Good afternoon, everyone, and welcome to Knight Foundation is informed and engaged. This is our 15th episode and we're so glad that you're joining us today. Today, we're going to be talking about the decline of local news, which has been accelerated, of course, by this global pandemic. And we're going to be talking about a new idea, a new solution. And it was announced just last Friday. A coalition of three thousand local news organizations around the country have come together to rebuild local news. Joining me today is Steve Waldman. He's the president and co-founder of Report for America an initiative of the Ground Truth Project. But for all of you who have been watching and looking for and building solutions for local news. Steve Waldman is someone who has been at it for a very long time.

Steve is prior to creating with Charlie Senate Report for America. Steve was the author of a land make landmark report called Information Needs of Communities. It was described by NPR is one of the most comprehensive over news of the U.S. media ever produced.

And this report came about a year after a Knight commission brought together experts around the country to address the concerns about disappearing local news and information. And that was more than a decade ago. Much has happened in the last 10 years. And now under his leadership, this coalition of three thousand local news outlets are looking for the government to play a role in helping rebuild the future of local journalism. So please, please join me today for this conversation with Steve Waldman and Steve, first. Please tell us, how did this coalition come about and why does it make sense now for there to be a major call to government, to government officials to step in and help address this problem?

Well, thank you for having me. And thank you again for your leadership and Knight Foundation leadership on this very topic for coming on, I guess. Fifteen years now. The reason? Well, two reasons. One is the collapse has become so severe. That it's in it's now at the point where it's probably beyond it being solved only by philanthropy. I kind of say that reluctantly, honestly. But when you're talking about a drop of about 20 billion dollars in revenue, at least of what, you know, newspapers have lost the addition of, you know, five hundred million in philanthropy or even more than that is is not going to be sufficient. Now, I say reluctantly, because I don't think anyone is particularly excited about the idea of the government getting involved in this in any way, honestly. I mean, it's it just goes so against our sense that. To hold government accountable, you can't take money from the government. It's very logical. You know, how can the muckrakers take money from the muck makers? So I think a lot of journalists have been very resistant to the idea of the government getting involved in this. And but I became convinced that because of the scale of the collapse, we had to look at this again and start thinking about are there ways of doing this? That the government could help out where it would not in danger editorial independence. And it became particularly acute with Cauvin because COVA, you know, as you know, the problems with local news pre-date Codan. But Kofod has accelerated all of the harmful trends and made the crisis even more severe. And Congress is looking at solutions. Congress is starting to look at, you know, bailouts for this industry or that industry or which we do. And so it started there started to be a discussion about what kind of help ought to happen for local news. And honestly, a lot of it ended up focusing on like the only piece of legislation that got included in the House bill for Cauvin was a bill to make sure that the chains, the newspaper chains got included in the code would really feel the was owned by private equity firms. And, you know, honestly, I was fine with that. Like, this
is a submission crisis that everyone probably needed some help. But it was a bit Eye-Opening to me also that. That's it. That's all you got.

[00:06:11] You know, that the that the the only public policy idea around helping local news was to make sure that no chain is left behind. So I just start to think that the combination of those two things, that the scale of the problem is so severe that there's gonna need to be a focus. There's going to need to be some sort of government involvement. And a little reminder that if journalists don't play a role in making this policy, someone else will make the policy for the. And it might not be true to our likings people, who especially people who like both the First Amendment and innovation, might not come out that way. So I organized this sort of pop up coalition. It had a little bit of an emphasis on the locally owned media and nonprofit media, not totally to the exclusion of chains who still represent a lot of, you know, how news is provided. But we wanted to make sure that locally owned and nonprofit media had a seat at the table to.

[00:07:18] Steve. When you talk about support in Congress for this plan, is it bipartisan support?

[00:07:26] That seems surprising given the low levels of trust in the news media. Among Republicans, according to a recent Gallup poll, it is a little bit surprising.

[00:07:40] I was kind of expecting that, you know, this is a little bit of an academic exercise or, you know, we got to slowly start building support for it, but that it would take a long time to get Republican support. And that turns out not to be true. There are not from the White House, but from Republican members of Congress. There is an understanding about the importance of local news, and they tend to make a distinction between local news and national news. And that, you know, there's there's concern about government involvement and how it's done. But there have been a few different proposals, different pieces of it, some of which got incorporated into our grand plan that do have bipartisan support. There's a bill that is quite a number of the ideas we ended up in. Dawson come from a specific were build on a specific piece of legislation called the Local Journalism Accountability Act, and it's coauthored by a Democratic congresswoman from Arizona. And for Patrick and a Republican Congress man from Washington, Dan Newhouse.

[00:08:45] And it has its freakishly broad coalition. I mean, it has Congressman Bobby Rush from Chicago, one of the most progressive people in Congress. And Louie Gohmert from Texas are both co-sponsors of this legislation. And I think the reason why is there really is a broad sense that that local news is important. Now, look, it might not be just a really deep understanding of the importance of this for democracy. It could be that members of Congress think this is really hard to get press coverage of what I'm doing when there's no local news. Let's be honest that that is part of the motivation. But that's OK, because covering the local congressional delegation is actually one of the things we lose when there's no local journalism.

[00:09:31] And I think that the reason that this particular approach has gotten bipartisan support, including from us, is that it's the idea at the heart of the idea is you get a two hundred and fifty dollar refundable tax credit to Americans that they can use to buy a newspaper subscription or donate to a local nonprofit news organization. And a separate version of that, a separate is to give a tax credit to small businesses to buy local advertising in local news organizations.
So the key difference is there's not someone in Washington at a Department of Local News sitting around parceling out grants to news organizations like We Can All Pretty. It doesn't take a lot of imagination these days to see how that could go wrong, like how, you know, under this administration or really any administration having the government, you know, parcel out huge sums of money to particular media organizations would compromise their independence. So this doesn't do that. It put it essentially amplifies the voices of America, the choices that they want to make. Now, we may not always agree with those choices, but it basically is amplifying the choices of Americans and pointing it in the direction of local news. You know, we kind of do the same thing with the charitable detect tax deduction for charitable giving. Like the government doesn't tell you what charity to give to, but it says, hey, if you would, whatever cherry you give to, as long as it's a legit charity, we'll essentially top it off. And it was, you know, part of what my thinking on this was very influenced by by Newsmax, which was created by by Knight and other foundations to help nonprofit media. And the theory behind it was rather than just us, you know, giving up grants to news organizations we like, what if we also had it as a way of amplifying the voices that are happening organically on the ground? So it matches donations that, you know, nonprofit news organizes. So both of those ideas are kind of have a similar spirit to them.

So just to build on news match tonight is going to be announcing next week a major contribution to the national scene fund. One of the other benefits of news, Matt, is that one of the goals of news, Matt, is not just to provide matching contributions, but to help local, not for profit news organizations across the country build their individual donor base, find those next major donors really develop best. Courses around audience development. Because at the end of the day, if local journalism can not be sustainable, it cannot be it cannot be independent. And that's one of our key goals here at Knight Foundation is helping local journalism become sustainable.

So imagine if you start. Well, I was just going to say I'm a big fan of mismatch for the reasons you said. It's it's not just, you know, plugging a hole. It's building capacity that can end capability. So imagine if, you know, I forget what the maximum grant amount was last twenty five thousand miles. So imagine if it were two hundred fifty four or five hundred thousand. Right. The federal government is often is not very good at stimulating innovation or picking winners and losers, but it's good at writing checks. So imagine if if the federal government essentially wrote a one hundred million dollar check to news match or something like it to create an endowment that simply, you know, super sized. What Newsmax is already doing is that already has a set of criteria that I had and, you know, implements the Institute for Nonprofit News to make sure it's legit local news. So it's not like a new idea. You're taking something that's been built and kind of refined over the last few years through experience and just making it, you know, the difference between a newsroom being able to get twenty thousand dollars and two hundred fifty thousand or five or ten thousand could be transformed.

It could be really on a par with what happened in 1967 when the federal government looked at this assortment of a couple hundred important but small, fragile public radio stations.

It said this is really important, but there are too few and they're not strong enough. And they passed the public broadcasting, which essentially now we have 900 public radio stations. So I could see a scenario where a supersized news match could do that for the nonprofit, you know, nonprofit local News World.
And also, it could do that for many not for profit public radio stations, as it does now those public radio stations that are in the business of delivering local journalism, because unfortunately, despite all of those local public radio stations across the country, they're not all committed to or have they have the capacity to deliver local news. So, Steve, let's take the plant. Walk us through the plan. And for one, it's in the chat.

But for everyone watching and listening today, the Web site that you must go to right now or after this broadcast is rebuild local news dot org and go right to our plant.

So, Steve, take us through the plan. It could be it's a little complicated. You know, the different tax credits, the different. But walk us through the plan and tell us why you and members of the coalition are confident that this could happen.

Well, so FEMA there. There are lots of different pieces to this, but they kind of fall into some thematic buckets and basic big strategies. One is to empower Americans through their own choices to help them financially help local media so that, you know, as I said, could be could happen through a refundable tax credit of 250 dollars that you could use to promote to buy a subscription to a newspaper or a donation to a nonprofit. This is I like earn my little lobbying stripes or Angel Wings was when we urged the sponsors of this law to include nonprofits in it and say, hey, how about instead, in addition to do it. Fifty dollars for subscriptions. We also made it for two hundred fifty dollars for a donation to non-profits. And there are experiments like this happening in France and Canada that we can learn from and build on. So a second piece of that legislation, which we also like is the tax credit to small businesses that they can use for advertising in local media. So then the second big thrust is growing nonprofit media. And, you know, I don't have to convince you on that front, but we all believe and by the way, this is a coalition that includes nonprofit media and for profit media. And it was very interesting and exciting to see that both of those constituencies agreed on the importance of the other, like the for profit folks got the idea that you're going to need a strong nonprofit sector and vice versa. So we need to do a bunch of. To grow nonprofit media. And I do think the historical analogy of what the government did around public broadcasting is really relevant here. They didn't. They didn't invent it. You know, there was all this very interesting creative stuff that had happened on the ground and to universities and and things like that, just as has happened through the creation of all sorts of nonprofit media. So it's really sort of stunning to me. The number of public radio stations in 1967 is almost exactly the same as the number of nonprofit local newsrooms right now. It's about 300.

So it's like at the same moment, the same part of their evolution. And they're ready to blow up in a good way. You know, with government help set the new supersizing the news match is is one idea to do that. The best way to do that, to avoid government monkeying around would be for the government to write a one time big check to create an endowment that would essentially supersized the news much.

That would sort of avoid the possibility of the government going in and, you know, wanting to monkey around with the ISDN standards about who could be a logit newsroom. That would probably be the way to do it.

There's also all sorts of things that have historically stood in the way of non-profits being formed as news organizations. You know, we did with the Knight Foundation help create a task force on this topic. Seven or eight years ago to look at all the ways that the IRS, you know, slows things down. And, you know, so there are a couple of important clarifications that ought to happen. One is to let it be known to nonprofit news
organizations that you can take advertising and you can charge for subscriptions and you can do earn revenue. Essentially, we all want to get to the point where nonprofit news rooms are thinking of donations as the third revenue stream, not the only revenue stream. There have to be other earned revenue. And frankly, the IRS is muddiness, has made it harder. You know, there's as you I'm sure you've heard this all the time, like, well, can we even have advertising that in danger? Yes, you can have advertising, but it would be better if the IRS kind of clarified that, made it clear you could do it. So there's a number of IRS, I'd say, cleaning up the things that would help a lot. And then there's a big idea related to this that we call replanting. And it's the idea that, you know, we shouldn't only be looking at creating new news organizations. You know, the reality is there's 300 nonprofit news organizations. There's 60, 700 newspapers.

[00:20:12] And there needs to be another front on this on this battle, and that is the front about what do we do about these 60, 700 newspapers. And until now, honestly, the choices have either been, you know, we create something new or we bail out the newspapers that are a lot of which are owned by hedge funds, which is is a sad thing because even though it's sometimes necessary, we know how this story is going to end. It's not going to be good, like the way, you know, newspapers that are owned by hedge funds have are in this downward cycle and there's no sign that's going to end.

[00:20:51] So rather than just accepting that's the fate of those 60, 700 newspapers, let's aggressively attack the idea of replanting some of these organizations. And this is a metaphor that I've tortured beyond recognition by now. But it's essentially, as you know, like sometimes if a plant is sick because it's sick sitting in toxic soil. If you take it out of that soil and put it into healthier soil, it can thrive. And what we're talking about is new ownership structures. If you've got it out of those ownership structures and put it into healthier ownership structures, could it's right.

[00:21:28] So that might mean literally donating the newspaper to a nonprofit organization or a public benefit corporation. And I think that there's a lot of there is some of this. Does that have to do with government policy? Like, I think it ought to happen that there ought to be a great big new nonprofit organization, well capitalized. And we can talk about that. That has its job of replanting. But there are a couple of public policy steps that would really make it more likely to succeed. And there's carrots and sticks. The carrots are what if you offered an enhanced charitable deduction to any owner that literally donated its newspaper to the community? Or its or its assets. And, you know, because we know I mean, this won't apply to all 67 number, but we know some of these chains are thinking about shutting these papers down entirely or milking them for another couple of years and then shutting down. So wouldn't it be great if we could get some of them instead of saying, oh, the choice is either milking or shutting? Would it be great if there was a choice of donating and you have to have a real incentive?

[00:22:41] So, Steve, I just wanted to note for the audience, as many people know, in Philadelphia, we have the Lenfest Institute, which is now the owner of the Philadelphia Inquirer, which is a public benefit corporation, which was donated by Jerry Lenfest, the late Jerry Manifest, who is an extraordinary philanthropist who believed passionately and the value and importance of reporting that holds the powerful to account. And then, of course, just recently, in the past year on Paul Huntsman turn the Salt Lake Tribune into a not for profit. And with his effort, did it create a landmark IRS ruling which were hoping that other news organizations will use that ruling to follow in his footsteps. But tell us about the other policy areas in addition to more charitable tax benefits for making that decision. And I also just wanted to note that, that there are many, many news organizations that remain local
news organizations, an independent family control. And at Knight Foundation, we are looking toward working with these owners. And these include owners of black legacy newspapers and small newspapers across the Midwest. These are people who have committed to serving their communities and delivering journalism. And in the public interest. So tell us how the plan and how this piece of the plan might support independently owned, family-owned newspaper.

[00:24:43] It's a really important point because we do not this coalition on me personally did not accept the idea that this is going to be solved only through the nonprofit sector.

[00:24:54] It is also going to need the success of the commercial sector, especially the locally grounded commercial sector. And as you said, there are people out there that are doing incredible work in for profit newspapers that are just as committed to their communities as the non-profits are. We see this with report for America all the time that the passion and commitment to public service among some of the commercial newspapers is just as strong as among the nonprofits. But their business models don't always let them serve the community that the way they want to do so. So this plan also has a number of steps that would help help with that.

[00:25:35] One of it has to do with the idea that federal antitrust policy should have the concept of localism as part of what they look at. And this is actually already true in the broadcasting, like the Federal Communications Commission already looks at localism as a factor. But it hasn't been true when the Justice Department or the or the Federal Trade Commission or courts look at newspaper mergers. And they should. And they can. So in other words, they could look at mergers and even if it's not leading to less competition, but it is harming the community. They could actually either disallow that Myrt that consolidation or put conditions on the merger. This is something I learned that I didn't know anything about when I worked a while back at the Federal Communications Commission. That mergers, when they consider mergers, it's not a binary yay or nay thing like, yes, it's OK or not. They will often say yes, but you have to do X, Y and Z. And I got in there at one point and was, you know, when the Comcast merger was happening, there was an interesting things. Yes. If you do these things to support local news. So any acquisition of a newspaper chain by a hedge fund. Could have that kind of review to it. You know, that says either no or only if you do X, Y and Z to make sure that, you know, the commitment to the community retains. So there's other things like that you could do. Remember the plant closing legislation that got a lot of attention in the 90s is basically about, you know, if someone's shutting down a factory, you should get some notice to the workers. Yes. Well, so we're suggesting essentially a plant closing rule, a newspaper closing, that there has to be a six month notice to the community. This isn't just about the workers. This is so the community can organize and potentially try to acquire the newspaper. It's not always going to work out. Having the time for it may not mean you have the money or the newspaper may be too far gone, but at least there should be a speed bump that would enable that to happen. And then the last thing I would say for the commercial media is that the the ideas that we talked about at the very beginning of the tax credit for subscriptions and the tax credit for four businesses and there's a third one, which is a tax credit for hiring journalists, essentially, that news organizations will get, you know, a little bit of help toward the hiring of journalists. Those all would help those local newsrooms, in a way, in the commercial newsrooms. And what I like about it is that because it's it's kind of pointed at the subscriptions.

[00:28:21] It means that they're only going to get that benefit if they provide real value to the community. You know, at the end of the day, they're going to have to still make the
case for why even this tax credit is going to get pointed toward you. So if you're a newspaper that's completely gutted your newsroom and providing no real value, it's going to be hard for you to benefit from that idea.

[00:28:48] So, Steve, I didn't see mention of local television news organizations in the plan. And at Knight Foundation, we have been focused, as you said, for fifteen years in addressing the gaps in local news and information. And most recently, we've made significant investments in the American Journalism Project in the Institute for Not For Profit News in the Solutions Journalism Network in report Current America. All members of this coalition and of course, Newsmax launch with launch by night in 2016. And we were thrilled that so many foundations came to the table in 2017. And we are looking for more funders to join us to help support the National Fund for this 2020 news match. So please get in touch with me if you would like to join the National Fun. But what I don't see are local television news outlets. And, yes, local newspapers have traditionally provided the original reporting.

[00:29:53] And my colleague Karen Rutland has been leading an initiative with local television news organizations around the country that are increasing their commitment to public service journalism, that are using data journalism and really smart, creative ways to deliver really important reporting, not just the broadcast, but but on their online outlets.

[00:30:19] What is the role of local television in that, in addressing that solution for local journalism?

[00:30:28] I think it can be used.

[00:30:31] And I also think it can and should be much bigger than it has been. You know, I think the reality is that the local news, the TV stations are doing better than anyone else right now, largely because of campaign commercials. And unfortunately, most of them are not investing it back into great local reporting. Some are. And we should do everything we can to embrace and encourage those that are. And that's what Knight is doing. And there are two things in this plan that could help with that. One is actually the idea of expanding the national service model. This is gonna sound very self-serving and in fact, it is. But, you know, Report for America does place journalists into local TV newsrooms. And part of what I like about it is, is it's it's beat reporter, which is part of what we really want to encourage with local TV is be reporting because it gets real. This is real deep reporting. It's not reporting where you show up at 10:00 that morning and find out what you're going to cover in the city. This is where you're developing a real expertise. And when the local TV stations do that, they can be just as good as the newspapers. They're fully capable of it. So we, you know, having a larger national service model, whether it's Report for America or others that would be placing reporters into TV, TV, TV stations as well as others would be part of it. The other thing that actually would help TV stations, the good ones would be that notion of a tax credit to local businesses to buy advertising that could be bought on local TV stations. And, you know, one would hope that it would go to the ones that are really investing in local reporting.

[00:32:19] Well, we have tons of questions from our audience, so let's get to them. So how do you ensure?

[00:32:28] How does the coalition ensure that the money eventually doesn't wind up in the pockets of more partizan ideological newsrooms? Because as we were discussing right
before we went on air in the last campaign, the concern was the rise of national partizan negative partizanship displayed at the national level.

[00:32:55] But now we are seeing so many hyper partizan sites funded by the left and the right. Right.

[00:33:05] Well, you know, my Medda answer to this, that is it goes beyond this is to flood the zone with real journalists like a lot of these eight. It's really shocking some of the quotes from people who are doing these hyperbolic partizan things. They've said right out front saying, well, there's a vacuum. No one else is there. So we're gonna go in there. It's kind of true. So the most important thing to do to keep the partizan local news from becoming the dominant form of local news is for real journalists to show up. That's the big picture. Now, in terms of, you know, particular, how could you craft policies to make sure you're not helping those? That's pretty. That's hard, actually. You know, part of it is that the institute for Nonprofit News has developed really good standards as part of the news match a formula for doing that. And it tends to be about transparency that, you know, if you're hiding who your donors are, that's a kind of content neutral way of getting it. So I think we should you know, we need to look at things like that, like transparency. At the end of the day, I will say this, that people may not agree with this. If you look back at the postal subsidies that the founding fathers put in, that was probably the most successful type of government intervention in local news.

[00:34:27] It went to all sorts of media outlets. Honestly, you know, the ones that attack Jefferson and the ones that attacked town like, you know, and I think on a certain level, it may happen that some of this goes to partizan sides. I think that you would I think where we need to draw the line is they need to be doing actual local reporter. You know, and if some local news organizations are doing local reporting, but it comes from a certain angle, you know, I'm not sure the government should get into the business of saying those, you know, are off limits. But I'm curious what everyone else thinks of that, because that's one of the toughest pieces of this.

[00:35:06] Yeah, I agree. That is by far one of the toughest, toughest question. So we also have a question about from Steve Hamilton. I really like the idea of not for profit news. Financial support, if not not for profits, is always a challenge. How much is needed? And can you give us a better idea of what it costs to run a viable news organization? The number of people, salaries, other expenses.

[00:35:35] I'm on a metal level. I tend to quote John Thornton, the co-founder of the American Journalism Project, who probably pissed off a lot of ballet supporters by saying this is a ballet sized problem. And he did. He wasn't meaning to diss ballet. He was meaning to make the point that although the consequences to democracy are catastrophic in the scale of problems that the world are trying to solve, this is actually solvable. Like, it's an amount of money that you can get your hands around. You can look at a lot of different ways, bullets as a round number. It probably would need about a billion dollars to get pumped into the local news system from philanthropy and government to to solve it. I mean, it wouldn't be everything we all would want. You could do a little less, do a little more. But that's the scale which is actually very achievable. You know, honestly, if you did if you did what was in this plan, it would double the number of local reporters in America. And the price tag would be a couple of billion. It would be less than the federal government currently spends in tax expenditures for three martini lunches and other business.
Business and entertainment deductions. Just to give you a sense of the scale and the question, there's no real good answer for how much does it take to run a particular newsroom? It depends on whether you're covering a little neighborhood or New York City.

But it is true that one of the ways in which not only nonprofit but for profit entities tend to fail is being undercapitalized. And what happens is they'll take the little amount of money that they have and they'll pay the journalist because that's the heart of it. But then they won't get around to hiring the business person or the head of development or the head of ad sales. And so any institution to any local news institution to succeed needs to have both a business operation and a journalistic operation to succeed. If you're a two person operation, then that's a one on one. If you're a 100 person operation, it's probably 50 and 50. But that's the main point I'd make.

We have a question from Barbara Rabb, one of our colleagues in the philanthropy space, it's worth noting that the government already does subsidize support for news in the sense that foundation funding is tax advantage. And as in your plan, the government does not have a say in what news organization foundations fund. So that's Barbara's comment on my question, based on Barbara's comment is, is which you discuss, how do you ensure that the government is not going to government officials are not going to have a say? And what nonpartisan news organizations committed to independent journalism get funded?

Yeah, it's a great question. And Barbara has been a real leader in this whole sector, not nonprofit news. So there's two ways you can sure. That and Burma's right that governments government involvement it process. Like I mentioned, the postal subsidies and the founding fathers are. But there's other subsidies now, including the Corporation for Public Broadcasting, but also newspaper subsidies and tax subsidies and things like that. So one is the type is the type of policy remedy. There are types of remedies that involve discretionary decision making by government officials. And there are types that don't you know, the charitable tax deduction, as an example, does not involve the government deciding which charities to support. It basically amplifies decisions that individual Americans make about what consumers do. So you want to look for ideas that are in that same category as opposed to great big grant programs where there's a lot of discretionary decision making. Now, there may well be instances where it makes sense for there to be a more conscious government role, kind of like the way there is with the Corporation for Public Broadcasting. There is a private agency that's government chartered that does import really important, valuable things. So you want to. When you do that, you want to make sure, first of all, as much of it is formulaic as possible. I know formulaic kind of has a bad name. It sounds like you're on autopilot, not, you know, fine tuning things. But this when it comes to a free press, there's a lot of advantages to formulaic. You know, it follow. It takes political interference out to some degree. And the other thing I would say is build in all sorts of firewalls. The Corporation for Public Broadcasting has a bunch of firewalls. It's been pretty good, not perfect. So I would say here's a chance for us to even improve upon what was done with the Corporation for Public Broadcasting and make it even more airtight. The most important thing is that if there's any entity, it should have a dedicated revenue stream so that the people aren't having to go up to Capitol Hill every year and beg senators for money.

So, Steve, there are more excellent questions here, right? Get to them in just a second. But at a time when we are in the middle of a national reckoning on racial injustice and much of what has been created, existing organizations came about during a time
where systemic racism capital really dictated who got money to build local news and and who did it.

[00:41:33] How does this plan or how might this plan address the real existing inequalities inequities? That is that currently exist for local journalism, for communities across the country.

[00:41:49] Right. And this is a really important point. So one of the five planks of this plan is to create policies that help marginalized better coverage of marginalized communities. And there are several different things you can do. But is it partly just has to do with a consciousness in all of these different policies that we're talking about? So, for instance, you know, there have been efforts in the past for the government to say, well, we're doing advertising, let's have the advertising go to local media. And that has happened. And in fact, the federal government already spends a billion dollars on advertising. And one of the things we suggested, hey, how about half of that goes through local media? Well, in the past, what's happened is very little of that ended up getting to minority media. So, you know, lots of media got help, but very rarely did did those publications that were covering communities of color. Now, in New York City, the community, the program at the CUNY Graduate School of Journalism went right at that in terms of the advertising that was being spent by the city of New York. And they said, this is great, that you're spending advertising money, but it's not getting down to the community level.

[00:43:04] And they worked with the city to make sure it actually got down to a community level. And I think there are ways of constructing policies that make that more important.

[00:43:14] For instance, you could say that if you're going to have government money go to local news, that a certain amount of it needs to go to small media that, you know, because a lot of most journal publications cover in communities of color, are family owned and local or tours specifically towards communities of color.

[00:43:33] And when you're doing replanting, that, that would make a real effort to be conscious of the fact that a lot of the publications that are hanging by a thread are black-owned newspapers and Hispanic newspapers.

[00:43:47] And if we if we essentially say, hey, all we want to do is create new nonprofit things or a well, all we want to do is help big chains.

[00:43:54] One of the consequences is that the already bad system in terms of minority newspapers is going to get way worse because we already have many newspapers around the country that have ignored calls to have their newsrooms reflect the communities they cover and which has presented big, big, big challenges for those communities today and newsrooms. Let's go back to some of these excellent questions and a question here from Steve Hamilton. Why not just declare not profit journalism as a, quote, religion of truth and transparency. End of quote.

[00:44:34] And piggyback on existing protections and tax privileges for religious organizations. That's clever. That is a clever idea.

[00:44:42] Well, I would rather go even more frontally at this, because right now what happens is that a lot nonprofit news organizations try to piggyback onto a different existing provision, which is the educational tax deduction, and say, hey, hey, we're really educational institutions.
And sometimes it means saying A in addition to providing information, we train people and we're kind of an educational institution. Why not just go straight up and say public service journalism is a tax exempt function? I would rather do that than, you know, I certainly wouldn't object to, you know, getting it through the door. However we can. But I think the best thing would be to just straight up say this is a public interest function.

And what about how might the plan benefit? Quote unquote, super local news initiatives, namely neighborhood news in urban areas. What ideas are floating around for this purpose? I think, Steve, one thing that those of us who are not living in this space every single day think the solution alone might be more local news organizations. When you and I are both working with organizations around the country like Resolve Philadelphia, which is increasing the volume of quality news and information and addressing real problems around equity and an inclusive ness by fostering collaboration among not just the mainstream news organizations in Philadelphia, but on many of the smaller outlets serving communities that have been traditionally underrepresented in the mainstream organizations. Also look at outlier media in Detroit, which is it's not that they're using text. They have created a new way to inform Detroiters on one to one interaction. And of course, city bureau in Chicago, which is involving members of the community to cover local meetings, meetings, the Documenters Project. So how does your how does the plan address not just more reporters, more for profit online sites, newspapers, but some of these other new ways that are not so many ways, different ways of informing and engaging communities?

Well, the things I love about this refundable tax credit thing and the supersizing news match idea is it really works well with hyper-local community organizations and collaborators, because instead of if you had like a big federal grant program, you'd have to apply to the federal government or the state government. And, you know, that has a big bias towards big organizations. This is where you're essentially putting money in the hands of people in the community, no matter what their income is. And then the local news organization has to raise their hand and say, yo, we're valuable. Here's what we're doing. They still want to do. That won't happen automatically. But if they can convince the people in their own neighborhoods that they're offering something of value, then that money can go to them and it can happen down to the block level. You know, it's like just the people on that block who all are gonna get would get 250 dollars to basically put toward local media, could put it toward a hyper-local site. And, you know, same thing with the Newsmax. So that's why we became very fond of these sort of bottom up types of policy approaches, because it's it's also kind of future friendly. You know, that's is always a like this is always a problem with policymaking, is people tend to make policy around the existing players, partly because those are the people who hire lobbyists and they, you know, make sure that the policies reflect, you know, have them be winners. And so you want to make sure that your policy is future friendly, that it will adapt along with the marketplace. So if five years from now, it turns out that actually it's collaboration's like real Philadelphia that are transforming, that they'll be able to get more and more.

Rate.

And what about the role of technology companies? We know that that technology has disrupted the traditional business model that we have. What, 80 percent of all new digital ad revenue going to two zip codes in California. And those are the zip codes that house Google and and Facebook. So what what what role do you see technology companies playing in the solution? And does the plan call on government, for example, to
address to 30 to address the claim that Google and Facebook have maintained for years that they are not publishers, so therefore they should not be responsible. And same way news organizations are for what is published on their on their news sites, on their platforms.

[00:50:26] Well, we didn't dove deep into that one part of it, because it's those are huge issues that affect local news for sure. But lots of other lots of other things. The one way that it most directly potentially affects local news is as a revenue source for funding this. So there are proposals out there that to tax the digital platforms in some way and use the money for to help support local news and be you know, the problem with those proposals in the past has been it didn't say what you do with the money. You know, it's it will or it will raise the money. And that's there's a, you know, rough justice to it. But if it's not spent in a way that's actually constructive, it'll just make things worse. So I would look at this plan as here's what you could do with the money. If you go about it, there's other ways of raising the money as well. You know, I like the idea of when the government auctions off spectrum that belongs to the public. Some of that money could go to help local news. But I'm certainly open to the, you know, the ideas that public policy remedies around the digital platforms could help finance some of this.

[00:51:42] So one of our listeners, viewers, notes that providing a credit to small businesses is nice. But if small business doesn't see results, they will not continue to advertise in the local news organization. And so and Evans here is recommending that small businesses get a better chance of competing with Facebook and Google on the ad side. And that means that means developing and using the capabilities that a lot of large companies that every political campaign in America is doing right now.

[00:52:22] They're using Facebook, they're using Google to get in to people's news feeds.

[00:52:32] So there certainly needs to be, as Evan suggests here, solutions to help make sure that that the small businesses see results from their local newspapers, because we can't not change the way that people are consuming news and information just so differently now. So what technologies do or could reduce overhead to help boost local news organizations? I guess that you and I know there's lots of funded efforts now, including an effort by WordPress. Knight Foundation has made a multi-million dollar commitment to h