

Broadcasting Board of Governors FY 2013 Budget Request

Executive Summary

The Broadcasting Board of Governors (BBG) supports United States national interests through its mission to inform, engage and connect people around the world in support of freedom and democracy. In accordance with the International Broadcasting Act of 1994 (as amended), the BBG manages and oversees all U.S. civilian international broadcasting, including the Voice of America (VOA), the Office of Cuba Broadcasting (OCB), and grantee organizations RFE/RL, Inc., Radio Free Asia (RFA), and the Middle East Broadcasting Networks, Inc. (MBN).

BBG distributes programming in 59 languages to more than 100 countries via radio, terrestrial and satellite TV, the Internet, mobile devices, and social media. With its global transmission network, the BBG reaches a worldwide weekly audience of 187 million people. U.S. International Broadcasting is among the most cost effective initiatives within public diplomacy. Over 80 percent of BBG language services cost less than \$5 million per year to operate, and approximately two-thirds cost less than \$2 million per year.

The BBG serves as a journalistic catalyst in the support of democracy, civil society, and transparent institutions around the world. All BBG broadcast services adhere to the highest standards of journalistic independence, ethics, and objectivity. We provide an ongoing antidote to censored news. We offer life-saving information during humanitarian emergencies. We develop and direct technologies to penetrate restrictive information firewalls. And when events dictate, the BBG reacts quickly to crises with temporary surges in broadcasting.

The BBG's unique value is to support freedom of press and expression, essential to fostering and sustaining free societies, which directly and tangibly supports U.S. national interests. While fully independent editorially, BBG is responsive to U.S. foreign policy priorities. We reach people in their languages of choice; in countries where independent journalism is limited or not available; where there are severe obstacles to developing relevant programming and hiring and training journalists; and where governments jam broadcasts and censor the Internet.

A New Strategic Vision for U.S. International Broadcasting

In September 2010, the BBG, at the direction of its new Board, began a comprehensive strategic review of all agency language services and target regions. The nine-month study assessed the Agency's global operating environment, mission, and distribution and technology efforts. In-depth regional reviews integrated senior management and language service heads and staffs at each of the BBG broadcast organizations. They also included more than 75 independent experts who offered their assessment of leading political and media factors in the broadcast areas as well as the language services' unique value and impact. The full text of the plan is provided later in this document.

The agency's 2012-2016 strategic plan, *Impact through Innovation and Integration*, is the result of this extensive review. Approved by the BBG Board in October 2011, the plan addresses the critical challenges and new opportunities marked by worldwide political and economic upheaval and a historic global communications revolution. It is the basis for the Agency's FY 2013

budget submission and has guided the difficult decisions required in an environment of fiscal constraint.

To be competitive today, the BBG must innovate as never before. To have the resources and management structures to enable such innovation, the agency must integrate its operations. These core imperatives are drivers of the new plan.

The agency's new mission statement – to inform, engage, and connect people around the world in support of freedom and democracy – reflects the new global operating environment.

For 2012-2016, the BBG's core strategic goal is to become the world's leading international news agency focused on our mission and impact – i.e., to reach key audiences in support of free, open, democratic societies. The agency's principal performance goal is to reach 216 million in global weekly audience by 2016.

To meet the performance targets, the BBG will pursue an implementation plan over the next five years that combines both restructuring and growth steps. The former seek to reorganize a system of U.S. international broadcasting that traps resources in inefficiency and duplication and fails to leverage our collective strengths. The latter aims to enhance our performance at the language service level and take advantage of opportunities across our broadcast territories to expand reach and impact in fulfillment of our mission and congressional mandates.

The implementation plan features a dozen key tactical steps that informed the FY 2013 budget proposal.

- Unify the agency into one organization, many brands
- Launch a Global News Network
- Seize targeted growth opportunities
- Focus on the global democracy wave and pockets of extremism
- Rationalize program delivery
- Combat Internet censorship and jamming
- Elevate and expand social media innovation
- Employ leading-edge communication techniques and technologies
- Engage the world in conversation about America
- Nurture a dynamic, dedicated workforce
- Spur development through targeted media Initiatives and training
- Sharpen understanding of impact through state-of-the-art research

Expanding Agency Reach and Impact – The Ultimate Goal

To adapt to rapidly changing media environments, audience demographics, and technologies, the Agency has identified a number of opportunities to expand audiences and to increase the impact of our broadcasting. The new strategic plan sets practical targets for improving distribution and programming effectiveness in key markets, increases collaboration and reduces duplication among BBG-funded activities, and identifies initiatives to streamline management and support

functions. The Board envisions a single, strong global media organization, comprised of BBG's existing trusted program brands, dedicated to a mission of informing and engaging audiences worldwide in support of freedom and democracy.

In a streamlined organization, each BBG-funded broadcast network will fully leverage shared Washington-based and overseas resources. The FY 2013 budget eliminates many redundancies in BBG broadcasts. BBG's new strategic vision consolidates broadcasts in areas where multiple networks serve the same market, so that limited Agency resources can achieve maximum impact. The 2013 budget redirects a portion of these resources to investments in new television content for Central Asia and Egypt, key areas where the U.S. has a strong strategic interest and the BBG has high potential to grow audiences.

BBG's FY 2013 request for program delivery reflects fundamental shifts in our global audiences' media consumption preferences. News media delivery methods are constantly evolving, and BBG has struggled to fully keep pace with changes in the way that audiences choose to consume media. Maintaining heavy investments in delivery platforms that are fast declining in media use limits BBG's ability to adapt to the newer technologies that increasingly represent the media platforms of choice.

The BBG aims to reach audiences via the preferred media platforms of any given region. BBG's FY 2013 budget request seeks to strengthen the digital and social media activities experiencing high growth abroad. Beyond a robust presence on traditional websites, blogs, and social media platforms, BBG networks are expanding rapidly into delivering content via mobile devices. Ongoing efforts to circumvent hostile regimes' restrictions on Internet access, for which the Congress provided additional resources in FY 2011 and in FY 2012, are complementary to this strategy and are incorporated into the FY 2013 request.

In keeping with the new strategy, the BBG remains committed to reaching audiences, often in less developed areas of the world, which continue to rely on traditional broadcast media. U.S. international broadcasting began in 1942 by reaching audiences through shortwave radio, and shortwave continues to be the only platform which reaches certain underserved populations. Where shortwave still works or serves as a delivery vehicle of last resort, the BBG will continue to use it. BBG's FY 2013 budget request includes funding to continue these transmissions by maintaining facilities and recapitalizing obsolete equipment. In other regions, audience preferences for television, FM radio, and satellite delivery require BBG to ensure program availability on those platforms. BBG's FY 2013 budget request strategically adjusts product mixes to respond to these trends.

These content and delivery changes, driven by the agency's strategic review process, would reduce BBG's legacy broadcast presence in some areas, but are essential to the continued influence of BBG broadcasts among critical target populations worldwide. By making difficult programmatic decisions, the BBG has reduced its budget by over 4 percent from FY 2012 enacted funding levels.

Budget Highlights

Required programmatic and administrative increases and reductions in the BBG's FY 2013 budget request reflect the Agency's strategic vision, as well as Executive Branch priorities. This

vision of a single, integrated broadcast organization with streamlined management, rationalized distribution, and minimal language service duplication, drives the operational and programmatic restructuring that yields savings, while strengthening the future course of U.S. international broadcasting.

Specific highlights of the budget request include:

- The Broadcasting Board of Governors requests a total of \$720.15 million for FY 2013: \$711.56 million for International Broadcasting Operations and \$8.59 for Broadcasting Capital Improvements.
- The BBG's FY 2013 Budget request contains \$9 million in program increases that add Satellite TV broadcasts in Central Asia; target new weekly television programs and related new media efforts to Egypt; elevate and expand social and new media; and revamp content and delivery to be more competitive.
- The FY 2013 budget request cuts over \$23 million in administrative and support costs throughout the agency and grantee organizations in areas such as, but not limited to, operational support staff, printing and copying services, administrative contractor support, financial management, information technology, data management, wire service contracts, phone service, supplies, promotional items, equipment, overtime, travel, mass transit, closure and/or reorganization of field offices, and other administrative efficiency savings.
- The FY 2013 budget request assumes \$11.6 million in Internet anti-censorship funding to continue a broad-based approach to the deployment of emerging technologies and partnerships with cutting-edge experts, developers and in-country networks.
- Taking all transmission and language service reductions into account, the budget request proposes to continue the use of shortwave and medium wave in Cuba, China, North Korea, Burma, Iran, Tibet, Uyghur, FATA (Afghan-Pakistan border region), Pakistan, Afghanistan, Belarusian, Russian to the Caucasus, Russian, Turkmen, Khmer, and Africa.
- The Poro transmitting station is proposed to be closed.
- The request eliminates the AeroMarti delivery platform. Distribution of TV Martí will continue via satellite, Internet, flash drives, DVDs and other methods, as technology develops.
- Several language services (programs, transmissions and/or staffing) at VOA, RFE/RL, and RFA will be reduced, in part through efforts to reduce or end duplication. These reductions are planned to ensure that all statutory requirements for broadcasts will be observed. Broadcast support positions will also be reduced as a result of language service reductions.
- The request includes a proposal to eliminate VOA programming to Greece, a member of the European Union and NATO, which no longer meets the criteria supporting continued VOA broadcasts. A saturated Greek media market has rendered VOA broadcasts uncompetitive.
- RFE/RL will end broadcasting in Avar, Chechen and Circassian but will continue targeted Russian language programming on web and mobile to the North Caucasus.

- VOA Cantonese products continue to have a negligible impact in the crowded South China media market. Audiences are fractional, even for non-news programming. The budget request eliminates VOA broadcasting in Cantonese. As Mandarin and Cantonese are the same written language, VOA will reach the Chinese population targeted by Cantonese on its website. RFA will continue Cantonese broadcasts.
- A single entity will be responsible for all radio broadcasting to Iraq under the budget request. Beginning in FY 2013, Radio Free Iraq programming elements would be folded into Radio Sawa.
- There are position reductions in VOA Central News, VOA English and RFE/RL Central News.

