CELEBRATING 25 YEARS WITH THE SHORENSTEIN CENTER

EXPLORING: THE MEDIA AND POLITICS FRONTIER

UNEDITED TRANSCRIPT

Saturday
October 15, 2011

Nye Conference Center
Taubman Building, Fifth Floor
Harvard Kennedy School

MR. JONES: We have tried in this gathering to be genuinely eclectic and I think that, for instance, yesterday, having the guy who invented rotisserie baseball was an example of that. We are closing with a theme that is something that is very much a part of what we are and is in our title but we really have not addressed directly today and that is politics. And the person who is leading that is a guy who spent a number of years in Nashville as a country song writer. As I say, we try to cover all the bases.

Mark McKinnon is about as smart as it gets when it comes to understanding politics today. He has worked for an eclectic array of clients that range from Ann Richardson, the democratic Governor of Texas, to George W. Bush, the republican Governor of Texas. He is someone whose column on The Daily Beast and commentary on The Daily Beast is always smart. He tried to get Governor Christie to run for president and to his -- I think Governor Christie now seems to be running for vice president instead, perhaps.

He also, Mark, last week anointed Herman Cain the winner of the most recent democratic or republican presidential debate and said that Newt Gingrich was the smartest person in the room. The point is that Mark has opinions, they are

informed opinions, they are reasoned and they are always interesting. And it is my great pleasure to have him at the Shorenstein Center this semester, returning with us for another round after teaching here in the past. And, Mark, the floor is yours.

MR. MCKINNON: Thank you, Alex. I'm honored to be here and excited to be able to hold the gavel here for the final session. The Shorenstein Center, as you all know, is constantly focused on thinking about where journalism has been, where journalism is, where it's heading and where it intersects with policy and politics. And it's been a fascinating discussion over the last several days to think about the extent to this all of this has been happening in the middle of economic chaos and a revolution in technology.

So the subjects are fascinating, they are important, they have consequences, so it's a fascinating dialogue that's going on here and a really important one. I'm really happy that we can close the session on an upbeat note because so much of the discussions that we have with our colleagues and friends in journalism, I mean I can take it back to -- I mean how technology has disrupted the music business is it just crushed the economics of that business, but there's also a lot of thought about the impact that it's had on journalism, that technology has had on journalism, a lot of it positive but a lot of it consequential, in terms of what it's done to the old model and what it's done to a lot of journalists who are no longer working.

So we have as our guest somebody who got in the middle of the revolution, grabbed a pitchfork, jumped the fence from *The Washington Post*, where he was very successful, with a partner of his, when he was just 35 years old, and has created one of the great success stories in journalism today and has really created an entirely new model that people look at with great often jealousy but great admiration because they have really bent the model and created a success story. This is Jim VandeHei who is joining me today, who is the cofounder of *Politico*.

Jim, you said at one point our ambition is to emerge from the great

upheaval in journalism and become the dominant publication covering Washington politics and governance. I don't know when you said that, but that's what's happened. And you have a lot of admirers in the business and you have some critics but I don't think that there's any question that you have become -- you have transformed journalism in this country today.

So let me just throw it out there and give us the story about you jumped from a very successful platform, you're a very successful, well known journalist, what made you and John Harris decide to jump the fence and take on what at that time must have seemed like a very ambitious, bold idea and you really had no idea whether or not it would be successful?

MR. VANDEHEI: Well, first off, thanks for having me here. It's a great honor and it's a great group. In Mark's honor, I now drive an F-150 and only listen to country music, and that's not a joke.

MR. MCKINNON: I have a `72 F-150.

MR. VANDEHEI: So why did we do this? In retrospect, we didn't know. So in 2006 I was working for Maralee Schwartz over at *The Washington Post* and I think of journalism, and a lot of the questions that were asked in that segment I hope we can get to because I often feel like a lonely one but I am a total optimist about what's happening to the media and the reason that is is because we are just at -- we are in the middle of the great upheaval. We don't know what's going to happen. We are finally I think, as an industry, making a lot of progress.

But back in 2006 nobody was making progress and I don't think even in early 2006 people saw the destruction that was coming. And people now think we were profits in that we saw this coming, we didn't, we were just lucky in our timing of when we decided to do this. We were at the *Post*, we loved our jobs. John Harris is running the political coverage, I'm writing about politics, love the *Post*, love the Graham family, love the people I worked with.

I never really even thought about leaving until we started having a couple

of conversations, and it was John Harris, myself, Mike Allen, who joined us from the get go, and Chris Cillizza, who did not, who is still at *The Washington Post*, and we were just talking about how much the web was changing our jobs. And, at the time, literally, the web at the *Post* was in a different area, it was in Virginia and *The Washington Post* was in D.C., so they were separate institutions, but you could start to see how things were changing, that the stories that were really having echo online were different than the ones that we happened to be putting on A1 in the paper, yet all anybody cared about was in the paper, despite the fact that we had empirical data that way more people were reading us online.

And so we started talking about one of the neat things about the web is the stories that were really having echo were the ones we were most proud of, regardless of where they were. They were because we had a scoop or we had a really interesting analysis or conceptual way to look at what was happening in politics. And I remember one day having lunch and we just said what if we just created a company where all we did was do really interesting stories, broke news and did stuff that people would actually want to read, which seems like a novel insight.

(Laughter)

MR. VANDEHEI: And at that time it was just sort of a what if, and that was right around I think when Google was buying or bought YouTube, and we had a discussion about you know what? That idea about just getting people who can do interesting things and do it all the time, boy, that wouldn't be that expensive. If someone came along from Google and wanted to do it, what would it actually cost? And what we came up with is it wouldn't cost that much because even the best named journalists, from a business standpoint, were grossly underpaid.

If you're just looking at it as a raw business equation, household names, famous journalists, who were not making that much money and we thought boy, for a premium, I bet you you could get everybody into one place and if you got

them all into one place and you took advantage of cable and took advantage of the web, you could probably have impact pretty quick. And that led us to go talk to smart people, do what we do as journalists, talk to the people who had been in business and hey, would this work? Every person we talked to said not only would that work, I would like to back it or I would like to be part of it, so we knew were onto something.

We ended up hooking up with a guy who has something that I'll never have, which is just a ton of money, who said -- and had a shared vision and said good, I'll do it, I'll back it, I'll call your bluff, and we did it. Between that conversation I talked about, that what if conversation, to the day we left the *Post* was about five months, that's how quickly this unfolded and within eight months, so just three months after that, we launched and went public. The web site went live in January of 2007, and the newspaper.

MR. MCKINNON: So you are successful, does that mean you are making money? And, if so, how?

MR. VANDEHEI: We are. Thankfully we are making money. I kind of want to walk you through our business model so people understand the distinction between what we do and what *The New York Times* does or the struggles I think that *USA Today* or regional papers face. We are and we've always believed that the future for content is extremely bright for niche sites, for sites that can dominate an individual area where there are a lot of people who are really interested in that, so sports, fiancé and, in our case, politics.

So what we do is we try to get everybody who matters in government, in Congress, the White House, sort of what we consider influentials reading us, so that is our core audience. When you get that, there's a bunch of advertisers who want to advertise against that content and they are called issue advocacy advertisers. So if Coca-Cola advertises with us, they are not advertising to sell you a can of Coke, what they are trying to do is influence how people perceive their

brand or they might try to influence legislation that's taking place on Capitol Hill.

And so we've had a ton of success in basically getting, commanding the attention of people that matter in Washington in the political process, in the media, etcetera, and then advertisers have flocked to that, so we were able to pretty quickly become number one in that issue advocacy space, which has been able to fund the bulk of our journalism. So we've been profitable just on issue advocacy advertising alone and that's until six months ago was basically 100 percent of our revenue.

We have recently launched subscription based products, but not like *The New York Times* where you can sign up for the weekend or pay your $70 a year and get access to the site. We have really high end, premium verticals that basically take the political philosophy of the use of overwhelming force, hire really good journalists and put them in an individual place, and we cover sectors now, so technology, health care and energy--

MR. MCKINNON: How is that going for you?

MR. VANDEHEI: And that's been really successful, again because there's a big group of people, mostly in Washington, who are very interested and actually need that information to do their job. So we have two revenue streams that now help us fund the public journalism that most people who come to the site see.

MR. MCKINNON: The owner of *Atlantic Magazine* said, and I'm not sure when he said this, but you probably know, it was much happier to do what we were doing until *Politico* arrived in the world and bemoaned your velocity and metabolism. It must have been a while ago because, more recently, they are now trying to copy what you are doing and are really, from what I can see, trying to replicate your model.

MR. VANDEHEI: Right.

MR. MCKINNON: As are a lot of other people. Now, Mike Bloomberg's operation, I mean it's a sort of similar idea as get the best people, pay them a lot of

money, and that's got to be flattering because it's competition but also you have someone looking over your shoulder too, right?

MR. VANDEHEI: Right.

MR. MCKINNON: Can you talk a little bit about that?

MR. VANDEHEI: Yeah. I mean I can't speak to David Bradley's frustrations with velocity or the DNA of our organization, what I can speak to is the competition. I mean now it sometimes feels like we've been around for 20 years.

MR. MCKINNON: I was surprised when I realized it was just four years ago you started because it seems like--

MR. VANDEHEI: Right.

MR. MCKINNON: How you've reshaped the environment, it's been a lot longer.

MR. VANDEHEI: We have so many people doing now what we did four years ago. See, you have to be in this constant state of reinvention, which gets really back to that technology discussion that we've having here for the past hour. You have to constantly be figuring out what do readers need or how are their consumption habits changing and making sure that you are evolving with them. One of the things that we've talked about in one of the emails we exchanged was that idea of did *Politico* contribute to the demise of newspapers? Well no, newspapers contributed to the demise of newspapers--

(Laughter)

MR. VANDEHEI: --by doing a couple of things. One, being really slow, shockingly slow to adapt to very clear evidence that your readers wanted something that you weren't offering on a different platform that you weren't paying attention to, and then collectively entering into one of the maybe dumbest business decisions in the history of any industry, take all this content, which is extremely expensive to create, and let's just give it away for free, which is what every company decided to do online.

It would be like Coca-Cola saying yeah, if you go to the grocery store you have to pay for the Coke but if you go to a vending machine, it's free, and the economics don't work. So we didn't have any -- our model is different, we didn't have much to do with that, and now what happens is when you have success in anything, in media, you see it all the time in political campaigns, people just do whatever the last person did that was successful. So you now see everyone trying to have more metabolism, higher DNA, more interaction with readers, doing a lot of things that we did.

It isn't a strategy that I would recommend for somebody else because, like in the case of *National Journal*, well if people want that, they've already got that from us, and so the ability to leapfrog above that is really difficult because we've already been able to sort of get our readers to know what to expect from us, authority, speed, often overwhelming coverage of an individual issue that we think that they care about.

MR. MCKINNON: Let me tell you what you guys said as sort of your mission back when you started and what I want to ask you is how much of this have you upheld? And I'm kind of interested to know what didn't work and then maybe we'll talk about what's next. But you said, when you launched, we want to be web centered, rather than print centered, focused subject matter, small, star quality staff, staff outreach and multi platform. Is that what you are today and--

MR. VANDEHEI: Everything but the small staff.

(Laughter)

MR. VANDEHEI: We are now 200 people, or something like that, with the business side, which is good and bad. It's really hard to keep alive like a high metabolism let's continue to evolve, let's teach everybody what it means to work at *Politico* versus working at *The New York Times* or *The Washington Post*. It's harder the bigger you get. It's great because you have the success, you have more reporters, you have more infrastructure, you have more business assistance, but

the trick for us and I don't -- I mean you can sit back and say well great, you guys are a success, so congratulations, you make money and people pay attention to your journalism.

If we ever think that, and I honestly believe this and it's one of the reasons I'm fairly compulsive about what we do at *Politico* is that if we are not constantly evolving, if we are not constantly watching for changes in how people are consuming information and making sure that we are protecting the quality of our brand, the quality of our journalism, somebody is going to come around and eat our lunch and I truly believe that. It might not happen overnight. Maybe we now have enough durability that you could sustain mediocrity for a short period of time, but you can not sustain it for a long period of time because readers are fickle, they are demanding and you have to be able to provide the product that you know that they want and you have to provide the way that they are consuming it.

MR. MCKINNON: So what do you tell -- you mentioned conversations that you have about sort of your culture, when you are talking to your reporters and your staff about how you are different from *The New York Times* or other organizations, what are those conversations like? What are your sort of dictates to your reporters and people working for you to maintain the culture that you've got?

MR. VANDEHEI: Right, there's a couple of things. One, it starts in the type of people that you choose to sort of bring aboard. Like we really try to find reporters who can sort of -- who are difference makers, who we see have broken news, who are smart, who are hungry, who are thorough, who are trusted, and we do what it takes to try to get them on our staff and keep them there, that's the most important ingredient. Once you get them there, what makes us different, we definitely obsess about speed, not reckless speed but speed.

Being first is something, it pays real dividends in this media culture, whether people like it or not. I happen to think it's a fine thing and I think that it's

something we try to protect, but then it's also pushing people to be interesting. Most journalists in my experience, left to their own devices, kind of well everyone else is covering it this way or well we've got to do this stories because I think well the *Times* will do this story. No, no, no. Do a story because you are telling people something that they need to know, didn't know or help them think new about facts that they might already know.

And that might seem like a small distinction but it's a pretty big distinction in the way we try to approach journalism. And when it works, it works really well and our web site will pop with very interesting stories you can't find elsewhere.

MR. MCKINNON: So speed and velocity is a premium and obviously you have a great track record of getting the best quality people possible, but occasionally bad things happen to you too, like happened this week with a reporter, and you addressed it immediately, and maybe you want to characterize that for us. But my question is does speed and velocity create the kind of problems where you have reporters creating shortcuts?

MR. VANDEHEI: I don't think so. It's one of the things you're studying. Just so everybody knows in the audience, we had a young reporter cover transportation policy. A great woman, great journalist who cut corners and in our industry you can not. You can't plagiarize, you can't take information you found elsewhere and put it into your stories. We found out that she had and we did what you have to do. I'm happy to say I've had only one bad day *Politico* and it was that day. Having to do that, knowing the effect that it has on someone's career, to be blunt, sucks.

I don't think, and I've talked to a lot of young reporters about it since, I don't think it's because oh, my gosh, there's this pressure because it's happened before. It's happened at other institutions, its' happened at the *Times*, the *Post*, *The Washington Post*. It happens and you don't ever fully understand why it happens and I don't even think the person doing always fully understands why they did it.

But you want to make sure that journalists know the values that we have which is you can't, there's just certain things you can't do.

Reporters coming out of school are very well educated, they know what you can and can not do. It is certainly incumbent upon us to teach them, to reinforce it. One of the sad things about reporters coming up now is that they don't get to work at the smaller newspapers, they don't get to just cover a grind it out beat where you really learn those values. So I think one of the things we are looking at is even more and more teaching for young journalists who haven't had that experience to make sure that you are constantly reinforcing, even if they know it in an academic sense, that they know it in a real sense.

MR. MCKINNON: That's a great point and that gets back to the conversation we had in the last session. I think on your site as part of maybe your mission statement you talk about amalgamating old media values of fairness and accuracy with the speed and immediacy of new technologies. So it just sounds like that's something you actually focus on and you made the point that they --. So what do you look for in new reporters today, and I guess you still some of those values by maybe some additional training, knowing that they are not coming up through the old farm system? So let me combine that with what are you looking for now in new reporters and can you talk a little bit about where you see things heading around the corner?

MR. VANDEHEI: Well most reporters that we hire are experienced reporters mainly because our core audience, again, last month we had nine million people that came to our site, according to our internals, so probably, by the com scores of the world, they probably say four and a half or five million people came to the site. That's a huge audience, but our core audience are really sophisticated readers, much more sophisticated than your average reader, as far as their level of knowledge about policy and politics.

So most reporters we hire are pretty experienced. We don't hire many

people right out of college and then put them on a beat, that is a rarity in our newsroom, but what you are looking for when you see these reporters are you want to see people that can write, you want to see people that are smart, that hustle, that are ambitious. Ideally you want to see people that have a track record for having some success and those are -- and I don't think that that's any different today than it was ten years ago.

MR. MCKINNON: Do they write as well today as they did 10 or 20 years ago?

MR. VANDEHEI: I mean Maralee can speak to this better because she's an editor. My experience is that a lot of us weren't that good of writers ten years ago.

(Laughter)

MR. VANDEHEI: At least me. So do they write worse? I don't know that they write worse. I guess one of the big problems that I have with journalists that are younger, coming out of school, and I don't think this is just in journalism, is that technology is doing something to us, it's doing something to our brains. I see a lot of smart kids who come out of this institution and other institutions who are, probably on paper and in tests, brilliant. They are incapable of coherence sometimes.

(Laughter)

MR. VANDEHEI: They are incapable of sifting through all of this information that's racing through their head and just telling me what the hell did you find out or what does it mean? And I don't know how you fix that because I think if you are sitting there and you are constantly on Twitter, you are constantly on Facebook and you are constantly getting these flashes of information, there's enough books now written about this, it is doing something to the brain.

And I don't know how we undo that because technology is everywhere, but getting people to write, it's one of the biggest shocks. I never edited before we started this and I don't really edit now. I help with a lot of the conceptualization

but I don't do a lot of line editing. I'm always horrified, to be honest, sometimes at the writing I'll see from even some of the people who are the best reporters that I've ever seen, they need real help. I never fully appreciated how great editors are, how essential editors are and how when you can find a fantastic editor they are pure gold because they can take all this great information and they can make it sing, and they can do that in a very accessible way for readers.

MR. MCKINNON: So maybe there's a great premium going forward on having somebody like or some bodies like that in the organization because you're right. I heard other journalists in the last few days talking about, going forward, that reporters are having to -- multi task platforms.

MR. VANDEHEI: Right.

MR. MCKINNON: Just as you said, they are tweeting and they've got TV and so the greater need, going forward, or greater relevance will be for those organizations that have--

MR. VANDEHEI: That have pull.

MR. MCKINNON: Well obviously, right.

MR. VANDEHEI: I mean if you looked at our newsroom you would be like oh, my God, you people talk about you as a new media, innovative company? You've got a bunch of old media guys and women sitting around who worked at the *Post*, *USA Today*, *The Washington Post*, *The New York Times*. We have tons of them, we have to. All of our editors are extremely experienced, so you could guard against things that happened to us this week, so you can make sure that you are writing with authority and that you are writing with clarity.

You have to have both, that's why I don't think -- I don't have a doom and gloom view that technology, and suddenly people are just going to be crowed sourcing and we're only going to get our information off of Twitter. No way. There's still a huge market out there for really good reporting and reporting that you can trust. We see it every day, *The New York Times* sees it every day, *The Wall*

Street Journal.

These institutions are going to be around, it's just a difficult period that technology changed the industry rapidly. Now our industry is adapting pretty well. Look at the progress that most media institutions have made. Have they downsized? Yes. I might argue in some cases they right-sized. I don't know that numbers necessarily equals better quality. Certainly at some level it does, but companies have become more efficient, which isn't a bad thing.

I would argue that because papers had so much success in the `70's and `80's and they became profit machines that, as a business, and now in our new roles we spend a lot of time thinking about the business and the culture of a business, they started to operate like not for profits. They started to take things for granted, they started to get complacent as an organization and when that happens, I don't think, as a business, great things happen and I don't think for journalism great things happen.

I think people will match up technology with great values that reporters still have and will always have and there will be a market for that journalism.

MR. MCKINNON: Let's talk about politics a little bit. You talked about, in the last presidential campaign, that *Politico* in modest but important ways helped define the last election. I think I'm getting that right. Can you talk a little bit about that and how will you try and define this election or how--

MR. VANDEHEI: To be honest, this election is going to be a lot harder for us than last one because last one we were new, we were the only media company now, in retrospect, that was really focused on let's be fast, let's be comprehensive, let's own everything, let's own every minute, every hour, and it really worked. I think there weren't many major themes, conceptual stories, small scoops, big scoops that we weren't to first. I think we, as an organization, did better, in my opinion, than most at doing that.

And some of them were trivial, like John McCain not knowing if he had

seven, eight or nine houses, Sarah Palin's wardrobe. That was Gene Cummings, our reporter, going through the filings, a good old fashion way to figure out whoa, what is she spending all this money on clothes for? Which became a very defining moment for her. We wrote a lot about, in the early days of the upheaval, the tension between Palin and McCain, which defined the end days, obviously, of his campaign, and so I thought we had a lot of success, people paid attention to us.

One amazing thing is, and I was thinking about this the other day, we co-hosted a presidential debate in May of 2007. We were three months old. I mean that's how quick our growth was. We were able to establish ourselves, get a debate, be in the mix and be taken seriously that quick. I never would have imagined that it -- I thought it would take years to be able to establish our credibility, get people to pay attention to us. It just happened much quicker than we thought and I think one of the big reasons was because we just leapt right when the industry cratered, and not because we saw that it was going to crater, it just happened.

So people paid a lot more attention to us because for journalism, we were a success story. We were hiring and for the media consumers, they were like ah, what's this new thing, and those things really worked. And, again, that was luck, that wasn't us knowing that that was the right moment. I shouldn't say that but --.

(Laughter)

MR. MCKINNON: So how do you see things for this cycle? What's going to happen and how are you guys going to--

MR. VANDEHEI: I think it's way harder for us. I think our staff is exponentially more talented this time around, more experienced, plus we have more people, but everybody does what we do now. I mean this campaign is a lot different than last campaign. There is not a news organizations that's not throwing massive resources at it, that's not obsessed on the metabolism and the DNA, that's not -- even some of the tricks we do to try to simplify stories so

audiences can understand them. Five things to watch is one of the things we used to do.

Before the debate I noticed, before the last debate on *The Washington Post* and *The New York Times*, voila, five things to watch in the debate. So every trick you get and every new thing you do people do too, so I think, and this is probably a little contrary to what other folks my think, maybe even in my shop, that there is going to be an increasingly big premium on deeper dive journalism. I think the key to busting through now, speed won't let you break through, won't really let you sort of drive a conversation.

You have to I think come to the table with real goods, real reporting that other people don't have, which to me is great because I think it could be these mini resurgence of longer form journalism. We are testing this in a couple of--

MR. MCKINNON: Back to the future?

MR. VANDEHEI: Back to the future. I do think that, if you think about it, even recent stories that are starting to break through tend to be these more heavily reported, you can't do it in two days type of pieces, so hopefully we can experiment with that in this cycle. We have a big enough staff, so we can do more of it. We partnered with Random House, we are sort of their first lab rat on doing sort of a niche eBook, selling political books on *Politico*, and we are partnering with them and with Jon Meacham and Evan Thomas to write a series of eBooks about the campaign.

I think we are going to do three or four in the course of the campaign, so those will be not book size but bigger than a magazine article, 20,000 words or so, richly reported pieces, so we'll see. I don't know, we may sell tons of them, maybe I'll find out there isn't a huge market, but that's, going back to that last segment, you have to constantly be experimenting and you have to encourage people to fail. That's one of the things we try to do in our culture, it's like take a risk on trying a new form or a new idea and if you fail, so what? You learn from it, dust yourself

and go do it. When you start to get complacent and don't want to take those risks, that's when I think you can start to atrophy.

MR. MCKINNON: So I want to take the chair's prerogative to ask a question that I really want to know. It may not interest a lot of other people. So I assume that most of you are familiar with *Politico* and if you are not, you should be. And if you are familiar with *Politico*, you probably know about Mike Allen and if you are not, you should be, and you probably read the Playbook and if you don't, you should. The playbook comes out every morning and it is an unbelievable compilation of the Zeitguys of Washington and politics.

Mike Allen is just, when he talks about hiring talent, Mike Allen is one of the most talented people I've ever run into in journalism, and he is a fascinating character and somehow, first of all, I think he is -- I think there must be three of him because it's impossible that one person can produce what he does, but he must have some sort of algorithm computer thing that he -- I want to know what the secret is to this guy because I know he's got a network of about a million people and yet I'll get emails in the middle of the night that says something about Lance Armstrong or something that I, you know, I'm on the board.

I know he is not -- he can't be up at 3:00, but he is somehow, and I know he is not doing that with just me but hundreds of thousands of other people, so what makes this guy tick?

MR. VANDEHEI: You are asking what we tell new reporters. We tell every new reporter our expectation is not that you are going to be Mike Allen or work Mike Allen's hours. I mean you know Mike. I mean one of the greatest things is not only he is a great journalist, he's one of the best people I know, one of my best friends--

MR. MCKINNON: A wonderful human being, an amazing guy.

MR. VANDEHEI: --so I'm extremely biased on the Mikey, but his Playbook is easily -- I would say it's the most influential email that gets distributed perhaps in

the world, every morning. I mean I know the readers and it is -- I know the readers and the feeders and some day I hope he writes a book about it because it is the most amazing collection of influential people in the world--

MR. MCKINNON: Well I mean you mentioned the feeders, I mean he must have so many people feeding him stuff all the time, trying to--

MR. VANDEHEI: He's a well sourced fellow.

(Laughter)

MR. VANDEHEI: That's for sure. But how he does it, I mean people always ask that. *The New York Times* did a whole cover piece trying to get behind--

MR. MCKINNON: That was a great story, yeah.

MR. VANDEHEI: Trying to get behind the mystery of Mike and the truth is he just has a -- he has a special gift for getting people to talk. He is an extremely gracious and sincerely gracious person in a city that's often not gracious, so it's sort of easy to lampoon or think oh, there's no way that someone is actually that nice. He actually is and it's paid dividends for him as a journalist in that people trust him. They trust that they'll get a fair shake, and it's not that he just writes nice things, he often can skewer people and when it happens from Mike, people -- it's just trusted because people know that he has a fantastic source network.

But we were talking earlier about changing consumption habits and sort of understanding your audience and being willing to change. One of the things that we've done that people haven't paid attention to, that is one of the most successful things and goes to really understanding your audience is that our audience is a BlackBerry audience, it's not an iPhone audience. Our core audience I bet you is 95 percent BlackBerry users and so we did spinoffs of Mike Allen's Playbook for everything from energy, to defense, to the lobbying industry, to Congress, that might not have Mike's readership but it had huge readership and huge influence that go out every morning around 6:00 a.m., that are a combination of original reporting and aggregation and Zeitguys setting and reading and they are just

simple.

They are email format but they are formatted to look beautiful and work beautifully just on email on the BlackBerry and, again, that wouldn't really work for most industries because most people are either using an Android based phone or they are using an iPhone, but it's knowing your industry and then whatever. Even if you don't want to produce it that way, produce it that way so that people can get the content and don't get all worked up about are they reading it on paper, are they reading it on their Tablet, are they reading it on email. Just figure out the way they are reading it and feed it.

MR. MCKINNON: What have been the biggest news stories for *Politico* over the years?

MR. VANDEHEI: You had asked this year and I went back to check and I thought for sure, my gosh, it will be like these really sensational stories.

MR. MCKINNON: How dumb is--

MR. VANDEHEI: It turns out it was -- that wasn't the biggest, but that was a good one. The biggest story easily for us was a piece that Mike Allen wrote after the assassination of bin Laden, and he had fabulous sources in the CIA and in the White House and was first with tons of vivid details, and that was off the charts easily the biggest traffic story for the last couple of years for us. The next two, and this was really interesting and maybe gratifying for all of us that still care about substance and policy, the next two were about the debt limit fight.

MR. MCKINNON: Really?

MR. VANDEHEI: And this was really interesting and I talked to other people who saw the same thing. On our site, I have never seen a policy issue have such high traffic. Didn't see it during health care. Everyone was like oh, there wasn't great health care coverage. Health care was the most thoroughly covered domestic issue in the history of our republic, you all just didn't read it, and that is a fact. There was tons of great reporting on health care, people just weren't

reading it.

But on the debt limit, traffic was through the roof and not just on sort of the politics of it. We would have a piece on like the Gang of Six proposal, the alternative proposal for dealing with long term debt, and the Google traffic to that would be extremely high. So it wasn't just our insiders from the Hill being interested in it, people were really fixated on that debate and I think the reason was because it was a moment where people really paid attention to Washington and really thought it was an epic battle that could have a profound effect on their life, so people were captivated by it from beginning until end.

And so at least sometimes it was gratifying that there are people who really do want stories of coverage of pretty deep substance. We did, I went back and checked because someone had asked, we did 500, more than 500 stories on the debt limit. Yes, we obsess about a story when they are big, and a lot of those were by David Rogers and other folks on the Hill, and a lot of them were wonky, and all of them were better trafficked than most stories, so that was good.

MR. MCKINNON: Interesting about that, as a consequence of that debate, the debt ceiling debate, economic confidence and the consumer index dropped 20 points. It was interesting that Bill McInturff did some great research on this and discovered that it wasn't the outcome that caused the collapse, it was the nature of the debate itself. And just to give you an idea how bad consumer confidence is right now, in large part as a result of that debate, the average consumer confidence index number when a president runs for reelection and wins is 95.

When they run for reelection and lose, the number is 76. The number today is 55. So Obama has to improve that number by 20 points just to lose, that's how bad it is.

(Laughter)

MR. MCKINNON: I want to invite folks up for questions now and let me just kick it off with -- well I'll go ahead and get right to questions, go ahead.

FROM THE FLOOR: I'm Jim Snider, former Shorenstein fellow and currently a network fellow at the Safra Center. I haven't heard you mention Albatron Communications, which is the parent company of *Politico*. They have seven TV stations--

MR. VANDEHEI: It's Allbritton?

FROM THE FLOOR: Allbritton, yeah. Seven TV stations between the flagship and Washington, D.C. ABC affiliate. Now, the question could go, and your answer, a variety of different ways. Early on, I would imagine that opened some doors in getting you started, to have one of the major TV outlets in the nation's capitol, but my question really focuses on something different, it relates to the values that you are inculcating in your journalists when you deal with a certain type of conflict of interest in reporting.

So you've run three stories on spectrum policy, including a front page story, a profile of Gordon Smith, the head of the NAB, and I considered that a little bit of a puff piece actually. There was no mention that your company had a huge stake in the issues that were covered, literally hundreds of millions of dollars. Jerry Fritz, your VP of Government Affairs, is a very aggressive lobbyist on the Hill and at the SEC and what not on these issues. No mention you had two other articles on incentive auctions, a major piece of legislation, also part of the American Jobs Act, a large part.

Again, some problems with the sourcing, not very diverse, but the big problem was there was no mention that *Politico* has a dog in that issue. So *The Washington Post* recently had an editorial on this subject and they did acknowledge that they have six TV stations and a significant interest in the issue but I did not see that at *Politico*, so it comes into the values, the journalistic values that you are trying to inculcate. Now, most people wouldn't know that, but I consider that a significant omission and I don't know if you have any thoughts about that.

MR. VANDEHEI: I mean yes, our company is owned by Allbritton, and I wish that I read every single story that's on the site, se probably produce about 200 per day. I would say, and I don't know about that specific case, I am not familiar with those stories, I would say we should, if that is the case, undoubtedly always disclose that. We certainly did. It came up as a big issue during the Comcast purchase of NBC because obviously we had -- I think one of the TV stations had a dog in that fight and I know we were vigilant about making sure in every single one of those cases that we're making it clear that the parent company of ours, even though there's really not a ton of interaction between the TV stations and *Politico*, that they do have an interest.

So I think you make a fair point. I wish I were familiar with those exact stories and that I could argue the details with you but I do think if in fact what you are saying is true, I would agree then that there should be a disclosure in those stories.

FROM THE FLOOR: It's not a small thing, we are talking about literally hundreds of millions of dollars, arguably the prime asset of your parent company are the licenses it has.

MR. VANDEHEI: I agree, it's a fair point and I would have to look at the specific story.

FROM THE FLOOR: Hi. I'm Michael, I'm a sophomore at the college. You were talking about flashes of information, and I mean I'm behind my smart phone all the time in class, whatever, tweeting about like what the guy is saying or what the professor is talking about. Do you think this interconnectedness online, and everyone is online all the time creating a dialogue, as they say, do you think that's good for us and for having dialogue face to face in the real world, like confronting each other?

MR. VANDEHEI: Right. I mean this is -- we are a new media company, I don't Twitter and I don't have a Facebook account. I'm actually kind of an old

media guy, I prefer to read a newspaper so certainly at a personal level, I would rather talk to somebody. At a personal level, I would often rather pick up the newspaper, despite the fact that we ask most of our people to read us online. I don't know, I mean I just don't get all spooled up about like is this great or is this not great that people are on Twitter all the time or that people are sharing secrets I wouldn't share with people on Facebook, but whatever and God bless them.

If they want to do it, let them do it. I'm all for freedom, I'm all for people utilizing technology to communicate. My job isn't to have sort of an opinion about whether that's righteous or not righteous, good or bad for society, it's to make sure that at least even if I'm not on those devices, if I'm not utilizing these technologies, that I'm making sure, as a company, that we are as quick as we can possibly be to make sure that we are getting our journalism onto those platforms in a way that those readers on those platforms want them. To me, that's my duty to our readers.

So there's no doubt that it's changing. I mean one of the things with Twitter that I wrestle with is, and again, I don't mean to sound like a -- I often feel like I'm an old fogy lecturing my young reporters, but I don't like the idea that people are spending all day Twittering, tweeting when they could be reporting, and I wonder sometimes like how much of that is productive for what they are trying to do versus they are just wasting their time sending around information.

I think some of it's good, you can promote your work, you can create this relationship with the reader. Some of it probably can be a distraction and, for us, one of the things we've really had to struggle with is listen, I don't care if you are Twitter, Facebook, if you are representing us at a public forum, you are representing *Politico* and you can't be expressing your opinions. You shouldn't be saying things that might reflect poorly on the company and that is one of the bigger challenges because, one; you can't keep up with it. Nobody is sitting there, I don't have an assistant who reads every tweet so I can go like knock that off. But,

whatever.

I mean I think this is a great time for technology and for media in trying to figure out these questions, and there's tons of really smart people, whether they are at MIT, whether they are *The New York Times*, whether they are *Politico*, wherever they are, that are figuring this stuff out and, to me, that's what's thrilling. That's why people should not be so depressed about it. Can journalism survive? I believe journalism will survive.

I tell young journalists all the time I think it's a better time to be a young journalist than when I got in 15 or 20 years ago. I think there's tons of opportunity. I think it might be the Wild West. You are not coming in with the baggage that a lot of the older reporters might have or they don't really want to deal with technology, don't really care about Twitter or Facebook. And so they have some real inherent advantages and there's tons of opportunity and there's a ton of opportunity for them to experiment and see if journalism is right and what journalism looks like today, whether that fits for what they want to do with their career.

FROM THE FLOOR: Good morning. My name is Bernard Margueritte, I used to be a French correspondent in Eastern Europe for Lamond and other TV, etcetera, a Fullbright fellow, a full-time research fellow at this university and last time at the Shorenstein. I'm very happy that you just said that you feel that you are a traditional journalist, a traditional kind of journalist because after these two days, I must say that I have been most of the time fascinated but on some occasions also disturbed by what I heard.

We have two groups and we have two groups of people here; the dinosaurs, and I'm certainly one of those, what some people call the high priests, on the one side. On the other side you have the gurus of the new cult of social and digital media ??? But still the media are what they have been and I think that if you use this new technologies, and I'm certainly using it as much as I can and I'm very

happy and fascinated by all these, and even that there is a new human right not only to be well informed but to inform, and that's something new created by these digital media.

But there are very many problems, reliability. And the ??? Institute at Oxford says that we should not tweet first and verify later and some organizations are doing that. National ??? just put guidelines in English, as a matter of fact, telling their journalists that they should not publish something that they got on Twitter without verifying it, and I share your view that we have to absolutely optimistic and I hope that the next Shorenstein conference will be about how the new media will actually force the traditional media to get better.

I think what is endangered is the tabloids, the bad media, the sensationalist media because people now don't need news anymore, they have all the news they can dream of. They are inundated by news from the internet, TV, etcetera, but they are desperately looking for the meaning and, for that, they still need journalists. There is a great confusion between news information on one side and the media. The media are not the news, the media are the news interpreted, put into context by people who are journalists.

So I agree with you that we have a bright future before us. Do you think that you could all agree, as Mr. Ito said, no matter what tools we are using, that the mission of journalism has not changed, it is still what it used to be, it is today and will be tomorrow, and that needs to be a pillar of democracy on one side and a tool to build a new covenant in the world, bringing people together? And can we see that it's still the future of journalists, the future we are looking for, or is there no future?

MR. VANDEHEI: I'm a total optimist on this, I do think that *The New York Times* isn't going anywhere. *The New York Times* is actually in the middle of like a great experiment. If you think of the great upheaval, and I look at the great upheaval like really starting most powerfully in 2006, we are only kind of in the

middle of it. We've had the demolition, or a lot of the demolition, the worst of the demolition I think has taken place, and now you sift through it.

We have already grappled with the technology, most media companies are making that adaptation, most media companies are right-sizing and now it's how do you get people who have been trained, again for some god forsaken reason, by all of us to take or stuff for free, how do we train them to pay for it? People will pay for content. *The New York Times* is finding people will pay for content. Not all content, not commoditized content, they will pay for high quality content that they want.

And so that's going to take years. We are not going to know that overnight and people are going to look at what happens with *The New York Times*, other people are experimenting with smaller versions, different versions, and we are going to figure out what works and it's going to be a combination of people paying for some content, of advertising that's much more contextualized. People are going to know a lot more about you as the consumer, and so advertising one day is going to be worth more I think than it would have been in the past, and I think that's going to be able to fund news organizations.

It's just going to be different. You might be getting your politics from *Politico* instead of *The Washington Post* in the future, you might be betting your financial news from something that doesn't even exist right now instead of *The Wall Street Journal*. I've been paying for content for years and I feel like I get robbed. I pay $50 a year for a premium service on the JournalSentinal.com, *The Milwaukee Journal* paper, to get extra coverage of the Packers, and they only give me like an extra story a week and I still pay the 50 bucks, even when I didn't have money.

(Laughter)

MR. VANDEHEI: So people will pay, people will pay for content and the thing that I would encourage people, like all generations, to embrace is just let it

all happen. If some people want to get their news through social media, well let them. It's a myth. I think people feel like 20 years ago our entire population was sitting around reading the newspaper from cover to cover, skipping through the salacious stuff just to get to the deep policy coverage so we could be a super well educated electorate. I don't believe that happened.

(Laughter)

MR. VANDEHEI: I really don't. I think that people wanted news, there's a certain set of us that want news we can trust, and they got it, and I believe people still want it, they get it, and they will want it in the future and somebody is going to provide it. And what's happening now is a bunch of companies are trying to be innovative to figure out how you do that and I don't think the values are going to die. People want trusted journalism. There are some people who want stuff down the middle.

Think about blogs, think about a lot of places that have taken off that just pop off, and we worry so much about commentary and about just people arguing. Well they have to argue about something, they are parasites. What they do is they suck our information, good information, so they can have a debate, so they need it too. They need the host and that's what journalism provides. So, again, I refuse to join the ranks of the gloomy.

FROM THE FLOOR: I'm Richard Sobel, I was a fellow here. I'm going to wear my political science hat, as much a journalism, and talk about core values in relationship to journalism and issue advocacy, but let me just comment a little bit about a couple of things you just said about paying for content. I think one of the great things about the internet is having newspapers, magazines and that content available for free, and that's exactly what advertisers should be paying for.

And to the extent that issue advocacy is an appropriate way of sponsoring journalism, those big corporations like Coke or Mobile that used to do op eds, still do op ed advertisements on *The New York Times*, remember when that was

controversial, Bank of America. They are trying to shape a business environment. Well I think that kind of content should be available freely. You also just talked about skipping through newspapers. One of the great things about reading a newspaper is you get the opportunity, even you are sort of forced or encouraged, nudged to read about things you are not interested in.

You also just mentioned having to give up information--

MR. JONES: We need a question. I'm sorry, Richard, we don't have a--

FROM THE FLOOR: Okay. You have to give up information, private information. The real question is how can you maintain the core values of democracy when all of these incentives are really leading towards more of a business model and less of an information and informing the public beyond their narrow interests, both in terms of the organizations that are presenting the information and the tendency of people to focus on what they are interested in, rather than the public interest?

MR. VANDEHEI: Again, I think that that information is provided, will be provided. You might want an ideal world, so I want all of this information to be for free. I want to have a full head of hair until I'm 75. It's not going to happen. And to produce that journalism is extremely expensive so unless you are going to set up a not for profit and you are going to fund it, somebody has to fund it, so it's going to probably be a combination of advertising and subscriptions.

So you say well then it should be advertising. Well I'm telling you that advertising is what, the way that current companies are attacking it, is what's going to destroy them because if you are -- let's use *The Washington Post* as an example. Right now they can do really well with retail advertising. If you want to sell a car in the Washington area, well *The Washington Post* would be the best way to reach a big bucket of those people.

We are already there or soon going to be to the point where you can just identify on Google and Yahoo and Facebook not only a bunch of people in that

area, you are going to be able to track, through their cookies, what they are interested in. So you might be able to find the demographic and the specific person who is looking to buy a Ford to be able to have your Ford ad against it. Where are you going to go? I think you are going to go there, and so you have to find away to fund journalism and I think it's going to be a combination of different business models.

In the beginning I said well then create a not for profit, I think they are going to be part of it. I think not for profits are definitely going to play a role. There is a certain type of public interest journalism that's extremely expensive to produce that can't really be affixed to a good business model, that's why *ProPublica* is doing a great service. You might not like their funding basis, but they are doing a lot of investigative work that other companies just couldn't afford to do.

But what I think will happen and, again, maybe I'm naive, I think what will happen is as we get these business models right, and I'll look at us, the more that we get our business model right, the more then, once you get it right doing your core things, the more you can then afford to do the public interest journalism that we all got into the business to do in the first place. So we've been able to in the last two months, now we have a team that's covering just the influence of money and politics that's five people. Why? Because we've been able to sort of put together a business model that works.

And you'll say well then these corporate interests can influence content and stuff. To me that's like the debate about Jim VandeHei, are you a liberal or are you a conservative? Or I don't trust what you write. I mean I've written 10,000 probably in my life, they are all available online. Go read them and you can make your judgement about whether or not you trust me or not and if you don't trust me, don't read me. If you don't trust *Politico*, don't read it. That's how people make decisions and so it's not going to be a one size fits all, there's going to be some

things that are lost.

The upheaval is very destructive to some things, foreign coverage was brought up earlier. That's a tough one and I think people will figure it out, but it's an extremely expensive, tough one to finance and that's why a lot of people have pulled back from it, and investigative. I am just optimistic that the combination of all the things I just discussed will produce that.

MR. MCKINNON: Maralee? This is Jim's old boss.

FROM THE FLOOR: I'm Maralee Schwartz, I'm Jim's old boss--

MR. MCKINNON: This is Jim's old boss. You've got to be nice.

FROM THE FLOOR: And a former Shorenstein fellow. And I waned to go very back to the beginning of why *Politico* was able to establish itself so quickly, other than the fact that you and John and Mike were so well trained at *The Washington Post*.

(Laughter)

FROM THE FLOOR: And left with such an excellent reputation.

MR. VANDEHEI: Maralee has this amazing gift for taking credit for everything in life and now she is the mother of *Politico*, and rightly so.

FROM THE FLOOR: But this is actually -- you are leading to my next thing. In your narrative, I think what was so -- distinguished *Politico*, and I haven't seen whether, even though Bloomberg has gazillions of dollars and David Bradley has gazillions of dollars, what you all did at the beginning and what Robert Allbritton was willing to do was spend a gazillion dollars to brand you. And you're right, the timing was perfect. There was just this window when *Politico* was created.

So you did have a debate in May, that cost a lot of money, and *Politico* was advertised everywhere and you were immediately in the game for that reason and for the quality of the journalism, and you soon were making money. So my question is now in this world where you talk about competitors, if they don't have that kind of financial willingness to put all that money up front with the knowing

the risk may not pay off the way it has for *Politico*, what's the answer? I mean yours is the one model that has worked?

MR. VANDEHEI: Right, and not that easy to replicate because we have our base, our advertisers. They come from Washington and, as we all know, Washington is a market that hasn't been hit as hard by the economy, so it's been easier, so it's not easy to replicate. Where will they get the money? People want to invest. I hear all the time from people who want -- there's a lot of venture capital that wants to get behind new startups, people want to get into the content production business.

I don't think that there's a hesitancy in the market to invest in new media, so that's where it will come. The only thing I want to correct on Maralee's thing, and because it's an interesting story, was about when we launched, about how we had paid for all this publicity. We never, and this was, again, it goes back to pure luck, we never spent a penny on marketing and this is why; because when we launched, we did two things. One, we hired Kim Kingsley away from *The Washington Post*, who is a genius, who is now our COO, but she would promote us super aggressively to get us on TV.

So whether it was on CCN, or MSNBC or Face the Nation, or some obscure channel in Fargo, we would do any TV we possibly could because we figured the value of having a smart person with *Politico* underneath it was worth more than any ad that we could buy. And so the combination of that and then media fascination was just taken taking off. I think *The New York Times* did three or four stories on us in that first six or seven months, so we had tons of earned media. So we never actually had to put that money into marketing, so we could invest in people.

And, again, in journalism, to me, and content, that's what matters. The technology debate, and I agree it's important and we need to find technologists who understand newsrooms and can really work with us. I find technologists

really hard to understand, and I'm really trying to understand them and I want to be able to communicate so that we can work together to figure things out but if that MIT lab can produce those, I'll take a bunch. Please send them our way because I think that would be real helpful.

MR. MCKINNON: Okay, three more questions.

FROM THE FLOOR: Hi. I'm Bob Calo, I'm a recent fellow here. I'm a big fan of *Politico* and I share your enthusiasm, and I say this lovingly, what you really are is a -- how can I say this lovingly?

MR. VANDEHEI: Come on, say it lovingly.

FROM THE FLOOR: You are a drug dealer to political junkies and the--

(Laughter)

FROM THE FLOOR: And that conversation, that political conversation, and everyone here is that, and I am too. And that kind of journalist politics, snake swallowing the egg close to power thing is very characteristic of American political reporting. And I think as a right-size business, it makes great sense and I think that's part of your success, which I appreciate. But you also know that, what's the number, 84 percent of American people think Congress is wasting its time, journalists stand only a little bit above that.

So there's a whole huge -- the public forum and the public conversations around politics is really broken in this country, except in this circle and your circle. So what is the -- and this is just a kind of a cry for ideas because that's what I'm interested in. How do you get those other people? There's such a lack of trust in politicians and in the press, such a feeling of dissatisfaction and betrayal by institutions. So, yes, there is a robust political conversation in New York and Washington and amongst elite media circles but in America that conversation is bankrupt. So is there an opportunity there? Is there something that you think about?

MR. VANDEHEI: I mean obviously I think about it all the time, both as a

citizen but also as trying to figure out how you navigate that as a media company. There's no doubt that there's that level of cynicism and the way you try to fight against that is to try to speak truth, try to write stories, try to explain like the influence of money, explain why Congress is so dysfunctional, try to throw out different ideas that people can sort of think about and debate.

Changing that level of cynicism, I don't know. I mean something is happening out there that I think is extremely dangerous, I mean I think it -- and I don't think people really appreciate how combustible things are because it's not just loathing of government. And there is that poll, you cited one, but there's one two weeks ago that six percent of people think that members of Congress should get reelected. That's pretty bad, right? You're in politics and--

MR. MCKINNON: That six percent were family.

MR. VANDEHEI: Yeah. That was probably the margin of error, but it's also disgust with Wall Street, which we see with the protest there. It's distrust of big business, it's distrust of lawyers, it's distrust of us, and I don't know. I mean it probably always existed, I don't know how you change that. I think a lot of it does trickle down from the political system which is as dysfunction I think as people think it is. How do you fix that? I think there's a lot of smart ideas percolating out there.

I think it's really hard, to me, to look at Congress, and I covered Congress under Maralee and others for a long time, more than I've covered anything else, and unless you can somehow change the racket of redistricting, I don't really know how you change the nature of Congress. You essentially have most states, most states still, and some are changing, but most states who basically have a bipartisan conspiracy to draw the weirdest looking districts that are possible to create and generate the craziest possible members of Congress from both sides.

You end up with liberals that are way more liberals than the democrats that I know and you end up with conservatives that are way more conservative

than most republicans that I know, and that creates a ton of dysfunctional activity in Congress. It's not manufactured, it's not just politics, they are the far extremes, they truly are the far extremes and I don't think that that's reflective of the country. And one of the things that made things worse is you have seen an increase now of the number of members of the House then going over to the Senate.

There's a higher percentage of that happening than before and they bring their tactics and they bring their work experience, which was living in the warfare of the House, which I think has made the Senate more toxic than it might have been a decade ago. And I can't just blame that, certainly media distrust, as an industry, we have screwed up enough things and we give people reasons to distrust us or dislike us, but I do think the frustration broadly is the economy is bad, so it makes all of us grumpy, and then the political system is so dysfunctional that people have an authentic reason to be outraged.

MR. MCKINNON: Mr. Shapiro?

FROM THE FLOOR: Walter Shapiro, former Shorenstein fellow, now at *The New Republic*, and I am actually going to ask a question that Mark McKinnon, sort of asked earlier and sort of got lost in the shuffle and that is--

MR. VANDEHEI: Do you think I dodged it?

(Laughter)

FROM THE FLOOR: No. Well sort of. It was a multi part question and you only picked the parts that -- yeah.

MR. VANDEHEI: All right, I'll try--

FROM THE FLOOR: It's a Mitt Romney kind of thing. But, seriously, I'm really curious, and I understand that *Politico* is a niche publication, as you defined it, what are the things that you really seriously go through lots of meetings discussing what we should do at *Politico* and then decided no, that isn't in our bailiwick and, plus, what are things that you actually launched and said no,

actually let's scale this back, this isn't who we are? Foreign coverage would be one obvious example, but I think there's a lot more.

MR. VANDEHEI: I mean a lot of them, some of them just didn't work. There's a ton of things that we tried. We did one thing a couple of years ago, and I have this tendency to get pretty fired up about things, so I got really psyched about we are going to get all these campuses to become members of Campus Politico, and we went out and I took two staffers, I'm like I want you on the phone all day, get campuses to sign up, we'll give them our content for free and then we'll create this network of all these college papers and as was a business proposition, we'll figure what we'll do with it later, and it was a disaster.

I mean we created it, we got all these campuses and maybe like nine people went to the site and were consuming the data, so it just didn't work, so we scrapped that. Foreign coverage, we have had a hard time like just finding people that can cover sort of defense policy, national security, kind of the way that we want to do it, that aren't just war correspondents because I don't think we are there yet, to sort of have a war correspondent. And we didn't give up on it because oh, boy, that just doesn't work, it's we still have defense coverage, but that's an area that I hope if I were here a year or two from now, I'll say good, we've got 12 people covering defense, we've got people that can go cover a war, we have a much bigger investigative team. That was an example of something that didn't work.

On 2012 we went into, about nine months ago, with this idea that we are just going to cover every single move that every single candidate makes and we sort or revamped our site a little bit and really deployed resources in that way and realized after a couple of months that you know what? I don't think that that's the best way to be -- people just don't care that much about the lower tier candidates, so we should have those resources to dig into maybe the top four or five candidates.

So you are constantly recalibrating and that's one thing that I think we have been able to change. I think my experience, I worked at *The Wall Street Journal* and the *Post* before we did this and it's a bigger institution, and it's not a criticism of those specific institutions because I think it's true of all bug institutions, once they make a decision, they just stick with it and it's really hard to undo it. And, for us, like we have no problem, like nope, we're just going to scrap that and go try something else and I just think you have to keep trying that because you never know what's going to stick and what's not going to stick. Does that answer all that?

MR. MCKINNON: And thank you for the follow up, Walter. Last question?

FROM THE FLOOR: I'll be brief. It's been great. My name is Chris. Two questions that are kind of overarching themes of the previous discussion, and I missed yesterday's dialogue as well, unfortunately. I guess we can all agree that this is the information age but is our information sufficiently secure from theft an illicit use? And the second question would be how has technology changed politics?

MR. VANDEHEI: Boy.

(Laughter)

MR. VANDEHEI: They are both big questions. I'll start with how has technology changed politics, and I would actually be curious for Mark's take on this. I mean it feels like it's -- I went back and checked this the other day. Four years ago, I think to almost the date, Facebook had -- I want to get this right, 35 million users, there's now 800 million. Twitter had 500,000 users, there's now 100 million. That fact alone has radically changed how this campaign is going to be covered and we don't even really fully understand the ramifications of that.

Way more people are getting their information that way than they are going to get it through any other way and so you have campaigns, like I know the Obama Administration has invested -- not the Obama Administration, the Obama

Campaign has invested pretty heavily in hiring people who worked at Google or Facebook and other places to figure out how do we take this whole universe and all of the information, which goes to your first question, that is available about people, either through following their cookies or figuring out what's on Twitter or figuring out what's on Facebook, and matching up ads with the aim of let's try to contact every single person who we think voted for us last time or could conceivably vote for us this time and, ideally, let's find out what issue they care most about and give them an ad that speaks directly to it.

And it kind of builds on something Karl Rove did and other folks did in the Bush years where you would do this micro targeting through magazine lists, so let's find out, in upper Wisconsin, I'm from Wisconsin. In upper Wisconsin, let's get these magazines, a snowmobile magazine or a hunting magazine, and you could kind of guess if someone gets a hunting magazine, that there might be an issue that they care about, and send them direct mail. And so it was a very efficient way to sort of motivate people with precision and so I think that has obviously changed politics.

As far as privacy, like whatever, there's significantly less of it today, partly because technology has opened that up and it's so much easier to snoop into things that are happening, partly because of I think a lot of us, not me because I'm not on Twitter and Facebook, are putting a lot more out there. I mean the amount of stuff that I see people posting about themselves to me is cringe worthy but certainly to a possible someone who cares about you, it can certainly give you a pretty good composite about what you are about.

I don't know how you fix that, how you change that. Certainly the government has a big role in that but I think technology, the genie is out of the bottle and there's only so much you are going to be able to do to control that genie.

FROM THE FLOOR: You discussed about sharing information but what

about the information they don't share that gets stolen?

MR. VANDEHEI: Right. I mean there's only so much that you can do. I mean I think the criminals who know technology are often faster and savvier than any government entity or corporate entity that's going to try to limit access to that information. So it's not my area of expertise but just looking at it from afar, I don't know that you can ever change that, I think it's the new reality. I just sort of -- it's scary. I mean I think about like my emails and everything else, like I just assume, and thankfully I don't really have any big ghosts to hide so if everyone wants to read my emails, I guess they are going to eventually read them or if they are going to tap into your phone, they are going to tap into your phone.

So I personally don't get so worked up about it but obviously in democracy you care a hell of a lot about it and I don't know that there's that much that government can do or that even us as individuals can do to totally change that. Does that make sense?

MR. JONES: Mark, do you want to take a crack at that?

MR. MCKINNON: Yeah, I do, just quickly. On the first one, on this last point about security, I mean there is the issue of literally identity theft but, other than that, I think that, and I don't have the research on it but I know it intuitively and I have read that just increasingly people just don't care that much about it. They are giving up information and increasingly just they care less about it now than they used to.

On the technology side, I'll just say we can spend easily an hour with a vigorous conversation about all the ways in which technology has transformed politics in the last decade, and you could point to Nicco Mele over here and what he did with our dean, or look at the memo he wrote in 2007 and talk about the things that haven't happened that even relate more to today about how so many -- it has changed so many things in our culture and yet really hasn't changed that much in our politics.

But just one little heads up on what will happen next year that's going to be a transformative thing with technology, there is going to be an online alternative nominating convention next June by an organization called Americans Elect and they already have half the signatures they need to be on all the ballot in 50 states and they are going to be on the ballot in all 50 states, and it's all going to be done online, so that will be very interesting to watch.

MR. JONES: I have one final, final question for Jim. Why are 90 percent of your readers BlackBerry users and not smart phone users?

MR. MCKINNON: I mean to follow up with that.

MR. VANDEHEI: Well I would say of our D.C. based readers because D.C. is just a very--

MR. JONES: Okay, why?

MR. VANDEHEI: I think it's because they all have--

MR. MCKINNON: I think in government you have to have a BlackBerry.

MR. VANDEHEI: But we are also all -- we do so much, I think so much of our work day in and day out is just typing on that thing and I could bang out an 1,800 word story as quick on that now as I could on my computer, which is sad. But for some reason that hasn't changed and I think this recent disruption might actually change it. For the first time I actually went to our tech department and said I want to try an Android based operating system that has a keyboard that's similar to the BlackBerry so I don't have to deal with that disruption, but it's just something very unique to the D.C. market which, again, like helps in the short terms but, okay, so what happens? That's going to change quickly to the Android operating system. Luckily we build all of our stuff internally, so we can adapt to that pretty quickly, but that's is what our life is now is that we keep adapting.

MR. JONES: Well thank you both, thank you both, that was a terrific concluding--

(Applause)

MR. JONES: We have come to the end of this 25th Anniversary celebration. We have lunch for you in the room over here but before we part I want to say an enormous word of thanks to the staff of the Shorenstein Center that worked so very hard on this. If you would, Edie, Heather, Christine?

(Applause)

MR. JONES: And Martha Stewart who has been constantly here taking photographs.

(Applause)

MR. JONES: This has been an enormous amount of work and I'm glad to say that it was worth every bit of the work we put into it, I believe. I feel like for the Shorenstein Center this is the beginning of something, not a discrete event, at least that's what I intend and that's what I believe we will do. We have a responsibility on the one hand. Janelle, I see you over there, so I want to include you too, and John, you guys, thank you so much really.

We feel like we are in a critical time, we feel like we are in a terrific place. We feel like we've got the resources and the vision and the opportunity and indeed the responsibility to keep this kind of a conversation going. This was an important conversation to have, there are many more subjects and there are many more conversations to come. We want to be at the center of that conversational process. Harvard is unique in that it can genuinely bring people like this two and the ones you've also heard today and yesterday together and, using technology, can make that a conversation that can be shared with a great number of people and, through the generosity of people like Twan and others, can be even in languages other than English and so forth.

That's what I believe the Shorenstein Center's job is significantly as we go forward because these issues are ones that are evolving, these themes are vitally important and the values that have been mentioned again and again are ones that we believe, certainly at the Shorenstein Center, we believe need to be embedded

in these kinds of conversations. The question that Nicco Mele asked I think is a critical one because I think it will be a disaster if these issues are discussed without the context of values that they represent embedded in them. That's something that we feel like that's part of our mission and our job.

Thank you all for being here, it's been a great two days, three days. It's been wonderful. Be safe, have lunch, enjoy yourselves. It's a great day for leaf peeping. Bye-bye.

(Applause)

(Whereupon, at 12:40 p.m., the session was adjourned.)

C E R T I F I C A T E

This is to certify that the preceding transcript is an

accurate record based on the recordings of the proceedings

taken before: Alex S. Jones

In the Matter of:

EXPLORING: THE MEDIA AND POLITICS FRONTIER

Date: October 15, 2011
Place: Cambridge, Massachusetts

11/1/2011
Allyson R. Farley Date
Advance Services