



## THE NEWSGUILD – CWA

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April 9, 2020

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell, and Leader Schumer:

I am writing to convey the urgency of the financial challenge facing news publications across the country and the impact it will have on public health. As the nation shelters indoors, Americans are turning to local, regional and national news in record numbers for life-saving information.

Continuing news coverage through this pandemic must be a priority in the next stimulus package.

Many publications have lowered digital paywalls to provide COVID-19 coverage for free. At the same time, the news industry is seeing plummeting ad revenue created by business closures. At this moment when Americans need reliable, community-focused coverage, we risk losing it all. More Americans will die if they cannot access this critical information.

As you no doubt are aware, the news industry fell into financial crisis long before the coronavirus pandemic began. Over 2,000 newspapers have been lost since 2004 due to mergers or shutdowns, resulting in tens of thousands of job losses. Those numbers now threaten to expand significantly—at great risk to our democracy and public health.

As retailers across the country close their doors and events are canceled in support of social distancing efforts, ad revenue for many news publications is dropping precipitously. This dynamic is exacerbated by requests from some advertisers that their ads do not appear alongside coverage of the coronavirus crisis, which, in practice, means that running advertising is nearly impossible in some circumstances due to the pandemic's overwhelming dominance in the news. Further, the huge surge in unemployment and underemployment creates a risk that some customers will have no choice but to drop subscriptions as they seek to make ends meet.

This revenue loss is already devastating local news coverage. News outlets across the country have cut staff significantly and furloughed employees. Some have reduced publication and distribution, or stopped publishing altogether. In New Orleans, which is facing one of the most dire outbreaks of COVID-19 in the nation, the local paper has seen online readership quadruple, even as a decline in revenue led to the furlough of 10 percent of the staff.

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This is the worst possible time to eliminate or weaken crucial sources of local information, given the rapid spread of the virus, the frequently changing directives from governments and the urgent need to update information about sources of assistance.

Failing to protect our local news literally puts lives at risk.

For that reason, I am asking you to strengthen the news industry's ability to continue serving communities. To be successful, such a plan should include the following:

- A publicly financed fund to support newsrooms and media workers to prevent layoffs furloughs and pay cuts;
- Requirements that news outlets receiving aid remain independent from partisan influence, demonstrate a need for the assistance, report on how funds have been spent and be prohibited from engaging in mergers and acquisitions resulting in job losses, leveraged buyouts and anti-union activity, and from using funds for executive bonuses, stock buybacks or dividends;
- A prohibition on job cuts by participating companies;
- Requirements that recipient companies provide ongoing information on staff diversity;
- Ensuring that one-quarter of seats on boards of directors be held by non-management employees at recipient publications;
- A separate mechanism to establish a Small Business Administration program of no-interest loans for the creation of news start-ups, including nonprofits and employee-owned co-ops;
- Tax deductibility for the cost of subscriptions to any news product;
- Incentives for local ownership to encourage chains to sell to local owners and community interests;
- A nationwide federal advertising program to promote public health, participation in the federal census and other topics of national interest.

Communities across the country are in dire need of assistance to preserve access to life-saving news. By enacting the support package described above, you can protect that access and keep communities connected during this crisis.

Sincerely,

Jon Schleuss, President, The NewsGuild-CWA and on behalf of the Executive Council of The NewsGuild-CWA