

# REBUILD LOCAL NEWS

## Testimony of Steven Waldman, Chair of the Rebuild Local News Coalition

March 14, 2025

My name is Steven Waldman and I am the chair of Rebuild Local News, the leading nonpartisan coalition that advances effective public policies to strengthen community news. This alliance pulls together local publishers and labor unions, for profits and nonprofits, trade associations and civic groups. Together, these 50 organizations represent over 3,000 newsrooms and 15,000 journalists, including many in Vermont.

As you know, we are in a local news crisis. On average, two newspapers close in the United States each week. Thousands more are “ghost newspapers,” that barely cover the community. In Vermont, which has actually made more progress than most, the number of newspaper employees has dropped 54 percent since 2013. Radio and TV news are now facing many of the same challenges as newspapers.

The prognosis is getting worse. Into the vacuums we’ve seen “pink slime” sites – political sites masquerading as legitimate local news. Astonishingly, there are now more pink slime sites in American than there are real local news sites. And Artificial Intelligence, for all its benefits, will exacerbate the economic problems of local news by reducing referral traffic to publishers. The contraction of local news harms communities – it leads to more polarization, more corruption and less likelihood that people will be involved in their communities. There’s a study that shows that communities with less local news have lower bond ratings. So strengthening local news will actually save money for local governments in the long run.

We don't just lose accountability reporting about the government, we lose stories about high school sports and local businesses and inspirational neighbors – the stuff that help create a community feel, and connect residents to each other.

S. 84 takes a creative – budget-neutral, nonpartisan – approach to revitalizing local news. This bill would put more government agency advertising dollars circulating in *local* communities rather than sending taxpayer money to out-of-state businesses like Google, Meta or national cable TV networks.

A similar approach has been quite successful in New York City. The smaller publishers there describe it as invaluable. During COVID the Haitian Times publisher declared, “we all thought we were going out of business.” He not only survived but hired reporters to cover COVID’s affect on their community. In the first month of the pandemic, Brooklyn’s largest local news site, BKLYNER, lost 100 percent of its advertising revenue from local businesses, just as its daily site visits doubled. “Those [city ads] were the only ads we had when everything else shut down and all local business ads disappeared,” says Liena Zagare, its editor and publisher. She used 95 percent of the revenue from city ads to pay for reporting.

What is also important about this bill is what it does not do. It does not require an increase in spending on government advertising. It merely prods state agencies to spend more locally.

It does not impact how agencies shape their messages – the content of advertisements remains determined entirely by the state agencies in collaboration with their marketing and ad professionals.

The bill also does not require any particular news outlets to benefit. Agencies may still choose the local media outlet that best work for them – whether its radio or newspapers or websites or TV. Indeed, it keeps a market pressure on the local news outlets to prove that they’re worthy of receiving the ads.

If lawmakers were interested in adding additional safeguards to ensure that advertising spending does not go to “pink slime” websites – political operations masquerading as news sites – there are some filters that could be considered. Advertising under this provision could be limited to those news outlets that:

- 1) Are not owned or controlled by 501c4 organizations or entities described in § 527 of the federal Internal Revenue Code (political groups) or the relevant portions of the Vermont code.
- 2) Carry media liability insurance
- 3) Disclose their ownership and
- 4) Have at least one full-time employee in Vermont

Vermont has a lot going for it. You have created innovative new news outlets to complement your legacy media, many of which are also working hard to adapt and serve your communities. In some ways, you're in a better position to evolve to the new models than most states.

But the forces eroding local news are powerful – and unrelenting. And it's getting worse. AI and pink slime are going to exacerbate a lot of these problems if we don't act quickly to protect local news in Vermont. Time is of the essence. These news organizations need this kind of common sense help. Keeping the advertising local will help keep your local news alive and in local hands.