

**GAO**

Testimony

Before the Subcommittee on International  
Operations and Terrorism, Committee on  
Foreign Relations, U.S. Senate

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For Release on Delivery  
Expected at 2:30 p.m. EDT  
Thursday, April 29, 2004

**U.S. INTERNATIONAL  
BROADCASTING**

**Challenges Facing the  
Broadcasting Board of  
Governors**

Statement of Jess T. Ford, Director  
International Affairs and Trade



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# Highlights

Highlights of GAO-04-711T, a testimony before the Subcommittee on International Operations and Terrorism, Committee on Foreign Relations, U.S. Senate

## Why GAO Did This Study

The terrorist attacks of September 11, 2001, were a dramatic reminder of the importance of cultivating a better understanding of the United States and its policies with overseas audiences. U.S. public diplomacy activities include the efforts of the Broadcasting Board of Governors, which oversees all nonmilitary U.S. international broadcasting by the Voice of America (VOA) and several other broadcast entities. Such broadcasting helps promote a better understanding of the United States and serves U.S. interests by providing overseas audiences with accurate and objective news about the United States and the world.

GAO has issued three reports over the past 4 years examining the organizational, marketing, resource, and performance reporting challenges faced by the Board. Our recommendations to the Board have included the need to address the long-standing issue of overlapping language services (i.e., where two services broadcast in the same language to the same audience) and to strengthen the Board's strategic planning and performance by placing a greater emphasis on results. The Board has taken significant steps to respond to these and other recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-04-711T](http://www.gao.gov/cgi-bin/getrpt?GAO-04-711T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Jess T. Ford at (202) 512-4128 or fordj@gao.gov.

## U.S. INTERNATIONAL BROADCASTING

### Challenges Facing the Broadcasting Board of Governors

#### What GAO Found

The Broadcasting Board of Governors has responded to a disparate organizational structure and marketing challenges by developing a new strategic approach to broadcasting which, among other things, emphasizes reaching large audiences through modern broadcasting techniques. Organizationally, the existence of five separate broadcast entities has led to overlapping language services, duplication of program content, redundant newsgathering and support services, and difficulties coordinating broadcast efforts. Marketing challenges include outmoded program formats, poor signal delivery, and low audience awareness in many markets. Alhurra television broadcasts to the Middle East and Radio Farda broadcasts to Iran illustrate the Board's efforts to better manage program content and meet the needs of its target audiences. Although we have not validated available research data, the Board claims that the application of its new approach has led to dramatic increases in listening rates in key Middle East markets.

To streamline its operations, the Board has used its annual language service review process to address such issues as how resources should be allocated among language services on the basis of their priority and impact, what degree of overlap should exist among services, and whether services should be eliminated because they have fulfilled their broadcast mission. Since 1999, the Board has identified more than \$50 million in actual or potential savings through this process.

In response to our recommendations on the Board's strategic planning and performance management efforts, the Board revised its strategic plan to make reaching large audiences in strategic markets the centerpiece of its performance reporting system. The Board also added broadcaster credibility and audience awareness to its array of performance measures and plans to add a measure of whether VOA is meeting its mandated mission.

Alhurra's Broadcast Center in Springfield, Virginia



Source: GAO.

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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to provide an overview of the three reports we have issued over the past 4 years on the operations of the Broadcasting Board of Governors.<sup>1,2,3</sup> These reports have examined a number of organizational, marketing, resource, and performance management challenges facing U.S. international broadcasting. Our two most recent reports have addressed the Board's principal response to these challenges—a new 5-year strategic approach to international broadcasting known as “Marrying the Mission to the Market,” which emphasizes the need to reach large audiences by applying modern broadcast techniques and strategically allocating resources to focus on high-priority broadcast markets. Early implementation of this strategy has focused on markets relevant to the war on terrorism, in particular the Middle East and central Asia.

Drawing from our published reports as well as recent testimony on U.S. public diplomacy,<sup>4</sup> I will talk today about (1) organizational and marketing obstacles and the Board's efforts to overcome them, (2) what the Board has done to manage its limited resources, and (3) the status of Board efforts to develop meaningful performance goals and measures. I will also discuss our recommendations to the Board and the status of its response to them. As part of our work to prepare for this testimony, we met with Board staff to obtain updated program data and current information on the steps the Board has taken to respond to our recommendations. The reports used for this testimony were based on work conducted in accordance with government auditing standards.

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<sup>1</sup>U.S. General Accounting Office, *U.S. International Broadcasting: Strategic Planning and Performance Management System Could Be Improved*, [GAO/NSIAD-00-222](#) (Washington, D.C.: Sept. 27, 2000).

<sup>2</sup>U.S. General Accounting Office, *U.S. International Broadcasting: New Strategic Approach Focuses on Reaching Large Audiences but Lacks Measurable Program Objectives*, [GAO-03-772](#) (Washington, D.C.: July 15, 2003).

<sup>3</sup>U.S. General Accounting Office, *U.S. International Broadcasting: Enhanced Measure of Local Media Conditions Would Facilitate Decisions to Terminate Language Services*, [GAO-04-374](#) (Washington, D.C.: Feb. 26, 2004).

<sup>4</sup>U.S. General Accounting Office, *U.S. Public Diplomacy: State Department and the Broadcasting Board of Governors Expand Efforts in the Middle East but Face Significant Challenges*, [GAO-04-435T](#) (Washington, D.C.: Feb. 10, 2004).

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## Summary

The Broadcasting Board of Governors faces a number of challenges, and key among them is how to achieve large audiences in priority markets while dealing with (1) a disparate organizational structure consisting of five broadcast entities and a mix of federal and grantee organizations managed by a part-time Board and (2) a collection of outdated and noncompetitive language services that have failed to respond to current market conditions. The disparate structure of U.S. international broadcasting has led to overlapping language services, duplication of program content, redundant newsgathering and support services, and difficulties in coordinating broadcast efforts. Marketing challenges include the use of outmoded program formats and styles, the general lack of target audiences within broadcast markets, poor signal delivery in many areas, and low audience awareness in several major markets. The Board's new strategic approach addresses these issues by treating broadcast entities as content providers within a "single system" that the Board oversees to ensure that broadcast content meets the discrete needs of individual markets using modern broadcasting techniques. Recent Board initiatives such as Radio Sawa broadcasts to the Middle East and Radio Farda broadcasts to Iran illustrate the Board's willingness both to serve as the content manager for U.S. international broadcasting and to adopt a market-based approach designed to attract large listening audiences in high-priority markets in support of U.S. strategic objectives in the war on terrorism. Although we have not validated available research data, the Board claims that the application of its new strategic approach has led to dramatic increases in audience listening rates in markets of key strategic interest to the United States.

Triggered by a desire to better manage its limited resources, the Board has used its annual language service review process to identify and reallocate cost savings to fund higher-priority needs, such as expanded initiatives in the Middle East and central Asia. The process is used to address such complex resource issues as how funds should be allocated among services based on their priority and impact, how many broadcast services should be carried, what degree of overlap and content duplication should exist among services, and whether services should be eliminated because they have fulfilled their broadcast mission. Since 1999, the Board has identified more than \$50 million in actual or potential budget savings through the language service review process. From 1999 through 2002, the language service review process resulted in the reallocation of about \$19.7 million from lower-priority or lower-impact language services to higher-priority

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broadcast needs, including Radio Farda and Radio Sawa. In response to our recommendation, the Board updated its review process to include a specific analysis of overlapping language services.<sup>5</sup> In its 2003 review, the Board identified \$12.4 million in fiscal year 2004 and 2005 transmission cost and language service overlap reductions that could be reallocated to higher-priority needs, such as expanding Urdu language broadcasts to Pakistan and Persian language television to Iran. Finally, the Board has used its language service review process as a vehicle for identifying which language services should be eliminated. For example, based on its review process, the Board's fiscal year 2004 budget request to Congress recommended the elimination of 17 Central and Eastern European language services managed by Voice of America (VOA) and Radio Free Europe/Radio Liberty (RFE/RL), saving a projected \$20.9 million for fiscal years 2004 and 2005. While the Board is to be commended for making a difficult decision in this case, our February 2004 report did note that the language service review process lacks an adequate measure of whether domestic media provide accurate, balanced, and comprehensive news and information to national audiences—a condition that Congress expects to be met before RFE/RL language services are terminated.<sup>6</sup>

In response to our recommendations on the Board's strategic planning and performance management efforts, the Board revised its strategic plan to make the goal of reaching large audiences in strategic markets the centerpiece of its performance reporting system. Also in response to our recommendations, the Board added broadcaster credibility and audience awareness to its array of performance measures and plans to add a measure of whether VOA is meeting its mission. These steps will help the Board answer questions about the effectiveness of initiatives such as Radio Sawa and Alhurra (the two entities comprising the Middle East Television Network) in reaching mass audiences and elites in the Middle East, whether foreign publics perceive U.S. broadcast services as being

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<sup>5</sup>Overlap exists when a VOA and a surrogate service, such as RFE/RL, broadcast in the same language to the same target audience. Some degree of overlap is appropriate given the varying missions of U.S. broadcast entities. However, in its new strategic plan, the Board identified a 40 percent overlap in its language services as excessive.

<sup>6</sup>With passage of the Fiscal Year 2004 Consolidated Appropriations Act, House and Senate conferees adopted the Board's proposal to terminate service to those Central and Eastern European nations that have been invited to become new member states of the European Union or the North Atlantic Treaty Organization (NATO) and have received a Freedom House (a nonprofit group reporting on economic, political, and press freedom issues around the world) rating equal to that of the United States. Conferees expressed the expectation that broadcast services would continue in Romanian and Croatian.

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independent of American foreign policy, and whether VOA is effectively promoting the image of the United States and educating foreign audiences about U.S. practices and policies.

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## Background

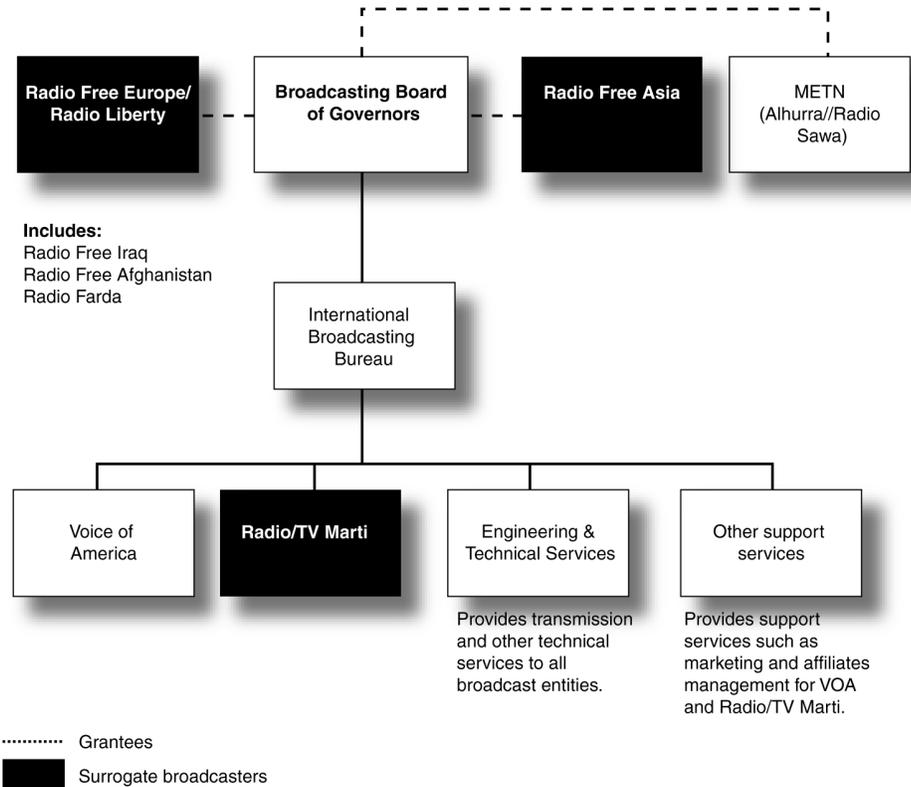
The Broadcasting Board of Governors oversees the efforts of all nonmilitary international broadcasting, which reaches an estimated audience of more than 100 million people each week in more than 125 markets worldwide. The Board manages the operations of the International Broadcasting Bureau (IBB), VOA, the Middle East Television Network (Alhurra and Radio Sawa), RFE/RL, and Radio Free Asia (RFA). In addition to serving as a reliable source of news and information, VOA is responsible for presenting U.S. policies through a variety of means, including officially labeled government editorials. Radio/TV Marti, RFE/RL, and RFA were created by Congress to function as “surrogate” broadcasters, designed to temporarily replace the local media of countries where a free and open press does not exist. Created by the Bush administration and the Board, the Middle East Television Network draws its mission from the core purpose of U.S. international broadcasting, which is to promote and sustain freedom by broadcasting accurate and objective news and information about the United States and the world to audiences overseas.<sup>7</sup>

In addition to the stand-alone entities that make up U.S. international broadcasting, Congress and the Board have created other broadcast organizations to meet specific program objectives. Congress created Radio Free Iraq, Radio Free Iran, and Radio Free Afghanistan and incorporated these services into RFE/RL’s operations. Under its new strategic approach to broadcasting, the Board and the Bush administration created Radio Sawa, the Afghanistan Radio Network (ARN), Radio Farda, and Alhurra to replace poorly performing services, more effectively combine existing services, and create new broadcast entities where needed. Figure 1 illustrates the Board’s current organizational structure.

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<sup>7</sup>The U.S. International Broadcasting Act of 1994 states that U.S. international broadcasting efforts should, among other things, be consistent with the broad foreign policy objectives of the United States; provide a balanced and comprehensive projection of U.S. thought and institutions; and provide accurate and objective news and information about developments in significant regions of the world.

**Figure 1: Organizational Structure of U.S. International Broadcasting**

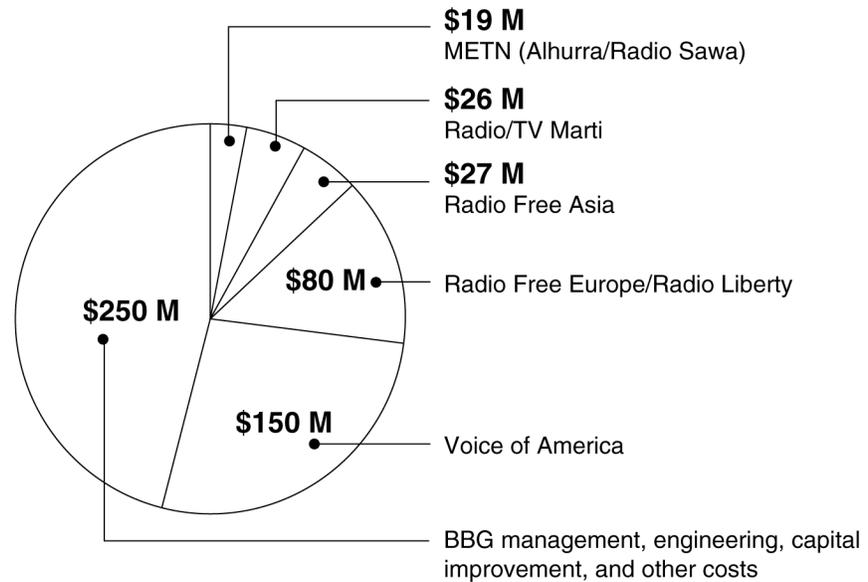


Source: Broadcasting Board of Governors.

VOA, RFE/RL, and RFA are organized around a collection of language services that produces program content. In some countries, more than one entity broadcasts in the same language. These overlapping services are designed to meet the distinct missions of each broadcast entity. Currently, 42 of the Board’s 74 language services (or 57 percent) target the same audiences in the same languages. While some degree of overlap is to be expected given the varying missions of the broadcast entities, the Board has concluded that this level of overlap requires ongoing analysis and scrutiny.

The Board’s budget for fiscal year 2003 was approximately \$552 million, with nearly half of its resources used to cover transmission, technical support, Board and IBB management staff salaries, and other support costs. Among the broadcast entities, funds are roughly equally divided among VOA and the four other U.S. broadcasting entities. Figure 2 provides a breakout of the Board’s fiscal year 2003 budget.

**Figure 2: Broadcasting Board of Governors Funding, Fiscal Year 2003**



Source: Broadcasting Board of Governors.

## Disparate Structure and an Outmoded Broadcast Approach Hamper Efforts to Reach Large Audiences in Strategic Markets

Our reviews of U.S. international broadcasting reveal that the Board faces the challenges of operating a mix of broadcast entities with varying missions and structures in an environment that provides significant marketing obstacles. As we reported in July 2003, the Board has adopted a new approach to broadcasting that is designed to overcome several of these challenges. The Board's key organizational challenge is the disparate mix of broadcast entities it is tasked with managing.<sup>8</sup> To address this problem, the Board has adopted a "single system" approach to broadcasting whereby broadcast entities are viewed as content providers and the Board assumes a central role in tailoring this content to meet the demands of individual markets. The Board also faces marketing challenges that include the lack of a unique reason for listeners to tune in, the general lack of target audiences within broadcast markets, and poor-to-fair signal quality for many of the broadcast services. Recent initiatives such as Radio Sawa and Alhurra have addressed these deficiencies, and the Board has

<sup>8</sup>Our July 2003 report discusses additional organizational issues, including the potential need for a Chief Executive Officer or Chief Operating Officer to handle day-to-day operations for the Board and whether VOA and Radio/TV Marti should be reconstituted as grantees to put them on the same footing as other U.S. broadcast entities.

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required that all broadcast services, to the extent feasible, address these issues as well.

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### Disparate Structure of Broadcast Operations Remains an Ongoing Challenge

The Board's major organizational challenge is the need to further consolidate and streamline its operations to better leverage existing resources and generate greater program impact in priority markets. According to the Board's strategic plan, "the diversity of the Broadcasting Board of Governors—diverse organizations with different missions, different frameworks, and different constituencies—makes it a challenge to bring all the separate parts together in a more effective whole." As noted in our 2003 report, senior program managers and outside experts with whom we spoke supported considering the option of consolidating U.S. international broadcasting efforts into a single entity.

The Board intends to create a unified broadcasting system by treating the component parts of U.S. international broadcasting as a single system. Under this approach, VOA and other U.S. broadcast entities are viewed as content providers, and the Board's role is to bring this content together to form new services or entities as needed. The single-system approach to managing the Board's diversity requires that the Board actively manage resources across broadcast entities to achieve common broadcast goals. A good example of this strategy in action is Radio Farda, which combined VOA and RFE/RL broadcast content to produce a new broadcast product for the Iranian market. In the case of Radio Sawa, the Board replaced VOA's poorly performing Arabic service with a new broadcast entity. The Board's experience with implementing Radio Sawa suggests that it can be difficult to make disparate broadcast entities work toward a common purpose. For example, Board members and senior planners told us they encountered some difficulties attempting to work with officials to launch Radio Sawa within VOA's structure and were later forced to constitute Radio Sawa as a separate grantee organization. While this move was needed to achieve the Board's strategic objectives, it contributed to the further fragmentation of U.S. international broadcasting.

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### New Initiatives Address Marketing Challenges

The Board's strategic plan comments openly on the marketing challenges facing U.S. international broadcasters, specifically that many language services lack a unique reason for listeners or viewers to tune in; few language services have identified their target audiences—a key first step in developing a broadcast strategy; many language services have outmoded formats and programs with an antiquated, even Cold War, sound and style; and three-quarters of transmitted hours have poor or fair signal quality.

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Consistent with its “Marrying the Mission to the Market” philosophy, the Board has sought to address these deficiencies in key markets with new initiatives in Afghanistan, Iran, and the Middle East that support the war on terrorism. The first project under the new approach, Radio Sawa (recently added to the new Middle East Television Network), was launched in March 2002 using many of the modern, market-tested broadcasting techniques and practices prescribed in its strategic plan, including identifying a target audience, researching the best way to attract the target audience, and delivering programming to the Middle East in a contemporary and appealing format. The Board’s other recent initiatives also have adhered to this new approach by being tailored to the specific circumstances of each target market. These initiatives include the Afghanistan Radio Network, Radio Farda service to Iran, and the Alhurra satellite service to the Middle East. Table 1 describes the Board’s recent projects that support the war on terrorism.

**Table 1: The Board's Recent Initiatives that Support the War on Terrorism**

<b>Initiative</b>	<b>Launch date</b>	<b>Project description</b>
Radio Sawa (recently added to the Middle East Television Network)	March 2002	A modern Arabic-language network that broadcasts music, news, and information to a target audience of 15- to 29- year olds in the Middle East via a combination of FM, medium wave, short wave, digital audio satellite, and Internet transmission resources. Separate streams are targeted to Iraq, Jordan and the West Bank, the Persian Gulf, Egypt, and Morocco. All five streams have a differentiated music program; however, the news is similar on the four non-Iraq streams. Board officials say that Radio Sawa broadcasts between 10 to 15 minutes of news each hour.
Afghanistan Radio Network	August 2002	Afghanistan Radio Network is a coordinated stream of VOA Dari and Pashto and RFE/RL's Radio Free Afghanistan radio programming. The network targets the broad Afghani population and currently broadcasts 24 hours, 7 days a week on FM and the Internet. It broadcasts 12 hours in Dari and 12 hours in Pashto daily. It features hourly regional and global news and information coverage as well as reports on issues such as health, education, politics, human rights, women's rights, and economic reconstruction.
Radio Farda	December 2002	Radio Farda combines the efforts of VOA and RFE/RL into a single service managed by RFE/RL. Radio Farda targets its broadcasts to the under-30 youth in Iran. It broadcasts a combination of popular Persian and Western music and a total of 8 hours of news and information content daily, focusing on regional coverage and developments relating to Iran. News updates are given at least twice an hour, with longer news programming in the morning and evening. It broadcasts 24 hours a day, 7 days a week via medium wave, digital audio satellite, and the Internet, as well as 21 hours a day via short wave.
Alhurra (part of the Middle East Television Network)	February 2004	With a focus on attracting a broad audience in the Middle East, the Alhurra satellite television channel provides news, current affairs, and entertainment programming on a 24 hours, 7 days a week basis. Programming focuses on news and information, including hourly news updates, daily hour-long newscasts, and current affairs talk shows. The channel also broadcasts information or educational shows on subjects including health and fitness, entertainment, sports, and science and technology.

Source: Broadcasting Board of Governors.

Although we have not validated available research data, the Board claims that implementation of these marketing improvements has led to dramatic increases in audience listening rates. For example, based on surveys conducted by ACNielsen, the Board maintains that Radio Sawa is now the

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number one international broadcaster in six countries in the Middle East,<sup>9</sup> reaching an average weekly audience of about 38 percent of the general population and about 49 percent of its 15- to 29-year-old target audience across all six countries. These levels far exceed the 1 to 2 percent audience reach of the VOA Arabic service, which Radio Sawa replaced. In addition, the Board's main research contractor—Intermedia—has indicated that as of March 2004, Radio Farda is the leading international broadcaster in Iran—achieving an average weekly listenership of 15 percent, which is 10 percent more than the combined weekly audiences for VOA and RFE/RL's prior services to Iran. Board officials have told us that preliminary audience reach data for the Board's satellite channel Alhurra will be available by June of this year. While the audience numbers on Radios Sawa and Farda appear to be very positive, as we reported in July 2003, U.S. broadcasters suffer from a credibility problem. To address this issue, we recommended that the Board adopt measures of broadcaster credibility, which the Board has recently implemented.

In addition to these new initiatives, the Board has tasked all language services with adopting the tenets of its new approach, such as identifying a target audience and improving signal quality, to the maximum extent possible within existing budget constraints. They hope that these improvements will lead to significant audience boosts for a number of higher- and lower-priority services that suffer from very low listening rates. For example, data from the Board's 2003 language review show that more than one-quarter of all language services had listening rates of fewer than 2 percent at that time.

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<sup>9</sup>Countries surveyed include Egypt, Jordan, Qatar, the United Arab Emirates, Kuwait, and Morocco. Research for Egypt, Qatar, UAE, and Kuwait was conducted in July and August 2003. Research for Jordan and Morocco was conducted in February 2004. The six countries covered by the survey represent only a portion of Radio Sawa's target broadcast area—21 Muslim-majority countries in North Africa, the Near East, and the Persian Gulf. Notably absent from the Board's performance statistics are data on major target countries such as Sudan (about 21 million adults), Algeria (about 21 million adults), and Saudi Arabia (about 14 million adults).

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## Language Service Review Used to Reallocate Millions to Higher-Priority Broadcast Needs

The Board manages its limited resources through its annual language service review process, which is used to address such issues as how resources should be allocated among services based on their priority and impact, how many broadcast services should be carried, what degree of overlap and content duplication<sup>10</sup> should exist among services, and whether services should be eliminated because they have fulfilled their broadcast mission. This process responds to the congressional mandate that the Board periodically review the need to add and delete language services. The Board has interpreted this mandate to include the expansion and reduction of language services. Since 1999, the Board has identified more than \$50 million in actual or potential savings through the language service review process by moving resources from lower- to higher-priority services, by eliminating language services, and by reducing language service overlap and transmission costs.

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## Review Process Used to Address Complex Resource Issues

As noted in our July 2003 report, the Board's strategic plan concludes that if U.S. international broadcasting is to become a vital component of U.S. foreign policy, it must focus on a clear set of broadcast priorities. The plan notes that trying to do too much at the same time fractures this focus, extends the span of control beyond management capabilities, and siphons off precious resources. As discussed in our report, the Board determined that current efforts to support its broadcast languages are "unsustainable" with current resources, given its desire to increase impact in high-priority markets. Our survey of senior program managers revealed that a majority supported significantly reducing the total number of language services and the overlap in services between VOA and the surrogate broadcasters. We found that 18 of 24 respondents said that too many language services are offered. When asked how many countries should have more than one U.S. international broadcaster providing service in the same language, 23 of 28 respondents said this should occur in only a few countries or no countries at all.

The Board's annual language service review process serves as the Board's principal tool for managing these complex resource questions. This process has evolved into an intensive program and budget review that

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<sup>10</sup>Content duplication occurs when VOA and another U.S. broadcast entity provide the same type of information to the same audience. Board analysis shows that VOA carries more information about America than the surrogates and surrogates carry more local news than VOA. However, there are areas of overlap in content because each broadcast entity carries news about America, as well as international, regional, and local events.

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culminates with ranked priority and impact listings for each of the Board's 74 language services. These ranked lists become the basis for proposed language service reductions or eliminations and provide the Board with an analytical basis for making such determinations using measures of U.S. strategic interests, audience size, press freedom, and a host of other factors. Since the first language service review process began in 1999 and up through 2002, the Board has reduced the scope of operations of over 25 language services based on their priority and impact rankings and reallocated about \$19.7 million to help fund higher-priority broadcast needs such as Radio Sawa and Radio Farda.

As discussed in our February 2004 report, a clear example of the language service review process in action was the Board's recent proposal to eliminate 17 Central and Eastern European language services which served to reduce the overall number of language services and eliminate several overlapping services where the Board believed each broadcast entity's mission had been completed. This decision resulted in nonrecurring budget savings of about \$8.8 million for fiscal year 2004 and recurring annual savings of about \$12.1 million. Our only criticism of this decision was that the Board's language service review process did not include a measure of press freedom that gauges whether the press acts responsibly and professionally.<sup>11</sup> This is a significant omission in the Board's current measure, given the congressional concern that RFE/RL's broadcast operations not be terminated until a country's domestic media meet this condition.<sup>12</sup> Board officials acknowledged that their existing press freedom measure could be updated to include information on media responsibility and professional quality, and work is under way to develop a more comprehensive measure for the Board's 2004 language service review.

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<sup>11</sup>The Board's current press freedom measure index relies heavily on Freedom House's press freedom index, which focuses on free speech issues, the plurality of news sources, whether media are economically independent from the government, and whether supporting institutions and laws function in the professional interest of the press. The Freedom House index is used and respected by media groups around the world. However, it does not assess whether domestic media provide accurate, balanced, and comprehensive news and information.

<sup>12</sup>See Title III of P.L. 103-236, as amended by P.L. 106-113, Appendix G, Section 503.

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## Review of Overlapping Language Services Implemented

In our September 2000 report, we cited the Board's concerns about overlapping language services and its plans to address this issue in subsequent iterations of the language service review process. In our July 2003 report we again raised the issue of language service overlap and content duplication between VOA and the surrogates. We also noted that while the Board's strategic plan identified overlap as a challenge, it failed to answer questions about when it is appropriate to broadcast VOA and surrogate programming in the same language.

The Board has responded to our observations and recommendations by incorporating a review of overlapping services in its language service review process for 2003. The Board developed several approaches to dealing with overlap. For example, services can be "merged" by having one service subsume another (as was the case with Radio Farda). A second approach is to run alternating services, as is the case with the Afghanistan Radio Network, which runs VOA and RFE/RL programming on a single broadcast stream. Another approach is to simply terminate one or both overlapping services. All of the Board's overlapping services were assessed with these different approaches in mind. As a result of this analysis, the Board identified an estimated \$4.9 million in fiscal year 2004 and 2005 savings from overlap services that could be redirected to higher-priority broadcasting needs, such as expanded Persian language television for Iran and expanded Urdu language radio for Pakistan.<sup>13</sup>

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## Strategic Planning and Performance Management System Revised to Place a Greater Focus on Results

Mr. Chairman, the Board has revised its strategic planning and performance management system to respond to the recommendations in our July 2003 report aimed at improving the measurement of its results. In that report, we recommended that the Board's new strategic plan include a goal designed to gauge progress toward reaching significant audiences in markets of strategic interest to the United States. Our report also recommended that the Board establish key performance indicators relating to the perceived credibility of U.S. broadcasters, whether audiences are aware of U.S. broadcast offerings in their area, and whether

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<sup>13</sup>The Board also identified an estimated \$7.5 million in fiscal year 2004 and 2005 savings from transmission reductions during its 2003 language service review.

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VOA is achieving its mission of effectively explaining U.S. policies and practices to overseas audiences.<sup>14</sup>

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## Reaching Large Audiences in Key Markets

In response to our recommendation for a goal that would measure progress in reaching large audiences in markets of strategic interest to the United States, the Board replaced the seven strategic goals in its plan with a single goal focused on this core objective.<sup>15</sup> The goal is supported by a number of performance indicators (at the entity and language service level) that are designed to measure the reach of U.S. international broadcasting efforts and whether programming is delivered in the most effective manner possible. Weekly listening rates at the entity level and target audience numbers by language service provide key measures of the Board's reach. Other program effectiveness measures include program quality, the number of broadcast affiliates, signal strength, Internet usage, and cost per listener.

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## Broadcaster Credibility

In response to our recommendation for a measure of broadcaster credibility to identify whether target audiences believe what they hear, the Board added such a measure to its performance management system. Reaching a large listening or viewing audience is of little use if audiences largely discount the news and information portions of broadcasts. Our survey of senior program managers and discussions with Board staff and outside groups all suggest the possibility that U.S. broadcasters (VOA in particular) suffer from a credibility problem with foreign audiences, who may view VOA and other broadcasters as biased sources of information. InterMedia, the Board's audience research contractor, told us that it was working on a credibility index for another customer that could be adapted to meet the Board's needs and, when segmented by language service, would reveal whether there are significant perception problems among

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<sup>14</sup>This Board's strategic planning and performance management system includes its 5-year strategic plan, Results Act reporting (annual performance plans and reports), the Office of Management and Budget's new Program Assessment Rating Tool, the annual language service review process, and annual program reviews of individual language services.

<sup>15</sup>We also reported that efforts to assess the effectiveness of the Board's new approach to broadcasting may be hampered by the lack of details on how the Board intends to implement each of its program objectives. Our September 2000 and July 2003 reports both noted that the Board's performance plans lacked specifics on implementation strategies, resource requirements, and project time frames. The Board acknowledged these deficiencies and said that major changes are slated for future planning efforts.

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key target audiences. However, to develop a similar measure, Intermedia told us that the Board would need to add several questions to its national survey instruments.

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## Audience Awareness

In response to our finding that the Board lacked a measure of audience awareness, the Board has added such a measure to its performance management system. We determined this measure would help the Board answer a key question of effectiveness: whether target audiences are even aware of U.S. international broadcasting programming available in their area. Board officials have stated that this measure would help the Board understand a key factor in audience share rates and what could be done to address audience share deficiencies. We found that the Board could develop this measure because it already collects information on language service awareness levels in its audience research and in national surveys for internal use.

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## VOA Mission Effectiveness

Finally, in response to our finding that the Board lacked a measure of whether target audiences hear, understand, and retain information broadcast by VOA on American thought, institutions, and policies, Board officials we spoke with told us that they are currently developing this measure for inclusion in the Board's performance management system. The unique value-added component of VOA's broadcasting mission is its focus on issues and information concerning the United States, our system of government, and the rationale behind U.S. policy decisions. Tracking and reporting these data are important in determining whether VOA is accomplishing its mission. Officials from the Board's research firm noted that developing a measure of this sort is feasible and requires developing appropriate quantitative and qualitative questions to include in the Board's ongoing survey activities.

Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions you or other members of the subcommittee may have at this time.

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## Contacts and Acknowledgments

For future contacts regarding this testimony, please call Jess Ford or Diana Glod at (202) 512-4128. Individuals making key contributions to this testimony included Janey Cohen, Melissa Pickworth, Addison Ricks, and Michael ten Kate.

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