

**Remarks by Tom Curley  
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A new phase of digital publishing has arrived, and the Associated Press is ready.

We said back in 2004 that news was being consumed much differently on the Internet. We said that content had been separated from its traditional containers through the power of search and viral sharing. As a result, consumers were taking control of their news consumption.

In effect, we were talking about a phenomenon that would become known as “Web 2.0.”

Flash forward to 2010, and we find ourselves on the cusp of a new era – not quite Web 3.0, but almost. This

is a different phase defined by new options for news consumption.

This phase won't be limited to Web sites or even to the overarching reach of search and sharing. It will be flung wide open to new experiences well beyond the Web, to new devices that will add location and personalization to the always-on environment.

For publishers, it likely is the defining moment. After many years of challenge, it could be a very good moment as well. At last, we truly will be able to deliver the right content to the right people at the right time to the right device.

We also will be able to create new packages that put some of our best content back into custom containers. We must seize this opportunity to re-invigorate our business models as well as our journalism.

The new environment really started to take shape after a few million people experienced the wonder – and

satisfaction - of managing their information consumption on a smartphone with a multi-touch screen. No more clunky Web sites and mouse maneuvers. The power of consumption was returned, literally, to your hands.

Symbolically, the new era is poised to expand well beyond the smart phone with the arrival of the Apple iPad and ever-more-interactive tablets and e-readers. Regardless of what device you choose, most will not want to turn back to pointing and clicking, once these devices are in enough hands. Multi-touch experiences will take us all to a new place.

Many publishers already have started to imagine and build the next set of products. *Sports Illustrated's* recent demo of a multi-touch version of its magazine is one impressive example.

Consumers are getting very excited about these breakthroughs, and as creators and publishers of news content, we should be equally excited.

No longer do we have to be held hostage to the constraints of a Web site. We won't have to depend on consumers finding our sites among overflowing bookmarks or keyword search. We can deliver news directly to the consumer in exciting new ways.

One research company, Forrester, has already given this new era a name. They call it the "Splinternet" to communicate the fragmentation of the market beyond the Web as we know it today.

Fragmentation is usually bad news because it can turn big opportunities into small ones. But, in this case, the fragmentation is restoring needed vitality to the marketplace.

On the unified Web, most sites were searchable, and most consumers defaulted to the "remote control" of keyword search to find information and news. It didn't always work so well - you'd get a Miami version of a Colorado story - but it seemed good enough.

On the Splinternet, you don't have to settle for good enough. Someone can build and deliver a spectacular, relevant and personalized experience just for you. The power of connected devices with multi-touch screens will make it happen.

Of course as publishers, we, too, will have to work hard to make it happen. Importantly, we'll need to differentiate our content, using some to attract a broad audience while saving other content for custom experiences. And we'll have to get a lot smarter about understanding our customers and their news interests.

AP has been moving steadily toward this new territory. Our first step was to create a database platform for our multimedia content, called "eAP," which put stories, photos, video and multimedia into a single repository that editors could customize and search. Next, we overlaid it with a metadata scheme created specifically for news - including locations and famous names - so

that all the content could be identified easily and linked automatically.

We then offered those capabilities to the membership in the form of our Digital Cooperative program, and more than 1,500 members have signed on. The Digital Cooperative means we ingest content from all those members, standardize the tags across the whole industry and make it possible to feed new business opportunities, such as the AP Mobile network, which is approaching its second birthday.

Last year, we began work on an important new piece of the strategy called the News Registry. With the Registry, we have created the infrastructure to tag and track news content across the Internet, providing us for the first time with real visibility on usage of our news.

That information will become vital to informing our work on new products for this new environment. The Registry will provide a clear window on what content is working in what kind of situations. What display points

are the most popular? What do users like to do with our content? Do they want to share it, mash it up or blog about it? The Registry will enable us to start identifying those uses and developing solutions for them.

We absolutely must have an understanding of our customers and what they want from their news consumption experience. We cannot let others own the customer experience as they have in the current Web 2.0 world.

Already, we've brought more than 200 member newspapers onto the Registry platform, and we're ramping up this year to bring on everyone interested in tagging and tracking their own content.

And, most important, every content creator who uses the Registry will be able to set the rights for the use of that content, so that those who choose to use it will be able to do it easily and legally.

With the Registry now in beta operation, today we're announcing an important new piece of our strategy called the AP Gateway. The Gateway is our answer to the Splinternet and the natural extension of the Digital Cooperative and News Registry initiatives.

The Gateway will be a new strategic business unit of AP that will become just what its name implies - the launching pad for new products and services from AP and other interested news publishers, using the content enriched by the Digital Cooperative and registered with the News Registry.

The concept for Gateway was born a couple of years ago when we invited our members to join us in AP Mobile. The same spirit of entrepreneurship that inspired AP Mobile will drive our future offerings from Gateway.

The first product from Gateway will be a news application for the Apple iPad that incorporates a paid

subscription model and offers AP members the opportunity to participate.

Beyond that, we expect to offer our content partners a variety of ways to take their content to market, both individually and collectively, directly and indirectly, taking advantage of new business models, including the wide variety of pay-model services now under development.

The imperative for creating AP Gateway comes from all the new models taking shape in the marketplace. Because the Internet is splintering, many new channels for news will be opening.

And just as many business models will emerge. Many of the consumer surveys from Forrester, Outsell and other research groups agree that while 80 percent of the population may be looking to get their news for free, there is a slice of that remaining 20 percent who will pay for it under the right circumstances. Just how big a

slice that becomes will depend on how creative and responsive we producers are.

No single delivery mechanism will satisfy all consumers in this next phase of the news market. Nor will a single delivery solution satisfy all news publishers. As an industry, we can use that fragmentation to our advantage to create a range of experiences and revenue models, from ad-supported to pay.

When you come right down to it, there are three ways to make money in digital media: syndication licensing, advertising and subscriptions. We believe our platform can enhance all three by tagging, tracking and enabling new business opportunities.

Developing a better understanding of the audience is critical to the success of this mission.

Because this is a marketplace of variety, it won't be satisfied with a handful of mass products. We will need to understand what news consumers want and what

they won't put up with. We must be in a position to give them what they want easily.

Our own original research over the past three years, using teams of anthropologists to study consumer behavior, has convinced us that adding to the information overload of the Internet is no longer a business model, if it ever were one.

Cultivating variety doesn't mean bombarding the users with repetitive headlines and stories, supported by annoying, interruptive advertising.

The subjects of our studies have told us that they are looking for a different kind of connection with information providers. They are looking for a true kinship, a two-way conversation and a convenient way to have such a conversation.

We've done some experimenting over the past six months, engaging the audience in two-way conversations around several major news events. We

started with the Sonia Sotomayor confirmation hearings, dug even deeper with the United Nations climate conference in Copenhagen and, most recently, launched a standing presence for AP on both Facebook and Twitter.

These initiatives have provided us with direct audience feedback that is helping to shape both our running coverage of major news events and our future product development.

None of this means we're straying from our core newsgathering mission. It only reinforces our commitment to cover every important story from around the world to the state level in this country.

In fact, we are pleased that our reputation for accuracy has grown even stronger in the chaos of the digital news universe. We now lay claim to a new kind of achievement: stories we *didn't* write because they were wrong but which others did in their rush to be first and their willingness to make mistakes and fix them later.

Our global reach and depth continues to dominate. In the last year, AP reporters broke many of the hottest stories of the year in the United States, from tales of South Carolina's philandering governor to first word of results of the senate election in Massachusetts that changed the game for the White House.

First details of the earthquake in Haiti came from AP Bureau Chief Jon Katz, the only American correspondent based there. In Mexico, a team of AP reporters provided the most detailed coverage yet of the grisly drug wars that have leached into U.S. communities and resulted in brutal murders and thousands of kidnappings. Among their discoveries was corruption among U.S. border officials charged with stopping the flood of drugs into our country

We beefed up our impact coverage, making a concerted effort to take a deep look at just how well – or even if – new programs like the stimulus package work. One such story, on the Cash for Clunkers program, revealed

that many were trading in their old cars and pick-ups for ones with only marginally better gas mileage.

The White House didn't want these details known, and we would never have found out if not for the Freedom of Information Act. Last year, AP doubled down on its fight for access for public information. We filed some 1,500 open records requests last year, of which nearly 100 required appeals, negotiation or other active pursuit to prevent public officials from hiding their actions from the people they serve.

The efforts ranged from requests for details about Treasury Secretary Timothy Geithner's appointments as he plotted the bailout of the banking industry to teaming up with members on state open records issues.

So important do we consider this responsibility that last year we hired a special First Amendment lawyer and created an internal toolkit to help AP journalists pursue legal rights and remedies in their newsgathering. No

organization has used these tools more strategically or more comprehensively.

As we dive into the work ahead, we do it with one eye focused on what news consumers want and with the other eye trained on what our members and customers need to satisfy those wants.

The platform we have assembled – topped off today with the announcement of the AP Gateway initiative – puts us in position to do much more than any of us were able to achieve in the first phase of the digital market.

Rather than just repurpose our content across formats, we now have a real opportunity to innovate and create new experiences with the news that will excite us all – producers and consumers of the news alike.

The multichannel, multi-touch marketplace for news has arrived, and the Gateway is now open. All we need is your participation. We're fortunate to have AP's

chairman Dean Singleton with us today. He's agreed to say a few words about the participation piece.

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