



January 5, 2022

The Honorable Jerrold Nadler  
United States House of Representatives  
2132 Rayburn House Office Building  
Washington, DC 20515

**RE: Request to Co-sponsor the Journalism Competition and Preservation Act H.R. 1735**

Dear Congressman Nadler,

The New York News Publishers Association, which represents the newspapers of New York State, and the New York State Broadcasters Association, Inc, which represents local radio and TV stations throughout the Empire State, are reaching out to request your sponsorship of H.R. 1735, the Journalism Competition and Preservation Act (JCPA). The bipartisan bill is co-sponsored by Rep. David Cicilline (RI-01) and Rep. Ken Buck (CO-04). In the Senate, a companion bill (S673) has been cosponsored by Sens. Amy Klobuchar (MN) and John Kennedy (LA). This bipartisan bill is critically important to protecting the future of high-quality, local journalism in New York and across the country.

The traditional newspaper revenue model consisted of about 80% advertising revenue and the rest from paid subscriptions and newsstand sales. Most of that advertising spending came from retailers, restaurants, car dealers and other local businesses. Along came Big Tech, including Google, Facebook, Apple, Amazon and others, which sold cheap digital ads adjacent to headlines and segments of newspaper stories without sharing the resulting revenue with the newspapers whose professional paid staff gathered the news that was used to attract online viewers.

The explosion in competition from cheap or free digital advertising eroded newspapers' ability to generate revenue to pay their reporters, editors, ad salespersons, marketing and administrative employees. Print advertising dropped 71 percent between 2000 and 2012. By 2015, Google and Facebook had acquired more than 60 percent of all digital advertising.

The result of this catastrophic loss of fair competition for advertising revenue has been the closure of 2,000 American newspapers since 2004. Between 2008 and 2017, American newspapers cut 45% of their newsroom staff.

The unfair competitive practices of Big Tech have a similar impact on local radio and television stations. These major tech companies have relied on news provided by local stations to enhance

their platforms. These platforms create market distortions for broadcasters that limit a station's ability to fully capture the economic benefits of the news content they provide. Because of the size and power of Big Tech, their policies are almost always "take-it-or-leave-it." and there is little power to negotiate because broadcasters would lose access to hundreds of millions of consumers if they simply declined to publish their content on these platforms. The current practice challenges the economic foundations of local broadcast news. A recent report by BIA Advisory Services focusing on Google Search and Facebook News Feed found that local broadcasters lose an estimated \$1.873 billion annually by providing their content to these platforms.

The impact on New York has been significant. New York State has been more fortunate than some, but communities throughout the state are losing coverage of local government and community activities. New York has one county without any newspaper (Orleans County) and 13 counties with only one newspaper. Although only three daily newspapers in New York State have closed since 2004, a significant number of weekly newspapers have shut down. A number of both daily and weekly newspapers have merged. As a result, between 2004 and 2019, the total number of daily newspapers declined from 62 to 54, and the number of weekly newspapers declined from 439 to 249. ([New York - The Expanding News Desert - usnewsdeserts.com](http://usnewsdeserts.com)).

From a broadcast perspective, not only have New York stations failed to get fair value for their content, but Big tech companies now dominate local advertising markets. In New York City, Google and Facebook in 2022 will garner \$2.2 billion in advertising revenue, compared with \$1.6 billion from all the radio and TV stations combined. The same is true in Syracuse where advertising revenue on Google and Facebook will exceed the combined total of all radio and TV stations in the market by \$64 million. This makes it increasingly difficult to continue providing local news.

A healthy and vibrant democracy depends on local journalism provided by newspapers and local broadcasters. A study reported by the Pew Research Center in 2020 found that Americans who mainly get their news on social media are less likely to get the facts right about the coronavirus and politics and more likely to hear some unproven claims. Research shows that the existence of a local newspaper is directly correlated with lower costs of municipal financing (2018 Hutchins Center working paper), with higher civic engagement (Journal of Politics, 2017) and a lower level of extreme partisanship (Journal of Communication, 2018). Studies show that local broadcast news has become an increasingly important source of life-saving information during the COVID 19 pandemic.

Both newspapers and broadcasters provide news on line. Yet the control of access to trustworthy news online has become concentrated in the hands of dominant tech platforms, Facebook and Google. Despite news being the reason for which a significant portion of users turn to Facebook and Google, these companies leverage their dominance over the digital marketplace to set the rules for news publishers and determine how journalism is displayed, prioritized, and monetized.

The JCPA would help address these problems by allowing publishers such as us to come together to negotiate with the platforms for the compensation they deserve, and an enforcement mechanism would ensure equitable compensation to ALL news publishers big and small.

Recent experiences in Australia and Europe demonstrate that other countries recognize the disparity in bargaining power between news publishers and Facebook and Google and are moving towards a new compensation model for publishers, one that ensures that equitable terms are offered to all publishers and that platforms participate in good faith.

**The moment to act in the U.S. is now.** It is more important than ever to protect quality journalism and ensure that the people who create journalistic content are compensated fairly for their often-painstaking work.

Journalism is critical to a functioning democracy, and the price of inaction – the disappearance of local news – is too great. We urge you to support New York’s news publishers and local broadcasters by sponsoring the Journalism Competition and Preservation Act.

Sincerely,



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