

Testimony of Bernard Lunzer, President, NewsGuild-CWA to House Committee on Energy and Commerce, Wednesday June 11, 2014

I want to thank the Chairman and Ranking Member of this House Committee on Energy and Commerce, and the full committee for this opportunity to testify regarding the current media situation and its implications on the Federal Communications Commission. The NewsGuild-CWA represents workers in broadcast, print and on the web. Our sister sector NABET-CWA represents workers primarily in broadcast.

Along with our employer representatives, some of them here, we seek solutions to the current challenges facing the media industry. The internet and the web will continue its substantial disruption of media while offering new opportunities for innovation and revenue. Right now there are no simple solutions, or clear ways forward.

We support Chairman Wheeler's stated intent to rein in Joint Sales Agreements, Shared Services Agreements and to maintain the status quo on Cross Ownership between Print and Broadcast. We do not believe further consolidation will help. The goal right now should not be to save call letters, mastheads or websites – if they only duplicate information distributed elsewhere. Joint Sales Agreements, Shared Services Agreements and more Cross-ownership would likely result in fewer employees, less news coverage and less diversity in both areas. It also will not stimulate diversity ownership.

Already JSA's and SSA's have substantially reduced coverage in towns like Youngstown, Ohio and Honolulu, Hawaii. In Youngstown for example, four TV stations are operated by LIN Media with duplicated material being presented on those stations. LIN Media is in competition with two other stations that are owned and operated in conjunction with the Youngstown Vindicator Newspaper. When LIN consolidated stations it eliminated most newsroom jobs in the accreted newsrooms. The Vindicator has substantially reduced jobs in both broadcast and print in the last five years, operating with a combined newsroom. Not only has overall employment been reduced, but local coverage has shrunk substantially and diversity of stories and coverage as well. Cable adds almost nothing locally.

We're often told that combinations allow more coverage. But that's just not the case as the efficiencies are used to increase profitability into double digits. Honolulu is a similar case to Youngstown and well-documented. Three of the five stations operate as if they were a single news operation with almost identical news, significantly diminishing local coverage. Great efforts were made to stop this consolidation but it happened anyway.

In Syracuse NY and Peoria IL, Granite and Barrington Broadcasting swapped and combined news operations in each city. Our Union commissioned a national study

done by the University of Delaware in 2011. The study reported that 70 workers were laid off and 16 reassigned. Barrington Broadcasting now runs 3 stations in Syracuse with the same news staff. The Syracuse and Peoria markets lost competing and different points of view in news coverage.

We get to a situation where some broadcast stations are essentially zombies – places where broadcasting continues but there are few if any employees involved. The Joint Sales Agreements allow for consolidation on the advertising side. We believe the goal of restricting JSA's where more than 15 percent of sales are attributed to another entity is a good one, as outlined by Chairman Wheeler. We also agree with the FCC about studying SSA's to see if similar restrictions would be in order.

There needs to be a procedure and a test to revive such stations, allowing for more hiring, diversity of coverage and the potential for diversity of ownership. The FCC is on the right track if that is the goal.

Again, further concentration will make this worse. The status quo continues the current dilemma. Only new guidelines will provide for better competition and a robust landscape, that could allow for diversity ownership – which is at a scandalous level right now.

Let me also strike at the heart of the myth of diverse content based on the internet adding so many voices. Much of what the internet has added is opinion based information – not well sourced and not particularly helpful. A Pew Study of Baltimore demonstrated that although there were 53 news outlets for local content, 83 percent of stories were repetitive with no new information. Legacy print content providers accounted for 48 percent of content with local broadcast providing about one-third. Almost no breaking information came from the non-legacy platforms. Since the study, the Baltimore Sun, the primary provider has been shrunk substantially.

As a labor union that cares deeply about democracy we also believe that the societal implications of further concentration will mean less credible news and information to citizens as major debates take place over the future of America. Citizens should expect their rights to be paramount over broadcasters, as has been established in law. We need real innovation and investment as we continue forward in the 21<sup>st</sup> century. Consolidating existing organizations with fewer employees does not get us there.