

Committee on the Judiciary
Subcommittee on Competition Policy, Antitrust, and Consumer Rights
United States Senate

Testimony of Jennifer Bertetto
President and CEO
Trib Total Media

February 2, 2022

Chairwoman Klobuchar, Ranking Member Lee, and members of the Subcommittee, thank you for the opportunity to participate in today's hearing.

My name is Jennifer Bertetto, and I am the President and Chief Executive Officer of Trib Total Media. We are a small publisher that delivers news, information and advertising to four counties in Southwestern Pennsylvania. Our company is 272 employees strong, with a daily circulation of 45,755, a weekly community newspaper circulation of 122,345, a monthly community newspaper circulation of 60,690 and 31 hyper-local community websites which comprise our "Neighborhood News Network." Our newsroom is a collective of 88 journalists, photojournalists, editors, and designers. Although we are singularly focused on the communities we serve, our high quality and award-winning journalism are why our flagship website, TribLIVE.com, draws more than 300 million page views each year.

Trib Total Media's commitment to delivering high-quality local information and journalism dates back to our founding in the 1800's. In 1970, our company was transformed when Richard Mellon Scaife purchased a local publishing company and a community-focused newspaper. Over the years, *thanks to our advertising revenue and the philanthropic generosity of Mr. Scaife*, we added other regionally-focused newspapers to our circulation. Our focus was on providing local news to communities however small in our region, but with the rise of the Internet, we recognized that we needed to shift our focus to digital distribution instead of paper circulation – and we did. We were the first online news resource to serve Western Pennsylvania. We also expanded our digital content to include high school sports and neighborhood news networks, providing unique value to our region and connecting with our readers however they consume news. We are especially proud to offer our flagship website for free – a testament to our commitment to the community and our desire to make news equally accessible by all.

I have worked my entire professional career in the news industry at our family of companies. I started just out of college as a sales representative for the Tribune-Review and worked my way up to hold various positions within the company, including Advertising Director and Chief Operating Officer before becoming President and Chief Executive Officer in 2015. I have seen firsthand the changing nature of news consumption and distribution in the digital age. From my experiences, I can attest that the news industry faces a dire and insurmountable

challenge: leveling the playing field against the vast power exerted by dominant digital platforms.

Today, I'd like to discuss three main points:

- 1) Local newspapers across the country are under incredible financial pressure, and we must ensure that the people who create journalistic content are compensated for their work.
- 2) Access to news online has become concentrated on just two platforms - Facebook and Google – who serve as gate keepers for our trustworthy news coverage and exact the majority of advertising revenue away from news publishers.
- 3) There must be a fair exchange for the significant value that platforms derive from news publishers' content so that publishers can continue to invest in high-quality journalism.

1. Local newspapers face increasingly difficult financial pressures to stay in business.

Between 2000 to 2020, newspaper advertising revenue has declined 82%, nearly \$40 billion.¹ Not surprisingly, this decline in revenue correlates to 31 million fewer daily newspapers in circulation² and a 57% decline in newsroom staff from 2004 to 2020.³

I saw the transformation of the news industry that these statistics reveal first-hand. With the growth of the digital platforms, mainly Facebook and Google, we saw our readership shift to less than 7-day print subscriptions, to Sunday-only subscriptions to subscription cancellations. To become profitable, in 2015, we restructured our business. We closed two newspapers with low circulation and significant revenue losses; we sold 3 other local newspapers; and we made the difficult decision to lay off more than 150 employees. In 2016, we published our last print edition of the Pittsburgh Tribune-Review – where I first started my career – and moved our reporting in the Pittsburgh market online. These decisions were essential to stay in business, but they had ramifications that are still felt today.

While we have been fortunate to cover the communities in our market through a combination of print and digital products, several communities in southwestern Pennsylvania are considered news deserts, not served by any locally-focused newspaper, either daily or weekly. Our restructuring unfortunately left a news desert in the Mon-Valley, a traditionally underserved and low-income area within Allegheny County. With a newspaper losing nearly 4 million dollars a year, there was no way to make the product viable or to make it attractive to a buyer. We shifted our resources to invest in enhanced digital offerings, and we redesigned our flagship website, TribLIVE.com, and launched a Pittsburgh-focused website, PGHtrib.com (which was migrated fully to TribLIVE.com at the end of 2021). We also launched our own

¹ Pew Research Center: [Newspapers Fact Sheet](#)

² *Ibid.*

³ *Ibid.*

digital advertising agency, 535media, to help us capture more revenue from advertisers who had shifted their buys from printed papers to digital outlets.

When I took over as President in January of 2015, we had enough money to remain in business until May of 2017. Without fundamental change, we faced complete closure. The changes we made benefitted our company by reducing our annual operating losses significantly enough that we remain a viable news organization today. Our news content reaches a larger audience than ever before through our print and online offerings. Three years in a row, we have been named the best overall newspaper by the Society of Professional Journalists, and we have been awarded the title of Best Overall Website by the same society for the last two years. But, the impact on the number of journalists in our newsroom and in our communities is jarring. We have gone from 316 reporters in 2014 to just 88 today.

2. Access to news online has become concentrated on two primary platforms, Facebook and Google, who serve as gatekeepers and determine how news is displayed, prioritized, and monetized.

With the shift from paper circulation to digital news consumption, I also saw two platforms position themselves as gatekeepers, controlling access to news – my company’s original content - on their sites. Sadly, most Americans get their news today from Facebook or Google, who are raking in profits by simply curating “content,” which is just a fancy word for the articles, photos and videos that are the work product of real journalists doing the hard work of reporting at newspapers. 65% of users do not leave Google and click through to the newspapers’ websites depriving news publishers of the traffic, or eyeballs, on their sites and the ad dollars that come with it.

Moreover, these companies determine how our local, original content is displayed, prioritized, and monetized without compensating us for the work we created. Some may say the newspaper industry has failed to modernize or keep pace with the changing digital times. To that I say: nonsense. Even with our restructuring and enhanced digital offerings, we realized that no matter what we did, it was not enough to level the playing field.

Quite frankly, small publishers like my company are stuck between a rock and a hard place. We carry no weight in negotiations with these two platforms. Our outreach to the platforms has fallen on deaf ears. We do not have the resources or stature to demand they come to the negotiating table.

At the same time, I do not have a choice in removing my content from these platforms. Search drives about 40 percent of our total audience. So, while Google claims license to use our articles and images from online terms and conditions allegedly agreed to years ago when we added Google Maps to our site, Google does not compensate us for our content. Instead, Google only offers to pay a select few publishers - mostly the largest publishers who have the resources to legally challenge the claims of license - for their content.

We have similar concerns with Facebook’s treatment of our content. We do not know how Facebook prioritizes content through its algorithm; it is completely opaque. I can only speak to my personal experiences and have seen how difficult it is to have our content appear in Facebook’s news feed. I follow my company’s page and favorite or like the content, but I still need to affirmatively visit our company’s page on a daily basis because the content does not appear in my feed. If it’s not appearing for me despite my daily engagement, it is certainly not appearing for our customers. Ironically, even Facebook has admitted that over 50% of its users “want[] to see more local news and community information on Facebook – more than any other type of content.”⁴

Beyond the use of our content without compensation and using it to become a publisher itself, Google further controls both the digital advertising market and the distribution of our content. Google determines which news websites to prioritize in returning its search results and uses that system to punish publishers for using other advertising platforms or selling too many direct ads to advertisers. If we sell too many ads, or if we use competing ad network platforms, Google penalizes our search ranking.

Put simply, Google and Facebook effectively impose an advertising tax on publishers, taking 40 to 70 percent of every ad dollar away from us.⁵ This is wrong. Moreover, they collect consumer data and then use or sell it without sharing it to the creator of the original content. These two platforms alone capture 60% of all digital ad dollars because of their ability to collect data.⁶ Publishers – those who create the original content – must be able to retain more of the revenue derived from their work and investment. Doing so would allow us to retain, and hire more reporters, and pay for the quality journalism that is so valuable – even to these platforms and their profits.

By draining so much advertising money out of local newsrooms, Google and Facebook have not just limited how much quality news readers have access to, they have decimated the institutional trust in newspapers that once helped ensure people could believe the news they read.

3. The Journalism Competition and Preservation Act is a tailored solution to help news publishers have a seat at the table and negotiate fair terms for the significant value of their content that platforms use and profit from.

Thanks to the leadership of Chairwoman Klobuchar and Senator Kennedy – as well as

⁴ Facebook: “Connecting People to Local News and Their Communities,” <https://about.fb.com/news/2018/11/connecting-people-to-local-news/>

⁵ Augustine Fou, “Marketers and publishers are making more money by using less Adtech,” Forbes (August 7, 2020), <https://www.forbes.com/sites/augustinefou/2020/08/07/marketers-and-publishers-are-making-more-money-by-using-less-adtech/?sh=6f308e5a5898>

⁶ Kurt Wagner, “Digital advertising in the US is finally bigger than print and television,” Vox (February 20, 2019), <https://www.vox.com/2019/2/20/18232433/digital-advertising-facebook-google-growth-tv-print-emarketer-2019>

Congressmen David Cicilline (D-RI) and Ken Buck (R-CO) in the House – the Journalism Competition and Preservation Act (JCPA) would allow news publishers – irrespective of size or political persuasion – to jointly negotiate with the platforms for fair compensation for the use of our content. Existing antitrust laws ironically protect the tech giants by preventing the much smaller news publishers from coming together to negotiate fair compensation from them.

It is hard for me to understand how the JCPA could be at all controversial. It would simply allow a temporary and limited opportunity for publishers to negotiate collectively with large companies that clearly have superior market power and advantage. It is ironic to me that it is even necessary to talk about thousands of publishers needing a safe harbor from antitrust laws just to allow them to fairly negotiate with the types of companies for which the antitrust laws were designed to check their market power.

The JCPA would help level the playing field between publishers and Big Tech in three important ways:

1. It would establish a limited "safe harbor" for news publishers to come together to jointly negotiate and seek fair compensation from Google, Facebook and other covered platforms;
2. Proposed modifications would help ensure that negotiations between publishers and the platforms are conducted in good faith and result in payments that are evenly distributed to small and local papers; and
3. It would ensure that compensation for journalistic content is driven by market forces – the terms of our negotiations - not by Big Tech or the government.

The JCPA would give my company – a small, regionally-focused publisher – what we don't have today: a seat at the table. By sitting at the table with other publishers, we will have the collective stature that we do not have individually. We have seen that without negotiating mechanisms like those proposed in the JCPA, Google and Facebook do not hesitate to refuse to negotiate with publishers, cut-off access to the news content on their platforms, or offer publishers limited compensation to stymie support for reigning in their anticompetitive tactics.

While Google and Facebook earn record profits year after year, their monopolistic behavior has led to downsized or shuttered newsrooms across America. Undoubtedly, this has also contributed to the proliferation of a new type of "news," one that is nothing more than false, click bait. Journalism cannot just be 'content' that Big Tech can commoditize. Our Founders understood that quality journalism is key to sustaining civic society, and it's why a free press is enshrined in the U.S. Constitution. But the "free" press does not mean our work is for free.

It's imperative that journalists are fairly compensated for their work, and the JCPA would allow us the opportunity to seek just that. The bill does not prescribe the outcome, but it does require all parties to at least come to the table and negotiate in good faith. If successful, the JCPA will help publishers, including small publishers like my company, to earn fair

compensation for our work, which will enable us to continue to make more investments in our community, hire more reporters, and increase quality, fact-based news.

On behalf of the Trib Total Media family of companies, our 88 local journalists, and the community in which we serve, I urge you to support this vital, common-sense bill.

Thank you again for the opportunity to testify at today's important hearing.