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Mary Rasenberger

February 1, 2022

The Honorable Amy Klobuchar
Chairwoman

Senate Subcommittee on Competition Policy, Antitrust, and Consumer Rights
425 Dirksen Senate Office Building Washington, DC 20510

The Honorable Mike Lee
Ranking Member

Senate Subcommittee on Competition Policy, Antitrust, and Consumer Rights
361A Russell Senate Office Building Washington, D.C. 20510

Re: Journalism, Competition, and the Effects of Market Power on a Free Press

Dear Chairwoman Klobuchar and Ranking Member Lee:

We write to thank you for holding a hearing on *Journalism, Competition, and the Effects of Market Power on a Free Press*, and for your commitment to leveling the playing field between the press and big tech companies. Legislation such as the Journalism Competition and Preservation Act (S.673) would help stem some of the devastating losses in revenue that news producers have experienced in recent years and buttress newsrooms and local news throughout the country. The Authors Guild supports the JCPA, which would give print, broadcast, and digital news companies limited immunity from antitrust laws and enable them to collectively negotiate with large internet platforms—provided that language is added to ensure that additional funds collected by news organizations are reinvested in the production of news.

The Authors Guild is a national non-profit association of more than 12,000 professional writers, including over 3,000 journalists and thousands of book authors who regularly contribute to newspapers and magazines. Since its founding in 1912, the Guild has worked to promote the rights and professional interests of authors in various areas, including copyright, freedom of expression, contracts, taxation, and antitrust. Our members cover current events and topical news, as well as important issues in history, biography, science, politics, medicine, business, arts, and other areas; they are frequent contributors to the most influential and well-respected publications in every field. The Guild has a strong interest in ensuring the survival of a robust press publishing ecosystem to protect our members' professional interests and livelihoods, and because we believe that a free and diverse press is essential to democracy.

During the last two decades, U.S. newspaper and magazine publishers have lost enormous amounts of advertising revenue to the Facebook (Meta) and Google duopoly over the online ad market. According to the nonpartisan Pew Center for Research, newspaper and magazine advertising revenues have fallen from approximately \$50 billion in 2005 to an estimated \$8.8 billion in 2020.¹ As a result of the decline, approximately 2,100 newspapers and magazines have been

shuttered or sold to large national media holdings since 2004, creating vast news deserts and depriving communities of much-needed transparency at the local level.ⁱⁱ Further, these losses have had a direct effect on writers' incomes and their ability to research and write. Newspaper newsroom employment fell 57% between 2008 and 2020, from roughly 71,000 jobs to about 31,000.ⁱⁱⁱ At the same time, freelance writer rates in the last decade and a half have significantly declined.^{iv}

Concentrations of market power in the form of monopolies and monopsonies are dangerous wherever they occur, but nothing can be more threatening to our democracy than allowing a handful of powerful internet platforms undermine the value of quality, fact-checked news production. Professional journalists and news publishers, in accordance with their missions, invest considerable time, money, and other resources into producing accurate news content. On the other hand, the mega internet platforms that aggregate news—and where many Americans access news today—are interested only in the number of eyeballs they can capture to maximize their profits from advertising revenues, regardless of the quality or indeed the veracity of what users view on their platforms.

The Authors Guild believes that legislation such as the JCPA can help level the playing field between the giant internet platforms like Facebook (Meta) and Google and the news producers, who with a fairer share of the advertising revenue attributable to their content, could better support the production of local, as well as regional and national news, and could thereby revitalize the labor market for journalists and freelance writing. Similar laws in Europe and Australia have shown positive results for the news producers. To ensure the success of the JCPA, however, it is crucial that it include language that requires the increasingly large newspaper conglomerates to reinvest new revenue generated from collective negotiations with the platforms in jobs and wages for news production, rather than to line the pockets of corporate investors. Quality news journalism relies on the individuals who report, write, and edit the news, and they must be fairly compensated. We must also ensure that there are incentives to publish more local journalism. Providing corporate news organizations with the potential to earn a greater and fairer return on their investment will do little to solve the real news drought in this country or to ensure a robust healthy fact-based journalism in the future—unless we can ensure that more newsroom workers are employed, that the workers who report, write, and edit the news are fairly paid, and that more local news outlets are created.

We again thank you for your stewardship in ensuring that Americans are not deprived of well-researched, trustworthy news and journalism, and that the talents and hard work of those who make it possible are fairly compensated.

Sincerely,



Mary E. Rasenberger
CEO
The Authors Guild

ⁱ Pew Research Center, Newspaper Fact Sheet, <http://www.journalism.org/fact-sheet/newspapers/>

ⁱⁱ <https://www.usnewsdeserts.com/#1536249049294-115f3533-f5e9>

ⁱⁱⁱ <https://www.pewresearch.org/fact-tank/2021/07/13/u-s-newsroom-employment-has-fallen-26-since-2008/>