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Office of International Broadcasting Oversight

Survey of the Merger of Worldnet Television with the Voice of America

Memorandum Report Number IBO-A-03-04 February 2003

The Broadcasting Board of Governors' (BBG) increasing use of television and Internet and changing foreign policy priorities require greater efficiencies in broadcasting. To obtain such efficiencies the BBG notified Congress in February 2000 of its decision to merge the Worldnet Television and Film Service (WORLDNET) with the Voice of America (VOA). In November 2001, the VOA director proposed that the merger become part of a complete reorganization of VOA to transform it into a multimedia broadcaster.¹ A number of plans have been developed and some ad hoc integration has taken place, but the merger is still not complete. In September of 2002, a new VOA director was appointed, and will finalize the plan.

The Office of Inspector General (OIG) for the Department of State and BBG initiated a review of the merger of WORLDNET with VOA in August 2002. The objectives of this review were to determine: (1) the status of the merger; (2) the resource implications of the merger; and (3) how VOA-TV and WORLDNET programs have been integrated.

The review was conducted from August to September 2002. OIG conducted nearly 80 meetings with over 100 participants and analyzed relevant documents. Major contributors to this report were Louis A. McCall, Assistant Inspector General for International Broadcasting Oversight, acting; Katherine M. Schultz, audit manager; James M. Berry-Schneck, senior auditor; and Matthew E. Glockner, management analyst.

¹ Appendix A shows a chronology of significant events related to VOA and the merger of WORLDNET.

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To allow the agency time to reorganize under a new director, a new board chairman and other new board members, OIG will make one recommendation at this time. OIG will monitor follow up action by VOA and BBG until the merger is complete.

Recommendation 1: The Director of the Voice of America, through the Broadcasting Board of Governors, should provide the Office of Inspector General with quarterly status reports on the merger of WORLDNET with Voice of America, beginning January 1, 2003, and ending with the completion of the merger. (Action: VOA)

BBG concurred with the recommendation and agreed to report on the status of the merger quarterly.² On January 10, 2003, VOA Director David S. Jackson submitted the status report for the first quarter of FY 2003. OIG commends BBG on its responsiveness and considers the recommendation to be resolved open, pending completion of the merger and submission of a final status report.

MATTERS FOR CONSIDERATION

The following analysis outlines matters for consideration that may assist VOA in finalizing the merger.

Status of the Merger

The merger was intended to create a multimedia broadcasting entity.³ Each language service in VOA would be empowered to select the kind of media that will reach the greatest audience available to that service. VOA's action was an answer to BBG's strategic planning guidance to "rethink where we broadcast, how we broadcast, and how we are organized internally to support our broadcasting."⁴ Various plans were reviewed during the OIG survey, and a new plan is being developed with the approval of the Board of Governors.

² BBG's comments on the OIG draft report are included in their entirety in Appendix C of this report.

³ BBG initially proposed a merger of WORLDNET Television with VOA in a letter to Congress dated February 2, 2000; the proposal was revised in a letter to Congress dated March 20, 2001. In the Statement of Managers accompanying Public Law 106-553, Congress understood that VOA would realign its organizational structure to incorporate television and realize efficiencies and savings.

⁴ BBG's strategic planning guidance is "to marry the mission to the market," and reorganization is a response to that guidance.

Issues Affecting the Merger Outcome

Meeting the Vision

The challenge for VOA managers is to broadcast to the greatest audience possible in a medium suited to that audience using current resources. However, OIG observed that managers in language services and central programming for VOA did not believe they were empowered to make resource decisions to meet the multimedia vision. Merging WORLDNET with VOA does not increase resources for VOA television and Internet. Management's commitment that no employee will lose a position or grade because of the merger restricts the reallocation of resources necessary to implement the vision.

The Committee letter⁵ explicitly states, "the Committee expects the BBG to undertake a top-to-bottom review of television-related activities..." However, to date, no merger has taken place between WORLDNET Television and VOA, nor is there any evidence that any "top-down" evaluation of television has taken place.

Matter for Consideration: VOA needs to evaluate the role of television throughout the organization to determine whether resources are appropriately allocated to meet the priorities of the BBG. The Director needs to ensure that language services understand their responsibility to make decisions on which medium will reach the greatest audience, given present resource allocations.

Role of the International Broadcasting Bureau

VOA must use the administrative support services provided by the International Broadcasting Bureau (IBB) to accomplish any merger. IBB support services, such as human resources and finance, can review any plan developed by VOA and decide whether to approve or delay the merger. So, VOA has the responsibility to develop and implement the merger, but only after IBB gives it the authority to initiate action.

Matter for Consideration: IBB support offices need to provide, on a timely basis, all requested data to VOA to assist in planning a merger that is feasible and meets the human resource and financial requirements of the United States government.

⁵ Letter from Congressman Frank Wolf, Chairman, Subcommittee on Commerce, Justice, State, the Judiciary and Related Agencies, Committee on Appropriations, House of Representatives, dated May 21, 2001.

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Communications

OIG found in interviews with staff at VOA, WORLDNET TV, IBB, and BBG that there had been limited or no communication on merger plans to mid-level or on-line staff. In addition, not all key managers had been asked to contribute to the process.

Matter for Consideration: For the merger to work, VOA management needs its staff not only to understand the plan, but also to be a part of it. VOA needs to develop a program to communicate the plan and its implications to all divisions and solicit and incorporate their comments.

Unions

Two unions represent VOA employees. One union represents radio technicians, and the other represents broadcasting personnel, including television technicians. Each union has its own contract, bargaining regulations, and professional requirements. In its March 20, 2001, letter, BBG stated that discussions had been initiated with the unions on the implications of the merger.⁶ However, as of August 2002, there was no evidence that the unions had been consulted on specific, proposed merger plans. Because there are long-term issues that may change work requirements, supervisors, and organizational units, management needs to coordinate with union representatives to reduce grievances and possible lawsuits.

Another union issue discussed in merger plans is that radio and TV technicians would be cross-trained to share each other's duties. However, current bargaining unit arrangements will not allow radio and TV technicians to share jobs, and not all technical skills are easily interchangeable.

Matter for Consideration: The unions need to be consulted to minimize potential union grievances that could otherwise delay the implementation of any merger plan.

Resource Implications

Cost Savings

At present, merger plans do not indicate immediate cost savings. Congress approved the plan with the understanding that the reorganization of VOA and the merger of WORLDNET would result in efficiencies and cost savings. Savings

⁶ Letter to Subcommittee on Commerce, Justice, State, the Judiciary and Related Agencies, Committee on Appropriations, House of Representatives.

were originally envisioned based on the premise that correspondents and technical personnel would be cross trained and multifunctional, and video-journalists would provide television products for multimedia use. Adapting a TV story for the radio or Internet, however, requires a significant amount of time, and correspondents find it difficult to meet deadlines when stories are produced in dual formats. There are also vacancies in most units, which makes cross training difficult. However, as the merger evolves over time, there could be cost savings in production or programming.

Matter for Consideration: The merger plan needs to outline how staffs are to be reorganized to improve programming and meet the intent of Congress regarding efficiencies and savings.

Personnel Issues

Video journalists have remained in a training status since the VOA-TV pilot project began in 1998. Non-management employees who volunteered for the pilot project have not been given either position descriptions or annual performance appraisals. VOA and the IBB Human Resources Division have been working to resolve this issue. In September 2002, position descriptions developed during the past year resulted in the posting of job announcements.

Matter for Consideration: All employees, managers, and non-managers who were detailed to the video journalist pilot project need to be assigned to a division within VOA with a position description that accurately states position duties and responsibilities.

Program Integration

The purpose of combining the merger with the reorganization of VOA was to develop VOA into a multimedia organization able to broadcast via radio, TV, or Internet, depending on which medium would reach the widest audience. The merger itself will not affect the quantity or quality of VOA-TV. Without additional resources, it is not clear how the merger will result in an increase in television products.

The merger has already partially taken place. OIG observed that WORLDNET has become a production house providing technical support to all VOA-TV products.⁷ VOA-TV projects have been created, are being broadcast, and

⁷ Appendix B has a listing of current VOA television programs.

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in some cases, have attracted a significant audience. For example, the Indonesian and Azerbaijani television programs each have a strong viewing audience. By all accounts, the relationship between WORLDNET technical and production personnel and the VOA language service and technical personnel is working well. Several simulcast programs are produced, such as *VOA NewsReview* and *Conversemos En Esta Noche*, that require both radio and TV technicians to work together to make a simulcast happen. There are WORLDNET employees that work full-time on specific VOA-TV products for language services. These employees should be assigned to and supervised by the respective language services.

Matter for Consideration: VOA, working with the IBB Human Resources Division, needs to treat equitably all employees who are moved to other divisions as a result of the merger to the maximum extent possible.

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Appendix A

Chronology of Significant Events Related to VOA and the Merger of WORLDNET

Date	Event
August 1, 1953	United States Information Agency (USIA) established and VOA becomes its single largest element.
1983	WORLDNET established and interactive "Dialogues" are initiated.
December 19, 1988	Congress passes legislation applying the VOA Charter to WORLDNET.
June 8, 1989	For first time ever, VOA and WORLDNET collaborated to produce simulcast broadcast in response to the events in Tiananmen Square. ^a
September 1991	Charles Untermeyer appointed VOA director.
December 27, 1992	Somali broadcasts start. Canceled shortly thereafter.
January 1993	Charles Untermeyer resigns as VOA director.
January 10, 1993	VOA and WORLDNET collaborate to launch Ukrainian TV.
1994	VOA becomes first international broadcaster to offer material on the Internet.
March 1994	Geoffrey Cowan appointed as VOA director.
April 30, 1994	President Clinton signs the U.S. International Broadcasting Act of 1994, which creates BBG and IBB and authorizes grants to create Radio Free Asia.
September 18, 1994	VOA Chinese Branch launches its new radio and TV simulcast, <i>China Forum</i> .
September 1996	WORLDNET begins 24 hours per day TV on the Eutelsat satellite.
October 1996	Studio 47 inaugurated to carry WORLDNET and VOA simulcasts.
October 17, 1996	VOA and WORLDNET launch a weekly, call-in radio and TV simulcast to Iran in Farsi. Simulcasts of weekly VOA-TV productions in Arabic, Russian, Serbian, Bosnian, and Spanish, along with Mandarin TV.
November 1996	Geoffrey Cowan resigns as VOA director.
February 1, 1997	WORLDNET moves from Patrick Henry Bldg to VOA headquarters in Cohen Bldg.
March 1997	Evelyn Lieberman begins as new VOA director.
October 21, 1998	President Clinton signs the Foreign Affairs Reform and Restructuring Act of 1998, which creates BBG as an independent agency within the executive branch.
October 1998	WORLDNET launches the new telecast, <i>Washington Window</i> .
May 1999	Evelyn Lieberman resigns as VOA director.
June 1999	Sanford J. Ungar becomes new VOA director.
October 1, 1999	BBG's independence becomes effective.
February 2, 2000	Letter to Congress requesting merger of VOA and WORLDNET.
March 20, 2001	Letter to Congress submitting revised merger plan.
May 21, 2001	Subcommittee's response to BBG's revised merger plan dated March 20, 2001.
July 2001	Sanford J. Ungar resigns as VOA director.
October 2001	Robert R. Reilly appointed VOA director.
August 7, 2002	VOA Senior Advisor Paul S. Bartley provided a proposed merger and reorganization plan that differs substantially from that approved by Congress on May 21, 2001. Plan was revised on August 30, 2002.
August 30, 2002	Robert R. Reilly resigns as VOA director.
September 3, 2002	David S. Jackson appointed new VOA director.
September 4, 2002	Current merger plan put on hold by Acting IBB director Brian Conniff.

^a Simulcast—a program that is broadcast simultaneously on TV and radio, and sometimes on the Internet.

Source: Compiled from *U.S. International Broadcasting Chronology* on the International Broadcasting Bureau website and the list of *VOA Directors* on the VOA website.

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Appendix B

Current VOA and WORLDNET TV Original TV Programs (as of October 8, 2002)

Name of Program	Language	Length and Frequency	Simulcast ²	Format	Source of material
Special Report Africa	English to Africa	30 minutes per month	No	Documentary	VOA-TV-occasional VJ unit material ³
Straight Talk Africa	English to Africa	1 hour per week	Yes	Guest in studio or on phone	VOA-TV-occasional VJ material
Africa Journal	English to Africa	1 hour per week	No	Roundtable	VOA-TV-occasional VJ material
Washington Forum	French to Africa	30 minutes per week	Yes	Journalist roundtable	VOA-TV
Issues and Opinions	Chinese-Mandarin	4 hours per week	Yes	Public affairs call-in show	VOA-TV-occasional VJ material
To Your Health	Chinese-Mandarin	1 hour per week	Yes	Call-in	VOA-TV
Cultural Odyssey	Chinese-Mandarin	30 minutes per week	Yes	Magazine	VOA-TV-regular VJ input
Pro & Con	Chinese-Mandarin	30 minutes per week	Yes	Guest-host discussion	VOA-TV
Strait Talk	Chinese-Mandarin	1 hour per week	Yes	Call-in	VOA-TV
Dunia Kita	Indonesian	30 minutes per week	No	Magazine	VOA-TV-regular VJ input
Halo VOA	Indonesian	60 minutes per week	Yes	Call-in	VOA-TV
Window on the World	Russian	30 minutes per week	No	Magazine	VOA-TV-regular VJ input
Viewpoints	Russian	15 minutes per week	No	Political discussion	VOA-TV
Window on America	Ukrainian	30 minutes per week	No	Magazine	WORLDNET/VOA-TV-regular VJ input
Access Washington	Bosnian	30 minutes, 5 times a week	Yes	News and current affairs	VOA-TV-regular VJ input
Open Studio	Serbian	30 minutes, 5 times a week	Yes	News and current affairs	VOA-TV-regular VJ input
Ditari	Albanian	30 minutes, 5 times a week	Yes	News and current affairs	VOA-TV-regular VJ input
Conversemos En Esta Noche	Spanish	1 hour per week	Yes	Call-in	WORLDNET /VOA-TV-occasional VJ input
Foro Inter-Americana	Spanish	1 hour per week	No	Journalist roundtable	WORLDNET TV
Global Exchange	Arabic	1 hour per week	No	Guest-host discussion	WORLDNET TV
Roundtable With You	West Asia-Farsi	90 minutes per week	Yes	Cultural/topical call-in show	VOA-TV
Talk to America	English	1 hour, 5 times a week	Yes	Guest-host discussion	VOA-TV-occasional VJ input

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Name of Program	Language	Length and Frequency	Simulcast ^a	Format	Source of material
NewsFile ^c	English, French, Spanish, Arabic, Mandarin, Russian, Indonesian	20-40 minutes per day	No	News pieces	Worldnet TV-regular VJ input
NewsLine	English	30 minutes per week	No	News and interviews	VJ program
This Week	English	24 minutes per week	No	Magazine	VJ program
VOA News Review	English	30 minutes per week	Yes	Discussion	VOA News Now-VJ program
Doing Business ^d	English, French, Spanish, Arabic, Mandarin, Russian, Indonesian	20-30 minutes per month	No	Business magazine	WORLDNET TV-occasional VJ input
Science World ^e	English, French, Spanish, Arabic, Mandarin, Russian, Indonesian	15 minutes per week	No	Science magazine	WORLDNET TV-occasional VJ input
Next Chapter	Farsi	60 minutes per day	Yes	Magazine	VOA-TV-occasional VJ input
On the Line	English	30 minutes twice weekly	No	Policy discussion	IBB-Office of Policy

^a Simulcast—a program that is broadcast simultaneously on TV and radio, and sometimes on the Internet.

^b VJ unit—a special television unit within VOA consisting of video journalists. Note that there are other video journalists working directly in many of the language services as well.

^c Many other television programs use the WORLDNET NewsFile feed on an occasional to regular basis.

^d Pieces from this show are sometimes used by other language services.

^e See footnote d.

THE DIRECTOR OF THE VOICE OF AMERICA
WASHINGTON, D.C.

January 3, 2003

Mr. Clark Kent Ervin
Inspector General
Office of the Inspector General
Department of State

Dear Mr. Ervin:

This is in response to your letter of November 26, 2002, to Mr. Kenneth Y. Tomlinson, Chairman, Broadcasting Board of Governors (BBG), regarding the Office of Inspector General's (OIG) Inspection Report title *The Merger of Worldnet Television with Voice of America*, Report Number IBO-A-03-xxx, November 2002. The BBG's International Broadcasting Bureau (IBB) has reviewed the report and provides the following response to the Recommendation:

Recommendation: The Director of the Voice of America, through the Broadcasting Board of Governors, should provide the Office of Inspector General with quarterly status reports on the merger of WORLDNET with Voice of America, beginning January 1, 2003, and ending with the completion of the Merger.

BBG/IBB Response: BBG/IBB concurs with this recommendation and will provide the OIG with quarterly status reports on the WORLDNET/VOA Merger beginning January 1, 2003, and ending with the completion of the Merger.

Below is our response to the Matters for Consideration, outlined using the categories referenced in your document:

Meeting the Vision – Decisions on which medium will be used to reach the greatest audience given our present constraints will be made by VOA top management. WORLDNET television producers reassigned to the Language Divisions will assist in this process by helping to evaluate the needs of the Division's markets and suggesting appropriate programming. The Program Review process will be another input to the process.

At this time, VOA television programs are evaluated during the annual Program Review process. A "top-down" evaluation of *all* television programs will take place through the existing annual Program Review process once the merger has been implemented. This review will take place in the context of all broadcasting for the division, whether on TV, radio or Internet.

Management's commitment that no jobs will be lost solely as a result of the merger is a constraint that was established under a previous administration. We have accepted this constraint in a gesture of good faith to our employees.

Communications – Extensive conversations with Division Directors have taken place to ensure their issues are addressed through the merger. Communications to bargaining unit employees have been necessarily delayed until the plan is presented formally to the union. A communications plan is under development that will ensure that all employees understand and become a part of the "New VOA." The plan envisions a town hall meeting with all employees as well as small-group meetings with supervisors.

Unions – We intend to communicate the specific proposed merger plan to the unions as soon as the merger plan is approved by OMB and Congress. We expect OMB approval very soon and will brief Congressional staff as soon as the new legislative session commences. To release draft information to the unions prematurely would cause confusion and stall the process. It would also complicate our efforts to gain support on Capitol Hill.

Cost Savings – Our plan to place television and radio resources together within each Language Division will increase efficiency by allowing some personnel to work on both television and radio. This will allow us to broadcast more programming with existing resources. It will also ensure that the most relevant medium is used for each target area. When supported by current and reliable research data, one medium may be reduced or eliminated in a Service, and those resources shifted to the most effective means of delivering the message. Cross training of technical personnel is a long-term goal that will require negotiation with the unions.

Personnel Issues – Bargaining unit personnel in the VOA-TV Pilot Project have been given position descriptions that accurately state their position duties and responsibilities. Promotional opportunities for four video journalists have been competitively advertised in two language Divisions and central programming. Management personnel position descriptions are being drafted at this time and will soon be in place.

Program Integration – When and where appropriate, the merger will result in an increase in television (and Internet) products. As radio personnel are given opportunities to work in these media, and personnel currently engaged solely in internet and television are working in the radio world, all will develop a greater understanding and appreciation of the need and importance of developing programming which can be used across all delivery methods.

A typographical error can be found in footnote 2 on page 2 of the report: the date of the letter to Congress initially proposing the merger was February 2, 2000, not February 2, 2002.

Thank you for the opportunity to comment on the report. If you have any questions, please contact me or Paul Bartley, Senior Advisor for Management, at (202) 619-3375.

Sincerely,

A handwritten signature in black ink, appearing to read "David S. Jackson". The signature is fluid and cursive, with a long horizontal stroke at the end.

David S. Jackson
Director