



*June 14, 2023*

**Dear Senators Padilla and Feinstein:**

On Thursday June 15, the Senate Judiciary Committee will formally consider The Journalism Competition and Preservation Act (S. 1094).

I am president of Media Guild of the West, a local union of The NewsGuild-CWA that represents journalists and media workers at the Los Angeles Times, Southern California News Group and Desert Sun in California and other major publications across the greater Southwest. I am also a reporter at the Los Angeles Times, where I contributed to the coverage that won this year's Pulitzer Prize for Breaking News Reporting for revealing a secretly recorded conversation among Los Angeles city and labor officials that included racist comments.

There is no future for local news without local journalists, and right now we face a future without local journalists. The media industry has already shed more than 17,000 jobs in 2023, a record that exceeds the job cuts made during the onset of the COVID-19 pandemic in 2020.<sup>1</sup> My members and colleagues are among those affected. Just last week, Los Angeles Times management, citing strong economic headwinds, announced the expected layoff of 56 Guild journalists and media workers, with management's cuts landing disproportionately on essential digital roles held by many of our Latino and AAPI members.<sup>2</sup>

Like many union members, we have strong criticisms of the companies we work for, and news publishers can not be beyond accountability for their roles in the struggles of our newsrooms.

However, journalists' recently escalating confrontations with news publishers at the bargaining table and on the picket line<sup>3</sup> are, in part, symptoms of a greater malady: the mismatch in market power between the ultramassive ad-driven tech platforms that happily profit from our journalism and the news publishers that sometimes seemingly regrettably pay our wages. The JCPA proposes to even that playing field by giving news publishers an antitrust exemption to collectively bargain for more favorable advertising rates with those platforms.

We have previously been critical of JCPA's lack of reasonable accountability measures for Wall Street-dominated news publishers like Gannett, Alden Global Capital and McClatchy, which have repeatedly shown they can't be trusted to put our newsrooms before their boardrooms.<sup>4</sup> We strongly maintain those reservations here.

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<sup>1</sup><https://www.axios.com/2023/06/13/media-job-cuts-record>

<sup>2</sup><https://www.poynter.org/commentary/2023/inside-the-los-angeles-times-layoffs/>

<sup>3</sup><https://www.poynter.org/business-work/2022/unions-back-to-using-walkouts-as-a-bargaining-tactic-after-a-two-decade-break/>

<sup>4</sup><https://www.mediaguildwest.org/s/NewsGuild-locals-9-7-22-Senate-JCPA-letter.pdf>



However, with the unanimous support of our rank-and-file members,<sup>5</sup> our local, Media Guild of the West, has engaged constructively with local publishers and lawmakers from both parties on a similar version of this legislation in California, called the California Journalism Preservation Act.<sup>6</sup> That bill recently passed the state Assembly with overwhelming and bipartisan support despite a threat from Meta to ban our journalism in California if the platform doesn't get its way.<sup>7</sup> It's corporate intimidation tactics like these that have caused our union to rethink what's necessary for the press to remain not just economically viable but politically independent in the United States. No one or two companies should control what news Americans see.

To that end, we respectfully urge the following amendments to JCPA:

**70% Staff Spend.** News companies have shown a willingness to reward shareholders and executives before providing the news communities need: public companies use dividends and stock buybacks to divert revenue out of newsrooms; private companies, especially those led by private equity, tend simply to extract cash. Therefore, it is essential that the JCPA include language requiring any arbitration or negotiated award to be spent on journalism and support staff jobs. The following language needs to be included:

- An eligible journalism provider shall spend at least 70 percent of funds received pursuant to this title on news journalists and support staff employed by the eligible journalism provider. The expenditure of such a percentage of funds received shall be a net increase over previous compensation costs for news journalists and support staff.

**Transparency:** Journalists are the watchdogs of democracy's flame. News companies have an obligation to support transparency by virtue of their work in our democracy. Offering a major exemption to U.S. antitrust laws requires us to increase transparency on news organizations to make sure they are using the money as Congress — and the American public — intends. The following language must be tied to the 70% spend requirement on jobs above:

- No later than 30 days after the end of an arbitration proceeding described or reaching a settlement in lieu of an arbitration proceeding, the eligible journalism provider shall provide notification in writing of its plan to comply with the 70% spend requirement to the news journalists and support staff employed by the eligible journalism provider and any representatives of those news journalists or support staff.
- The eligible journalism provider's plan to comply with the 70% spend requirement shall include a good-faith estimate of the number of news journalists and support staff, if any,

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<sup>5</sup><https://www.mediaguildwest.org/news/california-journalism-preservation-act>

<sup>6</sup>[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240AB886](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB886)

<sup>7</sup><https://www.mediaguildwest.org/news/assembly-overwhelmingly-supports-california-journalism-preservation-act>



# **MEDIA GUILD OF THE WEST**

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- expected to be hired, details regarding proposed compensation adjustments, if any, and a disclosure if either hiring or compensation adjustments are not expected.
- No later than one year after the end of an arbitration proceeding or reaching a settlement in lieu of an arbitration proceeding, and each year thereafter, the eligible journalism provider shall compile a report that includes all of the following:
    - An attestation as to whether the eligible journalism provider has complied with the 70% spend requirement.
    - The text of the journalism provider's plan to comply with the 70% spend requirement.
    - The total revenue received from covered platforms.
    - The name of each covered platform paying the eligible journalism provider and a description of how the eligible journalism provider spent the money, including any amount of revenue remaining unspent.
    - The total number of news journalists and support staff employed by the eligible journalism provider, including the number of news journalists and support staff hired or terminated during the previous year.
  - No later than one year after the end of an arbitration proceeding or reaching a settlement in lieu of an arbitration proceeding, and each year thereafter, the eligible journalism provider shall publish a copy of the report described above online in a text-searchable format and provide a copy to the news journalists and support staff employed by the eligible journalism provider, any representatives of those news journalists or support staff, and the covered platforms making payments to the eligible journalism provider.

We also strongly encourage an increase to define covered journalists employed at least 30 hours a week, up from the 20 hours in the current legislation and closer to the full-time definition by the Internal Revenue Service.

We thank you for your consideration of working journalists, and we thank you for your support of a free press.

Yours,

**Matt Pearce**

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