



Written by [Jack Kenny](#) on June 14, 2010

Government Looks to ‘Reinvent Journalism’

Before he was an Academy Award and Nobel Prize winner, Vice President Al Gore headed a commission charged with formulating a strategy for “reinventing government.” Today, in an American economy featuring government bailouts of large financial firms and public ownership of General Motors, government is looking at “reinventing journalism.”



As newspapers continue to lose circulation and revenue and daily newspapers go out of business or get swallowed up by large newspaper chains, the Federal Trade Commission has been looking at ways to save journalism as we have known it. The FTC has been gathering and analyzing suggestions in a series of public forums, the last of which will be held in Washington on Tuesday. The suggestions in a draft report released last month included tax exemptions for news organizations, loosening antitrust statutes, imposing a tax on iPads and other electronic devices, increasing funding for public broadcasting, and creating a program like AmeriCorps to pay young journalists. The commission is scheduled to release a final report late this year.

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None of the suggestions thus far have been endorsed by the FTC, and some have received a less-than-enthusiastic response from Chairman Jon Leibowitz. The commission has “a very strong allergy” toward antitrust exemptions, Leibowitz said at a Senate hearing last month, and he considers a journalism tax “a terrible idea.” The commission’s director of the office of policy and planning, which oversees the study, said specific commendations could be premature, given the current state of flux in the news industry.

“In this case, one of the issues is that we’re in the midst of a profound transition in the news,” Susan DeSanti told the *New York Times*. “Nobody knows exactly where this is going to end up, and nobody really knows at what point we are in this transition.” The commission could report an analysis of the various suggestions without recommending any specific action, something DeSanti said would not be unusual.

The “Reinventing Government” theme was adopted by the Clinton administration in the early ’90s from a best-selling book with that title by David Osborne and Ted Gaebler. The authors cited numerous



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examples of municipalities partnering with both private enterprise and non-profit organizations to provide government services at lower costs. The various proposals for “Reinventing journalism” would be a move in the opposite direction in an industry where, apart from the Public Broadcasting Service, government assistance has involved little more than the licensing of broadcast frequencies and lower postal rates for newspapers’ bulk mailings. Suggestions of government involvement in the business of gathering and reporting news have prompted warnings of interference with the freedom and independence of the press, as a well as misallocation of taxpayer dollars.

“If there was grumbling about bailing out General Motors, imagine the hailstorm about raising taxes to save newspapers,” Jeff Jarvis, a professor at City University of New York’s Graduate School of Journalism, wrote in an op ed piece for the *New York Post*.

A *Washington Times* editorial, appearing both in print and online, derided the idea of placing a five-percent tax on iPads, kindles, and laptop computers “to encourage people to keep reading the dead-tree version of the news.” Another suggestion included in the commission’s draft report last month was to require “news aggregators” to pay news organizations for the use of online content, “perhaps through the use of copyright licenses.” The editorial labeled that idea “the Drudge tax” after the online “Drudge Report” that gathers news from and provides links to a wide array of news sources. The paper warned against any scheme involving a government distribution of funds to news organizations.

“The conflict of interest in having the government pay or contribute to a newsman’s salary could not be more obvious. Reporters and columnists would have little incentive to offer critical analyses of tax increases that might mean a boost in the pocketbook. Once Congress has the power to fund the news, it can at any time attach ‘strings’ designed to promote certain viewpoints — in the name of fairness, of course.”

Steven Brill, co-founder of Journalism Online, LLC, is working on a private-sector method to help publishers charge readers for online access to news stories. He also believes government should not be subsidizing news media and is especially scornful of an AmeriCorps-type program to bring young people into the newspaper business.

“You’re going to create a fund so a bunch of kids from Ivy League colleges can get jobs going to zoning board meetings with pens and pads? It’s like you’re living on another planet if you think this is going to happen,” Brill told the *New York Times*.

The “iPad tax” suggested in the commission report would raise an estimated \$4 billion to help the news industry with, among other things, investments in technology for “improved electronic note-taking.” Taxes on broadcast spectrum and advertising are also among the proposals considered.

“Most dangerous of all, the FTC considers a doctrine of ‘proprietary facts,’” Jarvis warned. “Copyright law protects the presentation of news but no one owns facts — and if anyone did, you could be forbidden from sharing them. How does *that* serve free speech?”

The journalism professor said the draft report made no mention of information he had shared in testimony before the commission on new, lower cost business models for news and of bloggers collecting \$200,000 a year in advertising revenue. “But those entrepreneurs don’t need government help,” he wrote. “They need to be left alone with the assurance they won’t be interfered with by the FTC — or the FCC, which has its own hearings and reports on the future of journalism.” Jarvis said he had four simple words of advice on how both agencies might help save journalism: “Get off our lawn.”



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