

## Protect Local News

# Support the "Journalism Competition and Preservation Act"

### The news media have record high audiences and yet are struggling financially...

The audience for news has expanded rapidly, with news organizations reaching approximately 136 million U.S. adults each week. At the same time, since 2005, revenue produced by U.S. news publications has dropped by 58%. Local journalism – which is necessary for maintaining an informed and active citizenry – is under threat.

**39%**

Traffic to the top 50 news sites is up 39% since 2014.

**48%**

Newspaper circulation is down 48% since 2002.

### ...But Why?

News publishers provide must-have content for the platforms to capture viewers. Between 16% and 40% of Google search results are news content. Publishers deserve fair compensation for the value they offer. By not paying them fairly for their content, Big Tech has driven many local outlets out of business. Big Tech companies have too much economic and political power in society, especially over the news industry.

**60%**

Amount of U.S. digital ad revenue captured by Google and Facebook.

**90%**

Amount of digital ad revenue growth captured by Google and Facebook.

For every dollar made in digital advertising, the platforms take as much as **70% of the revenue**, leaving publishers with a **scant 30%**. Meanwhile, publishers are paying an additional "ad-tech tax" to the platforms, **leaving even less for publishers**. As a result of diminished revenues, thousands of journalists have been laid off and local newspapers have shuttered.

### The Commoditization and Suppression of News

Facebook and Google abuse their duopoly power over the digital marketplace, setting the rules for news publishers and determining how journalism is displayed, prioritized, and monetized. These rules have led to the commoditization of news and **the proliferation of dangerous misinformation** that undermines the fabric of our democracy.

## A free and diverse press is the backbone of a healthy and vibrant democracy.

The public needs quality news more than ever. And yet, the news publishing industry has continued to struggle because of lost revenue. Today, nearly half of the counties in the country have only one newspaper, while almost 200 counties have no local newspaper at all. (The Expanding News Desert, UNC Hussman School of Media and Journalism, 2018)

Lower-income communities are disproportionately affected by the closure of local newspapers, which serve as a check on the local, state, and federal governments. They also incentivize people to take part in our political system, with local newspapers helping to increase voter turnout.

People trust their local news publishers.

73%

U.S. adults who have confidence in their local newspaper

### What's the Solution?

We are asking for support of the **“Journalism Competition and Preservation Act” (JCPA)** which has been introduced in the House (**H.R. 1735**) by Rep. David Cicilline (D-RI) and Rep. Ken Buck (R-CO), and in the Senate (**S. 673**) by Sen. Amy Klobuchar (D-MN) and Sen. John Kennedy (R-LA).

### Why the JCPA?

- ✓ The bill will ensure reinvestment in journalism to provide local news coverage in communities across America.
- ✓ A safe harbor, limited in time and scope, would allow news publishers to collectively negotiate with Facebook and Google for fair compensation for the use of their content.
- ✓ The bill has been revised to focus on small and local news outlets as the beneficiaries of the JCPA, with a cap that excludes the large national publications and broadcasters.
- ✓ Market-based legislation is the only appropriate way to correct the competitive imbalance that our existing antitrust laws are unable to address.
- ✓ The JCPA includes an arbitration mechanism to ensure the platforms participate in good faith negotiations and that small and local news publishers are fairly compensated.

**We must pass the JCPA to ensure that publishers – especially small and local publishers – are **treated fairly and compensated justly**. These publishers work hard to report news and write content, yet Big Tech companies are the ones who profit most from their work. This is fundamentally unfair, and the JCPA will bring about much-needed change.**