



Local News Relief Included in Stimulus Bill, Small Business Loans

May 12, 2020

Talking Points:

While the COVID-19 pandemic is impacting every corner of our nation, news publishers are defined as “essential” businesses by the Department of Homeland Security because of their critical role in reporting out reliable information related to health guidance, public safety, community closures, re-opening and other critical information necessary for maintaining safe and informed communities. Ensuring that local news outlets remain viable at this critical time is also essential.

Local news publishers have lost significant advertising revenue because of COVID-19’s devastating impact on the American economy. According to the News Media Alliance, many news outlets lost up to 50 percent of advertising revenue in the second quarter of the year. Other reports show that more than 36,000 news-related jobs have been lost since the start of the COVID-19 crisis, with thousands more at risk.

Emergency relief to sustain jobs, including reporters, was provided for in the Small Business Administration’s (SBA) Paycheck Protection Program (PPP), which distributed hundreds of billions of dollars through the previously passed CARES Act. However, up to several thousand news outlets, amounting to 80 percent of U.S. news publishers, were not eligible for PPP because they are owned by larger groups. This problem has impacted urban, rural and minority media outlets that are on the front lines of communicating vital information about COVID-19 outbreaks at local nursing homes, meatpacking plants, and community venues.

News Publishers Affiliation Waiver in the HEROES Act

The bill would make small news publishers, radio stations, and television broadcasters owned by larger groups eligible for the Paycheck Protection Program.

In order to qualify, the individual news publisher, radio or TV station would have to meet U.S. Small Business Administration (SBA) size standards, separate from their affiliation with a larger group. The news publisher size requirement would be 1,000 or fewer employees.

Proceeds of the loan would have to be used to produce local news, information, content or emergency information. They would be used to keep local reporters and those who support them employed. The SBA can require the publisher, radio or TV station to demonstrate that the loan is necessary for this purpose.

No portion of the loan could be paid or transferred to a parent company or used for other purposes.

The bill requires the U.S. Treasury and the SBA to report to the Senate and House Small Business Committee and the COVID-19 Congressional Oversight Commission on the loans made under this section.