OBAMA-BIDEN TRANSITION PROJECT

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December 15, 2008

Dear President-Elect Obama:

As your transition efforts hit full stride, I wanted to take this opportunity to not only congratulate you on your historic election victory, but also to provide you with budget and other information about public broadcasting in the United States.

As you know, the Corporation for Public Broadcasting (CPB) is a private, nonprofit corporation created by the Public Broadcasting Act of 1967. We are the steward of the federal government's investment in public broadcasting – or what we now like to call "public service media." CPB distributes this federal funding ($400 million in Fiscal Year 2009) in accordance with a statutory formula, under which almost 72 percent of funds go directly to local public television and radio stations.

Locally-owned and operated, the nation's public radio and television stations are providing a unique service to their communities on so many levels. Stations determine their own program schedules, and often produce their own locally-oriented news and public affairs programming, including extensive election coverage. Because stations respond to community needs, their communities support them in return. Every week, more than 60 million Americans tune into public television and 28 million listen to public radio. Thousands more view or listen to public broadcasting through "podcasts" or other online sources. Those individual citizens make up the biggest part of the industry's funding stream – contributing $720 million, or 24.6 percent, of the overall public broadcasting system's budget in FY 2007. In addition to individuals, public broadcasting is also supported by local businesses, foundations and government. All told, 84 percent of public broadcasting's resources come from non-federal sources. Public service media represents the best kind of public-private partnership.

CPB also supports the creation of programming for radio, television and new media. The Public Broadcasting Act ensures diversity in this programming by requiring CPB to fund independent producers and minority producers. We fulfill these obligations by funding the Independent Television Service and minority consortia in television and radio (representing African American, Latino, Asian American, Native American and Pacific Islander producers). CPB provides money directly to the Public Broadcasting Service (PBS), primarily to support signature programs like *Masterpiece Theater*, *The NewsHour with Jim Lehrer* and children's programming.

In addition to its support of the development of content, by statute, CPB spends six percent of its funds on projects that benefit the entire public broadcasting community. We negotiate and pay music royalties for all of public broadcasting, for example, and we fund research to explore audience needs and technological opportunities. Added together, these efforts account for 95 percent of the funds appropriated to CPB; we are limited by law to an administrative budget of five percent.

CPB, PBS and National Public Radio (NPR) are independent of each other. CPB was created by Congress in 1967 to oversee the federal investment in public broadcasting. PBS and NPR are

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membership organizations that distribute content and provide other services to their members. Although CPB shares the costs of many PBS programs, PBS relies on many other funding sources, including foundations, businesses and government agencies. CPB provides very little direct funding to NPR; instead, it gives grants to local public radio stations that help them purchase the programming developed by NPR and other radio producers.

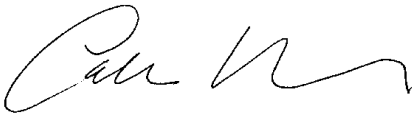
If all of public broadcasting's activities have a common theme, it is that they are focused on lifelong learning – from the education of pre-school and young children; to youth and older Americans getting their GEDs or college diplomas. Education at all levels is the DNA of public media. Many stations have strategic partnerships with their state education agencies and local school districts. These partnerships – coupled with the emergence of new media – are deploying innovative, breakthrough teaching methods on air, online and in the community which provide unique learning experiences to students, teachers, parents, and caregivers all working to close achievement gaps between higher and lower performing students and increase educational attainment for people of all ages. Investment in public media is a key national strategy to close those achievement gaps and prepare citizens for the global economy.

For more than 40 years public broadcasting has provided a safe place for millions of children to learn; provided unparalleled access to news and information; given voice to diverse points of view; and convened community dialogues. As the times have changed, so too have the technologies available for the enterprise. Digital technology impacts the creation of content, by simplifying production; it expands the distribution and the retrieval of content, by using the internet to transcend the limits of a broadcast transmitter's power; it reduces economic barriers to production and distribution; and it enables citizens to find what they want when they want it. The challenge before us is how best to incorporate new digital technology-based capabilities into the public interest and service for all of our diverse citizenry, and thereby create the "Public Media 2.0" you referred to in your campaign.

Attached you will find information related to CPB's budget requests to the Office of Management and Budget (OMB) for the Fiscal Year (FY) 2010 budget cycle, submitted in September 2008; our appropriations request to Congress for the FY 2009 cycle, submitted in February 2008; and other information about the public broadcasting system's structure and financing. As the FY 2010 appropriations cycle rapidly approaches, we plan to keep in touch with the appropriate OMB staff both before and after your inauguration.

Thank you for your consideration of these funding requests, and for your support of public broadcasting. As you prepare for the coming year, please do not hesitate to contact me or Tim Isgitt, CPB's Vice President, Government Affairs, at (202) 879-9812 or tisgitt@cpb.org if you have any questions.

Sincerely,



Patricia Harrison
President and CEO

Attachments