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[Jeff Jarvis & Steven Waldman debate the hard questions facing the news media industry.](#)

In this episode of “E&P Reports,” we bring together two well-known media experts, Steven Waldman and Jeff Jarvis, in one interview. These two gentlemen have publicly disagreed on major issues and have been getting the lion's share of exposure in representing the news media industry to the national press. They are becoming high-profile advocacy spokespeople (on opposite sides of several current, significant legislative matters debated at state and federal levels.



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0:00:00.0 Announcer: This is E&P Reports, a podcast from Editor and Publisher Magazine, the authoritative voice of news media since 1884, serving newspapers, broadcast, digital, and all forms of news publishing.

0:00:18.9 Mike Blinder: And greetings, again, Mike Blinder, publisher, E&P Magazine. As always, we urge our audience who's listening on a podcast platform to follow. Watching on YouTube, there is a subscribe button below a bell to the right. Hit those puppies. You'll get an update each and every time we upload a new episode of this weekly vodcast series dedicated to informing on the news media industry. We call it E&P Reports. I have two old friends who have both been on the program twice. I always go back and look no jacket till five times. Steven.

[chuckle]

0:00:50.1 MB: Steve Waldman, CEO Founder, Rebuild Local News. Steven, you've been there four years. You're also a co-founder still on the board for Report for America. That was seven years you did stints at the FCC Pugh Co-founder of Belief net. That would be an interesting story just in itself. And of course, you really cut your chops and made your bones and as a Washington correspondent for Newsweek and State's news service. Do I have that right, sir?

0:01:18.2 Steven Waldman: Yes.

0:01:21.1 MB: I mean, so you have little ink in your veins, right? Working the beats and writing and all that and more.

0:01:25.7 SW: I started out as a hack, political legacy journalist.

0:01:31.7 MB: There you go. Jeff Jarvis, you're the smart one. Well, I didn't mean that. Not disparaging with it. 'cause you're a professor, director Tow-Knight Center for Entrepreneurial Journalism at the Newmar Graduate School at CUNY. You've been there for 17 years. Jeff, what you started when you were 12?

0:01:49.4 Jeff Jarvis: I'm also leaving and air quotes retiring.

0:01:55.1 MB: Oh, wow. Air quotes. You'll never.

0:01:57.9 JJ: I'll be going somewhere else to do something new. It's to be announced yet.

0:02:00.5 MB: You did write and you still write, you write for Guardian Buzz Machine. We're gonna talk about what you wrote for Buzz Machine in a few minutes, but you kicked, you kicked your, your journalism career off in San Francisco with the Examiner. Is that right?



0:02:13.5 JJ: Oh no. I'm much older than that. I go back to, besides the brilliant Iowa Hawkeye Iowa's largest paper, 'cause it had the biggest web size that was an internship Chicago today, the paper that had no tomorrow. Then to the Tribune, then San Francisco Examiner, the New York Daily News time Ink People Entertainment Weekly and then onward.

0:02:34.1 MB: There you go.

0:02:34.8 JJ: I too have ink and slick paper. In your news.

0:02:38.9 MB: Yeah, we will. The topic today is gonna be kind of a, remember the good old days of Shayna Meur, whatever point, counterpoint back in, 60 Minutes used to do that. There was a recent article, that Steven, thank you for publishing it with us. The E&P where you, you actually mentioned Jeff and talk about the article he posted in buzz feed. And this is, I mean, buzz Machine, I should say. And it's an interesting topic where it's both of you are pro-journalism. Let me get that right. No one's on this because I's gonna say we don't need that final check on power in our democracy. But in your article, Jeff, you kind of took a kind of said, maybe it's time for Legacy media just to pass away. And that's, and Steve, your article was in defense of helping some old media survive. So that is the topic today, and we're gonna discuss it with two very smart, very well-known industry leaders on the backside of this message.

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0:04:44.5 MB: Okay, let's start, well, let's start with Jeff. Jeff, your piece was interesting. You basically reacted to the LA Times, is that what I mean? The massive layoff of a quarter of the team at the LA Times, that was just about a month ago. And you basically said maybe it's just time to let Legacy Pass. Is that pretty much what your view was when you wrote this piece?

0:05:08.9 JJ: I wouldn't say it was, is in direct response to that. It's more like carbon monoxide building up in the blood over time. And, Steven and I will agree to your frustration a lot more than we will disagree. We're both trying to figure out what to do here, and I spent 15 years writing the Center for Entrepreneurial Journalism, most of the time worrying about legacy media. But at this point, when you see that most chains in the US are controlled or owned by hedge funds that are not gonna invest in or innovate in news or owners like Patrick Sw Young at the LA Times, who has not had a successful run, I would say so far, it makes me wonder whether or not we should throw good money and effort after bad with those entities. Now, there are plenty of exceptions.

0:06:01.5 JJ: I worked for Advance, and Advance is doing pretty well right now. There's

Minneapolis Star Tribune and there's the Boston Globe, as Steven points out in his piece, there are lots and lots of small and new entities that are doing, newer entities that are doing well. But what I'm saying is that I think that the industry which is dominated by these big companies, which are in turn dominated by hedge funds, which are lobbying in Washington and in Sacramento for protectionist legislation shouldn't be the core of the industry anymore. Shouldn't be who we're worried about anymore. It needs to be, I think the innovators and the new efforts and that they're not worth the effort. They're doing more damage than good these days.

0:06:44.8 MB: Steven, in response to that?

0:06:49.3 SW: Well, I agree with part of that, but I, my point is that the term legacy media and our conception of legacy media needs to be made more precise, and that we need to really think about the different parts of legacy media. Legacy media includes Black and Hispanic newspapers, almost all of which are legacy media. Most ethnic media is, it includes family owned rural weeklies. It includes billionaire owned dailies in, Boston and Minneapolis. And it includes big corporate chains and chains owned by hedge funds and private equity firms. That's all part of the legacy media landscape. I generally agree with Jeff's critique of hedge fund owned newspapers. Like there's pretty strong evidence at this point. It's not just anecdotal that when hedge funds take over newspapers they are not interested in building, they're not interested in innovating, they're interested in sucking them dry.

0:07:56.9 SW: And it's a real big part of our problem right now that half of the daily newspaper circulation in America right now is owned by a hedge fund. And I always say like any attempts to try to deal with public policy or anything else that ignores that fact is missing a pretty big part of the equation. But there's 7,000 local news organizations. If you say like the other half represents, 3,500 entities, or there's thousands of entities that are independent or smaller or in the zone of things that we don't wanna just write it off. And the entire innovation sector, the no total number of nonprofits, which I love and I'm a big booster of is about 400. So the number of so-called good legacy media organizations is still enormous. And many of those folks are working day and night to make it work and serve their communities and innovate in their own way as best they can. So I think that both, philanthropic, but more importantly, public policy should figure out ways if possible to help that part of legacy media while not subsidizing the parts of legacy media that are, it's not just that they're not doing well, it's that their business model is in, is sometimes almost actively harmful.

0:09:33.0 MB: Well, let's assume that Penny Abernathy knows what she's saying. Let me, Jeff, you know the, it is out there now. I mean, we got our news deserts, we got the ghost papers and all that and more, but Jeff, Penny Abernathy has put out research. Now what, we always call the News Desert Report now that shows that when a town doesn't have a voice, it languishes people don't vote. There is corruption that builds. Do you agree with that, Jeff? I mean that's...

0:10:04.5 JJ: So, I just came back from a trip to Scranton. Sorry, I just came back from a script, trip to Scranton, PA.

0:10:09.1 MB: Right.

0:10:10.1 JJ: Where the newspaper was just bought by Alden.

0:10:12.3 MB: Yes.

0:10:13.4 JJ: And the town is very upset for good reason. And we know what's gonna happen there. And the public broadcasting station there is very innovative and is very open to collaboration. And, what I wanna do, I wanna follow up and see what happens there, can we build something? Can they build, that's good for the future of Scranton? I think the real thing that I'd like to focus in on, because I think Steven and I are gonna, and you are gonna agree about the larger goals here. How do we help innovation? How do we help good entities? How do we not let the bad entities, the hedge fund owned entities, rule this debate? And I would say there's three things. One is when I see efforts, and Stephen has a lot of very innovative ideas for government involvement in helping subsidize news in various ways. And he can tell you about that. My friend Chris Daggett runs the consortium here in New Jersey that's gotten New Jersey funds and I think has handed out \$11 million so far. So there's good efforts there. I've got two questions about this.

0:11:20.1 JJ: One, how do we deal at local level with what I would say is a good state like New Jersey where, and come up with rules and structures for government involvement in news that is not then corrupted in places like Texas and Florida, I think it's a great challenge. 'Cause what would be supported and what support would be withdrawn from what kinds of outlets in those places is a very real concern.

0:11:46.3 JJ: Second, if you look at the national efforts and local efforts, you look at the JCPA and CIPA similar legislation happening at a federal and California level. They want to help entities that are above a hundred thousand, which means that leaves out tons of the people that Stephen just talked about. And, it will end up helping the hedge funds oftentimes, or the case of California is, it'll end up helping right wing media, national media and others. So that's the second problem. How do you one, deal with bad malign political actors? Number two, how do you help the good guys and not the bad guys at the same time and come up with rule sets that do both things? And then number three, how do we recognize that journalism has a bigger problem? It's not a business model problem.

0:12:34.3 JJ: Our trust has been falling since the seventies. Reuters Institute says a third of people around the world are now actively avoiding news. We've got to do more than think that we wanna support the news. That was, we've gotta invent the news. That will be, that's why I teach, is in the hopes of getting students to learn what we teach them and then question what we teach them, question how we got where we are, and reinvent news and journalism in a fun, mentally new way. One last point. When I was in Scranton, I was thinking about it afterwards. It was a really good conversation. I spoke at the University of Scranton to mainly townspeople and the journalists and the former odor of the paper who was devastated when his family chose to sell to Alden. We still talk about the journalism. We, it's still a journalism-focused discussion. And, I failed at getting to be a community-focused discussion. And so I think we've gotta change this discussion about journalism generally to the and Steven I'm sure will agree with this to the health information health of the communities, rather than concentrating on how we try to protect the journalism that was.

0:13:40.1 MB: Steven.

0:13:41.0 SW: Yeah, yeah. I totally agree with that last part. I mean, my one liner, whenever I get, if anyone asks advice about, what to do in a community is start thinking of yourself as a community institution whose goal is to serve the community not as a publisher of information.

0:13:56.6 JJ: Amen brother.

0:13:57.5 SW: And once you do that, it takes you in different places. But the main thing I would say is that it is not only new entities that can think anew, old entities, existing entities sometimes can also think anew and recreate journalism. We have plenty of examples. I'm not gonna claim that they're the majority or you know, as much as there should be. But there's lots. And that I think is really, maybe the only area we disagree is I think that legacy entities can't be written off and we have to figure out ways of getting the folks that want to reorient to do so. And yet, in Pennsylvania, there's a great counter example to this because, well, first of all, in terms of Scranton, here's a little public policy thing that I'm not gonna say this is gonna revolutionize everything, but how about we have 120 day waiting period before any newspaper can sell to an out of state company. So that at least there's a little bit of a chance for the, for local communities to try to, acquire a publication. But the other thing that's happened in Pennsylvania is the public radio station buying the newspaper in Lancaster.

0:15:17.1 JJ: Yes.

0:15:18.8 SW: That's a legacy newspaper. And when I say, you know, we can't give up on legacy newspapers, I don't mean we should preserve legacy newspapers and their ownership structures as they have been in the past. Part of what has to happen in order for legacy newspapers to succeed in a lot of cases is for the ownership structures to change. So there you have a situation where you have a merger of a public radio station, a family owned newspaper with a foundation coming in to help lubricate reform and digital transformation. That's a really interesting model.

0:15:55.6 MB: But Steven, when you and I worked on a project together exploring Pulaski Tennessee, a town here in the state I live in, where the KKK formed, and we had the mayor on a program that you helped us work on together. And that mayor who's about as far right as you can get, was upset when his town lost its paper for a few weeks. And another, owner swooped in and saved the town from languishing. In other words, that's a town I worry about. Does this make, I mean, how do...

0:16:25.6 SW: Yeah, yeah. And I would even, stepping back one level of generality. I would say the amount of money and attention that's gone to national media right, is all like, I'm not worried about Nat, I mean, I'm worried about national media, but not because of business model reasons. There, the messenger will go away, we'll be fine. It's not that there's any shortage of national media. That's not true of local media. There are thousands of communities have nothing or very little. And so yeah, when I saw how much money was spent on the messenger, the very first thing I did probably self destructively, was to figure out how many reporters in local newsrooms that could have funded if it had gone through like Report for America, 1500 reporters in local newsrooms could have been funded through Report for America instead of wasting it on the messenger. And I think public policy ought to take the same attitude. I know this isn't the way it's been done in other countries, but efforts to subsidize national media through public policy don't make a lot of sense to



me. That's not where the crisis is.

0:17:41.0 MB: No, so Jeff, you are in the same camp as a Ken doctor on this. I mean, when we had Ken on this show and he finally announced the new model he had been teasing for a couple years that he was building and incubating, he said on this very program as he is launching it, that we didn't wanna do it inside of a legacy property 'cause the culture was bad and we are just gonna launch this project as a new entity. My business sense was upset with that, not because I wanna save every damn 150-year-old masthead, but I believe once you already have an audience built and some street cred, you should try to save that first. Like Warren Buffet always said, I bought companies that were smoldering cigars that I could breathe life into. That's what we did here at E&P 140-year-old brand. Why let it Die, Jeff, when we're the only industry that is mentioned in the Constitution as necessary for a town like Pulaski? This is now, am I just not seeing the point here? Just assume that that dinosaur should die and something will grow after the death of one will come up in that town.

0:18:55.0 JJ: I think, again, Steve and will agree that it varies town to town, owner to owner. But if you look at Scranton there was a call there for the public radio station to take over the newspaper. I don't know whether that would've been the best move. I don't know whether they would've been saddled with issues that would've been difficult to deal with. It varies. I think a different model is what happened with KPCC in LAist, where LAist has taken over the brand now and they've rebranded the radio station LAist. They've gone... I've talked to Kristen Mullen who heads the content side and Ariel Zirulnick, who's a brilliant person on the kind of strategy and social side along with others. They're doing great work there. They're reorganizing the entire organization around community needs.

0:19:48.4 JJ: They're listening to community in new ways. Listen, Mike, I love newspapers. I have boxes with my clips downstairs. I loved magazines. I've got them behind me. I have an affection for that, but we've got to let loose of this loving. I'm doing a lot of research right now on a paper I'm writing on the California, the CJPA and I came across a quote that the problem wasn't that the railroad industry thought of themselves as a transportation industry. It's that they loved the trains. So let's get over this love of the newspaper as newspaper and make some tough decisions about what is worth saving there and what isn't. Where are the assets there? Are they more valuable? Is that the way to do it? Again, with community needs, number one in our focus?

0:20:41.8 MB: Alright, gentlemen, let's pivot to legislation, and let's focus on that. Recently on this program, I had Danielle Coffee of News Media Alliance, along with Paul Degan of News Media Canada, and obviously big news up in Canada, a hundred million dollars being agreed to for big tech compensation to local newspapers. And we were discussing the future of that similar legislation being here in the US. We had Dean Ridings on the show. Now, of course, Dean is supporting the Community News and Small Business Act. But currently in California, a lot is percolating there with similar legislation being called the California Journalism Preservation Act. The CJPA, Steven, you're heavily involved in this. What's going on?

0:21:28.3 SW: Our view on the CJPA is that the current bill is flawed because most of the money would actually go to national media, not California.

0:21:40.7 MB: But the intent is...

0:21:43.5 SW: We have proposed...

0:21:43.9 MB: All right...

0:21:45.7 SW: A fix for that which would be to say that the money needs to go to California publishers and be based on headcount rather than pages. And we've proposed other ways at this that aren't through the bargaining code structure. So we've put out a bunch of ideas that we think could work. But that's a good example. Like having a California policy where most of the money goes to National Magazine Publishers. It doesn't make a lot of sense to me. I don't think it's gonna make a lot of sense to California legislators either at the end of the day. But I do have no problem at all with saying that tech companies should help pay for saving local news. And I'm not making a moral argument that they were the main cause. Well, the fleeing of advertising to the internet obviously is a main cause of the decline of local news.

0:22:42.1 SW: But I don't think that it was necessarily because of maligned behavior. There's some that was, but mostly they had advertising products that businesses went to. I don't think the apportionment of what percentage of it was malicious and not malicious is that important. My view on the tech companies is that we had a digital revolution. They are the big winners. And as a matter of public policy, it is totally appropriate to ask them to help pay to repair the collateral damage, whether or not it was done through bad motives or good motives. We have a massive crisis in local news that is causing crisis for democracy. And it is totally appropriate to ask the winners of that system to help fix it. And personally, I would probably do it through a tax on Google, Facebook, Amazon ought to be included in the discussion and use the money for much more targeted forms of support for local news. But I've got no problem as a general matter with saying that tech companies should help pay for the... Helping to solve the crisis in the local news.

0:24:02.3 MB: And you...

0:24:03.8 JJ: That's where we'll disagree.

0:24:05.9 MB: That's Jeff I would like to say, Jeff, you are against that.

0:24:12.2 JJ: A few things, God did not give newspaper publishers the revenue, the audience, the attention of the advertisers they had, it's not theirs by rights. And to say that a new competitor came and offered better deals to advertisers and better service to citizens and readers live by capitalism, die by capitalism. That's the brakes guys. And I think that to hold up these companies, which have been willingly trying to help the news industry, Facebook and Google committed \$300 million each in the time to the news industry. They were holding events that Stephen and I have gone to, like Newsgeist. They were doing training through my old school at CUNY. And full disclosure is I've raised money for the platforms, for the school. I've never been paid personally by any of the platforms.

0:25:04.5 JJ: But the problem here is we can see where this is headed, what publishers are doing today, is the same thing they did when radio came in. Same thing they did in other media, including

the R-Box and information services is they keep on trying to expand the copyright. That's gonna have an impact on freedom of expression overall. I testified before a senate subcommittee a few weeks ago about AI and they're trying to expand copyright and shrink fair use so that AI cannot even read their news without paying for it. Which journalists, by the way, do all the time. We used to employ scissors editors at newspapers who helped us share news as we went. So I think it's A, a mistake constitutionally and morally to think that one industry should back up a dying industry. And that that's mainly, again, backing up the old guys in that industry.

0:26:00.0 JJ: But more important, we can look at the recent history of this. This starts with the [0:26:04.2] ____ in Germany, goes through the linked tax in Spain, goes through the bargaining code in Australia, then into C-18 in Canada. And that has been a bloody disaster because Facebook said, you can't force us to carry the news because there is a matter of human rights in Canada on that, compelled speech is not free speech. So, as we all know, Facebook pulled all news out of Facebook. And they've deprecated news world around. And I fear that if JCPA or CIPA passes in the US Facebook will pull entirely out of news. In Canada that didn't affect Facebook's traffic at all. Independent analysis shows they're fine. The news wasn't valuable to Facebook. The links that the publishers said weren't valuable were valuable to the publishers because they've lost 30% of their traffic, they're hurting, they hope to get \$300 million in back sheets out of Google. They got a third of that.

0:26:55.1 JJ: In the end everyone in Canada was hurt. The publishers, the citizens, the platforms too were all hurt. And now we're looking to do the same thing in the US and I think this is foolhardy. Now, if there are, and again I repeat before, I'm nervous about government involvement in journalism and speech, period. I'm open-minded to it, trying to find the models, I think Stephen's doing the interesting things. I think Chris Dagan is doing interesting things. My former student, Simon Alperin is doing interesting things. Berkeley and its fund is interesting as well. I'm open-minded to doing it, but I challenge that we've gotta do it in a way that we set rule sets that do not empower fascist governments to punish liberal media or support right-wing fascist media. And we've gotta do it in a way that doesn't just end up going to the pockets of Rupert Murdoch, not journalists. If you can pass those tests, I'm open to how to do this. But those are two hard tests.

0:27:53.8 SW: Yeah, I wanna... Not to defend fascists or Rupert Murdoch, but I think that the...

0:28:00.6 JJ: That's a hell of a preamble, Steve.

0:28:03.7 SW: Yeah.

0:28:04.0 MB: Great way to...

0:28:06.8 SW: I think that, first of all, would you support a tax on digital a... On advertising among companies above a certain amount?

0:28:14.1 JJ: Why a certain amount? If it's a tax, it's fungible money. If you think government money should go to this, then figure out how government money goes to this. But why single out that one industry?



0:28:25.4 SW: For the reason that in the '70s they put a tax on oil companies to help pay for environmental issues.

0:28:32.0 JJ: But you're presuming that the digital companies have done damage to news, I disagree.

0:28:36.4 SW: No I don't think that has to be a premise at all. I think, look, we have a progressive income tax in this country whose premise is that if you are fabulously wealthy, you should pay a little more because you've been blessed to be in this country and have all sorts of opportunities, I think it's...

0:28:49.9 JJ: Then charge all billionaires that money, Steven, if you charge all billionaires that money, then that's a fair issue. But if you're focusing on one industry as if it's their fault?

0:28:58.6 SW: I'd be okay with that too.

0:29:00.6 JJ: I know you are.

0:29:00.7 Announcer: But it doesn't seem crazy to me to say, the business model declined because all the revenue went to the internet. So let's tax some of them folks where the ad revenue went to help deal with this massive crisis in communities. But let's talk about the tricky problem of creating policy that goes to people that you don't like, right? Or not just you, but that one doesn't like. That's a real, that's one of the hardest issues of public policy, right?

0:29:27.1 MB: That is...

0:29:28.6 SW: Like foundations are a different thing. Like foundations can sit around, they can look under the hood, they can make really narrow nuanced judgements about ownership and motive and planning and stuff like that. So what I'm about to say, I would not say if I were running a foundation, but I'm looking at public policy. So my sense from looking at the history here is that the best public policy on media is actually broad/blunt instrument policy. Not fine tuned, let's sit around the table and discuss who gets a grant policy. The most successful policy that we've had probably was the news... Was the postal subsidy that the founding fathers put in and lived for, you know, a 100, 150 years at various different levels. The fact is that that supported all sorts of crappy publications. And Jefferson I'm sure had moments of thinking, oh my God, I can't believe we gave... Giving subsidies to these federalist rags and vice versa. But to me it's a little bit like the charitable deduction. You're lifting up the whole floor and you're creating a sense that it is not government officials that are picking and choosing.

0:30:43.2 SW: Now, I don't wanna overstate that. Like, I don't think that therefore anyone should get everything. Like when we were doing the payroll tax credit, I supported putting a cap on it so that any individual corporation couldn't get more than a certain amount. And I would support giving more money to publications that maintain or grow staff instead of eliminating staff. So I think there are knobs you can turn, but I think you actually have to have a certain amount of tolerance for money going to places that you might not like. Just as I have a tolerance to the fact that my tax dollars are subsidizing your crazy charitable deduction decisions and you are doing the same for

me, I don't lose sleep over it because it has a broad effect of helping the general nonprofit sector. This is a hard argument to make. I know because like once dollars start flowing, there's gonna be publications that are... I will cringe over the fact that they're getting taxpayer subsidy. So it's hard. But I think the alternative is actually worse, where you create government programs that with people sitting around a table deciding in a precise way who's gonna get what. That's gonna further erode trust, it's gonna lead to more prospect for favoritism and political tribulation.

0:32:09.6 MB: It's also, it's unconstitutional, if basically we still have a free and unfettered press. Correct? You cannot have, if you do a tax... Maybe I'm being too simple here, gentlemen, but if you have a tax, that means you have to then define who gets the money. And that means you have to define what journalism is on a government level like they've done in Canada.

0:32:31.6 JJ: Oh, that's the issue.

0:32:32.3 MB: Go ahead.

0:32:33.1 SW: You could just have the tax paid for the payroll tax credit, which we all... I don't know about Jeff, but Mike you liked, right? That's the thing that's just as...

0:32:41.9 MB: I like anything right now that helps...

0:32:44.5 SW: So a tax credit, employment tax credit for local reporters not making...

0:32:49.7 MB: What's a local reporter? Define it. We had Mickey Osterreicher on this program, Chief Counsel for the Society for Professional Journalists. He's also a sheriff in his town. Amazing. He's a lawyer and a sheriff and he represents journalists. And he said that the police community is begging us to define who's inside the rope line now, please tell us who's a journalist? We're begging you because now we don't know, anybody with a camera that says they're a journalist. And technically that's the law, is it not? I mean, we have yet to do that here as a society. You say that is you... I just heard Jeff here scream that certain publications don't deserve to be journalism, but in our society, we can't do that. Do I have that...

0:33:40.5 JJ: But we can't license journalism, which becomes defacto licensing of, if government decides who gets it and who doesn't. And that's my fear about Texas and Florida.

0:33:51.1 MB: See, that's...

0:33:52.1 JJ: They'll find ways to pull whatever subsidy away from Houston Landing and the Houston Chronicle.

0:34:00.2 MB: They've already done that.

0:34:01.4 JJ: And give it to Crazy Joe's news Pack.

0:34:04.0 MB: In Arkansas they already pulled money that they were using to... The State College Advertising Fund was pulled from a paper 'cause they didn't agree with it editorially, it's already

happened.

0:34:14.0 SW: And by the way, we already have public notice advertising in every county in the country. There's already government support for news and in some cases it is being used in nefarious ways like that. But we also have to look at what the alternative is, which is, look, I didn't know one in the Rebuild Local News Coalition came with enthusiasm about the idea of government getting more involved in saving local news. It's weird that way. It's like a coalition of people who'd rather not be there. But what drove us there is that the crisis is so severe...

0:34:51.2 JJ: Sounds like a church I used to go to, yeah.

0:34:56.6 SW: The crisis is so severe and the consequences so great that we need to look at things like this because I don't think philanthropy is gonna be enough.

0:35:03.4 MB: No.

0:35:04.1 SW: Like Press Forward biggest effort to raise philanthropy and for local news in American history, a hundred million dollars over each year. And every expert I've seen has said, to get our local news system back to anything that vaguely serves the public's gonna cost \$2 to \$3 billion a year from combinations of philanthropy, better business models, et cetera, et cetera, just as a point of scale. So I don't think philanthropy is gonna be enough. And I think the crisis is so severe that we need to be looking at things. And so yeah, there are absolutely are difficulties in the payroll tax credit and how you define reporters just as there are difficulties when foundations give out grants like that.

0:35:53.7 SW: But that the payroll tax credit in the labor subsidy in Canada is working well. And I think we can come up with our own version. And there are other ways that are even lighter touch. Like the idea of a tax credit for small businesses that advertise in local news is interesting. 'Cause small businesses decide who they wanna advertise with based on whether or not they find, think it's a credible publication and will meet their needs. It's sort of, or a coupon for consumers. To decide where...

0:36:25.9 MB: And I'm in favor of anything that saves journalism, but allow me to take the other side of that argument. In that argument to do this, you are stating that you are helping local businesses so they have a better way to advertise for less money. We're giving them this benefit to grow the local economy. If I ran a local outdoor company or a radio station that just plays music, I would say, "Hey, give me the same benefit because I can help them grow their business with advertising here." You see?

0:36:55.3 SW: Yeah. Well that's true...

0:36:55.3 JJ: Sorry, go ahead.

0:36:58.4 MB: Go ahead Steven and then Jeff, go ahead.

0:37:01.2 SW: Well, I was gonna... That's true of any public policy, like any tax credit for anything

someone else could say, we deserve that tax credit too. And in fact, when the Biden administration did massive tax credits for green energy, people who were in the non-green energy industry made that argument. Why are the green people getting that? Well, is it because we're making a decision as a society that it's valuable to encourage the development of green energy and the collapse of local news and the importance of having community journalism is in that category of something that is a important public policy goal.

0:37:36.3 MB: Jeff, final.

0:37:37.9 JJ: So Mike, thank you for arguing as devil with me. I think that if you asked Facebook and Google and to an extent Amazon and eBay and Etsy they would all say that they've helped local business more than newspapers, which had monopoly pricing power and nobody could have... If you had a small business of, if I wanna start Mike's Jam company, I couldn't afford to advertise in any newspaper or even a local daily, even local weeklies were expensive. But I could go on and get a Google ad, or I could get a Facebook ad at a very low cost. So Facebook's out there all the time bragging about what they've done for local commerce. I think we need research to see what the real impact has been. But I think it's a legitimate point to say that if you're gonna say that you're helping local business and local commerce that there may be other better ways to do it. And you're right, it may be music radio, it may be blogs, it may be all kinds of things.

0:38:34.5 JJ: And also I think, I'm a Joe Biden Democrat, but I'm about to sound like a, Joe Scarborough libertarian here for a second. So forgive me. But I think we also have to ask at some point where the non-market intervention keeps things that otherwise wouldn't and perhaps shouldn't survive. And should department stores survive? Well, they're kind of obsolete now. Back in the day, the huge controversy in the United States over A&P, the great A&P Tea Company was killing mom and pop corner grocery stores. There was legislation to get rid of chain stores and chains were evil and chains were bad. In the long run the customer was better served with supermarkets. And we have to, I think, ask where the market is headed in its own direction and we were just delaying an inevitability and spending a lot of money on that delay.

0:39:40.6 SW: I was worried about that when we did the FCC report that came out in 2011. I thought, well, we're in the middle of a disruption, maybe it'll get fixed. And instead it got way, way worse. And one of the things that was found in the Penny Abernathy report is that when newspapers close in rural areas, they're not replaced by new things. If that were different, we'd be having a different conversation. There'd be, okay, legacy media dies, but new things are arising. There's something fundamental about the economics of community news that is making this particularly difficult. And we keep getting and going in the wrong way. It's getting worse, the percentage of newspapers that are closing is actually accelerating. So in all the years that you and I have been working on this, Jeff, the problem has gotten worse. I don't blame...

0:40:25.1 JJ: If you define that as the problem.

0:40:27.9 SW: But... What's that?

0:40:29.5 JJ: If you define the fate of those newspapers as the problem, that's the point of my post, usually.

0:40:35.3 SW: No, no I don't agree. I think if you define it as communities being adequately served by journalism, it's gotten way worse.

0:40:42.8 JJ: But you also have 400 plus members of the News Consortium here in New Jersey. You have 400 plus members of Lion, you have 400 plus members of INN and I know you support them all too. And there is growth in those areas.

0:40:55.5 SW: Yes.

0:40:57.4 JJ: And so when a paper dies...

0:41:00.6 SW: The Public policy should really help support that growth.

0:41:03.7 JJ: Yes, yes. And so what we see instead in the case of, and I know you're not a big supporter of it, but both JCPA and the CJPA is that they, you have to have a hundred thousand dollars revenue to get the first penny. So you have to have already grown. And that's a case of regulatory capture. It means that those who are, have more power and more resources will get yet more resources. And those that wanna start won't. How does that encourage new competition and new innovation? It doesn't.

0:41:36.9 MB: We'll leave it at that. This could go on for hours and hours, but this has...

0:41:38.7 JJ: It's more like decades, Mike. It's been going on for decades.

0:41:42.4 MB: Jeff Jarvis Air Quote, retired professor, director of Tow Center of Entrepreneurial Journalism at the at Newmark School at CUNY and Steve Waldman, CEO founder, Rebuild Local News. Thank you gentlemen, both of you for your valuable time, your amazingly interesting insights and for making us feel a little bit worse about the problems.

0:42:05.8 SW: No, it's, there's, I will agree with Jeff on something like this. Like there really is an incredible amount of innovation going on right now. There's a lot of really encouraging things. It's just small compared to where it needs to be and to...

0:42:23.2 MB: Or up last tendency.

[laughter]

0:42:23.2 JJ: Well, the reason this discussion is important is because none of this is easy.

0:42:27.0 MB: No.

0:42:29.1 JJ: That's the point, is that we're all trying to look at very difficult questions. And that's, this is the kind of discussion we need to have, Mike. And so, thanks.



0:42:36.5 SW: Thank you, Mike.