



**Hearing on
“Reviving Competition, Part 2:
Saving the Free and Diverse Press”**

**United States House of Representatives
Committee on the Judiciary
Subcommittee on Antitrust, Commercial, and
Administrative Law**

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Statement of Emily Barr

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Introduction

Good morning Chairman Cicilline, Ranking Member Buck and members of the subcommittee. My name is Emily Barr, and I am the President and CEO of Graham Media Group, owner of seven local television stations across the United States – KPRC–Houston (NBC), WDIV–Detroit (NBC), WSLS–Roanoke (NBC), KSAT–San Antonio (ABC), WKMG–Orlando (CBS), WJXT–Jacksonville (fully local), and WCWJ–Jacksonville (CW). We are also the proud owner of Social News Desk – a Saas-based company providing social media software tools to over 2700 newsrooms world-wide. I appreciate the opportunity to testify on behalf of the National Association of Broadcasters (NAB), where I serve as the chair of the Television Board of Directors, and its nearly 7,200 free and local television and radio station members that provide valuable service to all of your hometowns.

Local journalists and the communities we serve face an existential threat whose fate increasingly rests in the hands of a few dominant digital platforms. We applaud this subcommittee’s attention to this challenge, and your continued work in examining the digital marketplace for news and journalism. Legislative action, including swift passage of the Journalism Competition and Preservation Act (JCPA), is needed to preserve this essential cornerstone of our democracy in a digital marketplace that is otherwise distorted by the anticompetitive conduct of certain tech platforms.

Local Broadcasters: Providing Trusted, Unbiased Journalism

The nation’s broadcasters represent one of the last bastions of truly local, unbiased journalism – information that is still respected by Americans around the country, regardless of political persuasion, race, background or creed. These are your constituents, and they continue to turn to their local reporters and anchors for voices they trust to keep them informed about their communities and the nation. Prior to the pandemic, Pew Research found that from 2008 to 2019, radio and television

broadcasting accounted for an increasing portion of all newsroom employees.¹ Combined, the broadcasting industry accounted for almost a third of all newsroom employees in 2019, nearly the same amount as the newspaper industry.²

This past year challenged us in myriad ways, but among the most painful for many Americans was the acute isolation they experienced as a result of the pandemic – detachment from their families, neighbors and communities. When it was needed most, local television and radio stations provided the civic bond for the communities we serve, doing incredible work in the face of our own enormous challenges. More importantly, we continue to be the primary source of the community-focused information on which your constituents have relied during this pandemic, from health and vaccine resources to vital information about schools and local businesses.

This past year has also tested our democracy and the very pillars upon which it stands. One of those pillars, from the very beginnings of our republic, is the existence of a thriving free and diverse press. Unfortunately, due in large part to the misinformation and untruths circulating unchecked in the digital ecosystem, more and more Americans have lost faith in the information reaching their eyes and ears. Fortunately, local broadcasters remain a touchstone for the truth, and our commitment to fact-checking, locally based reporting and the public interest explain why local television and radio stations are the most trusted sources of information across all segments of the American population. According to a study conducted by Poynter in 2018, 76 percent of Americans across all political parties trusted the news on their local television station.³

I am proud that Graham Media's stations exemplify this commitment to local communities and I would like to share two stories with you today. As the members of Congress from Florida on this subcommittee know, the state's unemployment insurance system failed at every turn during the pandemic. As those struggling to make ends meet

¹ <https://www.pewresearch.org/fact-tank/2020/04/20/u-s-newsroom-employment-has-dropped-by-a-quarter-since-2008/>

² Id.

³ <https://www.poynter.org/ethics-trust/2018/finally-some-good-news-trust-in-news-is-up-especially-for-local-media/>. Additional research shows that local news plays a key role in political and civic engagement. <https://knightfoundation.org/reports/american-views-2020-trust-media-and-democracy/>

tried to access this lifeline during the height of the crisis, they were met with a system plagued by technological defects, and their calls for help were met with silence by state officials.

It was at this point, overwhelmed and discouraged, that Floridians did what Americans all over the country do when there is no one else to turn to: They called upon their trusted local broadcasters in search of help. WKMG News 6 in Orlando received scores of calls and messages from viewers about their experiences with the unemployment system in the state, and our journalists did not hesitate to jump into action. By reporting and publicizing their stories, WKMG shined a light on the issue, ultimately creating the publicity and pressure needed to force change. And it worked. WKMG's efforts led to successful resolutions for Floridians across the Orlando area, and close to a million dollars in unemployment payments were finally disbursed to those desperately in need.

Additionally, WSLN-TV in Roanoke, Virginia recently completed a multi-month investigation into alleged patient neglect occurring at a local nursing home. The resulting reports graphically portrayed the tragic alleged neglect of one resident and led to scores of calls and inquiries about other potential cases of neglect. As a result of their work, there is now a movement underway to change the laws governing how nursing homes in Virginia are monitored and ultimately providing much-needed transparency and protection for all such residents. These are but two shining examples of this profound belief in serving the public interest.

Quality Local Journalism Is Costly

I have spent over four decades in local broadcast television, working in virtually every capacity – as a news editor, creative services director, operations manager, general manager and now CEO. I understand the business challenges of producing the type of hard-hitting, informative journalism the communities we serve demand and deserve. And I am keenly aware of the significant financial resources needed to run a

newsroom and invest in the type of equipment necessary to serve our viewers day in and day out, 365 days a year.

As outlined above, broadcasters employ nearly one third of the country's local journalists and are consistently identified as Americans' most trusted news medium. But this commitment is costly. From 2013 to 2018, NAB found that TV stations spent nearly a quarter of their budgets on news costs, averaging over \$3 million per year.⁴ In the 10 largest markets, local news operating costs were \$9.7 million annually per station, and approximately \$15.8 million for affiliates of the major broadcast networks.⁵ In addition to these operating costs are significant capital investments for things like satellite trucks, state-of-the-art cameras and, in some cases, specialized equipment such as news helicopters. In Jacksonville where we operate a fully local, unaffiliated station, WJXT, we air over 65 hours of local news per week and are the number one rated station in the market. Our news expenses there are 40 percent of our total budget.

Moreover, in the past 8 years, Graham Media has increased its investment in digital journalism, adding over 44 positions dedicated to digital delivery of our local news content on web, mobile, social, voice assistance and streaming platforms. We have increased our digital expenses five-fold and each station now produces original content for all of these platforms in addition to what we put on air.

Dominant Online Platforms' Anticompetitive Behavior Threatens Local Journalism

Despite the tremendous cost of bringing world-class news and journalism to our local communities, one of the greatest sources of personal pride for broadcasters is the fundamental principle upon which local broadcasting is based – that television and radio stations serve the public interest by making all of their valuable content available to American viewers and listeners over the airwaves, completely free of charge.

This free service does not exist in a vacuum. It has been made possible over many decades through the advertising revenues generated from businesses of all sizes,

⁴ See NAB Television Financial Reports 2004 to 2019.

⁵ Id.

national and local. However, these revenues have experienced a free-fall in recent years, due almost exclusively to the rapid expansion of the dominant online platforms who have upended the advertising marketplace and, in some cases, devised anticompetitive practices to protect it.

The market power of the tech platforms undermines the online advertising model for local broadcast journalism in two significant ways. First, the tech platforms' role as content gatekeepers stifles our ability to generate user traffic independent of their services. Second, anticompetitive terms of service and a "take it or leave it" approach, leave local broadcasters with a below-market sliver of those advertising revenues that are derived through their products. For local broadcasters and our viewers and listeners who rely on quality journalism, this is a lose-lose proposition: To attract online user traffic, we must be accessible through the major platforms, yet the terms of access dictated by the online platforms devalue our product. This is a catch-22 that local television and radio broadcasters cannot avoid and will ultimately undermine our ability to invest in locally-focused journalism.

As an example, Graham Media is currently in talks with a major tech company discussing distribution on its platform and have been handed a non-negotiable set of terms which would restrict us from monetizing our own original news content. In addition, they have made it clear they only intend to carry one or two news channels per market, potentially leaving smaller broadcasters like us out of the mix entirely. It is as if we are paying to produce a product and they get to decide its price and if, where, and how it can be sold.

Even more concerning is the degree to which certain platforms commoditize news content with little regard for the quality and veracity of the story. This puts fact-based reporting like ours on par with unsubstantiated click-bait as we fight for user eyeballs in both platform news feeds and traditional search. The result is that broadcasters and news publishers are tempted to focus on catchy headlines and viral stories to generate user interest rather than quality journalism. This is a dangerous trend.

As our viewers and listeners change their media consumption habits, the need for local broadcasters to be fairly compensated in the digital ecosystem is acute. According to BIA estimates, ad revenue for local television stations fell by over 40 percent in real terms between 2000-2018, while radio ad revenues fell by nearly 45 percent in real terms over the same time period.⁶ This decline in ad revenue worsened significantly over the past year. At the height of the pandemic, many local broadcasters saw their advertising revenue decline more than 50 percent compared to the same period a year before, and some even saw their advertising cancellations approach 90 percent.

Meanwhile, the dominant online platforms have flourished, siphoning off huge amounts of advertising revenues that are the lifeblood of free, local journalism. Ironically, this dominant market share is perhaps most acute at the local level, where local ad revenues are leaving their communities to line the coffers of these large, multinational corporations. As Sen. Maria Cantwell (WA) noted in a report she issued last October, Google and Facebook control an estimated 77 percent of locally-focused digital advertising.⁷

This market transformation is not accidental. It has been exacerbated by deliberate decisions on the part of the tech platforms to put technological and systemic roadblocks in the way of broadcasters trying to gain access to, and compensation from, these platforms for the use of broadcast content. The barriers to entry erected by the major platforms take on many forms, from decisions about which content will be prioritized by algorithms that often favor sensationalism over hard journalism, to unilateral mandates about which content is eligible to be monetized and what share of revenue the big platforms will retain.

Make no mistake, Graham Media, and local broadcasters throughout the country, embrace the opportunities afforded to us by new technologies to reach our audiences and enhance the service we provide to our viewers and listeners. Further, broadcasters, in many instances, value the partnerships we have with large online platforms that are

⁶ BIA Advisory Services, LLC March 2021

⁷ https://www.cantwell.senate.gov/imo/media/doc/Local%20Journalism%20Report%2010.26.20_430pm.pdf

the subject of this hearing, which provide television and radio stations the ability to reach a different audience than they would through traditional media. Without access to these platforms, broadcasters would lose the ability to reach hundreds of millions of viewers and listeners.

But these partnerships have their limits. For all of the reasons stated above, the vast market power of these platforms ensures that broadcasters must, in most cases, simply accept whatever terms are handed to them, regardless of whether they represent a fair or appropriate approximation of the value local broadcast content offers these platforms and the American consumers who use them.

Potential Legislative Solutions Provide Hope for Local Journalism

NAB commends Chairman Cicilline and Ranking Member Buck for their thoughtful approach to the competitive challenges facing local journalists around the country. To combat this threat – and to ensure that local journalism does not disappear altogether – we truly need an “all hands on deck” legislative approach. I will note here, as a broadcasting professional who has devoted my life to an independent and free press, I do not take government policymaking in the journalism arena lightly. However, we have reached a breaking point, where the market conditions affecting broadcasters and other local journalists must be reset in order that a free and diverse press is able to flourish. If we do nothing, local, independent journalism will not thrive. Indeed, it may not even survive. And what happens to our democracy if that happens?

One significant step toward curing the harms caused by the anticompetitive behavior of the giant online platforms would be the passage of the JCPA, recently reintroduced by Chairman Cicilline and Ranking Member Buck. NAB strongly supports this targeted, commonsense proposal, which would give broadcasters and other news publishers the ability to level the playing field in negotiations with the tech giants, providing a mechanism for collective bargaining with these dominant platforms.

In addition to the JCPA, Congress should explore additional policy remedies to ensure that journalists and news organizations are compensated for the reporting and content they create, recognizing the inherent value of this original content.

Conclusion

As we mark precisely 12 months since the beginning of this devastating pandemic, the enduring value of local broadcasters to our communities and your constituents has never been clearer. They have helped keep the fabric of our communities – and the very fabric of our democracy – connected despite challenges that have sometimes made us feel they might unravel at any moment. But local broadcasters themselves are facing their own existential crisis – one that tests their ability to weather a storm that is being fed by the often anticompetitive behaviors of a handful of massive online platforms. In order to ensure that broadcasters not only survive, but continue to thrive and serve their communities, Congress should act swiftly to consider legislative solutions that will level the playing field to allow broadcasters and other journalists the ability to seek adequate compensation for the tremendous value they provide these platforms and the millions of Americans who use them.

Thank you again for the opportunity to discuss this issue, which is critical to America's broadcasters and the communities we serve. I look forward to your questions.