

NATIONAL PRESS CLUB NEWSMAKER LUNCHEON WITH PAULA KERGER, CHIEF EXECUTIVE, PUBLIC BROADCASTING SERVICE

TOPIC: THE FUTURE OF PUBLIC BROADCASTING

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MR. SALANT: Good afternoon, and welcome to the National Press Club. I'm Jonathan Salant, a reporter for Bloomberg News and president of the club.

I'd like to welcome club members and their guests in the audience today, as well as those of you watching on C-SPAN. Please hold your applause during the speech so we have time for as many questions as possible.

The video archive of today's luncheon is provided by ConnectLive and is available to members only through the National Press Club's website at www.press.org. Press Club members may also get free transcripts of our luncheons at our website. Nonmembers may purchase transcripts, audio tapes and video tapes by calling 1-888-343-1940. For more information about joining the Press Club, please call us at 202-662-7511.

Before I introduce you to our head table, I'd like to remind our members of future speakers: on May 25th, General James Jones, the NATO supreme allied commander for Europe; on June 7th, Sam Brownback, a Kansas Republican; and on June 19th, we give out the Gerald Ford Journalism Awards.

If you have any questions for our speaker, please write them on the cards provided at your table and hand them up to me. I will ask as many as time permits.

I'd now like to introduce our head table guests and ask them to stand briefly when their names are called. Please hold your applause until all head table guests are introduced.

From your right, my colleague Neal Rowland at Bloomberg News; Bill Theobald of Gannett News Service; Sam Holt, one of the founders of NPR and the first head of programming at PBS; Keith Hill of BNA and a member of the National Press Club's Board of Governors; John Lawson, the president and CEO of the Association of Public Television Stations; Sharon Rockefeller, president and CEO of WETA, the local public television station in Washington; Angela Greiling-King, associate editor of Traffic World and the vice chair for the press club's speakers committee; Bob Carden of Carden Communications and the member of the speakers committee who organized today's luncheon.

And Bob, thank you very much.

Pat Harrison, president and CEO of the Corporation for Public Broadcasting; Melissa Charbonneau, White House correspondent for CBN News; Bill McCarren, president of U.S. Newswire; and Elissa Blake Free, a new member of the club and executive director of communications at Georgetown University Law Center.

(Applause.)

Much has changed at the Public Broadcasting Service since a year ago this week when outgoing president, Pat Mitchell, was at this very podium defending PBS against claims of liberal bias. At the time, PBS and Ms. Mitchell were under fire from Kenneth Tomlinson, the former Republican head of the Corporation for Public Broadcasting, who claimed there was a tone deafness at PBS and who was pushing hard for more conservative programming, but that backfired. Mr. Tomlinson resigned last November after his agency's inspector general found that it was he who had added bias to the PBS schedule and that, contrary to the agency's mission of protecting public broadcasting from political influence, Mr. Tomlinson had tried to staff the CPB with Republican loyalists. Two months after Mr. Tomlinson stepped down, PBS announced that Paula Kerger, the chief operating officer for New York City and the Long Island public television stations, would be its next chief executive.

Paula Kerger is a prolific fundraiser and her appointment was supported by public television stations across the country. The reason? Public television stations are losing viewers like you. Over the past decade, PBS has faced increasing competition from cable channels that provide high-quality children's programming and a wide range of documentaries that were once the signature of PBS.

Ms. Kerger's presidency will be defined by finding new ways to produce and distribute content. Think Ken Burns on your video iPod. She's also made a commitment to building a permanent endowment to help PBS move away from its reliance on public funds.

Before joining New York City's WNET Channel 13 as its chief fundraiser 13 years ago, Ms. Kerger was director of principal gifts for the Metropolitan Opera in New York City. She has also raised money for the U.S. committee for UNICEF. At WNET she went on to become the station manager before moving up to the position of chief operating officer for all of WNET and Long Island's WLIW Channel 21.

Let's welcome Paula Kerger to the National Press Club. (Applause.)

MS. KERGER: Good afternoon. I'd like to thank the National Press Club speakers committee for inviting me today. It's a great honor to be here to share with you some of my perspectives just 10 weeks into this job on the future of public broadcasting.

I'm really delighted that Sharon Rockefeller, John Lawson and Pat Harrison have joined me up on the dais today.

I'd like to say that public television, or public media as I often describe it, is really a part of who I am. My grandfather helped found a public radio station in Baltimore, and my entire career has been devoted to public service. So at an early age, I remember sitting close to my grandfather at night listening to the radio programs that were transmitted from far away. To a little girl, it felt like magic. And in fact, it was. My grandfather's classical radio station, with its mix of orchestras, operas and chamber ensembles, were part of my childhood. I also grew up with TV shows like "Great Performances," "Upstairs, Downstairs," and "I, Claudius." See, I'm a little too old for "Sesame Street." So I've always had a deep appreciation for public media and the valuable role it plays in our culture.

You know, I've often thought about all that my grandfather saw during the course of his lifetime and recently have had the same sensation of the fact that we're living through a time of great change. The digital revolution is one that's reshaping our world. And nowhere are its effects being felt more profoundly than our broad industry. Television, radio, newspapers -- the mediums that have been sources for information about the world for many decades -- and in the case of newspapers, for centuries -- is being reinvented and re-imagined right before our eyes at the speed of light. In many respects, I think we're privileged. After all, not every generation gets to live through this kind of watershed. And we're seeing history being made. We're experiencing the same kind of disorientation that inevitably afflicts people who live through such a time.

I remember reading about how people experienced something similar during the Industrial Revolution. Some adapted, others fell by the wayside, but nearly everyone was profoundly affected. This time, it's all happening so fast that it seems as if we're to have an unusual ability compared to the world before the digital revolution and afterwards.

John Sculley, the former chairman of Apple Computers, not surprisingly, had a keen sense of the big picture some time ago. He said, the information age is a revolution; it's a revolution that's

global in scope with few safe harbors for isolationists -- and it's true. The digital revolution cannot be ignored and it's asking a lot of us. It's forcing us to rethink many long-held true notions of how to go about our business. And it's calling on us to reinvent ourselves seemingly on a daily basis. As we go about our work, we are necessarily participants in a giant experiment; all of this amazing technology is suddenly at our beck and call. We can try out things that we only dreamed of -- some, it seems, straight out of science fiction. To tell stories and deliver information in entirely new ways is exciting and it can be incredibly liberating.

For the first time in history, the media are on the verge of being virtually unmediated. We can communicate to mass audiences as though we're talking to an individual. At the same time, individual members of our audience can dialogue with us, participate in our work and even become media purveyors themselves. That directness is empowering and offers fantastic possibilities for us professionals and for our audiences.

As we negotiate through this largely undefined frontier, we're called upon to remember our time-honored responsibilities. After all, our work exists to serve the public. As technology evolves and grows out in many directions, it's our duty to remember the people we serve. In their interest, we must make an intense effort to remain true to our purpose. We cannot let the dazzling gadgets and the latest methods for delivering information overwhelm us or deter us from our collective mission, which is to deal with the public honestly, truthfully, sincerely and fairly. Even as technology gives us wings, we must work hard to remain grounded, relevant and real.

Obviously, I can speak in broad strokes about the media in general, but my area of expertise is television, specifically public television. And it's on that medium that I'd like to concentrate today.

In the same breath, however, I should qualify that statement. It's probably more correct for me to say that up until now, I've been working in what has traditionally been known as television. In the television business, the task has been to create programs according to well-established conventions and to put them out there over a single channel for viewers to watch according to a set schedule. But I probably don't have to tell you that with each passing day, that paradigm is fading into the past. Now we're entering a time when the viewers are becoming the programmers, choosing what they want to watch, when they want to watch, using an astonishing array of media -- TiVos and DVRs, on-demand services, podcasts, cell phones, PDAs, streaming videos on the Internet, and who knows what other fantastic device they're going to invent next week.

You know, 50 million U.S. households now have broadband Internet service. Almost 200 million people have cell phones. By one estimate, some 10 percent of those cell phones have some video capacity, and that percentage is expected to rise exponentially in the coming years. Of course, the iPod has become a ubiquitous part of so many American's lives these days.

Over the past several months, the commercial and cable networks have been relentlessly revamping their business models to take advantage of the new multiplatform world we live in. You're probably aware of many of the recent developments, but let me just remind you of a few: Apple's announcement last October that it would sell episodes of "Lost" and "Desperate Housewives" on iTunes; Disney's decision last month to start streaming those same shows on its

website. Just last week, Discovery also announced a deal to offer some of its programs on iTunes as well. NBC Universal has added video players to its homepage and is creating Web-only programs. Next week, amazon.com, until now an online retailer, will (introduce ?) a Bill Maher-hosted talk show that consumers can watch on the site. NewsCorps recently acquired the social networking phenomenon myspace.com and last week announced that it will distribute Fox's popular series "24" through the site. That announcement followed on the heels of CBS launching a broadband channel called Innertube, which will create series specifically for the Web as well as material that CBS has already broadcast on TV.

When Innertube was announced, the president of CBS Paramount Network Television, Nancy Tellem, was quoted as saying, "We want our content to be all the places our viewers are, and they're certainly on the Internet." Indeed they are, often at wildly popular sites like YouTube, Friendster, Facebook and the aforementioned MySpace. If you don't know what I'm talking about, find someone that's under 30 or under 20 and they'll explain it all to you.

Many of these incorporate streaming video as a means of building community of like-minded individuals. At the same time, the big corporate Internet players -- Yahoo, AOL and Microsoft -- are all rolling out their own Web TV services. This is the revolution. And with apologies to Gil Scott-Heron, it is being televised. It's a bewildering time. It's hard to keep up with it all; but mark my words, it's full of promise for all of us.

John Sculley continues the thought I quoted earlier by stating that this revolution is one in which winning organizations will be those that give individuals the chance to personally make a difference. That's a notion that I find extremely encouraging, because if ever there were a medium fundamentally equipped to empower individuals, it is the one to which I and thousands of other Americans are dedicated -- public television, or what would be better called at this juncture, public media. And for those of us in public media who now, like you, are caught up in the whirlwind of change, I think the one thing we must do is keep our sites set on that which anchors us -- our mission to use the media as a tool for education and growth, for the betterment of individuals in our society.

You know, when I first started working at public television station Channel 13 WNET, 13 years ago, I was shown a video of Edward R. Murrow, who signed on the station, which was then called WNDT, which stood for "new dimensions in television." Sitting there before the camera, very basic studio, taped in black and white, the legendary journalist told the audience the only thing this channel will sell is the lure of learning; the only product they will push is the node of knowledge. Today, the band of black and white cameras have been replaced by miniature HD wonders, and public stations are sending out multiple digital streams from automated master controls into the 500- channel universe. But Murrow's eloquent words still guide us. Even as the technological future comes rushing at dizzying speed, our traditional mission, half a century old, is the constant star by which we continue to set our course.

So our task now is to take our essential, vital mission and carry it into this electric future taking shape around us, because frankly, no one else out there is going to play the special role we play in the media landscape. I could tell you so many stories of people's lives that have been changed by public television -- accomplished artists who were inspired by the one and only place on the

airwaves that provides real time for performance programming. I could read you letters from teachers full of gratitude who use public broadcasting programs and resources to bring new energy into their classrooms. I could tell you about adults who have discovered new interests and new perspectives from public television series, and still others who have learned to read through public television's adult literacy services. I could quote you the countless viewers who thank public television for providing a respite from the raucous clamor that characterizes so much of commercial media today. These people cherish public television.

I've met and heard from so many of them over the years through my time at WNET and I have to believe that those I know about are just a small percentage of the great numbers of people out there across America that are counting on us. It is these people that I want to focus on in this new job. It is these people that I'm trying to evoke as I work alongside my colleagues at PBS, the management and staff of our member stations around the country. They transcend the technological revolution and it is in their interest that I and my colleagues must figure out how to transition the mission of public television into this new era of new media.

So, how might we do this? Well, I think it's logical that we start by focusing on our strengths and our unique differences -- those things that public television offers that sets it apart from all other media purveyors out there. Foremost among these characteristics is our local connection. Localism is our calling card, cuts to the heart of who we are and what you have at a local station. And at a time of unprecedented media consolidation, real media localism rests in our hands. So for viewers in Los Angeles, PBS station KCET's recent documentary about how climate change is affecting California's water supply is a uniquely valuable contribution. Or when Maryland public television's weekly "Direct Connection" presents a documentary on Baltimore-area Holocaust survivors, as it did last month, it offers uncommon insight into the Baltimore community.

But I'm not just talking about local productions. I'm also talking about the ability of each public television station to choose the national programming that best fits the needs of the viewers they serve. In Tucson, for example, where the University of Arizona is one of the city's major employers, PBS station KUAT airs two episodes of "NOVA" each Tuesday to help quench that community's thirst for science programming. And here in Washington, Sharon's station, WETA, serves politically minded citizens with a Friday evening lineup -- and I don't need to tell you, because I know you're watching every Friday -- that includes the "NewsHour," "Washington Week," "Inside Washington," and "Now." Each station in its own way gives its community what it needs.

Public television stations can do this because in many communities they are the only remaining locally owned and operated media operation. They're the only media whose owners live in their communities. And they exist not to profit from their neighbors, but to serve them. That's a great responsibility. It's one that I take very seriously and I know that my colleagues in America's public television stations do as well. It's a responsibility that I believe will be well served by the amazing technological changes we're witnessing. In other words, instead of worrying or fearing that the digital revolution is going to somehow make us obsolete or marginal -- we're not -- we need to fully realize that the capabilities of digital technology will actually allow us to take our service to a new level, to become even more relevant and appreciated by our constituents; or, as

one of my colleagues often says, technology has finally caught up with the mission of public broadcasting.

As you may know, digital bandwidth allows stations to offer several programming streams or subchannels over a single digital frequency. Many stations have already begun to explore the possibilities of these digital channels, offering services that focus on specific audience segments and that lets stations get more programming out there.

The digital services "World" and "Create" from WNET and WGBH, the PBS stations in New York and Boston, are great examples. "Create" is a channel that focuses on personal interest series and lifelong learning; "World" is a channel that brings together news and public affairs, science, nature and documentary programming.

This past January, American Public Television, which is a distribution service, launched "Create" as a national service with a number of public television stations around the country -- actually about 60 percent -- so that viewers in communities from coast to coast can enjoy that service. And I'm pleased to announce that early next year, PBS will launch "World" as a national service as well.

This fall PBS will introduce "PBS Kids GO!," a digital channel aimed at 5- to 8-year-olds. And later this year we'll see the launch of "Viva," a 24-hour Spanish language public television station.

Of course, I should also mention the success of the recently launched "PBS Kids Sprout" and "PBS Kids Sprout on Demand," which are cable and satellite services offered through a number of stations through a partnership with PBS, Comcast, Sesame Workshop and HIT Entertainment.

Last year, through John's good work and those of his staff, the Association of Public Television Stations, PBS and the National Cable Television Association reached an historic agreement that guarantees every major cable system in the country carry both the analog channel and as many as four streams from at least one public television stations.

Now, APTS and PBS are attempting to negotiate a similar arrangement with the American Cable Association, as well as with satellite and telecommunications providers. I'm hoping we'll succeed, because with those agreements in play, public broadcasters will be positioned to make the most of the digital multicast assets to provide a whole level of service to their viewers.

So offering new program services over a digital spectrum is one way the digital technology is helping us to enhance our mission in the 21st century. Another way that we're creating opportunities is through video-on-demand.

I'm pleased to announce that PBS and WGBH are launching a major new national initiative in partnership with Cable Positive to offer up the four-hour "Frontline" series, "The Age of AIDS" as the national video-on-demand offering to coincide with the broadcast premier next week. Thanks to VOD, we are estimating the series will be available to tens of millions of viewers -- a great public service contribution, indeed.

I'm also pleased to announce that local public television stations will now have the option to extend local content now being offered on VOD with the following national series: "The NewsHour," "Frontline," "Antiques Roadshow," "Nature," "POV," "Nightly Business Report," "Tavis Smiley," "Washington Week," "NOW" and "Wide Angle." If, as I believe, quality is going to be the determining factor for how people choose what to watch in a universe of virtually unlimited options, we're going to be there to ensure that the quality is there with our greatest programming available on demand.

But this, I don't think, will be an attraction just for the general public. I expect it's going to be a truly valuable resource to educators, students and lifelong learners. That's why I'm also very excited about the licensing partner we announced last week between PBS and Discovery Education. Through this partner we have licensed hundreds of hours from our most acclaimed PBS series and specials for distribution to schools through Discovery Education's digital learning services. This kind of offering is key to our mission. And now, more than ever, I believe it's an area of work we must foster.

You know, until recently, where educational children's television was concerned, we were the only players sitting at the table. But now, commercial and cable providers have realized that kids are consumers, practically from the moment they emerge from the womb. And the reality is that younger and younger kids are becoming users of technology. So commercial programmers are piling on to see some content and incidentally sell them product over multiple platforms.

So I believe that public broadcasting has an obligation to provide them and their parents with a viable educational alternative in a multiplatform world. Children's television is the birthright of PBS, and parents, teachers and caregivers are looking to us to build upon our heritage as a safe haven for kids. And we have the quality: The recent truckload of daytime Emmy's we pulled in is testament to that. Now we need to ensure that we have the reach.

Last fall PBS announced the five-year PBS Kids Next Generation Media Initiative. With this effort, we've revised the children's schedule to better meet the developmental needs to children and premiered "It's a Big, Big World," which introduces geography and science to preschoolers.

Last month we convened the Media Advisory Board to the initiative, consisting of distinguished leaders in education, child development, child care, media, technology and other fields. This month we're premiering "Fetch," which focuses -- another kid service which focuses on hands-on science for elementary school children. Later this year, we'll launch the "PBS Kids" multiplatform environment and the "PBS Kids GO!" 24-hour multicast service, which I announced earlier.

We'll also be premiering our favorite, "Curious George," which gets preschoolers involved with math and, believe it or not, engineering concepts. And on the Internet, pbskids.org, pbskidsgo.org, and pbsparents.org are all expanding their offerings. All told, this is a powerful and comprehensive project to maximize the power of public television for young people today.

But I believe our commitment to education must go beyond the television and computer screen. PBS has always set itself apart from commercial media by taking its programming into the

community. Our partnerships with teachers, schools and educators aren't just theoretical: they're real human connections. And as we look for ways to reinforce our relevance and strengthen the unique character of our institution, we must continue to enhance those relationships in ways that serve today's educational climate.

One fabulous example of this was the recent celebration of teaching and learning that WNET and WLIW held in New York City in March. The event brought together thousands of educators, teachers, parents and students for two days of professional development and community building. Not only did it greatly benefit the participants and contribute to a stronger educational environment in the New York tri-state area, it resulted in wonderful visibility for the educational services provided by public television. It's the kind of event that could take place in any community nationwide.

Finally, let me talk about PBS's national programming. At the risk of sounding contradictory, based on everything else I've just said, I want to be clear that our broadcast air -- and especially our primetime efforts -- remain central to our work. Even as media evolved in myriad directions, our legacy broadcast business will continue to be dominant for many, many years to come. So it will be necessary for us to lend equal attention to both sides of this emerging equation, in a delicate balance between old and new.

For the foreseeable future, our prime time programming remains the backbone of our medium. It's a programming that reaches the most people and leaves the most widespread impression. And it's the area of our work that sometimes brings out our contradictions. On the one hand, we don't exist to chase ratings, or as the great Bill Moyers put it, we're the one channel that measures success not by the numbers who watch, but by the imprint left by those who do.

At the same time, we are a mass media enterprise and so we do need an audience. So it's encouraging that our numbers are holding their own. PBS's primetime ratings continue to be competitive and outpace almost every cable network. Moving forward, we will seek not only to maintain that trend but build new audiences, not just as measured by Nielsen but across all those new platforms about which I've just been speaking.

In this regard, as we look to bolster and foster our national programming, we need to cultivate our inherent strengths. We need to focus our efforts on creating defining work for public television. You know, in my early days in this job, I've often been asked about -- in fact, even today at the reception before lunch -- about my own thoughts about our programming. And while I'm not the chief programming executive for PBS, I do have my own personal opinions about the areas of our schedule that I believe are truly unique. And to my mind, the standouts are public affairs and the arts.

As far as news and public affairs go, we have a sterling reputation. The widely cited Roper poll showed that for the third year in a row, PBS remains the most trusted institution in the U.S., above even governments and courts of law.

Academy Award-winning actor, Richard Dreyfuss, a great friend of public television, recently went on the record as critical of the trends in public affairs media today. He said, "There's no

room to pause, no room to think." He lamented a media that seemed obsessed with delivering instantaneous news and images but that provide too little context for audiences to reflect and understand what's happening in the world.

The antidote for that, of course, is public broadcasting. As the news media become ever more frantic and sensational, we have an increased duty to hold our ground and to provide a calm, reasoned, objective alternative. As for the arts, this is an area where we have no rivals. When viewers look for philharmonic concerts, ballet, opera, drama, recitals, discussions of the fine and visual arts, they have exactly one choice: public television.

This is highly valuable stock that we own. We must take advantage of our uncontested leadership position in providing arts and performance programming to America. We have the power to build audiences for the wonderful material coming out of America's theaters and concert halls. And indeed, in many ways, America's artists and artistic institutions are depending on us to fulfill that role. So we're looking hard at ways to strengthen our arts programming.

Of course, we continue to maintain our enviably high standards for history, nature and science content as well, as that is among our most popular programming.

Now, creating great content and delivering it over multiplatforms is not going to be cheap. The initiatives I've mentioned, and others to come, carry price tags. So you may be sitting here now thinking, well, how are they going to pay for them?

Last year, I was one of the founding directors involved in the launch of the PBS Foundation. Executive Director Cheri Carter is sitting at the back of the room. I'm pleased to announced that we've raised just over \$14 million so far, and I'm hopeful that little by little, we'll be able to build up the resources to finance our exciting push into the digital age.

Perhaps our most significant source of funding is the money we receive from the federal government. And I'm working very closely with Patricia Harrison at CPB, John Lawson at APTS, and NPR's Kevin Klose to make the most effective possible case for federal funding for public broadcasting.

There's probably never been a more important time for these four organizations to be aligned and I'm encouraged about our prospects of working together and keeping our funding base strong.

You know, it's been said we can't walk backward into the future, and that's very true for public media today. We're looking forward with confidence in our mission, as we must. Above all, I believe we must continue to hope about our ability to make a difference in a startling new world.

The great reformer, Vaclav Havel, a man who knew revolution all too well, said that either we have hope within us or we don't. It's a dimension of the soul and it's not essentially dependent on some particular observation of the world or estimate of the situation. Hope in this deep and powerful sense is not the same as joy that things are going well or willingness to invest in enterprises that are obviously headed for early success, but rather, an ability to work for something that is good, not just because it stands a chance to succeed. The enterprise of public

broadcasting has always been about that kind of hope. Those of us who work in this business do it because it's good. It's necessary and our country is the better for it. But I'm confident that we'll succeed as well if we just keep our eyes on the prize.

Living in an age of revolution is tough. It's a constant challenge for everyone, but especially for those of us who are committed to an enduring and timeless mission like the one that Ed Murrow declared for us nearly half a century ago when our enterprise was in its infancy. We may no longer be in public television, at least not in the conventional sense. Now it may be better to think of ourselves as public media. But whatever we call ourselves, the public will continue to come first in our name and in all that we do.

Thank you very much. (Applause.)

MR. SALANT: I'll remind you, if you have questions for our speaker, please write them on the cards at your table and pass them up to me and we'll ask as many as we can.

Let's begin with the question of bias. Has that issue been put to rest, and if not, how do you address it?

MS. KERGER: I think that issue has been put to rest. As I said in my speech, we are working very closely together with all of our national organizations. And I think, you know, coming from a station in New York, WNET, and being responsible for its broadcast schedule, this is an issue that is very close to my heart, because I look very carefully at the schedule to ensure that we serve the many voices of this community and of our country. And I think we're doing an awfully good job of that.

MR. SALANT: What is PBS's target demographic? Does that demographic change or do you change your programming to change, as different people move into a particular age?

MS. KERGER: Well, we have a lot of viewers that are under five. And we have, actually, a lot of viewers across the spectrum. One of the things that I think sometimes people think about public television, they have a notion of what the public television viewer must look like. And if you look around this country, you see who the public television viewer is.

For those of us who have had the privilege of spending time on the air, which I have, and are recognizable -- at least in my community in New York, I was -- people came up to me on the street all the time to tell me about the programs that they watched and the programs that they valued.

And it was always extraordinarily heartening to me -- and of course, they always had opinions and were always very quick to share the programs that they enjoyed and the programs that they took issue with. But it's that kind of engagement that makes public television so extraordinary.

MR. SALANT: What efforts are PBS making to attract younger viewers? And along those lines, is there a place for PBS programming among teens and twentysomethings?

MS. KERGER: That's really an excellent question, because it's one we've struggled with for a long time. You know, when we had our single broadcast outlets; we had to make very hard choices about what audiences we could serve. And so we would try to look at our overall schedule and make decisions about our broadcast day based upon serving lots of different communities.

During the day, for example, most of our public television stations air seven or eight hours of programming that's geared towards school-aged children. If you do that, then obviously you're making a decision not to program for slightly older children. And so one of things that's so exciting about this new multiplatform landscape that we're living in is that we're creating content now not only for multiple broadcast platform -- like the "PBS Kids GO!" service is just one example, but we're also developing content specifically for the Web. We have a Web project called "Echo World," which is geared towards slightly older kids.

And we also have the opportunity, I think, to engage even slightly older viewers -- older meaning early 20s -- in ways that -- I know, we're all aging quickly, aren't we? -- in ways that I think that are quite compelling and interactive. We have content that we have been involved with for many years that I know would engage younger viewers. And now that we have the capacity to reach them, whether it's through podcasts, whether it's through streaming, whether it's through the Internet, it really does give us the opportunity.

You know, one comment before I turn the podium back to you, is our series, "Frontline" has now on its website the last three seasons of programs. And this is totally unscientific, but as I have been traveling around over the last 10 weeks really trying to get an understanding of our business and the different parts and pieces, I've talked to some many people who -- younger people -- who have told me that they are almost exclusively watching "Frontline" online at the time that's convenient for them.

So I do think that as we think, moving forward, about how to use these different platforms, I think one of the really great outcomes is being able to reach and serve a much broader audience than we ever have before.

MR. SALANT: Given the federal budget deficit, do you fear that federal funding of PBS will diminish in the future, and if so, how do you intend to address it?

MS. KERGER: Well, we do a lot of work with our member stations. And I have actually known John for many years, because when I was at a member station we were very actively involved in making our case to the Hill.

The truth is that public television is a very good use of federal money and that for slightly more than \$1 per person per year, we're able to deliver extraordinary content and leverage it many times over through private philanthropy, through partnerships with corporations and foundations.

And in the study -- the Roper study that I cited a little while ago -- one of the other questions in that study is a question about how the American people feel about their investment in public

broadcasting in federal dollars. And in fact, we rank at the very top, actually number two. Military is number one and funding of public television is number two.

And so I think building on that kind of support amongst the hearts and minds of Americans and working closely together with the extraordinary leaders of the four national organizations -- Pat Harrison at CPB, Kevin Klose at NPR, John Lawson at APTS, and the great bands of volunteers around the country -- I'm very confident that we'll be successful in maintaining our funding.

MR. SALANT: As programming on commercial and cable stations for young children increase, do you see that there's competition for PBS? If so, is this beneficial or harmful to kids?

MS. KERGER: Well, I think that there certainly is a lot of programming now geared towards younger and younger children. And in fact, the news announcement last week of the new 24-hour service, mybaby.com, which is geared for infants, which I've watched; it's available right now on DirecTV -- was another reminder that there are a lot of people moving into children's programming. But not a lot of people are moving into educational children's programming, and I think there's a key difference. You know, there are a lot of people doing good work in commercial television.

There are people doing good work in kids' programming for commercial television, but at the end of the day, those companies are going to evaluate their success based on delivering against the bottom line. And so for us, when we start down a path with trying to create new children's programming, our first goal is not to deliver against the bottom line; it's to figure out what needs need to be served and how we can fit those needs.

Last week Pat Harrison and I attended an all-day meeting that was conducted by the Department of Education on the issue of math and science literacy for girls. I'm not sure that there's a commercial broadcaster that's going to take up that mantle and try to really focus on how we can get girls ready for school and prepared for math and science literacy and how we can use the resources that we have in public television to enliven that education process. That's our role.

And I think that as we stay focused on our core mission of serving the educational needs of our kids, we will do well.

MR. SALANT: Twenty-five years ago, this questioner writes, PBS arts programming was considerably larger than now. The last five or six years, according to this person, arts programming has accounted for just about 20 percent of PBS total programming. Do you have any plans to increase the amounts of arts programming?

MS. KERGER: I certainly do. I am deeply committed to the arts. I've had the wonderful experience of meeting so many people whose lives were touched by arts programming. My first in ballet was watching television, actually watching Edward Villella dance "The Nutcracker." And it changed my life. And I met a young man a couple years ago when we were working on a "Great Performance" project with the San Francisco Ballet with one of their principal dancers. He's also, and I think most importantly, a teacher of young dancers. His first exposure to ballet was watching it on public television. He was doing street dance as a teenager in the streets of

New York and he had never seen ballet before, and he saw this performance; he enrolled in a high school for performing arts and he's now the principal dancer at the San Francisco Ballet.

And as I said and not only is he dancing and touching other people's lives, he's now teaching young people. So just think of one broadcast on a public television station and the transformational power of that.

So I am passionate about the arts. I am passionate about how it serves our community, not just in bringing joy and culture into our lives but how it opens minds. And one of the priorities for our foundation is to try to raise some arts programming money -- because at the end of the day, that's what it always comes down to, unfortunately -- is trying to figure out how to afford to make these kinds of programs, and that's one of our big priorities for the next couple years is to really put together a corpus of money so that we can in fact bring the best of the performing arts halls from around this country to every corner of this country.

MR. SALANT: How do you envision the future of public affairs and news programming on public TV, especially in a polarized, multichannel world?

MS. KERGER: Well, I think that where public television always distinguishes itself is that it is calm, it is thoughtful, it is analytical; it's not shrill. I often look at what everyone else is doing in public affairs and I always want to flick the switch because it seems that at the end of the day, the goal is not to share information or to try to bring understanding around an issue. And we live in such complicated times that I think it's so critically important that we all do to try to understand what's happening in our world, but the way to do that is not to shout over each other and to try to win the argument of the day. And when you look at programs like the "NewsHour" that try to really drill down into what's happening in the world and why it's important, we have a series, "Wide Angle," that is beginning its run in a few weeks, and one of the pieces of that program is to connect the dots. So it tells very compelling world stories but then at the end of the program it explains and why this is relevant to us.

And so I think that is a role that public television does so well and is important for us to focus on moving forward.

MR. SALANT: With public affairs and news being such an important mission, why not put more resources into it?

MS. KERGER: Well, we're putting a lot of resources into public affairs right now and so if you lay the two questions together, why aren't we doing more in the arts and why aren't we doing more in public affairs, what we're trying to do -- and then why aren't we doing more in kids' programming -- (laughter) -- anyone has a check? (Laughter.) I think the answer is that we need to grow our funding pie obviously and we need to really expand the work that we're doing in all areas and to do that we need to have the resources to do it.

You know what? When I worked at a producing station, one of the hardest things for me were the days that you had to sit across the desk from someone that had the most extraordinary idea and know in your heart that it was never going to happen because you didn't have the money to

make it happen. And so we beg, borrow -- we don't steal. We try to extend the resources that we have as deeply as we can. We try to really shore up our work. And I think that if we're able to bring more resources to the table, which I'm confident we will, then I think we'll be able to deepen our service to the American public and do more public affairs programming.

MR. SALANT: How has PBS' role changed after 9/11? Do you feel a special responsibility now to inform the public on issues of public safety and security?

MS. KERGER: I should let you answer this question, John.

We've been very involved in an area that is not so readily apparent to the average viewer and that's because it's not over-the-air television. We have worked with a number of our member stations on some homeland security projects using a piece of our broadcast spectrum in order to communicate data. In the case of New York -- I'm sorry I keep using New York examples. I've only been on this job 10 weeks so most of my firsthand experience is from New York. We used a piece of our broadcast spectrum as part of the pilot project for first responders. After 9/11 we worked with the fire department and the police department and the EMS to try to figure out a way that we could use our spectrum in two-way communication in order to help first responders get data at the time that they need data. And if you remember during 9/11, that was one of the most critical issues at the World Trade Center was not being able to get information to those who needed it most.

John Lawson, through his colleagues at APTS, has worked with a number of our member stations, and in fact, has done some pilot demonstrations here in Washington to show the use of this technology in two-way communication. It is not the key part of our business, for sure, but it's an important part of our business, and if we can use a piece of our broadcast spectrum to serve the public good in this profound way, then I think that that's what we need to do.

MR. SALANT: It was interesting to hear you say, according to this questioner, that you expect "Frontline's" upcoming program to reach an audience of tens of millions through video on demand. Can you tell us please what PBS will do to build an audience like this with such a new technology?

MS. KERGER: Well, you know it's interesting, when you work with filmmakers who put their heart and soul into a project -- and sometimes in the case of this particular series, which was in development for six years -- you have this amazing body of work. And in our old business, before the advent of all this technology, the program would air perhaps a couple of times on public television stations around the country, and if you were really successful, maybe you'd get a, you know, I don't know, 2.0 rating. And so that means that -- and you were always excited about that; think of how many people we reached with this program.

But then you thought about the other 98 percent of the audience that never saw the show, and oftentimes, you know as I would travel around and I would talk about some of the great work that we had done -- in audiences just like this, someone would come up to me and say, "You know, that program you described sounded so wonderful, I wish I had seen it." And so "Age of AIDS," which is I think a critically important series, then has an opportunity to be shown several

times on the public television station and then will sit on cable systems on an on-demand part of the system for two weeks after the series. So I think -- and it's available in streaming video form on the "Frontline" website, where it will stay for, I don't know, a long time. As I said, they have three years of "Frontline" that are up there now.

So the opportunity after the series broadcast -- hopefully there will be a lot of press and awareness of the series -- people will be able to see it in broadcast form or video-on-demand form. And then hopefully, the series will be here -- I attended an event actually at the Press Club yesterday with a number of community leaders talking about how this series could be used in communities around the country for education purposes, either as a whole four-hour series, which it is, or broken up into pieces, and then to have that sitting on a website where it will sit for an indefinite period of time so the people can access the content and use it.

Think of the power of that. And think of other types of programs that could profoundly impact, frankly save lives, and it's used. And that I think is what public television is at its best, and that's why some of you who may still be thinking, why did she spend this whole time talking about new technology platforms, this really does enable us to serve the public in such a profound and deep way, much deeper than anything that we've ever envisioned. And that's why I'm so excited and that's why my colleagues in public television are just so excited about what the future represents for us.

MR. SALANT: What is your opinion on the effort in Congress to increase the fines for indecency, and has congressional concerns and the concerns of the Federal Communications Commission had any impact on PBS programming?

MS. KERGER: Thank you for building up to the hard questions. (Laughter.) The issue around indecency is one that we're very concerned about in public television. One of our member stations, a very small station in San Mateo, California -- which let me describe this station. This is a station that is affiliated with a community college. It actually does no children's programming; it runs college telecourses during the day, and it runs primetime programming in the evening. They have been fined by the FCC for broadcasts of Martin Scorsese's epic work, "The Blues," for the use of what is deemed inappropriate language by two blues musicians in describing their work. That case is -- papers were filed in that case two weeks ago.

Right, Katherine (sp)?

And the chilling effect that a ruling like that could have on us is huge. Now keep in mind -- and, you know, you're all in this business so that you understand -- that had this same program aired on cable television, there are no restrictions. This program was clearly labeled as adult content. And still, we are navigating through what could be not just the fine itself but also a mark against the station which could come back to haunt them during license renewal.

So the documentary film community is very concerned about the impact this ruling will have on them, and we share that concern and we are working very closely -- our general counsel is sitting on the other side of the room, that's who I'm looking at -- working very closely with that station to defend their position.

The challenge with the FCC's rulings is that they're not consistent. So in one case, you have a situation where you have an extraordinary film, "Saving Private Ryan," which is fiction, where you have people using the same language, which was allowed, and then you have a documentary about real people talking in their real language, which is not allowed. And so how do you navigate through that? And I think it's a huge public policy issue for our country and we look forward to a resolution of this issue because we feel that it is critically important.

MR. SALANT: PBS is notable for its commercial-free programming. As you migrate to the Web and other new media, do you plan to ban popups and other ads, or will you look like any other commercial television site?

MS. KERGER: Well, we're all navigating through this same world at the same time, and obviously the Web is a slightly different environment. I think as we navigate through we also need to bring resources in to answer the questions of why aren't you doing more public affairs and more kids or more arts programming.

But we have the precedent of our broadcast air and I think we are using that as a guide star as we start to navigate through what our policies will be for what we're able to do on the Web. And I think that that is -- we're working with our member stations that are helping to guide us as to what we should do or not do in terms of ad support on our websites, and we look forward to entering this world with everyone else.

MR. SALANT: Another Net question. Given the popularity of pbs.org, what are your views on Net neutrality?

MS. KERGER: I actually don't have a comment on that to share with you.

MR. SALANT: Why won't PBS show the same programs at the same time on all of its stations -- (laughter) -- like other networks do?

MS. KERGER: Well, you know it's interesting. Our greatest strength is -- I think it's our greatest strength -- is sometimes viewed as our greatest weakness, because at the end of the day -- you know, we've had all these discussions about who controls public television. And who controls public television are all the local stations and local communities. It makes us an amazing organization. We're different than any other network that way. And in fact, we're not a network. And we come together -- you know, the stations all come together and the members of PBS because they've agreed to bind themselves together. And so in terms of programs, the stations for many programs agree to run the same programs at the same time because they know that by doing that, it will help us bring potential underwriters into public broadcasting and help us also in advertising, when programs will be seen, so we do all have a common benefit to it.

But at the end of the day, a program that may be tremendously resonant in Peoria may not be the same program that's tremendously resonant in Washington. And so we want our local stations to have the opportunity to make decisions based on what serves their communities. So what we hope they do and what in fact they do is that a big core of our broadcast schedule is pretty much the same around the country, but we still want to respect stations' rights to do something

different. So every notice for public television program that you see advertised always says at the bottom, "Check local listings." And that's a nod to that. And I think for the most part stations do agree that a certain number of programs on at the same time around the country does serve us well, and that's how we operate.

MR. SALANT: Before we ask our last question, I'd like to present you with the official National Press Club coffee mug -- (laughter) --

MS. KERGER: I'll treasure it always.

MR. SALANT: -- thank you -- and a certificate of appreciation for appearing here today. Thank you very much.

MR. KERGER: Thank you very much. (Applause.)

MR. SALANT: For our final question, what do you watch when you have a chance to turn on the TV at home? (Laughter.)

MS. KERGER: That's the trick question. I actually watch a fair amount of television and I don't only watch public television, but I always go first to public television to see what's on. The thing that's extraordinary about public television is you never quite know what you're going to get when you turn on the dial every night. And because we always do our programs well in advance, sometimes I forget what's on the night before. It's always exciting; it's always stimulating. My favorite program -- this is like actually having to name your favorite child, right? -- (laughs; laughter) -- is I do love the arts; I do love public affairs; nature happens to be very close to my heart; I do love science. "NOVA" is important. I like a little bit of everything. And I think that's why public television is the special resource that it is.

MR. SALANT: Thank you very much. (Applause.)

I'd like to thank everyone for coming today. I'd also like to thank National Press Club staff members Melinda Cooke, Pat Nelson, Jo Anne Booze and Howard Rothman for organizing today's lunch. And thanks to the Eric Friedheim National Journalism Library at National Press Club for its research.

We're adjourned.

(Applause.)

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