

Support Local Journalism

Clarify that the SBA Paycheck Protection Program Includes Local News Publishers and Broadcasters, America's Newspapers

Supported by the News Media Alliance, National Association of Broadcasters and the National Newspaper Association

Dear Colleague,

Please join us in urging House Leadership to include protections for local news publishers and broadcasters as part of the upcoming coronavirus stimulus package.

Over the last fifteen years, advertising revenue for local publishers has fallen by \$33.6 billion, leading to mass layoffs and news sources folding nationwide. This local news crisis has only been accelerated by the coronavirus pandemic. Broadcasters estimate a minimum loss of at least \$3 billion in advertising revenue already.

Unfortunately, while the Paycheck Protection Program provided some relief to struggling publishers and broadcasters, many were unable to apply for Small Business Administration loans. Because many individual broadcasters are affiliated with larger groups or outlets whose total employee count higher than 500, they were unable to apply for relief under current eligibility requirements.

We ask that you join us to support local journalism by clarifying that local news publishers and broadcasters that meet the SBA's size standards and primarily serve a single community or metropolitan area qualify for the newly established Paycheck Protection Program regardless of their affiliation. Accurate, reliable, and trustworthy sources of information are critical in this time of need, and Congress must do everything within our power to safeguard local community's access to these vital news organizations.

The full text of the letter is below. If you have any questions, please contact Slade Bond (slade.bond@mail.house.gov) with Representative David N. Cicilline or Matt Bisenius (matt.bisenius@mail.house.gov) with Representative F. James Sensenbrenner.

Sincerely,

David N. Cicilline
Member of Congress

F. James Sensenbrenner
Member of Congress

April XX, 2020

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
H-204, The Capitol
Washington, DC 20515

Dear Madam Speaker and Minority Leader McCarthy:

We write to ask that any future stimulus package to address the coronavirus pandemic include immediate improvements to existing lending programs to protect local news publishers and broadcasters.

Reliable local information and reporting in our communities is more important than ever—newspapers and broadcasters are working “around the clock, often in dangerous conditions, to consistently get critical and timely information to the public.”^[1] Local news publishers and broadcasters employ thousands of journalists—including reporters, photographers, newsroom staff, and others—to provide timely and accurate news to keep people informed about their communities.^[2] Under ordinary circumstances, this work is essential to public health and safety, local businesses, and our democracy. But it is more important than ever as our country responds to and recovers from the COVID-19 crisis.

In recent years, local news sources have been in an economic freefall. From 2006 to 2017, advertising revenue has fallen from \$49 billion to \$15.6 billion, combined with a changing online landscape, resulting in mass layoffs or news sources folding altogether.^[3] In the past several years alone, thousands of journalists that work in our communities have lost their jobs. For example, last year, the Cleveland Plain Dealer announced another round of layoffs due to advertising losses, reducing its staff by 80% from employment levels just seven years ago.^[4] Just last week, the Cleveland Plain Dealer announced that it has reduced its staff to fourteen employees, who were notified that “most will no longer be covering news in Cleveland, Cuyahoga County or for the state of Ohio.”^[5]

This economic crisis has accelerated in the wake of the coronavirus pandemic. According to a coalition of news organizations—including the News Media Alliance, National Newspaper Association, National Association of Broadcasters, and America’s Newspapers—there has been a steep decline in advertising revenue from local businesses shuttering such as retail, restaurants, and more.^[6] Broadcasting alone estimates a minimum loss of at least \$3 billion in advertising thus far.

The small business provisions enacted as part of the recent stimulus bill provided some relief for select news publishers and broadcasters and many small stations or newspapers have been able to apply for Small Business Administration (SBA) loans, but many have not because the eligibility requirements were not inclusive enough to capture them. Hundreds of individual broadcasters

and news publishers were not eligible for loan relief because they were affiliated with larger groups whose total employee count was more than 500 spread across various stations or newspapers.

We therefore urge you to protect local journalism by clarifying that local news publishers and broadcasters that meet the SBA's size standards and primarily serve a single community or metropolitan area qualify for the newly established Paycheck Protection Program regardless of their affiliation. Congress established the Paycheck Protection Program to provide small businesses with a direct incentive to keep their workers on the payroll during this crisis. Many local news publishers and broadcasters, however, may sometimes consist of a small team of local journalists, personalities or sales staff that are part of larger ownership groups or have been purchased by private equity firms. Nevertheless, these publishers and broadcasters operate almost entirely locally. In light of this, it is essential that Congress clarifies that loans that are provided under the Paycheck Protection Program are determined on a local and individual basis for news publishers and broadcasters.

Accurate, reliable, and trustworthy sources of information are vital in this time of need. Congress must do everything possible to protect local news sources during this crisis to safeguard our democracy and keep our communities informed as our nation responds to the crisis. We respectfully urge you to address this issue as part of the appropriate stimulus package.

Sincerely,

¹ Press Release, News Media Alliance, Support Local Media (April 9, 2020), <http://www.newsmediaalliance.org/wp-content/uploads/2020/04/NEEDED-SUPPORT-FOR-LOCAL-MEDIA-FINAL.pdf>.

² *See*, e.g., Elizabeth Grieco, *Newsroom Employment Dropped Nearly a Quarter in Less Than 10 Years, with Greatest Decline at Newspapers*, Pew Res. Ctr: FactTank (Jul. 30, 2018), <https://www.pewresearch.org/fact-tank/2018/07/30/newsroom-employment-dropped-nearly-a-quarter-in-less-than-10-years-with-greatest-decline-at-newspapers>.

³ Michael Barthel, *Despite Subscription Surges for Largest U.S. Newspapers, Circulation and Revenue Fall for Industry Overall*, Pew Res. Ctr.: FactTank (June 1, 2017), <https://www.pewresearch.org/fact-tank/2017/06/01/circulation-and-revenue-fall-for-newspaper-industry>; *Newspapers Fact Sheet*, Pew Res. Ctr. (June 13, 2018), <https://www.journalism.org/fact-sheet/newspapers>;

⁴ *Plain Dealer Announces New Round of Newsroom Layoffs*, The Plain Dealer (Mar. 15, 2019), <https://www.cleveland.com/news/2019/03/plain-dealer-announces-new-round-of-newsroom-layoffs.html>

⁵ *Days After Layoffs, Remaining Plain Dealer Staff Told They Will No Longer Cover Cleveland, Cuyahoga County News*, Fox (April 7, 2020), <https://fox8.com/news/days-after-layoffs-remaining-plain-dealer-staff-told-they-will-no-longer-cover-cleveland-cuyahoga-county-news>

⁶ Press Release, News Media Alliance, Support Local Media (April 9, 2020), <http://www.newsmediaalliance.org/wp-content/uploads/2020/04/NEEDED-SUPPORT-FOR-LOCAL-MEDIA-FINAL.pdf>.