

**Spring 2007
Industry Study**

Final Report
News Media Industry



ICAF

The Industrial College of the Armed Forces

National Defense University

Fort McNair, Washington, D.C. 20319-5062

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 2007		2. REPORT TYPE		3. DATES COVERED 00-00-2007 to 00-00-2007	
4. TITLE AND SUBTITLE 2007 News Media Industry				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) The Industrial College of the Armed Forces,National Defense University,Fort McNair,Washington,DC,20319-5062				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 28	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

NEWS MEDIA 2007

ABSTRACT: The ability of US citizens to freely express their views and opinions is a gift we must never take for granted. A key means by which our government and citizens communicate is the News Media. This critical industry is now experiencing tremendous change. Technological advances have led to an explosion in communication media that now provide consumers more news options than ever before. Traditional media such as newspapers, television and radio are being forced to develop digital media in order to maintain and attract a wider customer base. Historical advertising and business models are no longer adequate, but finding a replacement has proven difficult. This critical industry will survive the challenges of today, but the future state of the industry remains uncertain.

Ms. Janet Anderson, Defense Intelligence Agency
COL Florentin Buhos, Romanian Armed Forces
Mr. Ed Celentano, The Boeing Company
MG Yadmaa Choijamts, Mongolian Armed Forces
Ms. Iris Cooper, Dept of Transportation/Maritime Administration
Col Ed Daniel, US Air Force-ANG
Ms. Nhu-Nga Do, US Navy
Ms. Tara Feret Erath, Dept of State
LtCol Yori R. Escalante, USMC
Mr. Paul Guinee, USCG
CDR James Landers, US Navy
CDR Joe Mahan, US Navy
Col BJ Marshall, US Air Force-ANG
COL Bill McCarver, US Army
Ms. Shelia Moyer, Dept of State
CDR Aaron Stanley, US Navy

CAPT Eric Myhre, US Navy, Faculty
Col Theodore Ogren, US Air Force, Faculty
Lt Col Sean Herr, US Air Force, Faculty
Dr. Gerard McCullough, Faculty

PLACES VISITED

Domestic

ABC News, NY, NY
 Al Hurra, Springfield, VA
 Al Jazeera, Washington Bureau, Washington, DC
 America Online, Dulles, VA
 American Press Institute, Reston, VA
 Bloomberg News, NY, NY
 CBS Radio Network, NY, NY
The Colbert Report, NY, NY
 Columbia University, Graduate School of Journalism, NY, NY
The Daily Show, NY, NY
 Deutsche Bank, NY, NY
 Discovery Communications, Silver Spring, MD
 Foreign Press Center, Washington, DC
 Fox News/News Corp, NY, NY
 Freedom Forum, Washington, DC
Military Times, Springfield, VA
 Nielsen Media Research, NY, NY
 Office of the Secretary of Defense, Public Affairs, the Pentagon, Washington, DC
 US Navy Office of Information, the Pentagon, Washington, DC
The New York Times, Washington Bureau, Washington, DC
 Reuters America, NY, NY
 US News and World Report, Washington DC
 Voice of America, Washington, DC
The Wall Street Journal Online Edition, NY, NY
 Walter Cronkite, CBS News, NY, NY
The Washington Times, Washington, DC
 WTOP and Washington Post Radio, Washington, DC
 XM Satellite Radio, Washington, DC

Mr. Craig Crawford, Blogger and Political Commentator
 Mr. Tom Rosenstiel, Project for Excellence in Journalism (PEJ), Washington D.C.
 Dr. Joseph Campbell, American University School of Communications, Washington D.C.
 Dr. Dan Kuehl, National Defense University, Washington D.C.
 RDML (Ret) T. McCreary, National Counterterrorism Center
 Mr. Sid Davis, Former Director VOA, and Former Washington Bureau Chief, NBC News
 Col (Ret) Jack Jacobs, MSNBC, NY, NY
 Mr. Frank Finver, US Department of State, Washington D.C.

International

Hurriyet, Istanbul, Turkey

Milliyet, Istanbul, Turkey

NTV, Istanbul, Turkey

Turkish Daily News, Istanbul, Turkey

Yeni Safek, Istanbul, Turkey

Zaman, Istanbul, Turkey

Karoui & Karoui World, Tunis, Tunisia

Tunisian External Communication Agency, Tunis, Tunisia

Roundtable with Tunisian print and broadcast journalists, Tunis, Tunisia

US Embassy Tunis, Tunisia

Tunisia Institute of National Defense, Tunis, Tunisia

British Broadcasting Corporation World Service, London, England

The Economist, London, England

Financial Times, London, England

The Guardian, London, England

Ministry of Defense, London, England

SKY Television, London, England

Strategic Communications Lab, London, England



Introduction

The US constitution provides two of the greatest democratic ideals given to mankind - freedom of speech and freedom of the press. Since our nation was founded, our media has been unencumbered in its drive to express the thoughts, feelings and concerns of the common man. For several hundred years, our citizens have been the beneficiaries of an institution that, vital to our national security, performs an array of services ranging from entertainment to news delivery to shaping the political landscape. The news media industry is in a state of unprecedented change. Despite the fact that Americans enjoy access to more information than ever before, there is growing uncertainty among media providers over technology development and employment, journalistic credibility, industry profitability, day-to-day business operations and even the future of the industry itself. As technology has matured, so has the speed and means by which businesses, citizens and news providers communicate. The internet has also introduced new challenges in the areas of advertising, editing, reporting, and in addressing even the most basic question: what is a journalist? In today's world, anyone with the right equipment can become a source of news for others. The news media industry is rapidly becoming saturated with a blend of traditional and highly sophisticated delivery mediums. Not only have traditional media outlets moved to digital editions, but the web has spawned a new breed of content creators that shifts the burden of news selection from the venerated editor to the consumer. Competition for readers and viewers has never been more intense. Likewise, we are at a critical juncture in our nation's history, where government officials need to hear clearly the concerns of the American people, and use them to effectively execute the informational component of national power. Strategic communications has a critical role to play in safeguarding our nation, and the news media industry is the mechanism by which our citizens and our government can be heard. The aim of this paper is to provide a broad overview of the current conditions and challenges affecting this critical industry. In discussing many of the challenges that the industry is facing, we will also provide some insight into its shape and function in the future. As the news media environment is ever-expanding, we have chosen to center our analysis on five specific market segments: broadcast television, cable television, newspapers, radio and the continuing emergence of the internet. Each market segment will include an analysis of current conditions, challenges, future outlook, and an international perspective gained while visiting with media outlets abroad.

The News Media Industry Defined

To say that the news media industry is difficult to define is a profound understatement. As stated earlier, we chose to define the industry by five market segments; however, technology is blurring the boundaries and increasing the complexities facing the industry in its entirety. Corporate pressures, convergence of media types, rapidly evolving technology, changing consumer behavior, and traditionalists ensconced in the ways of the past all contribute to a tumultuous industry seeking a new equilibrium. There is ample evidence that the emergence of the internet as a disruptive technology has changed not only the way news and information is distributed, but it has also seriously affected the creation of the news. The news is no longer the divine providence of a small group of educated and elite who create and distribute information *they* believe important to society. Now '*we*, the people' are empowered to participate and decide what is important. Transcending the print, and the one-way transmit of radio and television broadcasting, the internet holds promise for a redefinition of news and by extension, democracy.

Interactivity in the news process may yield a broader public participatory role in governmental decision making.

On the hierarchical scale of employment, journalism falls somewhere between a trade and a profession. There are no certifications or licenses required to practice journalism, although in many news locations access is limited to only those with official press credentials. Additionally, no formal schooling is required to be a journalist and the First Amendment freedoms of both press and speech provide journalists broad protection for content of the stories they write. So how are standards maintained? In their book, *The Elements of Journalism*, journalists Bill Kovach and Tom Rosenstiel detail nine essential principles of the theory and culture of journalism that were derived from an extensive research project examining journalists and their practice (2001). While all nine elements are recognizable as worthy standards for journalists to follow and for *the people* to expect, the authors suggest: “The first among them is that the purpose of journalism is to provide people with the information they need to be free and self-governing” (Kovach & Rosenstiel, 2001, p 12). Indeed, if not for journalists and their stories how can we be informed of the world beyond our own personal experiences? By following this code ‘of sorts’, and striving in most cases for honesty and credibility, journalists attempt to write the stories people want to...or at least, *should* want to read.

The question is; will the best of news, the truth, survive the turmoil? “Democracy, remember, has already survived the huge television-led decline in circulation since the 1950s. It has survived as readers have shunned papers and papers have shunned what was in stuffier times thought of as serious news. And it will surely survive the decline to come” (Who Killed the Newspaper, 2007, p 10). Eventually the business model will be redefined and the industry will morph to satisfy advertiser-consumer demands, but the story and the storyteller will remain the soul of the industry, independent of platform.

Broadcast Television News

Current Conditions

In the latter half of the 20th Century, network broadcasting was the primary medium by which the average citizen stayed in touch with the world around them. Today however, network news is struggling to find relevance in a world of 24 hour news operations. As the “big three” networks (NBC, CBS and ABC) compete for viewers and advertising revenue, they are also facing increasing competition from cable, satellite, and internet providers who are able to deliver the same content in a nearly continuous fashion. In the current news environment, most consumers have likely heard or read some variation of the news prior to the evening news broadcast.

Advertising remains the major cash generator for the network broadcast industry. The median age of a viewer who watches the evening news is now 60, well outside the 25-54 age demographic most desirable to advertisers. Of all the networks, CBS is the only evening news show that has shown steady growth in advertising revenue since 1999. Many believe that this growth is only explained by the fact that for years, CBS lagged so far behind the others, that by showing even a modest growth, it appears positive relative to the competition. On the other hand, the morning news segments of all three networks showed significant growth in advertising. Many experts attribute this growth to changing demographics in addition to clear increases in viewer ship for morning news programs.

Outlook

As long as ABC, NBC, and CBS continue to broadcast, there will be a place for news in the programming schedule. As the medium continues to evolve however, the manner by which the news is presented may change. Instead of analyzing the top news stories from the previous 24 hours, it may begin to resemble a news magazine type delivery or even a Sunday morning talk show format that mixes news with opinion. Regardless of how the news is portrayed, television will continue to be a key source of information for the American viewer. The proliferation of news delivery platforms has already markedly changed the way citizens and families experience the news. Gone are the days of families watching and discussing the evening news broadcasts together. Likewise, Americans no longer tune in to hear Walter Cronkite declare, "That's the way it is." Instead, today's news environment is a highly personalized affair, and one that likely includes a mixture of mediums.

Concerns over journalistic credibility are also becoming an issue for network broadcasters and may serve to undermine the impact or effectiveness of established broadcast organizations; the same as it is for any purveyor of news information. Viewer confidence in network broadcast reliability is at an all time low, and indications are that it will get much worse before it gets better. While this is a problem confronting many news providers, it should especially concern broadcast networks whose analysis of the news has traditionally been rewarded by a high credibility rating from its audience.

International Perspective

Network broadcasting, as it relates to an international audience, is heavily influenced by the originating country's rules and regulations governing the press and management of the channels of distribution. Turkey, Tunisia and England all enjoy broadcast news, and with the exception of the British Broadcasting Corporation (BBC), all are privately held with licensing provided by the originating country. The level of freedom related to content generation however differed markedly from one country to the next. In Tunisia for example, the government both directly and indirectly influences what is broadcast on the evening news. The government's justification for restrictions centered on the need to control the media in an effort to protect its citizens and defend against terrorism and political Islam. Meanwhile, in Turkey, there is much more freedom related to content, but it is heavily influenced by the ownership of the broadcasting company and that company's political affiliation.

Cable Television News

Current Conditions

In 1980, Ted Turner created the first 24 hour news network, CNN, which laid the foundation for the proliferation of 24/7 cable news providers including Fox News and MSNBC. Despite specialty programs and dynamic news personalities, the viewers of cable news networks declined between 2005 and 2006. According to the State of the News Media 2007 report, cable TV news remains financially robust even while its audience has begun to decline. The report goes on to say that "2006 was a particularly good year for Fox News...with some analysts predicting [sic] that Fox News would eventually surpass CNN in profitability" (The State of the News Media 2007, p.1).

According to the State of the News Media 2007 report, Fox News hosts nine of the top ten cable TV news shows. However, CNN's audience demographics are more highly coveted by advertisers, giving CNN a distinct financial advantage over its competitors (The State of the News Media 2007, p. 19). While MSNBC has made great strides in increasing its audience, it still lags considerably behind CNN and Fox News. (The State of the News Media 2007, p. 8).

Outlook

Although viewership in the cable news market segment is declining, the major channels have responded by changing their programming line-ups and focusing on niche audiences. It remains to be seen whether this solution will keep the cable news industry relevant, but when coupled with the Internet initiatives, it looks favorable. Amobi and Donald found that the rapidly occurring changes are making it difficult to predict what piece of the pie each player will have in the future (Amobi & Donald).

International Perspective

There is an increasingly high demand for cable news providers outside of the United States. This fact is especially evident in countries where the internet is not yet prevalent. In these countries, there are simply not the same numbers of options available to consumers as compared with more developed nations. That being said, satellite programming is partially penetrating even those countries practicing media censorship, such as Tunisia, and it's creating a demand and a desire for expanded access to a variety of foreign news and entertainment channels. Both Turkey and the United Kingdom have long enjoyed access to cable news, while Sky News has created its own niche in the UK providing 24 hour news via satellite.

Newspapers

Current Conditions

Newspapers are struggling to remain relevant in an increasingly competitive environment. Financial pressures, rapidly evolving technology and changing consumer behavior have all contributed to uncertain times for these media icons. Newspaper readership and subscriptions levels continue to decline. These traditional gatekeepers of information are now vying for customers along with cable and broadcast TV, terrestrial and satellite radio, bloggers, DVDs, Ipods, and a host of developing communication platforms. While the newspaper industry remains profitable, current business models are rapidly becoming obsolete. Traditionally, newspapers provided a stable and predictable audience for advertisers providing large profit margins. Today, profit margins are declining in this very competitive environment and the pressure to maintain or even increase profits is great. Cost cutting methods have started to impact news room staffs and the quality of the end product.

However, the print edition remains the most profitable element of the newspaper business primarily due to traditional advertising models. For online newspapers, advertising models are not yet mature. Online classifieds such as Craigslist and Monster.com continue to exploit another critical revenue stream. As the media market fragments and circulation numbers decline, advertisers in this segment will be forced to spread a fixed advertising budget across a growing number of hardcopy and online newspapers.

To minimize the risk of losing readers to the competition, newspaper companies are expanding their product offerings in order to maintain and increase their customer base. For

example, the New York Times is experimenting with two online subscription products while still offering a free online edition of the newspaper. Times Select, launched in 2005, provides subscribers with access to the Times' op-ed columns and other features, including access to the newspaper's archives dating back to 1851. Times Reader, launched in March 2007, "captures the newspaper reading experience onscreen" (New York Times, 2007). Once downloaded to the supported digital devices, subscribers can read the portable content offline at their leisure.

Outlook

The future outlook for the newspaper industry is mixed. In the short term, newspapers will continue to generate high profit margins. Even though online advertising today contributes a small fraction of total US newspaper revenue, competition for online advertising dollars is expected to increase as companies fight for projected higher expenditures. However, long term profits will be based upon decisions to abandon traditional business and advertising models and pursue models that capture online revenue. Despite the mounting challenges, one group that remains overwhelmingly optimistic about the future of print media is newspaper editors. According to Edgecliffe-Johnson (2007), the first annual Newsroom Barometer survey, found that eighty five percent of senior news executives see a rosy future for their newspapers. Later in the same article, John Zogby the chief executive of the US polling group stated, "Predictions of the death of newspapers were as premature as past forecasts that television would kill the radio industry." (Edgecliffe-Johnson, 2007) According to the Newspaper Association of America (NAA) (2006), "The key to the future of newspapers is the effort to build a broad portfolio around the core product, the traditional newspaper, and to connect with both the general and targeted audiences.

International Perspective

Many international newspapers in developed countries are grappling with the same issues as newspapers in the United States - declining circulations, flat advertising revenues, and ever increasing production costs. Many have developed websites and are devoting a considerable amount of money and resources to attracting new viewers. Like their US counterparts, many international newspapers are taking a portfolio approach to the future. These organizations are moving beyond a single mode of distribution and are seeking to utilize any and all forms of distribution available e.g. internet, print, audio, and video to move their content. While international newspapers frequently blend traditional news and tabloid styles, domestic newspapers clearly differentiate between the two. The international perspective appears to be that US newspapers are more objective than their international counterparts. Newspaper circulations in Turkey and Tunisia are actually on the rise, as competition from the internet and other mediums is not yet widespread. However, as these technologies become more prevalent, countries such as Turkey and Tunisia will be faced with many of the same challenges now evident in the US.

Radio

Current Conditions

Traditional AM/FM radio still enjoys an impressive reach – 93% of Americans over 12 years of age listen to the radio more than 19 hours every week (Radio Today, 2006, p4). However, technology is driving rapid changes within the radio business and creating competition from other platforms that are portable and wireless, once the principal province of only radio.

Radio news directors are reporting losses from news operations, and in response, radio stations have consolidated newsrooms. 70% of the news stations use a joint newsroom - on average, each newsroom supports 3.3 radio stations.

The primary revenue generator for radio, advertising, was relatively flat in 2006, rising only 1% across the board (Journalism.org, 2006). Radio maintained its share of the advertising pie at 7.4%, with only CBS earning more than 15 % of its revenue from its news operations (21.3%) (Journalism.org, 2006). The technology revolution is impacting radio's ability to generate increasing revenue as the radio audience declines.

From a market share perspective, major competitors include satellite radio, HD Radio, and podcasting. These mediums are beginning to capture customers from the traditional radio market segment. The satellite radio companies are projecting profits for the first time in 2007. HD Radio does not yet have extensive market penetration and analysis of internet radio is mixed. "Based on survey responses, only 4% of news directors reported that their news station web sites were turning a profit. Some 20% said they were breaking even, and 11% said the web sites were losing money" (Journalism.org, 2006). Podcasting is an emerging technology with tremendous potential but it has yet to generate a profit.

From a US national security perspective, radio still has a leading role to play as a public diplomacy and strategic communications tool. In lesser developed countries, radio is still the pre-eminent mechanism for news dissemination. The US government recognized early on that by creating Voice of America it could serve as a vehicle to support its national security strategy overseas. In 2002, the US government launched Radio Sawa to specifically target the young Islamic population in the Middle East. The use of radio overseas continues to be of vital strategic value.

Outlook

Radio will need to take a look at emerging business models and technologies to remain viable in the future. Addressing the challenges requires a concerted focus on the fundamentals of the business and resisting the demands of Wall Street (Bachman, 2007, p13). The successful radio news departments will operate on many technological platforms at the same time (Papper, 2006, p.3). News radio stations will likely broadcast simultaneously on AM/FM and HD and provide a website with a wide range of news products including podcasts. Joint ventures such as the Washington Post and the Bonneville Company launching in-depth news radio stations will shift the business paradigm.

In the longer term (five years), the device that receives portable wireless news will be the norm. A variety of manufacturers will produce a device capable of supporting the full spectrum of choices available to the consumer. The radio industry's flexibility in dealing with consumer demand for news services anytime, anyhow and anywhere will determine the viability of this market segment.

International Perspective

Internationally, radio still enjoys a strong presence both in developed and emerging nations. For less developed nations, they appear not to be facing the same competitive pressures and challenges that exist in the US. However, in more closed societies, radio expansion is often hampered by censorship. Initiated in the 1990s, Turkey has a robust private media industry built upon 1,100 radio stations covering nearly the entire country. However, the government maintains tight regulatory control over broadcasters, halting any transmissions that threaten the 'unity of

the state or of its people.’ Tunisia on the other hand boasts just 29 radio stations. However, radio broadcasters in Tunisia suffer from a greater degree of government control than their Turkish counterparts, and they don’t have anything resembling a free press. According to the government, these restrictions are based on Tunisian National Security considerations and are in place to protect the people from outside extreme influences.

Internet

Current Conditions

Internet sites such as Google and AOL, who repackage the news from various content generators and then disseminate it to their readers, are having a large impact on the news industry. These sites are news aggregators and do not have their own reporters collecting information and writing original articles. These sites can disseminate a huge volume of information synthesized from the reporting of others and repackaged based on consumer profiles and preferences. Likewise, citizen journalists are communicating their views in web logs, called “blogs” where they report on activities they are experiencing first-hand, or they provide analysis or commentary on news already disseminated by others. Futurists say that by 2021, 50 percent of all media will be generated by the public (Macmillan, 2006, p. 1) so this is a growing aspect of the news industry and one that has longevity. Bloggers can have a lot of impact, especially when they band together with others to publicize a story. Trent Lott lost his Senate Majority Leader position within Congress when bloggers publicized his racially charged comments at Strom Thurmond’s birthday party and turned it into a national story. (Witt, 2004, p.54)

An explosive growth in both internet users and online news websites has been blamed for the decline in print newspaper circulation and other platforms. However, long before the internet became a household item and online newspaper editions began to appear, print newspapers, radio, network television news, and local television news all began to experience declining audience levels. According to readership statistics compiled by the Newspaper Association of America between 1964 and 1993, readership of print newspapers in the US declined from 81% to 61% for an average of 0.7% per year in this time period.

Thus, even if the arrival of online newspapers has contributed to the decline in print newspaper circulation, no one can say for sure by how much as there is no standard circulation accounting method industry-wide. As long as different circulation accounting methods are used by the industry’s auditing agency and newspaper companies, especially privately-owned companies who do not have to answer to shareholders, it will be difficult to accurately ascertain the impact of online newspapers on print newspaper circulation.

Outlook

Both traditional and alternative news content producers have been migrating their product to the web in recent years. As a result, news media is part of the Web 2.0 evolution, significantly affecting consumer expectations. Technological advances have enabled a full spectrum of multimedia options to add value and context to the web news and advances to delivery mechanisms have made bits and pieces of news ubiquitous in both our work and social environments. News content has become fragmented and decentralized, but well enough tagged for aggregators to reassemble news based on consumer preferences. Filtered, interactive, layered news content can be triggered by events or pulled on demand.

Web news consumers are assuming a much more collaborative role in the creation and distribution of news. Second generation web tools/sites enable consumers to satisfy part of their own demand by contributing relevant video, pictures, facts, comments and opinions about the news. Social news networks such as Digg.com and Delicious.com add value by allowing user networks to promote interesting news from both traditional and alternative news from around the world.

In the more distant future, Web 3.0 (the “semantic” web) is envisioned by many to leverage evolving content creation standards that are understandable by computers, enabling “machines” to perform more of the tedium involving the finding, sharing and combining information on the web. New logical conclusions will be quickly drawn by machines from a vast array of information that could spark worthwhile news investigations/stories, aiding in the watchdog duties of the 4th estate.

International Perspective

In contrast with more open societies, Turkish and Tunisian internet is closely monitored by the government, with certain sites either blocked or prohibited for access. The most frequent explanation for censorship is explained by the government as a necessary component of its national security strategy and defense against terrorism and political Islam. In Turkey, legislation (penal code 31) limits freedom of the press, to include newspapers, broadcasts, radio and even the internet. Tunisia, a more autocratic country, has even more restrictive use of internet sites. These two countries were ranked 93rd and 98th, respectively, on the press freedom index by the First Amendment Center. It is notable, that the restrictions are predominantly politically based. More open societies, such as Western European countries, essentially face the same dilemmas as the US regarding the proliferation of the internet and its impact on the news media industry.

News Media Industry Challenges

The news media segments above share many of the same challenges in terms of dealing with new technology, adapting business models and attracting and retaining customers. Declining numbers of readers and viewers for newspapers and network news have created serious implications for the news media industry. The biggest challenges are generating and sustaining advertising revenues and understanding the reasons behind declining numbers of readers and viewers. These two segments of the industry are also trying to determine how best to transform themselves in light of emerging competition. The basic business model for newspapers and broadcast television is based on the premise that advertisers will pay handsomely for customer access. News executives must understand consumer preferences and be willing to either adapt to capture their attention, or risk losing this audience to another news medium. Broadcast television news is also struggling with its role as a news source. Network broadcasts currently offer analysis of news and special interest segments to target specific audiences. Network broadcast news must continue to adapt in order to better compete – in much the same manner as it did years ago when audiences migrated from radio to television.

A major challenge for all segments of the news industry is the impact of evolving technology and its role in changing how the news is disseminated. The increase in broadband as well as wireless substitution has provided a new market for content available through the Internet, mobile phones, MP3 players, game consoles and other portable devices (Amobi & Donald, p. 3). Another competitor is Current TV, an Internet site that targets 18-34 year olds and

“claims to give ‘its citizen journalists’ the kind of power that used to be enjoyed only by the mainstream media” (The State of the News Media 2007, p. 42).

Technology innovations are also forcing cable news providers to deal with the rapid growth of the Internet (Amobi & Donald, p. 1). According to the State of the News Media 2007, “Cable is beginning to lose its claim as the primary destination for what was once its main appeal: news on demand. The internet is proving to be a powerful competitor in this regard, and is in fact extremely efficient at providing users with requested content. As cable channels lose their monopoly over breaking news, they will likely continue to push their identities toward something else. This is also a key reason that the cable channels are putting even more effort into their Websites” (The State of the News Media 2007, p. 1).

Another challenge for the broadcast and cable television industry is that of objectivity. The rise of Fox News has brought two changes to the industry: (1) news has become more partisan; and (2) the relevance of objectivity in a time when regular citizens move from news consumption to news generation. The analysis reveals that both content and delivery platforms are major challenges for this industry segment. Cable news filling round-the-clock broadcasts on multiple channels and adding sensationalism to attract an audience has changed the definition of news. There is now recognizable bias in many newscasts where opinion based journalism and entertainment are largely replacing reporter based writing.

The key challenge for traditional radio news providers is remaining relevant in a highly competitive market supported by increasingly sophisticated and demanding customers. Additionally, determining the true number of listeners in a given radio market has been and will continue to be a challenge. The Portable People Meter (PPM) developed by Arbitron Inc., holds out some hope of improving the accuracy of measuring market share and advertising effectiveness. Until more sophisticated measuring devices are available, news producers will continue to struggle with developing a wholly accurate assessment of this market segment. Likewise, radio news must strike a balance between providing commuters with quick headline news, local traffic and weather, as well as those listeners seeking detailed news and lengthier reports.

The greatest challenge for the newspaper industry is developing the business model(s) that will generate the required revenue. The “portfolio solution”, as visualized by many, consists of creating several suites of products and services in addition to the newspaper, intersecting the population on a variety of planes. The goal is to capture a new audience who is not necessarily interested in reading a paper for the “hard” news. Likewise the need to attract non-conventional advertisers is seen as necessary for survival. These new products may be print or online, daily or non-daily, paid or free – or mobile, or email, or virtually any other form – depending on the target user and his or her circumstances (American Press Institute, 2006, p. 15). Another challenge is journalistic credibility. Consumers do not hold journalists in the same regard as they once did. A 2006 Pew Research Center study shows that from 1985 to 2005 readers’ believability of articles in their newspapers dropped from 84 percent to 59 percent (Cassidy, 2007, p. 5). Leading factors in this scenario are the shrinking number of journalists in the newsroom as well as rising pressures to deliver news stories ahead of the competition.

With a growing online audience, one way for newspapers to boost circulation revenue is to charge online readers a subscription fee. However, this is a challenge as newspapers need to find ways to charge readers while minimizing the risk of losing them to the competition. Anti-trust and anti-collusion laws preclude newspapers from banding together and charging for

access; and no one dares to be the first to charge for online content unless they can offer unique and specialized content such as the Wall Street Journal (Lazarus, 2007).

There is ample evidence that the emergence of the internet has changed not only the way news and information is distributed, but it has also seriously affected the creation of the news. One of the biggest challenges for internet news is the proliferation of news web logs. For those interested in publishing their own content on the internet, the web publishing service Blogger will help them set up a web log for free. Undoubtedly, the availability of free and inexpensive software and internet publishing service providers such as News Portal and Blogger have lowered the entry and exit barriers for the publishing industry substantially, fueling the growth of online news websites and competition for the multi-billion online advertising dollars that have been experiencing annual double-digit growth in the last decade. However, as the number of citizen journalist's increases, credibility becomes a greater challenge. There is of course no editorial oversight for those individuals not affiliated with an established news media outlet. Although Bloggers are certainly witnessing an increase in popularity, most cannot be considered equal to their mainstream counterparts. However, some are able to consistently deliver a superior news product to their audience. News providers will continue to rely upon the public to monitor the quality of citizen journalism and to act as a filter for discerning the truth.

Government Goals, Roles and National Security Implications

In his book *On Heroes and Hero Worship* (1905), Thomas Carlyle quoted Edmund Burke who referred to the reporter's gallery of the English Parliament as "The Fourth Estate" (Carlyle, 1905). He saw the press as an equally or even more necessary arm of society and government; in comparison, that is, to the other three estates of the church, the nobility and the commoners. The founding fathers of our own country also recognized the critical importance of the press in a democracy and thus ensured the provision of constitutional protection. After all, in the late 18th century, how else could the electorate participate in or at least be informed of the actions of their government? Even today with the ubiquitous internet and light-speed communications, the press serves as a necessary conduit for a government, of, by and for the people. As Craig Crawford pointed out, "but on its worst days, a free and fair press is our only real chance at the truth. And without a free press, there is no democracy" (Crawford, 2006, p 28).

Recognizing the importance of a free press in a functioning democracy, the US, as part of its national security strategy, is employing the "information" component to inform and influence audiences around the world. While a coherent and capable strategic communications plan is still largely lacking, the importance of telling the American story is clearly recognized - as evidenced by the launching of Radio Sawa and Alhurra Satellite TV. Although at first glance not readily apparent, the impact of the "news media" on national security cannot be underestimated. Our Romanian classmate, COL Florentine Buhos, credited the Voice of America (VOA) with giving hope to an oppressed people and supporting the Romanian people in their struggle against Communist rule. In Mongolia, the media, through internet and other emerging technologies were instrumental in developing a sound and stable government while continuing to have a positive impact on its emerging economy. In addition to USG-funded news outlets such as VOA, Radio Sawa and Alhurra, we must engage with credible news channels such as Al-Jazeera and al-Arabiya to reach target audiences - especially in the Middle East.

This industry requires a light regulatory and legislative touch. In the US, political and economic interests are best served if the legislative branch avoids further legislation that attempts

to clarify the relationship between copyright protection, and the principles of free speech and free press. Any attempt at clarification risks aiding content owners' ability to control access beyond what is required for a functioning, well-informed democracy. The judicial system is best suited to ensure fairness in meeting the needs of society as it evolves into the information age and beyond.

News media platforms are subject to the regulations of the Federal Communications Commission (FCC), which is charged, in part, with ensuring open competition and consumer choice. A 2006 FCC report to Congress concerning the state of video competition among cable operators, direct broadcast satellite providers, and local exchange carriers ("phone" companies) found that the market continues to grow and to provide consumers with increased choices and higher quality (FCC, 2006).

A further consideration is the issue of net neutrality – the potential ability for broadband service providers to charge consumers only once for Internet access. It is essentially a friendly-sounding name for price regulation. It is useful, but oversimplified, to think of the Internet in four parts: content providers, the Internet backbone networks, broadband service providers and end-users. Many believe that mandating net neutrality would be inconsistent with sound economic management of the Internet. A mandate would erode incentives to provide broadband Internet access and could prevent new applications or services from being developed. "Instead of imposing net neutrality, government should remove artificial regulatory barriers that slow the development of broadband and other information technology services" (Lamb, 2006).

Essays on Major Issues

THE USE OF GOVERNMENT-FUNDED MEDIA FOR PUBLIC DIPLOMACY

Iris B. Cooper, Department of Transportation/Maritime Administration

"American traditions and the American ethic require us to be truthful...truth is the best propaganda and lies are the worst. To be persuasive we must be believable; to be believable we must be credible; to be credible we must be truthful. It is as simple as that".

Edward R. Murrow, 1963

House Subcommittee Hearing on Public Diplomacy

Public diplomacy is all about truth, honesty and credibility. The problem for the United States in recent years has been at the core of Edward R. Murrow's statement – credibility! The ever accelerating information explosion is making it increasingly difficult to establish what is and who is credible.

In 1942, the United States government established a multimedia international broadcasting service and went on the air with Voice of America (VOA) (Voice of America, 2007). Today, VOA broadcasts more than 1,000 hours of news, information, educational and cultural programming every week in 45 languages to an estimated audience of 115 million. To ensure that the US Government doesn't exercise undue influence over the content of VOA's broadcasts, VOA is managed through the Broadcasting Board of Governors (BBG). The BBG, established in its current form as a result of the 1998 Foreign Affairs Reform and Restructuring Act (Public Law 105-277), is an independent entity responsible for all US Government non-military international broadcasting (Broadcasting Board of Governors, 2007). The BBG's

mission is to “promote and sustain freedom and democracy by broadcasting accurate and objective news and information about the United States and the world to audiences overseas” (Broadcasting Board of Governors, 2007).

Even before the attacks on New York City and the Pentagon on September 11, 2001, the US Government realized that extensive emphasis in the strategic communication and public diplomacy arenas should be focused on the Middle East outside of the existing VOA construct.

Expedited by the events on September 11th, the US Government launched Radio Sawa in 2002, followed by Alhurra Satellite television in 2004 to target, at least initially, the Middle East Muslim population. Since then, the US has added Alhurra Iraq and Alhurra Europe.

So, is this type of broadcasting propaganda? Of course, it is. Propaganda, though evident throughout history, was first used in a modern sense on a mass scale for political and military purposes during World War I, and has since become a valuable tool in the international arena, where it is being used by not only legitimate states, but also by non-state actors such as Al-Qaeda. The dissemination of information for propaganda purposes has been greatly facilitated by the technology explosion of satellite television, radio and the internet.

Radio Sawa’s target group is the 15-29 year olds in the Middle East, and it broadcasts primarily Western style pop music, limited news and some specialty programs. Alhurra, or “The Free One”, was launched in 2004 as an alternative to the widely popular Al Jazeera and Al Arabiya – both are considered to be anti-American by the US Government.

While the actual number of viewers or listeners for the Alhurra and Radio Sawa is hard to establish, the question is whether this type of “propaganda” is useful and/or successful. It is widely known that both stations are funded by the US Government, doing little for credibility. Alhurra has been labeled as “Al Jazeera light in the Middle East” primarily because it outsources its Middle East coverage, due to budget limitations. In its defense, the US sponsored broadcast is attempting to “compete” in an already saturated market of approximately 140 media outlets.

However, expectations for Alhurra and Radio Sawa are great. While VOA and Music Television have been credited with ending the Cold War, a comparison to the “Long War” must be done very carefully. The conflict between the East and West during the Cold War was one of political ideology between the Soviet Union and the United States. The conflict between the Middle East and the West is one of religion, and above all what Thomas Friedman labels the “poverty of dignity” - the inner conflict within the Arab world whereby young Arabs are torn between the temptations by a civilization they consider morally inferior, and being ashamed for the temptation. While public diplomacy must continue, we cannot begin to hope that US Government sponsored media outlets can bridge the inner conflict and disenfranchisement in the Arab world. Arabs aren’t disagreeing with the need for change and even a quest for democracy, however, as Washington chief of the newspaper Al-Hayat, Sala Nemett, points out “we just don’t want it delivered on the back of an American tank”(Wilmsen, 2004).

Beyond political pressure and criticism, Radio Sawa and Alhurra TV have come under scrutiny by the Government Accountability Office (GAO), which criticized the BBG for “poor oversight over the networks” (Watchdog criticizes, 2006). The GAO specifically criticized lack of financial and administrative controls, lack of procedures to ensure compliance with journalistic standards, and the lack of establishing long-term strategic plans.

The importance of public diplomacy has clearly been recognized since 9/11. However, just as the Global War on Terror cannot be won by conventional warfare methods, we cannot hope to win it by traditional “public diplomacy”. The programming provided by Radio Sawa and

Alhurra TV will not change Islam's "cultural schizophrenia" – the struggle between tradition and Western secular modernity, between fundamentalism and globalization.

The question is how to convincingly reach the Muslim target population. We must change our paradigm and offer more than slogans. We must start to resource and manage our public diplomacy tools like we resource and manage our weapons systems. Only then will we be serious about public diplomacy as a true tool in today's environment. Instead of "fighting" local news media outlets such as Al Jazeera and Al Arabiya, we must use every opportunity to engage these popular news channels on their turf to tell our story. We must maximize these opportunities and feature our officials, lifestyles, etc on these established media outlets that already have credibility with their Arabic audiences.

We must look seriously at the provision in the US Information and Educational Exchange Act of 1948, commonly referred to as the Smith Mundt Act, which "prohibited domestic distribution of information intended for foreign audiences" (Wikipedia, 2007). While the Act protected the American public from propaganda by its own government, it also precluded the government from competing with its commercial media networks. It's time to revisit this law. It may be helpful today to review what is being broadcast *about* America to *our* own diverse citizens.

Regardless of the medium used, our message must be consistent and truthful. Nothing breeds credibility like the truth – and "truth is the best propaganda".

MEDIA BIAS - POLITICAL OR SENSATIONAL

Yori Escalante, LtCol, USMC

What is the main purpose of the news media? Does the industry generate news and information or provide it? With the changing landscape, both in the way people get their news (newspapers, networks, cable television, internet sites, weblogs), and how news media corporations are generating revenues, this question continues to intensify. Hand-in-hand with the question of the news media's main purpose is whether there is an underlying theme or ideology that is being broadcast. Lately the media has been criticized for bias in reporting the news. A Yahoo search of "Bias in the Media" will deliver over 15 million hits on the Internet. Interestingly, if the search is refined to specifics, the results are nearly equal. "Liberal Bias in the Media" results in 5.5 million hits; "Conservative Bias in the Media" results in 5.46 million hits. There exists a deeper, second part to this question: Is there really a political bias in the media, or is it more bias towards content, content that attracts interest, content that sells? Criticism about bias in reporting has been prevalent over the past 20 years. Early this year, the Media Research Center published a report addressing this bias, which showed that in polls between 1997 and 2003, Americans felt that "...in dealing with political and social issues, news organizations tend to favor one side," that members of the news media let their own political preferences influence their reporting, and, news organizations are politically biased. The Media Research Center compiled data on journalist attitudes, showing in polls between 1981 and 2001, journalists place themselves left of center vice right (54% to 19%), identify themselves as Democrats over Republicans (54% to 9%), and characterize themselves as "liberal" or "liberal to moderate" rather than "conservative" or "moderate to conservative" (61% to 9%). Four times as many considered themselves "liberal" (25 %) than "conservative" (6 %), contrary to the public, who identified themselves as conservative over liberal 38% to 21%. Journalists also consistently

vote Democratic, favoring Jimmy Carter in 1980 and Walter Mondale in 1984 over Ronald Reagan, Michael Dukakis 1988 and Bill Clinton 1992 over George H.W. Bush and John Kerry over George W. Bush in 2004, all by a two to one margin. (Media Research Center, 2007)

Do personal beliefs or voting tendencies equal a distinct liberal bias, and can journalists be objective against their personal beliefs? Is there a deeper explanation for the perceived liberal bias? Conglomerates and large corporations continue to buy media outlets (Viacom, The Tribune Company, Time Warner Incorporated), and many of these corporate owners possess conservative beliefs. Some liberal groups feel that shocking content drives public opinion that the media is more liberal than conservative, complaining about lack of family values and a "liberal bias." These liberal groups say conservatives' use of controversial content serves two purposes: 1) To sway public opinion against liberalism by equating shocking content with the liberal media; and 2) To attract viewers to create larger profits. The end result is a constructed liberal bias hiding a conservative ideology, providing a negative representation of class, race, gender, sexual orientation and age. (One day we will all work for Rupert Murdoch)

Often bias is disguised as familiarity. Bias can be interpreted from familiarity between Presidents, cabinet members, and other elected or appointed officials and those who cover them, with no regard for political affiliation. President George W. Bush's friendly relationship with CBS anchor Bob Schieffer, as well as Ted Koppel's relationship with Colin Powell and Gwen Ifill's with Condoleezza Rice is examples of familiarity that border on bias. Koppel's friendship with Powell may have affected his line of questioning concerning Powell's address to the United Nations justifying the invasion of Iraq, with the topic virtually never coming up in three separate interviews. What isn't understood within the general public that inside the beltway, from the numerous official functions and dinners, reporters and officials can become very good friends? (How the Press Rolled Over for Bush: Media Critic Eric Boehlert, 2006)

In the not so distant past the familiarity claim of bias may not have merit. President Clinton enjoyed a good relationship with the media, but was treated extremely harsh during the Monica Lewinsky episode showing that reporters will go after any politician, liberal or conservative, if the story is big enough and the politician is powerful enough. During times of war, especially the initial battles and stages, the President and his political party receive favorable treatment. In the aftermath of September 11, 2001, liberals often claimed the media gave President Bush a "free ride," saying they were "sucking up" on items ranging from the war in Iraq to supposed civil liberties abuses at home. However, this also demonstrates that during times of war, the media "rallies around the flag." (Illiberal Conservative Media)

Journalists themselves do not consider themselves as biased. Executives from the New York Times feel that although they may not be unbiased, the journalistic method is unbiased. Journalists are partisan to the ideal of informed national debate. Journalism schools may not teach "objectivity," but feel the press' mission is to report news in a fair way, not sensationalist or shrill, providing true information for the betterment of society. (New York Times - Washington Bureau Site Visit, 22 March 2007)

Language and delivery can also be seen as bias. Journalists feel to speak at all is to speak politically. Although language may be accepted as neutral, definitions are hard to remain neutral. "Inheritance tax" versus "death tax" is a good example - What is the neutral term? Using both in the name of neutrality is confusing and near impossible considering space and time to report. Dialects and location can also be interpreted as bias. These all help create the appearance of bias in the media, regardless of political orientation. (Rhetorica)

Language can also show bias towards content. Americans also think the media attempts to make news rather than report it. Their appears to be an obsession with sensationalism. (Samuelson, 2004) Sensationalism is defined in Merriam Webster as "...the use or effect of subject matter that creates a quick, intense, and usually superficial interest, curiosity, or emotional reaction." Content is produced to grab audiences. If shocking content is shown, people are quick to scream. (One day we will all work for Rupert Murdoch) When viewers are jolted into paying attention, they remain to see what will happen next, and if they continue being jolted, will watch or read for a longer period of time. (Walsh)

This brings an underlying reason for content bias - finances and revenues. News stories must be entertaining to attract large audiences and advertisers. The bigger the audience, the more success in generating advertising revenue. The daily challenge, though, is to draw the largest possible audience without sacrificing journalistic standards. Tough decisions are made daily, and more revenue is possible in the short term by filling newscasts and newspapers with meaningless sensationalism. But over time, the audience would see through this coverage, and drift away. The goal, again, is to ensure coverage is responsible, appropriate and balanced. (Brady, email dated 27 March 2007)

In the end, the questions still remain. Do the media portray a liberal bias? Yes. Does it portray a conservative bias? Yes. Does it practice sensationalism? Yes. All are true, and all are dependent upon several concepts. Concerning political bias, personal beliefs, as well as familiarity between reporters and those who they report on, can be seen as political bias, even if it is not meant to illustrate it. Language is a factor in interpreting whether a specific news piece is biased one way or another. Due to locations, demographics, and dialects, an attempt to report something in a neutral manner will inevitably show bias in some way. Journalists are not as intent on objectivity as they are in making sure the journalistic method is unbiased. Content bias is based somewhat on "frames" that describe timing, visuals, bad news, narrative, expediency, and glory. What is news today could very well not even be of importance tomorrow. And entertainment tends to overshadow education, many times in an effort to maintain and increase advertising revenues. Journalists, though, continually walk the tight rope between these two in an effort not to lose credibility. The overall goal, regardless of the type of bias and in what direction it points, is to provide compelling news that challenges readers and viewers, and attempts to be responsible, appropriate and balanced.

RADIO FREE EUROPE BROADCASTING-MISSION ACCOMPLISHED

Florentin Buhos, Col, Romanian Armed Forces

During its relatively short history, the USA fought a series of wars with national ideals and values always playing a central role. The strength of America was not just possessing the values of freedom, democracy, respect for human dignity and human rights, but the commitment to share them.

The "Cold War" has not entirely ended yet. The disintegration of the former communist block is only a step; a tactical victory within the US led global effort for a better life for the generations to come. In this broad context, the war of ideas and principles, the war of perceptions continues and should be carefully managed by US Administration.

Radio Free Europe - a unifying factor, a source of strength and a symbol of resistance and hope for Romanian People. There is no doubt about the crucial role Radio Free Europe played in

influencing developments in the former communist countries, especially in the former USSR. As stated in Radio Free Europe's mission:

"The mission of Radio Free Europe/Radio Liberty is to promote democratic values and institutions by disseminating factual information and ideas" (Radio Free Europe, 2007).

Radio Free Europe and Radio Liberty were, along with other Western broadcasters, effective instruments of Western policy during the Cold War. Many East European and Russian democrats have seconded the words of Vaclav Havel that "our society owes Radio Free Europe gratitude for the role that it has played" (Radio Free Europe, 2007). For Romanians, Radio Free Europe was and is a symbol of freedom and liberty. It was the only bridge with the "free world" for more than forty years. It was a dream for Romanian people and a nightmare for one of the most autocratic and repressive regimes the world ever experienced.

Radio Free Europe opened people's eyes and helped them to see over "the fence". Their broadcasting was a medicine for our mind and soul. Radio Free Europe was a shoulder for our heads to lay and rest in difficult times. And there were many...

Radio Free Europe had no religious, ethnic, cultural or political barriers.

Some argue that Radio Free Europe audience was mainly highly educated intellectuals able to perceive and understand and influence trends, dynamics and developments. In Romania's case, Radio Free Europe was common people's spirit. Despite the high level of risk, Romanian people's exposure to Radio Free Europe was constantly higher than in the other communist countries. (Cold War Broadcasting Impact, 2004, pp.48-50).

This was due to the Romanian people's culture and desire for information. Having strong German and Hungarian communities, chances to communicate with the west were significantly higher than those posed by other communist countries. This doesn't mean that the security apparatus in Romania was inefficient or weaker than the others'. It was the best organized and the most efficient in the communist block. There was no difference between the Communist Party and "Securitate" concerning these institutions' control over Romanian society. We perceived ourselves allied with Radio Free Europe in conspiring against communist hypocrisy.

Radio Free Europe filled a gap and responded to a critical necessity: information. Based on the conviction that the first requirement of democracy is a well informed citizenry, US Administrations established as the main task for Radio Free Europe to "provide objective news, analysis, and discussion of domestic and regional issues crucial to successful democratic and free-market transformations" (Radio Free Europe, 2007). Radio Free Europe needed to compete directly with indigenous regime radio stations through round-the-clock radio transmissions. The basic principles of such broadcasts were: saturation home-service broadcasting encompassing all fields of interest to audiences, including news and information, religion, sports, culture, and entertainment; concentration on subjects important for people in the homeland;...and programs describing the operation of open, democratic societies of the West to sustain the aspirations of East Europeans to rejoin Europe" (Cold War Broadcasting Impact, 2004).

Radio Free Europe's role was never more relevant for Romanians than it was between 15 of December 1989 and March 1990. Through radio Free Europe Romanian people enjoyed "Revolutia in Direct" (Revolution Live). That time, national media was paralyzed or, ceased broadcasting. Radio Free Europe was the only source of information. Severe restrictions in movement and broadcasting sent the Romanians in the darkness. Between the four concrete walls, with the curtains down, Romanians listened to Radio Free Europe... Through Radio Free Europe Romanians found out what was going on. Initially, it was a social unrest against

Ceausescu's clan. Radio Free Europe lit the spark of Romanian Revolution. Later, during its turmoil, radio Free Europe provided the light and became its manager by reporting and influencing events.

Romania and Romanians owe a lot to Radio Free Europe and will never forget the efforts and sacrifice made by the people working in Munich, in the USA, and home for Radio Free Europe, and its "noble cause". The message is clear: "forgive, but not forget".

"And today, Romania's new generation is learning what happened in the past. Youth must become aware -- and not forget. Without a firm understanding of the oppressive, hateful decades of Nazism and communism, Romania's present would be confusing. Without acknowledgment of past lies and mistakes, the future would hold no promise of a bright and better life"(Dine, 2001).

The Cold War, as a "war of perceptions" hasn't ended. Many of its generating causes are still in place but under another face. Steadiness and vigilance must drive US current public diplomacy. Releasing the pressure by renouncing broadcasting in former communist block countries has had a negative impact. Communist nostalgia and the spirit of revenge still contaminate many. Injustice, poverty, persecution, authoritarian and autocratic state institutions, compromised and corrupt individuals and media are recovering from ashes. In this perspective, US Administration must consider resuming Radio Free Europe broadcasting in former communist countries and continuing its public diplomacy efforts here "until the job is done".

TRANSFORMATION OF THE MONGOLIAN NEWS MEDIA

Yadmaa Choijamts, MG, Mongolian Armed Forces

The democratic revolution that swept Mongolia in 1990 led to substantial changes in economic, political and cultural spheres, which also covered the press media situation and opened new prospect for press freedom and the journalists' role in society.

During the last one and half decade, Mongolian news media has experienced gradual freedom, and improved its legal condition and technological capability. Mongolian parliament approved several laws relating to the free news and media, which were affected not only on release the press from under government control, but also influenced on some state owned news media organizations for privatization and publication. Due to several challenges, requiring resource and capability limitations, Mongolian news media industry could not develop with "high speed".

Mongolia is a country covering a vast territory of 1.6 million square kilometers, but it has the lowest population density in the world - 2.7 million people. Traditionally the Mongolians lived as nomads, and traditional herding of livestock is still dominating in the rural areas. But, due to many influential factors, urbanization is rising very rapidly. Presently, almost 60 percent of all population is living in small and big cities, including capital of country Ulaanbaatar city, which has approximately 800.000 inhabitants today. As result, media of any kind cannot reach more than a small proportion of the country's population (Johnson, 1996).

Over the centuries, the Mongols accumulated a wealth of practical knowledge and a rich cultural heritage involving the writing and printing of books. However, nomadic style of life could not give them to develop press and media. The new progressive trend of publishing periodicals came into being in Mongolia more than 100 years ago.

As a result of the democratic revolution of 1990, the Mongolian media landscape in the 90s was characterized by postulating of freedom of the press as the basic right, abolition of the censorship authorities and emergence of free publications on the one hand, the absence of a democratic media law and the lasting power monopoly of the state owned media on the other hand (Myagmar, 2000).

First, legal basis of Mongolian news media environment changed completely. A new Constitution, which came into force on February 12, 1992 guaranteed the freedom of expression as well as the right to seek and receive information and created favorable conditions for sowing the seeds of the free press in Mongolia.

While a Law of Press Freedom passed August 28, 1998, and enacted January 1, 1999, exists it has yet to obtain the necessary guarantees to assure its full implementation. The censorship authority was abolished already in 1989, but it was not until the 1998 media law that censorship was prohibited.

Second, due to law, state owned press, broadcasting begun to privatize or transfer to public needs. By the Law on Public Radio and TV, which came into force on 1 July 2005, the former Authority of Mongolian National Radio and TV was dissolved and the new public broadcaster established and which was named Mongolian National Broadcasting (MNB). MNB is a publicly funded non-profit broadcaster, and has national radio, television and foreign radio broadcasting.

Third, technological transition of news media sector is more important part of transformation. Within this framework, Mongolia will start broadcasting the 4 domestic digital TV (including the National TV) and 4 FM radio channels throughout the whole Mongolia, at the end of 2003 (Communication and Information Technology, 2006). Mongolian newspapers have made significant investment in modern press facilities and equipment in recent years. Now there are 17 newspapers and magazines have their own printing houses and press, and four main Internet service providers

Fourth, learning this new journalism is more complex problem because the most experienced journalists developed during the socialist period and changing their thinking, and journalistic methodology was not easy. Within the next one and a half decade, Mongolia has made considerable progress in developing its news media sector, particularly in the area of availability of modern technology and free democratic journalism.

Mongolian news media industry has young history, which began in the 1990s. Currently, the news media industry of Mongolia consists of print media (newspapers and news magazines), broadcast media (radio, television, and cable television), and electronic media (online, and internet-based media).

Over the last decade, Mongolian newspapers found their greatest challenge in upholding the national spirit of Mongolian people and opening their eyes to the rapidly changing world a majority of the population are receiving useful information for their lives from newspapers. Approximately 60 percent of people rely on newspapers for useful information, 30 percent receive necessary information from radio, and 20 percent watch TV as the source of useful information (Mass Media and Journalism, 2005).

Mongolian National Radio /MNR/ is the only radio station broadcasting nation-wide. Radio broadcasting time is 33 hours a day through 2 channels, one of which is national. Foreign radio broadcasting of the MNB began in 1965, and broadcasts eight hours a day in Mongolian, English, Chinese and Russian.

Mongolian National Television /MNTV/ is the one major part of public service broadcasting, which has only one channel and that broadcasts nationally 16 hours a day (in 2006: news 13,6 percent, current affairs 7,6 percent, movies 25 percent, education 9,4 percent, history and culture 6,4, entertainment 9,4, paid programs 27, 7 percent, etc.) (Public Service Broadcasting, 2006).

The Internet is a relatively new medium for Mongolia with its first connection established in 1995. There is no direct infringement by the government concerning private Internet use by citizens.

During the past 15 years, Mongolians could experience the reality of democratic and free news media, which had a great impulse for transition the whole society to democracy. The Mongolian media landscape is blooming with a quite impressive number of media outlets for a country of 2.7 million people.

Conclusion

“If given the choice between a government with no newspaper and newspapers with no government, I would surely choose the latter....The role of the press in a democracy can only be effective if government leaders are willing to engage the American citizenry in an open and transparent fashion to garner the public will in support of our national interests. We must realize that our democracy is not an export item, but is instead an ideal that other nations are free to import....and we must be patient to allow that to happen on their terms and timelines”.

Thomas Jefferson

The news media industry is a critical component of a functioning democracy as well as a valuable link to US national security strategy. Our citizens have become dependent upon the media industry for a host of services ranging from entertainment to domestic and world news. However, like most industries today, the news media is experiencing tremendous change. The challenges facing the various market segments consistently center on changing technologies, corporate pressures, changing consumer behavior and revenue generation (advertising). Because it's not yet clear what the future of the industry will look like, journalists must remain open minded and flexible to the needs of the consumer. After all, in the end, it's delivering the news that matters most, regardless of the medium. For those who are able to harness technology to improve the quality and capability of content distribution, there will be reward. However, for those who cannot adjust their business models or refuse to modify their approach to the news, there will be struggle. The technological changes that are driving the content generation and delivery changes in the traditional media business are also significantly impacting the strategic communications and public diplomacy tools used as part of our national security strategy. Corporate pressures, convergence of media types, rapidly evolving technology, changing consumer behavior, and traditionalists ensconced in the ways of the past, all contribute to a tumultuous industry seeking equilibrium. There is ample evidence that the emergence of the internet as a disruptive technology has changed not only the way news and information is distributed, but it has also seriously affected the creation of the news and the way it is consumed.

Journalism is no longer a bastion of reporters working for credentialed news outlets, but now includes anyone who wants to post a web log or repackage existing news and send it to consumers. Not only have the traditional media outlets moved to digital editions, but the web has spawned a new breed of content creators that shifted the burden of news selection from the

venerated editor to the consumer. Further, current migration to the web is being funded largely by conventional means as a hedge against the undefined business model. Survivability of information creation is as much a burden of the news aggregators as it is the traditional journalists. Fragmentation and decentralization of traditional news sources are by-products of web migration. Coupled with the large number of alternative “news” sources, many sites have evolved to reassemble the news, often based on the preferences of individual consumers or social news networks. In today’s world, newsworthy information can be generated on thousands of sites around the world.

Like the United States, England and its Ministry of Defense (MOD) continue to struggle with public diplomacy efforts. One solution currently being researched and developed is the use of the very interactive Web 2.0. In this venue, the MOD has discovered many new and growing opportunities to interact with its audience. Like the US, they are beginning to comprehend the utility and lethality of the press in their global communication strategy. One facet of that strategy must include outreach to both friends and potential enemies around the world. Building on the success that VOA enjoyed in Eastern Europe during the Cold War, the US has funded Radio Sawa and Al Hurra for operations in the Arab world. However, our efforts in this critical region are not without fierce competition and challenges. Citizens in the homes these channels reach have access to other credible choices such as al-Jazeera and al-Arabiya. As such, US-funded efforts draw smaller audiences than these networks and may be perceived as too closely tied to a US agenda to have a substantial impact on the Muslim viewpoint.

Even with these limitations, Radio Sawa and Al Hurra are a vital component of the US strategic communications strategy and must be continued. The United States must begin to resource and execute a strategic communication strategy with the same commitment the nation devotes to designing, building and operating a major weapons system. A commitment of this magnitude includes an environment where the government embraces the press and is willing to engage all media venues with consistent honesty and transparency. The United States must consciously commit to dialogue with foreign audiences via domestic and international media, and key policymakers must be made available to newspapers and TV channels that reach broad segments of the Muslim world. Whether or not we agree with the political perspective of these news outlets, we must engage – we are part of the story they tell, whether or not we choose to influence how that story is told.

The ability of the American media to openly inform and criticize is widely envied by journalists in less open societies. Despite an uncertain future, we must remain committed to the great tradition of American journalism. Regardless of the proliferation of technology and changing business models, the integrity of the journalistic process must be kept intact. In the embodiment of the news industry, the *creation of news* must be considered the soul. Idealistically pure, honest and credible, the art of observing the world, analyzing the issues and crafting a story for others is the essence of that soul.

References

- American Press Institute. (2006). Blueprint for Transformation. Newspaper Next: The Transformation Project. Retrieved March 20, 2007 from <http://www.newspapernext.org/N2%2520report%25202-07%25202.pdf>.
- Amobi, Tuna N., & Donald, W. (December 14, 2006). Standard & Poor's Industry Survey: Broadcasting, Cable, & Satellite. Retrieved on: 3 April 2007 from http://p://www.netadvantage.standardandpoors.com/docs/indsur///brc_1206/brc_1206
- AOL Hometown. (7 June 2006). How the Press Rolled Over for Bush: Media Critic Eric Boehlert. Retrieved 8 March 2007 from [http://hometown.aol.com/How the Press Rolled Over for Bush Media Critic Eric Boehlert Takes on the Corporate Media - hometown.aol.com - gopbias - boehlert.html](http://hometown.aol.com/How%20the%20Press%20Rolled%20Over%20for%20Bush%20Media%20Critic%20Eric%20Boehlert%20Takes%20on%20the%20Corporate%20Media%20-%20hometown.aol.com%20-%20gopbias%20-%20boehlert.html)
- Bachman, Katy (2007, January, 1). Radio. *Mediaweek*, 17, Retrieved March 23, 2007, from <http://proquest.umi.com/pdqweb?did=1190838011&Fmt=7&client=3921&RQT=309&VName=PQD>
- Broadcasting Board of Governors, retrieved from SourceWatch at [http://www.sourcewatch.org/index.php?title=Broadcasting Board of Governors](http://www.sourcewatch.org/index.php?title=Broadcasting_Board_of_Governors), on March 19, 2007
- Broadcasting Board of Governors, Strategic Plan, retrieved from http://www.bbg.gov/bbg_plan.cfm, on March 19, 2007
- Campbell, J. (2006). The year that defined American journalism: 1897 and the clash of paradigms. New York: Routledge. p.
- Cassidy, William P. (2007). *Online News Credibility: An Examination of the Perceptions of Newspaper Journalists*. Retrieved March 24, 2007, from Northern Illinois University, Department of Communications Web site: <http://jcmc.indiana.edu/vol12/issue2/cassidy.html>
- Cold War Broadcasting Impact -Report on a Conference organized by the Hoover Institution and the Cold War International History Project of the Woodrow Wilson International Center for Scholars at Stanford University, October 13-16, 2004. Retrieved May 14, 2007 from <http://www.wilsoncenter.org/news/docs/Broadcastingconfreport052105.doc>
- Communication and Information Technology /CIT/ (2006). Retrieved on May 14, 2007, from <http://mongolia800.mn/eng/index.php/content/view/66/59/>
- Crawford, C. (2006). Attack the Messenger. Lanham: Rowman and Littlefield, p.28.

- Dine, T. A. (2001). "Remarks by RFE/RL President", Presidential Award Ceremony, Bucharest, November 30 2001. Retrieved on May 14, 2007 at <http://www.rferl.org/about/speeches/301101.asp>
- Edgecliff-Johnson, A. (2007). Poll Contradicts Concern over Future of Newspapers. *The Financial Times*. Retrieved on March 21, 2007 from <http://proquest.umi.com/pqdweb?did=1245344811&Fmt=3&clientId=3921&RQT=309&VName=PQD>
- FCC press release (February 10, 2006). FCC issues 12th annual report to Congress on video competition. Retrieved May 17, 2007 from http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-263763A1.doc
- Friedman, Thomas. The Poverty of Dignity and a Wealth of Rage, *New York Times*, July 15, 2005. Retrieved from <http://thomasfriedman.blogspot.com/2005/07/poverty-of-dignity-and-wealth-of-rage.html>, March 18, 2007
- Hoffman, David, Beyond Public Diplomacy, *Foreign Affairs*, March/April 2002 Issue, retrieved from <http://www.internews.org/getinvolved/presskit/ForeignAffairsOp-Ed0203.pdf>, on March 20, 2007
- Illiberal Conservative Media. How the Liberal Media Myth is Created. Retrieved 21 March 2007 from <http://media.eriposte.com/myth.htm>.
- Johnson, Eric (1996), Mongolian Electronic Mass Media, */Trip Report/*, Internews, July, 1996, from <http://www.eurasianet.org/resource/mongolia/links/mongtrip.html>
- Journalism.org. Retrieved March 28, 2007, from What is Podcasting? Web site: <http://www.Journalism.org/node/1899/print>
- Kovach, B., Rosenstiel, T. (2001). The elements of journalism. New York: Random House. p 17, 71 & 75.
- Lamb, G. (2006, March 15). Tolls May Slow Web Traffic, *Christian Science Monitor*, retrieved from http://www.stateofthenewsmedia.org/2007/narrative_online_ownership.asp???
- Lazarus, D. (2007, March 14). Pay-to-play is one way to help save newspapers. *San Francisco Chronicles*. Retrieved March 15, 2007, from <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2007/03/14/BUG4COKGDU1.DTL>
- MacMillan, Ross (2006). With the amount of "viewer" submitted content rising on news websites, is there a danger that a step too far in this direction will alienate traditional viewers? Retrieved March 31, 2007 from the Cardiff School of Journalism, Cardiff University <http://journalism.cf.ac.uk/2007/online///index.php?id=parse-195-0-0-251&article=561&author=Ross+Macmillan>

- Mass Media and Journalism /MMJ/, (2005). Retrieved on May 14, 2007 from http://www.mongolianembassy.us/eng_about_mongolia/mass_media_journalism.php
- Media Research Center. (2007). Special Report: An In-depth Study, Analysis, or Review Exploring the Media.
- Murrow, E.R., (1963). House Subcommittee Hearing on Public Diplomacy, retrieved March 20, 2007
- Myagmar, M. (2000). Transformation of the Mongolian electronic media: Prospects of public broadcasting in a dual system. Retrieved on May 15, 2007 from http://www.policy.hu/myagmar/policy_paper.PDF
- Newspaper Association of America. (2006). The Source: Newspapers by the Numbers 2006. Retrieved April 2, 2007 from <http://www.naa.org/thesource/index.asp>
- Newspaper Association of America (2005). Annual Newspaper Ad Expenditures. Retrieved March 15, 2007, from <http://www.naa.org/trends-and-numbers/market-databank/annual-newspaper-ad-expenditures.aspx>
- New York Times (2007, March 25). First Look. Retrieved March 25, 2007, from <http://firstlook.nytimes.com/index.php?cat=4>
- Papper, Bob. RTNDF's 2006 Future of the News Survey, 25 Mar. 2006. 10 Mar. 2007 <http://www.rtdna.org/resources/future/index.shtml>.
- Public service broadcasting /PSB/ in the transition, /*Monitoring Report*/ (2006), retrieved on May 16, 2007 from <http://www.globeinter.org.mn/old/en/enewsdetail.php?nid=392>
- Radio Free Europe/Radio Liberty, "Mission Statement". Retrieved on May 14, 2007 from <http://www.rferl.org/about/organization/mission-statement.asp>
- Radio Today 2006 Edition, 05-RSS-502 (2006, February). How America listens to radio. Retrieved March 12, 2007, from <http://www.arbitron.com/downloads/radiotoday06.pdf>
- Rhetorica. Media / Political Bias. Retrieved 8 March 2007 from <http://rhetorica.net/bias.htm>.
- The State of the News Media 2007: An annual report on American journalism. Retrieved on 31 March 2007 from: http://www.stateofthenewsmedia.org/2007/printable_cabletv_chapter.asp?media=1&cat=1
- Voice of America, retrieved from <http://www.voanews.com/english/About/index.cfm>, on March 18, 2007
- Walsh, David. Jolts and Tricks. Retrieved 20 March 2007 from http://www.mediafamily.org/mediawisecolumns/jt_mw.shtml.

Watchdog criticizes US-run Radio Sawa, Al Hurra TV, *Middle East Times*, September 6, 2006, retrieved from <http://www.metimes.com/print/php?StoryID=2006906-08520507457r>, on March 19, 2007

Who Killed the Newspaper. *The Economist*, 26 August 2006. p 10.

Wikipedia, Smith-Mundt Act, retrieved from http://en.wikipedia.org/wiki/Smith-Mundt_Act, on March 20, 2007

Wilmsen, David. Alhurra – Dialogue with the Deaf, May 2004, retrieved from http://www.monabaker.com/pMachine/More.php?id-A2018_0_1_0_M, on March 19, 2007

Witt, Leonard (2004). Is Public Journalism Morphing into the Public's Journalism? *National Civic Review*, Fall 2004.

