

**The Academy's project on *The Media in Society*** examines the role of a free and effective press in a democracy and its impact on public policy. The study explores news reporting in two areas: 1) how information about science and technology is diffused through the media; and 2) the quality and effectiveness of business reporting and analysis, with particular attention to how varied media inform the public about economic policy issues.

As part of the initiative, the Academy convened a group of experts to consider *The Future of News*. A symposium held at the Time-Life Building in New York on December 7, 2006 was hosted by **Ann Moore**, Chairman and Chief Executive Officer of Time, Inc., and moderated by **Norman Pearlstine**, former Editor-in-Chief, Time Warner, Inc. and then Senior Advisor at the Carlyle Group (now Chief Content Officer at Bloomberg L.P.). The program featured presentations by:

**Jill Abramson**, Managing Editor, *The New York Times*

**John Carroll**, Knight Visiting Lecturer, Shorenstein Center, Harvard University

**Jeff Jarvis**, BuzzMachine.com

**Geneva Overholser**, then Hurley Chair in Public Affairs Reporting, University of Missouri (now Director of the School of Journalism at the University of Southern California's Annenberg School for Communication)

**Jonathan Klein**, President, CNN

Edited versions of their remarks follow.

### ***The Demise of Traditional Media: How Did it Happen and What Does it Mean***

**John Carroll**

Knight Visiting Lecturer

Shorenstein Center at Harvard University;

former editor, *The Los Angeles Times*

It falls to me to speak for and about the old media. I'm just an old media guy and I can't escape it, try as I might. In truth, I'm quite excited about the new horizons opening up before us. But my assignment here is to answer two questions about our journalistic past: What's happening to the old media? And, should we care?

In the heyday of the newspaper business, which I enjoyed for almost my entire career, a newspaper was something very close to a monopoly. It was quite wonderful. We made lots of money. And some of that money went into building very, very large staffs of journalists. There were times, particularly in the 1980s, when it seemed we couldn't figure out what to do with all the money we were making. When I became editor of *The Baltimore Sun* in 1991, I was surprised to learn that the newsroom softball team had recently returned from a tour of Russia. Those days are over. In 2000, when I became editor of the *Los Angeles Times*, I was thrilled to realize that I had 1,160 journalists at my command, a journalistic army. But again, all that's over now.

What's happened? The economics of the digital age are attacking the old media, and from many directions at once. The old business model, our wonderful monopoly, has collapsed. And the attack is overwhelming. It's stealing our readers and transporting them to a place where news is free. It is taking the package of news and graphics and photographs and headlines that we so lovingly put together and called a newspaper -- rudely ripping it apart and redistributing it piecemeal as a mere commodity that brings in pathetically little money. And then, while all that is going on, it is inventing new forms of advertising that are competing against newspapers' principal revenue stream -- and without incurring the expense of gathering the news. That's the situation we're in. It's very difficult, and it's quite possible that newspapers and some of the other old media won't make it.

Question number two is: Does it matter? Should anybody care? Does society have a stake in this? And my answer is, of course, "Yes." I'd like to give you a couple of reasons. The first one has to do with that most fundamental of journalistic activities -- reporting. If you turn on Yahoo and do a search, or Google, or your

Blackberry or your radio or your TV, you'll find a cornucopia of news. But if you take the trouble to trace any of those stories back to its origin, you'll almost always find it came from a newspaper. Amazingly, there seem to be no serious studies of where America's news comes from. Less scientifically, I've been asking around among people in journalism and people who are covered by the media. Based on that, I estimate that 85 percent of our news originates in newspapers. What happens if newspapers fail? There really is something at stake here. The new media -- the blogs and the portals, Yahoo and Google -- have great value, but they are largely recyclers of material generated by newspapers. So we face a question: if newspapers don't continue to decline, who in the future will do the reporting? And beyond that, if we lose the industry that produces the reporting, and if that industry is not replaced by something equivalent or better, what will we as a nation know -- and what will we not know? And how will we, as citizens, govern ourselves?

The other concern I have concerns the survival of journalistic institutions. Much as large institutions are unloved, I'm concerned that large journalistic institutions continue to exist. We may like the idea of the lone blogger standing up to government, or the lone pamphleteer changing the course of the American Revolution. But the nation has changed. Its institutions have grown. Government is huge. Business is huge. And we need strong, well financed, independent journalistic institutions to stand up to them. A year ago, *The New York Times* reported that the government had secretly nullified the law and was wiretapping U.S. citizens without warrants. It took a big institution to reveal that. Conceivably, I suppose, a blogger could've done it. But the odds were better the way it actually happened: two seasoned reporters plying their national security beats in Washington for years, building their knowledge, cultivating sources, all the time supported in that mission by their newspaper. And when their story broke, they survived in journalism because they had the backing of that institution. Legal fees on a story like this can run into the millions, which would plunge the typical blogger into bankruptcy. So, even though the blogs are adding much to the national discussion, we still need these old behemoths, and we can't allow journalism to devolve into a cottage industry, because it will be hopelessly outgunned.

I'll conclude by saying that, as an old media guy, I am nonetheless enthralled with what's happening on the Web. Millions of people have been invited into the national conversation, and we have a new language of journalism that involves links and interactivity. These are wondrous tools. At the same time, we can see the old media adapting, moving into digital formats and trying to find a place in this new world. My hope is that America not face an either/or future. I think that if we are lucky enough to get the best of the old and the new, we could be blessed with the most effective media the world has ever seen. But until we reach that golden shore, we'd best navigate carefully.

### *The Challenges and Promise of New Media*

#### **Jeff Jarvis**

Founder, BuzzMachine.com

Associate Professor and Director, Interactive Journalism Program

City University of New York

News is not shrinking, even if newspapers are. We are faced with no end of new opportunities in journalism as our definitions of news explode, as interest in news expands. We have new ways to gather, share, judge, and improve news from new sources across new media. So I think it's time to end the occasional editorial Eeyoreing that I hear and the newsroom protectionism that has often dominated this discussion to date. Instead, I think it's time to focus on the many opportunities we have to update, upgrade, and expand the scope and reach of journalism in society. This requires that we change the essential relationship of journalists to the public they serve -- to be more collaborative and more open. Now that anyone can perform an act of journalism, witnessing and sharing news with the new tools to enable both, it is incumbent upon us to find new ways to work together.

I was among those who called this movement "citizen journalism," but I now recant that for a few reasons. First, because journalism must not be defined by the person who does it, and, second, because journalists

complain that they are citizens, too, as well they are. Journalism should be defined by the act and by its credibility and by its motivation. So I now call this “networked journalism,” for I believe that by working together, we can commit greater acts of reporting, covering more of society than was ever possible before. No one says that the people will replace the professionals. Instead, we have the opportunity to work together, professional and amateur, toward the same goal -- an informed society.

Consider Jay Rosen's *NewAssignment.net* at New York University, which sets out to test whether the public will support journalism with their ideas, money, and indeed reporting -- fanning out, gathering more facts than any task force of journalists ever could have done. Consider the ability of neighbors blogging or recording meetings or reporting events to help make newspapers more hyperlocal than they could have afforded to be before. Consider the omnipartisan *Porkbusters* campaign online that got citizens to call their senators, one by one, and uncover who among them had put a secret hold on a government accountability bill. They got down to four, the heat got great, and Senators Stevens and Byrd admitted they were the ones. The hold went off, the bill passed, and now we'll see more information about our money online.

Consider *The Guardian's* “Comment is Free” where columnists, critics, and reporters are forced to join in and contribute to the conversation. Consider “ReadersEdition.de” at *Netzeitung*, where the people both report and edit the news. And consider the bloggers in Iraq who live outside the Green Zone and report where we, unfortunately, cannot.

We can now work in any medium to tell stories how they should be told. At the City University of New York's Graduate School of Journalism, I'm teaching students, I hope, to tell their stories in photos, in graphics, in audio, in video. And the real lesson I think they're learning is that it's easy. That's why everybody out there is doing it. The tools have come together with the equipment, the means to distribute, the means to market, and all the means -- except to make money yet -- that allow people to publish to the world.

I think we have to learn in big media the new efficiencies that come from that. These students are also learning that they are very likely to have to work independently, as jobs in newsrooms fade away. But they're not intimidated by that prospect. Most are excited about it, inspired by such independent journalists as Debra Galant of *Baristanet.com*, who spoke to the students today, or Rafat Ali at *PaidContent.org*, one of the toughest journalists I know, or their fellow student Zeyad at *HealingIraq.com*. They are signing up to take my course in entrepreneurial journalism.

So what is the role of the professional journalist, the organizational journalist, in this new age? I say it's to come down from the castle parapet and speak eye-to-eye with the community, no longer as lecturer or controller, but as moderator, enabler, sometimes even educator. As acts of journalism are committed anywhere by anyone at any time, we must see it as our mission to improve those acts and let those acts improve our journalism. We should turn the newsroom into a classroom where we can learn from the public, where we share what we know and the public can teach each other. We have no choice but to accept and invite the public in as our editor, which they've always been, only now we can hear them more clearly than ever before. You must see that news is not finished when we print or broadcast it, and the conversation and collaboration that follow can indeed improve news. It's time to abandon our false god of objectivity, which separated us from the public and hid our agendas, and replace it with an ethic of transparency, which is what I've learned from my colleagues online.

But what of the business of journalism? *The New York Times* itself has reported recently that the newspaper industry is “in free-fall.” So how will we support this reporting? Not the way that we did before, through monopolies, which sometimes also made us arrogant and complacent. Start here: much of journalism in America is wasteful. We squander far too much of our resources on commodity news everyone already knows, on the ego of bylines and prizes, on habits and traditions that go unchallenged, and sometimes on fear. Does every paper in this country need its own movie critic? And this comes from the guy who started *EW*. I don't think so. Do they all need their own golf columnists? Must we send 15,000 journalists to the conventions

where, frankly, nothing happens? Do we need a tangle of middle managers? Do we need the copy editors re-copyediting the stories that were edited by the Associated Press? Must we continue throwing money into stock tables and TV listings and other features that we carry now only because we fear we're going to lose one more reader? Shouldn't we embrace the new efficiencies these new tools afford us?

I say that the process of cutting back newsrooms must be seen as an opportunity to boil us down to our essence. There's not much choice about what's happening, so we have to take charge of that process. What is the essence of the newsroom? Obviously, it is reporting. That is how we must distinguish ourselves, and we must establish our value with reporting. I see the means to build a new ecosystem, a new architecture of news that rewards journalism at its source through the power of the link. That journalism may be performed by professionals or amateurs, individuals or organizations, stars or nameless networks. It will be distributed and aggregated and distributed again. It will rise from the uncontrolled and glorious cacophony of voices and viewpoints that is a healthy democracy in discussion.

I am most optimistic about the fate of journalism. That's why I'm teaching it, after all. But I'm unsure that the business of journalism is necessarily in the hands of its most able stewards, who must stop trying to protect the past and who must have the courage to experiment, to fail, and to embrace the future with the public that they serve. What journalism needs most today is not protection, but innovation and invention.

### *The Future of Broadcast News*

#### **Jonathan Klein**

President  
CNN / U.S

Viewers or consumers of news tend to flock towards those sources that they trust the most. But the definition of what's trusted changes now. In an environment like the online platform, where users feel that they're more participants in the process, perhaps the amount of trust increases. We know from the research that we do into viewer perceptions of CNN versus Fox News, let's say, that in a lot of ways, the more opinionated a person is, either online, on television, or in print, the more they're trusted by the people who share those beliefs and the less they're trusted by others. And so it does get murkier. I don't have an answer about that, but I think that's a big part of the equation we're talking about here.

If my subject is more or less the future of broadcast news in this environment, I think one of the big pluses we've got going for us is that the Internet has become a video delivery system. What for the first 10 years of its existence was primarily text, and then graphics and pictures, is now clearly video as well. YouTube was worth \$1.5 billion of Google stock because it's a video site or community.

That's a good thing for any company like CNN or others that generate a lot of news video. Part of the equation that does not get as much notice is the fact that all of that video usage suddenly becomes measurable in the online world. We know specifically which stories are being watched by which people and what else they're doing and what associations they make. I was running a broadband video company before this CNN job, which I took two years ago. Back in 1999, I started a company called The FeedRoom, which built broadband video Websites for media companies like NBC, Tribune and several others. The eye-opening part of it as a longtime TV person was that we could see specifically which news video clips were getting watched and, in the aggregate, start to sort of see the vapor trails left by news consumers. I've tried to bring a lot of what I learned from watching those patterns to what we're doing on television now. What was startling was the eclecticism of that audience. These hardcore news consumers were, first of all, very focused on "real news." The fluffy stories, especially the sensational stories, the Lacy Peterson type stuff, just trailed horribly behind the big breaking stories. This was an audience that wanted what was new, what was fresh. And if a story seemed to

drag on, like a Lacy Peterson trial, they just wanted to know when it was over. “Let us know when that's all over, and we'll check back in.”

Well, I think cable news has a lot to learn from that. Not every piece of information you get from the online world is translatable to on-air, but that certainly is one: News consumers want real news. That reinforces our mission; it's what the people who work for CNN want to do. Then the question becomes, can we live up to that and can we resist when the next Lacy Peterson-type story comes along? Natalie Holloway was the first big example that came along under my watch at CNN. And we actually had to impose a rule. I had to forbid our people from running that story anymore after a certain point. First, I just tried to talk about it a lot and hoped they got the point themselves, but they didn't because they can't resist. It becomes this sort of heroin. You think you're attracting more viewers because you're running that story but, in fact, over time, it's such a pathetically small increase that you might be better off differentiating yourselves and actually providing fresh news instead. Television, unfortunately, unlike the Internet, is a zero-sum game. One story squeezes out another.

So we've tried to focus on that, to happy effect. Our ratings are up; we've closed the gap with our competitors. Another advantage that a video-oriented company has in this new digital environment is that news is tough to pirate. By the time it gets pirated, it's old and not as many people want it. So there's a real advantage to being among the few who can actually grab a hold of news, put it on video, and post it. Of course, anybody walking around with a cell phone or a video camera can do that themselves now, but the odds of any one individual doing that more than once in their lifetime are pretty small, unless you actually set out to do it. So the role that a CNN can play is to aggregate that material.

We started a service called “I Report,” in which we invited anybody, any civilian out there, who captures a piece of news or what they consider to be news to send it to us. We have a team of editors who vet it, check out the veracity of it, figure out the newsworthiness of it, and then post it according to where it's most logical to go, either online or on television or both, clearly labeled as such.

News is very much in demand. One worry you have is: Would the absence of news be noticed by anyone out there? If the *Times* had not broken the wiretapping story, would we have known? Of course not. But I think in the aggregate, the absence of real news would be noticed by all of those millions and millions of folks who are looking for news every day, and that would exert its own force in the marketplace. So that's working in our favor.

There is the concept of the long tail -- that aggregation of individuals who might consume very little of one story, but in the aggregate might make up 40, 50 percent of an entire market. We obviously operate at the head of the tail, where we have fewer stories, but we present them to far more people. That's still a very powerful engine for bringing people together, creating communities around stories, which can be starting points for what can then be very rewarding explorations throughout the Web and the many places where one can go looking for information.

We've got the number one news Website in terms of share online, CNN.com, and it's got a younger demographic, 18- to 44-year-olds, primarily, a lot of males, a lot of college-educated high-income earners. Those people adore the CNN brand, but they never experience it on TV, or rarely do. They just don't watch us on TV that much because it's not as convenient for them, for all the reasons that we know. But when big news breaks, they turn to CNN in larger numbers than almost any other group. So they've got this kind of brand identity, they've got an awareness, and they also understand the power of different platforms at different times. That's both an opportunity and a challenge. What do we do when there isn't the huge news? Election night – I think we served something like 650 million page views within 24 hours. I mean, that's an awful lot of drilling down – on our site -- and these are people, many of whom we can presume were also watching our coverage on television. So there is some sort of a symbiosis there that can take place. None of us is sure where that all goes.

Our business model has not yet been challenged by the Web the way that print news has, but there's a sense that could be coming. If you apply Google's auction model of selling advertising, in which you just bid on how much you'll pay for a keyword association for your ad, to the television world, all of a sudden the CPMs, the ad

rates, would likely plummet because the ability of individual networks to charge more just for the brand association of being carried on the network might go away. All of a sudden, TV advertising would be a commodity. That could happen. If you look at what the iPod did to the record business, people, almost overnight, stopped buying CDs. Tower Records is closing. Consumers started just downloading singles. Well, what television networks do is we traffic in CDs, too, only they're called shows. And those shows are collections of singles. Our singles are reports by Christiane Amanpour or interviews or segments, or live shots. There's no reason to think that portable digital devices won't allow you to just download whatever single you want. We have almost as many viewers today of the "Reliable Sources" podcast as we do television viewers for Howie Kurtz's really terrific program on Sunday mornings at 10 a.m. on CNN.

We haven't seen the balance tilt all the way, but it's certainly something we've all got to be aware of. What kind of world will it be, a couple of years from now, if people can just download not only Christiane Amanpour's reports, but all her outtakes and her analysis, etc? Anderson Cooper, Lou Dobbs, you name it. So that's the kind of world we're going to be living in.

### *Will There Continue to be Media in the Public Interest?*

#### **Geneva Overholser**

Director, School of Journalism  
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When it comes to the media, almost everybody consumes it, almost everybody is happy to critique it, but few indeed are really thinking carefully about its future and even about a responsibility to safeguard that future.

Will there continue to be media in the public interest? My answer would be an unequivocal, "Yes." As long as there are citizens interested in public life, there will be media serving those interests -- that is to say, media that produce, on whatever platform and by whatever schedule, a news report of original material compiled and presented with an eye toward fairness and proportionality and comprehensiveness and balance.

But that confidence does not mean that I'm sitting here not worried about the future. I've been in journalism for 35 years and worried about the future during most of that time, but I have never been as worried as I am now. I hope that all of you will leave this room worried as well, because I believe that you can and you must play a role in guaranteeing a continued supply of news in the public interest.

We are unquestionably in a period of tumultuous change. The economic model of traditional media is collapsing, dramatically. Many of the choices that media are making in response are anything but encouraging for those who care about public interest journalism. This undermining of the core work of journalism is not news. Unfortunately, it's been going on for some time as many media companies have responded to the continued pressure to produce profits by cutting their news holes and their staffs, and by cutting service to portions of the community that are not as important to advertisers.

In short, there has been an enormous cut in the quality of public interest journalism that goes out to the average consumer across the country. Over the years, a number of us have sought to speak out against this, and I like to believe we've had some impact, but the lure of being a cash cow is very powerful. Most media corporations have pursued that lure and responded to it, really addictively, to the detriment of their journalism and their customers' loyalty and belief in them, but also to the detriment of their ability to be strong and inventive when the need for change dramatically comes. And that, of course, is what we have seen lately.

While traditional media have been declining, other developments, happily enough, have been occurring in the media world, many of them enormously hopeful and interesting for public interest journalism.

They've produced a landscape that offers the avid consumer of information more and better options than ever before. I bet many of you read *Le Monde* online or listen to the BBC, enjoy "All Things Considered," access countless original documents, speeches, videos and more online. This is the emerging media world -- rich and diverse and international, multimedia, brimming with heretofore unimaginable opportunities and resources.

Moreover, the voices of women and of people of color, the poor and others who have way too often been marginalized by monopolistic mainstream media, which most of us have come from, can now be heard in ways they could not before. Traditionalists would do well to embrace this new world eagerly. But as we do, two things in particular should concern us. One is: Who is going to pay for and produce the original material on which journalism in the public interest must be based -- often a very expensive commodity? And two: What are the consumer patterns going to be like? These two important questions are ones on which we, as journalists and concerned citizens, can have some impact.

First, who will produce and sustain original journalism? The likely answer, I believe, is that it will be underwritten by a greater variety of models than we are accustomed to. Nonprofits are going to play a greater and greater role. Not only those we're familiar with, like National Public Radio, but institutions like the Center for Public Integrity in Washington, which does investigative journalism which too few traditional media -- happily there are exceptions -- are willing to continue to do. Nonprofits are going to be very important. So will private ownership by local interests who seek to serve local journalism needs. There's a wonderful organization in Deerfield, New Hampshire, which does a terrific local Website. It grew out of the library because nobody was serving Deerfield, New Hampshire's, needs. Candidates would run for office; nobody would interview them. The people who run the library decided to open a Website, The Deerfield Forum. Last time I saw it, it had 72 bylined contributors. Subscriber models online, obviously, are going to be important. *The Wall Street Journal* offers an example.

But a point of caution here: We cannot confuse the proliferation of media outlets with a proliferation of media inputs. News distribution is a far different thing from newsgathering. And I stress this because plenty of people confuse these two things, including, may I say, members and leaders of our Federal Communications Commission. It will be up to all of us as thoughtful consumers of the media to help bring attention, as well as support, to those who are performing the kind of journalism engaged citizens need, whoever those people are, professional or amateur.

Similarly, the fact that ever deeper pools are available to those of us who have the time and resources, and the skills and inclination, to seek out information does not mean that average citizens' needs will be met. The hope for development of a public service environment in the digital world, which is certainly rising in many places, will be aided by mindful guidance, and that, in turn, requires that we old-school types recognize that much of what is good online looks very different. You can do great journalism by aggregating. There's a site called the Twin Cities Daily Planet which aggregates all the ethnic and community newsletters in the Twin Cities and clearly amplifies the voices of those people better than either of the existing newspapers or television do. There's something called Global Voices Online -- its tagline is, "The world is talking, are you listening?" -- which provides bloggers an opportunity to reach people. It shows us all our common interests and amplifies the voices of these people who are doing terrific work.

The active intervention of those who care about public service journalism is essential to focus both on broadening the reach of the best journalism and on enhancing the quality of the most widely available journalism.

I was in the *Milwaukee Journal Sentinel* newsroom recently trying to help with a project in which we're hoping that we can translate enduring values -- such as, "the essence of journalism is the discipline of verification," -- onto their digital media. At the end of our conversations, one young woman looked at us and said, "So what you mean is I have to come in in the morning and think about what's on the Web?" What we mean is you come in in the morning and you think about the best thing that's going on in your beat and the most important story

you can get out, but yes, you also think about being able to present the story on this much richer, deeper, more flexible medium in which you can bring in the wisdom of the masses far more effectively than you could before.

I was on a panel at the Society of Environmental Journalists recently, and one woman said, "I can't get anything in the paper that's longer than 800 words. What can I do?" Another panelist said, "Well, do this, do that, jump around and impress the editors, and, if all else fails, put it online." But all else *does* seem to be failing, and putting it online *before* that, obviously, is important.

My own frustration with years of lament in the business of journalism drove me to turn towards something I hope is more constructive, and I'm going to close by plugging it. It's a "Manifesto for Change," which I would love to believe could help people turn some of this lament toward a more constructive approach.

The case I seek to make in this document is that the media world is already reinventing itself, and with gusto. The questions so important to us are being resolved. Since they're being answered as we speak, it seems to me that it's terribly important that all of us take a role, roll up our sleeves and join the fray. We've got to be imaginative. We cannot remain focused on what has been. We've got to separate our traditions from our principles, forego the former in order to breathe life into the latter. There will be journalism in the public interest. We can watch it develop from the sidelines, lamenting that it doesn't look like what we're used to, or we can lead the effort to make it all it can be.

### ***How are Traditional Media Adapting?***

#### **Jill Abramson**

Managing Editor

*The New York Times*

Recently, a group of young journalists in their twenties gathered in the Elvis Room of Mama's Mexican Kitchen in Seattle. Their assignment from the *Columbia Journalism Review* was to invent The Dream Newspaper of the Future.

At a time when newspapers are struggling to hold onto their readers and are leaking advertising and circulation, I worried that their solutions to how to get the next generation glued to the news would call for shorter, more entertaining articles. Instead, their blue-sky ideas turned out to be interesting and, in many ways, reaffirming. These young editors and reporters called for more international news and deeper, investigative narrative stories. Sure, they wanted stories that capture the vibrancy of how real people live. And some of them wanted newspaper content, like most of the news on the Internet, to be free. But their focus was on expanding, not contracting serious, probing journalism about world problems. They had some ideas that rocked the boat, but, as the report on their work concluded, they were "not abandoning ship".

It's fashionable these days to predict the death of newspapers and even the mainstream news media itself. *The Economist* had a recent cover story that I'm sure some of you have read called "Who Killed Newspapers." The disappearance of Knight-Ridder, the newsroom upheavals at the *Los Angeles Times* and the *Philadelphia Inquirer*, the lackluster performance on Wall Street of some of our premier newspaper companies, have stoked these headlines. But I'm not going to join this chorus of doomsayers.

I'm privileged to be managing editor of *The New York Times*, an institution that still passionately believes in the mission of providing quality journalism. *The New York Times*, whether in newsprint or on the Internet, is not defined by a platform or business model. It's defined by our trademark journalism. We deliver quality journalism to a quality national and, through the *International Herald Tribune* and the web, an international readership. It is an audience and type of journalism in which we see great future potential, both professionally and economically.

Readers come to the *Times* expecting to be guided through what matters most in the world on any given day, whether it's the congressional elections, Iraq, where we spent more than \$3 million last year to maintain and protect a large staff of journalists and photographers, or an important new work of fiction being talked about in literary circles. They expect the news to be rigorously gathered---we have a newsroom of 1200 journalists, including more international correspondents than any other U.S. newspaper, and 40 photographers. Our readers do, as the slogan says, expect the world, including thoughtful analysis, probing criticism and stories that are compellingly told by independent, experienced, fair and accurate journalists. They want opinion, too, not just the clamor of partisan combat, but argument that is intelligent, civil and, on good days, witty.

Our journalism has been recognized with more Pulitzer Prizes than any other newspaper, including the three we won last year. But this journalism can only be produced by the great engine of newsgathering, the people who witness events, ferret out information, supply context and analysis, and present it clearly and elegantly with the highest quality graphic and photographic illustration.

Yes, this kind of quality journalism is very expensive. The cost of everything we do is rising, including newsprint or providing health care to *Times* employees. But newspapering in the United States is still a business with profit margins in the double digits. Some of our competitors have been making very large cuts in the size of their newsroom and while the downsizing may please Wall Street, it cuts the collective muscle that produces the most ambitious journalism. While our newsroom has certainly become more fiscally disciplined, including a project now underway to find efficiencies across our different desks and platforms and the departures of some colleagues who have accepted buyouts, we have not suffered the kind of wholesale newsroom cutbacks that have scaled back the size and ambitions of other newspapers. While many of our competitors have been retreating, we have continued to invest in more and better journalism.

We are still hiring, albeit extremely selectively. We are about to dispatch two correspondents from New York to be based in Spain to cover the terror threat in Europe and North Africa, an entirely new foreign posting. On 9/11 we published a stand alone section with a single narrative story of 18,000 words, about why, five years later, Ground Zero is still a hole in the heart of lower Manhattan. So much for the idea that readers today have short attention spans.

A former executive editor once observed that if *The New York Times* disappeared suddenly, it would be impossible to reinvent. What distinguishes the *Times* is the sheer ambition of its journalism, the range of subject matter in which we compete to be the best.

We see plenty of potential in the power of our newsgathering. This means that when there is a world-shaking event, such as ongoing wars of the Middle East, the Asian tsunami, Hurricane Katrina in New Orleans or the terror plot in Britain last summer, we mass a reporting team and provide coverage that sets the standard for the rest of the profession. On election night, we had reporters on the ground in all of the contested Senate races, so that when our last deadline for the newspaper approached, I could call Susan Saulney in Missouri and learn that even though the official vote count showed Senator Talent ahead, there were no votes tabulated yet for Democrat-leaning Kansas City. This was something we only learned from Susan, despite being plugged into the Associated Press and the Missouri Secretary of State's website. Susan's on the ground reporting prevented us from saying in our first edition story that control of the Senate seemed unlikely to go Democratic.

The paper the morning after the election was something to behold, with amazing graphics and an entire special section full of the most brilliant political reporting anywhere. But as managing editor, I was equally thrilled that for the first time we surpassed 4 million unique visitors for the first time on NYTimes.com, already the largest newspaper website.

Take a minute to ponder the fact that in 2003 there were 1,000 foreign journalists covering Iraq. Today there are fewer than 100. Yes, the terrible dangers of the assignment help explain the falloff, but so do the expenses of

running a news operation there. We not only still staff and protect a large bureau, but we sent a graphics editor to map Baghdad to help us explain the insurgency. On the campaign trail, our reporters have told me there are fewer newspaper journalists on the ground. In China, where the Olympics will unfold, a big global event, print press credentials are easier to come by than in the past. That is not a good thing for journalism.

There is no question that younger readers are growing up accustomed to the idea that information is free and advertisers are finding alternative ways to reach them. But again the *Times* is in a better position than most news organizations to weather the storm. We are owned by a family that cherishes our journalism as a sacred trust. In a challenging environment, Arthur Sulzberger Jr., our chairman and publisher, has courageously resisted moves that could constrain the *Times'* journalistic mission. He knows that the relationship between the *Times* and its readers is like nothing else in our profession. He cherishes their trust and does not receive enough public credit for protecting the quality journalism they demand.

*Times* readers are three times more likely than average to have finished college. Their median age is about 45, 15 years younger than the audiences for the network news. Our readers are affluent, with household incomes of around \$95,000. They are active and engaged. They travel extensively and read deeply. They pride themselves on being well informed and open-minded. And they view themselves as a community. Their relationship with the *Times* is complicated and passionate. It's far more than an economic transaction involving a subscription or newsstand sale.

We also enjoy the highest quality journalism on the web. Some of it looks exactly like the print version. But as a medium, the web offers opportunities for depth, such as video clips and postings of original documents used by our journalists in their reporting, and interactivity. We can pool and channel information supplied by our readers. In our opinion journalism, we can invite our readers into the conversation.

The popularity of NYTimes.com has inspired us to change the structure of our newsroom, to integrate our newspaper and web operations. When the *Times* moves to a new building next year, all of our journalists, web and print, will sit together in one newsroom, working side by side. Each desk, national, foreign, sports, will contain both print reporters and editors and their web counterparts. By merging the two endeavors we are incorporating the potential of the Web at the point where stories are conceived. On NYTimes.com we have blogs, video versions of stories and interviews and podcasts by our critics and of NY Times headlines. This has created a sense of excitement and experimentation. Our art critic blogged on the U.S. Open tennis matches. One of our columnists at the *International Herald Tribune* blogged the World Cup. We are experimenting with a paywall on the web for our columnists and other select content.

We aim to make nytimes.com into a place people use to learn, think, exchange ideas and as executive editor Bill Keller puts it, sort web wheat from web chaff. With our journalism at its core, it will grow to become a compendium of information in old and new forms combining the judgment and enterprise of *Times* reporters with the wisdom of other specialists and the experience of our extremely sophisticated readers on subjects as broad as national politics and foreign affairs and as specialized as reviews of restaurants and tips on prices of resort homes. It will be customizable and personalized, allowing users to meld our expert judgment with their own interests and preferences.

The Internet should not be seen as a threat to great newspaper journalism. And while I understand the need to explore the ramifications of the business stresses on journalism, I wish more attention within our industry and from the public was placed on a very real and more immediate threat: the aggressive criminal leak investigations that are proliferating and hurting journalism's highest calling: to hold those in power accountable.

So the challenge before us is to keep the newspaper strong and vibrant while accomplishing the transition to a digital future. During this transition the *Times* will adhere to our core belief that you win in the marketplace by offering something of real value that the newcomers cannot match. We are evolving, but we are not retreating. ■