

**Statement of Danielle Coffey
President & CEO, News/Media Alliance
Hearing on
SB 3591, Journalism Preservation Act**

March 6, 2024

Senators Castro, Senator Anderson, members of the Executive Committee, thank you for having me here today to testify on the important issue of journalism. My name is Danielle Coffey and I am the President and CEO of the News/Media Alliance, representing 2200 news, magazine, and digital publications across the country, and more than 100 publications in the state of Illinois. The role that the Fourth Estate plays in society cannot be overstated. Our publications provide a common set of facts used to inform, educate, entertain, and make important decisions in our daily lives.

While our audience is actually increasing, with traffic to the top 46 news sites up 43% since 2014, our revenue has plummeted in the opposite direction, declining by 56% during the same period of time. There is a very clear reason for such high demand for our content, while the financial decline of our industry accelerates. Federal investigations by the Department of Justice, the Federal Trade Commission, and the U.S. Congress have concluded that the anticompetitive behavior of the big tech platforms has resulted in financial takings from the news industry.

News publications rely on two dominant platforms for 70% of their traffic, Google and Facebook. These platforms serve our content, images, summaries, and soon AI, and 65% of users do not click through to our websites where we can monetize our content. These search and social media platforms have created a walled garden, in which they serve our content to engage readers, collecting personal information, and then targeting those users with advertising. It is to their benefit to maintain the direct relationship with our readers while generating tremendous revenue off of our content with no return to news publications. To make matters worse, these platforms impose an ad tax, where up to 70% of each advertising dollar is taken once users do click through. That results in a lack of revenue that is sorely needed to invest in the newsrooms and hire reporters.

We have seen the decline in journalists across the country and in Illinois, where there has been a staggering 86% decline in newspaper jobs since 2005 due to the strain on our industry. If this trajectory continues, there will be no reporters covering town halls, city halls, football games, high school wrestling, junior proms, or anything relevant to communities in Illinois. There are no other entities that cover the personal aspects of our daily lives like news reporters on the ground, committed to covering and investigating current events. This will have a detrimental

impact on the health of our communities, both financially, through increased corruption, and also through decreased engagement and political efficacy.

Countries around the world, including Europe, Australia, Canada, New Zealand, Indonesia and others have passed legislation requiring the payment of compensation from big tech to news publications. Most recently in Canada, Google is now paying nearly \$21,000 for each reporter to news publications across the country. In California, legislation is pending similar to that in Illinois that would require payment by the tech platforms in the same way. Adjustments to the bill are being discussed that would pay the funds out directly per journalist, direct the funds to benefit the state, and to ensure that small publications are disproportionately benefited.

I respectfully request this Committee to consider this legislation expeditiously and move forward with enactment so that news publications in the state of Illinois can be properly compensated for the use of their content by those who have gone above the law for too long. We are critical to the fabric of this country and we rely on government to step in where needed to correct gross distortions in the market that harm society like this. This broken marketplace must be addressed through government action; without it, Illinois and the rest of the country will have a very bleak future.