

A PUBLIC TRUST
A SUMMARY AND OVERVIEW
OF THE FINDINGS AND RECOMMENDATIONS
OF THE
CARNEGIE COMMISSION ON THE FUTURE OF
PUBLIC BROADCASTING

The Commission and its Process .

The Carnegie Commission on the Future of Public Broadcasting was formed in June of 1977 to study the history and the current state of the public broadcasting system, and to make recommendations to aid its future development. Funded entirely by the Carnegie Corporation of New York, the Commission is independent of the existing institutions of public broadcasting, the government and organized public interest groups. The Commission has heard public testimony from more than two hundred people in public meetings held all over the country, and has contacted several thousand people on a less formal basis. The decisions of the Commissioners, distinguished people active in public policy, the arts, education, science, business and labor, were released as part of a 400-page report, A Public Trust, published on January 30, 1979.

The Context of the Recommendations

The book, which is divided into ten chapters and seven appendices, presents specific recommendations, in seven areas: structure and national organization, funding, television programs and services, public radio, new communications technologies, learning and instruction, and public accountability. Underlying these principal recommendations is an analysis of public radio and television's turbulent first 12 years as a major national institution, and a perspective on a future that must not only remedy contradictions which have plagued the system, but which must also prepare the industry and the public for a rapidly changing technological and social environment—a new era for noncommercial, public telecommunications. In retrospect, what public broadcasting tried to invent was a truly radical idea: an instrument of mass communication that simultaneously respected the artistry of the individuals who create programs, the needs of the public who form the audience, and the forces that supply the resources.

While the Commission has come to believe after nearly 18 months of study, that public broadcasting has become a "national treasure unlike any other," it has reluctantly concluded that the present arrangement of public broadcasting's financial, organizational and creative structure is fundamentally flawed.

This proposal is an attempt to balance the manifold pressures within and upon an institution of critical national importance, in order to provide the public with almost universal access to a system that can sustain the highest degree of creative excellence, courageous journalism, and a wide diversity of program style and subject unavailable through commercial sources. Public broadcasting's work must set a standard of excellence. This goal becomes doubly important as the means for delivering programs are altered by new technological developments.

Another preeminent principle in the report is the need to construct an institution that is independent and insulated from partisan influence, while maintaining fiscal accountability for the increasing amounts of public funds necessary to maintain a first-rate public telecommunications system. Such an institution must provide incentives for strong local service, superior national and regional programming efforts, and more pioneering uses of the media which can change the face of the entire industry. The Commission believes this is possible only by assuring that the American creative artist, journalist and communicator, whether inside or outside the present system, be given substantial support and freedom to develop new programs.

Finally, the Commission has constructed a plan that rests upon the fundamental unit of the present system—the local broadcasting station—whose community support and financial resources have made possible the remarkable growth and achievements of the system to date. While recognizing that the "public telecommunications system" will necessarily change, the Commission has placed principal faith and responsibility in the licensees as prime agents in this evolving future and as major forces for public service, education, and entertainment.

The Commission recommends that the system be fundamentally restructured and reorganized. The principal elements are:

1. The Public Telecommunications Trust. For a variety of reasons, the Commission believes that the existing statutory organization, the Corporation for Public Broadcasting (CPB), has been unable to fulfill the need for effective leadership of the public broadcasting system and recommends that CPB be replaced by a new entity called the Public Telecommunications Trust. The Trust, a non-governmental, nonprofit corporation, is to be the principal, consolidated fiduciary agent for the entire system and all of its components, disbursing federal funds to stations for operations and facilities expansion, as well as setting goals for the system and helping to evaluate performance. In addition, the Trust will supervise a wide range of leadership, long-range planning and system development activities in radio, television and newer dissemination technologies. One of the primary responsibilities of the Public Telecommunications Trust will be to provide the system with protection from inappropriate internal and external interference in the sensitive area of program making.

The Trust will also be charged with the responsibility of administering activities designed to improve the system's service to the public, especially as the effects of social and technological changes are felt in the 1980s. Included among these responsibilities are expansion of facilities and signal coverage, broadening of station involvement with minorities and women, improvement of employment opportunities, development of sophisticated training programs, establishment of accountability criteria for federal funds and administration of informational and research activities.

The Public Telecommunications Trust will be governed by nine presidentially appointed trustees with staggered, nonrenewable, nine-year terms. The Commission recommends that the President make his selections from a list-of names presented to him by a panel of distinguished Americans, chaired by the Librarian of Congress, and drawn from governmental institutions devoted to the arts, sciences, the humanities, and the preservation of our heritage. In addition, in order to involve the public telecommunications system in this process, the panel would include two representatives drawn from the system.

This new organization is called a Trust and its board members Trustees to underscore the conviction that the nine people who guide the course of the noncommercial telecommunications field in the next decade hold a trust for both the people working within the system and the public that benefits from its services.

2. The Program Services Endowment. Housed within the overall fiscal umbrella of the Trust is a second statutory institution, the Program Services Endowment, a highly insulated, semi-autonomous division whose exclusive function is to foster and support creative excellence in the communications arts.

The Endowment will underwrite a broad variety of television and radio production and program services, including public affairs and journalism—which the Commission considers the top priority—drama and comedy, educational and learning research and programming, new applications of telecommunications technology, experimental and untried programs, minority programs and other initiatives undertaken at its own discretion. While stations under our plan will receive a substantial increase in their own funds that will be available to plan and produce a full program schedule, the Commission feels that an indispensable component of any reorganized public broadcasting system is the creation of a catalyst for more innovative, riskier, and longer-range program development. Without the establishment of the Endowment, the Commission is reluctant to recommend the remainder of the proposal, which the Endowment is designed to balance. The Endowment is designed to stimulate domestic creative program production—both from independent and public station sources—and to provide noncommercial programming vision during a period of substantial change in the distribution of television and radio.

The Endowment will be governed by 15 directors, who will serve three year terms, renewable once. Three members of the board must be from the public telecommunications community. The directors will be chosen by the board of the Public Telecommunications Trust, from nominees put forth by the Endowment board itself. The first board of directors will be elected by the Trust board as well, but from nominees identified by the same nominating panel which prepares the lists for the Trust board. The chief executive officer of the Endowment, who will be given much discretion by the board, will serve under the terms of a five year contract, renewable once.

3. Stations and their organizations. Providing funds and insulation for existing and newly developing broadcast stations is a principal reason for the existence of the nongovernmental institution called the Public Telecommunications Trust. Under the terms of an altered matching formula, federal funds will be provided on an almost automatic basis by the Trust to eligible stations. In addition, major new programming support will be provided by the Program Services Endowment to the public stations and other producers.

The expanded discretionary funds and increased national programming and services available centrally to the various stations is, however, only one aspect of the proposal. The Commission believes that each station should continue to serve local communities according to priorities established in each community. To that end, our matching formula provides incentives for local service and local giving.

In television, the increase in federal discretionary funds should have a dramatic impact on the ability of stations to finance substantial new programming, developed jointly by the stations in national, regional, and special-interest consortia. The development of the multi-channel satellite for program distribution makes this opportunity for diversity an immediate reality.

In radio, the impact of the Commission proposal will be even greater because it will enable the number of stations to more than double by 1985. While the Commission foresees that the present major national station organizations—both for television as well as for radio—will continue to grow and provide vital services, we also expect additional activities to be performed by other more-than-local groupings of stations in the future.

Whatever decisions the stations make regarding their collective needs, the Commission strongly urges that real authority and significant funds be concentrated at organizations that will provide more effective, rapid, and professional decision-making. This is particularly critical in the planning and production of programs for national use.

While the proposal strongly argues against the imposition of a centralized national network in the commercial style, the Commission strongly believes that many decisions can be delegated without constant committee review by every station.

Financing the System

The Commission has based its recommendations for the funding of the system around three basic concepts: First, the system has always been underfinanced. Inadequate funding has caused much system disharmony, has forced it to abandon or never undertake many important production activities, and has resulted in an unhealthy reliance on direct program grants from outsiders. Unless the system is adequately supported financially, it will continue, in spite of its own best efforts, to be weak. Second, a self-directed editorial medium must never come to be dominated by one major source of funds. The Commission bases its recommendations for the funding structure on the notion that all contributors should be welcome to support public broadcasting, provided they follow a strict set of guidelines for appropriate grant-making. The best insulation from funder control comes from a balanced diversity of funders. Third, the most insulated and appropriate control of system activities should be local. Hence the bulk of the money in the system should be raised and spent locally, by the stations, and the design of the funding structure recognizes and encourages this.

The Commission recommends general revenues as the principal source of federal funds for public telecommunications and the establishment of a fee on licensed users of the spectrum, with the income from this fee used to offset in part the increased requirement for general tax revenues.

This carefully balanced funding arrangement has been designed to accomplish two essential objectives: to provide nearly automatic support from the federal government, free to the maximum extent possible from partisan politics; and to ensure the industry adequate levels of support generated from a variety of sources, but fatally dependent on none of them.

Special components of the system

Once a new financial and organizational structure has been established the Commission believes that a number of special objectives must be met jointly by all components of the system—by the Trust, the Endowment, and the station-based system. Chapters V through IX offer discussion and recommendations in these special areas:

Television programs and services. As a part of a much larger commercial television sector, public television's program-making capability is challenged by many of the same economic forces: the high cost of production, the need for long-range planning, the difficulty of determining priorities. Since the basic public television facility is largely completed, the primary objective of the system must be to rationalize a complicated, frustrating, and often unfair program production process that has plagued the system and limited its originality and innovation.

The Commission recommends two sources for this up- surge in new television production. A large proportion of the increased funds to stations should go toward the financing of new programs for regional and national use-- stations must aggregate their funds, delegate authority, and find ways to venture into more creative programming. In an effort to underscore this priority, the Commission, recommends that federal discretionary funds to stations be called Program Service Grants.

The establishment of the new Program Services Endowment is an indispensable supplement to station-financed program efforts. The Endowment will support programs by a broad range of American talent, including independent producers, working in many styles and genres. It will focus on the development of untried or risky ventures, and will be free to experiment with a range of grant- making processes, utilizing peer-review panels and other techniques to advise management of funding decisions.

In addition, the Endowment will have within it several divisions that will specialize in activities like radio production, new applications of technology, educational and instructional research and production support, minority and specialized programming, and other program-related activities.

Public radio. The top priority for public radio is the addition of new outlets so that it fully serves the nation in both large and small communities. In addition, the existing and the new stations must have a solid financial and community support structure in order to provide a full public radio service.

Under the overall leadership of the Public Telecommunications Trust, the Commission foresees the development and activation of an additional 250 to 300 public radio stations. The addition of new stations will result in improved national coverage for the public radio system, greater diversity among licensees, and broader local programming choice in many markets through multiple outlets.

The Trust, in cooperation with other elements of the public radio system, will develop a strategy of system expansion that includes regulatory reform and a radio development program that will assist in upgrading existing stations, activating new stations, and purchasing commercial or underutilized noncommercial stations.

The Commission recommends that federal funds to public radio stations derived via our proposed matching formula be used for two purposes: improvement of local service and operations, and the financing by station consortiums of programming that transcends strictly local needs. The Program Services Endowment should support additional national radio programs, particularly new and innovative projects. The Endowment will also provide transitional support for the present National Public Radio programming services until such time as stations are able to aggregate funds to support programs of their choice.

Technology. In studying new telecommunications technology and public broadcasting's role within it, the Commission's goal has been to devise ways in which all the people can have equal access to the products of a stronger, more diverse and better developed system. The Commission

is convinced that it is essential for public broadcasting to have both the money and the flexibility necessary to enable it to chart its own course as it responds to this future.

To help the industry fulfill this responsibility, three recommendations have been made: That public broadcasting and government join together to bring public television and radio service to at least 90 percent of the population over the next five to seven years; that public broadcasting move rapidly to develop a stronger, integrated research and development capability so that it can use new technologies for the public good, and that public broadcasting adopt a broader and more flexible approach to the ways its programs and services are delivered to the public.

Education and learning. American public broadcasting had its origins in instructional radio and television. The Commission recommends that the industry recommit itself to providing programs and services that assist in the education of all Americans. Because education in America is primarily a local matter, the major responsibility for this effort rests with the stations.

Because the quality of American education is also a national concern, the Commission recommends that the Program Services Endowment initiate a major research effort to identify what radio and television can teach best, and to develop these capabilities. This is fundamental research, but the potential benefits of it for the entire society are immense.

The Program Services Endowment should assume a pivotal role in the creation of new instructional and educational programs. Consequently, the Endowment should finance and stimulate the development of high quality programs that both test and demonstrate the potential of telecommunications for learning. The Endowment, acting as a catalyst should allocate \$15 million per year for such research and demonstration programs on radio and television. This money might be used to fund several promising educational programs or series, or it could be used as a match for licensee money in coproduction efforts.

Public Accountability. Because public broadcasting and the emerging public telecommunications industry enjoy widespread public support, stations, which are the focal point for interaction between the institution and the public, must provide serious opportunities for individuals to participate in and understand the system. Mechanisms for public participation in station planning, and development should be continued and strengthened. These include greater commitment to equal employment opportunity, broadened access by minorities, public involvement in station governance, more complete financial disclosure and community ascertainment. These measures of public accountability should be devised so as to preserve the station's responsibility to maintain editorial freedom.

These methods however are not enough to provide stations with a systematic way to determine whether certain well-defined interests and needs of the public are being satisfied. The Commission presents a plan for the use of audience measurement data that will assist the public system in designing programs to meet a broad and diverse audience