

Audio Transcript
Episode 198 of "[E&P Reports](#)" Vodcast Series
with Mike Blinder



Publication date: Wednesday July 26,2023

[Everything you need to know about the new Community News and Small Business Support Act and what you can do to help make it happen.](#)

In this episode of E&P Reports, we go one-on-one with one of the key players in helping champion tax incentive-based legislation through the U.S. Congress, Dean Ridings, CEO of [America's Newspapers](#), one of North America's largest news media trade organizations. Ridings offers a quick history of the new [Community News and Small Business Support Act](#) (H.R.4756), a bill designed to help sustain local journalism through tax breaks for those who pay newsroom salaries and small businesses who support local journalism through their advertising dollars. Ridings also speaks frankly about the chances of eventual passage of the bill and what each local news publisher can do to help make it happen.



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00:03 ANNOUNCER: This is E&P Reports, a Vodcast from Editor and Publisher Magazine, the authoritative voice of news media since 1884. Serving newspapers, broadcast, digital, and all forms of news publishing.

00:19 MIKE BLINDER: And greetings once again. Mike Blinder, Publisher of E&P Magazine. As always, we urge our audience who is listening on their favorite podcast platform to follow us. Watching on YouTube, please do me a favor. Look below the screen, there's a subscribe button, there's a bell to the right. Hit those things, smash them, click them, whatever your preference, and you'll get an update each and every time we upload a new episode of this weekly Vodcast series E&P Reports.

00:48 MIKE BLINDER: I am honored to get on our program, a very busy man today, Dean Ridings, CEO America's Newspapers. Dean, you've been a busy guy lately. You just came out of a big conference, the Family Owners Conference. You finally got this legislation coming through that we knew was coming kind of. You kept teasing us, but it was all going on in the background. Are you taking time off now playing golf? What are you doing?

01:10 DEAN RIDINGS: Not yet Mike. That sounds like a good plan, but not this week.

01:15 MIKE BLINDER: My God, Dean, you've been in the middle and the forefront, one of the most amazing, I guess, turnarounds, but can I use that term? Cause we were all watching the LJSJA last year. We were all hoping, we watched it just sputter out near the end there. We thought it was just going to be a crazy year where we weren't going to have any traction. And now we've got some big, big news. If you don't know what we're talking about, we're discussing a major new piece of legislation that was just introduced in Congress by representative Claudia Tenney of New York's, Suzan DelBene, excuse me, of Washington, the Community News and Small Business Support Act. Dean congratulations.

02:00 DEAN RIDINGS: Thank you. It's a big step. We're very excited to have this bill introduced and glad to have such great supporters in both representative Tenney and DelBene. They're both represent both sides of the aisle coming together. Mike, I have seen a real appetite in our members in Congress to support local news. There's an understanding, I think, better than ever that the need for strong local journalism is critical for our communities. It's a big part and our legislators are understanding that.

02:30 MIKE BLINDER: This is amazing, and it's so good to have some fresh news to hope for and some new legislation to push for. And we're going to get to that story on the backside of this message.

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03:48 MIKE BLINDER: Okay Dean, question one. It was all LJSA last year. Basically, if I just give our audience a quick overview if I may. It was simply a beautiful idea to offer tax breaks on three separate levels to help support local journalism, which unfortunately needs a little help right now. It's hard to have a sustainable local business model in such a turbulent world. And those tax breaks were tax credit for the person who pays the salary of a journalist, a tax credit for the advertiser who supports a local news outlet, and a tax credit for possibly the person who pays to subscribe for local news.

04:27 MIKE BLINDER: That was the LJSA. The LJSA almost made it through Congress sputtered out and didn't and tell me what the differences between that and now the new HR 4756 Community News and Small Business support Act.

04:42 DEAN RIDINGS: Sure. So, the Act from last year, which is HR 3940, did have the three provisions. The subscription credit has been removed from the bill this year. I think that makes sense. The strongest two components of the bill were the tax credit for advertising in local media for small businesses and the tax credit for newsroom employees. Those are the most important. Mike, sometimes it's better to keep things simple. We think that these two elements are most palatable to both Democrats and Republicans. We think it just makes the most sense.

05:21 MIKE BLINDER: And basically, if I may, it's like a five-year plan. If you got a five-year break on the salary for the journalist you employ, go ahead.

05:32 DEAN RIDINGS: Five years is deliberate. We believe that the business needs support. We don't think it needs to be permanent. We are in a state of transition. The other issue, which you're acutely aware is that we want to see local journalists compensated when their content is used by big tech. That's a separate issue, but that's part of this evolution that the industry is going through. We're figuring out how to better monetize the new digital world. We have the audience. I think you've seen the research. We have audience now; we're just learning how to monetize that audience better. We knew how to do that very well in the print world, and print is still important, but obviously declining futures in digital, and it's we're still figuring that piece out. But five years would give us time to do that.

06:25 MIKE BLINDER: Alright. Claudia Tenney, a Republican is the one championing this bill. Why her, why did she decide to be the big champion to bring this legislation to Congress?

06:38 DEAN RIDINGS: Mike, because she has a passion for this. She understands the needs of her community, that they need strong newspapers, they need strong local journalism. So, she had a



passion for it. She has an understanding of the business. Her family was in the newspaper business, and she ran her family newspapers at one point. So, she really knows how important this is to a community and what it means.

07:03 MIKE BLINDER: Picking an egg, where did it start? Did they come to you, or did suddenly Claudia wake up one morning and saying, "Damn it, I got to do something to help local journalism." Did you guys bring it to her and the deal points? Can you just give me a quick idea of how this evolved?

07:19 DEAN RIDINGS: Sure. Well, at the conclusion of the last session, we knew we had to start over. So, we just started reaching out to various members of Congress who we thought would have interest in this and have a passion. And Representative Tenney responded very well, and she was the right person along with Representative DeBene.

07:41 MIKE BLINDER: Okay. So, what is the openness? What is the appetite of the... You just said there's an appetite in the US Congress. How much and is Tenney... Okay. I'm not trying to... Does she have the juice to be the lead on this, to help bring in some of that bipartisan support in your opinion?

08:00 DEAN RIDINGS: Yeah, I think she does. She's well respected by her peers. She is relatively new to Congress but doing a great job. Same for Representative DeBene, very well respected by her peers. Both were previous supporters of the bill, so that was obviously the logical place for us to start. But yes, I think they're both... I think that they're great leaders for this bill.

08:25 MIKE BLINDER: You got a lot of people working with you on this, Dean. I mean, the organizations, associations. You even have the union behind you on this one as well. You got a lot of people lining up behind you. But there's also a faction out there that doubts this can happen. Maybe you know, you backed into the stove once, Dean, you already got burnt. Why are we spending so much energy and effort into that? What say you to those that are just saying, "Why are we wasting time again, it's never going to happen." Give us that Pollyanna look into this.

09:03 DEAN RIDINGS: Well, first of all, it's important, you know that there's average of two newspapers a week continuing to close. The decline of local journalism is affecting our country in very negative ways, very serious. And Congress is understanding that because they understand that it makes sense to me for us to continue to ask for their support. Do I think it can happen? Yes, I do. We came very, very close in the last session. It was actually part of The Build Back Better Act.

09:35 MIKE BLINDER: Yes.

09:35 DEAN RIDINGS: Would've gone through had it not been for Senator Manchin had some concerns about the way the bill was written and some of the provisions, nothing to do with our component of the bill. But that's really what derailed it. There wasn't lack of support, there was adequate support. We were able to get it included. I think that same environment exists today, if not stronger. I think there's more interest in protecting local journalism than there was even a couple years ago. So, I think the time is right. I don't think it will be necessarily easy. Mike, it's not really easy to get any legislation passed today. We'll need the right package, later on in the year. We think



that that opportunity may arise, and we'll be ready to pounce. And the reality is, Mike, if we don't have this in the books now, we won't be able to do it later. So, we're working for some very specific goals. We want to see this pass. We want to see it included in legislation this year. But we are in this for the long run.

10:42 MIKE BLINDER: One of the biggest debates that we have had on this forum many times with many people that we report on, that you and I most wake up every morning and ponder is, what the heck is local news? We are a society, again, I just go back, but Madisonian based democracy with an unfettered press, which means the government does not dictate what news is or isn't. We self-police ourselves as an industry. And now there's so many different ways with social media and other blogging and everything else you want to talk about fake, not fake, whatever. Is that going to be an issue again? Is it going to boil down to the fact is, who gets the tax break and who doesn't? What is a local journalist? What isn't? There'll be too much abuse of this 'cause you guys to have never licensed yourselves. Do you foresee that as a problem, or do you think that's just going to be accepted as part of that sausage making process?

11:31 DEAN RIDINGS: Well, you always don't know the unintended consequences of any bill. We've looked through this, a lot of very smart people have really studied this very closely. I feel like we have a good definition that will work, certainly works for our members in newspapers across the US. But it also includes nonprofits, others, we're excluding those that appear to have a partisan bent. I think there's good language in there that protects us from those. So, I think we've got enough of that sewn up in the text of this bill that will be in good shape.

12:13 MIKE BLINDER: Again, bill... Let's just discuss it on the news publishing side, which is this audience. Correct me if I'm wrong, it's targeted for local small news publishers or news media outlets who employ a local journalist that must be focused on local news. And let's assume you're paying 50 grand a year for this person. You're going to get a \$25,000 tax break in year one and \$15,000 a year tax break for the next four years. Is that limited to only three or four employees? If I'm a small outlet with eight? Is there any cap on this for that local publisher?

12:51 DEAN RIDINGS: So, there are some caps. Very, very large newspapers. Those with more than 750 employees will not qualify. National organizations will not qualify. But Mike, as you know, the vast majority of all newspapers across the US are below 750 employees. So, virtually every newspaper in the country will qualify. I want to clarify it's not 25,000, it is 50% of the total compensation, which is capped at 50,000. So, if a person was making a little less, then it would actually be less. And then years two through five, that drops from 50% of the credit to 30%. So, if they're making 40,000, then the credit would be 12,000. But it is important to note, it's refundable credit. So, let's say you're not in a profitable situation, you still get those tax credits.

13:51 MIKE BLINDER: Most, in the real world today, Dean, most local news is generated now by a local newspaper, a local TV station outlet, and possibly a digital online-only news operation. What keeps, and radio, I have a background in radio, and I was back in running radio stations in the early '90s. We had news teams; we were covering the school board and all that and more. Most of that has gone by the wayside. But what say you to the argument that the advertiser tax credit could be... Should just be for any local business that wants to apply their dollars to grow? Why, are we basically just saying, look, support local journalism, here's an easy way to do it. Is this kind of the



message to the local advertisers? You offer that \$5,000 in the first year, \$2,500 in the four subsequent years tax credit for supporting local journalism.

14:49 DEAN RIDINGS: Well, advertising works. We know that advertising works and marketing your business smartly is a good thing to do, and it will help the business grow. So, the incentive here is to help those local businesses by providing this tax credit but directing the money to the local news outlets. So, and this does qualify if you're a licensed TV station or radio station or a newspaper. Or if you're a nonprofit and working that way, it will also still qualify for sponsorships. So, it's a great incentive for those small businesses under 50 employees to do the right things to help their business while supporting the local organizations, media organizations.

15:36 MIKE BLINDER: There's going to have to be some education to the local business owner in this as well. This is why we urge you to move advertising dollars to support local news. Not only is it an effective media that works, but it's also a media that you'll be supporting that helps our entire government role. Is that how it's going to pretty much be brought out?

15:53 DEAN RIDINGS: Yes, and Mike, obviously we plan to make sure and help educate our members, so they understand the nuance of this so they're able to go out and market it. It's a great, great selling opportunity for them.

16:07 MIKE BLINDER: Alright, so let's get to that. That's my final thought. There's going to have to be a united positioning here. I get a little frustrated, Dean, you know that. I've discussed it with you offline many times that there's a lot of... We're one industry with a lot of representing organizations. Do you agree? There are just so many different out there that are representing us on so many different levels. We need a united message. Do you agree or disagree? We need to all be rowing in the same direction. You run one of the largest, most influential news publishing associations in North America, if not the world. What are you going to do, Dean Ridings, at America's Newspapers to help make sure we're all holding hands and singing Kumbaya during this process?

16:55 DEAN RIDINGS: Well, I have a great answer to that, Mike. And that is everyone is coming together around this bill. I've been talking to many of the state press associations, other organizations unrelated, such as Rebuild Local News, the News Guild, as you mentioned. They all see that this bill will help local journalism. This is a good bill. We can all come together on this one, and that makes it wonderful. And we've really, in creating the text of this bill, we've tried to be inclusive so that if you're in the business of local news, you're included in this. We're not trying to shut anyone out. And I'm not saying the text is perfect, and we have opportunities to continue to adjust as we go along, but this is a good bill, and it helps local journalism. So, I think any organization, if they are wanting to help local journalism, they take a look at the language, they're on board.

17:51 MIKE BLINDER: What resource are you offering, Dean, for anyone who wants to support this bill today. Wants to possibly pick up a phone, send an email, lobby their local congressional leader to maybe get on board? Where can we direct people to the one spot to get maybe the right editorial to run, the right talking points, whatever? Give us a little help here.



18:15 DEAN RIDINGS: Sure. So, newspapers.org, which is our own website, just go straight to the homepage. You'll be deluged with information about this. Right now, this is absolutely our priority. But we've also created a separate website, supportcommunitynews.com. That's a little more public facing. So, if the general public wants to know more about this bill, this is designed to really kind of walk them through, explain what it is. But if you're in the business, take a look at newspapers.org, and you'll find resources there that will help you in explaining this to your own legislators or your own audience.

18:52 MIKE BLINDER: And of course, there will be more added to that, like common messaging that we can run within our media products, put online, editorials we can run, things that we can do to help influence our audience to be in support?

19:05 DEAN RIDINGS: Yes, it's all there and in fact, it's pretty well built out right now. We'll continue to add to it.

19:12 MIKE BLINDER: Well, Dean, you got us, 'cause I swear, end of December, I pretty much gave up. [laughter] And I'm sorry. I didn't give up on the mission of helping local journalism, I just saw the LJSA get so close. Congratulations. You, and of course, so many others that worked with you, got something back on the table for this year. And everybody listens carefully. The making of the sausage sucks, it's going to change, it's going to evolve. But if all we got to do is help get it to the end line, it could truly help our industry find that sustainable business model. Am I saying that correctly, Dean? Is there any way you can amplify that?

19:50 DEAN RIDINGS: No, I think you've nailed it. This will make a difference. And that's why we're spending so much time on this. It's hard to think of many things that we can do to help our members more directly and more immediate than this. This is effective. Once this legislation passes, the credits will be available after the first quarter. So, this is pretty immediate support to our members.

20:12 MIKE BLINDER: Thank you, Dean, for your valuable time. I know you'll keep us up to date at E&P. We work with you in so many different messaging. We work with you in so many different platforms, but it's really feeling good right now to have this back on the table and have our congressional leaders understanding the value of local journalism. Thanks for your hard work, sir.

20:31 DEAN RIDINGS: Well, thanks for sharing this with all of your audience. We appreciate it, we appreciate the good work you're doing.