

Rebuild Local News

September 30, 2020

Contact: Sam Kille, skille@reportforamerica.org

Rebuild Local News Coalition Announces Major Proposal for How Government Can Strengthen Local News

Plan backed by broad alliance of local news organizations would double the number of local reporters while preserving editorial independence of newsrooms

A coalition representing more than 3,000 local newsrooms today took the unusual step of backing a plan for the government to dramatically help local news while maintaining strong First Amendment safeguards.

[The proposal](#) is backed by organizations representing weekly newspapers, nonprofit websites, Black newspaper publishers, Hispanic publishers, independent news websites, free speech advocates, public radio stations, national nonprofit groups, daily newspapers and leading funders of local journalism innovation.

“This very broad collection of news organizations came to the conclusion that government action is urgently needed *and* that it can be done in a way that preserves editorial independence,” says Steven Waldman, the president and co-founder of Report for America,

who coordinated the coalition's efforts. "The collapse of local news fundamentally threatens democracy and the health of communities. The country must confront this crisis."

The plan attacks the problem by offering proposals around these broad strategies:

1. Empower Americans, through their own choices, to financially help local media
2. Grow nonprofit local media
3. Strengthen commercial media by incentivizing local ownership and investment in local reporting
4. Help create a local news system that better covers marginalized communities
5. Support journalists who pursue careers in local public service journalism
6. Safeguard editorial independence and nonpartisanship

The heart of the proposal is a system of tax credits that would provide up to \$250 to Americans to help buy local news subscriptions or donate to local nonprofit news organizations (a variant of the bipartisan bill, the Local Journalism Sustainability Act.)

The coalition also backed a strategy to help ["replant"](#) hundreds of private newspapers into local nonprofit groups, a tax credit to help small businesses buy local advertising, changes in antitrust policies to discourage damaging newspaper consolidation, tax incentives for hiring journalists, a matching fund to help nonprofit newsrooms, efforts to ensure the coverage of marginalized communities, and other changes.

[The full plan can be found here.](#)

The group emphasized providing aid to consumers and business so they could support local media, and emphasized policies that helped locally-owned for-profit and nonprofits to develop long-term sustainability.

Representatives of more than a dozen organizations have worked for the past five months to come up with a plan that would earn the backing of this disparate range of groups while still having a major impact. The groups backing the plan include:

- National Newspaper Association (weekly newspapers)
- Institute for Nonprofit News (nonprofit local news organizations)
- National Newspaper Publishers Association (Black Newspapers)
- Local Independent Online News (local, independent news websites)
- National Association of Hispanic Publishers
- National Federation of Community Broadcasters (community public radio stations)
- American Journalism Project (supporting local nonprofit innovation)
- Lenfest Institute for Journalism (supporting local news innovation)
- Report for America/The GroundTruth Project (national service program for local reporters)
- Solutions Journalism Network (supporting journalists and newsrooms)
- Local Media Consortium (broad association of news organizations)
- Public Knowledge (public interest group)
- PEN/America (free speech advocates)
- Steven Waldman, President, Report for America, coalition coordinator

[The full proposal can be found here](#)

Although it is difficult to assess the cost, the group conservatively estimates that it would add at least 20,000 reporters, double the current amount. The cost would likely be less than the amount currently spent by the U.S. Treasury to underwrite business lunches and entertainment.

In shaping this plan, the coalition was guided by these principles:

- Be content-neutral, nonpartisan, and ensure editorial independence.
- Be future-friendly, potentially providing help to both existing local players and innovators.
- Be platform-neutral, focused on providing local journalism.
- Help local news organizations develop sustainable models.
- Help locally-owned, diverse or nonprofit media.
- Result in communities having more local reporters.

Some of the proposals build off existing pieces of legislation, especially the bipartisan Local Journalism Sustainability Act, introduced by Rep. Ann Kirkpatrick, a Democrat from Arizona, and Rep. Dan Newhouse, a Republican from Washington.

“Community newspapers have been the sources of news reporting for America’s cities and towns for centuries. Now we find the economic changes in our country require new paths to sustainability,” said Brett Wesner, chair of the National Newspaper Association, and president of Wesner Publications in Cordell, OK. “Congress needs us as much as we need sound public policy to undergird a thriving democracy, oversight of public institutions and sound government. The coalition is shining a light on a need that must be recognized and addressed urgently.”

“The National Newspaper Publishers Association (NNPA), representing Black owned newspapers and media companies across the nation, strongly endorses this industry-wide proposal to strengthen local news,” stated Dr. Benjamin F. Chavis Jr, the NNPA President and CEO. “Amidst the COVID-19 pandemic, the sustainability of local news is a vital national priority that requires government action and support.”

“There is an urgent crisis in local news in America that requires bold responses,” said Jim Friedlich, CEO of The Lenfest Institute for Journalism, a nonprofit organization dedicated to supporting local news. “This plan is both ambitious and practical, using tax policy, government spending and other incentives to meaningfully help local news while ensuring editorial independence. This is the most forceful proposal of its type in memory, and both our industry and our country stand to benefit.”

“Our country is facing an urgent question: how do we ensure communities have the information they need?” said Sarabeth Berman, CEO of the American Journalism Project. “We join this coalition to ensure that the government takes action in order to sustain local journalism as a vital public good.”

“Public Knowledge believes that it’s possible for the government to support the essential role of local journalism in our democracy, while preserving First Amendment safeguards that ensure a free press,” said Lisa Macpherson, senior policy fellow at Public Knowledge. “This proposal shows us some ways to do so. We’re proud to join these news organizations in a proposal that seeks to empower citizens, help small businesses, encourage innovation, and seed sustainable business models for journalism in the future.”

The effort to develop public policy was supported in part by Democracy Fund Voice and The GroundTruth Project.

Appendix

SHORT SUMMARY OF PROPOSALS

[\(full plan here\)](#)

- Offer a [\\$250 refundable tax credit](#) that taxpayers can use to pay for a subscription to a local news source, make a donation to a local nonprofit local news organization, or select membership in a local news organization.
- Offer a \$2,500-\$5,000 credit for small businesses to buy advertising through local media.
- Offer an enhanced federal charitable deduction and other tax incentives for newspaper owners that want to donate a newspaper to a local nonprofit organization, as part of a broad strategy to “replant” hundreds of newspapers.
- Offer a tax credit to allow news organizations to [hire or retain newsroom employees](#) (as in the Local Journalism Sustainability Act).
- Have the IRS clarify that nonprofit local news organizations can accept advertising, offer subscriptions, or deploy other revenue-generating approaches without losing their tax-exempt status.

- Provide a lump-sum allocation to a [super-sized Newsmatch fund](#), providing at least a 3 to 1 match against funds that local nonprofit news organizations raise in donations from their communities.
- Provide the Corporation for Public Broadcasting more funds to specifically support local journalism and the flexibility to give more money to high quality public radio stations.
- Require that half of what federal government agencies on advertising be directed toward local media, with a significant portion set aside for small media.
- Provide tax incentives for the conversion of newspapers into public purpose, locally-owned Public Benefit Corporations.
- Have the Justice Department and the Federal Trade Commission issue new guidance making it clear that agencies should consider the effect of newspaper mergers on localism.
- Amend the [Worker Adjustment and Retraining Notification Act](#) (the “plant closing law”) to require six months’ notice of a local news organization closure having a significant negative impact on the information health of a community.
- Ensure that a subscription tax credit can be used for memberships in local for-profit media not having paywalls, which is the case for many Black newspapers and ethnic media publications.

- Offer loan forgiveness for journalists who work at local nonprofit news organizations or Public Benefit Corporations.
- Ensure that efforts to help newspapers convert equitably include newspapers and other media serving communities of color.
- Ensure that a portion of government advertising goes to locally-owned and nonprofit newsrooms, including Black and Brown-owned newsrooms having sometimes not benefited from government advertising campaigns.
- Have the IRS clarify that public service journalism to be a valid public purpose to earn tax exempt status.
- Put 5,000 local reporters into local newsrooms through national service programs for journalists.