

The Remarks
Of
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and
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Remarks upon the Release of the Miller Center's
Interim Report on Media and Governance
at the
Annual Meeting of the Virginia Press Association

The Hotel Roanoke
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Thank you for inviting me back to join you tonight.

I'm delighted to be here as I have long been a fan of Virginia newspapers – ever since my days growing up in Patrick Country reading “The Enterprise.” I still think the best way to start the day is with a stack of newspapers – and maybe a cup of coffee or two. Even when I travel, I bring my newspapers with me – on my Kindle.

Shakespeare once wrote that “an honest tale speeds best plainly told.” So, let me begin.

I join your ranks of loyal readers who respect your work and depend on you for news and information.

I know you are busy, especially after looking on your website at the long list of legislation in the General Assembly you've been working on recently. Something else caught my eye on your website – your mission -- to champion “the ideals of a free press in a democratic society.”

I, too, believe that a free press is vital to our democracy.

But given the current state of the newspaper business, I share the concerns of many about the future of the free press -- and especially about the potential impact that this could have on the governance of our country.

How will our leaders act when there are fewer journalists watching to hold them accountable? How will our citizens inform themselves when there is less reporting on the issues? Will new media be able to fill the void?

A year ago today, I noted that in a time of technological change for the news industry, the deeper context of history should not be overlooked.

I pointed to the impact on information that came with the shift from scroll to codex in the fifth century, the disruptive force of the printing press throughout the fifteenth century, and the rise of newspapers and handbills during formative years of the American republic.

I pointed to the Founding Fathers' belief that newspapers and the free flow of information encouraged democracy, and how they created and generously funded the U. S. Post Office for timely and affordable delivery of news to the public.

I also traced the evolution of newspapers from the rise of the partisan press in the early years of the nineteenth century to the emergence of the advertising business model in the mid-nineteenth century and the appearance of modern journalistic ideals of objectivity and investigative journalism during the emergence of the 20th century.

My point was that newspapers, especially in their modern form, played a crucial role in our democracy, but that role has not been without change and transformation, and I also cautioned that "we must not confuse sentimentality with the challenges confronting newspapers and journalism...we are in a period of transition when we can only see darkly."

A year ago today, I also addressed you about some of the current concerns about the news-gathering industry. I spoke of some of the troubling trends in the newspaper business, such as the challenges posed by the Internet – and that newspapers are reducing their coverage of state governments; that they are shutting down their Washington offices; that they can no longer afford to maintain overseas bureaus. Bottom line – newspapers are at risk, I said, and I believe there will be negative consequences.

The state of the newspaper business was not good then. And since we last met, it's gotten worse.

Around the country, more newspapers have moved to online-only formats.

More newspapers are on the brink of collapse.

More media owners have filed for bankruptcy.

More newspaper stock prices have hit rock bottom.

And I'm sure many of you in this room can attest to the fact that more newspapers have laid off—and continue to lay off -- good and experienced workers.

Last March, I left you with a question – can we govern the country without newspapers, which drive much of the news on radio, television, and the Internet?

I also left you with a promise – that the Miller Center would study the problem. We have done just that. During the past year, we put together a working group of media leaders, policy makers, and academic experts to examine the state of journalism, its impact on governance -- and some possible solutions. That’s why I’m back here with you tonight – to brief you on our findings and to give you our report, which we are releasing today.

Members of our group included policy makers from Congress and both the Federal Communications Commission and the Federal Trade Commission. Also taking part -- Len Downie, the former executive editor of The Washington Post, John Temple, publisher of the now- defunct Rocky Mountain News, and Tom Rosenstiel, director of the Pew Research Center’s Excellence in Journalism Project. We were also delighted that your executive director, Ginger Stanley, was able to join us.

We also invited academic experts on mass media from across the country. Among them – Professor Daniel Hallin of the University of California at San Diego, who has written about whether the increasingly partisan media serves the public interest -- and Professor Virginia Gray of the University of North Carolina, who has studied the media’s shrinking coverage of state government. Essays from both of these professors are included in our report.

Our working group first got together last September. It was the first event in the Miller Center’s new Washington office. We’ve since met several times, each time hearing from different experts on a wide variety of topics.

At our first meeting, we examined media issues broadly; especially from an historical perspective. At our next meeting, we looked at the consequences of less media coverage of state and local governments as well as of overseas stories. In subsequent meetings, we talked about some possible solutions, including what some market innovators are doing and what the government can do. Our meetings were informal, with short presentations and lots of discussion afterwards.

Before I tell you about some of our group’s findings, I’d like to give you a little background on why media coverage is so important to the governance of our country.

Our political system relies on independent media outlets -- newspapers, news magazines, television, and radio -- to serve as watch dogs for our political institutions – and to create and distribute information so that we might have a knowledgeable and engaged citizenry.

This role has been evident throughout our nation’s history. There is probably no better recent example than the Watergate reporting of “Washington Post” Reporters Bob Woodward, who is a member of the Miller Center’s Governing Council, and Carl Bernstein. Even more recently, we’ve seen an investigative series by “The Washington Post” uncover neglect at Walter Reed Army Hospital; “60 Minutes” and “The New Yorker” magazine reveal prisoner abuse at Abu Ghraib in Iraq; “The Wall Street Journal” reveal financial abuses at Enron, and “The Virginian-Pilot” detail the government’s reliance on private military personnel.

As more newspapers fold and more reporters lose their jobs, who will cover important stories like these?

National newspapers and television news will continue to cover national politics, but their staffs are getting smaller. In my judgment, the greatest impact, however, will be at state and local levels. Already, we are seeing less routine coverage of state and local governments and public affairs.

And there are direct consequences that affect our democracy. According to one study, the closing of "The Cincinnati Post" led to fewer candidates running and reduced voter turnout.

In our report, Professor Virginia Gray of UNC writes that the number of state capital reporters has decreased by about one third since 2003 and that many of these reporters now also have to write blogs, Twitter and perform other online duties that take away from reporting. That leaves fewer reporters to analyze issues, examine conflicts and watch for corruption. She points to the need to watch over the ethical nature of legislator-lobbyist relationships. That also leaves fewer reporters to educate citizens so they can vote knowledgeably, which Professor Gray says is critical to inform voters about ballot initiatives and candidate ads.

Now, some would argue that we could get public-affairs news off the Internet, but that wouldn't solve all the problems when it comes to issues of governance. The Internet allows readers to select the news they are interested in and avoid other stories. For example, visitors to SportsIllustrated.com will not accidentally read political headlines, like they might do with a print newspaper. This means that fewer citizens are getting political information and that fewer citizens are becoming politically engaged. What's more, those who do seek out political information often choose partisan or one-sided sources and are not being exposed to competing ideas.

Professor Daniel Hallin of the University of California at San Diego writes in our report that the opinion and commentary dominating new media raises ethical issues and may also have policy implications -- as they are based on an "inadequate base of real reporting."

Our working group spent a lot of time talking about the Internet. As you well know, newspaper's problems have been exacerbated by the Internet. As more and more readers get their news online, print subscriptions are declining, and newspapers have yet to find a successful way to charge for online content. Nor have they been able to sell as many ads online as they have in print. And classified ads are going to Internet competitors, such as Craig's List and monster.com.

With profits down, newspapers are going online or even shutting down, and there are fewer and fewer journalists. This is cause for concern, especially when it comes to issues of governance. When a newspaper folds, what is lost is not just the feel and smell of paper but journalists and their reporting. Who is watching the political class and the agencies of government? Who is informing our citizens?

But, if online newspapers could become profitable and still produce public-service journalism, would we be as concerned about the loss of printed editions?

Our working group spent some time looking at how online newspapers could become more profitable, including by charging for access to their websites. Newspapers have experimented with pay walls, and the results have generally been unfavorable. The number of people willing to pay for online news seems limited, and with fewer readers come less advertising and less revenue.

“The New York Times” is planning to undertake an ambitious pay-for-content experiment. They will give readers access to a limited amount of news but then charge them to read stories beyond that limit. The Times tried charging for content before. It did not work. We’ll have to wait and see if it succeeds this time.

Online search companies, such as Google and Yahoo!, contend that current newspaper advertising is unsophisticated and that greater profits could be had if newspapers used data about readers and their behavior and code words to target ads. This raises privacy and ethical concerns. Would stories be crafted to attract advertisers?

Our working group did not just focus on problems – we also looked at some possible solutions and discovered some innovative projects going on across the country aimed at increasing public-affairs coverage.

For example, traditional media are embracing partnerships with nonprofit organizations at an unprecedented rate. In Ohio, eight for-profit news organizations came together to form the Ohio News Cooperative to share content and reduce reporter costs.

In Charlottesville, the “Daily Progress” has partnered with Charlottesville Tomorrow, an online nonprofit news organization focused on growth and infrastructure. This partnership has resulted in additional copy for the Daily Progress and a bigger audience for Charlottesville Tomorrow.

Some nonprofit news organizations have become significant players on their own in covering public-interest journalism, such as the Voice of San Diego and The Texas Tribune. However, they face the daunting task of generating enough revenue through grants and membership drives to stay afloat.

For-profit online news start-ups, such as the Ann Arbor Chronicle, are providing a surprising level of coverage of their community in small metropolitan areas, with only two full-time staffers.

In even smaller locales, hyper-local news sites and blogs are spreading the word about community news. These sites are just in their infancy but show the promise of allowing a great of number of voices to be heard on local affairs.

We also discussed several possible policy initiatives, including whether news-gathering organizations could be considered nonprofits and therefore be tax-exempt. The IRS could clarify whether news organizations qualify for 501(c)3 status as “education” organizations – or that

Congress could determine that they are exempt charitable groups. The IRS could also clarify whether news organizations can endorse candidates without losing their nonprofit status.

We also heard from advocates of creating a Low-Profit, Limited Liability Company, an L3C, who argued that this would open up multiple revenue sources, including private foundations and investors.

Those taking part in our panels noted several studies, including one by the Knight Commission, which endorsed the idea of reforming the Corporation for Public Broadcasting to encourage a greater focus on local coverage. That of course would require additional federal funding to help local affiliates cover local affairs.

Our group also discussed how we could encourage citizen journalism through blogs, Facebook, Twitter and other social media. One idea was to tap into the civic volunteerism of our older generation, who disproportionately attend city council and other public meetings. Enterprising organizations could partner with federal programs like Vista Corps to turn these engaged citizens into reporters.

In the coming months, the Miller Center will continue to convene groups to think broadly about the issues of media and governance. We've already scheduled another meeting next week to explore what roles libraries can play in transforming the media landscape.

I don't know how our report will be received by you, but I once read a book review in which the reviewer kindly noted: "This is a very unusual book. Once you put it down, you can't pick it up again." I hope that won't be the case here!

I'd like to invite you to be part of our working group.

After you read our report – I have a copy for each organization represented here -- let us know what you think. The report in PDF form also can be downloaded from our website: www.millercenter.org.

We'd like to hear your ideas on how we can ensure that journalists continue to play their much-needed role in our democracy – how your mission to champion "the ideals of a free press in a democratic society" can be upheld, for as growth and change continue to sweep across our communities and our country with accelerating speed, there is a need to know what we can do to make sense of our past and see the direction it provides, if any. We also have a critical need for information about the present to see if we can discern the choices we must make that will affect our future. No one can do that like the free press.

All the best to you in the future.

Thank you.