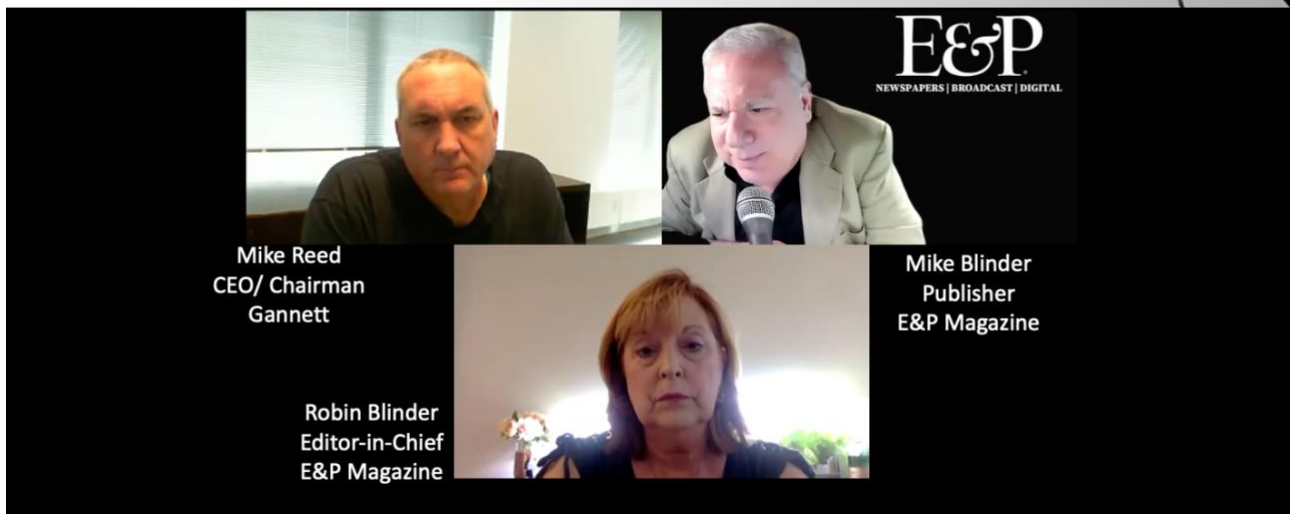


Audio Transcript

Episode 193 of "[E&P Reports](#)" Vodcast Series
with Mike Blinder



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[E&P's exclusive interview with Gannett CEO Mike Reed on today's Google antitrust lawsuit](#)

In this special episode of E&P reports, we go one-on-one with Gannett CEO Mike Reed on why the United States' largest news publisher filed a federal lawsuit in U.S. District Court for the Southern District of New York against Google for monopolization of advertising technology markets and deceptive commercial practices.



Mike Blinder:

Hi, and welcome to the special edition of E&P Reports. I'm Mike Blinder, publisher of E&P Magazine, along with our Editor-in-Chief, Robin Blinder, and our special guest today, Mike Reed, CEO of Gannett. Mike, welcome to the program. Thank you so much for joining us. We know this is a busy day for you, but if I may kick off our questions, why was it important for Gannett to file the suit as a standalone plaintiff? And why at this particular moment in time?

Mike Reed:

The actions that Google has operated under have been monopolistic business practices that have impacted us for a long period of time. And you could argue that maybe the lawsuit should have been filed sooner. There does seem to be some good momentum right now behind this action, given the DOJ's federal law lawsuit against Google for the same infractions around their digital ad technology.

There are also 34 states that have joined forces in Texas to file a class action against Google for the same ad technology and monopolistic practices. And then the E.U. — you saw the same thing undertaken by their government last week. So there seemed to be some momentum right now. But this action that we've taken at Gannett is really driven by Google's business practices and their impact on our company and on journalism at the end of the day.

You know, as far as us going by ourselves — we just felt like we had the right size, we had the right legal counsel and felt like we didn't want to wait. We are just ready to go.

Robin Blinder:

Mike, do you think adding your weight and reputation to some of these other lawsuits, one in particular that H.D. Media filed earlier a couple of years ago, will increase the likelihood of an acceptable outcome for all the litigants? Are you hopeful for that, or is this just about Gannett's business?

Mike Reed:

No, I'm really hopeful that we get the right outcome for all. Not just for all litigants but for the journalism industry. Right? Absolutely. The journalism industry has survived for 200 years by selling advertising.

You know, consumers want content; they want local news, national news. Content producers like ourselves have produced that news for a couple of hundred years and have built a business model around advertising. And in the digital arena, now that 90% of consumers get their news on the digital

platform, you would think digital advertising, which has exploded to a \$200 billion industry, would have benefited publishers who produce the content, given consumers are coming to them to digest and engage with the content. Google has inserted themselves in the middle, and they control every aspect of the digital advertising marketplace, from ad placement to the ad exchanges to pricing.



So it's odd for the middleman in this equation to make all the money. Our hope is that we get the right outcome for the entire industry and that journalism can survive for the next hundred years because we get a level playing field around the digital advertising marketplace.

Mike Blinder:

Mike, this suit obviously has a dollar figure attached to it. How are you calculating or estimating these damages to your ad revenue? And can you give us a figure and how you arrived at it? Can you tell us what you're really looking for here? What's the number?

Mike Reed:

We didn't put a specific number out, and we did indicate it in the materials we published. There's a significant amount more we're going to learn in discovery based on the lawsuit. But, you know, we think our damages are well north of a billion dollars just to start. But I can't tell you exactly how much. And that number will hopefully grow through discovery. But U.S. antitrust law also provides for automatic trebling, which adds maybe three times. We think the number's substantial. We think it's big, and we think it's fair. But we're going to learn a lot more in the coming months and could be a little more precise.

Robin Blinder:

I'm curious, Mike, um, why not name any of the other platforms like Meta? I know they've backed down quite a bit, and I know Google's the 800-pound gorilla.

Mike Reed:

Robin, this lawsuit is about content and the theft of that content and violation of copyright laws, which is where the other tech platforms have been more aggressive

— lifting our content and violating any copyright protection laws. This is specifically related to advertising in the ad tech platform that Google has built. And Google specifically controls every single part of the process. So basically, about 90% of the advertising comes through Google in some particular way.

60% of our advertisers come through Google. But they control every aspect of it, from the placement of the digital ad to the advertising technology in the middle — the ad exchange in the middle. They understand pricing before anybody else in the marketplace understands pricing. So they have an unfair competitive advantage, and that's allowed them to depress prices for publishers like us and for them to make (more).

This is more specifically around Google's actions to dominate the ad tech and the digital advertising marketplace versus content that all the tech platforms have benefited from through lifting it from us. Our goal here is broader with regard to the tech platforms.

The industry association is pushing hard to get the JCPA into legislation, which will help a lot. But



that's a separate issue to copyright infringement from this particular issue.

Robin Blinder:

I want to follow up on that. Do you feel that, or is there a possibility that Gannett has the opportunity to be that ad tech in the middle at some point?

Mike Reed:

I'd say what we would love to accomplish with this is to have a level playing field for all publishers and anybody in the digital advertising marketplace to have a fair and competitive marketplace. We're not looking to take over as the dominant player there. We're just looking for a fair marketplace that we think will benefit all publishers.

Mike Blinder:

Mike, Gannett is involved in many associations. You have been to conventions, you're on the board of some, and the Google News Initiative has thrown a lot of cash our way over the past few years. I say our way; I mean all news publishing and broadcast — somewhere north of \$600-700 million. Is that one of the reasons why, in your opinion, this is the first time you've asked Google to cease its anti-competitive advertising behaviors? I mean, have you ever reached out before or was it because of all this industry support that you haven't done this until now?

Mike Reed:

No, I don't think one has to do with the other. The monopolistic practices that are underway at Google have been underway for a long period of time. And we reached a breaking point with how much has depressed our business and how much has depressed our industry. And the fact that 20% of the newspapers in this country have closed over the last 15 years, and 50% of the journalism workforce has been downsized over the last 15 years.

We just reached a point where it has to stop. Right? So it doesn't have anything to do with the other things. And yes, it was time. And it was just time because we can't incur any more losses, and we need to stop the current practices which benefit only one person — and that's Google and nobody else. And Google doesn't employ the journalists.

Mike Blinder:

Last question, I know we only have 15 minutes of your valuable time, and we appreciate you giving it to E&P today. I want you to take out your crystal ball, Mike. You are the CEO of the largest news publishing organization in North America.

Assuming now that antitrust suits in some way, shape, form, or size come through. And assuming through federal legislation or on a state level, we get the incentives for the publishers who craft



local news or some compensation to the advertisers to support it. Mr. Reed, do you see a future for robust, sustainable local journalism in North America?

Mike Reed:

I do. I'd say a thousand percent!

Mike Blinder:

I see that. Can you put a little bit more meat on the bone, sir? For the thousands of people listening to this today,

Mike Reed:

I see a robust future for journalism — for local news, regional news and national news. Look, consumers still engage with news every single day.

We have 150 million uniques to our news platform here in the U.S. every month. So there's engagement. Consumers want news. We spend all the money creating the news, and Google makes all the money on the advertising side on the back of our news. That's what needs to change, and our news gets lifted.

Others make money off our news on their platform and don't pay us fair use for it. So we do need to get these things corrected through fair playing fields and fair compensation. And I think we will. And when we do, I think local, regional, and national news will thrive, and you'll see the number of journalists in this country going up versus going down.

Mike Blinder:

Mr. Reed, thank you so much for your valuable time. On behalf of Robin, myself, E&P, and our readers, thanks again.

Mike Reed:

Thank you. Great to talk to you guys.