Ivelisse.

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VICKY RIDEOUT, M.A.: It's not at all to say that a PSA that has a celebrity in it is necessarily any less valuable, and many cases it can be more valuable and we do it all the time. It's just to provide the documentation of what the landscape looks like. There are those who say-

MARTY FRANKS: But why is it significant? I don't understand what-

VICKY RIDEOUT, M.A.: Well, you know we look at things like how many of them have a push to have a telephone, 800 number as a follow up-

MARTY FRANKS: That I understand that, but I don't understand why the breakout of a celebrity PSA. I mean, it does, there is without a footnote, again, explaining it, it does to some of us suggest stigma.

VICKY RIDEOUT, M.A.: Well there are some people who have raised issues about some celebrity PSAs and I think it wouldn't be fair or appropriate to paint them with a broad brush but there are those who say that the short couple second ones that involve a network star are more, should be categorized as like PSA style promo. I think the Association of National Advertisers use that term and didn't count those as part of their PSAs. We've chosen to take a more inclusive stand and we count all of that as PSAs.

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But just put that data out there because there are people who do have opinions on either side.

MARTY FRANKS: Right, but Jackie, to come back to your point, there are, I suspect there will be some at the commission and in the congress who would say those shouldn't count. And if that's how you define it then the Mike Wallace and Katie Couric PSAs don't count.

VICKY RIDEOUT, M.A.: Well we give them the data to make those arguments with.

JACKIE JUDD: Let me go back to the question that the Bloomberg reporter asked.

IVELISSE ESTRADA, M.A.: I think as a Spanish language media it maybe the case is that it's different for our audience, that connection that we have with our community, our on air talent is very, very, they have a very, very powerful voice for that community. So for our PSAs, the national PSAs for our health initiative was talent based and what we did, we paired up the talent with [inaudible] the disease particularly touch their lives. And they, you can even feel the emotion in the PSA and the people react. The people really react because they feel that connection and they feel well you know what, he has that or he's, I feel that I am compelled to do something about it and then they call that 800 number and it really has worked very, very well for us.

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JACKIE JUDD: Kate Emanuel, going back to the Bloomberg question, where does the Ad Council land?

KATE EMANUEL, M.A.: You know, I think we've found in our 65 year history that a pro bono model works and it's a viable model. If you look at our donated media it's steadily increased every year.

JACKIE JUDD: On television?

KATE EMANUEL, M.A.: On television, yes. And cable, across all media actually. And like for example new media its increasing by a lot, its still a relatively smaller piece of our overall pie but certain segments in the media are increasing. But overall we find it's a viable model and I think we leave it to the FCC to take that up.

JACKIE JUDD: Is there a question on this side of the room? Come on folks wake up. Right up here. Oh, I'm sorry, I didn't see you back there, go ahead.

STEVE SNYDER: This is a, I guess this is a suggestion for—

JACKIE JUDD: What is your name please?

STEVE SNYDER: I'm Steve Snyder with the National Education Association.

JACKIE JUDD: Okay.

STEVE SNYDER: Maybe a suggestion or idea for Vicky and the foundation, in terms of apples and apples I agree that

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discussing PSAs by day part is imperfect, although it gives us a good idea in terms of gross rating points, but maybe Marty and CBS has made a generous offer to count by gross ratings points and maybe that's a good way to take him up on the offer and include it next year.

JACKIE JUDD: Thank you. Absolutely.

VICKY RIDEOUT, M.A.: You know Jackie, I wanted to just say something about, we were talking earlier about some lessons that groups might take from some of the data and I was just kind of struck by a few things myself. One thing was about, I mean I think we're all in agreement we need to be smarter about how we use television and that non-profits need to be really strategic in how we go about doing that.

So to my mind one of the things that came through from the video we saw was that some of the short ads were really powerful and effective. And I'm thinking in particular like the ONDCP, the hypocrite ad, to me was, that was an ad that had a really clear message, a clear goal, and was really succinct and maybe it's kind of a short ad that a broadcaster might be more willing to give you a high profile timeslot for because it takes less than 30 seconds. So that's one thing.

The other thing that I'd put out there for groups to think about is using the TV ads to kind of push to the web, to push to the other media. Because you can provide a lot of

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information online that you can't communicate or can't communicate effectively if you're trying to cram it into a television spot. So using it as an attention getter that gets the viewer to then get up and go look online I think is another lesson that groups can take from this.

The other thing I wanted to say to non-profits in the audience, especially local based ones, is the enhanced disclosure that the commissioners talked about earlier is really a big difference so that now it's very easy, or it will be much easier for an organization to find out what your local television stations, what issues they're concerned with or whether or not they have coordinated their PSA campaigns around any issue. You can go onto their website, see which spots they run, and then you can go in there with a plan to talk to them about how you think they might be able to work with you effectively on your campaign.

JACKIE JUDD: One of the things also that struck me about the video was, so much on television now is over produced, quick cuts, etcetera, but so much of this, there was a simplicity to them. So that I think non-profits don't always have to be overwhelmed with the job of producing something that's complicated and slick.

COMMISSIONER MAUREEN O'CONNELL, J.D.: That's another reason I think that regulation is a bad idea because if you

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start, regulation by definition has to have definitions, it has to have numbers, and when you start putting things in a box it's going to stifle our ability to do a good job. We're going to, if all we're supposed to care about is numbers of PSAs then we're - are we going to continue to do PSAs in American Idol. If we don't get any kind of extra credit for that because that's our number one show on television, I just think regulation is not the way to go. I think it would hurt us and I think it would hurt every organization out there.

JACKIE JUDD: Marty.

MARTY FRANKS: I'd like to echo some that Vicky said though about 10s and 15s, and again borrowing from Dr. Heaton, we still sell an awful lot of 30s but we sell an ever increasing number of 15s and 10s to commercial advertisers and in particular for the demographic that I think many people are trying to reach, which is younger people, that clicker works awfully fast. And frankly I think there's been some work done that suggests that 10s and 15s, while you don't get to have the depth of the message you have actually a better chance of getting your intended audience to see your entire message before they hit that next channel or hit their 30 second skip button on their Tivo.

So actually we've had a lot of people when we've offered 10s and 15s kind of go, "I don't know, we really kind

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of wanted a 30." And actually I understand why people do but frankly increasingly I think they're making a big mistake.

JACKIE JUDD: Cheryl and then Christina.

CHERYL HEALTON, Ph.D.: I know I wasn't asked by Bloomberg to weigh in, and obviously the foundation does not lobby and so if there was active legislation I couldn't render an opinion on this but the years when the fairness doctrine was in play, particularly as it related to tobacco, and many other subjects in terms of political campaigns and the like, it was a different era for this country and many, many Americans quit smoking, just for example, in response to those ads that were made possible on prime time due to the fairness doctrine. I don't know how many people in the audience know that congress has twice passed the fairness doctrine and said they wanted it back and it has been vetoed by two different Presidents during that period with insufficient votes to override the veto.

So I think that if you look at models around the world and you look at what European networks do with respect to public service announcements you see a very different model and I think that it is certainly worth vigorous debate and discussion between the media giants and the FCC about what model makes sense. And frankly I think 15 seconds an hour probably doesn't make sense. In fact, one of the points I was making and I think it's really important to keep it in mind, is

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its expensive to evaluate the impact of a public service campaign and if you're running 40 spots for 10 seconds the likelihood is you're not going to have any impact. Let's face it, the only model in which you would have an impact is if what you were trying to generate was a single activity like going and getting a vaccination. We know that from the literature that the smaller PSAs can work for that.

So the bottom line is what we really need, I think, is we need more groups who care about a particular topic coming together across non-profits and saying let's come up with a branded campaign in a way it's similar to the group that has come together around health insurance. Where you've got 10 organizations, they're probably paying for their time and they're all-

MARTY FRANKS: No, as a matter of fact-

JACKIE JUDD: But is part of your idea to make it a paid campaign?

CHERYL HEALTON, Ph.D.: Well, I think you can join forces for a paid campaign. I also think there are middle grounds and we live in that middle ground between paying full freight and getting some special deals and I don't talk about the special deals because the networks really don't want you to talk about the special deals so I won't mention CBS and the SuperBowl [laughter] but we got 286 thousand hits on our

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website per minute and that lasted for about 14 hours. And we put a second server in before we ran the ad. I mean, that's the kind of impact that is really hard to.

JACKIE JUDD: That's phenomenal. Christina?

CHRISTINA LATOUF, M.B.A.: I just wanted to add to what Marty had said about sometimes being stymied by non-profits not willing to work with 10s or 15s, the hardest time for us is when a group comes and, when a group comes to us with a 30 second canned spot and says, "We have this message, we have a 30 second TV spot, we want you to run it." That's the most difficult for us to work with.

It's a lot easier for us if we get a partnership going with the group, maybe even before they've thought about crafting a TV spot then we can work with maybe there's TV spots that are shorter than 30s, maybe those are partnered with an online message, there's also of course print within the Time Warner family. We might have creative development within the company that we could work with that in our opinion goes toward our PSA commitment as well, HBO of course creates a lot of award winning content.

So I think just to reiterate what Marty is saying, it's really hard when there's an older model that is just consistently followed repeatedly, repeatedly. So I think a lot

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of us are looking at maybe just shaking that up a little bit and being more of a partner model.

JACKIE JUDD: Kate.

KATE EMANUEL, M.A.: I just wanted to echo that, it's not just TV. I think one of our essential suggestions when we're talking to perspective non-profits or sponsors is to have multiple formats. So Clear Channel's now even talking about five second ads, so we look at everything and we often, we have a five second rule at the end of the spot as well, we'll leave time for localization. Same thing for billboards and outdoor, they want less copy now, so we look at best practices across all media.

And then to Cheryl's point about collaborations, we're seeing that increasingly as well but a group of non-profits will approach us on disease prevention or blood donation and that's a really neat model, I think, because they're sharing costs.

JACKIE JUDD: In this really hyper competitive environment to get free airtime, is it almost a non-starter at this point for a non-profit to come and say here's our PSA, run it. And do you almost always have to get in with the network from the starting point of the campaign?

IVELISSE ESTRADA, M.A.: I think that they need to establish relationship with the local community public affairs

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person and learn what are the requirements for the, of the local station, what are the main formats that they use and then work with that person, that's always worked best for us to produce those PSAs. But don't forget that also in companies like ours that have a multiplatform, we have radio, television and online.

We can talk about how we can integrate the message in our public affairs shows or in PSAs or the vignettes, the radio, radio you have a lot of possibilities there instead of to fix on that 30 second PSA. So that PSAs are important but I think there's a lot of opportunities to enhance that, to bring the message to bigger audiences.

JACKIE JUDD: There was a question up here. Yes.

CHRISTOPHER SHEAR: Thanks. My name is Christopher Shear; I'm with National Geographic but not with the magazine, with the Foundation. I just want to say I am in Dr. Heaton's camp that there's got to be a lot more inventory and that people are doing, I love television, I love watching it, you guys get rich doing it, it's great. There ought to be much more inventory but I want to reverse the question and ask you guys, this report Vicky is really interesting because it gives us more information about what the changing landscape looks like.

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Do you have any information about whether or not we're just whining that we're not getting free access to what a lot of people would want to pay for for audiences and we're not spending our money and our time trying to get our message out? Where do foundations come down on whether or not they're going to, do they have the will of their board to give money for this? Did they believe that they'll see results? Or are we just falling in love with our 30 second spot and not getting it run enough times?

So take my question is, reversing this report, what do we know about how we're spending our money and time, is it realistic, are we expecting people who do one thing to give us free access that everybody else wants? And do you think that we're spending the money the right way currently?

JACKIE JUDD: Vicky?

VICKY RIDEOUT, M.A.: Well that's a really interesting question. Are foundations and non-profits putting enough attention essentially into trying to be into communication and public education and being smart about how we do it? I'm not sure I really know the answer to that other than I can say that as everybody up here will probably testify, most organizations want to do public education campaigns.

I think sometimes policy makers may give lip service to public education campaigns. In other words they will say this,

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an important part of fighting X problem, childhood obesity whatever it might be, is going to be for there to be a media campaign. But then they don't put the hard work behind it to say well how do you really make that happen. You can, it's fine to say we should adopt such a campaign but how do you really make it happen in a coordinated and effective way so that it gets enough airtime, so that the airtime is targeted, so that the messages are powerful and tested that it actually works.

And so to that extent I do think that there's a challenge. And I would say, I think it's really exciting notion to think about the future being that groups will somehow be brought together to collaborate across the country on similar causes. So that if you are a local organization working on a particular issue, you are receiving support and guidance on how to do a public education campaign in your local community along with your partner on the other side of the country and maybe there's one ad that's created in a way that you can customize it for you community and you can go work it with your local station.

JACKIE JUDD: Marty.

MARTY FRANKS: I'm not real well qualified to deal with a broad range of foundation issues but one thing that I have seen the foundations and the non-profit community step up and

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do is, full disclosure, I'm on the board of the Ad Council, the Ad Council does wonderful work. The people at the agencies donate all their time, it's amazing. But you still have to pay the cost of the production of the spot, I mean, the crew doesn't work for free, the residuals still have to be paid. And so there is always a bit of a fundraising hurdle and the foundation community in particular has stepped in there and made a huge, the multiplier effect of helping produce one of these enormously effective Ad Council campaigns. If I'm on the board of that foundation I'm thrilled with that expenditure.

Dr. Heaton made another good point that, this notion of banding together of like causes, is an interesting idea because again, no matter what there still isn't going to be enough inventory to cover. When we did the AIDS campaign with Kaiser we made a conscious decision to devote a disproportionate amount of our PSA time to that campaign because we thought it was such an important campaign. But we got a lot of complaints from some of our long time partners who weren't seeing their spots get as prominent a position.

And so, for example, the Ad Council's got a campaign out now called "Don't Almost Give". If you, it's about volunteerism and it's a wonderful campaign and it's a wonderful umbrella to motivate people to go out and do something, to help your neighbor, to help. And it's a, it's almost a-

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JACKIE JUDD: What makes it wonderful? Why is it that wonderful.

MARTY FRANKS: Well, it's extremely well produced but again, it could cover a whole range of activities. I mean, I think a whole lot of public goods are met by that kind of campaign as opposed to doing a rightful shot campaign that says go take a meal to your neighbor who has AIDS. I mean, that's a noble cause but it's a such a niche campaign as opposed to doing something about "Don't Almost Give". I think the public interest community, if that's a good way to, might want to think about where they can partner up and bulk up in a way that could take better advantage of no matter what the government does still a limited amount of public interest inventory.

JACKIE JUDD: We're running out of time. I want to get to at least one more question in the audience. The lady back here. Yes.

FEMALE SPEAKER: I'm hoping you can dispel, or help with the, maybe it's an urban myth but I've worked on a lot of public service campaigns over the years and a lot of times we distribute nationally and I think there have been very successful campaigns, clients have been happy, that sort of thing. But-

JACKIE JUDD: Who are you with?

FEMALE SPEAKER: Pardon?

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JACKIE JUDD: Who are you with, I'm sorry.

FEMALE SPEAKER: I work for a firm called Lowe and Associates but I also, previously worked on the Energy Star campaign, now we're doing work for the Department of Education and IRS. But anyway we do these broad distributions and selling and that sort of thing and I think we've had a very good level of success. But often what happens is there some like local organization, maybe in a particular city, who could offer some money to get extra play in a certain market. And what we're often advised, not by anybody in particular, is that if we spend money in one market to get more play, other markets will find out and then they won't play it in other markets, it will sort of be like if you spend any money you're not going to get any free play over time.

JACKIE JUDD: Cheryl, do you want to take that on?

CHERYL HEALTON, Ph.D.: Well, I don't know if I'll give the right technical answer but I would certainly say that we produce PSA campaigns that are non-paid PSA campaigns and they're produced that way from the outset. We also produce paid campaigns where we're bearing all the production costs and paying for the placement. And then we have a hybrid where we have brought back a group of our most effective public service campaigns and we pay the talent fees but now the placement of those ads, which many of them have been archived for five or

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six years but they're still extremely strong for the consumer, are put on as PSAs, for example the Weinstein Group, virtually all of their DVD releases they place one of our ads on it and we pick up the cost for the talent fee and they define it as donated time.

So there is a space you can be in with a hybrid but you are correct that once you are paying the word gets out and especially if you're paying nationally. We've had to be very careful and we've partnered very successfully with the Ad Council that when we go in with a true PSA product the people we're speaking to understand that we're not in a position to mount seven different paid advertising campaigns and some of them do have to be straight PSAs.

I just add, echoing Martin's point about the models that can be used. Not only can people ban together but let me just tell you about something we're doing right now. We are banning together with probably the vast majority of states in the United States, Legacy is putting up 25 cents for smoker, there are 45 million people who are still smoking in America. The states are putting up 25 cents per smoker and we've gone to a broad range of major non-profits and I'm not at liberty to name them all now but many have come in and come in with dollars. In the end of March we will launch a public education campaign to reduce smoking in the United States and the beauty

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of it will be that you save about 50-percent when you buy nationally over the cost of buying locally. So we are going to run one series of ads nationally at a 50-percent discount rate, not counting the added value that the amount of money that we will bringing into the marketplace will make it possible for us to negotiate, and the states will be in the position to heavy up that locally in a much smaller way and the result will be a GRP reach for this campaign that far and away exceeds what each individual state could have produced on their own.

You could do that same thing with a series of non-profits and affiliates and it's really a model that we conjured up and we are very excited about it because if it works we think other foundations will step into this marketplace and will try to address other major public health problems with this pooling of dollars for public education advertising. I, as I said before, I'm a true believer now and in response to the question about whether the foundations are doing the right thing. I think that many foundations don't know that they're not doing the right thing but if they looked carefully at the opportunity costs of where they put their money versus where they could put their money, and the ultimate public health impact they might achieve, they might be very surprised what they could do with paid and PSA advertising.

JACKIE JUDD: Thank you. Vicky, a final word.

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VICKY RIDEOUT, M.A.: Well I basically just want to thank everybody here. It's so wonderful to have these opportunities to meet folks who are at lots of different government agencies and lots of different non-profits who are all trying to get such important information out to people and to see the connections that are made among one another and with the panelists up here.

And so I really do thank you all and I especially want to thank the commissioners and all the members of the panel for coming and having a really frank, really honest dialogue with us about this issue. We want to keep a spotlight on this issue, whatever your views about it are, we all agree that it's something that's important and that can really do a lot of good. And so we thank you al very much and we'll be up here for a few minutes if anybody wants to come and talk to us individually. Thanks. [Applause]

[END RECORDING]

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