

CASE 7-E**TRANSPARENCY IN FUNDRAISING: THE CORPORATION FOR
PUBLIC BROADCASTING STANDARD**

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In chapter 2, we asked you to consider the implications of transparency as a guiding ethical standard in the collection and dissemination of news. We linked that issue to the US Corporation for Public Broadcasting's (CPB's) efforts to develop a new code of ethics that would apply to all aspects of the organization.

When CPB developed the code, applying the concept of transparency to news was accepted—at least in terms of discussion. What was groundbreaking was CPB's attempt to apply the same ethical standard to its fundraising activities and, within that, the relationship the corporation has between its donors and its news and entertainment content.

The transparency in funding document opened with this general statement of principles: that trust is the foundation of the relationship between the public and public media. Every year, thousands of Americans support their local public radio and television stations. These donors don't require a contract and rarely even make specific requests about how their money is to be used; they simply have faith in the integrity, expertise, and goodwill of their local station. The importance of this trust is magnified whenever a station takes on a journalistic role.

The standard notes that the relationship between public broadcasting stations and donors should not be merely financial—that donors represent a significant element of political support and social capital in their own communities. The transparency standard emphasizes that transparency should not apply only to donors—stations themselves need to become more transparent about their financial operations, obligations, and potential entanglements. However, the standard also calls for a “firewall” between donors and the various local news organizations associated with public broadcasting, most often National Public Radio and local NPR programming.

The standard also suggests that stations make fundraising information available and publicly accessible, including gift acceptance policies, guidelines governing the use of challenge grants, donor rights, appropriate donor acknowledgement, conditions of acceptance of anonymous gifts,

and guidelines for seeking and accepting foundation grants. The policy also includes sections that outline the rules public broadcasting must comply with promulgated by the FCC and IRS.

CPB's transparency fundraising standard is probably the most radical attempt by a media organization to rethink, and to make public, what is a non-advertising based business model. It is unique because it is based on an ethical concept.

Micro Issues

1. In an ethical sense, distinguish between advertising and CPB sponsorship.
2. Do newspaper display ads provide a kind of transparency of financial support for a specific publication? Is such advertising ethically distinct from the CBP transparency standard?
3. If you were a CPB or NPR donor, would you be willing to have your name announced on the air? Placed on a website? Why or why not?
4. If you helped to run a foundation, do you think you would be willing to provide funds to a news organization knowing that your support would become public in this way?

Midrange Issues

1. CPB receives about 2 percent of its budget from taxpayers in the form of a congressional allocation. Should the transparency standard also speak to taxpayer support?
2. CPB is a nonprofit organization. Discuss the ethical implications of a transparency standard for for-profit news and entertainment organizations.
3. Compare the transparency standard with the published guidelines for personal or foundation support of organizations such as Investigative Reporters and Editors, The Pulitzer Center, or ProPublica. Which do you find the most ethically justifiable?

Macro Issues

1. Using the concepts of stakeholder and stockholder theory, evaluate the transparency fundraising standard.
2. Public broadcasting television and radio stations have on-air fundraising drives during the year. How would you compare these

- fund drives with traditional advertising placed in newspapers, magazines, or on television and commercial radio?
3. One ethically based justification of paid advertising is that many advertisers dilute the influence of any single advertiser. Evaluate this claim ethically. Do you believe the same evaluation applies to public broadcasting sponsors?
 4. In an age when media finances are difficult, are firewalls a luxury that can no longer be afforded?

CASE 7-F

NEWS NOW, FACTS LATER

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Supreme Court decisions are always eagerly awaited, but none more so than the court's summer 2012 ruling on the constitutionality of the Patient Protection and Affordable Care Act. The facts of this case are taken from Tom Goldstein, publisher, of SCOTUSblog, a website that covers the US Supreme Court and is sponsored by Bloomberg Law. The blog post is used with permission of the author.

News organizations prepared for the release of the court's decision in a variety of ways. CNN worked for weeks on ways to make certain that the decision, as reported by CNN, reached as many Americans as possible through as many portals as the network has access to. It had spent a great deal of time thinking through its internet strategy with an emphasis on getting the story first. Fox News made a similar effort, although its internet strategy is not as well honed. Megyn Kelly, a former lawyer turned television personality, was assigned to the story for Fox. CNN was using an established team including a producer and on-air reporter.

The Supreme Court also had been active on the internet front. The court's technical staff was prepared to load the eagerly anticipated opinion on to the court's website where it will be accessible to everyone from average Americans to the White House. Before 2012, the court routinely emailed copies of opinions to parties involved in litigation, but in 2012 began to rely only on the website. One week before the opinion was handed down, the court denied a request from SCOTUSblog to email the decision to that organization. In practical terms, what this