

# “Journalism Competition and Preservation Act”

## News media is struggling despite a record audience...

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



Newspaper circulation is down 48% since 2002

The audience for news has expanded rapidly, with news organizations reaching approximately 136 million U.S. adults each week and the number of monthly unique visitors for the top 50 U.S. newspapers rising from 8.2 million to 11.6 million in just four years (2014-2018). At the same time, since 2005, revenue produced by U.S. news publications has dropped by 58%.

## ...but why?

The platforms are profiting off of news while publishers struggle. Between 16% and 40% of Google search results are news content.

**60%**

Amount of U.S. digital ad revenue captured by the Duopoly, as of 2018

**90%**

Amount of digital ad revenue **growth** captured by the Duopoly, as of 2018

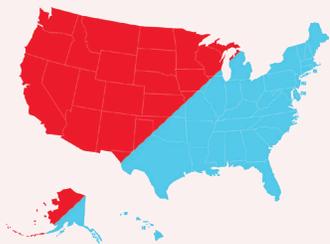
For every dollar made in digital advertising, the platforms take as much as **70%** of the revenue, leaving publishers with a scant 30%. Meanwhile, publishers are paying an additional “ad-tech tax” to the platforms, leaving even less for publishers.

## The Commoditization and Suppression of News

News publishers are forced to play by rules set by Google and Facebook, who decide how content is displayed, prioritized and monetized. These rules have led to the commoditization of news and the inability of consumers to maintain a direct relationship with producers of the content they digest. The platforms now have control over the distribution of news content, as well as deciding what people see and how content is filtered.



# News organizations play a vital role in an informed and healthy democracy



News publishers have been suffering because of lost revenue. Between 2004 and 2018, the number of newsroom employees in the U.S. dropped from nearly 72,000 to fewer than 38,000. 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 School of Media and Journalism)

## People **TRUST** their local newspapers

# 73%

U.S. adults who have confidence in their local newspaper – compared to 55% for national network news and 47% for online-only news



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, reduce government corruption, increase financial transparency and accountability, and encourage candidates to run for office. Quality news publications continue to invest considerable resources to produce high-quality journalism while operating in an online environment dominated by Google and Facebook.

## What's the solution?

We are asking for support of the “**Journalism Competition and Preservation Act**” that was introduced in the House (**H.R. 2054**) on April 3 by House Antitrust Chairman David Cicilline (D-RI) and Judiciary Ranking Member Doug Collins (R-GA), and in the Senate (**S. 1700**) on June 3 by Senator John Kennedy (R-LA), Member of the Senate Judiciary Committee, and Senator Amy Klobuchar (D-MN), Ranking Member of the Senate Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights.

### Why a Safe Harbor Bill?

- A safe harbor, limited in time and scope, would allow news publishers to negotiate collectively with online platforms on business model solutions to support journalism.
- Market-based legislation is the only appropriate way to correct the competitive imbalance that our existing anti-trust rules are unable to address.
- The bill would help develop pro-competitive, business-led solutions that would flow subscription and advertising dollars back to publishers and help protect quality news while encouraging competition.

Knowledge of civic affairs depends on access to **high-quality journalism**, and daily news plays an important function in covering local and county governments. Daily news producers covering local government use **more resources** and have **more diverse sources** than their weekly counterparts, which allows them to reduce their dependence on official government sources. Meanwhile, opinion pages in local papers provide communities with an **invaluable marketplace of ideas**.

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