

Release 6.0a

Request for Preliminary Proposals

Public Service Publisher Initiative

~~Response due March 31, 2005~~

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Project Participants

This RFPP emerged from a working group that met in Chicago on December 13-14, 2004. This visioning meeting included: Malcolm Brett and James Steinbach, Wisconsin Public Television; Phil Corriveau, Wisconsin Public Radio; *Mark Fuerst, Integrated Media Association; *Dennis Haarsager, Northwest Public Radio and KWSU/KTNW-TV; *Stephen Hill, Hearts of Space; David Liroff, WGBH-FM/TV; Clifford Lynch, Coalition for Networked Information; **Ben McConnell, writer and consultant; Tim Olson, KQED-FM/TV; Jim Paluzzi, Colorado Public Radio; Skip Pizzi, Microsoft; *Steve Rathe, Murray Street Productions; and Tom Thomas, Station Resource Group.

[*organizers, **facilitator].

Introduction

- 1) This document is a request for preliminary proposals (RFPP) for the creation and operation of a public service publisher (PSP; a working title), as defined below. Respondents, including those who are not submitting a full or partial response, are invited to review the content of this RFPP and submit any comments that may arise.
- 2) Specifically, we are using the first round of the RFPP process to gain additional input on the key issues of how a PSP can be operationalized for the public broadcasting community and its partners. We will use that input to shape the final RFP and solicit adequate funding for the project construction. This document will be sent directly to a number of parties who seem well qualified to provide this input. Other interested parties are also invited to respond with comments and proposals.
- 3) The individuals guiding this initiative are an *ad hoc* group, formed specifically to accelerate the development of new media strategies within public broadcasting. This group will not contract directly with external parties for the provision of the services discussed in the RFPP. Rather, we will manage the process of identifying solutions and matching those solutions with the investments and industry required for implementation.
- 4) This document addresses these issues:
 - a) Section I provides the background to this RFPP, setting out why we have proposed the establishment of a PSP.
 - b) Section II contains the basic outline of a PSP organization and its function as envisioned by the authors.
 - c) Section III provides guidance for respondents – covering the possible organization of a PSP, and proposals regarding its responsibilities, financing and operational principles, and key questions that we would like respondents to consider in framing their proposals.
 - d) Section IV summarizes the information required from respondents who wish to provide proposals.

Summary

This RFPP is aimed at expanding the delivery capacity and audiences of the U.S. public broadcasting system and its partners through the creation of a new entity—a public service publisher.

This initiative arose from a collective need, similar to the need that gave birth to PBS, NPR and the shared investment in the public broadcasting satellite interconnection system. In each of those instances, public broadcasters recognized the need for a different kind of organization that could aggregate investment and deliver services that no existing organization alone could provide. The emergence of digital media and on-demand delivery systems has created another such need.

The PSP approach suggested here, like PBS, NPR and the satellite systems, is fundamentally a collective investment in system capacity, intended to:

- **Provide more programming**—that is, to allow all public stations to provide multiple program streams to every community and to extend the shelf-life of many existing programs;
- **Serve more Americans more effectively, including those who are moving from scheduled broadcast to on-demand content** as an important form of media consumption.¹
- **Create new global revenue streams that can sustain this expansion and help sustain the mission of public service media** but which are beyond the reach of any single existing organization.

Vision

The vision for the PSP is for a non-exclusive content distribution service that will have lightweight infrastructure and staffing but heavyweight capabilities. Distribution to end users will be through a variety of platforms. Further, the proponents envision the inclusion of **state-of-the-art customer relations management, digital asset management, digital rights management, attention, recommendation, personalization and search technologies**, all of which can be acquired from third-party vendors. It should be designed flexibly so that **people can enter the PSP either directly or via the customized web sites** of stations or content partners. Flexibility should also extend to content access: **subsidized content can be offered free to the user, or unsubsidized and high value content could be offered for a fee** in bundles, by streams, or on a per-use basis. It should **respect brands**, both of the content elements and of the content producers and aggregators.

In addition to its primary function of serving end users of content, the PSP should support distribution via traditional broadcast means (with functionality such as is provided, for example, at publicradiofan.com) and it should support business-to-business services.

The PSP should be **forward-looking**, a service that will not only provide public service content with viable solutions for today's "disruptive" digital distribution environment, but will provide the tools for that content to participate in the next "disruption" as well. **This is about the survival of the public service content mission**, not about the survival of any one distribution platform.

Section I. Background and Overview

The use of a RFPP to address these issues was **inspired by a review of public service television broadcasting conducted by the Office of Communications (Ofcom) in the United Kingdom**³ which resulted in a *Hypothetical tender document for a Public Service Publisher* consultation.⁴ The Ofcom initiative was motivated by some of the same changes in media use that inspired this initiative. But the UK project also had another aim: it was intended to maintain media “plurality” – their term for a diversity of sources for public service programming in the U.K.⁵

In both countries, changes in media use and media competition are forcing broadcasters to revisit their assumptions about how to create and deliver public service programming:

- **The proportion of on-demand and non-real-time electronic media usage is growing rapidly.** To meet this change, stations and networks will need to deliver more programming to people “when they want it, the way they want it.”
- **There is substantial interest in public service media from organizations that have not held broadcast licenses and many have begun investing in this area.** The barriers to new media entrants are less substantial than they were for broadcasters. Public broadcasting can view this as either an opportunity or a threat, but if the community does not form partnerships with these new “publishers,” it will quickly find them competing for its audiences.
- **Competition for existing public broadcasting audiences is already coming from the for-profit sector,** both from audio and video DBS services, cable, large bundled services from online giants like AOL and Yahoo, and from thousands of niche media providers.
- **XML-based syndication of digital content to news aggregators and portable storage and playback devices is growing** and presents a “bypass” threat to the linear programming model used by broadcasters, satellite and cable providers. Its use is growing rapidly as is the development of easy-to-implement technologies which provide sophisticated enhancements to the abilities of users to find, manage and consume digital content. Since this content can easily be syndicated with underwriting incorporated into the feed and can provide enhanced choices to listeners and viewers, it also threatens public broadcasting’s economic model. Conversely, these same threats can be made to work to the advantage of public service content.⁶

While these developments pose serious threats to public broadcasting’s legacy services, the emergence of new media has created equally compelling opportunities:

- **Developing new delivery modes could extend public service by reaching more listeners and viewers.** Research initiated by the Corporation for Public Broadcasting in 2004 identified a large number of people who view public TV only lightly—but who share values and characteristics with people who use public broadcasting quite heavily. The difference between “light” and “heavy” users appears to be a matter of *available time*. The light viewers, faced with conflicting time demands, are exercising more control over media use. They are likely to adopt TiVo and other “on demand” devices. The visioning group wanted to consider how public broadcasting can serve these “time constrained” listeners and viewers.
- **We are already seeing examples of programs that reach as many or more listeners/viewers in archive form as they reached in their original broadcast form.** This is likely to increase going forward as more citizens become aware of on-demand content. This has two important implications: first, it extends the “shelf life” of public broadcasting’s most important product—its programming; second, it increases the public service return on program investments for program underwriters, thus increasing system capacity to attract new funding.

- The managers and licensees of many public television stations and a growing number of public radio stations are aware that their current business model for linear broadcasting is no longer growing. In this context, **new channels and platforms are the likely path to increased significance and financial stability** if the new services can generate new sources of revenue. National production houses and independent producers will also benefit from this revenue. Examples include:
 - **Member benefits** (more content at more convenient times)
 - **New audience revenue** (relationship building, underwriting)
 - **User compensation** for access to niche, premium or hard-to-find programming
 - Assets in permanent distribution **build records of community value**, important for tax-based, foundation and philanthropic dollars
 - **Business-to-business revenues** (rights to distribute, marketing content for derivative works)
 - **Distribution services** (datacasting, load balancing from PRSS/NGIS feeds, PSP traffic)

Aggregation is Key

The key to unlocking these opportunities is aggregation of investment and content. Online content and goods retailers are discovering a new market in the aggregation of items formerly considered uneconomical for distribution.⁷ This aggregation imperative and the reality of our resources **will require collective action rather than the individual action of any one entrepreneurial organization.**

Given the resource constraints facing all of U. S. public broadcasters, it will be very difficult for our industry to invest competitively in programming for legacy media, much less to extend that investment to new media. Yet **the migration of our public service content to new delivery systems and the development of content unique to new media is absolutely essential for the continued vitality of public service media** in the United States. This initiative is designed to go where the audience is going and serve Americans by delivering the new formats they are adopting.

Thus, **the organizers saw this initiative as the best way to address this gap between our will—our common desire to realize the mission public media creators and distributors—and our wallet—that is, our financial capacity to fulfill this mission, given our current organizational structure and our technical facilities.**

Section II. Defining a Public Service Publisher

For the purposes of this RFPP, we will use the following working definition of a Public Service Publisher (please also refer to the attached concept drawing, but note that it lists specific organizations to illustrate concepts included, not to presume those organizations would be subsumed by the PSP):

- 1) A PSP is a technology and business **collaboration to provide public broadcasters and their partners with the means of aggregating and distributing public service content** either directly to end users or via other media sites.
- 2) PSP services will use an online interface, but **actual distribution will take place across multiple platforms, from streaming and downloading over the Internet to digital datacasting by stations** (television and future-generation HD Radio) **to the sale of physical media** (such as tapes, DVDs, transcripts).
- 3) **The PSP platform and e-commerce tools will support legacy programming and marketing** through tools like those found at publicradiofan.com which provides a compilation of all public radio station program schedules. As implemented in the PSP, this kind of tool should support TiVo-like time-shifting of branded radio programming through fair-use recording to a users computer work station or portable device.
- 4) The PSP will also support **business-to-business marketing of station and independent producer content and services**.
- 5) PSP services are envisioned to be delivered through **a centralized portal and through an application interface**— web pages with a compatible look and feel that would be installed in station and partner web sites.
- 6) Content distributed by the PSP will widely available throughout the U.S. via station and partner web sites and globally through the central portal. The specific means of distribution will be determined through this RFPP but will likely include online downloads, streaming, datacasting, cable VOD, third-party AOD, physical media, and XML-based syndication.
- 7) **Content distributed through the PSP will be localized**, that is, it would be “wrapped” with localizing and co-branding additions that carry (for example) station IDs, underwriting messages or donation requests.
- 8) **Station, producer and content branding will be respected and supported**. Because the PSP is envisioned as both a portal and an application interface for affiliates, the portal itself would inevitably require some sort of public identity, though it can be localized via “cookies,” as is done, for example, by PBS.org. However, as with a shopping mall, once a consumer is inside, the mall’s own identity fades and the branding of its tenants – anchors, medium-sized stores and boutiques – predominates.
- 9) An essential feature of the PSP will be the **inclusion of features that support new revenue streams**, including registration of end-users, subscription access to some content, per-use fees (as is common at newspaper sites), collective underwriting and other revenues that are now beyond the reach of both stations and networks. The system will also track commissions due to content producers and revenue sharing plans for stations and networks. The PSP will enable content producers to incorporate their own underwriting into content offerings.

Section III. Guidance for Respondents

This section provides guidance about specific questions that the organizers would like addressed. These include eight broad topics:

- Organization and Governance
- Scope and Responsibilities
- Technology
- Finances and Revenues
- Introduction of Applications
- Marketing
- Rights Management
- Branding

- 1) **Organization and Governance:** How should the PSP be organized? If it will be a collaboration, set out the likely members of your consortium, as well as information on any partnerships, joint ventures and alliances you expect to pursue. Include a summary of how corporate governance will be exercised, including the composition or likely composition of the Board, and any other key individuals you expect to be involved.
- 2) **Scope and Responsibilities:** For example, should it cover radio and television content? Should it include content from non-broadcast public service organizations? Should it cover only content distribution only to the public or also provide services to other content producers and distributors?
- 3) **Technology**
 - a) **Distribution:** Include a discussion of the distribution technologies and platforms you will use. Regarding Partnerships: include information on any arrangements you propose to put in place with existing broadcasters, telecom companies, or any other distribution platform operators. Comment on any efficiencies or advantages that might be realized with any of these businesses.
 - b) **Development Process:** Here we seek comments concerning the development process for PSP systems and public interface. Options may include:
 - i) *Open source development.* The PSP initiative has followed this process throughout the visioning phase and will do so through the expert and industry review phases. It is one that has been followed successfully elsewhere.⁸ The recent Public Broadcasting Metadata Dictionary had many of the elements of an open source initiative. Open source development requires a dedicated core group and organizations willing to provide release time, is not without cost or management requirements, and can be less efficient than development by organizations. On the other hand, it can have insulation from organizational agendas and benefit from the broad experience of many participants.
 - ii) *Contracted development.* Development here would be done either by the selected PSP operator or someone under contract to that operator. It provides potential advantages of easier implementation for the participants and improved integration of system elements. It may be the only way that a sufficient aggregation of talent and effort can happen in a reasonable timeframe. It may be more expensive overall to implement than the open source option, and might be more proprietary to the successful operator.

- iii) *Collaborative development.* Existing organizations with specific expertise in various disciplines of importance to the functioning of the PSP could collaborate to aggregate the necessary functionality.
- c) **The Interface:** Describe the user interface for the service, including navigation, search, personalization, attention/recommendation, interactive, and community support features if included.
- 4) **Finances and Revenue:** Include an outline projection of the operating costs of your service. At this stage, we are not necessarily seeking detailed business plans and evidence of available resources, but more detailed financial information would be needed for a full RFPP process. Include a description of how you would capitalize the PFP and build the initial infrastructure. How would you finance ongoing operations of the PSP (*e.g.*, affiliate fees, subscriptions, per-use fees, third-party commissions, underwriting, etc.). Include a discussion of how you would scale these services and fees to make the PSP self-sufficient. How would you deal with fees and/or commissions to content producers and revenue sharing between the service, stations and other online points of presence utilizing the PSP distribution service? How much time will be required to reach break-even?
- 5) **Introduction of Additions and Changes to the PSP:** The PSP should be a flexible and open architecture, permitting end user applications to be added and deleted as appropriate. Not all such applications will be “ready for air” when the PSP rolls out. Prioritize these features: Which applications would respondents target for early implementation? Which might come later? In other words, how would you see applications and features phasing in over time?
- 6) **Marketing:** How would the PSP work with existing content producers and distributors to market these services? What kind of support would be needed from participants on-air and web sites? What kind of protections would be offered to protect existing brand identities in local and national markets?
- 7) **Rights Management:** How would you handle the issues and procedures regarding acquisition of appropriate rights, management of intellectual property and contractual arrangements for the PSP? How would you handle payment of royalties on copyrighted material like music? Would digital rights management (DRM) technology be used for downloads? If yes, which DRM system(s) would you employ?
- 8) **Branding:** The term PSP is a working title, not a brand. Rather, it is a description of a proposed service. Individual respondents will be free to assign their chosen branding to the service. Affiliates should be able to continue use of their own branding within the PSP distribution infrastructure (see the discussion in Section II, Paragraph 8).
- 9) **Operations:** How would the service be staffed and operated? Would it be single or multi-location and where would those locations be?

Section IV. Information Requested From Respondents

Application Process

We welcome responses from a range of organizations – whether existing broadcasters, producers, media companies or other content distributors. Proposals may come from individuals, individual organizations, or from consortia of companies. No organization will be excluded from the selection process.

~~Any parties interested in responding with initial ideas and proposals are invited to **submit a written response before 5:00 p.m. Eastern time, March 31, 2005.**~~

~~Proposals should be delivered (electronically preferred) to psp-rfp@murraystreet.com, or via postal mail or express carrier to:~~

~~PSP RFP
c/o Murray Street Productions
Attn: Steve Rathe
60 Murray Street
New York, NY 10007-2136~~

Respondents wishing to send a formal proposal should follow these outlines:

- 1) The proposal should be no more than 10 pages in length.
- 2) The proposal should address each of the issues listed in Section III, organized under the headings:
 - Organization and Governance
 - Scope and Responsibilities
 - Technology
 - Finances and Revenues
 - Marketing
 - Rights Management
 - Branding

Review Process

- 1) All submissions to this RFPP process will be considered confidential. They will be shared only with a steering committee to be established early in 2005. Requests for executions of non-disclosure agreements will generally be granted where possible.
- 2) The steering committee will select the proposal most suitable for operating the PSP, based on the following factors:
 - a. The extent to which the proposed organization and service meet the vision and broad goals set out in Sections I and II of the RFPP.
 - b. The likelihood of realization and sustainability based on reasonable business and technical analysis.
 - c. The capacity of the proposed organization to develop support among the key system content creators
 - d. Experience, skills and capabilities of the respondent, including any members of a proposed consortium.

Endnotes

¹ Regarding this last point: There is strong evidence that public broadcasters could extend service to more people, if content were available in forms and times convenient to them. A change in delivery from real time to on-demand delivery could reach an audience that is becoming increasingly pressed for personal time and turning to non-real time for their media consumption. That number was 26% in a recent CPB-sponsored study of primetime television viewing.

³ Ofcom's mission approximates a combination of the U.S. Federal Communications Commission and the Corporation for Public Broadcasting.

⁴ <http://www.ofcom.org.uk/consultations/past/psp/timmypsp/?a=87101>

⁵ In the U.K., public service broadcasting is conducted not only the dominant BBC but also by other entities, including non-profit and for-profit commercial broadcasters. The plurality of public service programming sources there is an important matter of public policy. This plurality comes by ensuring that public service programs get produced by these non-BBC outlets through the granting of certain tax discounts on use of the analog spectrum. After the analog-to-digital switchover, Ofcom will not have these assets to exchange, so that fact threatens the current plurality policy.

⁶ It involves automated distribution of updated web content and enclosures (which may be direct links to audio or video content) to client programs called news aggregators and to storage devices like PCs and MP3 players. The two formats used for XML syndication are RSS (Really Simple Syndication, RDF Site Summary, or Rich Site Summary) and Atom.

⁷ See, for example, Chris Anderson's "The Long Tail" in *Wired*, October 2004 (updated version at <http://www.changethis.com/10.LongTail>).

⁸ *E.g.*, Linux, Mozilla Foundation (Firefox web browser, Thunderbird email client), Wikimedia Foundation (Wikipedia online encyclopedia, *et al.*), Free Software Foundation (GNU operating system, *et al.*).