Congress of the United States Washington, DC 20515

April 29, 2020

The Honorable Nancy Pelosi Speaker U.S. House of Representatives Washington, DC 20515 The Honorable Kevin McCarthy Minority Leader U.S. House of Representatives Washington, DC 20515

Dear Madam Speaker and Minority Leader McCarthy:

We write to ask that any future stimulus package to address the coronavirus pandemic include immediate improvements to existing lending programs to protect local news publishers and broadcasters.

Reliable local information and reporting in our communities is more important than ever—newspapers and broadcasters are working "around the clock, often in dangerous conditions, to consistently get critical and timely information to the public." Local news publishers and broadcasters employ thousands of journalists—including reporters, photographers, newsroom staff, and others—to provide timely and accurate news to keep people informed about their communities. Under ordinary circumstances, this work is essential to public health and safety, local businesses, and our democracy. But it is more important than ever as our country responds to and recovers from the COVID-19 crisis.

In recent years, local news sources have been in an economic freefall. From 2006 to 2017, advertising revenue has fallen from \$49 billion to \$15.6 billion, combined with a changing online landscape, resulting in mass layoffs or news sources folding altogether.³ In the past several years alone, thousands of journalists that work in our communities have lost their jobs. For example, last year, the Cleveland Plain Dealer announced another round of layoffs due to advertising

¹ Press Release, News Media Alliance, Support Local Media (April 9, 2020), http://www.newsmediaalliance.org/wp-content/uploads/2020/04/NEEDED-SUPPORT-FOR-LOCAL-MEDIA-FINAL.pdf.

² <u>See</u>, e.g., Elizabeth Grieco, *Newsroom Employment Dropped Nearly a Quarter in Less Than 10 Years, with Greatest Decline at Newspapers*, PEW RES. CTR: FACTTANK (Jul. 30, 2018), https://www.pewresearch.org/fact-tank/2018/07/30/newsroom-employment-dropped-nearly-a-quarter-in-less-than-10-years-with-greatest-decline-at-newspapers.

³ Michael Barthel, *Despite Subscription Surges for Largest U.S. Newspapers, Circulation and Revenue Fall for Industry Overall*, PEW RES. CTR.: FACTTANK (June 1, 2017), https://www.pewresearch.org/fact-tank/2017/06/01/circulation-and-revenue-fall-for-newspaper-industry; *Newspapers Fact Sheet*, PEW RES. CTR. (June 13, 2018), https://www.journalism.org/fact-sheet/newspapers.

losses, reducing its staff by 80% from employment levels just seven years ago.⁴ Just last week, the Cleveland Plain Dealer announced that it has reduced its staff to fourteen employees, who were notified that "most will no longer be covering news in Cleveland, Cuyahoga County or for the state of Ohio."⁵

This economic crisis has accelerated in the wake of the coronavirus pandemic. According to a coalition of news organizations—including the News Media Alliance, National Newspaper Association, National Association of Broadcasters, and America's Newspapers—there has been a steep decline in advertising revenue from local businesses shuttering such as retail, restaurants, and more. Broadcasting alone estimates a minimum loss of at least \$3 billion in advertising thus far.

The small business provisions enacted as part of the recent stimulus bill provided some relief for select news publishers and broadcasters and many small stations or newspapers have been able to apply for Small Business Administration (SBA) loans, but many have not because the eligibility requirements were not inclusive enough to capture them. Hundreds of individual broadcasters and news publishers were not eligible for loan relief because they were affiliated with larger groups whose total employee count was more than 500 spread across various stations or newspapers.

We therefore urge you to protect local journalism by clarifying that local news publishers and broadcasters that meet the SBA's size standards and primarily serve a single community or metropolitan area qualify for the newly established Paycheck Protection Program regardless of their affiliation. Congress established the Paycheck Protection Program—or the appropriate small business spending program in an upcoming stimulus package—to provide small businesses with a direct incentive to keep their workers on the payroll during this crisis. Many local news publishers and broadcasters, however, may sometimes consist of a small team of local journalists, personalities or sales staff that are part of larger ownership groups. Nevertheless, these publishers and broadcasters operate almost entirely locally. In light of this, it is essential that Congress clarifies that loans that are provided under the Paycheck Protection Program are determined on a local and individual basis for news publishers and broadcasters.

Importantly, these funds should support local newsgathering—there should be clear guardrails and oversight to ensure they are spent locally.

⁴ Plain Dealer Announces New Round of Newsroom Layoffs, THE PLAIN DEALER (MAR. 15, 2019), https://www.cleveland.com/news/2019/03/plain-dealer-announces-new-round-of-newsroom-layoffs.html/.

⁵ Days After Layoffs, Remaining Plan Dealer Staff Told They Will No Longer Cover Cleveland, Cuyahoga County News, Fox (April 7, 2020), https://fox8.com/news/days-after-layoffs-remaining-plain-dealer-staff-told-they-will-no-longer-cover-cleveland-cuyahoga-county-news/.

⁶ Press Release, News Media Alliance, Support Local Media (April 9, 2020), http://www.newsmediaalliance.org/wp-content/uploads/2020/04/NEEDED-SUPPORT-FOR-LOCAL-MEDIA-FINAL.pdf.

Accurate, reliable, and trustworthy sources of information are vital in this time of need. Congress must do everything possible to protect local news sources during this crisis to safeguard our democracy and keep our communities informed as our nation responds to the crisis. We respectfully urge you to address this issue as part of the appropriate stimulus package.

Sincerely,

David N. Cicilline

Chairman

House Subcommittee on Antitrust,

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Commercial and Administrative Law

James Sensenbrenner

Ranking Member

House Subcommittee on Antitrust, Commercial and Administrative Law

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