A FUTURE FOR PUBLIC MEDIA IN NEW JERSEY
How to Create a New Basis for Public Radio, TV, and Online Media in One of American Journalism’s Worst Covered States

By Paul Starr, Scott Weingart, and Micah Joselow

Introduction
By Paul Starr

Public, noncommercial media could be an important part of the answer to New Jersey’s need for independent news about public affairs. But achieving that goal requires a radical rethinking of the state’s obsolete system of public television, the development of a new public radio and online news network, and the creation of a new partnership involving universities, private foundations, and media organizations both inside and outside of the state.

New Jersey’s need for news arises today from three sources:

First, the state has suffered from a chronic news deficit because it lacks a media center of its own and its citizens watch, listen to, and read media based in New York and Philadelphia, which provide little coverage of New Jersey.

Second, in recent years, newspapers and other traditional news media in New Jersey (as in other states) have cut back their newsrooms, while online and other new media have not come close to compensating for the decline. As a result, the number of journalists covering state and local affairs in New Jersey has dropped sharply, and the ability of the press to serve as a watchdog has diminished.

Third, the state has long mismanaged its system of public broadcasting, failing to keep up with changes in the media and subjecting its public-broadcasting organiza-

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tion, NJN, to excessive political control. When the state established the forerunner of NJN in the 1970s, television dominated the electronic landscape, and New Jersey’s leaders understandably sought to redress the failure of commercial television to cover the state’s news.

But in recent decades, the media realities in American society have changed. As cable TV (including cable news) has developed, commercial channels have taken over some of the original functions of public television, which has seen its audience shrink. In contrast, as commercial radio stations have abandoned news, public radio has gained listeners and become a major source of independent journalism. Nonetheless, NJN has repeatedly failed to take advantage of opportunities to develop a statewide public radio network. Similarly, as the Internet has developed, NJN has also failed to adjust to the new online environment, continuing instead to invest its resources in an evening TV newscast with a tiny share of the state’s viewers. In addition, NJN failed to take advantage of new means of producing video that could have sharply reduced its costs.

Furthermore, while other news media have played a critical role in exposing corruption in New Jersey, NJN has been too dependent on political sources of funding to bite the hands that feed it. Jim Wille, the former managing editor of the Star-Ledger, says that when he arrived in New Jersey in the 1990s, he felt like a hunter coming to a game preserve. Nonetheless, despite being in a target-rich environment, NJN has not done a lot of hunting. And now that newspapers are retrenching (the Ledger itself has disbanded its investigative-reporting unit), the limitations of NJN’s journalism become all the more troubling.

Today, amid a general budgetary crisis, the state has cut the funds for NJN and is on the verge of eliminating that support altogether. These cuts may only compound the losses in news coverage resulting from retraction of the state’s newspapers. But the crisis could also become a moment of opportunity—if the state’s policymakers, working with other groups, have a broad enough vision of what needs to be done and allow NJN’s assets to be deployed in new ways to accomplish the original objective of providing independent journalism about the state’s affairs.

This report reviews the options for achieving that objective. Part One explores the possibilities for building statewide public radio, which could become a critical basis for an independent, multi-platform news network. These options include the development of public radio by 1) WNYC, which already has the most public-radio listeners in New Jersey; 2) a restructured NJN, if it is allowed to sell off, lease, or trade some or all of its television licenses; or 3) a new partnership or consortium, potentially involving NJN, WNYC, and colleges operating noncommercial radio stations, enabling them to establish the public-radio network and programming that New Jersey should have created years ago.

Part Two of this report explores the options for NJN. Insulating NJN from political control should be a priority in any reorganization, but that objective can be accomplished in several ways. As it evaluates plans for restructuring NJN, the state should also consider what functions a restructured organization ought to serve.

Two proposals for NJN are currently under discussion. The first would transfer NJN and its broadcast licenses from the state to the nonprofit NJN Foundation, which has raised money for NJN. This proposal follows the example of several other successful conversions of public broadcasters from governmental to nonprofit community ownership. But in those cases, the public broadcasters have had two sources of revenue that NJN does not have. The organizations were producers of programming purchased by other public stations, and they enjoyed strong membership loyalty in their own area. The little original programming NJN produces has no market elsewhere in the country, and the network has a weak donor base, in no small measure because of its failure to develop a strong radio station, with the result that most New Jersey donors to public radio send money to WNYC in New York or WHYY in Philadelphia. Partly because of the uncertainty created by the state, NJN does not yet have a financially realistic plan that would remedy its underlying deficiencies and enable it both to sustain its current TV operations and to develop the radio, online, and mobile capabilities that NJN’s leadership now recognizes is essential to its future.

The second approach, reorganizing NJN as an independent public corporation, follows the model of the BBC and public service broadcasters in Canada, Australia, and other Western countries, which operate at a high professional level and provide the citizens of those countries with essential public-affairs journalism. This approach would involve continued state support, but through an institutional structure that freed NJN from many of the constraints under which it now operates. The key constraints that need to be lifted, however, are the legislature’s control over employment levels at NJN and the governor’s control of each of the network’s individual hiring decisions. It is not clear, however, that the political will exists to give NJN that degree of autonomy as a public corporation.

In any conversion plan, the state needs to decide, at least on a preliminary basis, how to deal with NJN’s broadcast licenses: Should they be sold, leased, or simply turned over to one organization such as the NJN Foundation? Or should the radio and television licenses be treated differently? NJN’s radio stations
reach only about one out of five of the state’s households and have signals so weak that they are of little value to listeners in automobiles, who represent half of the radio audience. Those stations should remain as part of a restructured NJN only if it is allowed to sell one or more of its TV licenses and use the proceeds to acquire a strong, class B radio station that could reach most of the rest of the state’s population, including its commuters. Otherwise, the state should allow a restructured NJN to sell those radio licenses to WNYC, which has an interest in buying them and creating public-affairs radio programming for New Jersey, or the state should turn them over to a new statewide consortium capable of building a statewide radio network.

NJN’s four television licenses pose a more complex set of problems because of potential changes in their value depending on national policy decisions. In the short- to medium term, NJN probably needs only two of its television licenses (in northern and southern New Jersey) and should be able to monetize the value of at least one of the others to provide capital for other investments. Some reports have quoted an estimate of $200 million as the value of the four licenses, but it is unclear what the basis for that estimate is. Under current law, the licenses can be sold only to other public television stations or to religious broadcasters, and with so few potential buyers, the price the licenses could actually command is uncertain.

Ultimately, broadcast licenses will be unnecessary for public television distribution. Most TV viewers today do not receive the broadcast signal at all; 90 percent watch television via cable or satellite; and the main reason stations continue to transmit an over-the-air signal is the “must-carry” rights that come with their licenses—that is, their right to insist that cable networks carry their channels. But Congress could provide an incentive to stations to give up their use of the spectrum by guaranteeing their must-carry rights even if they no longer broadcast.

In its recent report on a national broadband strategy, the Federal Communications Commission sets a goal of shifting 120 megahertz of spectrum from broadcast television to broadband by 2015. The FCC wants to use a variety of techniques, such as repacking the broadcast spectrum, to free up bandwidth that can be auctioned for wireless broadband, with the resulting revenue to be shared between broadcasters and the government. There is a diminishing rationale for TV broadcasting. Not only do most households receive television via cable or satellite; many people, especially the young, increasingly watch TV via the Internet or cable whenever they want, rather than being constrained by a TV schedule. Universal, high-speed broadband will make TV broadcasting entirely obsolete and allow more viewing on demand rather than by appointment. (Though it will eventually suffer the same fate, broadcast radio continues to have a large audience and a somewhat longer lease on life, thanks largely to commuters.)

As a result, though the pace of change is not yet clear, much of the value of NJN’s TV licenses may lie in their eventual use not for broadcast television but for broadband. In the long run, instead of remaining in the TV distribution business—mostly retransmitting PBS programs and producing only a little of its own—NJN should convert its licenses into an endowment, restructure itself into a production organization focused on New Jersey news, public affairs, and cultural life, and distribute its work in multiple formats via the Web, cable, and other media.

The difficulty is not so much understanding where NJN must ultimately go as figuring out how it is going to get there, given its present dire condition and the state’s determination to end subsidies. Because of the budgetary crisis, the interest in zeroing out expenditures on NJN has dominated the discussion about its future. But it would be folly to let those short-term considerations overshadow the larger, long-run stakes. At a time when newspapers and other commercial news media are shrinking their newsrooms, adopting a plan that would necessitate a further shrinkage of news coverage in the state would do more damage to the voters’ ability to keep an eye on government. It is crucial to keep in mind the purpose for which NJN was established, and for which it received its broadcast licenses—to inform and educate the people of New Jersey. That still must be the governing criterion in deciding what to do with NJN as an organization and with its licenses. It would be particularly unwise for the state to sell off all of NJN’s licenses in what would be a distress sale when the value of those licenses could rise considerably in the future.

After reviewing various options for developing public radio and restructuring NJN, this report outlines a preferred option for developing New Jersey Public Radio and sets out a two-year plan for converting NJN first into a public corporation and then into a private community nonprofit, dedicated to producing nonpartisan journalism and programming about and for New Jersey in audio, video, and text to be distributed through both traditional media outlets and new media. To facilitate NJN’s transition and treat its employees fairly, the report recommends that the state transfer the broadcast licenses to the temporary public corporation and allow it to sell either the radio licenses (to WNYC) or one of the television licenses (to another public station or a religious broadcaster) to create a “transition fund” of at least $5 million for employee severance, early-retirement packages, and retraining. The hour is late to save NJN. But New Jersey still has the opportunity to turn it from an outdated television network into a model for multiformat public media that fits the conditions of the twenty-first century.
PART ONE

Developing Public Radio for New Jersey

By Scott Weingart

Sandwiched between New York and Philadelphia, New Jersey has a ready-made, geographic excuse for the deficiencies of its news media. But the absence of a strong, news-oriented public radio station in New Jersey is a failure entirely of the state’s own making. By the same token, the development of public radio lies within the state’s grasp as well. And although the task is more difficult than it would have been 30 or 40 years ago, there is more urgency than ever for the state’s leaders in government, higher education, philanthropy, and media to develop New Jersey-oriented public radio as one means of addressing the collapse of journalism in the state.

Ever since it was established in 1971, the New Jersey Public Broadcasting Authority has seen television as its primary focus and neglected radio. In the 1970s, the authority commissioned two studies to formulate a public-radio strategy and left those studies to gather dust for a decade. In the 1980s, NJN’s executives decided not to let station engineers explore options for building a statewide public-radio network. In the 1990s, with a collection of weak stations mostly outside the main population centers, the network finally launched its radio broadcast but refused to give radio its own department. In the 2000s, NJN has continued to give radio short shrift, denying it adequate staffing. Instead of creating original radio programming, NJN Radio has simply rebroadcast its TV programs without taking any steps to adapt them to radio.

NJN’s single-minded focus on television has caused New Jersey to miss out on the rapid growth of public radio during the past thirty years. Since National Public Radio was founded in 1970, its weekly audience has risen to over 30 million. Some state public radio networks and local stations have emerged as major sources of original journalism. Minnesota Public Radio has a newsroom of eighty covering state and local affairs; NJN does not allocate a single reporter to radio.

NJN’s failure to develop public radio is especially noteworthy because New Jersey offers optimal conditions for radio. As a result of the state’s high population density, an FM radio station in the state reaches more people than one with the same power in many other states. New Jersey’s roadways are also among the most congested in the country, and because of lengthy commutes, the state has an enormous drive-time listening audience. Commercial stations have not missed this potential. In 1990, Press Broadcasting bought WKXW (more commonly known as “New Jersey 101.5”) and turned it into the state’s leading station. Today, it is the flagship of the 12-station Millennium Radio New Jersey network.

NJN’s failure to develop a statewide network with a strong, centrally located station has had disastrous organizational consequences. Instead of capturing the donations from public-radio listeners in New Jersey, that money has flowed out of state. WNYY is the top public radio station in New Jersey, with an average listenership four times that of all the NJN stations put together. WHYY also claims a larger audience in New Jersey than all of the NJN stations (which are mostly in WHYY’s listening area). Like 101.5, NJN Radio could have created a distinctive New Jersey brand; unlike 101.5, it could have offered nonpartisan public-affairs reporting on the state. Whether NJN—or another organization—can now fill that void is the critical question.

How New Jersey Missed Out on Public Radio

Television was the priority of public broadcasting in New Jersey from the beginning. In 1968, spurred by the lack of a commercial television station that covered New Jersey, the legislature established the New Jersey Public Broadcasting Authority (NJPBA). On April 5, 1971, New Jersey Public Television began broadcasting from Trenton, and by 1973 the network had all four of its current TV stations—Montclair, New Brunswick, Trenton, and Camden—on the air. Although the NJPBA had a statutory mandate to pursue radio as well as TV, the development of public radio in the state failed to progress past the planning stages for another twenty years.

In 1972, the NJPBA established the New Jersey Public Radio Advisory Committee, which commissioned engineering consultant Paul Godley to develop a plan to build a statewide public radio network for New Jersey. Godley suggested a two-pronged approach. First, he recommended pursuing agreements with existing noncommercial stations to share content or time and, where feasible, to improve those stations’ broadcasting facilities to allow them to reach a larger audience. The stations targeted for this improvement included three university-owned licenses—Rowan’s WGLS at 89.7, Trenton State’s WTSR at 91.3, and Centenary College’s WNTI at 91.9—as well as WBGO at 88.3, which was then owned by the Newark Board of Education. At the time, neither WBGO nor WNTI were broadcasting 24 hours
a day throughout the year. The second part of Godley's plan called for the Public Broadcasting Authority to apply to the FCC for new class A and B stations on the reserved band where interference with existing stations would not be a problem. (Full-power FM radio stations in densely populated states such as New Jersey are divided into classes A, B1, and B in order of increasing signal range; hence class B are the strongest.) These stations would have had to be located away from the urban centers of New York and Philadelphia, where the reserved band was already too crowded to accommodate new stations.3

The New Jersey Public Broadcasting Authority did not follow through with either part of the plan. While NJPBA dithered, many of the options available to the authority in the 1970s disappeared. In 1979, a community-based nonprofit organization bought the license for WBGO from the Newark Board of Education and made the station New Jersey's first NPR affiliate.4 Under its new ownership, WBGO broadcast a jazz format for most of the day, although it originally did carry a few hours of NPR news programs. WBGO now plans to move its transmitter from Newark to Manhattan—a decision that would never have been made if the station belonged to a statewide network with a primary commitment to New Jersey.

NJN (as New Jersey Public Television was renamed in 1980) did not again inquire into the potential for developing a radio network until the mid-1980s. By that time, it was impossible to obtain a license for a new class B or B1 station in unused FM bandwidth. Charles Loughery, an NJN engineer, tried to convince NJN management to devote more resources to radio, including establishing a radio division and building a statewide network. Now retired, Loughery says that he considered two approaches at that point. The first was to encourage a tax-deductible donation of an AM station in New York or Philadelphia markets from a broadcaster looking to unload an unwanted license. The second approach involved exchanging licenses with other broadcasters on the FM reserved band to open up a "big hole" in the spectrum that could accommodate a class B or B1 station. Loughery recalled that he was unable to get permission from NJN executives to make any inquiries to other radio stations. Instead, NJN engineers had to settle for a collection of new but weak class A licenses, mostly in sparsely populated parts of South Jersey and Sussex and Warren Counties.5

The Current New Jersey Public-Radio Landscape

The Dominant New York and Philadelphia Stations

Because of the failure to develop a strong New Jersey public radio station, most of the public-radio audience in the state listens to New York-based WNYC or Philadelphia-based WHYY. With three major stations, WNYC is by far the largest source of public radio in New Jersey. Two of its stations, WNYC-FM at 93.9 and WNYC-AM at 820, run a news-talk format, while WQXR (105.9 FM) plays classical music. WQXR and WNYC-AM are actually both licensed in New Jersey, though only WNYC-AM has its transmitter in the state. Some 16 million people, 5 million of them in New Jersey, live within WNYC-FM's protected contours (its listening area). New Jerseyans represent roughly a quarter of the station's audience.6

WNYC is a public-radio powerhouse, producing several nationally syndicated shows. On weekdays, it runs six original hours and nine total hours of its own radio programming on its FM station.7 Though New York news and public affairs receive priority on those programs, the station does cover New Jersey in both its newscasts and its signature local talk show, the Brian Lehrer Show.

Other out-of-state public-radio outlets offer little news coverage of New Jersey. Philadelphia's WHYY reaches about 1.4 million people in New Jersey and 4 million in Pennsylvania and Delaware. The station occasionally includes New Jersey stories in its newscasts, but its local talk show, Radio Times with Marty Mass-Coane, devotes much less attention to New Jersey than the Brian Lehrer Show does. In general, compared to WNYC, WHYY dedicates half as much air time to local news, information and entertainment programming.8 Temple University's WRTI in Philadelphia reaches about 1.4 million New Jerseyans, and its simulcast on WRTQ in Atlantic County reaches another 360,000, but the station alternates between jazz and classical formats.

NJN's Limited Reach, Limited Programming

Most of the nine class A radio stations NJN owns and operates are located in sparsely populated areas. Six are south of I-195, and two are in the northwestern part of the state. NJN stations do not reach most of the state's urban centers. The one exception, WNJT in Trenton, has a potential audience of nearly 400,000 New Jersey residents and another 35,000 people in Pennsylvania. In all, some 1.45 million New Jerseyans, about one-fifth of the state's population, live within the listening area of an NJN radio station.

Many NJN stations, however, do not actually reach all of their potential audience because of limitations on their signals due to their location at the bottom of the FM radio band, adjacent to TV Channel 6, which is licensed to WPVI in Philadelphia. To prevent interference with Channel 6's horizontally polarized signal, the FCC requires radio stations at the bottom of the FM band to broadcast a mostly or entirely vertically polarized signal, which makes the signal vulnerable to dead spots even within the coverage area. As a result, five NJN stations operate with only 1
watt of horizontally polarized effective radiated power (ERP), and WNJT in Trenton does not use horizontal polarization at all.

In addition to its nine stations, NJN broadcasts its programming from two class D translators, one in northern Hunterdon County and the other in Pompton Lakes. These reach 25,000 and 50,000 people respectively. The station has obtained permission to make some improvements in its transmitters. But even when these improvements are complete, NJN will still reach only about 22 percent of the state's population.

As bad as NJN's coverage is for those who listen at home, it is worse for those who listen at work or in their cars. Most of the employment centers in the state are located outside of the range of an NJN station. Of the 101 towns in the state where more than 10,000 people worked in 2000, only 14 lie at least mostly within the protected contour of an NJN station. Most of the state's busiest roads are also outside the range of an NJN station. And because the stations' signals are so weak, many commuters who both live and work in areas served by NJN's network have to change stations during their commute if they want to continue listening to NJN. NJN's network of nine stations is utterly inadequate for serving the state.

NJN radio has few loyal listeners not only because of its limited coverage of the state, but also because it produces little original programming that is geared to radio. The only programs NJN produces specifically for radio are an hour-long "Special of the Week" aired at 9 p.m. on Sunday and two half-hour shows, Transition at 11 p.m. on Saturday and Straight Talk at 11 p.m. on Sunday. The hours at which those programs are broadcast testify to the network's confidence about their ability to attract listeners. At a meeting at NJN, it was apparent that many of its own staff were unaware of the programs' existence.

Most of NJN's programming comes from two major sources: 1) National Public Radio and other producer-distributors such as American Public Media; and 2) NJN's television schedule. Taken over the day as a whole, the quantity and depth of news and public affairs content on New Jersey Public Radio are adequate. But the programming has substantial drawbacks.

NJN broadcasts its own programs for 12 1/2 hours per week. Sixty percent of this total comprises three daily broadcasts of NJN News, the network's half-hour weekday television news cast. NJN also broadcasts on its radio stations the audio from four half-hour-long TV shows with significant public affairs content: Reporters Roundtable, a talk show that is similar to the roundtable segment of Meet the Press; On The Record, which features interviews with New Jersey politicians and newsmak-
ers; Caucus NJ, a more casual, less politically oriented interview show; and Due Process, a legal talk show.

The half-hour NJN News offers valuable coverage of New Jersey news and public affairs that is available nowhere else on radio, and the weekly talk programs offer more in-depth exploration and analysis of a handful of issues. But the audience for these programs is limited—and not just because the stations are so weak. NJN falls short in both the scheduling and the presentation of local content on radio, and both of these problems are symptoms of the network's general attitude toward the medium as secondary to television.

NJN runs its own, made-for-television programming on public radio in the evening—peak time for TV viewership but slow hours for radio. The talk and public affairs shows all run from 10:30 to 11:00 p.m., which are very poor hours for radio listenership in general and for news-talk, public-radio listenership in particular. NJN News airs weekday nights at 6:30, 7:30, and 11:00, well after the peak of the afternoon rush and the corresponding local maximum of listenership.

Too often during NJN programs, radio listeners are reminded that the programs were produced with television viewers in mind. When anyone but the anchor is talking, radio listeners are often left to guess whose voice they are hearing. From March 1 to March 5, 2010, more than 60 percent of "outside speakers" on the newscast were not identified by name in the audio feed. Several times during the week, anchors or reporters used demonstrative adjectives to refer to maps or images on the screen without describing to radio listeners what TV viewers were seeing. Listener confusion can be a problem not only on NJN News but also on talk shows. The number of panelists on NJN's talk shows can make it difficult for listeners to figure out who is speaking.

NJN frequently preempt its regular programming to carry live public events. During election season, the network carries gubernatorial debates and live election-night coverage. NJN also broadcasts events such as gubernatorial inaugurations and addresses and budget hearings. For important events, live coverage is a useful public service, but NJN Radio does not perform that service well. During live coverage of legislative hearings, for example, listeners are left to guess who is speaking. NJN reporters do not provide the background and context that would help listeners make sense of what is being broadcast.

NJN's local radio newscasts are also substandard when they run them at all. During the one-week period from April 27 to May 3, the station ran local newscasts for only half of each day. Ripped and read from the day's newspapers, the newscasts often dwelled on sensational or inane stories and were delivered at a
level that would not be acceptable at a major public-radio station.

NJN must do radio better, or its stations should be handed over to another organization that will.

New Jersey’s Other Public Radio Stations

WBGO is the largest public radio station currently operating in New Jersey. Its signal covers 3.5 million people in New Jersey and more than 7 million in New York City. Though the station runs a jazz format, it also carries hourly NPR newscasts throughout the day as well as 13 daily local newscasts.10 The local newscasts are a breath of fresh air compared to the half-hearted, half-day efforts on NJN. In our sample, only 40 percent of stories were readers, and the average story was more than 45 seconds in length. Only around one-fourth of the stories focused more on New York than New Jersey; around 40 percent were directly relevant to WBGO’s city of license, Newark. Furthermore, the stories were thoughtfully chosen; major New Jersey stories were all addressed in several newscasts in the 24 hours after they broke. The highlight of the newscasts was a series of heavily edited profiles by Monica Miller on the Newark mayoral candidates, which included several clips from the candidates.11

WBGO also carries public affairs programming at 7:30 p.m. on some weeknights. Caucus Educational Corporation’s New Jersey Capitol Report, which also airs on several TV stations including NJN, WNET and WHYY, runs on Mondays. On Fridays, it runs its own half-hour news magazine show, WBGO Journal.12 Last year, WBGO hosted a gubernatorial debate that also was broadcast on WHYY, WNYC, NJN, and Brookdale Community College’s NPR station.

WBGO has done a commendable job providing news to its listeners within the context of its jazz format. The station’s planned transmitter move to New York City raises concerns, however, about WBGO’s commitment to serving New Jersey. The move to One Times Square will increase its reach in New York State by more than 1 million people but decrease its reach in New Jersey by a net of around 200,000. The potential effect of this move on the station’s news coverage is alarming. With the antenna at the new site, less than 30 percent of those living within WBGO’s protected contour will live in New Jersey. After the move, WBGO will have an incentive to shift the focus of its local newscasts from New Jersey to New York.

Three New Jersey colleges also run NPR member stations: Centenary College, Mercer County Community College, and Brookdale Community College.

Centenary College’s WNTI runs an adult album alternative format and reaches about 450,000 people in New Jersey and another 125,000 in Pennsylvania. On Sundays at 8 a.m., it carries its own public affairs program, which tends to focus on the arts rather than hard news. WNTI runs NPR newscasts on the hour and produces its own local newscasts with the college’s journalism department.13

Mercer County Community College owns four radio stations, one of which (WWPJ) is in Pen Argyl, Pennsylvania, and serves only a small part of New Jersey. The other three stations—the flagship WWFM in Mercer, WNNJ in Ocean, and WWCI in Cape May—are the most powerful reserved-band stations in their respective counties. The WWFM network runs classical music for most of the week except on Saturdays from 7-7:30 p.m., when it airs Views and Voices with Rachel Katz, a public affairs program that covers local news and MCCC events but offers little in the way of state news. The network carries NPR newscasts but provides no state newscasts.13

Brookdale Community College’s WBJB reaches more than 400,000 people in Monmouth County. Most of its audience is well outside the range of the nearest NJN stations in Trenton and Toms River. Since cutting Morning Edition and All Things Considered from its lineup in 2007, WBJB has run music and music-related programming at all times except 9-10 a.m. on Saturdays, when it carries NPR’s Car Talk.14 WBJB is not a student radio station; Brookdale carries its student station on an HD subchannel.

Rutgers, William Paterson, Rowan, Monmouth, TCNJ, Ramapo, Seton Hall, and Richard Stockton all hold class A broadcasting licenses, as does Camden County Community College. In addition to running its own radio station, Rutgers has an agreement with the Piscataway Township School District, the licensee for class A station WVPH, to produce programming for the station for the nearly 90 percent of the time that the Piscataway High School is not using it.15 Burlington County College holds a class B1 license, albeit in a sparsely populated part of the state. The FCC allows Fairleigh Dickinson University and NYU to share the frequency 89.1, which is reserved for the United Nations, until the UN declares its intent to use it.

A nonprofit organization, rather than Princeton University, owns and operates the class B, student-run station WPRB in Princeton, which lies off of the reserved band and relies on both advertising and donations for support. Several other schools, including Montclair State and Kean, run low-power FM stations. All of the full-power college stations except WFDE put students on air for a substantial proportion of their schedule. Music accounts for the vast majority of content on all of these stations.
though most do produce some public-affairs content of their own.

The Radio Programming New Jersey Needs

New Jersey is starved for the kind of locally relevant news programming that a public radio station ought to provide. For most of the day, NJN operates as a generic NPR station, with little local content. Without that local content, NPR is like a restaurant chain that offers the same menu everywhere. If NJN (or another public-radio organization) is to build a loyal audience and membership in New Jersey, it needs to develop a sense of place. Local programming is what gives each NPR member station that sense of place. Consistent local content in both newscasts and talk shows allows listeners to develop a relationship with the station’s hosts and builds loyalty and identification with the station.

Public radio programming in New Jersey ought to have at least three major priorities:
- improved, hourly newscasts;
- more local content integrated into the show clock of popular NPR programs such as Morning Edition and All Things Considered; and
- a major, hour-long morning talk show.

In addition, if NJN’s nightly TV newscast continues to be broadcast on radio, NJN should produce a version of that newscast with radio viewers in mind.

Hourly newscasts with state and local stories must consist of more than the host reading the headlines; they should be produced to the same standard as NPR’s newscasts. They should also run on a wide array of noncommercial radio stations throughout the state. Short high-quality newscasts can serve an invaluable function as sources of inadvertent civic learning—that is, not sought out by the listener. A three-minute newscast on a music-format station is arguably even more valuable than the same newscast on a news-format station because the music listeners might otherwise get no news about the state at all.

Integrating local content into NPR programs is critical to developing awareness of public issues in New Jersey. Because of its audience and format, Morning Edition offers an NPR member station the greatest opportunity to offer state and local news to its listeners. The show runs during the morning drive, which is the peak time for public-radio listenership, and its flexible show clock permits integration of local content at several times throughout the hour. Every hour is split among 5 feature segments totaling roughly 37 minutes in length, 5 newscasts totaling roughly 13 minutes, and 10 minutes of promos, billboards and returns, funding credits, and “music beds,” which can be used for promos, station identification, weather reports, underwriting, or short features.

For each of the newscasts and segments on Morning Edition, local networks can choose to carry the NPR feed, produce their own content, or carry content from a third party (such as Marketplace Morning Report during the Segment E in the first hour). Currently, NJN either runs no original local content or inserts state and local news in Newscast III and V during the 6:00, 7:00 and 8:00 hours. Improving the quality of these NJN newscasts is urgent. NJN could also improve local coverage on Morning Edition by producing and running New Jersey-related features for one of the short segments in Morning Edition. Many member stations run local features during Segment C, which lasts just four minutes. WNYC usually runs local features in this segment during the second hour.

According to a 2007 study by Walrus Research of local content on Morning Edition, public-radio listeners seek the same standard of “intelligent and in-depth” coverage from their local stations that they receive from NPR, and the most successful pieces provide that level of craftsmanship. Unless NJN can improve the quality of its work, New Jersey Listeners will continue tuning in to the New York or Philadelphia public stations that many of them can also receive. NJN also needs to have an ongoing local host for Morning Edition. Listeners should become as familiar with that host on their morning drive as they are with the national hosts, Steve Inskeep and Rene Montagne.

NPR’s afternoon drive-time show, All Things Considered, is also designed to accommodate the inclusion of local content. The program has four newscasts, two each at the top and bottom of the hour. The first newscast is three minutes long; the other three are shorter than two minutes. On the days NJN does any newscasts, it covers Newscasts II and IV. There is also an optional four-minute cutaway for local content in the second hour of the program at about 45 minutes past the hour. This cutaway is the same length as Morning Edition’s Segment C, so a single feature could fit in both spots (though drive-time listeners may not be keen on hearing the same story on both ends of their commute).

Finally, a New Jersey public-radio network would do well to run a daily, news-focused, hour-long New Jersey-oriented talk show. While not every successful public radio network has such a program, many do. Besides WNYC’s Brian Lehrer Show, models from other states include Oregon Public Broadcasting’s Think Out Loud, VPR’s Vermont Edition, WFAE’s Charlotte Talks, North Carolina Public Radio’s The State of Things, and Minnesota Public Radio’s Midday. Because of New Jersey’s
news deficit, the state emphatically needs such a show, which should focus not only on politics and government but on a broad range of topics of interest to listeners.

A signature New Jersey talk show would be an effective tool in building a New Jersey network's core listening audience. By focusing on New Jersey every day rather than once or twice a month, the show would offer something that out-of-state stations cannot provide.

The Walrus Research Sense of Place report notes, "The dimensions of each place are mental, and the maps in the minds of public radio listeners do not match political geography." The success of a New Jersey-oriented public radio network depends largely on the extent of New Jersey listeners' identification with the state. New Jersey 101.5 has been very successful at developing a statewide sense of place. But within New Jersey, two people in different areas—for example, in the northern and southern parts of the state—may have different senses of place.

Regionally differentiated content could therefore prove valuable in developing a New Jersey network. In discussions at NJN, however, both executives and employees seemed unenthusiastic about carrying different signals on its nine little stations. A more substantial network should revisit that question. For example, it would make sense to provide separate newscasts for North and South Jersey during Morning Edition and All Things Considered. Splitting the signals could also enable the network to attract more local underwriting. Broadcasting different signals in different parts of the state would expand the opportunity for partnerships with other stations. College and other local public radio stations tend to produce programming of local or regional interest that might be of interest to NJN listeners in one part of the state but not another.

Filling a Hole in the Air: Policy Options for New Jersey Public Radio

New Jersey needs both a core set of public-radio programs and a public-radio network capable of distributing those programs throughout the state. At present, no public radio organization has both the programming and the distribution capabilities. Three organizational possibilities stand out for building up those elements: WNYC, NJN, and a new partnership or consortium bringing together either NJN or WNYC, or both, with other public-radio stations in the state.

Option 1: WNYC
WNYC has three distinct advantages over NJN as a prospective candidate to develop public radio for New Jersey. WNYC already has the largest number of public-radio listeners in New Jersey. It is a far more experienced and successful developer of radio programming. WNYC also has a proven ability to raise capital funds, as it has demonstrated by raising $20 million to buy its original licenses from the city in the 1990s and more recently by its successful $63 million capital campaign to support, among other things, a move to its new state-of-the-art broadcasting facility. While NJN's operating budget has been falling, WNYC's has been growing. Furthermore, according to CEO Laura Walker, WNYC is interested in expanding both its programming and its reach in New Jersey.

Many people in New Jersey may react to this prospect with an unwarranted chauvinism. To be sure, television stations licensed in New Jersey have regularly forsaken the state for the bright lights of New York City. But TV stations in the United States are licensed on a regional basis and have a wide viewing area. FM stations have a smaller range, so they are not as susceptible to being divorced. If WNYC were to acquire a network of FM stations in New Jersey that extended its coverage of the state, it would have an incentive to develop state and local programming appropriate to New Jersey. Furthermore, the sale or lease of NJN's stations to WNYC could be conditioned on its commitment to develop New Jersey-specific programming, perhaps by creating a subsidiary or affiliate whose board had majority New Jersey representation. It would be particularly important for WNYC to demonstrate a commitment to South Jersey, where most of the NJN stations are located. Along with its acquisition of NJN's stations, WNYC could enter into a partnership in New Jersey news production with NJN or other New Jersey public stations.

The most dramatic move that WNYC could take to demonstrate its commitment to New Jersey would be to make its 820 AM station, already licensed and located in New Jersey, into a New Jersey-oriented station (perhaps even changing its call letters to "WNYJ-AM"). That would mean a modest but nonetheless significant programming commitment: more New Jersey features for the morning and evening drive-time programs, more New Jersey news in the hourly newscast, and a new talk show about New Jersey (or just extending the Brian Lehrer show an extra half-hour on AM with New Jersey discussion). WNYC could also create a smart-phone app aggregating New Jersey items from all its programs, which could then serve as its New Jersey news for people using mobile devices. Increasingly, such apps are likely to serve as a substitute for traditional radio.

Option 2: Developing NJN Radio
The history of NJN gives no basis for entrusting it with the
development of public radio in the state. For four decades, NJN has neglected radio in favor of television. NJN spends little money on radio and raises little money from it. The organization has come to think of itself as being in the television business. Even though NJN’s recent vision statement identifies radio as an important area for future development, the statement treats radio in only a cursory way. NJN’s June 25, 2020 business plan for operating as a private nonprofit contains no discussion of radio.10

Especially when compared to WNYC, NJN is neither an experienced nor an effective radio programmer, nor does it have a successful record in capital fund-raising. It lacks a strong base of loyal listeners. And to make matters worse, if state subsidies end this year, it will have to fire many of its employees and cut back its current activities in 2011. It is hard to see how under those conditions NJN can undertake the investments required for developing a radio network.

Besides its lack of New Jersey-oriented radio programming, NJN has been held back by its stations’ poor coverage of the state. There are some relatively small steps that NJN could take to expand its network (see Appendix A). But a significant improvement would require the acquisition of at least one centrally located, strong Class B station that could reach many of the state’s commuters. At this point, the one conceivable way NJN could acquire such a station would be to sell, lease, or trade one or more of its television licenses. Unless the state is willing to allow NJN to do that, NJN should get out of public radio, sell its nine stations, and let WNYC or others take the lead. There may be better ways to develop public radio in New Jersey than through NJN.

Option 3: A New Radio Partnership

Partnership and cooperation among media outlets have long played a central role in public radio, where resources have never been so abundant as to allow each station to fill its schedule alone. There are three major syndicators for public radio programming—NPR, American Public Media, and Public Radio International. NPR itself is at its core a partnership among its member stations. Many of NPR’s nationally distributed shows are produced by NPR member stations. Without partnerships, public radio as we know it would not exist.

Partnerships are essential to the development of public radio in New Jersey. The question is really only what kind.

A partnership could focus primarily on the sharing of content. One of the most extensive and oldest state-level content-sharing partnerships is the Alaska Public Radio Network, which includes 25 mostly independently owned stations in that state. According to the network’s website, the members “pool their resources to create and share news and public affairs programming of statewide value, boosting service to Alaska’s citizens.”10 For more than 30 years, the network has drawn on reporting from these local stations in producing its radio news program, Alaska News Nightly, as well as morning news reports and a weekly call-in talk show.10

The Alaska model could serve New Jersey well. By sharing resources and creating a statewide organization to produce statewide news, New Jersey’s public radio stations could fill some of the current programming void. This kind of partnership could enable all the state’s public-radio stations, not just those with a news-talk format, to broadcast high-quality state and local newscasts.

But a programming partnership limited to sharing content would still not address the problem of inadequate public-radio coverage, particularly for the state’s commuters. A more substantial partnership would require a lead organization capable of acquiring one or more strong stations (AM or FM) to give public radio statewide coverage. That lead organization could be WNYC or NJN (if it was able to monetize the value of one or more of its TV licenses), or it could be an entirely new organization—for example, a consortium of universities, foundations, and other nonprofit institutions that saw journalism in the state as critical to its future.

Building a public-radio network for New Jersey requires that kind of vision and leadership. In the long run, the aim should be to strengthen public-affairs journalism not just on radio, but also online and in new mobile formats. Many efforts are now under way in New Jersey and around the country to create new nonprofit online news sites. But public radio already has the audience and a donor base, and NPR and some of its local affiliates have shown how to build multi-platform public media on that foundation. New Jersey needs to create that foundation if it is to move ahead with the larger project of building a network of public media organizations that can flourish in the digital age.
PART TWO

The Future of NJN

By Paul Starr, Scott Weingart, and Micah Joselow

New Jersey’s budget crisis is now driving the effort to privatize NJN, but even if there were no budget crisis, there would be good reason to restructure NJN to remove it from political control.

NJN produces earnest and balanced TV reporting and discussion about public affairs, and that is an important contribution in a state poorly served by commercial television news. But because NJN has failed to adapt to new realities in the media, it reaches a very limited number of people. Despite being broadcast five times a day, NJN News has a cumulative daily TV viewership of only 28,000 households, and only about 200 people a day visit NJN.net to watch the program.4 As Part One of this report argues, NJN missed the growth of public radio in recent decades, failed to develop an adequate radio network, and still fails to produce adequate programming for radio. Similarly, it failed to respond to the growth of the Internet and still fails to offer adequate online or mobile services. It is an organization that badly needs to be shaken up.

In addition, because of its position as a state agency, it is far too dependent on the good will of elected political leaders to provide the tough-minded, investigative journalism that the citizens of New Jersey require.

Unfortunately, the failures to adapt to changes in the media have compounded the problem of political dependency. If NJN had developed a strong radio network as well as online and mobile capabilities, it would have a more substantial base of loyal donors, as many other public broadcasting organizations do. It might also have developed a greater capacity to attract support from philanthropic sources and corporate underwriters as well as the federal government. But the network’s individual donors, foundation grants, and corporate support have all fallen in recent years. The decline in individual donations is particularly telling: from 2000 to 2010, individual donations have dropped from $2.8 million to $2.4 million, and the number of individual donors has slipped from 25,000 to 19,000 in the past five years.5 The Corporation for Public Broadcasting recently awarded $7.5 million to establish five local journalism centers in different regions of the country, involving a total of 36 radio stations, but NJN did not even submit an application. CPB is considering reducing or eliminating its subsidy to redundant local public television stations.6 Since much of what runs on NJN is available to its viewers on other public channels, the annual $2.8 million subsidy from CPB is in jeopardy.

NJN’s problems have become a vicious cycle. Under state control, NJN became ill-adapted to the emerging media environment. And because it failed to adapt, NJN continues to be dependent on state funds instead of enjoying wider support from individual donors and other sources. The challenge is to break that cycle.

The NJN Anomaly

NJN has done what the state’s political leaders beginning in the 1970s wanted it to do. Unfortunately, what they have wanted from NJN has long ceased to make any organizational sense for NJN, yet NJN continued doing it.

The state set NJN off on the mission of producing statewide television news, and the organization has poured its resources into producing a half-hour evening newscast. Producing television news is expensive (particularly the way NJN does it), while producing radio news is far less costly. Public television news has a small audience, while public radio news has a much larger audience. By focusing on television and ignoring radio and continuing to use old methods of film production, NJN chose a very costly strategy of producing news for a very small audience. Other public broadcasters have not followed this course; in fact, only one other statewide public broadcasting network, in Oklahoma, produces a nightly news report.7 News programs for Delaware and Alabama have been discontinued, though some public stations produce weekly newsmagazines.8

Successful public broadcasters cultivate loyalty among their regular donors ("members") and build a membership base. By producing television for a small audience, NJN has failed to build the broad membership that many other public broadcasters enjoy. In a planning document NJN boasts that it has a coverage of 20 million potential viewers (9 million in New Jersey, 11 million in New York and Pennsylvania), yet with only 19,000 members, it compares poorly to WNET’s 250,000.9 By focusing its original production entirely on New Jersey affairs, NJN also did not develop programming that could be sold to other public stations or that would interest viewers in its viewing area but outside of the state.

These decisions ensured that NJN would not be able to generate enough revenue to free itself from dependence on state government. Now that the state’s funding is coming to an end,
NJN also does not have the resources to flourish on its own, though it could maintain itself and perhaps at least tread water while undergoing a radical makeover. In the recently adopted 2011 budget for the state, the legislature cut NJN’s appropriation in half from $4 million to $2 million, and Governor Christie has indicated that he plans to reduce funding to zero for 2012.49 Besides allocating $2 million for NJN’s 2011 operating budget, the state has also covered the cost of employee benefits and facilities, which as of 2010 came to $7 million. Counting both the state’s contributions to benefits and facilities as well as the operating budget, the state is paying for 38 percent of NJN’s 2010 costs. A cut in NJN’s budget by that amount would then trigger a cut by CPB, which sets aid to stations (above a base amount) in proportion to their non-CPB funding. Adding this sum to the loss of state subsidies would bring the total budget reduction to about 40 percent compared to 2010.

NJN would not be the first public broadcaster to be shifted from government to private nonprofit, community ownership. Nor is private nonprofit status the only option available; NJN could also be converted into an independent public corporation. Furthermore, the state might choose to treat NJN’s broadcast licenses in a variety of ways—selling, leasing, or transferring them at no cost to the nonprofit community owner. And it might decide to treat the radio licenses differently from the television licenses. In thinking about all these questions, the state ought to decide what functions it expects NJN to perform. If the state’s leaders still expect NJN to produce in-state television news on a broadcast network, NJN will not be a sustainable operation, except on a barebones basis. To be sustainable, NJN will have to be transformed into a multi-platform public media production organization, perhaps with an endowment created through the sale or lease of some or all of its licenses.

Models of Successful Conversion to Community Ownership

Conversion of WNYC

New Jersey does not have to look far to find an example of successful conversion to private nonprofit ownership. In the 1990s, the Giuliani administration in New York City sought to sell both WNYC radio and WNYC-TV to commercial bidders to help close a budget gap. Opposition from supporters of public radio led to a compromise. The city would sell the TV station to the highest commercial bidder, while the WNYC Foundation, which by then was raising most of the money for WNYC’s operations, would buy the AM and FM radio licenses from the city for $20 million.

By selling the TV station, the city lost a PBS affiliate, but the sale netted the municipal government three times as much money as it originally expected. WNYC-TV fetched $207 million from the ITT Corporation and Dow Jones and became a 24-hour sports, financial-news, and entertainment channel.41 (Because NJN’s TV licenses lie in the reserved ban, it does not have the option of selling any of them to a commercial organization.) By selling the radio licenses for $20 million, the city undoubtedly sacrificed some revenue. Consultants for the city pegged the market value of the radio stations at $35-40 million, and some critics suggested the licenses could be worth far more.42 But WNYC was able to raise enough money to pay off the $20 million in six years, and it has enriched the city with extensive news, public-affairs, and cultural programming.

Before the conversion, New York City government had provided WNYC with only $1 million in direct and indirect city support, representing just 10 percent of its annual budget.43 Individual members and other donors were already the major sources of support. As a result, WNYC’s transition was inherently easier than the prospective conversion of NJN.

Since its conversion n 1996, WNYC has grown dramatically in all dimensions—audience, fundraising, and the quality of its programs, measured by how many other stations are willing to purchase them. WNYC’s weekly tune-in (the cumulative number of listeners) has increased from 800,000 to more than 1 million, while membership contributions and underwriting revenues have also soared.44 WNYC is now not only the most-listened-to NPR-affiliate station but also one of the largest originators of public-radio programs. Since becoming independent, WNYC has developed such shows as Studio 360, The Next Big Thing, and On the Media. The purchase of a classical-music station WQXR has also allowed WNYC-FM to focus even more heavily on local public affairs, cultural, and news coverage.45

Conversion of Oregon Public Broadcasting

Oregon Public Broadcasting (OPB) consists of five television stations and 36 radio stations spanning the state.46 Most of the stations were originally licensed to universities and educational groups, but in 1979 the state legislature established a commission to turn those stations into a unified network.47 Although state appropriations represented 65 percent of OPB’s budget in its first year, the state’s share fell to 20 percent by 1992, when network executives proposed a shift in ownership to the nonprofit Oregon Public Broadcasting Foundation.48 To ease the move, Oregon Governor Barbara Roberts proposed a plan that would give the network $5.5 million in state funds until 2000, when OPB would officially become an independent entity.49
Not only has Oregon’s public broadcasting network been able to survive the loss of state support in 2000; it has continued to grow. Today, contributions from members account for 64 percent of OPB’s operating budget. Sixteen percent comes from corporate underwriting, 14 percent from the federal government, and 6 percent from sales, services and other sources. A major reason for the continued success of OPB is its success in documentary production for such PBS shows as Frontline, Nova, and OPB’s own original series History Detectives. Sold and distributed by PBS, these programs give OPB more of a national outlook and the ability to attract talented staff, while the revenue earned from them supports the production of local shows.

Unfortunately, like the example of WNYC, the Oregon case does not translate well to NJN. Both WNYC and OPB had already become largely independent of state funding before they were privatized. Both enjoyed strong membership support, in large measure from their radio audiences. Both sell programming to other public stations. NJN has none of these characteristics.

**Policy Options**

**Community Ownership**

This is not the first time that “privatization” of NJN has been under discussion. In 1992, the Florio administration discussed selling NJN to WNET. In 1997, Governor Whitman endorsed a plan to transfer NJN to a private nonprofit licensee, but nothing came of the idea. In 2008, NJN presented a plan to legislators that would have involved gradually eliminating the state’s direct support over four years. Labor unions objected to the proposal, citing concerns about “job security, pensions, benefits and the survival of the organization,” as well as the composition and labor practices of the NJN Foundation board. In a committee hearing, state senators expressed skepticism about the plan and it went nowhere.

NJN is still not financially prepared for a sudden transition to private nonprofit status. In its June 25, 2010 business plan for “NJN Public Media, Inc.,” NJN projects that its operating budget for 2011 would be about $15 million and that it would cut its workforce from 129 to 82 (75 full-time equivalents), including a reduction in its news staff from 35 to 16. But these cuts may not be enough. Because of delays in clarifying NJN’s legal status, NJN’s assumptions about increased grants and donations in 2011 no longer hold. Another document, NJN’s “2020 Vision” plan, sets out an ambitious agenda for expanded New Jersey programming, development of new media, and other initiatives. Turning NJN loose from state-imposed constraints would enable it to do more with less. But it seems unlikely that it could do as much as it needs to do with as few resources as it would have come next January.

Consider what needs to be done to turn around NJN’s decline in fund-raising. Private foundations and other major givers may be willing to provide more support if NJN is a private nonprofit rather than a state agency, but NJN has a long way to go to build its individual memberships. It seems unlikely that average viewers have withheld donations from NJN because they understand it has a different legal status from, say, WNET. The real problem is that NJN hasn’t produced the programming that builds a sense of identification and loyalty. According to NJN’s “2020 Vision” plan, most of its individual donors come from TV pledge drives and sign up “simply to receive a tangible incentive … not as a result of any loyalty or connection to the NJN brand.” In fact, according to NJN, “the current net from on-air pledge drives is “approximately $0 (zero)” once costs are taken into account (the only rationale for the drives is that some of the donors renew in future years).

A “downward spiral” is how NJN’s 2020 Vision plan characterizes the organization’s recent development. But NJN will be able to reverse that spiral only if it has the capital and the time to develop new programming. If it is plunged into a financial crisis and sharp cutbacks next January, it will be more dependent than ever on reruns of programs from PBS and other sources. But why should people donate to NJN to see PBS programs they can see on other public channels? Why should CPB subsidize NJN to run PBS programs already available to viewers? It is difficult to see how a sudden conversion of NJN can avoid pushing it down a hole out of which it will not be able to climb. If that is the case, the state should consider other options, including the second proposal for restructuring NJN—turning it into an independent public corporation, albeit only for a fixed and brief transitional period.

**An Independent Public Corporation**

In response to Gov. Christie’s proposal to transfer NJN to private nonprofit control, the union representing a majority of NJN’s employees—Local 1032 of the Communications Workers of America—has offered a counterproposal to convert NJN to a more autonomous public corporation. On June 17, five Assembly Democrats introduced A2949, an act to “reorganize the New Jersey Public Broadcasting Authority as the New Jersey Public Media Corporation.”

In offering this plan, the union acknowledged that the status quo is unacceptable, citing four problems with NJN’s current status as a state agency: 1) the procurement system, which makes
it difficult to replace old equipment; 2) staffing problems arising from the requirement that the governor approve all new hires; 3) state leasing restrictions, which have delayed favorable spectrum and tower leases and cost the agency money; and 4) the inclusion of NJN employees in the broader collective bargaining process, which leaves NJN’s “unique personnel needs” unmet.

Like a private nonprofit, the Public Media Corporation would be free of constraining state rules and regulations, but unlike a private nonprofit, it would remain in public ownership. NJN’s continued affiliation with the state would preserve generous state health-care and pension benefits for its employees and avoid saddling a privatized NJN with costs it would be unable to meet without turning itself into a barebones operation. Furthermore, this approach would make it unnecessary to deal immediately with NJN’s television and radio licenses since these would continue to be owned by the state.¹⁴

Changing the structure of NJN from a state agency to a public corporation must, however, include one provision the union is unlikely to want: the elimination of any state-imposed employment levels. A public corporation would not by itself solve NJN’s underlying problems of political dependency and its obsolete system of television production. If NJN continues to depend on the state for funds, it would still have to worry about pleasing the state’s elected leaders. But this constraint on its editorial independence might not be as serious a problem as it has been in the past if it only receives the “indirect” support for facilities and benefits—and that support for only a short transition. In that event, NJN would receive no annual appropriation, and there would be no specific NJN line in the budget. Any state leader wanting to punish NJN for a news story would face the more difficult challenge of passing legislation to punish it—for example, eliminating benefits for NJN employees.

To avoid the need for making new appointments, the two boards of the NJPBA and the NJN Foundation could be merged to create the board for the new public media corporation. The legislation would transfer NJN’s assets, mainly the broadcast licenses, and authorize the new corporation to sell either the radio licenses or one of its television licenses to create a “transition fund” for employee retraining, severance, and early retirement. The same legislation could fix a date for the organization’s conversation to private nonprofit ownership.

Sale or Lease of Broadcast Licenses

The future of NJN’s broadcast licenses is one of the thorniest aspects of this debate. At a meeting in June, one state legislator declared that “someone should call 911 to prevent the theft of the state’s assets.”¹⁵ But before setting off the alarms, legislators need to deliberate calmly about the issue.

The FCC granted TV and radio licenses to the New Jersey Broadcasting Authority to inform and educate the people of New Jersey. The licenses ought to be used to further that purpose. Transferring the broadcast licenses to a private nonprofit organization does, however, raise some legitimate concerns, even if that private organization serves a public purpose. The state would not be able to control whether or to whom the organization might sell the licenses in the future, and in the past both commercial and noncommercial television stations licensed in New Jersey have been diverted to the richer media markets of New York and Philadelphia.

If NJN is turned into a private nonprofit, the state could address these concerns by leasing the broadcast licenses to NJN instead of transferring ownership. Many publicly owned stations in the United States are leased for private nonprofits. American Public Media, a nonprofit, operates KPCC in Pasadena, California, the publicly licensed NPR station with the largest audience in the country. A community nonprofit operates the second largest publicly licensed NPR station, the Atlanta Board of Education’s WABE. The publicly licensed, privately operated approach is not without problems. The success of such an arrangement would depend on whether NJN could raise money by subletting licenses it is not using. The network still holds unused Educational Broadband Service licenses that are available for instructional purposes and could be leased to a third party to generate revenue.

If NJN is converted to a public corporation for a transitional period, NJN and the state would have time to develop a long-term plan for the broadcast licenses. In developing such a plan, the future of the radio and television licenses should be distinguished, though the decisions about them are interrelated.

As this report has argued, NJN should not retain its radio licenses unless it is allowed to generate enough income from sale of one or more television licenses to acquire a strong, class B radio station and build a public radio network covering the state. Otherwise, it should sell the radio licenses to a committed radio broadcaster, either WNYC alone or some newly formed and adequately financed consortium of the state’s noncommercial stations.

How much would NJN’s radio licenses fetch? According to data from Public Radio Capital, an organization that assists public radio broadcasters in license-related transactions, full-power noncommercial FM licenses sell for between $3 and $6 per person in the primary coverage area.¹⁶ Former NJN engineer Loughery cites a $4 to $5 per person price for such licenses.¹⁷ Long Island University recently sold WLIU-FM to a community group, which intends to continue the station’s NPR talk format.
for a price of $6.37 per person in the primary coverage area.” But because NJN’s licenses are nearly useless for reaching commuters, they lose many of their potential listeners. A price at the lower end of the $3-to-$6 range, perhaps about $5 million, seems reasonable.

The sale of NJN’s television licenses could contribute even more significantly to meeting the organization’s needs, though they present a more challenging set of decisions because the long-run value of those licenses depends on national policy decisions regarding the conversion of the TV broadcast spectrum to broadband. Still, there is good reason to plan for the sale of those licenses, possibly in stages, to prepare for the transformation of NJN into a multiplatform, nonpartisan, news producer.

**Converting NJN to a Multi-Platform News Producer**

Most of the programming that NJN offers on its TV stations is already available to its audience from other public stations based in New York and Philadelphia. The long-run aim should be to shift from serving as a largely redundant PBS station to producing more original local and state programming and original journalism. Instead of maintaining a costly and obsolete system of broadcasting, NJN would ultimately monetize the value of its broadcast licenses and focus on producing news, public-affairs programs, and cultural programming for and about New Jersey, which it would make available directly online, via cell phones and other mobile devices, and through television and radio.

NJN need not sacrifice its ability to reach the people of New Jersey. In fact, by putting more programming on other networks, it might well reach more people than it does now. As it begins selling off its licenses, it could also lease back enough time from the stations it sells to assure that its programs continued to be broadcast for the next 10 or 15 years, before over-the-air TV broadcasting disappears altogether. If Congress offers must-carry rights as part of the deal to give up spectrum, NJN could develop a noncommercial New Jersey cable channel.

By shedding all the physical equipment associated with its obsolete broadcast network, NJN could concentrate its resources and staff on programming and original journalism about New Jersey. Instead of performing a lot of relatively routine tasks, the organization would have to become more focused on supporting creativity and initiative. Although the transition would not be easy, the results would ultimately be more rewarding for everyone associated with NJN, not least of all, the people of the state.

**Conclusion**

by Paul Starr

News about public affairs is a public good, and NJN has contributed to the provision of that public good in New Jersey. The network should be all the more valuable to the public at a moment when newspapers and other commercial news media are shrinking. But instead NJN has been stuck in another era, producing a small amount of programming for a very small audience in a style and at a cost appropriate to the last century.

NJN’s leadership now recognizes that the network needs to be completely restructured, but it is proposing to undertake that restructuring at a moment of financial duress. The problem is not the goal of making NJN independent of the state; it is attempting to jump into deep water instead of building a bridge across it. Instead of moving to private nonprofit ownership in January 2011, the state should turn NJN into an independent public corporation for a fixed, two-year period, with no increase in its operating subsidy. The ownership of NJN’s licenses and other assets should pass immediately to that corporation, and during those two years, NJN should have the freedom to restructure its work force (who should become its employees, not the state’s), reorganize its production methods, build partnerships with other organizations, and begin planning for sales of assets insofar as those are necessary to achieve a successful transition and establish a solid foundation for future development.

Conceivably, NJN could develop a radio network if it sold off one or more television licenses to acquire the funds to buy a class B station. But NJN doesn’t have experienced programming staff for radio, and the entire organization has from its inception been oriented to television. WNYC is far better positioned to build a successful radio network. Ideally, WNYC would turn its 820 AM station, already located in New Jersey, into a New Jersey-oriented station, and build a statewide radio partnership involving noncommercial stations, many of them based at colleges. If WNYC were willing to make a commitment of that kind, no one in New Jersey ought to object to WNYC’s purchase of NJN’s class A stations.

NJN could help to compensate for the collapse of journalism
in New Jersey if as an independent organization it could monetize the value of its television as well as its radio licenses. Those transactions could take place in three stages over a period of years: 1) short-term sales of one or two television licenses as well as the radio stations; 2) medium-term participation in the FCC-initiated auctions of excess bandwidth; and 3) sale of the remaining television bandwidth, when and if Congress provides must-carry rights to licensees agreeing to give up their over-the-air signal.

The sale of the licenses could ultimately create a considerable endowment for NJN, which could then become the single most important source of financing and leadership for the independent public-service journalism that New Jersey needs. As newspapers have cut back, many people have asked where the money for public-affairs journalism is going to come from. There is no chance of passing new taxes to support journalism. But the broadcast licenses represent a form of wealth that could be transformed over time into public endowments for independent public media throughout the United States. New Jersey could become a leader in that process.

## Appendix A. Extending NJN Radio's Coverage

<table>
<thead>
<tr>
<th>Location</th>
<th>Channel</th>
<th>Station</th>
<th>Reach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trenton</td>
<td>88.1</td>
<td>WNJT</td>
<td>394,000</td>
</tr>
<tr>
<td>Berlin</td>
<td>88.1</td>
<td>WNJS</td>
<td>53,000</td>
</tr>
<tr>
<td>Sussex</td>
<td>88.5</td>
<td>WNJP</td>
<td>122,000</td>
</tr>
<tr>
<td>Netcong</td>
<td>89.3</td>
<td>WNJY</td>
<td>205,000</td>
</tr>
<tr>
<td>Bridgeton</td>
<td>89.3</td>
<td>WNJB</td>
<td>167,000</td>
</tr>
<tr>
<td>Atlantic City</td>
<td>89.7</td>
<td>WNJN</td>
<td>194,000</td>
</tr>
<tr>
<td>Manahawkin</td>
<td>89.9</td>
<td>WNJM</td>
<td>48,000</td>
</tr>
<tr>
<td>Toms River</td>
<td>90.3</td>
<td>WNJO</td>
<td>187,000</td>
</tr>
<tr>
<td>Cape May</td>
<td>90.3</td>
<td>WNJZ</td>
<td>75,000</td>
</tr>
</tbody>
</table>

**Trenton:** There are three stations on the reserved band licensed to Trenton, NJ: WNJT, WWFM, and TCNJ's WTSR. Exchanging stations with Mercer County Community College or TCNJ would be favorable to NJN. WWFM has a stronger signal and covers around 50,000 more people, and while WTSR has only about two-thirds of the reach of WNJT, it could be moved to the north or east and strengthened to reach more people and to remove the interference it currently causes to WHYY in a 1-mile radius of its transmitter. Furthermore, both WWFM and WTSR are allowed to transmit a circularly polarized signal. WTSR would probably be more willing than WWFM to do a part-exchange, because it would not mean a reduction in its signal coverage.

**Northwestern New Jersey:** In the northwestern part of the state, the largest station by far is WNTI, Centenary College, the station's owner, is covered by NJN's Netcong signal. Since WNTI's coverage area overlaps with WNJP and the proposed new station in Bernards, one or both of these stations could be sold to help fund a part-exchange of NJN's WNJY for Centenary College's WNTI.

Hunterdon Central Board of Education owns WCVH on 90.5. While Hunterdon County is relatively sparsely populated, and WCVH's signal is not particularly strong, the station is located in an area that is not currently served by NJN's radio network. Furthermore, given existing budgetary pressures and resistance to further property tax increases, school boards may be among the license holders most willing to sell stations.

**Central Jersey:** Middlesex County is home to two reserved-band stations: Rutgers University's WRSU and the Piscataway Board of Education's WVPH. Rutgers students are the primary users of both frequencies. WVPH's signal cannot currently be strengthened without causing interference to neighboring stations. However, if Morristown School Board's WJJSV on an adjacent frequency could be purchased, the only obstacle to moving the station to the north-northeast and strengthening its signal would be a pair of competing applications for new stations in Sparta and Rockaway Township on the same frequency. The relocated WVPH signal would reach all of Union County, almost all of Middlesex County north of the Raritan River, New Brunswick and the Somerset portion of Franklin Township, and much of the area that the Bernards Township station would cover.

**Ocean County:** NJN already has two stations in Ocean County, but as in Northeastern New Jersey, there may be an opportunity here to exchange two weaker signals for a stronger one. WWNJ, a class B station that is part of the WWFM network, draws only a 0.2% AQH share in the Monmouth-Ocean market, compared to a better than 3% share for WWFM's flagship station in the Trenton market. WWFM might be in-
interested in acquiring NJN’s licenses in North Jersey that might be dispensable should the network successfully trade for WNTI’s license.

FCC Regulations and the future of NJN: The Federal Communications Commission is currently considering a proposal that would allow NJN to improve its existing licenses without having to buy out other license-holders. NJN must be prepared to take advantage of this opportunity as soon as it arises. NJN should also look to encourage the FCC to consider permitting FM stations to broadcast on the channels that currently lie just below the NCE-band where appropriate.

Last year, National Public Radio filed a rulemaking petition with the FCC to lift the Channel 6 protections. Since the 1980s, the FCC has imposed limits on stations on the reserved band that are located near channel 6 TV stations. TV channel 6 covers the frequencies between 82 MHz and 88 MHz, just below the FM reserved band (88 MHz-92 MHz). The regulations not only limit the power of these stations but restrict the horizontal polarization they can use, making reception patchier especially around obstructions like buildings and terrain. Since these regulations were imposed, TV receiver technology has improved drastically. Digital TV receivers are much better able to cope with interference from reserved band radio stations than the older analog receivers that were used in studies that led to the channel 6 protections. At the very least, the FCC should revise the existing regulations to account for improved receiver technology and the switch to DTV. If the channel 6 protections are lifted, NJN might be able to increase power and horizontal polarization on several of its channels near the bottom of the dial, expanding or significantly improving reception for hundreds of thousands of New Jerseyans.6

Most car radios can be tuned to 87.9 or even 87.7 FM, channels which lie below the usual FM band. In the past, this allowed drivers to tune into the audio from analog TV channel 6, which was carried between 87.5 MHz and 88.0 MHz. Since most analog TV stations that operated on channel 6 chose not to use that frequency after the transition, 87.9 is mostly unused. Today, only nine full-power digital television stations are licensed to operate on that channel.

The FCC does allow low-power radio stations that cannot find any channel on the FM band to operate on 87.9 provided they are sufficiently far from international borders and any TV channel 6. Furthermore, the FCC permits low-power TV stations that have not yet transitioned to digital broadcasting to act as de facto radio stations at 87.75 MHz. One of the full-power TV stations on channel 6, WRGB in Albany, transmitted a vertically polarized analog FM signal of its audio feed for several weeks after the DTV transition, until the FCC ordered the station to stop.7

While new stations in the 87-88 MHz range would seem to be precluded in most of New Jersey by the presence of channel 6 TV station WPVI in Philadelphia, the WRGB experiment illustrates that radio broadcasting is technically feasible even inside the coverage area of TV channel 6 stations. The fact that much of the state (everything north of the line running roughly from Perth Amboy to Princeton) lies within 250 miles of the Canadian border presents another regulatory hurdle to locating a station below the current FM band in New Jersey. Nonetheless, it would behoove NJN (or WNYC, if it buys the NJN stations) to closely watch developments on this front, so that it can weigh in the next time the FCC considers reallocating spectrum in this range.

Acknowledgments

This report was funded by the Sandra Starr Foundation. The authors benefited from interviews with the leadership of NJN, including Howard Blumenthal, interim executive director, and Douglas Eakely, chairman of the board of the NJN Foundation, as well as from meetings with NJN’s staff and the representative of Local 1032 of the Communications Workers of America, Dudley Burdge. The authors also wish to thank Laura Walker, CEO of WNYC, and members of her staff, for their time. Ingrid Reed, vice president of the Sandra Starr Foundation, contributed to the discussions leading to this report.

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ENDNOTES


11 Numbers given for “reach” are rough estimates for the number of people within the 60 dBu protected contour. Estimates were obtained by adding the population (as of the 2000 Census) of Census 2000 block groups that lie mostly within the given contour.

12 The network has obtained permission from the FCC to increase the height of its Berlin transmitter from 258 to 287 meters and increase transmission power from 20 watts to 80 watts. The new signal will reach 100,000 more people. NJN also has a construction permit to build a new transmitter on a water tower in Bernards Township, which would reach about 240,000 people on the 88.9 MHz FM channel. Plans to build the transmitter have been scuttled due to opposition from a local group worried about the health effects of the transmitter. NJN engineers are exploring other options in the area.


15 Meeting at NJN, Trenton, March 17, 2010.


24 The work of NPR’s Local News Initiative (http://www.localnewsinitiative.org/home.cfm) substantially informs this section.


29 Meeting at WNYC, April 13, 2010.

30 Laura Walker seemed interested in this idea when one of us (Paul Starr) suggested it to her in our April meeting.


36 “NJN’s 2020 Vision,” p. 11.
43 Concitore, 1; Hicks, 1; McKinley, 2.
46 Ibid., 7.
54 Business Plan, NJN Public Media, Inc., Draft 1.5 (June 25, 2010).
55 New Jersey Public Media Corporation Act, A2949, 214th New Jersey Legislature.
61 NJN does own a low-power translator that currently broadcasts in Hunterdon County, but it reaches fewer people than WCVH, and NJN does very little to let potential listeners know of its existence.
64 Charles Loughery, emails to Scott Weingart, March 26-27, 2010.
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