**FAQ**

**WITF and Channel Sharing and the Spectrum Auction**

**1. So what will you use the money for?**

*The funds will be put into WITF’s board-designated endowment. The earnings from the endowment will add about 9%, or approximately $1 million, to WITF's annual revenues and will be utilized to accelerate WITF’s work in three important areas, to fulfill its mission to “strengthen our communities by connecting them to each other and to opportunities for lifelong learning.” We will use these resources to leverage other funds, private and public, to make these efforts a success. These projects are:*

*We are planning a new, digital-first news organization, dedicated to covering Pennsylvania politics, government—delivered statewide. Our audience craves such news, and our democracy dearly needs it. Yet state news journalism has been declining precipitously. WITF -- which already has noteworthy infrastructure and experience to build upon -- now can fill this void. We are also developing a media literacy program for middle and high school students. Media literacy is central to the world our students are entering -- yet many school curricula don’t reflect it. WITF can fill that void by offering after-school and summer programs for students across our region. And we will launch the PBS Kids Channel (a 24/7 multicast channel and streaming resource) in 2017. But, we’ll only be able to make these goals come to life with additional support from our sponsors and donors. These big ideas will be years in the making.*

**2. How did WITF decide how to use the auction proceeds?**

*By listening. We conducted a community survey in August of our supporters, our audiences and community leaders generally across Central Pennsylvania to determine the aspects of WITF’s service they most would like to see expanded. The survey informed the strategic planning the board is now undertaking. And we’re going to keep listening as we move forward.*

*We are planning a new, digital-first news organization, dedicated to covering Pennsylvania politics, government and statewide issues. Our Central PA audience craves such news, and our democracy dearly needs it. Yet state-news journalism has been declining precipitously. WITF -- which already has noteworthy infrastructure and experience to build upon -- now can fill this void. We are also developing a media literacy program for middle and high school students. Media literacy is central to the world our students are entering -- yet many school curricula don’t reflect it. WITF can fill that void by offering after-school and summer programs for students across our region. And we will launch the PBS Kids Channel (a 24/7 multicast channel and streaming resource) in 2017. But, we’ll only be able to make these goals come to life with additional support from our sponsors and donors. These big ideas will be years in the making.*

**3. Will this sale constrain WITF’s ability to broadcast? Will future programming capacity be diminished?**

*No. These auction proceeds will have no impact on WITF’s current ability to distribute content to our community on either TV or radio—in fact, we will be adding a multi-cast channel, the 24/7 PBS Kids Channel, this year. That’s part of what makes this such a great opportunity. We can achieve these proceeds without diminishing our existing offering at all. In fact, this is an opportunity to focus on the continued improvement our services and of our technical infrastructure. Furthermore, technologies on the horizon, like the new broadcast standard ATSC 3.0, will make our broadcasts more interactive and flexible.*

**4. Who is your channel sharing partner?**

*The terms of our agreement do not permit us to identify our partner at this time. But because of digital compression and other technological advances, WITF can share surplus spectrum without reducing our current broadcasting capabilities. The channel sharing agreement is a technical contract for the delivery of each station’s broadcast signal to viewers and cable providers; there will be no editorial interaction or change in broadcast content for either station.*

***5. So you don’t need federal funding/state funding/on air pledges/donor support anymore?***

*We'll need it more than ever now. While these new resources are welcome, they are insufficient to achieve the new goals that our community has asked for. The channel-sharing agreement is example of our ability to earn revenues and develop business arrangements to supplement our other sources of funding (state/federal funds, donors, underwriters), which remain critical to the success of WITF. It’s proof of our commitment to seek diversified revenues.*

*WITF’s financial strategy has always been to seek a diversity of funding sources. That means some tax-based support from the state and federal governments, contributed revenue from donors and sponsors, and earned revenues—including revenues from business arrangements such as this channel-sharing agreement. That’s the prudent approach that WITF’s Board has always followed.*

*We intend to use some of these proceeds to focus on goals we’ve had for years, such as 1) creating a new, digital-first news organization 2) offering a media literacy program and 3) launching the PBS Kids Channel (a 24/7 multicast channel and streaming resource). We are launching a new effort with our supporters to seize this moment together. But, we’ll only be able to make these goals come to life with additional support from our sponsors and donors. These big ideas will be years in the making.*

**6. Why isn’t WITF sharing money with the community directly, like schools who desperately need the funds?**

*We are passionate about community at WITF, and particularly about education. It’s the focus of so much of our content. But, these proceeds are not sufficient to make a meaningful impact on the 500 some municipalities making up our communities and our region’s nearly 100 school districts. Plus - that’s not what we do. What we do is to tell and share stories and content that inspire. No one in the region does it better. And fewer and fewer do it at all. Our Board is focused on using these proceeds to expand those essential WITF offerings, rather than to focus on new efforts where we have no specific history or demonstrated expertise.*

***7. Why am I only hearing about this now?***

*We would have loved to have told you earlier, but we were bound by strict FCC and legal requirements not to speak about the auction. Only our board members and senior staff were directly involved in the auction process. All were legally bound to non-disclosure.*

***8. This spectrum you sold was a public asset. Are you using the proceeds for public purposes? Are all public media organizations using these funds for public purposes?***

*At WITF we’re proud to say that our Board has chosen to use the proceeds for our public purpose and mission. We have already announced that earnings from the proceeds will be used to help fund ambitious mission-based efforts such as launching a new, digital-first news organization and creating a media literacy program. These efforts are the very essence of our public mission. Now, to fulfill our mission, we also need to operate effectively, and our Board may choose to use some of the proceeds to reduce debt, or to recruit and retain quality staff. What the WITF board can promise is that all these uses will be 100% in support of our public service mission.*

***9. The WITF Board of Directors indicated that the proceeds will be deposited in WITF’s board-designated endowment. What exactly does this mean?***

*That’s correct -- these auction proceeds will be placed into a board-designated endowment. That means the board of WITF controls the investment and use of these funds. The earnings from the endowment will add about 9%, or approximately $1 million, to WITF's annual revenues. We plan to use the earnings to fund three initiatives that are focused on serving the greater Central Pennsylvania area and beyond. But we will be able to make these goals come to life only with additional support from our sponsors and donors. These big ideas will be years in the making.*

***10. Can you elaborate on what digital-first means?***

*Digital-first news is fact-based and contextual journalism produced for delivery first on the digital devices that users increasingly prefer: smartphones, tablets and computers, and using all of storytelling’s media formats: audio, text, video, maps, animation and interactives. WITF will build its digital-first news efforts on the foundation of its robust radio, television, print and event platforms -- platforms that have been bringing Pennsylvania issues to Pennsylvanians for more than half a century.*