

**THE PALEY CENTER FOR MEDIA
THE FUTURE OF DOCUMENTARY DISTRIBUTION
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**Introduction by Pat Mitchell,
President and CEO, The Paley Center for Media**

Good morning everyone. I think almost all of us are in. We have one person joining us by the phone. Alberto, are you with us? [*cross talk between Alberto Ibarguen and Pat Mitchell*]

Alberto, this all started with you. I can't tell you how exciting it is to be looking out from where I am standing... at the people who have gathered here today. In fact, someone said, that we just need to close the doors and start our own channel. Right here, Right now. We have all the talent here in the room necessary to create a very successful venture. So if we will just have you, Alberto... that would complete it...we would have our chairman and CEO.

I'm Pat Mitchell, and I think I know everybody in the room. I certainly hope I do. I want to say how much we appreciate that you have taken this time out of very busy and productive lives, and it is quite seriously a terrific representation of a field that we all care deeply about, and that is the field of documentary funding, creating, and distributing. In fact, it was exactly that challenge from Alberto almost a year ago now, and the Knight Foundation when he came to us and said there is no question that everybody is interested in the future of documentary, but what we really need to do is put the people who have the most invested, the stakeholders as it were in this format of storytelling and investigative journalism,...put them in a room together, and take the white paper approach, and see if we can't come up with some new ways of thinking about collaborative models for both funding, creating and distributing.

And this is our third meeting. Our first two were somewhat smaller, held in our boardroom. They were close, thoughtful, provocative, compelling sessions, and we put all the issues on the table. We know more documentaries than ever are being made. We know more than ever as news departments and divisions across the media landscape restrict and constrict their investment in investigative journalism... it is more and more on the shoulders of documentary filmmakers to tell those stories, both in long form and short form that profoundly affect the degree to which Americans, and indeed around the world, are informed about the global situation. We know increasingly that more and more talent is coming to this form of telling stories, but how do we as the people most invested in a sustainable future for this particular format of news and storytelling...how do we ensure that the reach and impact of such important work continues to grow.

I think all of us are still stuck by the image that Ted Leonsis shared with us in that very first meeting of our documentary forum when he showed us that great funnel, when here, out here, this huge massive amount of numbers were the documentaries being made every year, and then as they start to try and find a way for others to see their work, the funnel gets smaller and smaller and smaller. As they apply to film festivals and networks and channels and then when you look at what actually goes out of that tight little controlled center of the funnel, it greatly narrows the number that go from creation through this funnel into actual distribution. And then at the other end of the funnel, there is still that problem of distribution where, how and to how many people.

So, we took that as the image that propelled our conversation going forward, as we begin to hear that there were now, thanks to emerging technologies, new ways for us to think about both funding, creating and then especially a new model for distributing documentaries.

So, today, in the room we have added somewhat to our number. We have included, as we did from the beginning, those who have invested deeply in the future of documentaries with their investments representing some of the most important foundations in this area. We have distributors in the room, including some new models for distribution, which you will learn about as well as the all important public service media form of distribution of documentaries and the commitment therein. We have commercial companies, companies deeply committed to creating documentaries with social impact.

And we know that among all the things discussed today that what we are all looking for is what everyone throws up as the best example of impact—that perfect storm that came together when Participant Media made *An Inconvenient Truth*, and while that was thrown up as the model to us at the beginning...how do we turn every documentary into one with that kind of reach and impact. We know that perfect storm won't exist on each and every documentary made, but what can we learn from that model that can be applied to all the other great films that are being made and the great and important stories that are being told.

So, the goal of this third meeting today is to again, broaden our conversation by having also some extraordinary documentary filmmakers and executive producers in the room, and to look at what are the remaining issues and challenges that perhaps we haven't fully explored, but most importantly, to come out of this meeting with the sense that there are new opportunities...new opportunities for documentary filmmakers...new opportunities for those to fund and distribute.

We are going to hear from:

Sally Jo Fifer from ITVS. She is going to provide the media landscape from her point of view, of commissioning and funding documentaries.

John Boland from PBS, who is going to share a new digital distribution plan.

Rick Allen from SnagFilms, which some of you know, who were here at our first and second forums, was originally called True Stories. We'll hear an update from Rick on what is now called SnagFilms.

Fonda Berosini representing Participant Media, and some sharing of ideas there on how social impact and creating community around documentaries has developed and will be additionally strengthened by their new plans.

Alyce Myatt from Grantmakers in Film + Electronic Media who will share with us their plans for a database, which will be all the more important as we look forward to these new collaborative models.

So, it's a full agenda. We want to get started. We are going to try and keep the presentations to the time allotted on the agenda. We will have some questions and answers after each. Please don't be frustrated if it seems shortened because we'd like to allow for a general conversation that takes all the presentations into account, at the end.

So, let's get started. I want to welcome Sally Jo Fifer. She is the president and CEO of the Independent Televisions Services, or ITVS as we all know it. Since its inception in 1991, ITVS has helped to create and fund more than 500 independently produced documentaries for public broadcasting. Sally oversees all

of their core operations, which includes funding, production management, distribution, promotion and outreach. And in addition, she is the executive producer of the Emmy award-winning series *Independent Lens*.

Sally, maybe you can introduce the other people who are here from your team as well.

Welcome.

Presentation # 1
Sally Fifer, ITVS

Thank you so much, it great to be here. Thanks to Pat Mitchell, the Paley Center and the Knight Foundation for making this meeting possible. I think it's really a dynamic moment for this group of stakeholders to get together, as Pat said.

A lot of important plays happening in the new media marketplace for video online. \$1.6 billion up from \$600 million in just the last year and a half. iTunes just announced earlier this month a video download service with the same day releases of DVDs with their Hollywood partner, so it doesn't take a rocket scientist to know that things are on the move. It may take one though to sort out a public pathway in all of this, and this is part of why we are here today. There has been lots of speculation about the benefit to artists and excitement about opening up what has kind of been a closed economy in the public funding world of documentaries. And there has been an equal amount of trepidation about this digital distribution model sort of blowing everything up to bits.

I've been asked to do an overview of the media landscape as Pat said, and I'd hope to do that succinctly and I'd like to share with you the survey that ITVS did with independent producers, asking them what they thought about what is going on currently and what the future looks like. I should put a caveat in that obviously coming from ITVS, I'm probably speaking more about social issues documentaries and the public service side of things...the definition of independent is broadened widely and I am sure we will broaden it as the discussion goes along today. So, what I would like to do is to talk a little bit about the historical perspective. You can see that I have been watching *Battlestar Galactica* with my Sit Rep [referring to PowerPoint slide], but I would like to talk about the current situation, bring in the survey and have some closing questions at the end.

We know we are in the midst of revolution, one that is bringing a lot of excitement and havoc in the case of the Internet. One that is not nearly finished. And we are living in what is the largest increase of expressive capability in the human race. As Clay Shirky says in his new book, *Here Comes Everybody*, we have gone from 1 million to 1 billion people on the Internet in just less than a generation, which is pretty mind-boggling. You have probably heard some version of this tale about this fellow Sponheim, who after the Gutenberg press was invented wrote a big screed defending tradition and the scribes, the guys who used to write up all of the scrolls and things, and of course wanting to get to as many people as he could he of course used the printing press which undermined his message considerably.

The media companies are not defending tradition; and that way they are jumping on with lots of new media strategies, but they are defending turning a profit. In an industry that is dependent on the means of production and distribution to do this, this has some struggle, probably the biggest struggle is the 8 trillion of stock market wealth lost at end of 1990s with the dot-com bubble bursting, one of the longest bear markets in the US history. But, there has been struggle as media companies have come up against this dynamic new technology, the Internet, and we probably shouldn't be naive that these corporations are investing in a big way and are expecting some mighty returns. We probably shouldn't forget about the phone and cable companies who lobbied to the tune of \$71 million dollars in 2005, and—surprise, surprise—in 2006, the House of Representatives voted against net neutrality. We shouldn't probably

forget that six corporations do own every major media outlet and that that affects the web traffic flow, they have millions to spend. So, it's in that context that we are talking about what we do.

There has been a paradigm shift that we have all been feeling and watching, which is to say that corporations have tremendous influence and have gained tremendous influence in last couple of decades even vis-à-vis the state. Twenty five years ago the Fortune 500 companies had maybe something like 15% of the global GDP; today they are at over 40%. The economic and social influences are great. Today, 166 top economies of the world, and that would be over \$500 billion and of course sales and GDP aren't the perfect correlative, but looking at 166 top economies, 100 are corporations, so that's a different world that we are living in and it's a good thing that corporations are thinking about social entrepreneurship, they need to be if this is where things are going. An interesting alternative side to that is of course that public entities are now thinking of business entrepreneurship, so things are moving and changing on a molecular level not just with the Internet, but with the economic paradigms that we are living in.

So, this question of amateurs at the gates: The change that we've have had with the Internet has been compared to the printing press, because there has been this sort of amateurisation, what Clay Shirky calls a deprofessionalization of media, moving image media. Of course, 500 years ago that meant that literacy was embedded in society and amateurs were reading and writing for the first time and that brought a whole lot of chaos for a century—the 15th century, of course, was no picnic. But, Luther was kind of mad at that point. But, what it did bring afterwards was a dynamic set of events in arts and commerce, that followed that time is a different word imagining if we had had just a few people who could read, write and copy, so the question about change is really not about change: it's really not about if, it's about when and how. We know that things are going to get faster and cheaper. That has been so since the last recessions, since 1970, with Moore's Law. But the question really is who are the 21st Century scribes? Who of us are going to survive in this new way of doing things? The 20th century was really a broadcast century. And what will happen to documentaries. Will it be the same kind of ilk as the ones we are working with today? We were just talking about them in the room, about them getting shorter or less or more or whatever. What is going to happen to the documentary? And the role of public media? Is this an oxymoron in an age when everyone can be a publisher, where basically we all have the means of production and distribution? So, this is a question I am going to come back to and you probably know where I am going to be going with that.

In the meantime, a lot of questions have been coming that we are trying to answer and of course Aristotle told us everything has its opposite, and our friend Georg Wilhelm Friedrich Hegel, a great 19th century philosopher talked about contradictions and the truth in between—the dialectical of the thesis and the antithesis, and you can find truth in a kind of synthesis maybe. And going after one truth is more about being an ideologue, and so trying to look at these questions on both sides, and these are just a few.

We talk about the Internet as having more freedom, and yet this is a time when more journalists are going to jail than ever before, more subpoenas have been handed out and more journalists killed than ever before.

We talk about TV being a goner, but people are watching more TV than ever, they are watching four and a half hours a day and compared to the media being downloaded on the Internet, which is about three hours a month, that is still a lot of TV.

We talk about the access that the Internet provides and a kind of level playing field, but the question is can you be heard when 5 exabytes a year, which is equivalent to 137,000 Libraries of Congress are going on the Internet each year, can we find ourselves.

We also talk about everyone participating, but Pareto's principle, which is the Italian economist who came up with the 80/20 power distribution model, which is that 80 percent of the activity is with 20 percent of the people doing it, sort of holds true, it's like Linux and Wikipedia.

We talk about things being less expensive to make with digital, but at ITVS documentaries are definitely costing more, the budgets are coming in high, it's probably you can do more things.

We talk about the digital distribution model cannibalizing traditional sales in home and educational DVDs, but other people say that documentaries are ...or this digital distribution streaming is driving more audience to these DVD sales.

We talk about exclusive brands being important in this environment, yet other people talk about non-exclusive and how important the syndication is across many platforms.

We talk about the long tail pennies adding up for the aggregator, but if you are an artist that is just a few pennies of you, but on the other hand, artists say hey, that extends the life of my show.

We talk about standards lowered by amateurs, but other people say hey, it's the natives who have grown up with media who are going to make amazing things as times goes on.

So this list can go on and on, so I think it's worth taking a look at where we are now with the business model and hopefully we can move some of those things into the discussion later on.

So, what is the current formula? So certainly, I am sort of over generalizing here. But we have this kind of 20th century closed economy. You can see the digital business model pressing in as well as the amateurs. But what we have is what I see as a three-legged stool [Slide 7 of PowerPoint], where basically foundations, government, charitable dollars is one leg of the stool; credit cards and the sweat equity of the filmmaker is the other leg of the stool; and then the back end revenue of home video education, theatrical and TV sales—so in this 21st century world we had a sort of clear line delineating domestic broadcast licenses and then all of this other revenues coming from these home video, education and theatrical sales, and that was a kind of easy, straight forward...and I should maybe parenthetically say that the average public interest documentary takes maybe 3-5 years to make, and the average cost—and I hope I am not overstating or understating it—is around \$400,000 to \$500,000 and that three to four years is time spent cobbling to get together the money, and if you take the average year rate of the salary, which is about 10 to 20% of the budget, we are talking about \$15,000 a year for independents in salaries. So, there was a sort of understanding on the part of foundations and those who funded documentaries that this was a sort of non-business to be in and if producers could monetize, however they could, and also get the programs out to other audiences and engaging them, that was a good thing, it sort of benefited everybody.

What we have now is this sort of 21st Century super highway model, and what you can see on the left [referring to slide 8 of PowerPoint presentation] is little business models of all of these different avenues to get the program out and get the money coming in by all of these different distributors and strategies. And now we have this wonderful, amazing super digital highway where everyone wants to own the rights to be on the highway. It's not clear how to break up and partner in this thing that has tremendous access but is still really about the niche, because if you can't get to exponentially more niche audiences on the superhighway then the dollars don't make sense given the price points. So we also have the situation with broadcast, which is anytime anywhere TV, we got to have and they have got to have a competitive model, because that is where the audiences are going, sort of 360 approach and that makes sense and we as independents want to get to all those audiences and all those platforms as well.

The issue for us is if we are not a viral hit, like winning the lotto amongst the five exabytes or if you are not a blockbuster where you have millions of dollars of marketing going into your film, and you have got an in-between film, then what is the strategy there? So, I think what we are going to have to sort out is how we are going to use the superhighway for this, finding our markets and finding our audiences for these films, and partnering up for some things, as Pat said, at the front end.

[Slide 9] This is, kind of again another oversimplification, this is one way of looking at how the strategies and the players are taking shape. At the top of the superhighway we have the online retail and aggregators that are consumer-facing like iTunes, Amazon, Netflix, and all those guys. And then, in the middle place, and you can see I have some red stress points there, that is where the stress is, are what I would call branded curated digital distributors, and these guys have their own traditional strategies and other strategies and they also acting as brokers to get onto the consumer-facing sites. And, then there is a sort of group that I would call clearing houses that aren't really branded or don't necessarily curate, like MediaStiles, IODA, and Orchard which take programs and try to get on the consumer-facing sites, and this is not to say that they don't have other strategies as well. And, then there is the sort of do-it-yourself thing which is sort of e-commerce sites where they have NeoFlix and CreateSpace, which will act as a fulfillment house and processing center for people who want to sell their DVDs online.

[Slide 10: Survey] So, we've done a kind of field study, which we took out 3,200 surveys asking people what they thought of digital distribution and we got back more than a ten percent response. Just to give you an idea of who we sent it out to: Independent producers, half men and half women responded; 40% diverse producers responded; about 50% of these folks having worked as an independent for over 9 years; about 40% have gotten ITVS funding, so that's sort of who responded, and not surprisingly, most everyone said promotion is critical, to promote their work.

[Slide 11: Promotion] And that checks off with what Hollywood and the commercial guys are doing. Promotion is exigent in this economy, and a nice quote by the *New York Times* from an article on the art of franchising basically said that work can't exist in a vacuum independently without being part to online extensions, so everyone is on the same page on that issue. Interestingly, 28% said that they are making money online. So, again, a few people had a viral hit, but not many blockbusters, but most everybody was in this in between place where income so far has been pretty modest, but people are reporting that combining online activity is really shooting up their DVD sales, but again, they are not necessarily making any money from the downloads yet, and this checks up with what is happening in the industry. Digital downloads are about—even though I was showing off about the 1.6 billion at the front end—in a \$50 to \$60 billion market, it's really about 3% of overall sales, although the numbers are looking to go up to about 4% at the end of the year.

[Slide 13] Of that 20% who said that they are making money off of distribution, 25% said that they are working with a third party to do it, 10% said they were doing it themselves, and 65%, the majority, said they are working in a kind of hybrid way, promoting things themselves, and working with multiple partners.

[Slide 14] So what people said about new media rights, maybe not surprising, but kind of. 80% are holding onto new media rights. They haven't licensed to a party, they are waiting for the market to mature. And frustration with broadcasters and distributors demands. And we all got nailed on that one—not just public broadcasting, but educational and theatrical distributors, commercial broadcasters asking for all of these rights. One wishes one had a crystal ball to say where things are going, but it might be helpful to take a look at what the music industry is doing when thinking about this issue. In the last five years, music sales have gone from \$1 to \$6 billion and its now 15% of their overall sales, and about 50 legal downloading streaming services have not gone up to over 500 now. And actually independent labels are saying that there independent revenue is close to 40% of overall sales, so that's maybe an interesting

thing to think about in all of this. At the end of the day with new media rights, basically we have divergent desires here. Filmmakers want to carve out the rights. Broadcasters and distributors want to bundle these rights together to try and come up with a strategy for the digital highway.

Most everybody felt optimistic, or at least a good portion of people felt optimistic about the digital marketplace, largely because of this idea that people can make and distribute their own work and allowing more kinds of work outside the industry sensibilities is a common thing that people were talking about.

The top three challenges that people said about taking their film online: (1) lack of knowledge of the digital landscape; (2) getting lost in the glut of media; and of course (3) uncertain about business models, not sure how to make money. Of course, that all sort of fits with what we are talking about.

What are we looking for? Flexibility, primarily. Wanting multiple distribution partners to work together. Of course, promotional strategies—everyone understands that that has got to be part of the deal online. And having a strong, independent brand. Leadership and support from public broadcasting. I thought this was interesting, and hopeful, as it's something that I have been troubled by in the last few years. And that is the kind of diminishment of the public. And I just don't mean media arts centers, and public in that sense; I mean public schools, and public health, and public infrastructure. You can't go knocking on the door of a commercial developer when you have a problem in your neighborhood and expect him to answer the door more than once. You can go down to the city though and talk to the redevelopment office. It takes tremendous leverage for a citizen to get a corporation to act on behalf of citizens, that's why paying some taxes and being able to have public ownership of critical infrastructure is really important. I don't think with this crowd that any of us disagree that having an informed and engaged citizenry is what democracy is all about and its probably a good idea to have some public stewardship of that. I think it's probably common sense that communication is probably humanity's best tool to drive solutions forward in a world that needs a bunch. If we have a problem in our family, with our friends, in our organization, without communication we have a mess on our hands. And society needs communications to be okay. I think it's clear that truth and information is a necessary commodity. With all of us here we would agree. And if we buy that, we buy what all the greater philosophers of democracy talked about: that citizens if they are informed are more likely to act on behalf of other citizens. We might buy the fact that we ought to change the metrics for media, both commercial and public, that it shouldn't just be one-dimensional towards eyeballs and ads, that we ought to add, we ought to think about media as how well we have informed citizens and the correlative, whether they have acted on it.

If we had metrics that looked more like this [Slide 20] which is:

Truth: 23% of a recent Gallup poll view TV news as credible. That should be the number we need to beef up. Our health and mortality rate—we are 30th in industrialized nations, yet we spend more on healthcare than any other nation, of course there is tons to say on that. We actually spend more on Education than any other nation, and yet high school graduation is lower than 17% in 50 of our largest cities, for example 21% in Detroit. We have got 5% of the world's population and yet 25% of the prisoners. 60% of us did not vote in the last election and that was a kind of popular one. In terms of resources, this has been the biggest economic boom time in the last couple of decades, yet the average household income is up 2% and our wealthiest is up 102%. It probably would not surprise you to know that there are independent documentaries about all of those topics, and partnered up with public television they've had tremendous impact for the small population and the small resources that we have put into this kind of media.

So, what I wanted to say at the end here is that in some way I don't think we can afford to be confounded or paralyzed by this issue of new media rights and this new digital distribution model. We really have too much to do because we are all after something larger. And it's going to take some off-road strategies to get there, because there isn't a public pathway for us. We are going to have to have some transitional strategies, we are going to have to be adaptive, we are going to have to look at the contradictions and find

the truth in between. There is not one truth in any of this, and above all we are going to have to stick together because we have got our eyes on the prize which is the mission.

So, I will end here and we will look forward to the discussion.

Questions & Answers with Sally Fifer

Q. With the international work that ITVS has been launching which has been so important, has that informed your analysis that possibilities you see internationally in terms of rights and the key challenges you have laid out? [from Cara Mertes, Sundance Institute]

A. [Sally] Yeah, what it has done for us is being able to see some of the key challenges that we face. ITVS is an interesting position as a kind of an interlocutor between independents and public the broadcast system and have both perspectives. And its been interesting for us as that project involved bringing in not only programs of public broadcast but commercial cable entities, and the issue of everyone trying to sort out how to be successful in this next age and having to from the perspective of the broadcaster trying to get to all these audiences on multiple platforms because the literature will say that people will start off watching their HDTV show at home and they will continue on the train with iPod or iPhone, and then during lunch watch it on their computer and we know that is three years or five years away but we know that's what's coming. And so the stresses and strains that public broadcasting is facing and the challenges all these audiences are there with all the commercial entities too. And I think it is helpful to see that...not be isolated from the marketplace and see that that is the challenge that everyone is facing.

Q. I think my question somewhat tags onto to Cara's or at least your response Sally Jo. It's a very illuminating and daunting analysis, and yet what I wonder about is as you did all this have you thought about what is? Any pointers as to what public media or public TV is going to do in terms of leadership? I know that this might be our goal for today but it struck me the absence of concrete pointers at the very end, so maybe you might have one before Pat pulls you off the stage. [from Marco Williams, Tisch School of the Arts]

A. [Sally] There is a bunch of things we are doing. One is putting this survey up. But we have also gone...there is a fellow by the name of Scott Kirsner who is looking at digital distribution for us and doing a number of case studies on what is successful on the ground strategies, and I think there are a lot of transitional strategies that we have. I think what I wanted to say in this large picture is if we don't think that the marketplace is going to penetrate the Internet as it has in broadcast, we are kind of nuts. And the idea of having a public strategy is critical. I think I sort of done a set up for John Boland to talk about what those digital strategies are, but I guess what I am saying is we need them to succeed. And that going to take a portfolio of activities to make that happen and a lot of courage on our part to jump into this digital environment to press congress on net neutrality. I mean its going to take a whole swath of things to try to attack, to have a vibrant public pathway environment. It's such a big question and one that I would love to talk about later.

**Introduction to John Boland, PBS
by Pat Mitchell**

It's a perfect lead to the next conversation. Because if there is going to be a solution, if we are going to find new ways of measuring reach and impact, it is going to be up to public service media in all its formats to take leadership. That is so true when you look at other cultures, when you look around the world...that's where the solutions are coming from and that's where they should come from.

But I clearly have a lot of vested interest in this next conversation because PBS began looking at digital distribution models some time ago. All of the things Sally Jo mentioned her today confounded us and put challenges and barriers in front of us, so I am really eager to hear John Boland's presentation from PBS's new digital strategies, as we look to public service media and all of the players who are in this room to work together to find a solution.

John?

Presentation # 2 **John Boland, PBS**

Thanks Pat, and thanks to Sally Jo for setting things up. And thank you to Alberto and the Knight Foundation, and Pat and the Paley Center for gathering us for these conversations, they are really important.

I guess I will have the new...I guess I have the latest as Pat said. This is obviously a rapidly evolving situation, we all know, and I think we are a little less confounded than we were a couple of years ago, but probably still constantly trying to keep up with the changes. But what I will do is lay out for you the current state of affairs, and really the overriding factor is as PBS and public television more broadly has evolved as the largest home for documentaries in American media landscape over the years since we were founded, and share a common goal with producers in trying to bring it to the widest possible audience, as well as generate support for future productions. What we would like to do is to attempt to play that role in the digital landscape too. And I acknowledge that it has taken us a while to get going and also to become more prominent, but some things are going on behind the scenes but being a membership operation that is owned and operated by 300 member stations and licensees, we really needed to get to the point where the system was asking PBS to take more of a role in helping producers to navigate the digital landscape. We are now very much in the heart of that and interested in extending our public service mission, and advocacy for documentary producers and our commitment to innovate digital platforms.

Documentaries have been a critical part of what PBS offers the public for the forty years we have been around and we would like that to continue because the brand is very much identified with that kind of content. So let's just talk quickly about PBS position on television and then we will move into the digital landscape. PBS is the top TV choice for television documentaries among audiences. We reach 111 million households, which is 100% of the TV households in the country and have an average primetime rating of 1.3 and what I would note about the primetime rating is that I think its actually higher than that, but we have been having such a heck of a time with the new Nielsen encoders, you may have heard about this, but its going to take a year or so before we are really sure where that average primetime rating is. However, even at what I would say is a very conservative 1.3, if you compare PBS with all of the channels that are now in the marketplace offering documentaries, and I have just listed some of the larger ones [referring to slide on PowerPoint presentation] here, you will see that PBS has the greatest reach in terms of the households that are actually available and then also the largest audiences, and its been

important to have lots of other players in the marketplace, but in terms of aggregating significant audience on television most of them are at half or less.

And another thing that is important, one of the reasons there is so much audience is because there is so much content. We field about 10,000 proposals for programs at PBS and as you know we don't have the largest staff in the world, so sometimes it's frustrating, so we try to use the web to help with communications, so out of 10,000 proposals for example, and as you know it takes several years for a proposed program to make it to broadcast, but last year we distributed 3,000 hours of new programming through out television broadcast and of that 840 hours were original documentaries, not repeat documentary films on PBS stations. And if you look at that 3,000 hours more broadly, obviously there is a big hunk of that which is kids programming, and there is a hunk of it that's DIY and there is a hunk of it that's news broadcast, but of that 3,000 hours, 15% is produced solely by documentary filmmakers meaning independent producers. And 76% of the content...if you think of series like *NOVA*, *Nature* and *Frontline*, when we talking about documentaries we are talking about the kind of documentaries you think of as independent that we offer on PBS: *POV* and *Independent Lens* and also freestanding, what we consider history documentaries, nature documentaries, science documentaries just about all of our nonfiction is part of the documentary field. And in addition to reaching a very large audience with a very large quantity of content, we are certainly keeping the bar up there in terms of quality. And it isn't PBS who has won a variety of awards, the producers won these awards and award givers tabulate them for networks, and they even include PBS as a network, and as Pat and I know well it is not, it is a group of stations working together. Last year was a very strong year: 9 Primetime Emmys, 10 News and Documentary Emmys, more than any other network; 8 Peabody awards were given out on June 16; 2 duPont-Columbia awards, 3 IDA, and this is just a partial list.

And then in terms of how the public views public television, and PBS, particularly the PBS brand seems to stand out in my mind, there is a Roper Poll that is done every year, largely around news and public affairs programming, and a lot of our docs are in that area and this is the percent of the public that trusts PBS a great deal vs. not at all or somewhat, but it is obviously the top in terms of trust and if you look further in the survey in terms of quality. The other thing that is interesting is when you look at these numbers, and this is something I discovered from the research department at PBS since I got there—I've been there less than two years—it was even surprising to me, and that is if you look at these numbers, you might say well, yes, but PBS does not have as large an audience or PBS doesn't have as young an audience as these other channels, but in fact if you look at the cable competition—Fox News, CNN, etc.—among 18-49 year olds, in fact PBS is the top choice for news and public affairs programming. So, it's not only the most trusted, but simply because of the size of the audience, you are going to lead in surprising categories, such as 18-49 year olds. And then just to close out the television part of it with a little bit about digital television, and that is that as our stations move to multicasting and move closer to the February 2009 shut off of analog and implement their national cable agreements on a local level, you have multi channel and HD services, we have provided them with a 24/7, what we call nonfiction channel, so you have a lot of documentaries, news and other nonfiction content. And that is a 24/7 service that is fed from PBS that stations can air on one of their digital multicast channels, so it provides another opportunity for documentaries. If you have 840 new hours a year, you know you can't repeat as much as other channels and this provides an opportunity to keep additional audiences to access the content and it will eventually provide opportunities for programs that don't fit on the main service that will be offered on PBS World.

So, if we are the leading distributors of documentaries on television, what PBS wants to become the digital distributor of choice in a documentary digital environment, and I think what is really important, and Sally and I have talked a lot about this, is the impression that is out there in some parts of the documentary filmmaking community, we want to earn this right. We don't feel we are in a position to demand it. I will make the case why I think working together under the PBS brand, documentary content

and documentary filmmakers can stand the best chance of thriving in this very confusing new digital environment, but we are not in the position to say you are with us or else. If there is a great film that we really think we want to offer to PBS audiences on television, and if there are particular rights that are already carved out, or particular rights that a filmmaker simply does not want to release for some of these digital initiatives I am talking about, if we want that film for our audiences on television we will ask very vigorously, we will sell, but we will not keep a great program off the PBS air just because we don't have all the digital rights.

Now, let's just talk about beyond air that is sort of digital. DVDs are digital in terms of the other services we provide on a lot of filmmakers and would like to provide to more filmmakers and producers. That's PBSd and PBSd is the new, since last year, distribution platform, a merger of PBS home entertainment and WGBH Boston entertainment since last year, 2007, and it makes this combined entity PBSd the largest provider of public access content on any platform, and we think it works well to serve all of public televisions producers, in home video, educational, international distribution, and on new digital platforms. We think it can be a win-win for everyone and I will explain a little bit why.

The first part of what PBSd does is very familiar to you. It's not a new digital platform but it does include e-commerce. For e-commerce, for example, whether it's download to own or selling DVDs over the Internet, we deploy a full range of support including paid and national search, affiliate programs, comparison shopping engines, and email marketing, so you can aggregate a lot of tools to support a body of content and a group of producers. And then in terms of catalog, PBS home video catalog goes to 8 million households nine times a year, and our collections catalog goes to 6 million households thirteen times a year. And as you also know, we also tag programs on the air to sell through 800 numbers, and through shoppbs.org and the wgbhcollection.org.

Then we also have wholesale distribution, and when I talk about wholesale distribution, it's basically the way we reach retailers. We get it in store shelves, in other catalogs other than our own catalogs, on e-commerce sites through our relationships with retailers and partners with paramount home video, so we are getting it. These are just examples of [slide] of other retailers in home of home video market, in terms of specialty distributors and retailers and then our biggest help in getting to mass retail is the partnership with Paramount.

And then in terms of the educational market, specifically in terms of this effort, which includes sales by WGBH and PBS, working under joint supervision and some outside contractors, targets educators, librarians, colleges, universities, university staff and professional trainers and it includes an educational catalog, which as you see goes out to 1.1 million four times a year. PBS interestingly, another fact you might now know about the audience, is very heavily skewed towards teachers. We have a lot of teachers in the television audience, and a lot of teachers in the online audience, and a lot of teachers using the services we offer online for professional development as well as for educational resources. We have a special PBS shop for teachers, one million visitors annually. We have a sales force, as I mentioned. We go to more than 75 trade shows a year. We also offer digital files directly to schools, public libraries and statewide consortiums and there is some new work on this, which PBS showcases, called EDCAR—the educational digital asset repository. That's a concept where we are going to try and aggregate all of the educational resources, both national programs and pieces of content that teachers use that are not full programs, but are generated at local stations. A lot of our stations, particularly the state networks, have very strong educational missions and have deep relationships with their state board of education and state superintendent of schools. And therefore we are trying to find a way to seamlessly and virtually link all that together, particularly for the convenience of teachers without having to take everyone's content to one central place and encode it and store it all on the same servers.

And also the merger with WGBH around home video brought us into the national market. WGBH has been in this business, licensed public media and independently produced content. Our main focus is sales, pre-sales and co-productions. We also license programs to education and educational distributors.

So, that's really what you might call the traditional part of the distribution model. And, moving onto the broadcast portion, that traditional part is obviously changing. E-commerce is becoming important. Gradually download to own is important and home video—that business is evolving. But, it's not as far into the digital realm as pbs.org or some of the partners that we are syndicated with. The important thing to know about PBS.org is that we are changing a lot this year. One of the things that has frustrated all of us is that pbs.org, until recently, has not been much of a video website, other than the great pioneering work of series like *Frontline*, particularly *Frontline*, like David taking the lead and pushing a lot of content out online and making it available all the time streaming to broad audiences. As a system, frankly we haven't embraced that and haven't embraced it quickly enough. That's changing very rapidly this year because we have made decisions about and investment in a new platform. So, by the end of the year we should have a public broadcasting video player on all of our station websites, and on pbs.org for producers and we will exponentially increase the amount of video that we are streaming online and making available to the public, and really expand that library. The reason we could not do that up until this point, was not that we couldn't get a video player—of course, you can get a video player. A video player doesn't do you much good unless you are streaming a fairly small amount of video, without the infrastructure to support it and so what we have needed to invest in this year is an asset management and a system of rights management, a content management system and all of the underpinnings that need to be in place to really stream a very large volume of video. And we are on our way to that right now. And the other thing that is important here about streaming is that we are talking about an aggregation strategy, so that people can find a lot of content at pbs.org and at a lot of the producers' sites at pbs.org, but in this changing environment, you also have to have a distribution strategy and it's actually the distribution strategy vs. the aggregation strategy that happens to be the hot thing online this year. So building relationships through PBS that have scale with some of these distributors have really taken off this year. We are adding new contracts on nearly a monthly basis as more distributors come onboard. And what is interesting about this, is that the distributors want to work with PBS and they want to provide a PBS-branded storefront on these sites, for a number of reasons. One, it helps consumers find the kind of content they are looking for. If you think back to television, if there are more documentaries on PBS than on any other channels, and more quality and more audience, then you know that the public television brand is very identified with documentaries, so you know that people will go to one of these very large confusing sites, if there is a PBS-branded channel, they know they can find the content they are looking for. Yet, you might have experienced this, a lot of distributors and aggregators in their own right do now want to work with individual producers. They don't have the bandwidth to deal with thousands of producers the way they do with thousands of user-generated content providers because there is a lot more to the relationship, so they would prefer a PBS or another entity to serve as an intermediary and to bring in a large volume of content where a lot of the backend work is done in terms of the relationship, the encoding of the content, the delivery of the content, the assurances that the rights are clear.

So, when I say we want to earn the right, I think back to my time at KQED in San Francisco, where years ago it seems, I was negotiating for two years with Comcast to try to get carriage of KQED services, both HD and multicast services and this was an agreement with cable television, and a situation where we knew the analog shutoff was years away and we knew the FCC was not going to provide must carry, so the cable provider must carry our analog television services, they were under no obligation to pick up KQED World, KQED Life, or KQED Kids, so we developed the term around the industry of 'want to carry' and that is a very similar situation to what we have with independent producers in this digital environment. We want to earn want to carry rights and we believe that there are reasons why that makes sense for producers. One is curation: you have the most trusted public institution. We provide a multitude of distribution options and we are expanding that all the time, and we are trying very hard to keep up with

the changes in the marketplace. And the content is of a different caliber than much of what is on these sites of user-generated content. Yet, it's very good for all of us that the trend this year for video online is towards two things: one, professionally produced content rather than user-generated, and longer form. So, if you talk to the folks at iTunes or YouTube, there is more demand for professionally generated content, it is growing faster than the demand for user-generated—there is still tons of user-generated and their will continue to be. And people are watching video longer online. And the reason for this is, and I have experienced this myself. I have an iMac at home, and frankly you can... and I have a chair positioned in the office, and I have an iMac over there and a TV over there, and you can, and if I want to watch something online and I don't want to lean in, I just turn the chair and watch it on TV. It just happens to be on a Macintosh screen, streaming off of PBS.org. I think the more of that that happens, frankly the better for us in terms of professional content from producers. We also have capacity—even though we are stretched, we are not as stretched as an independent producer. We have a staff working on it and a back end infrastructure, and part of that infrastructure I was talking about for PBS.org to exponentially increase its video is a system that will allow us to automate the coding and distribution of programs to all of those providers that were listed there, so that if a documentary has certain rights cleared we would know what rights are cleared in the database. If it tended to go to iTunes after a month to own, but it's going to PBS channel to be screened free by the audience or maybe just a part of the film that is going to be free, that can all be automated in the system we are putting in place, so that automatically the coding of the data on that piece of content will instruct the system how to code it, because if you have done any of this you know all of these folks have different specs for their coding. So right now we are doing, what I would call, tremendous amounts of handwork, or producers are being asked to do this handwork, of making this version for iTunes, and this version for YouTube. What will happen in the future, after this year-end is we will get one file from producers and that file will be used for broadcast and all of these distribution channels will be done at PBS and automated. And that way, the producers can focus on creating content. And the other thing, we can negotiate favorable terms. Every deal is different obviously, and you know there are more established parameters and practices in more traditional home video, educational and international markets; it's a little bit of the wild, wild West in terms of these digital distribution platforms. What we have been able to do is to standardize what PBS is seeking from each of the distributors in terms of our producers, in terms of not interrupting the program, in terms of ruling out certain types of advertising, because obviously these sites make their money advertising. And there is a net return that comes back to the distributor for their share after costs are removed of the advertising that might appear around our content. And our basic is a 50/50 split of that with the producer, so trying to also return funds to the producer. The other thing that is important to hear. We provide, if you look at that list of broadcaster and cable channels that carry documentary content, in addition to the volume and the audience and the quality level, we are also the only one on that list with 350 stations in every community in the US, and I know that is something where documentary producers have great advantage in trying to give those films legs in the community and actually have an impact on the real lives of people, and that is another thing that PBS brings to the party. And, it can be leveraged to the advantage of the filmmaker and the result.

And the only other thing I would like to mention in closing, and we are running over schedule, so maybe we have time for one or two questions, is that Regis McKenna was certainly one of the big thinkers in Silicon Valley when I was at KQED, and particularly in the communications and marketing area, he came to KQED when we were doing this planning, and he was looking forward to this time, and he had a lot of it right in terms of consumers taking control of their use of media and taking control of their relationship with media. He basically said choice trumps brand. And I thought that doesn't sound real good, that sounds confusing, and the fact is he was right. Choice and convenience have become incredibly important, in fact, paramount in this new media environment. But it has also made it very confusing for consumers, so even though choice and convenience are very important for consumers of media, brand really matters. If it is a well-known, trusted brand, it really makes a difference in helping people navigate this marketplace, so I think we are saying is that working together we can really help consumers find the

content they are looking for and give them the choice and convenience they are looking for and we are going to try to do this the way we do in public broadcasting which is a collective, collaborative, trying to convince everyone to join in because I think working together we can become more powerful in this environment than we can by each going out and working individually. We are definitely looking to do that, looking to constantly change, be as flexible as possible and make money.

**Introduction to Rick Allen, SnagFilms
by Pat Mitchell**

What we have done this morning so far is set up the media landscape and we've looked at it from the point of view of the public service media primarily, as well as the point of view of independent documentary filmmakers and funders, and how do we get those....the content resulting with the largest reach and impact.

We now need to flip it just a little bit and look at the other side, because as Sally Jo and John and everyone have already indicated and all of you know so well, we also need the commercial marketplace to respond. We need to figure out the digital revenues that follow digital distribution or none of us are going to be able to sustain what it is we are doing, so throughout this doc forum we have invited representatives from all different perspectives to share their thinking on this subject with us.

From the beginning, Ted Leonsis and his partner Rick Allen have been talking to us about their concept for video online and in particular the distribution of documentaries online and ways to create community, so today we have an update on that from Rick Allen. Ted couldn't be with us, but Rick, along with Stephanie, is running what was first presented to us as True Stories, but is now SnagFilms.

So, Rick, if you come forward and take us to where we are all going to make money doing this, right, as well as increasing our reach and impact.

**Presentation # 3
Rick Allen, SnagFilms**

Thanks Pat, and the Paley Center and to Alberto and the Knight for what is, for us, the third in a series of opportunities to consider a world that we find invigorating and challenging all at the same time.

As Pat said, Ted Leonsis and I really came to this effort from the filmmaking side. I had been involved at National Geographic and at Discovery with independent films, particularly documentaries and Ted was the producer of *Nanking* which came out in 2006, which was a highly acclaimed documentary and we both got involved in a film we took to Sundance and to Tribeca this year called *Kicking It*, which gave us an interesting view of the changing landscape for documentary films. And our conclusion from that was that there were wonderful filmmakers, great numbers of highly qualified films, the problem wasn't demand, the public wanted high quality information and entertainment, it was being provided in ever increasing numbers by these filmmakers, but what was broken was the link between the audience and the content producer.

And Pat referenced this bottleneck issue [Slide 1] and this was Ted's original slide in our first meeting. 9,000 films submitted to Sundance in 2008; it was 6,000 in 2007, so you can see where the numbers are going, ever increasing number of independent films submitted. Very small number accepted, 38 of them

documentaries. *Kicking It* was one of the seven that got distribution deals, and in fact we got multiple distribution deals, we were the big winner in traditional parlance, but in fact winning in terms of getting traditional distribution contracts, as Pat referenced in her opener, is really just the opening, as the folks in this office know well, and the beginning of a process that takes you through a very tight funnel to reach your audience. That audience is absolutely enormous: there are a billion people on the Internet now, estimated there will be a 1.5 billion on high-speed connections in the next two years. We may get there even faster.

[Slide 2] So the real question is how do you get the work of great filmmakers to the potential audience the most facile manner? The answer is we believe is the Web. Not exclusively, but certainly as an element in distribution approach of other filmmakers and other rights holders, and its interesting to follow Sally Jo and John in this respect as a number of things that each of them said will echo through this presentation. As we discussed, we are in a niche industry and there are many dynamics in the web world that are particularly effective in terms of a distribution system over the traditional models.

We believe the web 3.0 is really the community aspects of web 2.0 with professional generated content, not user-generated content. And the web does indicate, as John said, viewers on the web are becoming increasingly interested in stepping up in quality from user-generated content to professional content. So our model, and the web itself allows for a new revenue source for rights holders, takes away the difficulties of what are shelf space in any bricks and mortar approach to distribution—think movie theaters, but also the limitations that traditional television face in a 24/7 wheel. It is also the perfect medium to deal with a niche product, to go after that center of the most passionate potential audience, and grow out because of the lack of shelf space to a very broad audience. For us, in thinking about this process, it was also important for us to determine what you make available for the audience after you have engaged them in the content. We felt the key to our efforts was to be able to provide opportunities for audiences to do something, whether its donate to a charity, get active on the issues spotlighted on the film, get engaged in the community working on these issues, volunteer time and effort or to learn more—that that was an important part of the communication process. So everything we were looking at was not only providing the content, but providing that back end loop. And to give people greater choice. From a lot of the discussion today, we are huge believers in choice and where other forms of transition of content to the audience, such as DVD, we want to make that accessible. It's not something we are going to do, we are not going to become DVD distributors. We want to be able to provide for other filmmakers and other rights holders with whom we work the opportunity...so when an audience decides I want to own that product, we want to make it possible.

[Slide 3] So, SnagFilms is using all of the new tools available on the web for a series of stakeholders, and our stakeholders are audiences, in this country and around the world, independent filmmakers, and advertisers, to make the connections among these groups as frictionless as possible as the web uniquely allows. And, because we believe that nonfiction films, particularly documentaries, and particularly social-change films, are the badges of expression on the part of individuals, they define who they are and what they believe in and that is important for them in terms of self-definition but also in terms of how they share with their friends and others their beliefs and interests. We want to make that possible.

[slide 5] We intend to take it to scale, and to scale rapidly. To give you a benchmark, there are relatively few, about 40,000, theaters in the country that show independent films and documentaries on their screens. We are aiming at surpassing that very quickly by having a million of what we describe as virtual movie theaters launched in a two-year period. Now I will describe what that means in a minute.

With me is my colleague Stephanie Sharis, who is general manager of AOL True Stories, and we will talk in a few minutes about the transition of AOL to SnagFilms. But here are the essential elements of what we are providing. We will be launching near the end of June: full films, the opportunity for individuals to

experience the content completely, free to consumers, on an ad-supported basis with the revenues from that industry and advertising split with the filmmakers and the rights owners. We are building a very large library. It is extremely important that it is easy to search. John spoke just a moment ago about the flipside of choice, which is of course confusion. We want to provide a range of ways, whether it's searching by filmmaker, searching by category, searching by the aggregators, such as PBS to provide a variety of ways for individuals to find great films, but we think one of the easiest ways is to make it free so that sampling becomes something that is frictionless. We are wrapping the films themselves with the best of collateral material such as news about the films themselves, logs and reviews are most importantly, we are moving away from the old web model that is portal-centric—come to me, come see what I have to offer where I am, to a model that is massively distributed through widgets, which are software applications that I will show you in a minutes, that allow you to take the viewing opportunity to see that content, you are not taking the content, because you are streaming, not downloading. But to be able to view that content anywhere on the web: on blogs, on organization pages, on individual network pages, such as MySpace and Facebook, and then to provide that backend that I spoke about to communities with causes and concerns, which really are the subject matter for a many of the greatest documentaries.

[slide 7] We are focusing on nonfiction films; we are putting a emphasis on professional quality and going after what we believe to be the highest quality of films available. A very wide range of categories, more than are indicated on this slide, but you can imagine a range that goes from politics, environment, sports, music, science and nature, etc., the full range of topics covered by non-fiction filmmakers. We will have even at launch about 200 films available, a number of highly recognizable titles. The reasons we got into this opportunity was because of the perception of the bottleneck that was on the first slide that I showed. And when you believe that that the problem, and when you believe that there is quality content out there, and a passionate audience on the other interested in receiving it, then the real focus for us has been to try to make that content available that does not have a home elsewhere. So you will find on SnagFilms, films that have not been able to break through that bottleneck, that have not been able to find traditional distribution. There will be those in the midst of traditional distribution, and we will work with them on the window strategy, and we will also have what is described as long tail—films that might have gone through traditional distribution at one point in time, they are out of it now, but the films themselves are evergreen in quality and they appeal and are still of interest to an audience, it just doesn't make sense for traditional broadcasting to continue to offer that title.

There are a couple of principal building blocks for what we are providing. The service that Stephanie built up with AOL is more than a year old, it is an ad-supported portal model; it provides full-length films as well as extended excerpts, 20-25 minutes in length; it also provides related material. We are enhancing that, we are re-branding the site and we will be re-launching it near the end of June.

We are retaining our sort of nesting in AOL for a couple of reasons: AOL provides a huge promotional vehicle and as has been discussed the niche nature of documentary films and in particular the niche nature of individual films to break through what Sally Jo described as the glut of content, needs a promotional light shined upon it. Also, when you are providing something free to consumers and your revenue model turns on advertising, being plugged into a very large ad sales machinery is a huge advantage and AOL provides that for us.

Secondly, the widgets that I am going to demonstrate in a minute are tremendously facile tools. Users can select the films they want to take with them; we can deliver it anywhere on the web, and we can program that so that we can change out films wherever the virtual movie theater resides on whatever frequency the user desires and we can also tell advertisers where their message is being delivered: 30% of it was on social network sites; 20% on blogs, whatever the range is. We will be providing these virtual movie theaters for every film in our library, an individual film widget and also multiple titles, either on a category basis. If you are writing for Huffington Post about politics, you might want all of the category

films in the library to offer to visitors of Huffington Post. Multiplexes are the same concept. You might be interested in having four films that have great appeal for you and define who you are and they may be across a range of categories and they can be taken and viewed anywhere on the web.

[slide 9] So, this overly complicated diagram shows that you have got filmmakers, advertisers and aggregators providing content to SnagFilms.com and by virtue of widgets, whether its multiple titles or a single film title, consumers, bloggers, folks in the film industry and syndication partners will take those widgets and embed them anywhere, whether it's a blog page, a social network page, an individual website, or a social-issues website, and so rather than saying to people you have got to come to our box, we are saying to folks you can go anywhere and from here, go anywhere else in an infinite distribution potential.

[slide 10] So, here is a single film widget. This is an earlier design of what the widget will look like but the basic elements will be true at launch. For our film *Kicking It*, large image from the film, more buttons in the bottom left allows you to see the trailer, to find out more about the homeless world cup and homelessness as an issue, to become engaged through global giving in this incidence for donation opportunities and engagement opportunities. The Watch Now button pops up a full screen, near HD quality, latest generation from AOL, flash, you don't have to download any software, you don't have to wait, it's streamed, it begins immediately and it is available for free. And this Snag button in the bottom right—I will show you how that works—but that is the function that allows you to take this widget and to put it onto any page on the web.

This is category widget, Politics, its loaded with our various films. When you move the cursor across the film poster and image, the Watch button pops up, that is your opportunity to pop up the video player and watch the movie. The information button obviously points to the greater depth I indicated. You've got the capacity to go back to the library and look at all films, and Snagging to take it with you, and by tagging in either direction, you scroll through all of the films available on that widget.

[Slide 12] This is again not a final iteration of our homepage, but gives you a sense of how this will be presented at SnagFilms.com. A couple of things that I want to mention: The four icons at the top are the essence of what we are providing. Find is the opportunity through a very deep library of films to locate the greatest of content easily accessible. Watch is the streaming, view for free, immediately. Snag is the sharing function. Support is the backend engagement.

You see two widgets featured here above the fold and the right rail has a series of widgets available. They will be showing what are the top audience picks as well as our curated top preferred titles. Headline news from the independent sector from IndieWire and other partners; our blog entries; viewer commentary; broad list of blogs in a blog roll about independent films.

[Slide 13] Each one of the films will have its own subpage, which will crate for the filmmaker a link back to their individual film page, if they have them. The film will be loaded in the video player as well right at the top of the film page, but also into a widget so that it's immediately capable of being shared. And then we have got a synopsis of the film, and an iconic film image, a blog strip where bloggers have written wherever on the web about that film—we will pull that forward. We also have from IndieWire what IndieWire has written about that individual films and user comments on the individual film. The support tab, which will be different for each film and there may be some films that don't have social issues attached to them, but most of our films will, and this allows you to take whatever activism the filmmaker believes is most appropriate for their film. We are also arranging with Global Giving and also with others the opportunity where filmmakers don't have a direct relationship with the charity or an issues community to become more broadly involved, for example if this issue is the environment we have a wider range of engagement options, and a whole series of other issues to be taken.

So, just to review some of these elements are being presented by other out on the web, we are not aware of any one who puts together the same kind of package. The first and preeminent concern is to make it easy for consumers. I think the history of the web, and certainly the trending of the web, we believe that streaming is absolutely the preferred way to deliver content and we think that free is the expectation of the audience. By allowing those four verbs to flourish we think that we will really serve the audiences needs with an awful lot of films, significant volume of the highest quality and continue to amplify on our relationships with the stakeholders who are well represented within this room. We also think the relationship with AOL is a distinct advantage for promotion and for organization as I mentioned. And what is really unique about this offer is the whole notion of being able to take the content and view it anywhere.

So, let me show you how that works, we are going to go online here to a prototype, this is not the final site design [followed by demo of site using his Facebook homepage to demonstrate snagging functionality]. And the snagging functionality is also live, meaning that when David Haas wants to put it on his MySpace page he can take it from my page and move it onto his.

Now, the asset resides on our servers, so this is not a downloaded piece of content being controlled by the individual user, because in fact it resides with us. And the call comes from the widget to populate the player, which gives a greater degree of control over that content asset, but in terms of its delivery location, you no longer have what Ted Leonsis has characterized as the fairly rude proposition of if you want to see this you have to come to me, but in fact you are saying I believe so strongly in this, I want you to take it with you, I want you to share it with your friends, and so the reach and amplification of the message is enormous.

Being mindful of our time, let me stop there. I will let Pat decide if I take questions now or later, but I thank you for your attention.

Questions & Answers after Rick Allen Presentation *(with Introduction by Pat Mitchell)*

I'm going to ask our first three presenters to come back up and join us: Sally Jo, Rick, John because we are now going to start a conversation before we move on to the next two presentations. We are going to have discussion time. Do we still have anyone on the phones with us?

[Alberto] Yes, I'm still here.

[Pat] Alberto, have you been able to hear us all right this morning?

[Alberto] Yes, I heard the whole thing. I gong to have to skip out for 15 minutes, but I heard everything up till now and I appreciate it very much.

[Pat] Good, I think we got a lot of information in front of us, and we are going to take a few minutes, about ten or fifteen minutes for conversation, and then we have two more presentations which will start in about fifteen minutes.

[Alberto] I thought it was fascinating to hear it all; the PBS part and also the concept that Snag has of letting people take content and making it as if it was theirs. It's so different from what we used to do.

[Pat] And Rick says there is going to be iteration four and five coming out before they even launch, and that wizard of technology. We are hearing from Alberto, who is chairman of the Knight Foundation as all of you know and was really the big thinker behind this documentary forum, the series of meetings, and I hope that Alberto you agree that at this third meeting we have come a long way.

[Alberto] We sure have. I really do appreciate it; I wish I could be there. I'm just having a lot of fun and really interested in hearing all of the reports, which I have heard everything, so thanks and let me not interrupt the meeting.

[Pat] Thank you very much for being with us.

It is true that when we started out this conversation that the challenges were the first things we looked at. It's hard to get people to collaborate; how do you get some sort of collaboration between the nonprofit and for-profit worlds; how do you do all of this in a way that helps filmmakers and creates revenue and no matter where we are talking about, we know we have to keep the funds coming in to create the work and then make sure the works gets seen, so a lot of ideas I'm sure now will follow from these conversations.

Come forward John, Rick and Sally Jo. I'll moderate the questions so we can move as quickly through this and get as many questions as possible.

(Present on stage: Sally Fifer; Rick Allen; John Boland)

Q. A slight piece of self-promotion before I ask Rick a question. I wanted to let you know, those of you in public media, that we developed the *Frontline* video player that PBS is going to be using, and we've done a number of applications based on that. But the new iteration of the video player, I suggest you go to *Frontline* and take a look at it; it's a very good high-quality which bumps up to a full screen very easy; runs immediate. We have a terrific application of it that is used on the *Bush's War* site. By the way *Bush's War* has had 4.5 million video views so far, so something profound is happening in that space. Secondly, annotated video timeline that takes 175 video clips, three to four minutes long, and annotates them along a chronology—all of which plays with related interviews and materials. Take a look at it because it's a whole new application of the video player to the back end, in terms of journalism. Finally, there are two other applications that we are developing, and this is all open source; we are doing this for public media. One is an embeddable player, which means you can very easily drop it into print, and the third is one that precisely Rick has been talking about. We call it our affiliate player. And the affiliate player is my theory is something that we should be able to stick to every lamppost in town that we should be able to have public media playing. John and I talked about this, the idea being that a related site, say washingtonpost.com can put the documentary up as a widget on their own site with an invitation to view and behind that a whole menu of films that are applicable. When it plays, it jumps out into a frame that is public broadcasting, PBS, and is also a *Frontline*, so it has got that identity. It plays off the PBS server. We do not invade the commercial space, so in other words, whatever commercial space is there we run right into all of the rights questions which all of you know about and which is actually my turn to Rick's questions, which is the filmmakers, the owners rights, the materials—are you going to be paying filmmakers to hold their material, or will they be earning money off the backend firstly, and secondly what about the Internet rights clearances. What about people who have essentially cleared for public media as opposed to commercial media rights? **[From David Fanning, *Frontline*]**

A. **[Rick Allen, SnagFilms]** We are splitting the revenue with rights holders, so there is no acquisition fee on front end; its a 50/50 split as ad revenue are received from that in-stream advertising. With respect to rights, that's a very thorny issue and we are looking to the rights owners to have cleared their rights. We are also looking to get a blanket E&O policy that may make it easier for undistributed filmmakers to receive coverage and to help with rights issues. There are certain PBS programs that have been cleared for those uses

A. **[John Boland]** Yeah, and it's a little bit confusing about whose right it is, because it's not the same as commercial broadcast rights and it's not governed by the FCC in the same way. I'm not the best person to ask about a specific rights question, but a lot of PBS content is eligible because

of the Internet rights that have been cleared to be on these sites. And of course PBS content on YouTube or other sites that carry advertising—that's the deal I spoke about, it would be the same as on SnagFilms—whatever comes back to PBS as the aggregator and the deliverer of this body of content would be split 50/50 with the filmmaker. Then obviously, filmmakers who make their own deal directly with one of those distributors would be keeping the whole 50% for themselves. It's just that it is difficult for individual filmmakers to make those types of deals. I don't think it is the same as broadcast, I think you actually... on the Internet, we can actually place advertising in front of film, I think, in a way that we cannot on air.

Q. My question is for Snag. First of all the revenue split is based on when a consumer chooses to view or stream that film and there is a site wide advertising that is connected to that particular stream?

A. [Rick] There is advertising that is streamed with the film and that is what is being split.

Q. And the follow-up, which is related is you seem to have a particular interest in political films, among others. But it was the first thing on the list. Have you had any evidence about whether, from the True Stories experience, or your preliminary negotiations about whether advertisers are going to be a bottleneck on political content?

A. [Rick Allen] It's a great question. We do have a year's experience with AOL True Stories where those issues have not arisen. I would not say that that's necessarily an indication that that will be the case forever or for all advertisers. The question was asked at the break about excluded categories. We are excluding from our site, the categories that PBS generally requires—firearms, pornography, cigarettes, and smoking, etc. There may also be other circumstances where advertisers will opt out of a category or where a filmmaker will tell us that certain advertising is inappropriate in connection with a particular film. So, those are also possible. So we think—this is also—like many things about this brave new world that we are all entering. You can make hypothesis, you can only prove it out by actually being out there and seeing how individuals react and how advertisers react. Our belief is that demographics of people who are interested in nonfiction filmmaking of the highest quality makes that audience very desirable. They are discriminating in the sense of making independent judgments, they are passionate and engaged about the material, so from an advertisers perspective that is an audience you want to get the opportunity to put your message in front of. Democracy comes with great risk and when films with a strong point of view, which will be most of our films, are offered, it may well be that some advertisers determine that that is an environment that they want to participate in, meaning more will and one of the advantages of the AOL affiliation is they have this gigantic fire hose, so it takes a relatively small portion of their advertisers pool to be able to fully monetize our traffic in ways that a new entrant of almost any size wouldn't be able to have that kind of ad sales possibility to work off of, so the issues that you are spotlighting as potential questions would be a lot more problematic for folks who have to create their own ad sales and carve their own way.

Q. I have a question I guess for PBS. Is it only home video, or how does the educational market fit into this? Are you still going to two-tier the prices for education? What about educational distributors? I know, last year at the new day meeting, they were all feeling a little upset about Renew Media's efforts to do a similar thing to what you are doing. Has that moved forward?

A. [John Boland] I can't tell you anything about pricing because I'm not that familiar with it. But in terms of educational, if a filmmaker comes in and has an educational distributor and that right is

carved out, it doesn't mean we will decline to air the film. What I gave you was the menu of all the distribution services that PBS has, so between PBS and what was WGBH Home Video being merged there are all of those services available including educational distribution, but, and we'd love it if most of the docs appearing on PBS are taking advantage of most of the services because we feel there is scale there and everyone is taking advantage of the fact that we have a sales force, but we also understand that filmmakers have long relationships with other distributors and will honor those. Yes, we are doing it and have been doing it.

Q. You were saying about the advertising with the films—that you are going to—that's not an AOL model to cut away to cut away to a commercial every 8 mins during a film? [from Winifred Scherrer, Bullfrog Films]

A [Rick Allen] The question was posed during the break about ad frequency. And that is something frankly that we are going to be experimenting with. The tradeoff is pretty clear: the more ads you can serve the greater the revenue stream to share with the rights holders. So, I think each of us... is an incentive in one direction. You have coming in the other direction, the audience's willingness to see advertising and interest in advertising and the interruption to the film experience. And I think the only way you can calibrate that is with experience, and I don't know where that will end up, even ideally. I would say that AOL has in general in TrueStories has followed the model of the 15-second ad roughly every 8 minutes with selection determined by the filmmaker for where the commercial break should occur. We won't be any more frequent than that; we may be less frequent than that, and we're picking 15-second ads directly very directly and not aggregating them when they do occur mid-roll. Unlike television, where a commercial break is four-to-six minutes we found that 15 seconds is palatable for an audience and does not interrupt the film experience in any way that causes audience dissatisfaction. We will see where that plays out, it will be somewhere between just pre- and post-roll and mid-roll insertions on that frequency.

The ads follow the widgets because that is what pays for the streaming as well as to return revenue to the rights holders. Wherever the widget is, the ads will follow. They only follow, as referenced earlier, when the film is streamed, so that the individual user made a determination that they would like to see a piece of content for free and the trade off for them is to see content for free, you see is 15-second ad. Again, there has been no demonstration that this is a different proposition for an audience to understand and the trade off is pretty good when you are getting the content for free.

Q. Speaking as a sales agent and also as a filmmaker, there are a lot of things that we are facing, filmmakers are asking us about and in representing them well, so I am just going to mention a list of things that we are dealing with and then you can determine which you want to respond to. One of them is...because there is a lot of them, and I don't know how much time we have, so I am going to throw all the questions and we will decide which ones to answer.

- **Gathering of email addresses is very important for filmmakers for future work, and that is something we would like to know about, if they have the email addresses of everyone who signs up for their film?**
- **Also, because it's a new media in terms of out clauses, is there a way to get out of this after 6 months if they find it is not really working for them or whatever that period of time is?**
- **E&O insurance is important too, we brought that up. Whether you are giving advances or not, E&O is quite expensive and will you provide that or not insist that they have it if they tell you have their release and clearances?**

- Advances—are you going to be providing an advance or not?
- Revenues—you are saying splitting with filmmakers. What is net % of revenues to filmmakers?
- In terms of non-exclusivity vs. exclusivity and reporting is important too?
- And the different price points in terms of individuals vs. educational?

So there is a lot of questions. [from Diana Holtzberg, Film Transit International]

- A. [John Boland] Not all questions apply. We are in the infancy in terms of volume and also in terms of commercial benefit. It's also good to address that because David brought it up. And that is the difference between a pbs.org and streaming on pbs.org and streaming through PBS on one of the syndication sites, like YouTube or Snag.

On PBS, what we are essentially trying to do where we can control it, and obviously there is less control in a situation than when you are syndicating out, but in a situation like pbs.org, even though what I mentioned when David raised the question we are not under the kinds of rules and regulations as we are on the air with FCC, we are trying to the best of our ability to carry forward the look, feel, spirit of public media online, as we have on the air, so you will notice there is not a lot of sponsorship on pbs.org. PBS recently approved some guidelines allowing us to increase the amount of underwriting online, and those guidelines regulate the kinds of thing you can say, the size, and where it is placed on the page, etc., to try to make it not as obtrusive as some of the advertising is on other sites, but this is experimental now. We are going to be experimenting with trying to generate revenue on pbs.org and to allow on-air underwriters of programs on the air to have more of a presence on pbs.org. So there we are trying very carefully to modulate and move forward in baby steps. When we syndicate content out, we have tried to place parameters on it. So, on all of the deals that PBS has done with all of those individual sites that are syndicating and distributing content, we do not allow the program to be interrupted by a roll. Obviously, they are going to use pre-rolls and post-rolls and there is going to be advertising will be sold around content because that's how the syndicators are making their money and that's how the 50% of the net which in this case is PBS who is returning it to the filmmakers. But we have, as Rick mentioned, in all of our deals, we have excluded categories of advertising, we will not make a deal where content can be interrupted, and that's not the norm, that's not the deal that other distributors are getting, of course they interrupt the program anyway, and there are parameters we put on it in terms of the costs that can be deducted. We try to make the deal as uniform as possible for the filmmakers. Does that answer your question?

[inaudible response]

[John] Those are specific questions that probably vary from distributor to distributor, and I don't know there would be an opt-out after six months. First of all, all of these deals are non-exclusive, so we have moved from a period where it looked like the world would be more aggregation, and we were trying to have PBS content that is available, or PBS on the air that is just available on PBS.org. We really need to follow what the consumer is telling us and obviously what the consumer is telling us is that they want to be able to get this content in lots of other places, and they want to be able to share this content and distribute it themselves. There are definitely opt-outs; I'm thinking it will more likely be a year than six months, but if you all grab this handout outside, there are the numbers and names of people who can answer those kinds of specific questions much better than I can.

- A. **[Rick]** I'll say two things. The first is rickallen@snagfilms.com, so send me the list and I will respond to them. Let me just mention one thing which is E&O. It is a big thing. The films we are going to launch will have E&O insurance, and that is an easier starting point for us. We realize that many of the films we seek to represent may not have E&O coverage or E&O coverage may have expired, and we are working with an insurance carrier to provide blanket insurance to make that available to individual filmmakers. That's not fully baked yet, but we are working really hard to make that possible. And it is clearly the case, from the carrier's perspective, that filmmakers who have taken the steps to clear their rights is a huge step in the right direction to be able to secure insurance at group rates that is far less significant than individuals would face.

We are trying to work through those details, and what is most likely to occur is that we are going to advance that money and take it out of revenues and first position, so that people don't have to come out of pocket. We are trying to avoid that circumstance wherever we can, and again I want to be extremely frank and transparent but I don't have the answer to some of these things yet.

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- Q. **I do find the presentation this morning very fascinating just to contrast PBS in terms of the different models. I want to address this to you Sally in terms of ITVS, and not necessarily in terms of a filmmaker, but because I'm on the program as an educator. It does strike me that you are, you Sally Jo being Executive Director of ITVS, that ITVS is a revenue source for filmmakers. But as the filmmakers know, you actually represent licensing agreements. I wonder if the model is going to be that the licensing agreement is going to begin to incorporate all these other distribution models? Currently, the licensing agreement is three years or four plays or seven years/whatever plays or whatever the mechanics are for broadcast, and the filmmakers must take it or leave it—this is the standard. We are told this is the standard from PBS, we are told this is the standard from CPB and we take it or leave it. Do you have a sense, because it seems that ITVS is moving increasingly towards an awareness or a need to be guardians of distribution as well as production—that you are going to require of the filmmakers a certain standard contract relative to new media/Internet distribution? [from Marco Williams, Tisch School of the Arts]**

- A. **[Sally]** A lot of great questions, and actually Diana you had great questions. Those are the things we have to go and get answers for. Where we are at this stage of the game is filmmakers have to weigh the cost benefit analysis of trying some new things in digital distribution. As you can see from the survey is really not there yet, people aren't making money from digital downloads. Common sense tells us we have had this elite force of educational distributors going and finding audiences and bringing home dollars—if we go online it's pennies, and it's really for the aggregator but is it good for artist when it is pennies for them? It would only be good enough if its enough exponentially grab these niche audiences so those could add up—we are not there yet. We have got to partner on the super highway or we are not going to make it, because clearly the kind of media we have is not a level playing field and we don't have the kind of marketing dollars that commercial entities does have.

To answer your question, ITVS does see itself in a place right now where we have to increase knowledge to our filmmakers and to advance dollars to do this kind of experimentation online, so we have been offering some advances, paying for E&O insurance, paying for helping buy the 3rd party rights to do some kind of trial experimentation on these digital platforms, and also I think there is a moment, and part of why I had the slide: if, when, and how thing—when is the moment when we break in and try something without letting go of these traditional stream of incomes. What we have tried about six months ago was the first version of True Stories was taking three

films of twenty minute streaming—Tom Sheppard was one of the films, I forget the others—but what we found was that that enhanced DVD sales the first weekend the first weekend when up streaming, the first weekend of the Virginia Tech shooting, so Tom was happy with that experiment. But it's trying to finagle and work these deals, which are going have to be really customized. The hybrid model of working with different partners. ITVS, we don't have a tremendous amount of resources, and we also have people from the survey saying don't ask us to do a bunch of multiplatform stuff, but we have got to

[Interrupted by inaudible audience responses]

[Sally]...not without us paying for it.

**Introduction to Participant Media,
by Pat Mitchell**

These are the kinds of questions that should be handled independently with ITVS, because it is a direct and personal question related to their licensing agreements. Well, and here is what I would like to propose because we have two presenters who need to propose and leave, and because we have a time limit on today's activities given everyone's travel arrangements, could we hold those type of questions—and I agree, it has very broad implications for public service media—could we hold them till the end?

Because where I thought Sally put us again, interestingly enough, is articulated why we presented what we have presented this morning which are that there are two different approaches...at least maybe a 100 more that filmmakers and funders are going to be looking at as options as they go forward. And what we are hoping is that instead of raising the same questions that those of us who have been in this landscape for a long time have been hearing for 30 years that we come to some new answers, that we come to see new ways forward and it is going to mean as Sally just suggested, some sort of hybrid, some sort of new form of collaboration and obviously some sort of testing and piloting of what's going to work for the filmmaker, what's going to bring funding back into this system that we can keep the creative product going forward. Can we take the next two presenters and then come back to these very specific and very important questions for the people here. Okay? Okay, great.

Because we also have another twist on the landscape, which is going to add, I think, more context to your questions, from Participant Media, and the two people making the presentation today. Let me tell you who they are.

Fonda Berosini is the director of marketing, PR, community and digital at Participant Media. She is joined by Wendy Cohen who is the manager of community and alliances at Participant Media.

And just the very fact that there is a commercial production company that has these two divisions already says something about the work of Participant Media and where they are trying to help us find a way towards building the community and finding the measurements and metrics of impact that is so very critical to every filmmaker and every documentary distributor.

Welcome to Fonda and Wendy.

**Presentation #4
Fonda Berosini, Participant Media**

Thank you. Can you hear me? First, I want to pass along regrets from our CEO, Jim Berk, who really wanted to be here today, but was unable to make it. We are in the throes of our initial alpha launch of TakePart.com, and we are very close to finalizing the beta, and the boys are all back at the shop building. I also want to thank Erin who dealt with so many last minute logistics for us, and who was very patient, and also a big thanks to Pat who has been a champion of Participant for so long, and is graciously extending that to TakePart, and we appreciate it. Thank you.

Again, as I mentioned, TakePart is in what we are calling an initial alpha testing mode, so we can't put any more qualifiers on that that is imaginable, it is not in beta launch yet, but what we have launched is really a platform for promotion not just of films but of social action campaigns that accompany the films. At its core now, TakePart now, and in its beta is about the power of the story to illuminate an issue, connecting people to those issues, and giving them the tools they need to act. As I mentioned, up until now, and in the alpha testing phase, it's really been about being a promotional platform for our documentaries.

Participant has a unique philosophy in its approach to filmmaking, both narrative and documentary, and that's that the film has to be viewed in the context of a broader social action, so from the moment of greenlight through distribution through DVD, through legacy, the films are framed in the context of social action and their ability to make an impact on the world. It presents a unique situation for us, it means we are judged by two different metrics. There is the challenge of (1) revenue, generating revenue so we can keep making them, and also there is (2) social-action metrics. So each one of these campaigns, regardless of how it is performing from a business standpoint, we still have the responsibility to move the needle on social action, and to put together a campaign that will hopefully raise awareness around the issue.

Perhaps the best example of that is our *Darfur Now* campaign. It had a limited theatrical release in December. Our social action campaign began well before that—actually last summer—it's extended through the release and its going to be extended through the summer. As you can see from TakePart, we present material on the film—clips and content—all accompanied by actions that are put together by NGO and nonprofit partners. So for every campaign, we research the landscape to see what groups are doing what work, and really build a program that highlights the work that they are doing and the programs they have put together. For *Darfur Now*, when we started working on this, there were so many NGOs who were doing some really innovative work online, were really doing some incredible work, so we wanted to shine a light on that. For example, the Sudan Divestment Task Force, who are actually featured in the documentary, have some really fascinating divestment tools on their website, and that was something we wanted to bring attention to, there were some video advocacy programs that were running, as well as a solar cooker program launched by Jewish Worldwatch. We actually launched last summer at the TED Conference and had amazing results, we were able to get a lot of solar cookers on the ground which is an amazing experience, something meaningful to get done. We also provided some educational materials on all of our documentaries. There is a curriculum, and in this case study guide provided by Save Darfur, prayer books; numerous means of donating to humanitarian efforts, so there was a lot there to work with. What we did was try to approach it from a standpoint of what are the stories on this issue, who are the people. The film itself is a love letter to activists and activism. They have a lot to work with; we produced several video vignettes, one was highlighting the six people featured in the film, the actions they were taking and on the website we mapped out those videos to the organizations that made the most sense for them.

As you can see, there was a lot happening at the grassroots level, so we stepped back and thought how do we get this into the mainstream audience, and how do we use this film to get into areas that might not otherwise be paying attention. So, again beginning last year, our filmmakers and social action team started recording PSAs anywhere and everywhere they could grab them, so we have actors, athletes,

politicians, musicians. We went to all the major candidates: Obama, McCain, Edwards, Clinton, and I am very happy to say that all of our three presidential candidates have signed onto the campaign, Darfur Today, no relation to this, but still happy to see it. So, we collected all those PSAs, and cut them into a 30-second spot that we distributed to broadcast outlets and virally online.

[Demo of PSAs] So that PSA, we were able to place on CNN, broadcast outlets, and online it got tremendous play for it, in addition to the usual suspects for it. We were able to get amazing ad placement on sites like TMZ, Glam, Sugar Pops—sites that are a little soft in this area, typically. Hopefully we reached a few eyeballs that would have not otherwise known about this issue.

A critical part of this was letting people know, and I think critical part of any of these campaigns is getting people to interact, to add their story to our story, and in this case we partnered with 24 hours for Darfur, and put together a video advocacy program where people were enabled upload their own video messages, and it was very simple using 24 hours for Darfur technology, using a webcam on their laptop or they could upload video that they had shot. That video had a number of different things that it could do. They could email it, embed it, link it; most significantly they had the options to send it to their local representatives. And we really felt this was an important next step for people who were a little weary of signing another petition. I think we are kind of at that point with digital advocacy where people are looking at new and different ways to engage their representatives, and to make a difference.

Unfortunately the situation in Darfur continues to be dire, and although the film was out in theaters in January, our social action and marketing team put together a concert series that is going out to college campuses now. It is in five different markets and includes DJs, and bands like Cool Kids, and OK Go, which I am not cool enough to know, but I am told they are very good. We worked to really kind of push it beyond the physical world of these concerts to online to again, try and keep the pressure going, keep the issue front and center and make sure people are paying attention. So, to that end, we have a really got relationship with MySpace and have put together a number of different programs with them, and will continue the relationship with *Darfur Now* college tour we put together, we got homepage placement, geo-targeted ads, promotional placement on the hip hop channels, probably a couple of million of impressions for the tour, and they have been doing really well—had to turn a number of people away at several venues, so very successful right now. Also, MySpace being the largest social networking site, and I mean coming fast and furiously on their heels, just now becoming the third largest, we did a big push with them, and more home page placement, more exposure. And I forgot to mention, on the videos that were put together, we have already had almost half a million views to the MySpace alone, so that's two of the main portals that we put out videos on doesn't include any of the promotional spots or the blogs.

Coming soon, hopefully this week or next, one of the things we were able to do, and again its really thinking about how do we get the film to audiences who wouldn't otherwise pay attention to it, and sports and athletes...there were several in the last few months that came on board, most notably Ira Newble, who have been speaking out very passionately on the issue and that's an audience we want to get in front of, and do it with interesting video.

So our social action team funded a trip for Tracy McGrady, who plays for the Houston Rockets, a huge NBA star. We wanted him to see the camps, himself, and we had a documentary film team go with him and shot some really great footage, and they are expecting to get that out later on in the fall, but for now, we have put together a huge campaign. Tracy was so impacted by what he saw, he not only made donations, but more importantly he is launching a Sister School Initiative, which is going to match schools here in the US with schools that are being established in Chad, and it is something that was very close and personal to him, and we think is a wonderful way to extend the campaign. We have a little sneak peek of what is coming this week, and what will be much bigger hopefully in the fall, and I should mention that TakePart is the official destination for this online. [Previews film clips]

Also, soon coming this summer in conjunction with the Olympics in Beijing and the controversy around China, we are going to be launching programming from actress Mia Farrow who is going to the camps in Chad. She is going to be broadcasting live from the camps, so we are going to be packaging that together with video, music, content from different sources to put together a full weeks worth of programming on the site.

Another one of our films that had a very long legacy campaign, but limited distribution is *Chicago 10*. The film itself is really about people who in 1968 felt so passionately and cared so much about the issues that they were facing, the Vietnam War, civil rights, freedom of speech and people really took to the streets. And we wanted to capture that sense of urgency around issues and also capture the whole voting process and hopefully try to encourage people to get more involved. So we partnered with several voter registration groups including to put together a “I Am Voting” campaign. It really is again about using people who are familiar, which of course helps get promotional placement in media.

I’m not going to show you the other PSA because I have been told that I am running out of time, but they are all available on the website and you can see any of them there. But again, it’s about giving people an opportunity to express themselves and tell their story in conjunction with the campaign and the issue, so people have the opportunity to go to one of our partners sites, mix in their messages about what they care about, with content from the film, their own video or photos...the sky is the limit in terms of what they can put together.

[That slide was talking about] All the different promotional partners... YouTube, YouthNoise, Boing Boing, Mashable—we syndicated out and got as much editorial on the need to register to vote and now coming up in August we have plans to work with the DNC and extend the campaign to the get out and vote effort.

Finally, our last and most recent campaign is around Errol Morris’s *Standard Operating Procedure*, which really talks about and deals with in a very complex way the photos from Abu Ghraib. Partnered with the ACLU, Amnesty, Human Rights First, there are a number of different organizations. We had to approach this from two different perspectives. One is obviously torture and the human rights violations associated with what happened in Abu Ghraib, and the use of photography which was central to the film and we think a powerful means of advocacy.

One of the things that we now do for every campaign, and we will be doing for every film moving forward is to put together a discussion guide ahead of time gets people to organize discussion groups, so people have talking points and know about what actions they can take after the film, so that people are immediately aware of what they can do. We work with all of our partners to get the word out about the discussion guide. As you can see, the ACLU posted as did many of our other partners.

The two more interesting parts of the campaign have to do with human rights and torture. We partnered with the elders and every human has rights campaign, which is really encouraging everyone to sign on to the universal declaration of human rights, which is coming up on its 60th anniversary in December. We also...President Bush recently vetoed language that calls for the CIA to follow the Department of Defense manual. Without that, there currently is no language about torture, so this is to really encourage all of the presidential candidates to include anti-torture language in their presidential platforms.

We also wanted people to feel empowered and understand that these... Abu Ghraib as a story, it had been reported, it was under investigation for four months...it wasn’t until the photos were released that it really blew up and became a huge, huge story and that people finally understood what was happening, so it really speaks to the power of an image to shine a light on an issue. So we wanted to point people to tools

they could use if they were so inclined to do that, so Witness recently launched Hub, and you have a set of video advocacy tools. People can go here, watch clips from the film, and see other content around human rights violations.

We worked with a number of different groups. Errol is really passionate about this subject, is a really passionate advocate, so he blogged extensively on his own *New York Times* blog. He did one for us for the Huff Post, one for the ACLU, and a video podcast for Salon.com among other things.

And to wrap it up, coming soon, we have Alex Gibney's *Casino Jack*, and *Pressure Cooker*, a wonderful sweet little documentary about a teacher in the Philadelphia area who is bringing at risk kids into a culinary arts program. And then hopefully coming soon, more films as well.

And that's it.

Introduction to Alyce Myatt, GFEM by Pat Mitchell

We started the documentary forum with Participant Media sharing with the group the model—both financial as well as all the way through the life of *An Inconvenient Truth*—and so we want to thank you for coming and sharing with us the next stage of Participant's work. And I'm going to anticipate the question that this TakePart and all that comes with it is open to films that are made by other people other than Participant Media. (Nods, yes).

What Fonda just shared are a couple of models for how we know these new digital opportunities and these new kinds of partnerships are opening up opportunities. Not all of us are going to be fortunate enough to have a Jeff Skoll willing to invest the millions of dollars necessary, but what we have seen today is that investments are coming in from the public media side as well as the commercial side, and also that all of us in this room represent the kind of innovative thinking and passion around this that is going to lead us to finding the investments where they are necessary, so we can pursue the impact these films will have because of the investments.

Thank you.

Now all of this really depends on what we know about each others work. The good news that we have been able to do in these forums is share an awful lot of information, so that you can take this information out and inform your own work and your organizations, but also help spread the word about where the new opportunities exist.

We talked very early on about the need for a major database, somewhere we could all go and know what was going on and how this could help us also take advantage of digital distribution and new options for distribution.

So, Alyce Myatt, who is the Managing Director of Grantmakers in Film + Electronic Media, who spends a lot of time providing the kind of analysis and strategic planning that has informed our work, is going to bring us up to date today on the database that they are putting together.

Alyce?

Presentation # 5

Alyce Myatt, GFEM

Thank you, Pat. And I also have to come very much with caveats. We are also very much a work in progress—pre-alpha, pre-beta, pre-alphabet stage at this point.

But I wanted to give you a sense of what we are doing and who we are doing it for because I think that is also very important to know. The organization I work with, Grantmakers in Film + Electronic Media, is a membership organization of grantmakers, of funders, and we are committed to working with funders to help them understand how to support media, not just media content but also media policy and infrastructure. And I think it is really, really critical; earlier on Sally Jo talked about the need to press Congress for net neutrality. There are a number of issues around media policy that I would hope the producing community needs to be engaged in. I'll come back to that in a little bit, but I think it is absolutely, absolutely critical.

Our organization, and we have approximately 40-50 paying members, but we have a list of well over 800 funders that we communicate with through our website, and we provide them with briefings around media. We recently did a series of events at the Council on Foundations Conference in Washington, D.C. We did a day long summit on Media & Philanthropy and we had, believe it or not, knock me over dead, about 300 funders in the room to hear about philanthropy and how to support media. And we had...four panels...we have everyone presenting from Commissioner Michael Copps from the FCC, to Participant Media. We had the Ford Foundation, the MacArthur Foundation, and the Knight Foundation talking about the work they are doing in supporting media. But we also had people who talked about strategies and areas of need. We had Chuck Lewis from the Fund for Independent Journalism. We had Tom Rosenstiel from the Project for Excellence in Journalism. So, that is what we do. We try to bridge the gap between the funding community and media, and we are very aware of all aspects. We are agnostic. We do not intercede editorially. But we think it is very, very important to have a vibrant independent media sector. And it goes back to what Sally Jo said. She is starting it off for me in a very good way.

So that takes us to one of the tools that we are in the process of creating, and again, pre-beta, pre-alpha, I will show you what we have to date. We are in the process of creating a media projects database, and I am going to show you, first of all, what it doesn't look like. [Slide 1] This is what hopefully eventually it will look like. As you can see as you enter it, there is a way to enter it if you are a grant maker or if you are a grant seeker. Once you have registered on the site, and I will take you through those paces, but I just wanted to show you hopefully what it will look like once it is done. This will be [slide 2] your page for your project, and I will get into detail on that again, but it's not what the site currently looks like.

What will happen when you first come to the site, you will create an account, you will put in your information. This [slide three] is basically telling you the background to the site and what will allow you to qualify. You need to have at least one grant from a foundation, or a government. And that can be a community foundation or a local arts or humanities council. It can be a family foundation, it doesn't have to be a large one, but we need to know that you have at least one funder today.

When you go to submit your project, again you have the opportunity to submit a content project, content project or an infrastructure project, but since most of you in the room today are filmmakers, let's do content. And what we will do is ask you for quite a bit of information: some of the basics, we will ask you your project title, your description, if your project has a website, and then we will ask you to categorize. I cannot stress how important it is to categorize in a smart way. You can't find content if it is not categorized in a way that makes it findable. And we ask, and there aren't any directions in here now, and we are sort of talking people through this, but if you have a project, not what you hope the project will be, but what it is. It's not necessarily targeted at everyone and about everybody. What is it about? Where would it be most useful? That is the key. Put those tags in. And the other side of it...well, I will

get to that later and you don't put the tags in, and we can't find your project because it's not tagged at all. So, tagging, first. Tagging properly, second. Because we want to be able to retrieve the information, and sometimes we don't always think that is the value of the web: retrieving information. We will ask you to give it all of the categories. You could do multiple categories. One of the things we are finding out from the handful of folks who are putting in their project now, what is confusing. There are a dozen filmmakers who are working with us to load the content and give us feedback.

We ask who are the key personnel and you are able to put in several of them. We also ask what is the end-use of the project. Is it meant for a game console? Is it meant for TV? Is it meant for radio? And if other, we ask you to explain what that is. And we ask you what is your media type is. And then we ask you to upload. If it is posted elsewhere, you can put your URL there. If your trailer is living on your computer, you can upload it here and then any images that you want to attach to it as well.

Foundation funders are primarily interested in media that will engage audiences, so we ask you how or what you are planning to do that. What you raised to date and what you anticipate your final budget to be. What stage you are at. And needless to say, the date. And you are always able to update your project constantly. And you are the only one with access to this, other than admin. So, as you get funding in, or as you move from R&D and production to post-production and distribution, you will be able to update your piece. And then the next step is adding your funders, because I do not want to fill this out now, you can't go forward until you fill this front page, so add your funders. You can add as many funders as they come in. The amounts they come in with. Even duplicates. Build your funding base. You can come back to this. And as you move through the production, post-production and distribution piece, it should constantly be updated.

So, let's say I'm a funder and I come here, and let's say I am interested in women's issues, so in my keyboard search I type in women. So the projects that have been loaded in that relates to women come up. And one of the projects that relates to Shelby Knox—we know that a film that has already been completed, it has been on the air, but you know there is an engagement campaign. So if I am a funder, and I am really interested in the project, and I want to become engaged with the engagement campaign, this piece will tell me. This is a work in progress, global moms in Iran. I will show you what the page right now, and again that page needs a few things, but this is basically it. So this is how it is at YouTube, so it is just brought through to our site. [Shows clip of film]

So Justine has uploaded a trailer of the film, which gives you an idea not only of the content but of the quality. When you write the short synopsis, again you have your funder hat on: what is this about, where is it taking place. There is a brief treatment here...again, this is not meant to be your proposal, but just a taste of what the project is. If you have a website, you upload that. Here are your topics. This is what she has raised to date, and she still needs \$140,000. Everyone thinks films are getting cheaper, but if you've got to cross the globe, it is still expensive. If you have got a film where you have to take great care in the quality of information. If it's not about you and your family, but other people in other places, and there is a level of accuracy that is really essential. If you are dealing with complex subjects, you need to bring outside knowledge to bear. And you have to spend years fundraising, this is what it is going to cost you. This is the reality and this is clearly an important subject by a well-respected filmmaker. And, it's not cheap. It's not cheap. But that is one of the reasons we have this database, so hopefully we can make it quicker and less expensive. She has put up her key personnel, some stills from the film, her engagement plan, and then look at her list of funders and look at the amounts. But that literally...and you know it because this is what you go through...a thousand dollars here and there. But this is over time...However, I am a new funder, but I don't want to take any chances, and I am looking for someone with a track record who is looking for a little money to finish. So, I want to top this off. You know \$140,000—I can do that. And, it's not taking a high risk. That is the point of the database, so that new funders coming to the field can see work that is there, they can see the quality, they can contact these other funders and say, you

know, what do you think about his project, is it going to see the light of day. I want to come in too. Or they could say, here is a new project...there is no video for this, it's a brand new project. This is the description of it. They are estimating it's about \$250,000. They have \$30,000 and its like, oh, I am a funder, do I want to take the chance... or I read about it, they seem like good producers and the Ford Foundation came in at \$25,000, so you know, they are pretty smart so maybe I will come in with another \$25,000 or if, you know, this will be here, it will be continually updated by the filmmaker. And I am going to monitor it, Ford has a lot of money to waste, so I am going to chill and check back in every couple of months and see how this project is coming and once it's gotten to a place where they have a trailer, then bang, that is where I can come in with my support.

As I said we also have policy projects that are listed, so for example next week is the National Conference for Media Reform taking place in Minneapolis, Minnesota, and I am certain that all of you are going to be there, right? Because this is about media policy and advocacy around your work, right? Anyway, the Free Press is the organization that puts on this conference every 18 months and therefore it becomes a discrete project, so Free Press could load the National Conference for Media Reform into our database, raising money towards 2010, and so other funders who are interested in media policy issues will be able to see how the fundraising is going and say I want to be a supporter of that, the media policy project.

The People's Production House here in New York has a project where they are working with and training people to shoot and edit, training community-based organizations—that's part of our infrastructure, that's part of the public media, community media infrastructure and they have a piece in here. So, as a funder, I may look for...I can't fund beyond the borders of New York City, but I can search geographically...here is a project right here in my neighborhood...I can support this. It will reinforce the infrastructure of my city and it will reinforce the work I am doing around education reform, and healthcare or whatever, because these community-based organizations are shooting little videos around healthcare, education or what have you.

That's sort of the database in a nutshell. We are hoping, cross your fingers, hoping that it will be up and running and good to go by the fall. As you all know, with all of these things, when you are trying to create something that hasn't existed with a set of questions for which you have no answer, it's trial and error. As we refine, we will broaden our circle to ask you to help us test it out, and to give us feedback on what is or isn't working, because we need to know. We think we have potentially a powerful tool here that again will interface with whether its Rick's project, or ITVS or PBS, it can interface, it will link to, we can be a part of. And it goes back to what we said earlier, how can we collaborate? How do we support each other in the most effective and efficient ways and not reinventing the wheel? We keep reinventing the wheel. We keep having the same conversations on and on. But we know the train has left the station. It has its own set of wheels.

Pat Mitchell

And the trains don't run on time here. Thank you, Alyce. Another tool for the tool bar.

We have 10 or 15 minutes to take as many questions as we can get to the floor on whatever subject. Unfortunately, we can't bring food in here, so once we break for food, the conversation can go on around the tables, and we hope you will take advantage of this time to together, but right now, ask any questions of anyone who has presented. And maybe if the presenters will come up here, so we can move as quickly as possible among the mikes and get the mikes circulating among the questioners.

So, presenters back to the stage.

Post Presentations Audience Q & A

Q. Alyce, I know you said this is not the proposal, that is it just the taste of the proposal, but I wonder whether from point of view of a filmmaker, whether there is any thoughts of following without a box model, and making this function as a electronic submission that would be universally accepted...would be accepted by a bunch funders who buy in, because personally it seems to me these foundation program officers generally are about creating as small a funnel as they possible can —its hard enough to getting their attention anyway. I'm a little reluctant to put a lot of effort into this, but if I knew that in fact this was going to be a, this was going to pre-empt a bunch of other bureaucracy that I need to go through when I submit an actual proposal, that they would look at this and ask for supplemental materials or whatever it is, then I as a filmmaker user would be a lot more enthusiastic.

A. [Alyce] We don't have the capacity to serve as an intermediary other than to have something that is an automated intermediary. That is number one. And number two, is what we are seeing is the changing nature of philanthropy. We are seeing a lot o... we have the traditional large institutional funders, but because of the generation of wealth that has occurred in this country over the last couple of decades, we are seeing a lot of new small family foundations, and individual donors that were not in the landscape, even five years ago. And they are very interested in media. We are seeing a lot of younger living donors. We started doing funders delegation to Full Frame documentary festival, and we've now done it two years in a row. And we have on both occasions gotten about 15 funders that we had never heard about. They want a tool like this. And not just \$10- or \$20,000. Some of them do substantial underwriting of a project—that brings a whole new dynamic when dealing with a living donor. I think that it indicates a change that could very well be very positive.

Q. A follow-up, I think even more so for what are essentially small family foundations which usually don't have a bunch of guidelines, if this idea could be sold to them as a letter of intent, or pay attention to this or go to our entry...that would be very helpful.

A. [Alyce] That's exactly right. We are going to be doing presentation to the Council of Family Foundations in 2009, it's going to be in February. And we will be making the recommendation there.

Q. [for Alyce] Question number one: Is it strictly going to be filmmakers and funders? Question two: How do filmmakers, when they are having a newer idea that they are trying to fund, be careful about putting information on this application so that many different people can't just take the idea—how to deal with copyright issues in that way, intellectual property issues.

A. [Alyce] One of the things we are working on right now is the terms of use and responsibilities. I think that, and also because of the amateurs that are coming into the field, we can't afford to have a completely open site where anyone can upload a project that has no funding because we would just be overwhelmed. I think it's a balancing act. I think what I have always thought is very important, and it's taking a phrase of boilerplate contract and putting it into a conceptual idea. On a contract, you say, I represent and warrant that I am unique. I think that it's really important that

all of your understand that as an artist, your vision is unique. And yes, while ideas are a dime a dozen, only you can execute an idea in a particular way and having that confidence, and having a trail of successes behind you. It doesn't matter that you are going to do Ben Hur in a phone booth and that Joe Schmo is going to do Ben Hur in a phone booth, they are not going to be the same film.

Q. I wanted to go back to Jonathan's questions and Marco's concerns, because I was a little concerned hearing John Boland saying that we are not going to stop anything being on PBS if we don't have the rights. Hearing it in that context really disturbs me as an educational distributor and a distributor of independent media, so the question is remains: will the ITVS contract for production include those digital rights. This issue of broadcasters including digital rights in their contracts is an enormous one for everyone in the field, so I would love to hear anybody's response to that. [from Debra Zimmerman, Women Make Movies]

A. [Sally] That's a really juicy one obviously, and that's why we have been talking about...and John and Vinnie and others... about this issue for sometime. Recognizing that the marketplace isn't at that place, where PBS is going to demand those rights. We also have, on the other side, to experiment and get foothold in the new marketplace. To answer your question, because I didn't on the other time, because I wasn't getting it is our production contract is not asking for those rights. What we have been doing on the other side, is doing some experiments where we have been paying for E&O, paying advancing dollars, paying 3rd party rights to try some new things, but for the moment we are not. And I think the market has to mature a bunch before PBS goes in that direction, but you should ask John.

A. [John Boland] And, as I said, we are asking for it, but not insisting on it. I think at the crux of the entire situation is the uncertainty. And I think there are a lot of questions that I would honestly have to say we just don't know the answer, such as how much revenue will be returned by distributing in a digital environment. We don't know. The reason we are not demanding a certain set of rights is because we don't know what the certain set of rights should be. But we do know, the more rights we can aggregate at PBS with filmmakers the more critical mass we will have to test some of these platforms, but everything is a test at this point, so it would be wonderful if we could say we want this list of rights and you are going to get this much money and you can expect this much of a return. No one in media world knows the answers to those questions. Everything is experimental at this point and as you can tell from the presentations everything is changing everyday...just going from an aggregation model to distribution model that Snag was talking about. Now how do you figure that out? But your choices as individual content producer are to do you either stay with the existing model, and do your deal and get funding from PBS or ITVS and sort of go your own way with everything else, or follow where the consumer is going. The consumer is going somewhere different every day and we are trying to keep up with that. We are going to be in a very disruptive uncertain period for quite a few years to come.

Q. Thank you all for a very interesting presentation. I don't know if the woman is still here from the last presentation, but as she was talking about Darfur, I was thinking about another film, *The Devil Came on Horseback*, and thinking how would I see that? Would Snag be a place or would PBS? How would you see the related films? And listening to

Alyce's presentation, I was thinking could all those ITVS missions somehow gravitate over there and collaborate. So what are the areas you all see for uniting the community and as Sally was saying, for enlarging the public sphere? [from Howard Weinberg]

- A. **[Rick Allen]** It's a great question. And it's a lot of what Ted Leonsis' original vision for SnagFilms. The bigger our library the better our library. One of the reasons for going streaming for free for the consumer is to encourage consumers to do exactly that: to watch a film, to become engaged on an issue, to participate directly through the 3rd parties that we are going to link out to, but also to see more films about a topic about which you feel passionately; and to have the capacity through this virtual movie theater widget technology to take a couple of those films with you, in fact, a great number of those films with you because it may well be that you feel very passionately about Darfur, and you have mentioned two spectacular documentaries. I'd like to show both of them and more to my friends, and so that is really the flexibility and the frictionless environment that we are trying to create because we believe that the more you engage an audience, the more they are going to want and be able to use that information.
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- Q. **I am going to ask a more macro question. It seems to me that ironically, for all the talk about diversity and democracy in public media... in fact what is happening is a continuing consolidation of the media and sort of the replacement of small businesses with big factory farming and the notion—because it may be that there is more people making more films and it may appear that everyone can put their film on the Internet, but what you are talking about is going through big companies who control the means of distribution. And it's no longer even possible to circumvent that system as it's been in the past. Take for example, ITVS. ITVS is the middleman. If you want to license a film to HBO, Sundance or PBS—to the extent that they become consolidated and vertically integrated—you have to have the rights that they need. If I want to license a film as a distributor to Sundance, its no longer enough to license the broadcast rights, so all the independent sphere is being squeezed out actually behind the scenes by the combining of the home video and the television market—it's all going to be the same thing, it's all going to be controlled by the same big capital or state institutions, and the role of the independent producer will be to supply product to that system. So, if you look at the front page of the weekly *Variety* this week, it's about in the face of the writers' strike the conglomerate media made more money. It's about in the face buying Bebo and of buying MySpace, and in the face of buying everything that everyone is buying, that the big conglomerates are taking over the Internet and they are making more money. And you can have your metrics about truth and education, but these aren't the metrics they are using. [from Jonathan Miller, Icarus Films]**

- A. **[Alyce]** I think that it is...and I am going to beat this horse until its glue...I was doing some work with Funding Exchange and Consumers Union. We were in Washington and we were making some visits, and one of the places we stopped was Representative Markey's office, who is the head of Energy and Telecommunications Committee. His legislative aide was talking about how great it's been because they've been having all these hearings, and they've been bringing in all these independent producers to talk about you know the "rights of independents," people like Vin Di Bona and Mark Cuban, and I'm...I said yes, they are independent producers, but they are of a particular stripe and how about the independent producers that are more visible on Sundance, PBS and Independent Film Channel and he said, "well they haven't come and we can't address their issues unless they come to us."

I think that the activism that created ITVS and the minority consortium—the field in and of itself has not organized to move these issues and questions forward and I think it would behoove us to not just challenge Sally, but to ask larger questions—What should public media be in this country? How do we make it so? How do we ensure we have access to information? How do we ensure you can make a livelihood by exercising your craft? And that's, in a democracy, that's your responsibility, that's my responsibility, that all of us collectively to do that, and part of that process is petitioning our elected officials.

- A. **[Rick]** I really wish that Ted Leonsis was here because he is much more articulate and passionate about this than I can be. But the situation you have outlined is one of the reasons we felt there was a pressing need for SnagFilms. We are focusing on folks who will not be able to break through traditional distribution channels and to give them the opportunity to have both the independence of a individual film page, the capacity to massively distribute through widgets and the capacity to have other kinds of distribution arrangements, including traditional and ultimately, I hope that we can find some films will open on the web, and move backwards into traditional distribution. Imagine the capacity to be able to say to a TV channel that half-million people have viewed this film. You have got a built in audience. You have got to install widgets and the capacity to reach back to these people and to deliver a message to them that is now going to be on PBS. What opportunity do you have as a programmer to license a piece of content that has a demonstrated built-in audience like that? So, I think over time we will see that push back. But the reason we went to the web in the first place is that it is inherently the most democratic of media. And through the use of this virtual movie theater, through widgets we have the capacity to make it even more so. I understand completely the issue you are talking about.
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- Q. This is really for everyone, but I really feel like we kind of skipped over answering a bigger question about rights—how to obtain music rights, how to obtain stock footage rights. We kind of said, yeah, that is something we are working on. As an independent filmmaker, and having just finished a film, having people coming to me saying we want to be your digital sales representative, we want to sell your film, but we can't tell you what we will do with your film, but we just want to own it, we want to have those rights, we are just buying up everything right now. The biggest problem is right now music rights and stock footage rights, E&O insurance, and they are asking for huge terms, you know, nothing below five years, and that gets really, really expensive. Even ITVS, who is trying to broker a deal with iTunes, was like at first PBS was going to pay \$4.99, and, oh they changed their mind, it's actually going to be \$1.99 and it made all of us filmmakers have to talk to each other and say, is this a good deal? What's going on? What should we do? And there weren't really any answers, even from a well respected organization like ITVS because it's new terrain. I feel really frustrated as an independent filmmaker, because I do want to see part of this digital revolution, but it's not economically feasible. It's impossible. To be offered a small sum of money to pay for music rights...would pay for maybe one of my 25 songs.

- A. **[Tamara Gould, Vice President of Distribution, ITVS]** We have really been working on a lot of these thorny issues, really where the rubber hits the road, which are: What kind of deals can be made? How can we beta test? How can we cover the long list of concerns expressed? This is in practice what happens. We really see ourselves as a bridge between the public media, as John outlined, and independent producers and really partnering with educational and home video

distributors who have been part of this ecosystem for the last 30 years of distributing to home audiences. And how do we bring them all together.

This meeting today is a very first public step. We have been really working behind the scenes to at least get some answers to some of the questions that you are raising. There was a meeting at WGBH and David Fanning was there, that brought together a lot of the archive houses and music rights holders, to try to say if the Internet is becoming an extension of public TV, can some of the rights waivers that have been afforded to public television continue on to the Internet. For example, why do we have to clear music rights for Internet? Their response was very much: when you get paid, we want to get paid—but they are open to kind of listening and hearing. But it is the beginning of a long conversation, because the world as we know it has really changed.

And, I want to just go back to Jonathan's question and to Debbie's question, and Marco's question about ITVS's role, because I think it is really important that you producers understand where we are coming from.

First of all, we hear where you are coming from. As Sally went through the survey results... we want to hear what you care about. One of the things that has not come up today but that we hear a lot about is that 75% of producers want leadership from public TV—they want to make sure their work is getting out there. 85% of filmmakers that we have talked to are not using their rights at all and in many ways this is a moot point. What nobody wants to see a world in which independent documentaries are not available, are not indexable, are not findable and are just sitting on the shelves...and at the same time trying to find a world where advances can be made that does not hobble the future productions of work. I know as an independent filmmaker myself that the revenues that you make go on to help finance your future productions, and you can substitute with a thousand dollars what you are going to be making from home video.

So trying to figure out with PBS, we have able to say, let's carve out educational rights. Even if PBS has digital rights, as an educational distributor, you can still use the Internet to stream and download to educational institutions. And that is a first step. And it's opening up these conversations, like today, and like the field research that Sally mentioned with Scott Kirsner, it's looking at best practices. We are still in the early stages of the game, but if we don't do this now we will be having this conversation in 5-10 years... but hopefully the conversation we will be having then is a very different conversation.

With ITVS, it's not a requirement to take digital rights, but offers—hopefully comparable competitive offers that do as well as we can for independents with the terms we are dealing with today—and giving you guys the results and the data as PBS is getting it, that says here is the kind of audiences we are getting, here is the kind of numbers we are getting and you will see examples of successful partnerships with educational and home video distributors we are working on.

I won't take too much time now. I am happy to talk to any of you after the break, but just to give you a little more context. Thank you.

**Final Summation
by Pat Mitchell**

Thank you.

Actually Tamara, you just set out again why we are here, why we started these documentary forums and why we now know there is such a need for more. We have requested funding to continue to have at least two more and to focus those two conversations on the questions that have been raised here, because one of the purposes was to make sure that the funders continue to fund documentaries believing that documentary filmmakers and creative community producers were taking advantage of the new opportunities and we know that its at the at intersection where all the tensions, opportunities, yes, but clear challenges to everyone involved exist.

So we feel like we have gotten a whole lot of new information on the table. Thanks very much to those of you who spend so much time preparing your presentations... who are forging the new paths forward...we really appreciate it. And that includes those of you who didn't make presentations from here, but whose information and experience has informed everything we've done so far.

So, now we want to go forward. I hope you will be hearing from us again very soon, about two more of these conversations, so we can keep it ongoing. In the meantime, I want you to invite you to send us your suggestions and ideas as we put together the next two forums, and to introduce you to Erin Gromen—stand Erin—who put these together, who along with Christy Carpenter helps us do what we do at the Paley Center, which is convene this conversation almost on a daily basis. We have another one starting right now upstairs in the boardroom with interactivity, because there is no conversation about media today that doesn't indicate how perplexing and complex this situation is that we are living in, but there is also no question that we can't continue to answer the questions without providing some of our own ideas about the answers.

So thank you for doing that today.

Thanks.
