



Corporation for Public Broadcasting
401 Ninth Street, N.W.
Washington, D.C. 20004

January 22, 2010

TO: CPB Board of Directors
FROM: CPB Management
SUBJECT: FY 2010 Recommendations for Digital Funding

On October 15, 2009, CPB convened a panel comprised of representatives from public radio and television to discuss digital funding for FY 2010. This consultation was held in advance of an official amount of funding being appropriated.

We assumed a \$36 million dollar appropriation based on House and Senate levels. The panel discussed funding priorities and recommended spending \$39.7 million across four main areas: \$6 million for radio conversion, \$12.9 million for television conversion, \$20 million for content and services (which includes \$8 million dedicated to continued development of the American Archive), and \$800,000 for research and development.

CPB management projected supplementing the \$36 million appropriation with funds de-obligated in FY 2010 to meet the \$39.7 million panel recommendation.

Based on the panel recommendations and subsequent feedback, CPB management is offering the following FY 2010 Digital Funding recommendations to the Board for approval.

Guiding Principles for Funding

CPB management, following the panel's guidance, recommends that the guiding principles for the FY 2010 digital transition funds be as follows:

- Ensure that every American can benefit from the enhanced services made possible by digital public broadcasting. This is particularly true for public television where the sole transmission method will be digital.
- Continue to increase investment in content and services. CPB's primary focus is to help stations provide relevant, meaningful content and service to communities. With the minimum requirements of the digital transition for television complete and radio conversion ongoing, the panel reemphasized a need to increase investments in the development of content for the new digital capacity.

Proposed Funding Priorities

The panel emphasized that the highest priority remains that no American lose service due to the digital transition.

Radio Conversion

Of the approximately 908 public radio transmitters, 516 have been converted to digital transmission and 143 projects were underway on the date of the consultation. There are 240 stations that have neither completed a digital conversion nor begun a project to do so.

The panel also discussed the remaining needs of the digital radio conversion. For public radio stations, the panel considered expansion of digital multicasting, elevated digital radio power levels, digital radio boosters and integration of single frequency networks.

The panel noted that the FCC authorization to permit elevated digital radio power levels was pending and that the actual costs to implement elevated power were not firm. It was agreed that more research needed to be done to quantify the costs and that power increases should be a priority following the FCC's authorization.

Television Conversion

There are 356 currently CPB-qualified public television transmitters. All PBS and non-PBS member stations achieved the minimum FCC requirement to transmit a digital signal by the extended transition date of June 12, 2009. Thus, the basic DTV transition is 100% complete.

The panel focused on post transition needs for public television stations. There was concern expressed by the panel that some stations were finding that their DTV channels were not replicating their previous analog coverage. The panel suggested that research may be needed to address insuring all Americans have access to digital television.

Content and Services

The panel emphasized increasing the portion of the digital appropriation allocated to content and services, especially the American Archive project. The panel discussed a preference towards infrastructure and tools in the areas of journalism and education. In FY 2010 the focal points for the funding will be in the development and support of cross-platform digital content development and infrastructure, as well as new forms of collaboration between digital content creators.

As public media stations and producers continue to expand their engagement with digital content and services, the system is further emphasizing needs that were identified in the Content Consultation meeting including: the development of key content output standards to

allow content to flow between stations and onto multiple platforms; increased metrics and measurement of the outcomes of various projects; improved dissemination of innovation across the system; and the continued evolution of new forms of digital content.

Research and Development

The panel discussed the increased amount of innovation happening in public media. However, in view of the shift from funding digital broadcast hardware to a greater focus on content and services, the panel felt that costs related to media research and development should be lower than traditional broadcast research and development.

Summary

The needs and priorities for digital funding have been evolving over the last few years from a funding program based fundamentally on hardware conversion to one that needs to invest more in digital content and services that can fulfill the promise and potential to provide more robust digital services to the American people.

Overall, the panel concluded this year's consultation by reaffirming public media's commitment to the guiding principle of universal service and the need to increase investments in digital content and services. As a result, CPB Management has reviewed the panel recommendations and agrees with the recommendations as stated in this memorandum.

Digital Consultation Panel Participants

Tony Mayo, meeting facilitator and executive coach, served as facilitator. The following station and system representatives participated in this digital consultation:

Panelist:

Max Benavidez, L.A. Public Media
 Milton Clipper, PBA
 Skip Hinton, NETA
 Sally Kane, KVNF
 Jennifer Lawson, WHUT
 John McCoskey, PBS
 Jon McTaggart, APM/MPR
 Todd Mundt, Louisville Public Media
 LaFontaine Oliver, WEAA
 Carol Pierson, NFCB
 Alan Pizzato, Alabama Public TV
 Mike Riksen, NPR
 Jason Seiken, PBS
 Jake Shapiro, PRX
 Rob Shuman, AGC, MPT
 Mike Starling, NPR
 Tom Thomas, SRG
 Lonna Thompson, APTS
 Randy Ward, Louisiana Public
 Broadcasting
 Kinsey Wilson, NPR

CPB Staff:

Mark Erstling, SVP System
 Development & Media Strategy
 Bruce Theriault, SVP Radio
 Ted Garcia, SVP Television Content
 Susan Zelman, SVP Education &
 Children's Content
 Rob Bole, VP Digital Media Strategy
 Don Lockett, Senior Director, Media
 Technologies
 Patricia Lanas-Espinosa, Program
 Manager, Digital Media Strategy
 Kristina Cushing, Business
 Performance Manager