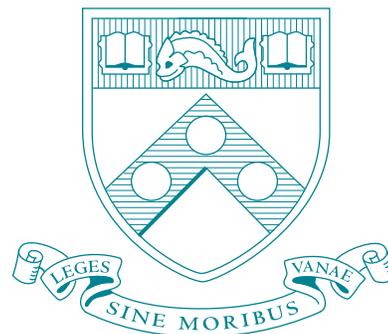


FREE AIR TIME AND CAMPAIGN REFORM

A Report of the Conference held by The Annenberg
Public Policy Center of the University of Pennsylvania
and The Free TV for Straight Talk Coalition, funded
by The Pew Charitable Trusts

11 March 1997



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11 March 1997

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FOREWORD

The Annenberg Public Policy Center was established by publisher and philanthropist Walter Annenberg in 1994 to create a community of scholars within the University of Pennsylvania which would address public policy issues at the local, state and federal levels. Consistent with the mission of the Annenberg School for Communication, the Center has four ongoing foci: Information and Society; Media and the Developing Mind; Media and the Dialogue of Democracy; and Health Communication. Each year, as well, a special area of scholarly and social interest is addressed. The Center supports research and sponsors lectures and conferences in these areas. This series of publications disseminates the work of the Center.

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INTRODUCTION

Free television air time was made available to both major party presidential campaigns in 1996 by several networks in a variety of formats — sometimes included within news and magazine programs, sometimes as a stand-alone feature in programming. The candidates were invited to make short speeches, speaking directly to the camera, with few if any other production elements. In total, the Dole and Clinton campaigns each produced twenty-five free time mini-speeches. These ranged from one minute to two and a half minutes in length. In some congressional and state races, free air time was also donated by local broadcasters. Proposals calling on broadcasters to give free air time to candidates are currently part of campaign reform legislation in Congress.

“Free Air Time and Campaign Reform,” was a conference co-sponsored by the Annenberg Public Policy Center of the University of Pennsylvania and the Free TV For Straight Talk Coalition and funded by The Pew Charitable Trusts. Held on March 11, 1997, the conference gathered nearly 200 members of the press, scholars in communications and politics, campaign reform advocates, campaign practitioners, consultants and candidates.

The following is a distillation of the conference proceedings. It is our hope that the salient points have been preserved.



Kathleen Jamieson, Ann McBride, President Bill Clinton, Senator John McCain, Paul Taylor, Becky Cain, Walter Cronkite, Barry Diller, and Reed Hundt



Paul Light
The Pew Charitable Trusts

CONFERENCE WELCOME



Paul Taylor

Director, Free TV for Straight Talk Coalition

My job is to welcome everyone. That's easy, for as I look around this room what I see is a gathering of the local chapter of the Political Junkies of America. Of course, we all have more formal titles — scholar, journalist, public interest advocate, public official — but we're joined at the hip by our shared affliction. We love politics.

That makes us a pretty exotic species these days. To borrow a phrase from television, politics has been losing market share for years — as a matter of fact, since the early years of television. Is there a connection? Former Israeli Prime Minister Shimon Peres thinks so. "Television," he said famously, "has made dictatorship impossible, but democracy unbearable."

Did television kill politics? I'm not sure it's the only heavy, but the evidence seems pretty clear that it's been running with a bad crowd. The content of political communication on television — attack ads and sound bites — sends voters rushing towards the exits. The cost of political communication on television — a record \$500 million in the last campaign — fuels the obsessive money chase that produces the scandals we read about each morning.

Can we do better? It's hard to imagine we can do any worse. We're the only nation in the world where candidates raise huge sums of special interest money to pay for attack ads designed to shrink turnout. We've been at the enterprise of democracy longer than anyone else. Surely we can arrange our political campaigns better than that.

At our conference today, we'll explore how. We'll ask whether the simple palliative of requiring that the broadcast industry provide candidates with free time — the way it's done virtually everywhere else in the world — might help restore some sanity to our system of campaign financing. And we'll ask whether the simple palliative of requiring that candidate to appear on screen for his or her free time presentations might improve discourse, increase accountability and reduce deception.



Walter Cronkite, Beck Cain, President Bill Clinton,
Paul Taylor (speaking), Ann McBride, and
Senator John McCain

FREE TIME AND POLITICAL DISCOURSE

PRESENTATION OF RESEARCH



Kathleen Hall Jamieson

Dean, Annenberg School for Communication, University of Pennsylvania

ANNENBERG PUBLIC POLICY CENTER

The first thing that we learned from a national survey of registered voters was that very few people knew that free time was happening, and very few of those who knew that free time was happening were watching free time. We found that only one fifth, 22.3%, of respondents in a national survey, done November 6th to 12th, with the sample size of 1,026, reported seeing at least one free time segment. Now it's possible that people saw the free time segments and didn't remember them. But, 22.3% is a disappointing percent of the electorate for the first national experiment in free time. By contrast, 71.8% said they watched all or part of a debate, and 83.5% recalled seeing or hearing a Clinton or Dole ad. That's understandable since the ads were pervasive and the debates were the most watched collective experience of the presidential campaign. But this analysis is predicated on the conclusion that the experiment didn't reach many people who could consciously recall that they were affected by it.

We then looked at what it was that the 22% was seeing and asked whether it was a different kind of discourse and concluded that, yes, in some ways it was. In free time, the amount of pure attack, which means the attack on the opponent that does not provide a comparison indicating one's own position, compared favorably to debates, ads and to news. Only 8.9% of the free time consisted of pure attack. One of the reasons that we think that pure attack is not a good form is that it tells you why to vote against someone without indicating a reason, and it doesn't tell you why to vote for someone else. We suspect, as a result, that it makes it more difficult for audiences to determine what the candidate's stands on issues are, and we suspect that it engenders cynicism. By this measure, then, free time was an improvement over the discourse of candidates found in the other forms.

We then looked at the extent to which the free time explicitly compared the candidate's position with the opponent's position. And what we found was that free time, debates, and ads all had comparable levels of comparison. Here 1996 is an anomalous year because the Clinton ads, as a matter of norm, examine both Clinton's positions and Dole's positions in the same ads. As a result, the percent of comparison in ads this year is much higher than it has been historically. The 44.9% comparison in free time against ads of past presidential general elections would have been a remarkable shift. It is not a remarkable shift this year. However, the amount of comparison in free time is substantially higher than in news.

We also looked at whether or not candidates explicitly used evidence in making their cases. What we found was that the unevidenced pure attack and comparison was low in the free time, compared to the other forms. And here one of the common academic critiques of news becomes more apparent. What news tends to do is to take the evidence away from the candidate's statements, whether they be statements in support of the candidate or against the opponent, and simply offer the pure attack, thereby creating the interpretation on the part of voters, that candidates simply stand up in their speeches, and in debates, and in their ads, and in free time, and attack, and attack, and attack. In fact that is not the norm in political discourse; it's not the norm in ads; it's not the norm in debates; and it was not the norm in free time.

We also found that in free time there were instances in which the candidate's discourse became more accurate than it had been in either debates or ads. So free time corrected some misleading information that was found in debates or ads, but you had to be listening carefully to hear those corrections. For example, Clinton said in PBS's free time on October 17th: "We started putting 100,000 police on the street." In debates and ads he implied the police were already in place. Clinton, CBS, October 23rd: "The Catholic Health Association and virtually every state hospital association in the country said the Republican budget would have jeopardized the quality of care for all Medicare recipients." That's the statement in free time. In debates, Clinton said the American Hospital Association forecast 700 hospitals would close. The Association had not made such a forecast. Dole, on both CNN and PBS, October 23rd, said, "Over the past four years we have seen the Clinton Administration officials investigated, fired or forced to resign due to ethical implications." In Dole's ads a voice-over announcer asserted, "More investigations, more prosecutions, more convictions," implying more than any other administrations.

But in free time some of the debate and ad distortions persisted, including the Dole statement that Clinton's tax increase was the largest in history, Dole's statement that the average family pays more in taxes than it does for food, shelter and clothing combined, Dole's statement that the average family spends nearly 40% of its income on taxes, Clinton's statement that Dole voted against creating the drug czar, and Clinton's statement that Dole fought for deep cuts in Medicare. Most of these statements are not literally inaccurate, but the inference invited requires contextualization if one is to draw an accurate conclusion. And so, some misleading statements that were found in ads and in debates, persisted in free time.

We did find that free time in general used less inflammatory language than did the ads. We compared free time and ads to determine the extent to which each simplified oppositional messages to simply base attack. And then we looked at the language which is the trademark of political advertising. So, for example, we looked at words that impugn the integrity of the other person. That was done in ads; it wasn't done in free time. Words such as "liberal" and "tax and spend" did not occur in free time. Dole repeated the liberal charge in speeches, debates and ads, but he didn't use either "liberal" or "tax and spend" in free time. Instead, he showed the evidence that Clinton supported specific legislation and that, I believe, is more helpful to voters. We looked at categorical distinctions we called "punch lines," which are appended to reasoned and documented arguments. The substance of Dole's ad attacks on Clinton's drug policies often carried over to free time. What didn't carry over was the inflammatory language used to convey this substance. For example: "Bill Clinton - he just doesn't get it." Nor did we see a repeat of the statement: "If Clinton wins, we lose." And so evidence was offered more often; there was more comparison; there was proportionately less pure attack; and we saw less use of inflammatory language.

We also saw less of what we call "alarmism." Clinton in the ads saying: "There'll be nobody there to stop them." Clinton's announcer saying in ads: "Can we count on Bob Dole?" Dole saying: "Our children have to live with the President we give them." Dole saying: "We are the victims." Dole saying: "Our children get short—changed." Dole

saying: “How far will we let them go?” Those kinds of alarmist statements were not characteristic of free time; they are more characteristic of ads. I don’t mean to suggest that it’s illegitimate for ads to make these moves, but rather that it was useful that free time did not.

We also found that accusations of foul intention were less pervasive in free time, so, for example, a statement by the Clinton announcer: “The *real*/Bob Dole, one slogans can’t hide;” the statement in the Dole ad: “Does the truth matter?” — the statement in the Dole ad: “He’ll do anything to get elected,” were not statements that were found in free time. In other words, looking at the language of free time, we found small, but we thought, important improvement.

We also found that free time provided useful information. When we compared free time to the policy information that was available in broadcast news from the beginning of September through election day in 1996 (we looked at the three broadcast networks), what we found was that there was proportionately more policy information in free time than in broadcast news. Where more than 90% of free time focused on policy, only a third of news did. Thirty percent of news described the candidate’s policy positions, and eight percent analyzed those positions. Forty percent of news focused on the mechanics of the campaign; for example, candidate appearance, voters’ perceptions of the candidates, debate negotiations and fund raising. And so, for amount of policy information presented in the broadcast environment, free time was an improvement.

We also asked: To what extent did the format of free time account for these small, but we believe important, changes? It is possible that the length of free time rather than the candidate speaking to camera is what counted for these improvements? We looked at historical data in order to try to determine whether we could separate those two in a way that would let us examine format. And, after an analysis of the ads and debates in our 1960, 1980, 1988 and 1992 data bases, we concluded that there is in fact an improvement in the quality of discourse — that is associated with the candidate speaking directly to camera — that can be separated from an improvement in discourse associated with length of discourse. In other words, length of discourse historically does not directly correlate to these changes, whereas a candidate speaking in his or her own voice does. For example, in the 1960 campaign, which was characterized largely by candidates speaking to camera, we see the same tendencies that we see in the free time of 1996.

Finally we asked: How did the electorate learn about free time through the media? What we found was that newspapers spent a lot of time telling us about free time while the coalition was getting organized and recommending it, but once the experiment began, they spent very little time telling the electorate that it was happening.

In summary, there are some marginal, but we think important improvements in the quality of discourse produced in free time, but very few people were the beneficiaries, or at least recall that they were. The other data from our national survey suggests that those who saw free time and remembered it thought it was helpful.



Kenneth Rasinski
Senior Research Scientist, NORC

NATIONAL OPINION RESEARCH CENTER

Description of the evaluation. The Pew Trusts asked NORC to evaluate the effectiveness of the free prime-time experiment in “a noisy political environment.” We chose the city of Chicago as our evaluation site (mostly for expediency) and designed the evaluation as a field experiment. We used a random procedure to select households with telephones and conducted a short telephone interview just before the segments were broadcast. Most of the interview was devoted to collecting background information on respondents. One half of the sample, randomly determined, was designated as the “Prompted” group. These respondents were told about the segments and when they would be broadcast and were asked to watch them. A reminder letter, with a schedule of the broadcasts and a two-dollar bill token of appreciation, was sent to them after the interview but before the broadcast. Respondents in this group were told they would be called back after the election for a reinterview. The remaining half-sample was a control group designated as the “Unprompted” group. These respondents were not told about the PBS programs and were not sent materials. They were told that they would be recontacted for a reinterview after the election. Eight-hundred interviews were conducted in the pre-election survey. Follow-up interviews were conducted with 545 respondents, 287 from the Prompted group and 258 from the Unprompted group.

Neither the PBS free prime-time experiment nor the NORC evaluation experiment was a true experiment in the classical scientific sense. The term “experiment” is used loosely with reference to the PBS free prime-time offer, to designate that it was a trial event. With reference to the evaluation design, the term is used with more precision in that respondents were assigned at random to two groups, and that one group was exposed to a “treatment” (i.e., the prompting). However, it is the watching of the segments, and not the prompting, that is of interest. We could not be guaranteed that respondents in the Prompted group would watch the segments, nor could we guarantee that respondents in the unprompted group would not watch the program.

Results. While the question of whether free candidate media time should be a viable part of campaign reform is beyond the scope of this research, the data can address whether free candidate media time can be viable as a means for political candidates to reach the public. At minimum, it can be argued that the effort is worthwhile if it reaches the public and provides them with information that is useful in making a voting decision. The field experiment was designed to assess the general proposition. Results are divided into four sections: (1) effects of prompting on viewing behavior, (2) characteristics associated with viewing behavior, (3) what viewers learned about the candidates, and (4) effects of viewing on voting.

1. *Effects of prompting on viewing behavior.* The field experiment evaluation design allowed us to examine viewing behavior under two conditions: Prompted and Unprompted. Because each group was a random subsample of Chicagoans, they were similar on all characteristics. Examination of viewing behavior under

the “Prompted” condition is equivalent to studying the effect of a small-scale advertising campaign designed to increase awareness of a program. Examination of viewing under the “Unprompted” condition is equivalent to studying the natural rate of awareness in the population. It should be noted that all measures of viewing behavior are self-reports. External validation of these reports was not possible.

In general, respondents in the Prompted group were more likely to view and pay attention to the segments. Results for specific questions are reported in the following bullets. All differences reported are statistically significant at the 95% level of confidence unless indicated.

- Nearly twice as many respondents in the Prompted group (59%) reported viewing the segments, compared to respondents in the Unprompted group (31%).
 - Respondents in the Prompted group reported watching more segments. Of those who watched the program in the Prompted group, 41 percent said they watched more than half of the segments, compared to 30 percent of viewers in the Unprompted group. (Note: this difference was significant at the 92% level of confidence).
 - Respondents in the Prompted group reported paying more attention to the segments. Of viewers in the Prompted group 70 percent said they paid a great deal of attention to the segments, compared to 54 percent of viewers in the Unprompted group.
 - More viewers in the Prompted group reported that watching the segments was their main activity. Of viewers in the Prompted group, 72 percent said that watching the segments was their main activity, compared to 56 percent of viewers in the Unprompted group.
2. *Characteristics associated with viewing behavior.* Viewing of the segments may be associated with respondent characteristics. Even in the Prompted group, it is possible that respondents who complied with our request to view the segments were different from those who did not comply. To examine this we investigated differences between viewers and nonviewers in each of the groups.
- There were no differences in race, education, or income between viewers and nonviewers in the Prompted or Unprompted groups.
 - Viewers in the Unprompted group were more likely to categorize themselves as out of the labor force (student, housekeeper, or retired, 40%) than nonviewers in the Unprompted group (26%). No difference in employment status was found between viewers and nonviewers in the Prompted group.
 - There was no difference between viewers and nonviewers in either group on party identification, or ratings on a liberalism/conservatism scale. Viewers in the Prompted group were more likely to say they were very or somewhat interested in politics (79%) compared to nonviewers in the Prompted group (62%).
 - Viewers in either condition reported more hours per month of watching the news on television (21.23 hours vs. 19.42 hours for nonviewers), watching public affairs programs (12.75 hours vs. for 9.5 hours for nonviewers), and reading the newspaper (18.85 hours vs. 16.1 hours for nonviewers).
- 3a. *What viewers learned about the candidates: Global assessments.* Two approaches to assessing what viewers learned from the segments were used. The first approach asked viewers globally how much they learned about each candidate’s character and positions on issues. Viewers were also asked whether the segments covered most of the important issues or whether some important issues were not covered.

- Most viewers said they learned something about the candidates' issue positions from the segments. More viewers said they learned a great deal or some about Clinton's issue positions from the segments (69%), than about Dole's issue positions (60%). There was no difference between Prompted and Unprompted viewers.
- Viewers were split on what they learned about the character of each candidate. Slightly more than half of the viewers (53%) said they learned a great deal or some about Dole's character from the segments. About half also said they learned a great deal or some about Clinton's character from the segments (50%). Although this difference between the candidates is small, it is statistically significant. No differences were found between Prompted and Unprompted viewers.
- More viewers in the Prompted group said that the segments covered the important issues in the election (40%) than those in the Unprompted group (18%). However, most viewers in either group said some important issues were not discussed (Prompted, 56%, Unprompted, 73%, overall, 61%).

3b. *What viewers learned about the candidates: Specific assessments.* The second method of assessing what viewers learned about the candidates from the segments involved asking both viewers and nonviewers a series of questions evaluating specific aspects of each candidate's character and ability to handle specific policy issues. Differences between viewers and nonviewers in the Prompted and Unprompted groups were examined.

Respondents were asked to rate how much each of the following adjectives described each candidate: knowledgeable, uncaring, fair, dishonest, kind, lazy, understanding, and incompetent. Positive and negative adjectives were alternated to avoid response set.

- There were no statistically significant differences between viewers and nonviewers on ratings of the candidates on any of the four positive attributes. There were no differences for Mr. Clinton on the negative attributes.
- Although most viewers did not view Mr. Dole as incompetent, those in the Prompted group who watched the segments were less likely to rate him as incompetent (58% said the attribute applied "not at all," compared to 50% of nonviewers).
- Although most viewers did not view Mr. Dole as lazy, those in the Prompted group who watched the segments were less likely to rate him as lazy (75% said the attribute applied "not at all," compared to 69% of nonviewers).
- Although most viewers did not view Mr. Dole as dishonest, those in the Prompted group who watched the segments were less likely to rate him as dishonest (70% said the attribute applied "a little," "not at all," or said "don't know," compared to 60% of nonviewers).

Respondents were asked whether Mr. Dole or Mr. Clinton would do a better job with each of the following 16 issues: lowering taxes, keeping the economy strong, reducing unemployment, reducing the size of government, lowering the crime rate, reducing drug abuse, reducing the deficit, protecting your interests, protecting the interests of the poor, protecting the interests of women, protecting the interests of minorities, protecting the interests of the elderly, protecting the interests of the middle class, protecting the interests of the wealthy, protecting the interests of business, keeping promises. With one exception, all differences between viewers and nonviewers occurred among those in the Prompted group.

- Although both viewers and nonviewers thought Clinton would do a better job keeping the economy strong (56% compared to 22% for Dole), more viewers in the Unprompted group thought that Dole would do a better job of keeping the economy strong (22%) than nonviewers (16%).
- Although both viewers and nonviewers thought Clinton would do a better job in reducing unemployment (64% compared to 15% for Dole), more viewers in the Prompted group thought that Clinton would do a better job in reducing unemployment (65%) than nonviewers (59%). Only 5% of viewers in the Prompted group thought neither candidate would do a good job reducing unemployment, compared to 15% of nonviewers.
- Although both viewers and nonviewers thought Clinton would do a better job in protecting the interests of the elderly (52% compared to 25% for Dole), more viewers in the Prompted group thought that Clinton would do a better job in protecting the interests of the elderly (52.1%) than nonviewers (45.8%). Only 3% of viewers in the Prompted group thought neither candidate would do a good job reducing unemployment, compared to 13% of nonviewers.
- Although both viewers and nonviewers thought Clinton would do a better job in reducing drug abuse (38% compared to 23% for Dole), more viewers in the Prompted group thought that Dole would do a better job in reducing drug abuse (27%) than nonviewers (19%). Seventeen percent of viewers in the Prompted group thought neither candidate would do a good job reducing unemployment, compared to 26% of nonviewers.

Results reported in a previous section indicated that viewers in both groups were also higher consumers of political media in general. It is possible that findings reported as associated with viewing are really due to an increased propensity for viewers to engage in higher levels of political media consumption in general, and not due to the experience of viewing the segments. Preliminary analysis suggests that this is not the case. Analyses indicate no statistically significant relationships between responses to the 16 issue questions and propensity for general media consumption. Thus, it appears that viewing the segments, rather than political media consumption in general, is responsible for differences in responses.

4. *Effects of viewing on voting and vote choice.* Finally, the effects of viewing the segments on self-reported voting in the 1996 presidential election were examined. Overall, 79% of respondents reported that they voted in the 1996 election. The relationship between voting, group, and viewing behavior was examined.
 - There was no statistically significant difference in self-reported voting between those in the Prompted group and those in the Unprompted group.
 - Viewing behavior was significantly related to voting, but only in the Prompted group. Of those in the Prompted group who watched the program, 89% of viewers reported voting in the 1996 presidential election, compared to 74% of nonviewers.

Interest in politics was related to both viewing behavior (reported earlier) and self-reported voting. Of those who reported being somewhat or very interested in politics 80% reported voting, compared to 20% of those indicating slight or no interest in politics. Thus it may be argued that it is interest in politics, rather than the viewing of the segments, that is primarily responsible for increased voting. The relationship between viewing the segments and voting was examined separately in the Prompted group for three levels of political interest.

- The relationship between viewing and voting among those expressing either a great deal of interest in politics or those expressing a slight or no interest in politics was not statistically significant.
- Among those expressing some interest in politics there was a significant relationship between viewing and voting. Viewers in the Prompted group who expressed some interest in politics were more likely to report voting in the 1996 election (92%) compared to nonviewers (72%).

Conclusion. Results of this evaluation indicate that free candidate media time has potential as a means to reach and inform the public about important attributes and positions of political candidates. A fairly detailed analysis suggests that those who viewed the segments learned relevant information about the candidates that they had not learned from other sources. In addition, there is some evidence for increased voting behavior among viewers. Thus it can be argued that the media experiment not only informed citizens but may have encouraged them to exercise their civic duty.

Two caveats must be mentioned. First, a high level of viewing of the segments did not occur naturally. The level of viewing and the degree of attention to the segments was greater when special prompts were used. In addition, the informational and civic effects of viewing were only present under the Prompted condition. This indicates that free time will be effective to the extent that it is promoted, perhaps aggressively so. The second caveat is that the research here did not demonstrate that the increased information attributed to the segments actually translated into a more informed or rational vote choice. This demonstration awaits further research.

PANEL



Kathleen Hall Jamieson

There was a concern expressed when free time was first advocated that it would drive viewers away from adjoining programs. So we asked for the ratings data from the networks that aired free time. According to Kathleen Francovic, CBS Director of Research, quarter-hour ratings data for CBS Evening News do not indicate any change in audience share the nights the newscasts aired free time. The quarter-hour ratings provided by CNN also show no change in audience share when “Inside Politics” included free time. The CNN data compared programs airing free time to both programs that did not feature free time and programs before and after the free time aired. NBC declined to provide ratings data, and PBS and Fox do not keep such data.

We also asked those in our survey to assess how highly they regarded the various networks. Did they perceive the networks that aired free time differently? We found that two-fifths, 38.2% of free time viewers in our national survey (and remember that is only 22.3% of the survey population), said they thought better of the network or networks that provided free time. Three-fifths reported no change in attitude.

With that as a backdrop, I'd like to introduce the people who were at the front lines as this experiment took place, and I would like to ask them to answer the questions: Did it work? If so, how and why? If not, why not? And then secondly, if you didn't think it worked, do you think it can work in some way? Is there a way to perfect it, to make it a vehicle that would satisfy your expectations of a productive alternative form of campaign discourse?



Alex Castellanos
Dole/Kemp media consultant

Did it work? In our campaign I thought it was fairly inconsequential. It was a distraction, it was insignificant. We are in the most amazing communications revolution in the history of the world. We have two networks that do nothing but put candidates on TV giving speeches — C-SPAN 1, C-SPAN 2. We have Fox, CNBC, MSNBC. The news is everywhere. There is more journalism today than you can imagine. And your answer to getting more people interested in politics is, I think, to make politics less interesting. There already is a judge for all this and it's called the consumer. And there's a judge for politics and it's called the voter. And there's a mechanism and it's called freedom. And it seems to work pretty well.

I would not limit your efforts in any way. I think you're terrific — knocking yourselves out. But I do think it begins to seem like an effort in building the self-esteem of a privileged class of folks who think it is better for us to eat our oatmeal, who think somehow that if we get these emotionally laden words out of politics we'll all have a healthier debate. I would take strong exception to that.

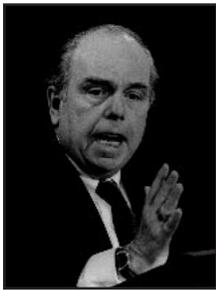
I have no problem with you giving away all the free TV time you want, but there is a coercive power when you say to a political campaign, "We'll let you into America's living room but you have to show Bob Dole from the waist up. But you have to show Bob Dole without music. You have to show Bob Dole without cutaways."

If that is your effort — to get emotion and passion out of politics because somehow that's going to elevate the debate — then who is next? I'll submit it may be Dan Rather. Maybe Dan should not have cutaways or pictures. Maybe Dan should not be so negative. We are in a period of great change in America. Old, slow, industrial-aged government is dying out. And what we're seeing reflected in the passion in our politics and the conflict in our politics is a struggle to build something new. I loved the conflict. And I'll tell you what I see bringing more conflict and negativism to the American people, and that's journalism. And I say if you beat the conflict and if you beat the attacks and if you beat the passion out of politics, watch out and we'll see who'll be next. Don't beat out the creativity and the opportunity for growth.

I come from a place where people know what's best for you, where they decide what you're going to see on television, where the consumer doesn't have the last word, where they make you eat your oatmeal. That place is called Cuba.

So I would urge you to again give away all the free time you want. Let candidates talk. But don't use your coercive power to undermine a candidate's opportunity to tell the truest message he can. Is it truer for Bob Dole to sit there in front of a TV camera and give passionless facts and policy?

We have such limited moments to elevate something in politics, in journalism, and touch somebody with it. We can't deal with the thing itself. We have thirty seconds; we have a few minutes, ninety minutes. How do we find that true thing using just that brief reflection? We take it out of context. We might use music. We could use something other than a boring head shot. But more importantly, conflict and attack are not the enemy here. They are not something that we should have less of in politics, but perhaps more. When American people have lost confidence in their government, when the institution needs changing, perhaps what we need is more conflict and more emotion, and more, and more things to fight about, especially in the last and greatest place on earth where we're free to do just that. So again, I will sell your oatmeal if the price is right.



Robert Shrum

Democratic media and public relations consultant

I think Alex and I share one thing. Paul Taylor began by saying that television has been running with a bad crowd. I think we're here as representatives of the bad crowd. I would actually rephrase slightly what Alex said. I feel a little bit like a befeater at a pita convention. I expect to be treated reasonably well, but I'm not sure that what I'm going to say is going to be welcomed. I don't agree with Alex that what Paul [Taylor] is trying to do is to make America Cuba. I do, however, think there are dangers in limiting free speech and I'm going to talk about those.

But I think free time can not only make a real contribution — I think fundamentally it is the answer to campaign finance reform. I believe it should be broader, deeper and more extensive than any experiment we had this year. But I would not confuse the idea with the notion of censoring or controlling the content of speech. If we do that I think we risk losing the idea. Woodrow Wilson could have had the League of Nations but he would only take it in exactly the form he wanted it, so he lost it, and I think the greatest danger to political reform now is that it becomes a Christmas tree of Puritan proposals.

I think we can deal with campaign reform. We can get some of the incredible demand for money out of this system with free time. But if we begin to insist that the candidate has to personally deliver every ad, we're going to raise a whole host of questions that I'm not sure we've examined very carefully, for example: How much of a premium is then going to be put on appearance? What are we going to do to the inner dynamic of the political process and the exchange of ideas?

This is the only country in the western world that basically doesn't charge television networks for the use of the spectrum. So I think charging them in the form of free time for candidates in campaigns could remove the single greatest cause of the escalating cost of campaigns, and the single greatest contribution to the money chase.

But I would do it in an odd form, which I suppose reflects an occupational bias. I would do it in the form of ratings points. I would let candidates run thirty-second ads in the free time. And I think, in fact, if you try to do it differently, more and more you're going to see fewer and fewer people watching free time. You can't compel people to watch debates. I think David Broder would like to, and I understand that, but you can't compel them to watch debates night after night after night. In fact, in Massachusetts, where there were eight, nine or ten — depending on how you count them — debates in the Kerry-Weld campaign, the audience tended to go down after a while, because people simply wouldn't watch.

Now, people go to work, they shop, they come home, they cook, they sit with the kids for awhile, and most of them are not going to take a long time to watch free time. Most of them, in fact, probably might not even tune in to two or five minutes of free time.

I think it's fundamentally undemocratic to insist that they get their information in the form that we, some self-designated elite, decide. But I think if you provide free time and let people run it in thirty-second ads, or, if they want, let them take half hours, doing it on the basis of ratings points, I think you could begin to reform this system.

Now we do have another experiment in free time, which has been run in Britain for a very long period of time, and that is the party political broadcasts, which tend to go five to ten, and in some cases fifteen minutes. What has been happening, election cycle to election cycle in Britain, is that the audiences for the party political broadcasts have gone down, as there has been a proliferation of communication outlets and people aren't compelled to watch BBC-1. As you get more and more channels, fewer and fewer people are watching those political broadcasts. And since you can't buy time, British political discourse is now dominated by the poster. People buy anywhere from 2,000 to 6,000 sites in the country, and they put up a poster that says something enlightening like, "Beware the Tory tax trick." And that becomes the essence. In fact, there's great discussion in British newspapers of who has the cleverest poster line.

So I'm not sure it's hard for us to do worse than we do, and I'm not sure that you can equate the negative ads with a decline in turnout. In 1992, for example, we had a massive increase in turnout. We saw it go down again in 1996. I think other factors may have a lot to do with this.

So I think the essence of campaign finance reform should be free time, based on reasonable allocations of ratings points, without censorship. I think you have to be careful that you don't control the ratings points so much, squeeze them down so much, that you drive out communication. For example, one of my problems with the McCain/Feingold bill is that it thinks you can run a Senate race in Massachusetts for \$1.7 million. You could hardly buy a reasonable number of rating points for that much money. You would basically have a Senate race with very little dialogue and you would either tend to nationalize all these elections, that is, they would follow national trends, or you would tend to overwhelmingly favor the incumbents.

Finally, the notion that free time improves the dialogue: I hate to say this, but no matter how it's structured, candidates and strategists will figure out how to use that free time to maximum advantage. And a lot of the reformers won't like that use of free time any more than the censors once liked James Joyce or the government in the 1960s once liked anti-war protesters.

So my reaction to all of this is: There's not enough of it. We ought to decouple it from proposals to control content. And we ought to make it the essence of campaign finance reform, which will of course infuriate the broadcasters, who think they own the airwaves. I think we ought to require them to rent the airwaves by driving down the cost of

political campaigns, providing free time in the form of rating points, and letting the candidates have at it in the free market of ideas.



Barbara Cochran
former Executive Producer, "CBS News"

In speaking for CBS News, emphasis on *News*, I'm used to being on these kinds of panels and I think it's always helpful to start out by saying it's all my fault. It tends to get things out of the way. But luckily today I've been preceded by two other people who were willing to take the burden on, so it's a little less onerous for me today. In the push for free time, there were some valuable things for those of us who are interested in getting political news on to our broadcast. At CBS we chose to put our free time offering within our evening news show, because we believed that that was where we were likeliest to get and hold an audience and we thought it was something that would be a service for our viewers. The idea of having a candidate's words unmediated, directly presented to the audience, was not a new idea for us. This is something that we started doing in '92 and continued in the primary season of '96, with a feature that we called the "stump speech." We would take excerpts of what the candidate said, on the stump, and put it together in a way that the viewer could get an idea, in two to two-and-a-half to three minutes, of what the main points were that the candidate was advocating. Because of this, we simply had the candidates do the free time all in one shot over four nights. We also decided to do this back to back, because we thought that that would provide the viewer with a more useful way of comparing what each of the candidates had to say on one topic, much the same way that the Fox format worked. We also tied this coverage into other issues coverage.

We did a survey to determine what were the issues that were most on the minds of the voters, what they most wanted to hear presidential candidates talk about. We used those topics first to frame the four questions that we ended up asking, and we also used those topics for a series that we called, "In Touch with America," where we went out and found a voter who was particularly concerned about a given issue. We followed them through their day, listened to them talk about this issue and why it was a matter of concern, and then, within the body of that story which was focused on the voter, we presented a brief summary with graphics of where the candidate stood on that particular issue, what it was that he was proposing.

We felt that that gave us a couple of bites at the apple, and gave us a way to provide solid information in a context that would have some meaning for someone who watched the CBS News over time.

But how did we feel about it in the end? How did we feel about what the candidates offered? Frankly, we were disappointed. And I think I'll quote here from Dan Rather, who said, "They" — referring to Clinton and Dole — "regurgitated sound bites they had been using since last summer. What we got was a lot of waffling and sidestepping. The free time just took up time that otherwise would have been given over to good journalism." Dan didn't like it very much, I guess.

We were disappointed that the candidates resorted to boiler plate. In two of the four segments that Clinton did, he talked about building the bridge to the 21st Century. In two of the four segments he talked about Dole's risky \$550 billion tax scheme. Dole talked about Clinton's biggest tax cut in history. And he also talked about Clinton's plan for a government takeover of health care. This was the kind of one-liner that we had been hearing throughout the campaign. They made unchallenged claims and there was no journalistic opportunity within this format for us to say: "Wait a minute. Let's do a reality check. You, the viewer, just heard this candidate say this, but you need some more information on that."

Dole, for example, said that he was going to save Medicare by cutting down on waste, fraud and abuse, and yet I think most experts agree that waste, fraud and abuse are not going to make the necessary savings — that there are actually going to have to be limitations on the benefits to the public, in order to reduce the overall spending. And that was something that we had no opportunity to say.

I had a feeling, and Alex confirmed it — we don't have a representative of the Clinton campaign here today, but I think they might say the same thing — this was not a high priority for the campaigns. It was something that was regarded as a nuisance. In the case of Dole, he recorded these statements for us late on a Saturday afternoon, after he had had a long week of campaigning. And there was a lot of emphasis, because of the format, on the performance ability. And I think you saw right there in the excerpts that were on Fox, one of the candidates was obviously a better performer to camera than the other candidate.

We had asked for two and a half minutes, and in Senator Dole's case, he never even gave us as much as two minutes. President Clinton on the other hand, would go to 2:29 just like that, no problem. I think it was difficult to deliver that much copy reading from a TelePrompTer to camera without a stumble, without a pause, without some kind of an error. And both candidates found it difficult to do that. So that's something that we really have to think about. The emphasis of free time, I submit, puts even more emphasis on the candidate's performance ability, and I'm not sure that's what the goal is here.

This was this year's experiment, and the circumstances were special for this campaign. We had two very well known candidates. They had laid out their policy positions early on in the year. President Clinton was the known nominee from the beginning of 1996, and Senator Dole had the nomination wrapped up by the first of April, so that by the time we were airing these, late in the Fall, the public really had a pretty good idea of where these candidates stood, and what they were going to say. The lines that they used in their free time, were lines that you could have heard in their stump speeches, you could have heard in their convention speeches, you could have heard in the debates, and you could have heard in their ads.

So in another time, in another circumstance, such as '92, where you had a more closely fought campaign and you had issues that were popping up and being addressed after Labor Day, these free time segments might have served more use for the voters. But we know from our other surveying that the voters decided early and that in fact almost anything that happened after Labor Day really didn't do much to change their minds. And so, the way that this happened this year may not be a fair test but it certainly didn't seem to have a lot of impact. I guess the only thing we can say is at least it didn't cost us audiences, as far as we can tell.



Becky Cain
President, League of Women Voters

Regardless of the final evaluation of last year's experiment in free air time, we can be sure of one thing, at least, and that is that citizens want more from candidates and election officials than they are getting now. This last election period, beyond a doubt, showed that the current forms of communication are failing us. Less than 49.4% of eligible Americans showed up to vote. Despite the millions of dollars spent on television campaign ads, or maybe even because of those ads, citizens turned out in fewer numbers than ever before.

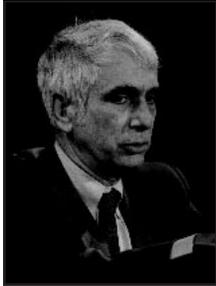
The message is clear. We need to forge new lines of communication between citizens and candidates. Only by trying out new media, new formats, as we did last year with providing free time air time, will citizens be able to get what they want from public discourse. Over the past year, the League of Women Voters Education Fund working with the Harwood Group, conducted a series of citizen assemblies in six cities, dealing with the issue of money and politics. Over and over, participants in these assemblies returned to the role of media in campaigns. Across the board, these randomly selected assembly participants, who were ordinary citizens, voiced opinions in favor of opening up the airwaves. Frustrated with the predominance of the 30 second sound bite, the participants said that they want to hear more from the candidates, and they want information in a more direct and less filtered format. In other words, they want to hear from the candidates themselves. They don't want the packaging of commercials. They don't want interpretation or commentary from broadcast journalists.

In keeping with this desire for less mediation, the participants also support requiring candidates to appear in their ads. They believe that such a requirement will go a long way towards increasing the candidate's accountability for the ad's contents. I think the research we heard this morning proves that. Because air time represents a valuable and expensive resource, assembly participants believe it's important to set certain guidelines for the free air time. Citizens recommend, for example, that there must be clear criteria to determine who will receive this time. In addition, they said they wanted the broadcast during prime time, and they wanted the programs to be broadcast simultaneously across all the major networks.

Taken together, the proposals demonstrate that these citizens believe providing free air time is not merely an important step in improving political communication, that it can play a critical role in getting us away from the kind of money-driven, negative, highly mediated campaigns that have contributed to low voter turnout.

Some cynics may point to low viewership of last year's programming, in arguing against free air time. First let me say that comparing the ratings of this kind of program to say, "Friends," or "Seinfeld," is inappropriate. After all, we're not trying to sell bubble gum or antacids with this programming. Providing more and better political information is not about ratings. Broadcasters by virtue of the licenses they receive at no cost, have a public interest obligation to help improve the political discourse of this country. Providing air time is one way the public can recoup the value of their public airwaves. But I would also argue that changing American political habits won't happen overnight.

Recent research has proven that negative TV ads have a measurable impact on voter turnout. Negative ads can depress turnout by as much as 5%. By providing free air time and requiring candidates to appear on screen in their ads, we can begin to change the public discourse. This year we saw what will be the consequence of sticking with our current system, the continuation of a disastrous, downward trajectory of voter turnout. Only by experimenting with doing things differently can we hope to arrest the decline. Providing free air time is an important first step.



Curtis Gans

Director, Committee for the Study of the American Electorate

There's no question about the fact that we will not have civil discourse in our society, we will not have voters having any faith in our political process, we will not have any long-term increase in voter turnout, until we address the problem of paid political televised advertising. What we get is oversimplified, out-of-context, sometimes distorted, sometimes dishonest, emotive (through music voice-overs and scene-setting) propositions that are totally unanswerable. So what we get is a response in kind. And we get an escalating arms race of attack ads that pollute the airwaves for one to two hours a day on every broadcast outlet, and essentially give you the choice between candidate X who is bad, and candidate Y who is awful, and invite you not to vote for candidate X and not to vote for candidate Y and eventually people do not vote.

In this last election we spent more money than we have ever spent in any political campaign per capita, per race, per nation. We had a seven million increase in the eligible voting population. We had a five million increase in registration. We had civic journalism, the democracy projects, ad watches, overwhelming, perhaps unprecedented, voter mobilization efforts, and voter turnout went down by eleven percent. We had the first turnout below fifty percent since 1924. We had a decrease, despite the increase in population, of nine million people voting.

Senator Charles McC. (Mac) Mathias used to ask the question, "Why do we spend more and more for campaigns and turnout goes down and down?" We have had for thirty-six years, with the exception of two years due to recession, a decline in turnout of over twenty-five percent nationally, over thirty percent outside the south. We are the lowest participating democracy of almost any democracy in the world, if you count both our mid-term and Presidential election turnout. Thirty years ago political leaders used to hand out modest sums of money in brown paper bags to people who wore seersucker suits and had rough hands (called precinct captains) who gave it out in even smaller quantities to get people to vote. Now we give millions of dollars to people in Armani suits with smooth hands (called political consultants) to put on television advertising to get people not to vote. The first was called corruption. The second is called smart politics. It's the second that we need to address.

I supported free time. I was a fiscal agent for that effort in 1996, not because I believed modest amounts of free time would do anything about the overall context of American politics, but because of two ideas that were part of that effort. The first idea was direct discourse. However bad the direct discourse is, what Mr. Shrum and Mr. Castellanos are engaged in is by far worse. You know at least that free time is accountable and debatable. These other things are not. They are not defensible.

The other concept that was put forward was something that they didn't succeed in doing, but I hope some day they will succeed in doing, which is called "Roadblock," having the same period of time on every broadcast outlet. Because the primary effect of television right now is to fragment our society along channel lines and to create a lack of shared information. So for those two reasons, I felt Paul's [Taylor] effort is a modest improvement and raises certain questions that ought to be raised. Similarly, I do not think that two hours of free broadcast time in an election season can compete with the two hours a day of advertising that is on every broadcast outlet from September to November, but again it raises the question of direct discourse.

And it does one other thing which is a fine point but I think it ought to be raised, which is that in order to get the networks to cooperate, Paul wants to get rid of the lowest unit rate. We ought to be paying five times as much for the stuff that Mr. Shrum and Mr. Castellanos put on, than for conventional advertising. We ought to have the rates be a deterrent to this, rather than an encouragement.

Let me say three last things. I don't think that two hours will be effective and therefore I am only a modest supporter. I don't think we will get at the problem of political advertising, its impact on turnout, its impact on public attitudes, its impact on public cynicism, its impact on limiting our public policy options by having issues that you cannot discuss, its impact on the institutions of our politics, its impact on providing no money for anything that involves the grass roots, until we directly attack the issue of advertising itself.

We need to cease being almost the only democracy in the world that does not regulate political advertising on television. We can do it any one of three ways. We can abolish paid ads. We can provide that the broadcasters can sell no time less than two minutes. Or we can do what Becky's [Cain] respondents support, and what I've been advocating for years, we can require that the purchaser of an ad or an identified spokesperson speak to the camera for the duration of the ad. And that is not an elitist idea because it is supported in the polls — in Becky's study and in a survey by Princeton Survey Research which we commissioned two years before that, which showed that seventy to eighty percent of the American people want it.

There is a final point that I want to make, and this is where we will agree in a minor way, Bob [Shrum]. I think the press has done the nation an extraordinary disservice by the degree of scandal-mongering it has done on campaign finance. It has increased public cynicism without defining the issues and defining what things are right and what things are wrong, without examining the remedies and proposals, and their impact on the American society.

Where I agree with Bob is that the place for remedy, for both campaign conduct and campaign finance, lies in the advertising question. We should not be using soft money, which was designed for party development and grass roots activity, for generic advertising. The principal source of increased campaign cost, what drove the Democratic National Committee to get rid of its entire staff that might have had oversight over their illegal foreign contributions, was the demand for advertising. We ought to deal with the issue of advertising and the issue of campaign finance on the demand side rather than on the supply side.

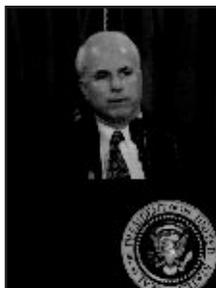
REMARKS



Paul Taylor

Executive Director, Free TV for Straight Talk Coalition

As everybody knows, in another time and place, John McCain was called upon to display uncommon valor in the service of his country. He answered that call. Today John McCain faces a different test. He is the leading champion in Congress of campaign finance reform. I suspect there are times when that challenge makes him yearn for the good old days at the Hanoi Hilton. For despite all of the clamor for reform, he faces a majority in his own party who snipe at him even for raising the issue, and he faces a majority in the other party, who seem more interested in talking reform than doing reform. On top of that, not even the reform community itself agrees with every element of the McCain/Feingold bill, which is the leading vehicle for campaign finance reform. I don't even agree with every element. I want even more free time air time. But I think there is one thing that everybody agrees on. And it's this: that if Congress is going to get around to passing meaningful campaign finance reform, it's going to be because the uncommonly valiant John McCain led the way there.



John McCain

Republican Senator from Arizona

Real reform has to do two things. It must limit the influence of money in campaigns, and it has to level the playing field between challengers and incumbents. Those are the two principles we seek.

Opponents say that anything we're trying to do is restrictive of free speech, thereby equating free speech and money. I do not believe that money means free speech in America, and if it does, then there's a couple of hundred million Americans that have very little free speech.

A few days ago, on CNN, on March 2, a woman from Bartlesville, Oklahoma called in and asked, and I quote: "I have a question for you. I'm a Republican, supposedly. I'm more independent than anything else, but I want to ask you something. At \$735 a month, how much freedom of speech do I have? I cannot contribute to these big campaigns."

The lady from Bartlesville, Oklahoma, described the problem with political campaigns in America today better than I could if I spent the next hour with you on the nuances about constitutionality versus unconstitutionality. Money

buys access, which buys influence in America today, and we have to give the American people the same access and influence that I believe they had for many, many years.

In 1974, as a result of Watergate, as we all know, we instituted some reforms, and those reforms worked for a while. They did reduce the influence of money in politics, and I believe that it's time to fix it again.

We don't view this solution as perfect. I admire Senator McConnell and others who are stand-up guys, who say "I'm against this. I believe that we need more money in campaigns today." I admire them. I admire them, frankly, a lot more than people who come up to me and say, "Hey, I'm for campaign finance reform, I'm just not for yours." Okay, if you're not for mine, then give us yours, and let's sit down and negotiate as we did when we got the gift ban and other reforms, and we can come to a conclusion, and we can do something for the American people.

The American people are cynical about their elected leaders, and they are cynical primarily because of the way they are selected. They do not believe that they have a voice here in Washington. I am prepared to sit down with anyone who is interested in reform, as is my dear friend Russ Feingold, who is the other half of this legislation.

There are certain watershed periods, watershed moments in American political history. I believe we are approaching one of them. I do not know if the American people will be angry enough to demand reform, but I see it rising in Arizona, and I see it rising all over the country. I believe with every revelation there is more disgust and cynicism, and, hopefully, anger. I very much appreciate the efforts that Paul Taylor has made on behalf of this effort. I believe that the coalition we have formed can be effective. Whether it will be or not will be directly related not just to your efforts, but primarily to that of the American people.



Walter Cronkite
Chairman, Free TV for Straight Talk Coalition

Those who have organized this forum have operated on an indisputable fact, that the advent of television has changed the entire practice of politics in its most important role, the election of the President of the United States. Television has proved to be the most pervasive, if not the most persuasive, medium of communication yet devised by man. This has been recognized by all election strategists and tacticians. Television also has become the most expensive form of electioneering yet encountered by political campaigns. It shifted the emphasis from an elucidation of the important issues facing the nation, to the raising of vast, indecently vast, sums of money.

There are two other related and salient facts. Fact One: As television viewership has steadily increased over the last half century, the participation of the electorate in our presidential elections has decreased. It's almost a mirror image on that graph. Viewership up, participation of the electorate down. Coincidence or not, this is a disturbing statistic. It would appear that this most powerful of media has failed to provide the forum or even the information that would inspire our people to participate in their democratic system. At the worst, it may have been the medium that

discouraged them from doing so. Today we are faced with the shameful fact that barely half of us bother going to the polls. Our presidents are elected by barely a quarter of the qualified voters.

Fact Two: Buying access to this costly medium of television, has strained the honesty and the integrity of the electoral process and all of those who participate in it.

A third fact might be added: There is a scarcely disputed, general understanding that we simply can't go on like this; that the confidence of the people in the fairness of our elections must be restored; that our very democracy is endangered; that something must be done.

As usual with such crises, it is not the recognition of the problem, of course, but the development of a solution that is the challenge before all of us. We are grateful to the Pew Charitable Trusts and the Annenberg Public Policy Center, for sponsoring this conference to help us move on toward a solution.

There are many of us, led by the indefatigable Paul Taylor, who believe that this solution lies somewhere in the area of free television for political campaigns. Our belief is based on the simple, fundamental proposition that all broadcast television incurs some public responsibility by its free use of the people's air. Each television broadcaster is invested by its license with a portion of the finite resource that is the broadcast spectrum. It is only just that a tiny portion, a tiny portion, of the vast return on that investment, be paid back, be reinvested, in the democracy that nurtures the whole system.

Indeed, at this very moment, our government has an opportunity to emphasize again, even to enforce, if you please, this basic principle. The broadcast industry is about to receive a new spectrum space, valued at tens of billions of dollars, to facilitate its transition to the new digital technology. Other users of the public air waves already have been made to pay billions in auction fees for spectrum space. The broadcasters have persuaded Congress that they should not pay because, they argue, they have a unique public interest obligation. What could be more in the public interest than that they make their contribution an essential, fundamental one in helping clean up our electoral process.

The broadcasters I know aren't blind to their public obligations, but in a terribly competitive world they perhaps are confused by their private obligations to their stockholders. What must be removed in our deliberations is any possibility that their contribution of time will place them at a competitive disadvantage. What is required now is for the broadcasters to accept the responsibility to provide the free time, to drop that foot-in-the-door syndrome, that fear of any compromise that might seem to endanger their independence.

The broadcasters need to accept — no, not just accept — they need to embrace the idea of making their own contribution to campaign reform. Then, and only then, can we all move forward to find the best possible ways to work with the politicians, to make free time really effective. Then, and only then, can we promote the reform of campaign financing; can we effectively introduce our population to the candidates and to the issues; can we again excite interest in our political process. Only then can we bring democracy back to our republic. The stakes are just that high.

You know, I know that there are farsighted people out there in broadcasting, who at some moment — and I can only hope sooner rather than later — will embrace and proudly proclaim their responsibility and will take the leadership in this effort. And I know that there are equally farsighted people in politics ready to take a leadership role. Of them, none is more important than the President of the United States. Whether eligible for re-election or not, the President clearly has the power to greatly influence the search for a solution to our campaign problems. And thus, Mr. President, on a silver platter, I hand you this grand opportunity.

PRESIDENTIAL ADDRESS



William Clinton
President of the United States

I participated, in the last election, in the free television offered by the networks, thanks to the efforts of Paul Taylor and Walter Cronkite and the members of the Straight Talk Coalition. Senator Dole and I were given a unique opportunity to talk directly to the voters — no gimmicks, no flashy graphics, a full minute or two at a time. And I really enjoyed it. I put a lot of effort into those opportunities, and I'm sure that Senator Dole did as well. I felt that they were a great gift.

Walter and I had a talk backstage before we came out about how it might even be done better in the next round of elections. Maybe my opinions will carry more weight on such matters since I never expect to run again for anything. I do believe that the free television was a very important thing. I think if it could be done, as we were discussing, at the same time every evening on a given network, and back to back so that the candidates can be seen in a comparative context, I think it would be even more valuable.

We have to do some things to improve the way our political system works at election time and the way it communicates, or its leaders communicate, to people all year round. This should not be surprising to anyone. The Founding Fathers understood that we were an experiment. We are still around after all of these years because we have relished the idea that we are an experiment, that America is a work in progress, that we are constantly in the making, we always have to change.

A lot of good things have happened to expand participation in the political system from the time we were a new nation, when only white male property owners could vote, and we have to make some more changes now. But if you look at the changes which have been made in the last 200 years, we should be hopeful.

Television has the power to expand the franchise or to shrink the franchise. Indeed, that is true of all means of communications and all media. We know that television is a profound and powerful force. We know that we don't fully understand all of its implications. As you said, Walter, we don't really know what the connection is between television and a diminished voter turnout. It could be because there is a poll on television every night that tells people about the election, so some people think that there's no point in their voting, because the person they're for is going to win anyway, or the person they're for can't win anyway.

Today, we want to talk about whether the medium of free television could be used to diminish the impact of excessive money in politics and about whether it could be used, therefore, to reform our system in a way that makes it better, and ultimately that leads to better decisions for the American people. It is now commonplace — everybody

will tell you — that campaigns cost too much and it takes too much time to raise the money, and the more money you raise from a larger number of people, the more questions will be raised about that.

Major party committees spent over three times as much in this last election cycle as four years before. And that doesn't count the third party expenditures, both the genuinely independent third party committees and those that weren't really independent although they claim to be. Spending in Congressional campaigns has risen six-fold in the last two decades. That's over three times the rate of inflation. The biggest reason for this is the rise in the cost of television. But, of course, there is also now more money being spent on mail, on telephoning, on radio and other print advertising as well.

In 1972, candidates spent \$25 million for political ads; in 1996, \$400 million. Presidential campaigns now routinely spend two-thirds or more of their money on paid ads; Senate candidates, 42% of their money on television; House races, about a third. Interestingly enough, that's often because there is no single television market which just overlaps a House district and often the cost is prohibitive, particularly in the urban districts. But you get the drift. It's the same everywhere.

We are the only major democracy in the world where candidates have to raise larger and larger sums of money simply to communicate with voters through the medium that matters most. Every other major democracy offers candidates or parties free air time to speak to voters, and we can plainly do better, building on the big first step urged by this group in 1996. We have an obligation to restore our campaign finance system to a system that has the broad confidence of the American people and also of the American press that comments on it. In order to do that, television has to be part of the solution. I have said before and I will say again, everybody who has been involved in this system has to take responsibility for it and for changing it.

Those of us in public life know better than anybody else what the demands of prevailing in the present system are, and those who control the airwaves understand it well also. First and most fundamentally, I came here to support Senator McCain. We have to take advantage of this year to pass campaign finance reform. The campaign finance laws are two decades out of date. They have been overtaken by events, by dramatic changes in the nature and cost of campaigns and the flood of money that has followed them. The money has been raised and spent in ways that simply could not have been imagined when the people who fashioned the last campaign finance law in Congress did it.

They did the best they could, and I will say again, I believe that they did a good thing and that that law did improve the financing of our campaigns and restored a level of confidence to our politics and made things better. It is simply that times have changed and we need new changes to reflect the things that have happened in the last 20 years.

It will not be easy to do this, but the situation is far from hopeless. After all, the American people do care about this. And, our politics, I think, in terms of traditional honesty, is getting better, not worse. In the last two years, I have asked over a dozen people who have been in politics — the most recent person I asked was Senator Dole — whether politics was more or less honest today than it was 30 years ago, and all gave the same answer. They said it's more honest today than it was 30 years ago. I think that's where we have to start.

I think it's important to make another point. I see all these surveys that say that campaign finance reform is important to people, but if you rank it on a list of 10 things, it will always rank 10th behind balancing the budget, education and so on. That can be used by politicians as an excuse not to deal with it.

What we have to do is to make a connection between the two for the American people. What we have to argue is, yes, we really do need to be up here doing the public's business. We need to be balancing the budget, improving education, reforming welfare, expanding health care coverage to children who don't have it, passing a juvenile justice reform — the kinds of things that I'm passionately interested in. But having the right kind of campaign finance reform system and having the right kind of straight talk on television and having elections be more issue-oriented and having the debates of both sides heard clearly by all people and increasing voter interest and voter turnout is important too. All these things will increase the likelihood that this laundry list of programs will be done and will be done in better fashion than would otherwise be the case. I think it is very important that those of you who care about this make this connection because that's how to build broad and deep support for this endeavor.

It seems to me that we do have an historic opportunity to pass campaign finance reform. And I think the public owes a lot of gratitude to Senator McCain and Senator Feingold and Congressman Shays and Congressman Meehan and all of their supporters for the legislation they have offered. It is real and tough. It would level the playing field and reduce the role of big money in politics. It would set voluntary limits on campaign spending and ban soft money, all corporate contributions, and the very large individual ones. It would restrict the role of political action committees and lobbyists and make needed reforms within the confines of the constitution as defined by existing Supreme Court case law.

In all these ways, it would set ceilings on money in politics and, just as important, it would also provide a floor. And I think that is very important. You actually have some members in Congress who come from districts where there's a very low per capita income, for example, who are very afraid of campaign finance reform because they're afraid they'll never be able to raise enough money in their district to compete the first time a multi-millionaire runs against them. So the law has to give a floor. And McCain-Feingold does that by giving candidates free air time to talk directly to the voters if they observe the spending limits of the law. So we need to emphasize that any ceiling law should have a floor to guarantee that people have their say and are heard. It gives candidates deeply discounted rates for the purchase of time if they observe the limits of the law. In all these ways, it will level the playing field, giving new voices a chance to be heard and being fair to both parties.

I have supported the idea of free TV time for many years. When the Vice President was in Congress, he actually introduced legislation to require it. It was first proposed by President Kennedy in 1962. It has been around long enough. We tried it in the last election more than ever before, and we know that it advances the public interest. In my State of the Union Address, I asked Congress to pass the McCain-Feingold bill by July the 4th, the day we celebrate the birth of our democracy. I pledge to you that I will continue to work with members of both parties to do this. We have to use the present intense interest in this, as well as the controversy over fundraising in the last election and all the publicity on it, as a spur to action. We cannot let it become what it is in danger of becoming, which is an excuse for inaction.

And that again is something that I challenge all of you on. Do not let the controversies become an excuse to do nothing and to wallow around in it. Use it as a spur to changing the system, because until you change the system, you will continue to have controversies over the amount, the sheer amount, of money that is raised in these elections.

The second thing I'd like to discuss is what Walter [Cronkite] talked about in some detail, and that is how broadcasters can meet their public interest obligations in this era. Ever since the FCC was created, broadcasters have had a compact with the public: in return for the public airwaves, they must meet public interest obligations. The bargain has been good for the industry and good for the public.

Now, startling new technologies are shaking and remaking the world of telecommunications. They've opened wider opportunities for broadcasters than ever before, but they also offer us the chance to open wider vistas for our democracy as well.

The move from analog signals to digital ones will give each broadcaster much more signal capacity than they have today. The broadcasters asked Congress that they be given this new access to the public airwaves without charge. I believe, therefore, it is time to update the broadcasters' public interest obligations to meet the demands of the new times and the new technological realities. I believe broadcasters who receive digital licenses should provide free air time for candidates, and I believe the FCC should act to require free air time for candidates.

The telecommunications revolution can help to transform our system so that once again voters have the loudest voice in our democracy. Free time for candidates can help free our democracy from the grip of big money. I hope all of you will support that. There are many ways that this could be done. Many of you here have put forward innovative plans. I believe that free time should be available to all qualified federal candidates. I believe it should give candidates a chance to talk directly to the voters without gimmicks or intermediaries. Because campaign finance reform is so important, I believe it should be available especially to candidates who limit their own spending. It is clear under the Supreme Court decision that this can be done, and I believe that is how it should be done.

Candidates should be able to talk to voters based on the strength of their ideas, not the size of their pocketbooks, and all voters should know that no candidate is kept from running simply because he or she cannot raise enormous amounts of funds.

Last month, the Vice President announced that we would create an independent advisory committee of experts, industry representatives, public interest advocates, and others to recommend what steps to take. Before I came over here today, I signed an executive order creating that committee. The balanced panel I will appoint will advise me on ways we can move forward and make a judgment as to what the new public interest obligations of broadcasters might be. But today, let us simply agree on the basic premise: In 1997, for broadcasters, serving the public should mean enhancing our democracy.

Finally, let me challenge the broadcasters as well. Broadcasters are not the problem, but broadcasting must be the solution. The step the broadcasters took in this last election, with the encouragement of Straight Talk for TV, was a real breakthrough. Now I ask broadcasters to follow up on this experiment in democracy, and I'm especially pleased that a leader in the industry, Barry Diller, has challenged his colleagues to open up the airwaves to candidates. He has made clear, forcefully and very publicly, that he and all of his colleagues have an obligation to society. His presence here today makes it clear that he is willing to assume the mantle of leadership. But surely there are others — I know there are — who will gladly join in and take up this cause as well.

There are many questions about political reform. Many skeptics will look at all proposed reform measures and ask whether they'll work and whether there will be unintended consequences. The truth is that they *will* work and there *will* be unintended consequences. But if we use that for an excuse not to change, no good change in this country would ever have come about. There will always be something we cannot foresee — that's what makes life interesting and keeps us all humble — but that must not be an excuse for our refusing to act in this area. We know when we work to expand our democracy, when we give people a greater voice and advocates of all political views a firm platform upon which to stand, we are moving forward as a nation. By passing campaign finance reform, by renewing the compact between broadcasters and the public to better serve in this new era, we can do that again.

BROADCASTERS AND THE PUBLIC INTEREST



Reed Hundt

Chairman, Federal Communications Commission

It is a pleasure and a privilege to be asked to speak at this important event and to have this opportunity to join with the President, Senator McCain and Walter Cronkite in recognizing the opportunity that broadcasters have to renew their compact with the American public and help revitalize our democracy. As the President said, it's a compact that has been good for broadcasters and good for the broadcast industry and good for the public.

As you can imagine, I was thrilled to hear the President today call for the FCC to take the steps necessary to guarantee that access to the public's airwaves for political debate is reformed in ways consistent with the clear need to fix our campaign process. As the President communicated, the FCC has the power, the precedent, and the procedures to assure free access to the airwaves for political candidates. He asked us to take the rulemaking steps to do that. I hear the call and I agree with him.

We are all aware, as Senator McCain has said, that the FCC is only a part of a two-track process. Reform of campaign finance, as called for by the McCain-Feingold bill, was endorsed again by the President today. But it seems clear that by changes in regulation (at the FCC) and in the law (in Congress), our campaign process can and should be changed to keep up with the technological developments in the media and with our continuing effort to "form a more perfect Union." Broadcasters and other media will have new opportunities to transmit their programs to American homes. As television is reinvented we can and should reinvent the way the campaign process uses television to bring all Americans into our democratic process.

Since the first time I spoke at a Straight Talk event in Princeton, New Jersey, in December 1995, much has changed. Ever increasing sums of money are required for our elected officials and their challengers to run for political office. Two thirds of the funds raised for Presidential campaigns is now spent on television advertising time, 42% in Senate races and 30% in House races. But, as the President said today, there is hope.

We stand today on the brink of the transition from analog to digital transmission signals. This new technology will enable broadcasters to increase their capacity to reach the American public as much as five fold and open up new business opportunities for broadcasters. It will also provide us with the opportunity to update and define broadcasters' public interest obligations so that they are commensurate with this new opportunity.

Most other democracies including West Germany, Great Britain, France, Israel, Italy, Denmark and Japan provide free time to candidates. Many also set some limits on the role money plays in elections. In Japan, Germany, France, Spain and Belgium, parties are given public financing in proportion to the number of seats they hold in the legislature or the number of votes they have won in the last election.

Here, the spiraling cost of campaigns forces our officeholders — not to mention their challengers — to devote an ever increasing amount of the time they should be spending on the public's business to raising the funds necessary to keep themselves in the position where they will have to start raising money again. In 1996 at least \$660 million was spent by candidates and parties seeking seats in the House or Senate. If the average Senate campaign now costs \$4.5 million, each Senator must raise at least \$14,000 each week of their six year term to pay for it.

What drives this need for money more than anything else is the cost of broadcast time. According to the *New York Times*, the two Presidential campaigns and the two major parties combined broadcast roughly 1,397 hours (167,714 ads) of political ads between April and November. And those ads accounted for only one fifth of the total (752,891) political commercials broadcast during that time. Total candidate expenditures on television advertisements in 1996 was over \$400 million, a 34% increase from 1992. Almost a third of candidate expenditures went to television. An enormous increase, to be sure, but it's just a continuation of a trend. Political advertising in presidential-election years has increased dramatically since 1972, when just \$24.6 million was earmarked for TV time. In 1984, that total was up to \$153.8 million.

If this means that candidates are overexposed, then what do we make of a recent poll that found that 53% of registered voters favor live coverage of political conventions, while only 20% said they prefer regular network entertainment. And 40% of television viewers favored live coverage of political conventions without commentary, 7% more than those who wanted coverage with commentary.

Some say candidates actually aren't spending that much on television time. All candidates spent over 400 million dollars on television advertising, but today's *New York Times* reports that in 1996, Procter and Gamble alone spent more than 580 million dollars just on the four networks. We can all agree that we should spend at least as much on political debate as on selling detergent.

Today the President, Senator McCain and Walter Cronkite all agreed that a part of the solution to this destructive money-chase is to call on the broadcasters to help the country solve this problem by providing some free time for candidates. The broadcasters have always had an obligation to use the public's airwaves to serve the public interest and what could be more in the public interest than providing a small portion of the hundreds of thousands of broadcasting hours to reform our system of democracy by minimizing the impact of money in campaigns.

The FCC is now writing the rules and preparing to grant the broadcast digital television licenses. We intend to make clear that these licenses will be issued subject to concrete and commensurate public interest obligations. Although we will grant these licenses in advance of defining specifically how these obligations will be carried out in the digital age, all broadcasters will take these licenses knowing that they will be subject to such obligations. The President today made clear that free time for federal candidates should be a part of those public interest obligations. We look forward to receiving the views of the independent advisory committee announced today by the President as well as those of other interested parties regarding how we should define this obligation.

Clearly, broadcasters could provide sufficient time to help minimize the impact of money in campaigns. According to the *New York Times*, all political ads combined in 1996 accounted for only 1.3% of the total universe of television commercials aired in the major markets between April and November. Statistics from the American Association of Advertisers and the Association of National Advertisers show that the number of non-program prime time minutes aired by the major networks has increased from 13.43 minutes per hour in 1991 to 14.43 minutes per hour in 1995.

This one minute increase can be explained by an increase in self-promotion time. In 1995, prime time network self-promotion spots took up 4.23 minutes an hour compared to 3.18 minutes per hour in 1983. This isn't paid advertisements. This is self-promotion. Surely broadcasters could contribute a portion of that time to provide access for federal candidates during some limited period near the end of an election cycle.

As part of this reform the FCC should also review its other rules that govern candidates access to the media such as the lowest unit charge rule, equal access and political attach rules.

Requiring broadcasters to provide time for political discourse is within the FCC's public interest authority. Time and again the FCC has relied on its mandate to "act in the public interest" to impose similar obligations on broadcasters.

The public, whether through its elected representatives or its regulatory agencies, has every right to ask broadcasters to make free time available. After all, the Communications Act requires the FCC to ensure that all spectrum users serve the "public interest, convenience and necessity." And Section 336(d), which governs analog and digital television, orders the FCC to "ensure that the public interest is being served by broadcasters." This is the single most important sentence in the Communications Act.

Certainly there is legislative precedent for ensuring that the public does not have to rely on the goodwill of spectrum users to use the airwaves responsibly. Congress has repeatedly acted on the view that the public interest has specific, concrete form. DBS [Direct Broadcast Satellite] and the Children's Television Act are leading examples. With respect to DBS, Congress didn't simply assume that licensees would serve the public interest by providing desirable programming, it required the Commission to adopt public interest rules for DBS providers, including a 4-7% set-aside for noncommercial educational programming.

The Supreme Court has long recognized the FCC's broad discretion to define how users of the public's airwaves should meet the public interest goals of the Communications Act. From its earliest days the Commission has utilized its public interest authority to adopt specific, concrete requirements. Perhaps the earliest and best example of this was the Commission's adoption of the Fairness Doctrine, which had its origins in early decisions of the Federal Radio Commission. As the Supreme Court made clear in its decision in *Red Lion Broadcasting v. FCC*, the Commission's public interest authority was broad enough to encompass the adoption of both the fairness doctrine and the particularization of that doctrine in the personal attack rule.

I was delighted to see last week that Senator John McCain, who chairs the powerful Senate Commerce Committee and who has led the charge for campaign finance reform, believes that broadcasters have a public interest obligation and, believes as I do, that free time would be a great way for them to fulfill that obligation.

The FCC has the power, precedent, and procedures to issue a rule ordering free air time access by candidates.

Moreover, the Commission has the experience and the process in place to make the kind of decisions required by a credible time bank mechanism. We have long had the job of implementing the law's Equal Access provision, deciding who is and is not a candidate.

A workable free time proposal is a tremendous opportunity for broadcasters. They can be the heroes who cut the Gordian knot of political fundraising. By providing stump time in which candidates can reach the voters, broad-

casters could call a halt to the desperate money-chase that dominates candidates' time and that is the subject of so much public concern. More than that, they can contribute dramatically to the vitality of our democracy.

Twenty two million adults — twelve percent of the adult population — watch C-SPAN every week. Ninety-three percent of C-SPAN watchers voted in the 1996 elections. That is an incredible statistic, more so when compared with the shockingly low number of all registered voters who voted. Of course, some percentage of C-SPAN watchers probably live and work within 3 miles of this room and only watch to see their friends in the background at hearings. Seventy percent of the population gets one hundred percent of their news from television.

Putting aside the benefit to the Republic of free time, the broadcasting community has a chance to seize the day, set an example, and serve the democracy.

Now broadcasters have another opportunity to make their own immense contribution to the political life of the nation, by making free time available to political candidates. They can achieve three tremendously important things: They can contribute to the vitality of the American democracy; they can free legislators to spend more time doing what they were elected to do; and they can return their own profession to the state of high public standing it once enjoyed. In sum, they can renew their social compact with the American people.

PANEL

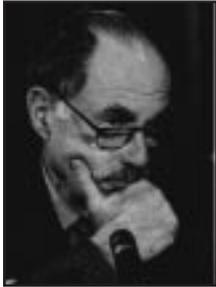


Norman Ornstein
Resident Scholar, American Enterprise Institute

At a time when the broadcast industry is to receive new spectrum space to facilitate its transition to digital technology, is it appropriate to ask for an expanded public interest obligation in the form of free air time for candidates and parties? If so, is a national broadcast time bank the best approach? We may spend a little time describing that, although it will also be the subject of the next panel, but obviously in the context of what Chairman Hundt talked about today, we have a number of areas we can explore here.

And we also need a context that he also suggested, which is we may now move forward for a change on three separate but intersecting tracks. We have [the President announcing] this morning the executive order creating a new President's Commission to basically come up with a plan for the obligations of broadcasters as we move into the digital age. We have the mandate of the Federal Communications Commission, which seems clear in a legal and constitutional sense to move forward on its own. And of course we have the broader Congressional legislative process putting the issue of time into the larger context of a whole series of areas of campaign finance reform. To

discuss these questions, whether we should move forward and in what fashion, we have a broad ranging panel of distinguished people.



Lawrence Grossman
former President, PBS and NBC News

We hear a lot about the law of unintended consequences. I'd like to take just a minute to talk about my concern about the law of exaggerated expectations. I signed up with Paul [Taylor] because something had to be done about the terrible state of our political campaigning and the role of money in politics. You certainly cannot object to providing free time. I think it would be a very useful effort to insist that the broadcasters do that. But I don't think for one minute that free time will in any way solve the problem of money and politics. As we saw in this very last election, with the free time that was available, with all of the news headline channels and CNN, with all of the opportunities that both presidential candidates had to appeal to the American public, it still took untold hundreds of millions of dollars, record setting amounts, for them to buy additional time.

I think it's all to the good to have free time, so the American people can see their candidates. The last people in the world, I think, who need free time, are the *presidential* candidates. We certainly get to know them and see them enough during the campaign. I think we've got to put a lot more emphasis on the gubernatorial and the Senate and the House candidates, although I realize this is basically a federal matter, but certainly the Congressional candidates.

But I want to emphasize that without further actions — including the McCain-Feingold bill — of limiting campaign financing, of dealing with the soft money issue, free time by itself will not stop candidates from simply taking the free time and then adding on and keeping the playing field as unlevel as it always has been and, in fact, exaggerating the tilt of the playing field.

I think there are many other things that can be done and that must be done, and this is not the forum to go through them all. But I think we are not spending a sufficient amount of time dealing with some of these other options. We have great American institutions in place, public broadcasting, the Library of Congress, our great public libraries and our research universities, which supply straightforward, fair-minded, highly reputable information to Congressional staffs and people. We ought to take a very thin slice off the top of some of those billions in revenues that are coming in from the auctioning spectrum and begin to develop a civic public highway in which both free time and good information provided not by the government, and not necessarily by the entertainment media, but provided by our great information institutions that already exist, can begin to fill up the need for an intelligent and competent and engaged citizenry.

So yes, free time is a good start. It's an important thing to do and to have free time mostly for congressional candidates, but it's not going to solve the money problem. We've got a long way to go before we deal with the level of the playing field.



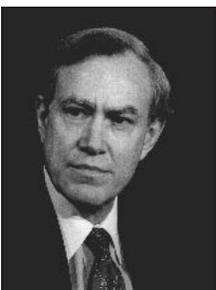
Donald Simon
Vice President, Common Cause

I want to second a good deal of what Chairman Hundt said and, by extension, what the President said. We start with the fundamental proposition that the airwaves are a public asset and belong to the public. This, as the Chairman indicated, is established judicial doctrine. The broadcasters are licensed to simply borrow or use the public airwaves and indeed to make a profit from the use of the public airwaves. But Congress is also free to impose conditions on the broadcasters' use of the public resource in the name of the public interest. Requiring broadcasters to provide free time to political candidates is thus not, in any sense, a new legal concept, just an extension of existing doctrine. In a sense, the broadcasters are simply returning to the public a tiny share of the public resource that they are licensed to use.

This argument is even stronger in the context of the extremely valuable additional spectrum that the broadcasters are likely to receive a license to use in the near future, the digital spectrum. And in light of that windfall to the broadcasters, it makes even more sense to impose relatively modest additional requirements to serve the public interest.

Now, as Larry Grossman said, free time from broadcasters to candidates is not going to solve the entire campaign finance problem. There still are very significant problems with raising and spending of soft money, with independent expenditures, with so-called "issue ads," with the escalating costs of campaigns. Those problems need to be additionally and separately addressed in legislation such as the McCain-Feingold Bill.

But the cost of buying airtime under the current system is a major problem and contributes significantly to the problems we see in the campaign finance system. The costs of air time represent a major, if not the largest part, of candidate spending, and therefore are a major factor in driving the escalating cost of campaigning and the escalating need to raise money. Candidates, are forced to spend an enormous amount of their time fund raising. And the fund raising is principally for the purpose of raising money to pay broadcasters in order to buy back the public airwaves needed to conduct our public elections.



Michael McCarthy
General Counsel, A. H. Belo Corporation

A.H. Belo is here because we have already provided free time to political candidates in a program called "It's Your Time." Belo is a local television broadcaster, what I would call a traditional, historical television broadcaster, that is

representative of what Chairman Hundt talked about earlier, the companies, originally newspaper companies, that got into radio in the twenties and into television in the fifties, that are rooted very deeply in their communities and focused on quality of journalism and preserving and extending the news franchise.

We agree that more free time should be given to political candidates and we've done this already. What we disagree with, that I've heard a lot of today, is that the basis for any such requirement to provide the time is the fact that broadcasters are getting a channel from the government for high definition television. So much has been written about this federal giveaway that I could spend a lot of time talking about it, but in the interest of time I would just like to share two conclusions that we have. One is that we don't see this as a federal giveaway. Second, we don't see the digital channel we are getting — which is basically six megahertz — as any different from the analog channel in terms of its physical properties. We don't see that as any revenue stream. We believe we will be, for the foreseeable future, broadcasting in high definition television using this entire six megahertz.

Let me turn to something that hasn't been focused on, and I think is a point that needs to be made, and it really has to deal with local television broadcasting in the next few decades, and why we think that there is an intrinsic reason and purpose for local television broadcasters to provide public interest programming, including a critical threshold of political broadcasting.

We see ourselves as local television broadcasters in an increasingly competitive video marketplace. Local television stations in our view will survive and indeed thrive only if they stick to what they do best, and that is preserve and extend their local news franchises. It is what distinguishes us in this entire video marketplace.

Everyone has mentioned radio and newspapers and cable and satellites and computers. There are a host of competitors out there, video competitors, in addition to newspaper and radio, and what we believe is that we will survive by being the source for local news and information, by extending those franchises that were built and preserved in the 1950s. The concept is, if we provide a critical mass of news and public affairs and non-entertainment programming, the political advertising we're talking about — like our program "It's Your Time" — are natural extensions of doing what we do best and doing what is competitive. Public interest programming is going to allow us to stay competitive. We have to do a critical mass of that programming, and I don't believe we need any government mandates or incentives. It is being a good corporate citizen. It's running your businesses, and not only as fiduciaries and public trustees, but fiduciaries for your shareholders. So Belo Corporation has supported the FCC when it proposed more children's programming. We support the FCC's call for a general percentage requirement of non-entertainment programming, not specific categories, but an x percent of programming. And we support the call that's gone forth from the President and everybody else here today for more free air time for political candidates. We agree that more should come from local broadcasting.

We have done this. In the 1996 election, we ran a program called "It's Your Time," which was taken literally by us, meaning we asked federal candidates and gubernatorial candidates to come into our local stations in six of our seven markets. We provided five minutes of free air time for the candidate. It couldn't be tape already prepared. They had to come in and answer the question, "Why do you think the voters of this district or this state should vote for you?" And they had five minutes of unencumbered, unedited time in which to answer. This offer was taken up by seventy-one candidates, for a total of seven hundred and ten minutes, half of which we provided and the rest by the local PBS affiliate.

There were obvious difficulties, as anyone would expect, with selection criteria for this program. We couldn't accommodate everybody, and we hadn't done any polling before we got into this program. We had to get the consent of both the Federal Communications Commission and the Federal Election Commission. There was a lot of administrative time, and time spent with our lawyers in Washington, but we will do it again in 1998. We look forward to doing it, and believe that it's good business.



Cameron DeVore

First Amendment Counsel to the National Association of Broadcasters

Big problems and creative solutions and I guess that's what this day is all about. The thing that's striking to me as a constitutional lawyer is the degree of apparent consensus among the panelists here that constitutionally this is some sort of slam dunk. It's no big deal to do all these various things that are talked about, whether it's mandated free time or whether it is fifty percent reduction in lowest unit costs — that those don't pose any particular problems, and that the path is paved with clear Supreme Court decisions.

I think that is incorrect, and let me tell you briefly — without running you through the mysteries of “strict scrutiny” or “intermediate scrutiny” or all those other buzzwords that we lawyers who practice in this area must use, although we can discuss them if we have time — why it is not a slam dunk, and why it is not so easy.

Senator McCain, I thought, was particularly interesting. He talked, I think correctly, about *Buckley v. Valeo* and the limits that poses and that you have to pay attention to in this area — clear, First Amendment doctrine. Perhaps even *Buckley* would be decided more broadly by the present Supreme Court, but it is there, and you have to deal with it. But he treated the other side of the equation as being somehow equally clear. That's the *Red Lion* side of the equation. And that's the side that I think is at best murky, and really does not pay attention to another set of cases, none of which are broadcast media cases, but which really do say that requiring speech or requiring someone who is in the publishing business to publish someone else's words, runs afoul of the First Amendment. It's a serious problem.

Now, what Paul [Taylor] has done, and Norm [Ornstein] and the others, has been wonderful. I think the whole debate in the industry about free time has been valuable and I think it is going to have a trickle down effect across the country. There is a sort of beltway myopia about S-25 and those kinds of bills involving just federal candidates, as if somehow those are the only elections. We have got to include the gubernatorial candidates, the local candidates. There's a whole state electoral process out there that needs to be paid attention to.

But voluntary contributions are one thing, and those are obviously great and terrific. It's when you get into the mandated area that you have a problem. As one of my Montana grandfathers used to say, trying to get through that constitutional knothole is like a two foot leap over a ten foot ditch. And I think that the *Red Lion* is something we just simply have to focus on, so I'll focus on it fairly briefly.

I think it's quite clear that the First Amendment says that Congress shall make no law compelling the media to publish or broadcast speech not of their choosing, particularly political speech. There can be no more highly charged kind of protection under the First Amendment. The rationale for all of the regulations proposed here today is *Red Lion*. And as I listen to people talk about *Red Lion*, I think maybe they haven't read it recently. *Red Lion* is a kind of a mantra that gets trotted out in these discussions. You need to read it. It's a very narrow decision. It had to do solely with the Fairness Doctrine. It had to do with the obligations of broadcasters in that context, to select themselves what would be on the air in order to be fair, put broadly.

Now that is the long-gone Fairness Doctrine. It's not with us anymore. It hasn't been for some time. But that alone doesn't prove that *Red Lion* is wrong. *Red Lion* was based on the notion of spectrum scarcity. And spectrum scarcity is the flip side of the notion that the First Amendment, if it can be used as an objective force as opposed to a Congress-shall-make-no-law force, should somehow be used to ensure a diversity of voices.

Well, all of that sounded great in 1969, at the end of forty years of an era since the Communications Act and Herbert Hoover and all who saw spectrum scarcity as a problem, a technical problem at least, that had to be dealt with. And we had fifty years where radio and TV were the only broadcast voices in our communities.

That has all changed. And I'm sure you've noticed this. We have a tremendous diversity of sources of information and voices that are out there now — the most recent one, and the most dramatic, probably, is the Internet — not counting direct broadcast satellites, not counting cable, not counting the increase in spectrum generally. The whole basis of the *Red Lion* doctrine is history. It's an interesting artifact.

The Chairman [Reed Hundt] is right. The Supreme Court has never overruled it. Justice Kennedy stepped very carefully around it in *Turner*, the Must-Carry cable case, so *Red Lion* wasn't before the court to consider. But if you look at the lower courts, and if you look at the Chairman's citation of the Time-Warner Entertainment case in the D.C. Circuit, he's not telling the whole story. Time Warner did uphold the educational access requirements on PBS/DBS. On petition for rehearing, however, the vote was five to three to rehear the case. That didn't quite make it because it took one more judge's vote from the DC circuit to do it — it took six, so the case was not reheard. But Judge Williams wrote a marvelous essay on *Red Lion*, basically saying, "This court doesn't have the power to overturn what the Supremes have done." But his body English is very clear: *Red Lion* is a brain-dead case. Judge Starr said the same thing when he was still sitting on the Circuit. And I think there's ample evidence out there that *Red Lion* is just no longer a case that provides a clear pathway here.

And in fact *Red Lion* never provided that kind of freeway, where you can pick and choose obligations and impose them on broadcasters. As I said, it was a very narrow decision, carefully balancing a divided court, carefully balancing the requirements of the Fairness Doctrine against the clearly stated content editorial rights of the broadcasters. And this is quite different. What you're talking about here — mandating time to come from the broadcasters, requiring them to put on other voices, not voices of their choosing, but other voices to come on and espouse their election to the voters — is something that is far beyond the scope (even if *Red Lion* lives) of *Red Lion*.

FREE TIME, CANDIDATES, AND PARTIES

PANEL



Michael Malbin

Professor of Political Science, State University of New York, Albany and Director for Legislative and Political Studies at SUNY'S, Rockefeller Institute of Government

We have been talking about free time as if it's one entity. Nonetheless it is quite clear from some of the discussions, and in particular some from the last panel, that when you talk about different offices, you're talking about different phenomena and different justifications for free time. I think it would be useful if we teased that out a bit more. For example, what issues arise when you talk about free time for congressional candidates? What is the justification for free time for congressional candidates? Isn't it different than for presidential candidates? That is to say, isn't it different when you're talking about gaining visibility for relatively low visibility challengers, than when you're talking about the major party candidates for the presidency? A lot of our discussion in the first panel this morning had to do with how free time affected the content of the discourse for candidates who were already very well known. And I think that distinction is something we need to spend a little time on.

Second, several people have said that free time needs to be part of a broader and more comprehensive package of campaign finance reform. Again, I think it's important to come back to the justification for the free time. That is to say, if we are talking about congressional candidates, if free time has to do with giving a platform to people who are not very visible — the challenger in a congressional race — this is based on a set of arguments that are, I would argue, quite different from the ones that normally are used to justify spending limits. Nevertheless, these two ideas have been linked in a lot of the discussion. In response, I would point out that today some of us who think spending limits are quite a bad idea, think free time is a pretty good idea. They rest on different premises.

Third, if the purpose has to do in large measure with raising up the less visible candidate, should there be some kind of a qualification test for who gets free time, and what should the qualification test be? Norm Ornstein talked about that a little bit in the last panel. How do you set the qualifications? Should all congressional candidates on the general election ballot be qualified? What about primaries? Should this apply to primaries? What about state and local candidates? I put this to our panelists.

Fourth, should free time go only to candidates, or should a block of it, as is proposed in the specific proposal that several of us put forward, also go to parties?

Fifth, if it goes to parties, who would likely be helped? Would it likely be pro-incumbent? Pro-challenger? Would the parties focus on the highly competitive races only, or what?

Finally, what about the question remaining from earlier panels about content requirements — the requirements for candidates to be on screen?



Martin Meehan

Democratic Congressman from Massachusetts

I didn't have the opportunity to hear the President's remarks earlier, but from what I understand of them, it is very encouraging to me, not only because of the support for our bill, but also that he is calling for some rules and regulations that would result in free air time. I think many of us who come to the Congress committed to campaign finance reform have certain specific ideas about what that reform ought to be. I happen to personally believe that public financing should be part of a campaign finance package, but after six months I recognized the fact it was unlikely we'd be able to get the votes for that.

So what Chris Shays and I have done, along with Senators McCain and Feingold, has been to try to find a consensus among Democrats and Republicans who really care about campaign finance reform, to try to get a bill that would make the system fairer in terms of leveling the playing field between incumbents and challengers and also try to limit the amount of special interest money that goes into campaigns.

A lot of times there is a discussion about what the perfect system would be and I'm going to limit my remarks to what is practical and what is in our bill, and what we should strive for into the future. I think that if we're able to take just a baby step this year, it will be the first baby step in campaign finance reform we've taken in a long, long time. If you follow the money in campaigns you see it goes into television broadcast. I think the President may have mentioned the figures: in 1974, \$25 million was spent on television in campaigns; in 1996, \$400 million. TV is really the root cause of big money in politics, so I think it's extremely important that part of any campaign finance reform has to include provisions for television.

One of the questions that has been asked here is about the threshold of who would qualify for time. Obviously, you try to get candidates who are credible. You don't want to give free time or reduced time for any candidate that comes through the door. Under the House bill that we have, candidates get discount time if they raise \$60,000 — sixty percent or \$36,000 of that must be from their home state. Secondly, only \$200 of each individual contribution would be counted. Candidates would have to raise money in \$200 installments in order to qualify.

Some of you may think it's money — here we go again — money is a criteria for serious candidates. That's reality in America today, whether or not you can run for Congress and run legitimate campaigns is based upon how much money you raise. I was a prosecutor in Massachusetts when I first ran for Congress in 1992. I ran against a Democratic incumbent. I was outspent in both the primary and the general election. The only reason I was even able to compete was the fact that after raising a sizable amount of money, about \$200,000, I went to a bank and borrowed the rest of it. I put it all in television — every dime that I borrowed. I figured if I was going to borrow money on my house and everything else I had, I was going to spend the money effectively, and I spent it in the most effective way you can, on television. And I won the race.

But that's not the type of system that I think we ought to be trying to promote. Now in terms of how we make this flexible — and I think that's important in House races — I think Paul Taylor had talked about voucher systems, and

that makes a lot of sense. Only about 33% of the amount of money that a House candidate spends, goes to television.

One last point I'd make is on parties, and how parties should distribute potential free time. It seems to me there are certain races around the country on which special interest and independent groups spent significant amounts of money. So I think the parties would have a tremendous opportunity to invest in those particular races. I think *The Washington Post* recently did a story on Phil English's race. One day in the late stages of that race, there were five hundred ads. Five hundred! Not one of them came from either candidate. So it seems to me in those races that are hot races, all those races where there are independent expenditures, the parties would have the ability to take some free air time and use it to offset the independent expenditures.



Christopher Shays
Republican Congressman from Connecticut

I got up this morning quite early and felt, frankly, very depressed, because I absolutely love my job as a member of Congress, and I tell people that I've met some of the finest men and women I've ever met anywhere serving in Congress. But I don't think the public would believe me now. They would say, "What are you smoking? What are you on? How could you say that?" But it is true. I have met some of the finest men and women who participate in this process, in Washington. But we have a system that needs correction. We have a system in meltdown. It's not just got problems. It's in the meltdown.

Someone said, "Well, why would you see a change when incumbents ultimately got here under the system that exists now?" It's a fair question. The answer to that question, in my judgment, is that no one can predict what the next election will be like. I can't even begin to contemplate. I believe strongly in some form of subsidized or lesser rate TV, because TV is the ultimate major cost. Frankly, you can conduct most congressional races without a lot of money, but once you introduce TV you need to go to that next level to raise money. I don't know how you run for the Senate without TV. So Senators are automatically going to seek to raise a significant sum. You get the extremes, obviously, in the State of California, where they spend all their time raising money so that they can be on TV since it's such a gigantic state and since the incentive is obviously to reach as many people as possible. So it's fund-raisers, TV, fund-raisers and TV.

Obviously if you're in a state like Delaware it's a whole different kind of issue. But even in a state like I represent, a state of three and a half million people, you need to raise about \$4 million if you're running for the Senate. So one of my basic points to you to start with is, we have to realize that the House and the Senate and the White House — the efforts are different.

I want to say, as a basic principle that I don't think there is a perfect bill. I think there is always going to be a bill that people can game. But if we start from the premise that since there is no perfect bill, we shouldn't make a better bill, then I think we make a mistake.

I do believe in free, or reduced TV time. But I believe that you've got to be willing to do something to get that. And what I believe you have to do is to limit what you spend. And if you're not willing to limit what you spend, then you shouldn't get that free time. I think that fulfills the goal of the Supreme Court. I think it meets the constitutional test. I think it's a very reasonable proposal. But it doesn't mean that just because I argue that you have to do something that I would discount, or vote against, or speak against a proposal that says let's have free TV time without having to do a quid pro quo.

Our bill is different because what we say is that, besides agreeing to limit campaign spending, which the Senate bill does, you have to put something out. We're saying to the media that the candidate puts in fifty percent and you reduce your rate by fifty percent. And the reason we do that is we want to make sure that someone has shown some commitment. There's got to be some willingness to put your heart and soul into that process.

So I would argue that going to the media and saying, "We want reduced rates," means that we won't misuse that process, means that they won't have to over-extend that benefit, but the people who are serious candidates will have, in effect, said that this is a priority, and they are willing to put some money into it. The bottom line to this is that we advocate that TV and radio offer a media race at fifty percent of the cost. Now what does that mean? It means that for every dollar you get two dollars of benefit. And if your opponent doesn't agree to our \$600,000 limit, and you still abide by it, you're allowed to match them dollar for dollar up to \$1.2 million. That means a candidate who doesn't have wealth but can continue to fund-raise, has the advantage of being able to match that well-to-do opponent and get double the return on the TV cost.



Thomas Mann

Director, Governmental Studies, Brookings Institution

I am absolutely delighted, in fact I'd say honored, to follow in the steps of Chris [Shays] and Marty [Meehan]. I think it's fair to say that many of their colleagues are a bit more interested in staking out a position that they can defend in the upcoming mid-term elections than in writing new law. But that is absolutely not the case with Marty and Chris. But sadly, if we were to take a poll in the room today and have everyone provide their reading of the odds that reform will pass in the 105th Congress, I'd be surprised if the odds were any better than three in ten. Maybe that's high.

Chris called what we had this last time a "meltdown." We've called it "Code Blue" — from a low grade fever to Code Blue. It's basically a collapse of the regulatory system. Yet, in spite of the feeding frenzy and the quest for more knowledge about possible criminal behavior and the gearing up of congressional hearings and the calls for independent counsels, the reality is that everyone is positioning themselves to do nothing this time around. It seems to me two crucial elements are required for campaign finance reform to pass in the 105th Congress. One is a bipartisan embarrassment of the politicians. Now, we're on our way but we're not there yet, and that's why the congressional hearings are crucially important in generating the embarrassment that will at some point lead Republicans and Democrats to say, "Oh, my God! We have to do something. What's available?"

The second crucial element is good will and a quest for achievable steps within the reform community. One of the grand ironies now is that this meltdown, which smells as bad as the 1972 meltdown which led to reform in the past, is largely precipitating animus, conflict and divisiveness within the reform community. It seems to me, Chris and Marty have set the tone for this whole effort here today: Let's look to see what we can achieve. Let's size up the situation, understand the realities, see if there aren't some concrete steps we can take now that will be constructive in and of themselves and will in no way preclude movement towards some more ambitious reform program if conditions and forces make that possible in the future.

What I would like to argue at this time is that the broadcast bank is a critical element in that notion of achievable reform, around which members of the reform community can unify. I think there are others. I think dealing with soft money — limiting the blatant political abuse of issue advocacy, giving the FEC the resources it needs to enforce the law and not to overburden it with laws that it can't possibly administer — are important, too. But I would argue that the broadcast bank itself is one of the most remarkably robust ideas for reform of the campaign system and of the campaign finance system.

The time bank has an extraordinary list of objectives. It aspires to slow the money chase, to limit the influence of special interests, to increase the competitiveness of our electoral system, and to improve campaign discourse, among other things. Maybe we claim too much. Maybe the proposal isn't crafted right. That's what this whole process is about. That's what drafting legislation is about — trying to figure out a way to accomplish the objectives. But a time bank can be created that would have transforming effects on our campaign system and our campaign finance system, even if it isn't tied in any way to spending limits. I fundamentally believe it would have such an impact, as would some of the other elements of reform that I've identified here. And I think what is going to be crucial is that we all approach these next months with an open mind; that we not focus only on achieving our particular objective. I don't ever expect a plan that I put my name to to be signed into law, but only see if there are elements that have the potential of attracting real support on both sides of the aisle and that would deal with this meltdown that occurred in the system in 1996. I think this particular broadcast time bank, with a voucher system that honors the market value of political time, that is actually fungible and could involve trades among candidates, that allows the parties to play a crucial role in responding to large spending by the opposition, would have profoundly positive constructive effects on our political system. I urge all of us to take that proposal seriously in its own right, not tied to any other provisions, but more generally, I urge us to be open to what we can actually achieve in this round, so we don't look up at the end of the 105th Congress, after all of this breakdown, and say we failed.



Douglas Bailey
Founder, American Political Network

I will make two very short points which are repeats of some things that have been said earlier. I think the idea of a time bank for parties is a very important concept to understand. If we start talking about free time or time provided by the stations to individual candidates, it's not just a matter of federal candidates, but also governors, state legisla-

tures, mayors and so forth. So the capacity of the parties to determine how that money, or how that time is divided among their candidates, is going to be very important. I don't think you can expect any individual station to decide what is appropriate free time for each candidate at each level of politics and expect them to come away with something that anybody is happy with, because there are too many races. So that is one notion.

The other point about time banks that the parties control at the local level, is that it permits "roadblocking." That's a word we haven't heard for two or three hours, a very important word in all of this. This is my second point. The whole key, it seems to me, in the free time debate, is the capacity to get to a point where the television industry is willing to consider "roadblocking" for important political messages. Whether that is "roadblocking" nationwide, at 9:00 PM Eastern Standard Time, for a candidate in a presidential race — for two minute segments as Paul was trying to encourage the networks to consider — or whether it's "roadblocking" market by market in congressional races, or statewide races. Suddenly "roadblocking" has the capacity to reach the broadest possible audience with a political message. Because it would reach the broadest possible audience, whether nationwide or market by market, it would also be taken seriously by the candidates. But it can't be legislated. That won't happen by law. It can only happen with the initiative of the industry itself.

I went with Paul [Taylor] to some of the meetings with network executives and I think that in all honesty it has to be said not only did the campaigns not take the time that was given them very seriously, but I also think the industry itself did not take the proposal particularly seriously. They played political games with it. Each one responded in his own way, which was the safe way. But I think it's worth saying that the decline in standards, quality and purpose of our politics has paralleled the decline in the standards, quality and purpose of our TV. I think that's worth saying. I think it's also worth saying that the TV industry needs to think very carefully about the price of its liberties.



Fred Wertheimer
President, Democracy 21

The 1996 elections will go down as an historic scandal in terms of the role of campaign financing. It will start with the Clinton administration and the Clinton campaign but it won't end there. It will cover the Republicans as well as the Democrats, the Congress as well as the presidential races. In the past we have had scandals of this kind. One occurred just about a hundred years ago in the late 1890s and revolved around corporate contributions and other kinds of enormous campaign contributions. And we had one in the 1970s. They resulted in very basic changes, and I think, despite what's going on now, particularly in Washington, and despite the conventional wisdom, that there's a very good chance that we will see very important reforms come out of this tragedy.

The heart of the scandals revolves around the role of so-called "soft money" in political campaigns. That was the biggest new development in the 1996 elections in terms of the way it was used, because what that money was mostly used for was to buy TV time. So there is a link between the desperate search for huge campaign contributions that occurred in 1995 and '96, a search that caused all kinds of problems for President Clinton, and the issue of the cost of television. And I think it is fair to say that in this round of the campaign finance battles those two issues are the

principal issues at play. I have supported, and do support, public financing of elections. I have done it for 26 years, and I will continue to do it. This is not the moment where we're going to achieve that for congressional races. But we do have a presidential public financing system that will be lost to America unless this soft money system is ended. We will also lose the opportunity to make any serious changes in Congress unless the soft money system is ended. It's a very simple system. It's the entire system that's prohibited under federal law, functioning in the federal elections through a subterfuge. So I see the soft money fix as absolutely central to this round of the campaign finance battle.

The second big area that's going to be at play is the cost of television and, along with it, the cost of mailing. You need ways of providing new, clean resources that don't take you to public financing. In both cases there's real opportunity despite the fact we'll see a real battle.

On the television side, I certainly agree with President Clinton, Walter Cronkite and others who have said that the broadcasters have their own responsibility here and they haven't been meeting it. The broadcasters get an extraordinarily valuable resource from the American people today in an exclusive franchise for a license, and they do not pay anything in return. They give nothing back in terms of any financial remuneration, and there's little evidence that they're giving anything back in the form of their so-called "public interest" requirement. So that creates a context for all of this battle to play out.

I think free TV time and reduced cost TV are both important elements of this. The value of reduced cost TV is that the distribution is through the marketplace. It's a way of dealing with House races, in particular, that become harder to deal with with free TV time. The McCain-Feingold bill in the Senate has a combination of free time and reduced cost time. The House bill has reduced cost time — the Shays-Meehan bill. I believe that they're on the right track and that we could provide very substantial, clean resources to candidates in the future.

I also believe they're on the right track in their efforts to restrain and constrain spending as part of this effort. I am not convinced that candidate ads should be legislatively conditioned on candidates appearing full time for the ads. But I do see a role for that concept in giving free time to parties. I believe that we should give free time or reduced cost TV time to parties, not at the expense of giving it to candidates, but in addition to it. And I think there's a stronger argument and a stronger chance that you could condition that on visual appearances either by candidates at the choice of the party, or by spokespeople for the parties. I heard what Doug [Bailey] was saying and I understand his point about providing resources to the parties for distribution to the candidates, but I think trying to sell to five hundred and thirty-five members of Congress the notion that their ability to get TV time will be determined solely by the parties, is a hard sell. I'm prepared to try it, but it's a harder one than some of the others.

So I do believe that the TV issue has been growing and has now been joined. The comments by the President and the FCC Chairman that the FCC should take a look at this are important, but it cannot be a substitute for dealing with this statutorily. This will have to be dealt with statutorily, and I feel there is an opportunity here to make a major breakthrough on the cost and role of television in campaigns in this round of the battle for campaign finance reform. It has to be joined to be part of a battle to end the system that is now controlling American finances — the soft money system.

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