NATIONAL ASSOCIATION OF BROADCASTERS

Defending Local Journalism in the Age of Big Tech

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The issue:

Local radio and TV stations provide a lifeline for our communities. From investigative reports to breaking news and weather coverage, they invest significant resources to keep Americans informed about critical events. And while misinformation runs rampant on social media, broadcasters provide "just the facts" reporting, utilizing fact checking teams to provide the most trusted news to communities.

The overwhelming size and power of Big Tech giants, such as Google and Facebook, dwarf local TV and radio stations and threaten Americans' access to quality local journalism. Not only do they pose major threats to advertising revenue, but they are gatekeepers of online content, exerting power over what internet users access and how advertisers reach them. When Big Tech wins, local communities lose.

Here's why:

Stations Rely on Advertising Revenue to Produce Local News

Local journalism requires significant investment, with some broadcast stations spending one third (or even more) of their total expenses on news costs. Broadcasters rely heavily – almost entirely in some cases – on advertising revenues to produce and support local news. Local radio and TV stations also invest in their websites, social networks, mobile apps and other online platforms to be available anywhere and everywhere their audience may be.

Tech Platforms Divert Ad Revenue and Resources from Local Stations

Tech giants exert enormous influence over what online content is eligible to be monetized. These platforms control the share of revenue they retain and the amount passed on to content providers that ironically bear the costs of producing the quality journalism that financially benefits Big Tech.

For example, local broadcasters see at best a little more than half of the revenue from video ads on YouTube, and Facebook reportedly offers the same revenue share for instream ads. In fact, 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.[1]

Because of the size and power of Big Tech, their policies are almost always "take-it-or-leave-it." Even though they disadvantage local stations, 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.

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Tech Giants Act as Gatekeepers, Controlling What Users See on Their Platforms

Beyond diverting advertisers – and crucial revenue – away from local broadcast stations, the digital platforms also control the technologies that power search and content discovery. Whether consumers use search engines, social networks, voice or video platforms, or even broadcasters' own apps to access news and other content, decisions made unilaterally by a few dominant tech giants impede local stations' ability to connect with their audiences online. Big Tech platforms' algorithms can change the rankings of search results, favor certain news sources over others and often steer users towards controversial content over high-quality journalism.

A Troubling Trend: The Loss of Local News

In recent years, tech giants' individual advertising revenues have far surpassed the ad sales of the entire broadcast television and radio industry. Yet, these digital behemoths are allowed largely unregulated and unfettered growth while local stations continue to be subject to archaic rules governing their scale and scope.

Radio and television stations depend on ad revenue to produce local news, which gives the community its voice. Without someone to shine a spotlight on local government, health care, education, environment and business development, there is less accountability in communities and a less informed electorate. This has been proven to decrease voter turnout and civic engagement.

Broadcast radio and television stations are the last bastion of local and investigative journalism in many communities. Yet, without action by policymakers, these stations may face the same future as other local media and be forced to cut back or even eliminate their investment in local news.

The bottom line:

Recognizing the dominant power of digital giants, with nearly limitless control over the marketplace, Congress should support laws and policies that uphold broadcasters' unique and essential role in democracy and a free press, ensure their ability to compete in the current media marketplace, and continue to produce high-quality local content. For example, Congress should pass the bipartisan Journalism Competition and Preservation Act (JCPA) [H.R. 1735, S. 673, 117th Congress] to allow broadcasters and other news publishers to jointly negotiate with dominant digital platforms regarding the terms and conditions by which their content may be accessed online. To ensure a viable and sustainable future for local journalism, broadcasters support the JCPA and urge its swift passage to address the overwhelming market power of Big Tech gatekeepers.

[1] "Economic Impact of Big Tech Platforms on the Viability of Local Broadcast News," BIA Advisory Services, 2021

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