

Thank you Representative Marcotte and members of the committee for allowing me the opportunity to speak today. I'd like to start by thanking this committee for all the hard work you have been doing to support essential workers and businesses to help Vermont's economy stay afloat during this unprecedented global health crisis.

I'm sure you have already heard from many different industries and business sectors about how they have been impacted by the response to COVID-19. Today, I would like to update you on what Vermont's radio and television stations have been doing to stop the spread of COVID-19 as well as the unique struggles we have as an industry who relies solely on advertising to survive.

Recognizing the role broadcasters and newspapers play in keeping the public informed, Governor Scott declared news media as "essential service providers" in his "Stay Home, Stay Safe" order. Vermont broadcasters take this responsibility seriously and have remained on the front lines of the COVID-19 response as first informers, making sure the communities we serve stay apprised of the fast-moving and ever-changing recommendations from state and Federal government to stay safe and healthy. In addition to adding additional newscasts, press conferences, and interviews with public officials, broadcasters have donated hundreds of hours of airtime to public service announcements aimed at educating viewers and listeners about how to help prevent the spread of respiratory diseases. Here is an example of the localized PSA we created with the Governor's office to reach Vermonters who traditionally have a distrust of government and may not be following guidelines:

<https://www.youtube.com/watch?v=VclXKCDyHXc>

While Vermont broadcasters fulfill their critical role in keeping the public informed during this crisis, their very survival is threatened by the unprecedented economic impacts of the pandemic.

In order to keep their content free to the public, local broadcasters rely on advertising revenue to fund their operations. This is particularly true for radio stations that rely on advertising as their sole source of income. Unsurprisingly, businesses that are grinding to a halt around the country, including restaurants, car dealers and retail stores, have been furiously canceling advertising campaigns now and in the foreseeable future and may not be able to pay for ads that ran right before they closed.

As a result of this unprecedented loss of ad revenue, many stations have had to reduce their workforce and some are on the verge of shutting down completely. For example:

WTSA AM & FM is the prime source for local news in the Brattleboro area (television news comes from Boston and New York). According to owner Kelli Corbeil, they used to have 10 full-time employees with a robust news department, but due to declining advertising revenue and increased music royalty fees, as of February, they were down to a staff of five. Since the response to COVID-19 started, WTSA has dedicated hundreds of hours to preparing and airing additional PSAs and local newscasts to keep Windham county residents informed and safe, despite suffering astronomical losses in revenue and workforce. Ms. Corbeil reports that WTSA lost 46% of their income in April and is projecting a 72% loss in May, with no end in sight. After massive advertising cancellations began in mid-March, it was clear her monthly operating expenses were not going to be covered, so Ms. Corbeil was forced to lay off three more employees, leaving just herself, one full time and one part time employee to operate two stations.

She applied for and was approved for a PPP loan, but has not received any funds yet. She also applied for an EIDL loan weeks ago, but has not received any advance grant money and has no idea what the status of her application is. She has not been able to hire anyone back yet and is very worried that without help, they are likely going to go silent.

That is just one example, but there are more. Brian Lunderville who owns WOTX-FM in Essex County, VT says, "We have lost ad dollars at a critical time. First quarter is always slow, but we rely on business picking up in late March. Because of the response to COVID-19, we're not getting the ad revenue we would usually get at this time of year. We are very vulnerable since we are already behind on our bills. If things don't get better, we may have to shut down soon."

Ken Barlow who runs several radio stations broadcasting out of Chittenden County including WEZF and WVMT says, "All aspects of our operations are negatively impacted by the significant loss in ad revenue. More layoffs will be necessary if this continues much longer".

Bruce James who runs a group of small radio stations in the Northeast Kingdom says, "We're a small company with no big city counterpart to provide big cash reserves. All small market stations are getting more cancellations than contracts and expenses have been trimmed as much as possible. Our goal right now is to simply stay in business. What we need is a government bailout to give us some breathing room."

These are just a few examples of what's happening. Response to COVID-19 will have an even longer lasting effect on broadcasters, who, because the content we produce and distribute is free, have to rely solely on advertising revenue to survive. Keeping existing advertisers and finding new ones was already a challenge prior to COVID-19, but now the fate of many Vermont radio stations is precarious at best.

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As lawmakers continue to consider legislative measures to address the deepening crisis businesses face, Vermont broadcasters urge you to support provisions to provide immediate relief to your local radio and television stations to ensure they can continue serving their communities.