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HEADLINE: CHANNEL ONE EMBROILED IN CONTROVERSY

ANCHORS: KATIE COURIC

BODY:

KATIE COURIC, co-host:

Channel One is a commercial television program shown to students in public schools nationwide.

Ms. MONICA NOVOTNY: Hey, hey, welcome to Channel One, I'm Monica Novotny.

COURIC: Every school that broadcasts the 10-minute current events program receives free video equipment and two additional minutes of advertising. Later today, the Center for the Analysis of Commercialism In Education will present a report showing the cost to taxpayers for broadcasting Channel One in their local classrooms. Alex Molnar is the co-author of the report, and David Tanzer is the president of the Channel One network.

Gentlemen, good morning.

Mr. ALEX MOLNAR ("Hidden Costs of Channel One"): Good morning, Katie.

Mr. DAVID TANZER (President, Channel One): Good morning.

COURIC: Mr. Molnar, let me start with you. What was your objective in doing a report on the hidden costs of Channel One? What were you hoping to achieve?

Mr. MOLNAR: Well, Channel One is usually described as a free service because the schools get the use of television equipment, but, in schools, time is money. Taxpayers have to pay for the teachers, they have to have the schools up and running, and without access--guaranteed access--to schools, Channel One hasn't got a business. So they rely on a taxpayer subsidy. In our study we calculated the average per pupil costs for each state, as well as a

national average. And what we found is--is that for the 12 minutes of Channel One broadcasts, the national figure is \$ 1.8 billion taxpayer to pay people to be around when Channel One is broadcast. If we just take the commercials, the cost across the country is \$ 300 million to taxpayers, and we thought that this would be useful information to the public and citizens as they consider whether or not Channel One is a good investment for their school.

COURIC: OK, I'm trying to understand it. Basically, you're calculating the costs of having a teacher in the classroom while Channel One, the 12-minute newscast is playing?

Mr. MOLNAR: Exactly.

COURIC: Well, would you calculate the cost of the teacher in the classroom, say, when a film strip was being show to the students, or some kind of documentary that was deemed to be educational?

Mr. MOLNAR: You could do that, Katie. You can calculate school costs by the second, and by the minute, by the hour. The question is, with regard to Channel One, what the cost is over and opposed to what the schools might be doing at that time otherwise. In the case of commercials, I think that most people wouldn't argue that it's a good idea to pay teachers to stand by, literally in some cases probably, with their hands in their pockets while commercials are being broadcast. That has a cost.

COURIC: All right. Well, let me go to David Tanzer. What do you make of this study, the fact that this is costing tax--taxpayers billions of dollars in money in terms of having a teacher on hand, and--and especially during the commercials that are shown, the two minutes of commercials?

Mr. TANZER: Well, Katie, thank you for having me. The most important thing is the tremendous educational value of our program. Twelve thousand schools have made their own assessment about the educational value and, for years, have been balancing the value of the program and educating teenagers about new and teen issues, and the constraints of school time. Twelve thousand principals have made a very heartfelt decision to bring it into their school, and they've renewed at a 99 percent rate, which we think speaks very strongly to the value that they attach. We are the leading source of news for teenagers in America.

You'd be interested to know the original concept was a TODAY show for teens. It was developed to fit the needs of educators and that's why it's been so successful.

COURIC: But what do you make of this study of the taxpayer--payers' cost?

Mr. TANZER: Well, I think this is a big abstract number in a vacuum. What's important on the other side of the equation is all of the educators that have made their own assessment that it is worthwhile to be in the classroom, that it's important that teenagers learn hard news, that they learn about issues like

the toll of gun violence, about binge drinking, everything like that. I have a little girl and a little boy; you have children, every parent wants for their child to be informed about the world, and that's why schools have brought us into their schools.

COURIC: You all won a Peabody for your coverage of AIDS? Is that right, or...

Mr. TANZER: That's right. We've won more than 150 programming awards, including a Peabody, which is the highest award that we're eligible for, and I think every parent and every teacher would agree that it's important for teenagers to be informed about issues like that.

COURIC: Mr. Molnar, you've heard some of the things...

Mr. MOLNAR: Certainly.

COURIC: ...that Mr. Tanzer is saying that, you know, these--these schools are keeping it on, they're praising the product. It certainly is an award-winning program, and some might--some people might argue it's--it could be considered a better use of taxpayer's dollars than perhaps what's in the regular curriculum.

Mr. MOLNAR: Well, it's possible to argue almost anything, Katie, especially on April Fools' Day, but I'm not sure that I would accept that argument. The fact of the matter is, is that a free alternative to Channel One is available without commercials to schools. The cost of Channel One equipment that's made available to schools by our calculation is about \$ 4,000 a year. In the average high school, the cost of paying teachers to stand around while Channel One is being broadcast--its broadcasting, just the commercial part of it, is \$26,000. These aren't abstract numbers. In the District of Columbia where I'm sitting right now, the cost for an average high school for a year to show Channel One is \$ 275,000. Now, it would be hard to argue that this is a wise investment, but it is up to the local communities. We think they ought to have the best information possible...

COURIC: Mm-hmm.

Mr. MOLNAR: ...as they consider the value of this program.

COURIC: Mr. Tanzer, why not just get rid of the commercials in the newscast? Can't you?

Mr. TANZER: Well, the program was developed with educator's needs in mind, and they're the ones that told us what would make it work was the commercials.

They told us that teens don't get news. They need news; the way to get it to them is in the school, that they need the equipment to view it because they don't otherwise have the resources to find that.

COURIC: But why do they have to see Pepsi and Nike ads?

Mr. TANZER: Well, the commercials is what makes it all possible to receive it for free and to allow teenagers to know what's going on in the world. And they don't otherwise read newspapers, watch TV news, and--and this is what allows it to happen. It's a very innovative public/private partnership.

COURIC: Alex Molnar, the bottom line, would you just like to see Channel One removed from all schools?

Mr. TANZER: The bottom line is Channel One isn't free. It carries a heavy taxpayer subsidy. The advertising rates on Channel One are higher probably than the advertising rates for your show, Katie. They're \$ 200,000 approximately for a 30-second spot. And the only reason they can charge that kind of money is because schools are required to guarantee the children are sitting there in front of that monitor to see those commercials. We think that their costs of having teachers stand by there, and unable to do anything else in the school, is something that taxpayers need to know about.

COURIC: All right, Alex Molnar and David Tanzer, gentlemen, thank you both for joining us this morning.

Mr. TANZER: Thank you.

Mr. MOLNAR: Thank you, Katie.

COURIC: And we'll have more of TODAY right after this.

LANGUAGE: English