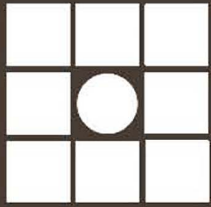


GO LOCAL!

Combating Misinformation
Through Media Policy Promoting
Localism and Diversity



PUBLIC
KNOWLEDGE



ACKNOWLEDGMENTS

This paper is the product of a grant from the Bernard & Audre Rapoport Foundation, which has dedicated over \$70 million in grants to improve the social fabric of life. The Foundation seeks innovative solutions to intractable and persistent problems and strives to cultivate emerging talents and promising models. Thank you for your generous support.

I want to acknowledge important stakeholders who shared their experience and expertise by reviewing and providing comments on this paper. Even before I embarked on researching and writing this paper, you have taught me so much: Anna Brugmann of the Rebuild Local News Coalition, Shannon Jankowski of PEN, Chris Krewson of LION Publishers, Mike Rispoli of Free Press, and Paul Waters of Democracy Fund. I also want to note a broad list of stakeholders who participated in interviews, or in conversations at events and conferences.

Thank you, too, to my Public Knowledge colleagues who – as always – contributed their ideas, experience, comments and criticism during the research and writing of this paper. In particular, thank you to Meredith Whipple, John Bergmayer, Charlotte Slaiman, Al Kramer, and Shiva Stella for their important contributions. Because of its emphasis on the history of communications law, Harold Feld has earned my heartfelt thanks for his patience, guidance, and history lessons as well as his contributions to the paper. A super-special thank you also goes out to Public Knowledge intern Morgan Manson who translated my not-always-clear comments into rigorous and thorough citation. This paper would not have been brought to completion without her support.

Thank you.

This paper is licensed under the Creative Commons Attribution-ShareAlike 4.0 International (CC BY-SA 4.0) license, the terms of which may be found here: <https://creativecommons.org/licenses/by-sa/4.0>.



TABLE OF CONTENTS

- INTRODUCTION..... 1**
- WHY FOCUS ON LOCALISM AND DIVERSITY.....4**
- FEDERAL SUPPORT FOR NEWS HAS A LONG PRECEDENT..... 6**
- REGULATION HAS ALWAYS REFLECTED CHANGES IN TECHNOLOGY AND SOCIETY.....7**
 - Common Carriage Requirements..... 7
 - Interconnection Requirements..... 9
 - Scarcity Management..... 11
- PRINCIPLES FOR FURTHERING LOCALISM AND DIVERSITY..... 14**
 - Root Policy Interventions in the Public Interest..... 14
 - Preserve Editorial Independence..... 16
 - Emphasize Community Needs..... 17
 - Engage the Community You Seek To Serve..... 18
 - Favor Innovators and New Business Models..... 18
 - Consider Reparative Models..... 19
 - Ensure Appropriate Regulatory Support..... 20
- POLICY OPTIONS AND RECOMMENDATIONS..... 20**
 - Increasing Public Funding..... 20
 - Spurring New Business Models..... 23
 - Fostering Philanthropic Funding..... 25
 - Replanting in Community Soil..... 26
 - Nurturing Public/Private Partnerships..... 27
 - Fostering Competition..... 27
 - Structuring Fellowships..... 29
 - Leveraging Laboratories of Democracy..... 30
- CONCLUSION.....30**

INTRODUCTION

Based on our collective experience of the past five years or so, many would say that disinformation is one of the greatest threats to American democracy today.¹ That threat can be direct and literal in form – as when disinformation about the integrity of the 2020 election induced an estimated 1200 people to make a physical assault on the Capitol of the United States.² Or it can be indirect, but just as destructive, as when that same theme of disinformation – the “Big Lie” about the integrity of our electoral process – leads to 440 bills with provisions that restrict voting access in 49 states (in the 2021 legislative sessions alone).³ Disinformation undermines our democracy from within when it corrodes citizens’ trust in their democratic institutions and divides, polarizes and antagonizes citizens against each other. But it also undermines the stature of American democracy and the credibility of our efforts to nurture democratic values out in the world.

Thanks to the work of researchers and academics, we know that our contemporary media system is complex and interconnected.⁴ Disinformation narratives may be seeded and spread anywhere from the dark corners of the internet to the presidential bully pulpit. They are then spread across connected networks on social media and in private messaging apps, amplified on cable TV and talk radio (and increasingly, podcasts), then spun back out with new credibility online. They are often particularly destructive in, and to, traditionally-marginalized communities, causing harms to safety and well-being and economic justice as well as to democratic participation.⁵ A legitimate crisis in local news, described below, compounds the issue. Information gaps in news deserts (defined as “a community, either rural or urban, with limited access to the sort of credible and comprehensive news and information that feeds democracy at the grassroots level”) are inevitably filled with searches online and sharing of whatever is

¹ Our collective and contemporary understanding of disinformation, the data collection that allows targeting of it, and the financial incentives for digital platforms to amplify it dates to the Cambridge Analytica scandal of 2018. It raised awareness of how consumer data, collected without users’ consent, was used to target and optimize political ads for both the Brexit vote and the U.S. 2016 election. However, the underlying crisis in the media has been building for over 25 years; see Feld, H. (2018, August 6). Part V: We Need to Fix the News Media, Not Just Social Media — Part 1. Public Knowledge.

<https://publicknowledge.org/part-v-we-need-to-fix-the-news-media-not-just-social-media-part-1/>; Public Knowledge focuses on networked disinformation – that is, deliberately false information seeded and spread in the interest of power or profit – in this context because of its particular threat to trust and efficacy of democratic institutions. There are multiple frameworks, mostly from academia, that seek to distinguish among misinformation, disinformation, and other forms of “information disorder”; see Understanding Information disorder. (n.d.). First Draft. Retrieved May 25, 2023 from <https://firstdraftnews.org/long-form-article/understanding-information-disorder/>

² Arkin, W. (2021, December 23). Exclusive: Classified Documents Reveal the Number of January 6 Protestors. Newsweek.

<https://www.newsweek.com/exclusive-classified-documents-reveal-number-january-6-protestors-1661296>

³ Voting Laws Roundup. (2021). Brennan Center for Justice.

<https://www.brennancenter.org/our-work/research-reports/voting-laws-roundup-december-2021>

⁴ Bellingcat—The home of online investigations. (n.d.). Bellingcat. Retrieved May 25, 2023 from <https://www.bellingcat.com/>; see also Benkler, Y., Faris, R., & Roberts, H. (2018). Network propaganda: Manipulation, disinformation, and radicalization in American politics. Oxford University Press.

⁵ Macpherson, L. (2022, March 9). Should Algorithms Be Regulated? Part 2: Cataloging the Harms of Algorithmic Decision Making. Public Knowledge.

<https://publicknowledge.org/should-algorithms-be-regulated-part-2-cataloging-the-harms-of-algorithmic-decision-making/>

available in social media.⁶ That means more citizens, rather than engaging in the life of their local communities, are pulled into national culture wars.⁷ The platforms' advertising-based business model compounds these problems. It incents the use of algorithms to distribute content that is most likely to create user engagement - likes, shares, clicks - which can be sold as advertising inventory. That favors extreme content, inflammatory headlines - so-called clickbait - and divisive culture battles instead of complex, nuanced local stories without easy solutions.

But this contemporary media system did not arrive by accident, or happenstance, or even natural evolution. Our information environment is the result of policy choices made, or not made, since the country's founding to ensure the availability and quality of information available to citizens to engage in and support the democratic process. By understanding those choices and learning from them, we can purposefully shape the media environment in ways that better serve citizens, communities, and democracy itself. That understanding – including of the fact that there have been policy interventions to serve the information needs of citizens since the founding of the country – can also address a common objection to any government involvement to limit misinformation or promote trusted news sources. That is, that the current information environment is the product of "market forces" and are "what the people want."

Today, local news – the very foundation of how community needs for information are met – is in crisis. The statistics are well-documented, and ironic at a time when the internet has theoretically given consumers access to so many more sources of news and information for free. *The problem is that one of the most credible and most trustworthy sources of that news and information is drying up.* As the most comprehensive report on the state of local news noted in mid-2022:

Since 2005, the country has lost more than a fourth of its newspapers (2,500) and is on track to lose a third by 2025. Even though the pandemic was not the catastrophic "extinction-level event" some feared, the country lost more than 360 newspapers between the waning pre-pandemic months of late 2019 and the end of May 2022...

Digital alternatives remain scarce, despite an increase in corporate and philanthropic funding... Each state has at least one digital-only outlet. However, even established local digital news organizations often fail to attract the monthly traffic of television and local newspaper sites, somewhat diminishing the impact of the stories they produce. Four out of ten local sites are now nonprofit, supported by a combination of grants, sponsorship and donations. But whether

⁶ What Exactly is a "News Desert"? (2018, July 26). <https://www.cislm.org/what-exactly-is-a-news-desert/>

⁷ Mueller, J.-W. (2023, June 18). Opinion: How weakened local journalism created space for the culture wars. Los Angeles Times.

<https://www.latimes.com/opinion/story/2023-06-18/local-journalism-news-deserts-politics-democracy-propaganda>

nonprofit or for-profit, the vast majority of those sites are located in larger cities, leaving much of the rest of the country uncovered.

More than a fifth of the nation's citizens live in news deserts – with very limited access to local news – or in communities at risk of becoming news deserts. Seventy million people live in the more than 200 counties without a newspaper, or in the 1,630 counties with only one paper – usually a weekly – covering multiple communities spread over a vast area. Increasingly, affluent suburban communities are losing their only newspapers as large chains merge underperforming weeklies or shutter them entirely. However, most communities that lose newspapers and do not have an alternative source of local news are poorer, older and lack affordable and reliable high-speed digital service that allows residents to access the important and relevant journalism being produced by the country's surviving newspapers and digital sites. Instead, they get their local news – what little there is – mostly from the social media apps on their mobile phones.⁸

The impact of news deserts and the lack of civic information available to communities is far from theoretical. Citizens with strong local news are more likely to vote, feel more connected to their communities, are more likely to run for office, see more candidates emerge in elections, are less polarized and less likely to vote strictly along party lines, see less corruption, and experience lower long-term borrowing costs, according to one inventory of academic studies that shows in stark terms the impact journalism has on our democracy.⁹ And communities with relevant and credible local news are less likely to fall prey to disinformation narratives with potential for harm to safety, well-being, society and democracy.

One important note: The objective of this exploration is not to revive the media models of the past, to prop them up for the present, or even to replicate them for the digital age. Our American media system has not always served communities well, and in some cases it has even harmed them.¹⁰ Predominantly white, male, and European values-centric, and based on a commercial business model, news and media structures have, for example, often under-represented and/or distorted the contributions of other communities, furthered misrepresentations of them, and contributed to racism and polarization.¹¹ These realities helped spur the media reform movement of the early 2000s and the concept of media justice, which refers to grassroots efforts to transform media ownership and production in service of social justice. But the persistence of

⁸ Abernathy, P, & Franklin, T. (2022, October 4). The State of Local News 2022: Expanding News Deserts, Growing Gaps, Emerging Models. Northwestern University, Medill School of Journalism. Local News Initiative. https://localnewsinitiative.northwestern.edu/assets/the_state_of_local_news_2022.pdf

⁹ Democracy Fund (2022, September 15). How We Know Journalism is Good for Democracy. <https://democracyfund.org/idea/how-we-know-journalism-is-good-for-democracy/>

¹⁰ Coward, J. M. (1999). The Newspaper Indian: Native American Identity in the Press, 1820–90. University of Illinois Press; see also Media 2070: An Invitation to Dream Up Media Reparations. (n.d.). Media 2070. Retrieved May 25, 2023 from <https://mediareparations.org/>

¹¹ Skeath, A., & Macpherson, L. (2019). Gender Equity in the News Media. <https://www.fordfoundation.org/media/5489/grej-gender-media-report-102519.pdf>; see also Office of Justice Programs. (1967). Report of The National Advisory Commission on Civil Disorders. https://belonging.berkeley.edu/sites/default/files/kerner_commission_full_report.pdf?file=1&force=1

these structures implies that natural evolution or the “hand of the market” is insufficient to change them. Instead, we should learn from and use policy choices to foster a news environment that serves the needs of *all* communities, particularly those that have historically been under-served.

WHY FOCUS ON LOCALISM AND DIVERSITY

We'll probably need a whole-of-society approach to build a healthy and robust information environment.¹² Solutions may include equipping Americans with better tools to identify misinformation and disinformation and make informed choices about what information they share; expanding research into how disinformation is seeded and spread and how to counteract it; creating incentives for the technology platforms to change their policies and product design; fostering more competition and choice among media outlets; and convening stakeholders, including from the communities most impacted by misinformation, to research and design solutions – all while protecting privacy and freedom of expression.¹³ News organizations also have the responsibility to create new revenue streams (e.g., paywalls, subscriptions, memberships, or events, though these can introduce access barriers as described later); consider business model adaptation or transformation (e.g., cooperative or community ownership, public benefit structures, low- or nonprofit models, or blended models); and pursue strategic partnerships to facilitate growth or to share operational, financial, or development resources.

Public Knowledge is exploring a particular policy approach: increasing the health of our information environment by using policy interventions to further localism and diversity in media. The approach is grounded in two principles. The first is that the notion of trust, whether in a relationship or an institution, originates with proximity, connectedness, and experience. The closer the relationship, the higher the trust. One evidence for this is that even today, in an atmosphere of heightened distrust in our democratic institutions, local news consistently enjoys higher trust ratings from citizens.¹⁴ In fact, studies show that Americans who come into some kind of direct contact with local news organizations – like meeting a local journalist or seeing someone else be interviewed by one – tend to place more trust in the local media and have greater civic engagement in the local community.¹⁵

The second principle grounding Public Knowledge's approach is that communities are less likely to experience disinformation – either as targets or subjects – when they are empowered to tell

¹² Office of the Surgeon General (OSG). (2021). *Confronting Health Misinformation: The U.S. Surgeon General's Advisory on Building a Healthy Information Environment*. US Department of Health and Human Services. https://www.ncbi.nlm.nih.gov/books/NBK572169/pdf/Bookshelf_NBK572169.pdf

¹³ Ibid.

¹⁴ Fioroni, S. (2022, May 19). *Local News Most Trusted in Keeping Americans Informed About Their Communities*. Knight Foundation.

<https://knightfoundation.org/articles/local-news-most-trusted-in-keeping-americans-informed-about-their-communities/>

¹⁵ Ritter, Z., & Standridge, P. (2019, September 12). *Interaction With Local Media Tied to Trust in Local News*. Gallup. <https://news.gallup.com/opinion/gallup/266675/interaction-local-media-tied-trust-local-news.aspx>

their own stories on their own terms. In fact, Freedom’s Journal, the first Black-owned newspaper in the United States, was founded on the call, “We wish to plead our own cause. Too long have others spoken for us.”¹⁶ Cultural understanding, knowledge of language cues, and empathy for others with similar lived experiences can all contribute to relevance and meaning. Mobile phones and social media can empower – yes, for better and for worse – citizen journalists to ensure the stories in their communities are told. And to the extent that distrust of national news organizations, regardless of their viewpoint, is due to their association with “cognitive and cultural elites,” seeing members of one’s own community researching and reporting on news of local relevance may help build trust.¹⁷ Research shows that one reason many Americans do not feel well-served by the media is that it does not reflect the array of perspectives and experiences of “people like them” (though “reflecting the diversity of America” is seen as a less important role for news media than providing important civic information, holding leaders accountable, and being fair and accurate. Moreover, “diverse” meant different things to different respondents. Some respondents were referring to racial or ethnic diversity while others were referring to points on the political spectrum).¹⁸

Empowering local and diverse ownership and representation as a ground-up approach to news production may also be a superior way to ensure there is content relevant and beneficial to specific communities relative to top-down government mandates. This is an example of where we can learn from failure. For example, the Children’s Television Act (CTA) was passed by Congress in 1990 in response to the failure of the broadcast television industry to serve the educational and informational needs of children. Under new regulations that came into effect in October 1991, television stations and cable providers were required to report on their broadcasts of “programming that furthers the positive development of children 16 years of age and under in any respect, including the child’s intellectual/cognitive or social/emotional needs.”¹⁹ Commercial time was limited, and “program-length commercials” (that is, programming that depicts products as heroes or characters of the show) were prohibited. Despite the lengthy regulations, by 1992 there were reports that “children’s programming” still largely consisted of cartoons, reruns, and “raunchy talk shows.”²⁰ Regulations related to children’s programming, which had begun in the early 1960s, continued to evolve well into the 2020s.²¹

For our exploration, the focus is on “underserved communities,” which research shows are most likely to be BIPOC communities, non-English speaking immigrant communities, rural communities, and low-income people or people experiencing economic poverty. Accordingly, they may be located in traditionally conservative red counties or liberal blue cities. Our target is

¹⁶ Brown, S. (2022, March 23). Still Pleading Our Own Cause, The Black Press Marks 195th Anniversary. The Washington Informer.

<http://www.washingtoninformer.com/still-pleading-our-own-cause-the-black-press-marks-195th-anniversary/>

¹⁷ Wai, J., & Perina, K. (2018). Expertise in Journalism: Factors Shaping a Cognitive and Culturally Elite Profession.

https://www.journalofexpertise.org/articles/volume1_issue1/JoE_2018_1_1_Wai_Perina.html

¹⁸ A Deepening Divide (American Views 2020: Trust, Media and Democracy). (2020).

<https://knightfoundation.org/wp-content/uploads/2020/08/American-Views-2020-Trust-Media-and-Democracy.pdf>

¹⁹ Charren, P. (1997). A Field Guide to the Children’s Television Act. The Center for Media Education.

<https://www.media.mit.edu/explain/papers/cme-cta.pdf>

²⁰ Ibid.

²¹ Children’s Television Programming Rules; Modernization of Media Regulation Initiative. (2019). Federal Communications Commission (FCC). <https://www.fcc.gov/general/childrens-educational-television-rules-and-orders>

the public and policy community who are in a position to influence and shape policy. Our goal is to provide education and counsel to those who seek to use policy or funding to address the gaps in our civic information environment. Hopefully, the principles we define can lead to actionable, evidence-based policy solutions that can shape the information landscape to mitigate the impact of misinformation, particularly for underserved communities. We will provide examples of some of these solutions. Public Knowledge will place a premium on strategies that allow communities, whether small, rural news deserts or urban, multicultural diasporas, to tell and recognize their own stories on their own terms. That, in turn, calls for policies that further ownership, oversight, representation, and coverage of different communities in the media. To create that future, we need to understand the policy choices of the past.

FEDERAL SUPPORT FOR NEWS HAS A LONG PRECEDENT

For those who may object to a role for the government in news policy, it's important to remember that our nation has always used policy to ensure that the civic information needs of communities were met. The press, the so-called Fourth Estate, was so named because it was considered an essential moderator among the clergy, the nobility, and the common populace in European societies. Drawing upon that tradition, the American founders wrote in the Federalist Papers that the liberty of the press “shall be inviolably preserved.” (In fact, the press is the only industry cited in the country’s founding documents.) They found ways to provide content-neutral support – like postal subsidies, even though they weren’t universally popular at the time – to ensure access to a free press.²² As part of its premise that government activities must be transparent to the public, the *Acts of the First Session of the Congress* in 1789 required that Congressional bills, orders, resolutions, and votes be published in at least three publicly available newspapers.²³ Today, mandatory legal notices essentially represent a government subsidy for newspapers, though that money does not need to be spent on news gathering (in fact, it makes newspapers useful to hedge funds and other financially motivated owners as a source of income that doesn’t call for any reporting). Today, there are some that posit that since the First Amendment of the Constitution assumes the durability of a free press, the government *must* intervene as required to ensure its continued existence.²⁴

Despite its important constitutional role, today the United States federal government spends less in public funding per citizen on news than most other developed democracies. In terms of GDP per capita, the U.S. is perceived as an “outlier,” spending \$3.16 per person per year and ranking 25th among 33 nations studied, compared with Norway which spends \$110.73 on public

²² Waldman, S. (2023, April 2). There’s Already a Solution to the Crisis of Local News. Politico. <https://www.politico.com/news/magazine/2023/04/02/james-madison-subsidize-the-news-00090023>; see also Macpherson, L. (2021, May 26). The Free Press Is A Pillar of Our Democratic Infrastructure — and It’s Crumbling. Public Knowledge. <https://publicknowledge.org/the-free-press-is-a-pillar-of-our-democratic-infrastructure-and-its-crumbling-policy-makers-should-support-local-news-in-the-infrastructure-bill/>

²³ About Public Notice. (2013). Public Notice Resource Center. <https://www.pnrc.net/about-2/about-public-notice/>

²⁴ Minow, M. (2021). *Saving the News: Why the Constitution Calls for Government Action to Preserve Freedom of Speech*. Oxford University Press.

funding on news per capita, and is ranked first.²⁵ The same studies show a strong correlation between high, stable levels of funding for public media systems and, assuming that strong structural protections for the independence of those systems are in place, large-scale democratic benefits. This support can take many forms, including direct subsidies based on the number of journalists employed in Canada and Denmark, delivery and/or distribution subsidies in Norway, Sweden, and France, and reduced value-added tax in the United Kingdom.²⁶

REGULATION HAS ALWAYS REFLECTED CHANGES IN TECHNOLOGY AND SOCIETY

Fast forward from the founding fathers to the beginning of the telecommunications era, and a variety of more contemporary policy and regulatory choices emerge. They were invariably informed by two related forces: changes in the technology available for communications, and changes in how Americans were thinking about community representation. Contemporary policy choices must do the same for the digital age and for the goal of furthering equity and access to information.

We won't provide a comprehensive history of American telecommunications and media regulation, as much of it is not directly related to the propagation of locality or diversity or relevant to the digital age. Instead, we will conduct a general survey and extract from it the most important and relevant themes and developments for today's information environment.²⁷

Dating back to the first commercial introduction of the telegraph in the 1800s and extending into the telephone, broadcast radio, broadcast and cable television, and – ultimately – the internet, regulations have been of three main types.²⁸ Each is important in its own way for establishing the foundation and principles underlying policy choices designed to ensure open access and flow of information to citizens. They also establish the necessary role of policy and regulation in ensuring it.

Common Carriage Requirements

This refers to obligations on companies to offer their services without discrimination among customers or content. They first appeared at the national level in the U.S. in the Mann-Elkins Act of 1910, in which Congress declared both telegraph and telephone companies to be “common carriers.”²⁹ As such, they had to offer their services to all willing customers who were

²⁵ Neff, T., & Pickard, V. (2021). Funding Democracy: Public Media and Democratic Health in 33 Countries. *The International Journal of Press/Politics*. <https://journals.sagepub.com/doi/10.1177/19401612211060255>

²⁶ (Macpherson, 2021)

²⁷ Local Journalism: Innovative Business Approaches and Targeted Policies May Help Local News Media Adapt to Digital Transformation. (2023, January 5). U.S. Government Accountability Office (GAO). <https://www.gao.gov/assets/gao-22-105405.pdf>

²⁸ Wu, T. (2007). A Brief History of American Telecommunications Regulation. *Oxford International Encyclopedia of Legal History*, Vol. 5, p. 95, 2009. https://scholarship.law.columbia.edu/faculty_scholarship/1461

²⁹ Mann–Elkins Act of 1910, Pub. L. No. 61–218, 36 Stat. 539 (1910). <https://www.jstor.org/stable/pdf/1883490.pdf>

able to pay, and they had to charge reasonable rates set by a new regulatory agency (the industry's first) for the communications industry: the Interstate Commerce Commission.

The emergence of cable television provided the first technology that combined elements of broadcasting and common carriage to create new opportunities for local news programming. Initially, cable systems (under the name "community antenna television" or CATV) began as a means for communities with poor television reception to capture existing broadcast channels and deliver them by wire to people's homes. In a relatively short time, however, commercial operators began deploying cable systems in urban communities in order to offer additional programming channels as well as local broadcasts. Because cable operators required access to the public right of way to deploy their services, they needed permission from local authorities. These "local franchising authorities" (LFAs) frequently required cable operators to set aside excess capacity for local government programming (such as city council meetings), educational programming, and other kinds of public television.

With the Cable Act of 1984, Congress established a standard national framework for cable systems.³⁰ While the Cable Act largely preempted cable operators from local, state, or federal regulation, it did require all cable operators to secure a local franchise before beginning deployment or operation, and permitted localities to require cable operators to set aside a limited portion of their capacity of "public, educational, and government" (PEG) programming.³¹ Cable operators are prohibited from editing or otherwise interfering with transmission of PEG programming. LFAs are not obligated to request this set-aside.³² But if they do, they may either permit the cable operator to supervise access to the system or designate a third party to manage access.³³

PEG has proven to be a mixed success. In some communities, notably those in large urban areas such as New York City, access to PEG has produced vibrant local news and commentary. But other would-be local news providers have met numerous obstacles. First, cable operators need only provide access to capacity: Local news producers must still find funding for reporting and production of programming. Second, as cable providers have grown larger and more powerful, they've been more able to bully LFAs into forgoing PEG requests by threatening costly litigation.³⁴ Cable operators have also successfully lobbied the FCC to count PEG capacity toward their 5% cap on local franchise fees. This discourages LFAs from demanding PEG capacity as it requires the LFA to forgo franchise fee revenue.³⁵

³⁰ Cable Communications Policy Act of 1984, P.L. No. 549, 98 Stat. 2779 (1984).

<https://www.congress.gov/bill/98th-congress/senate-bill/66>

³¹ Tilling the Vast Wasteland: The case for reviving localism in public interest obligations for cable television., 126 Harv. L. Rev. (2013).

<https://harvardlawreview.org/print/vol-126/tilling-the-vast-wasteland-the-case-for-reviving-localism-in-public-interest-obligations-for-cable-television/>

³² Ibid.

³³ Ibid.

³⁴ Ibid.

³⁵ Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992. (2007). FCC.

<https://www.fcc.gov/document/implementation-section-621a1-cable-communications-policy-act-0>; see also <https://docs.fcc.gov/public/attachments/FCC-06-180A1.pdf>

Finally, cable operators have worked to undermine PEG viewership in favor of their own programming in a number of ways. Although cable operators cannot edit or obstruct PEG programming, they are not required by federal law to include them with the “basic tier” as they are required to do with broadcast channels. As a result, cable operators can move PEG channels around so that they can’t establish a regular audience. Additionally, cable operators have no obligation to pass through information about program content to their digital channel guides. As a result, viewers scanning cable channel guides looking for local news will have no way to discover that local news programming is available on PEG channels – or even to identify which channels are designated as PEG channels.

As the PEG experience demonstrates, while providing common carriage protections for local news can facilitate local news production, it is not enough. Policy must also ensure that local news production has adequate resources, and that facilities providers cannot undermine efforts to develop audience loyalty.

In 2015, using provisions of the Communications Act of 1934, the FCC classified internet service providers as common carriers for the purpose of enforcing net neutrality (though this was later reversed).³⁶ More recently, some have proposed that social media companies be regulated as common carriers.³⁷ Public Knowledge disagrees that common carriage should be extended to this layer of the digital technology stack. We believe strongly that our information environment would be healthier and more supportive of civic values if there were *more* content moderation, not less. We also maintain that legislative solutions that seek to apply common carriage to social media companies will pose Constitutional challenges, since social media companies are private entities with their own First Amendment rights and content moderation is expressive conduct. That said, we advocate for policies, such as the American Innovation and Choice Online Act, that prohibit social media companies from certain key types of discrimination such as unfairly preferencing their own products, or otherwise discriminating anti-competitively, while preserving their ability to do content moderation.³⁸

Interconnection Requirements

"Interconnection" in the context of communications networks refers to policies and practices that allow disparate systems operated by different entities (and by extension their users) to communicate with each other. Interconnection requirements are another form of policy that ensures the free and open flow of information. Interconnection policies also ensure that network effects (a phenomenon whereby a product or service, like a social media platform, gains

³⁶ Protecting and Promoting the Open Internet. (2014). FCC.

<https://www.fcc.gov/document/protecting-and-promoting-open-internet-nprm>; see also https://transition.fcc.gov/Daily_Releases/Daily_Business/2015/db0312/FCC-15-24A1.pdf

³⁷ Villasenor, J. (2022, October 27). Social media companies and common carrier status: a primer. Brookings. <https://www.brookings.edu/blog/techtank/2022/10/27/social-media-companies-and-common-carrier-status-a-primer/>

³⁸ American Innovation and Choice Online Act, S. 2992, 117th Congress (2022). <https://www.congress.gov/bill/117th-congress/senate-bill/2992/text>

additional value as more people use it, since they can reach more people) do not have to lead to, or solely benefit, monopolies. This allows for the entry of new players and more vibrant competition among players to suit different customers and their distinct needs and preferences.

The easiest way to understand interconnection requirements is to refer to specific examples. The two most notable examples are the public switched telephone network and the internet. They achieve interconnection in different ways, but both were furthered through government policy and intervention.

Policies calling for interconnection requirements were first manifested in the U.S. in the so-called “Kingsbury Commitment” in 1913. That year, the U.S. filed an antitrust lawsuit against AT&T to break up its growing monopoly in the phone service market. To avoid Congress moving forward with its exploration of nationalizing the long distance telephone network, AT&T agreed to allow independent local telephone companies to use AT&T’s critical long distance infrastructure to connect to customers of non-AT&T telephone companies, among other things. As Public Knowledge noted upon the 100th anniversary of the Kingsbury Commitment:

*The Kingsbury Commitment became one of the first federal actions underscoring the importance of interconnection to enabling competition among communications networks and the importance of ensuring network build-out to all Americans. Federal law subsequently recognized the significance of interconnection by requiring carriers to physically connect with one another and detailing the interconnection obligations of telecommunications carriers.*³⁹

Fast forward to 1984, and another development involving AT&T’s monopoly provides additional instruction. After years of complex FCC proceedings that began in the 1960s, the Department of Justice brought an antitrust lawsuit against AT&T in 1974. Although it was primarily focused on fostering competition in several distinct telecommunications markets, the Modified Final Judgment, as the ultimate court divestiture order came to be known, held several important provisions that enabled the free flow of information.⁴⁰ For example, the seven now-local independent telephone companies – the “Baby Bells” – that resulted from the breakup were prohibited from electronic publishing. This prohibition would allow new entrants to electronic publishing to enter the market areas of the Baby Bells without fear that the Baby Bells, each the dominant communications services provider within its own service area, would provide the new entrant with facilities inferior to the facilities being provided to the Baby Bell’s own electronic publishing services, thereby preventing any new entrant from gaining a strong foothold. For similar reasons, the Baby Bells were prohibited from entering the long distance business: to eliminate any incentive the Baby Bells would have to discriminate between the connections to the local facilities offered to their own long distance company and other providers of long distance service. The antitrust court was thus able to resolve many of the concerns that had been in proceeding before the FCC for many years.

³⁹ Griffin, J. (2013, December 20). 100th Anniversary of the Kingsbury Commitment. Public Knowledge. <https://publicknowledge.org/100th-anniversary-of-the-kingsbury-commitment/>

⁴⁰ *United States v. American Tel. and Tel. Co.*, 552 F. Supp. 131 (D.D.C. 1983).

Beyond these developments, interconnection between components of the global publicly switched telephone network – which may encompass telephone lines, fiber optic cables, switching centers, cellular networks, satellites and cable systems – is managed by treaty, and international bodies such as the International Telecommunications Union (ITU).

The internet achieves interconnection through different systems, but it, too, was facilitated through government policy. In fact, the internet itself began as “Arpanet,” an effort of the Defense Department’s Advanced Research Projects Agency (DARPA) in the late 1960s. For years, use of Arpanet and its cousin for civilian agencies, “NSFNet,” was restricted to government agencies, universities, and companies that did business with those entities. Eventually, commercial but closed services such as CompuServe, Prodigy, and AOL provided access to individual subscribers. As awareness grew of the benefits of connectivity and interoperability, standards and protocols were developed to allow services to connect with one another (culminating in the World Wide Web in the early 1990s) and allow easier location and sharing of information online. All of these were facilitated through government policy and investment.⁴¹

Today, on top of the globally interconnected network of networks of computers that comprise the internet, there are a number of applications that use the internet’s general-purpose infrastructure that share its interconnected nature. Also, in a repeat of the centralization/decentralization cycle that characterized the early internet, we are seeing a newer generation of internet services such as Mastodon that take inspiration from these earlier services in an effort to avoid the dangers of centralized services like Facebook and Twitter.

Scarcity Management

Resource scarcity, in the form of broadcast spectrum, became a propellant and focal point for regulation with the rise of broadcast radio in the 1920s. For example, the Radio Act of 1927 granted public ownership and regulatory powers and established the notion of tying broadcast licenses to the serving of “public convenience, interest or necessity.” That is, because of the scarcity of radio frequencies, the FCC could condition its renewal of broadcast licenses on compliance with its regulations.⁴² Over time, the concept of scarcity management gave the FCC one of its most important tools: the power to use the initial grant of a broadcast license and then subsequent renewals (originally every three years) to achieve policy objectives. They could take into account the extent to which the licensee served the local community, including through news production. In fact, the FCC required licensees to go through a process of “ascertaining the needs of the community” and providing programming that addressed them. For example, the FCC had a “main studio rule” that required each AM radio, FM radio, and television broadcast station to have a main studio located in or near its local community in order to ensure the station’s participation in and knowledge of community activities (the rule was eliminated in 2017

⁴¹ Fritzing, S. (2012, October 3). How Government Sort of Created the Internet. Foundation for Economic Education. <https://fee.org/articles/how-government-sort-of-created-the-internet/>

⁴² Radio Act of 1927, Pub. L. No. 69-632, 44 Stat. 1162 (1927). <https://www.fcc.gov/document/radio-act-1927-established-federal-radio-commission>

as part of a deregulatory wave described below).⁴³ These policy objectives and outcomes could be beneficial – such as using license renewals to get disinformation purveyors off the air – or harmful – such as limiting distribution of licenses to white male owners.⁴⁴

For years, the FCC also regulated media ownership “as a means of promoting diversity, competition, and localism in the media without regulating the content of broadcast speech.”⁴⁵ This included the national television multiple ownership rule; the local television multiple ownership rule; the radio-television cross-ownership rule; and the dual network rule. These have been eliminated in deregulatory waves over the years.

The Supreme Court case of *Red Lion Broadcasting Company v. FCC* furthered this principle in a way that is relevant to our thesis. It provides another example of how the government has intervened to ensure that speech – including the resources required to generate speech – is fostered in order to preserve fundamental democratic principles. In this case, Red Lion challenged the constitutionality of the Fairness Doctrine, an FCC policy that required the holders of broadcast licenses to present controversial issues that were important to the public and to do so in a manner that fairly reflected differing viewpoints.⁴⁶ *Red Lion* established that while radio broadcasters hold important free speech rights under the First Amendment, those rights could be restricted as required by the FCC to further the public interest by ensuring equitable use of scarce broadcasting frequencies. It foregrounded the rights of citizens – also under the First Amendment – to receive a wide variety of views:

Because of the scarcity of radio frequencies, the Government is permitted to put restraints on licensees in favor of others whose views should be expressed on this unique medium. But the people as a whole retain their interest in free speech by radio and their collective right to have the medium function consistently with the ends and purposes of the First Amendment. It is the right of the viewers and listeners, not the right of the broadcasters, which is paramount. It is the purpose of the First Amendment to preserve an uninhibited market-place of ideas in which truth will ultimately prevail, rather than to countenance monopolization of that market, whether it be by the Government itself or a private licensee. "[S]peech concerning public affairs is more than self-expression; it is the essence of self-government." Garrison v. Louisiana, 379 U. S. 64, 74–75 (1964). It is the right of the public to receive suitable access to social, political, esthetic, moral, and other ideas and experiences which is crucial here. That right may not constitutionally be abridged either by Congress or by the FCC.⁴⁷

⁴³ Elimination of Main Studio Rule. No. 17–106. FCC, Media Bureau (2017).

<https://docs.fcc.gov/public/attachments/DOC-347382A1.pdf>

⁴⁴ Ivy Planning Group, LLC. (2000, December 15). Whose Spectrum is it Anyway: Historical Study of Market Entry Barriers, Discrimination, and Changes in Broadcast and Wireless Licensing, 1950 to Present. FCC.

https://transition.fcc.gov/opportunity/meb_study/historical_study.pdf

⁴⁵ 2002 Biennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996. (2002). FCC.

<https://docs.fcc.gov/public/attachments/FCC-02-249A1.pdf>

⁴⁶ *Red Lion Broad. Co. v. FCC*, 395 U.S. 367, 369 (1969).

⁴⁷ *Id.* at 389–90.

Regulatory initiatives by the FCC sometimes spurred or accompanied industry efforts at self-regulation. For example, in early 1952 the National Association of Broadcasters (NAB) adopted a set of ethical standards called the Code of Practice for Television Broadcasters (“the Television Code”) in part to avoid the government putting in place an advisory board to oversee programming. One highly relevant clause called for news reporting to be “factual, fair and without bias” and for commentary and analysis to be “clearly defined as such.” It also called for broadcasters to “give fair representation to opposing sides of issues.”⁴⁸ The code was amended several times before it was eliminated in 1983 after a judge ruled that several of its other stipulations violated the Sherman Act.⁴⁹

In addition to evolutions and advances in technology (and in the application of laws that govern them), American telecommunications and media regulation has mirrored changing societal attitudes about community representation and how best to serve the public interest not just in aggregate but for the needs of distinct audience segments. For example, one framework describes how the FCC's regulatory “experiments” for broadcast content regulation in the public interest reflect four regulatory periods, each of which manifests a different view on how best to address a changing society:⁵⁰

1. A “melting pot” approach (in the 1920s, with the rise of radio, to the 1950s) wherein the FCC viewed programming as needing to be well-rounded and stations had a goal to serve the entire listening area. This early period of FCC regulation focused on promoting programming of service to the community, but also to address hate-mongering, disinformation, and harassment. However, in this era, “the interest lay in encouraging homogeneous media that served to provide American society with a single assimilative voice.”
2. A “community representation approach” (1960s and 1970s, against a backdrop of advances in civil rights and social justice) when the FCC shifted from trying to encourage a single voice to trying to preserve the voices of smaller communities within the broader society.
3. A deregulatory, market approach (1980s), in which the Commission ceded control of broadcasting formats to the market, assuming that the market would prompt stations to provide the programming desired by the public. They believed that the advent of cable television (and later, one could posit, the internet) would allow if not require new competitors to emerge and meet the needs and wants of ever-narrower audience segments in order to drive revenue and profit. Theoretically, the interests of diverse and local audiences would be well served by the hand of the market.
4. A targeted re-regulatory approach (1990s and 2000s), in which protection of the public interest was revived but confined principally to the protection and education of

⁴⁸ The Television Code. (1952). National Association of Radio and Television Broadcasters (see page 4.).

<https://worldradiohistory.com/Archive-NAB-Publications/NAB-The-Television-Code-1952.pdf>

⁴⁹ *United States v. National Ass'n of Broadcasters*, 553 F. Supp. 621 (D.D.C. 1982).

⁵⁰ Levi, L. (2008). The Four Eras of FCC Public Interest Regulation, 60 Admin. L. Rev. 813.

https://repository.law.miami.edu/cgi/viewcontent.cgi?article=1379&context=fac_articles

children. Again, this has an analogy in the present day, when there is the greatest bipartisan support for protecting the privacy and safety of children on digital platforms. This era also placed an emphasis on disclosure requirements for companies rather than prohibiting behaviors outright.

PRINCIPLES FOR FURTHERING LOCALISM AND DIVERSITY

These two frameworks – one outlining key developments in media and communications law and one framing how those developments have mirrored changes in attitudes about how best to achieve community representation – serve as our foundation. Public Knowledge believes they legitimize and inform the use of policy interventions to address market failures, further democratic goals, and balance rights across stakeholders to ensure fairness, free expression, and equitable access to information. They also show the need to periodically (if not continually) evolve the application of principles to reflect both advances in technology and the interests of distinct communities as well as the commons overall.

From these twin frameworks and what we know about the current information environment, we can extract a series of key principles for policy solutions to foster localism and diversity in media as a means of mitigating disinformation and its harms.

Root Policy Interventions in the Public Interest

A public interest theory for media policy intervention is based on the premise that “democratic society needs robust journalism to survive, and that the current economics of the internet do not sufficiently support the journalism we need.”⁵¹ It taps the history of telecommunications law to recognize and renew the role and responsibility of the media to serve “public convenience, interest or necessity.”

In the United States, we’ve mandated certain industries to conduct some of their activities in the public interest, either to guarantee the availability of certain goods and services or to address externalities that are not taken into consideration when unregulated firms make their decisions. For example, as we’ve established, the Communications Act of 1934 recognized the essential role of radio and television in the nation’s public discourse and democratic self-governance, and imposed upon licensees an obligation to serve “the public interest, convenience and necessity.” The U.S. has also done this in other industries that are deemed critical infrastructure, such as utilities and finance. The same philosophy and framework can be applied to local news.

Many proposals for a public interest approach to news implicate the dominant digital platforms. But this is not meant to be a punitive approach. As Public Knowledge has written:

⁵¹ Feld, H. (2021, February 9). America Needs a Public Interest Approach To Solving Big Tech Harms To News. Public Knowledge. <https://publicknowledge.org/america-needs-a-public-interest-approach-to-solving-big-tech-harms-to-news/>

The public interest obligations approach does not turn on whether or not dominant platforms engage in bad behavior or receive an unfair benefit. Rather, the public interest obligation theory recognizes that we have a classic market failure. The current market does not produce a valuable public good (here, news). We therefore place obligations on those most capable within the current market (dominant platforms) to correct this market failure by supporting local news production.⁵²

Current examples of media policy rooted in the public interest and that implicate “those most capable within the current market” include various proposals for taxing the revenues of the dominant digital platforms in order to create a “trust fund,” administered by an independent body, for allocation to news organizations meeting certain criteria.⁵³

Public Knowledge has its own version of such a proposal, a “Superfund for the Internet.”⁵⁴ In it, we propose using public policy tools to create a market mechanism that would address toxic disinformation while addressing the crisis in local news. The proposal posits that the dominance of digital platforms in our political and social discourse qualifies them for a public interest mandate. The Superfund for the Internet compels the dominant information distribution platforms to include fact-checking in their content moderation approach, as a means of serving the public interest. It would create demand for news analysis services such as fact-checking from the major information distribution platforms, and incentivize development and supply of these services as a new revenue source among qualified news organizations, which already have highly developed practices for fact-checking. Rather than a tax on revenues, however, we propose a user fee based on qualifying platforms’ number of monthly active users, which can reasonably be correlated with scale and potential for harm. The criteria for allocation of funds from the trust fund could favor news outlets in underserved communities, that are owned or led by representatives from distinct communities, or that leverage non-commercial business models (more on why we favor those models later).

This approach can be contrasted with the so-called “unjust enrichment theory,” a current version of which posits that the dominant digital technology platforms, Google and Facebook, have been unjustly enriched by siphoning digital advertising dollars from traditional media, and should be obligated to share that largesse with publishers and broadcasters.⁵⁵ (The factors contributing to the declines in both circulation and advertising revenue for local news are actually far more complex.) One current policy proposal rooted in this theory is the Journalism Competition and

⁵² Ibid.

⁵³ Macpherson, L. (2021, March 2). Addressing Information Pollution with a “Superfund for the Internet.” *Wikimedia Initiative/ Yale Law School on Intermediaries and Information (WIII)*. (See Footnote 51 for further explanation). <https://law.yale.edu/isp/initiatives/wikimedia-initiative-intermediaries-and-information/wiii-blog/addressing-information-pollution-superfund-internet>

⁵⁴ Macpherson, L. (2020, December 23). A Superfund for the Internet Could Clean Up Our Polluted Information Ecosystem. Public Knowledge. <https://publicknowledge.org/a-superfund-for-the-internet-could-clean-up-our-polluted-information-ecosystem/>

⁵⁵ (Feld, 2021)

Preservation Act (JCPA), a bill first introduced on a bipartisan basis in 2020.⁵⁶ The JCPA, which is largely the handiwork of the dominant news trade association, the News Media Alliance (NMA), would exempt news organizations from antitrust laws so they can join together to negotiate (and ultimately enter into arbitration) with dominant platforms for a share of the advertising revenue the NMA believes accrues to news content. It faces multiple challenges.⁵⁷ For example, we believe the JCPA undermines well-established copyright law, strongly discourages content moderation by platforms, entrenches existing power structures in media and technology, and will do little to put more reporters on the beat, especially in underserved communities.⁵⁸

In practice, rooting policy interventions in the public interest may require converging on a definition for *how effectively* local news serves the public interest (i.e., what is “public interest journalism”) as the basis of allocating resources. However, as a recent report from the Government Accountability Office pointed out, “There is no universally accepted definition of public interest journalism.”⁵⁹ In this report, we define public interest journalism as journalism that covers issues of public significance to engage citizens and inform democratic decision-making, including investigative journalism that focuses on civically important topics.”⁶⁰

Preserve Editorial Independence

Traditionally, some policymakers and news organizations have been deeply skeptical about government assistance for news, and its impact on editorial content. Even the founding fathers argued about the impact of postal subsidies that would allow “sin-city newspapers” into rural towns.⁶¹ Poorly designed policies, policies developed with a partisan bent, or policies vulnerable to reversal at moments of political turnover can jeopardize editorial independence, threaten a truly *free* press, and create even more financial instability for news organizations. But there are ways to structure policy interventions so they preserve editorial independence. They need to be structured in a way that is content-neutral and nonpartisan, even though that means the policies may support editorial content or viewpoints contrary to one’s own (or one’s party’s own). (There is an analogy in the nonprofit sector: our IRS structure may allow tax-free status to organizations that work at cross-purposes, but overall it allows for mission-oriented work that would otherwise not get funded or done.) This can be achieved with careful attention to how criteria for eligibility are set, how and by whom funds are allocated, and through specification of how funds can be used, among other strategies. One current federal proposal that is structured in this way is the Local Journalism Sustainability Act (LJSA).⁶² It consists of a series of tax

⁵⁶ Journalism Competition & Preservation Act, S. 1094, 118th Cong. (2023). <https://www.kennedy.senate.gov/public/cache/files/7/9/798f8a54-27be-47eb-86c3-b51a737df326/B2A18BA8A5BE7806055644225F74A870.kennedy-journalism-competition-and-preservation-act.pdf>

⁵⁷ See JCPA Resources. (n.d.). Public Knowledge. Retrieved June 2, 2023, from <https://publicknowledge.org/jcpa-resources/>

⁵⁸ Ibid.

⁵⁹ (Local Journalism, 2023)

⁶⁰ Ibid.

⁶¹ (Waldman, 2023)

⁶² Local Journalism Sustainability Act, H.R. 3940, 117th Cong. (2021). <https://www.congress.gov/bill/117th-congress/house-bill/3940/text>

credits that empower citizens, small businesses, and newsrooms themselves to support news outlets that are most relevant to their needs.⁶³ Assuming they satisfy some consistent and foundational requirements, all news outlets qualify. Several states have proposed one or the other of the three credits through their own legislation (a tax credit to consumers to subscribe or donate to a local newsroom; a tax credit to small businesses that advertise in local news; or a tax credit for newsrooms to hire or retain local reporters). Public Knowledge advocates in favor of the LJSA.

Emphasize Community Needs

Ever since the seminal report, “The Information Needs of Communities: the Changing Media Landscape in the Broadband Age,” was published by the Federal Communications Commission in 2011, experts have emphasized the need to “assess the information health of a community, [looking] not only at abundance of media outlets, diversity of voices and competition, but also at reportorial resources, including full-time reporting, producing and editing staff.”⁶⁴ The focus of such an assessment needs to be on civic information and civic media, not generic information and certainly not entertainment, and not preservation of particular past business models. Today, “local news” may be provided via a “ghost newspaper” with no local reporters that sources its content exclusively from wire services while harvesting money from legal and public notice advertising about community meetings it no longer sends reporters to cover. Or, it’s provided by a “local broadcaster” running canned content required by a corporate parent with a political agenda. These do not serve community or civic needs. In fact, as a more recent report called “The Roadmap for Local News: An Emergent Approach to Meeting Civic Information Needs” notes, “The goal should not be to save legacy businesses that remain in decline, but instead to meet the civic information needs of all individuals and communities.”⁶⁵ This means favoring underserved communities where the need is highest, not where the power of the editorial or lobbying purse on policymakers is greatest.

A framework described earlier in this paper recounted how attitudes about community representation – and therefore media policy – have changed over time. Today, one key change brought about by the internet is a redefinition of “community” – from being almost exclusively geographically proximate to being often online and geographically dispersed, yet still sharing common characteristics or needs. One recent report, “A Deep Dive into the Sustainability Needs and Concerns of Community Media Outlets,” defined community media as “the news outlets that are the primary and/or most trusted source of information for a hyper-specific audience or cohort, be it racial, ethnic, linguistic, or other trait-defined group.” The report noted:

For communities of color and immigrants, community media is often the only place to be engaged in civic discourse, learn about community happenings, and find out about

⁶³ Ibid.

⁶⁴ Waldman, S. (2011). The Information Needs of Communities: The changing media landscape in a broadband age. https://transition.fcc.gov/osp/inc-report/The_Information_Needs_of_Communities.pdf

⁶⁵ Green, E., Holliday, D., & Rispoli, M. (2023, February 2). The Roadmap for Local News: An Emergent Approach to Meeting Civic Information Needs. Local News Roadmap. <https://localnewsroadmap.org/wp-content/uploads/2023/02/The-Roadmap-for-Local-News-Feb-2-23.pdf>

*opportunities or concerns. In many ways, community media outlets act as a vibrant town square. Many of these publications contain the “news from home,” focused on home countries and the political and social issues occurring there...Communities of color and immigrants often rely on their own news outlets as the only trusted sources of information. Yet these news outlets remain largely invisible to mainstream media, public officials, the nonprofit sector, advertisers and philanthropic organizations.*⁶⁶

The ability to serve “hyper-specific audiences” can also have a downside. In some cases, it has allowed new media sources to arise that cater to communities that feel underserved and under-represented, or misrepresented and aggrieved. Unfortunately, these outlets can also sometimes concentrate the sense of shared identity and community that can foster the adoption and spread of disinformation and conspiracy theories.

Engage the Community You Seek To Serve

As noted above, our contemporary information landscape is more complex and more fragmented than in the past. Whether they exist online or down the street, communities are deeply specific and “local” in their needs. The recent report noted above, “The Roadmap for Local News,” says that “the emerging models best meeting these information needs tend to be non-commercial, work within existing community networks, and operate differently from traditional news providers.”⁶⁷ Understanding and leveraging existing community networks, including their trusted messengers, requires community insight. That, in turn, means that policy interventions may not be best developed or executed at the federal or even state level – or, federal and state policy needs to be generously informed by local experts. It is essential that advocates and policymakers engage people in the community as to how to best serve its needs. Those needs will vary, so policy solutions should emphasize general operating support, or investments in shared services that can be applied at the local level. Policies should also focus on the production and accessibility of civic information that meets community needs, without regard to who the producer or what the business model may be.

Favor Innovators and New Business Models

As the Government Accountability Office report cited above noted, the primary goal of public policies should be to preserve the *function of journalism* rather than specific local news outlets or business models.⁶⁸ In fact, there is a lot of evidence that the traditional commercial business model for news, mostly predicated on advertising, has translated in the digital age to an emphasis on engagement, clicks, and eyeballs in order to create more “inventory” of viewers’ attention – and by extension, inflammatory content, clickbait, and “infotainment.”⁶⁹ Furthering

⁶⁶ Ruiz, L., & Porter, C. (2023). A Deep Dive into the Sustainability Needs and Concerns Among Community Media Outlets. (p.3).

<https://www.lenfestinstitute.org/wp-content/uploads/2023/05/A-Deep-Dive-into-the-Sustainability-Needs-and-Concerns-Among-Community-Media-Outlets.pdf>

⁶⁷ Ibid.

⁶⁸ (Local Journalism, 2023)

⁶⁹ Murtha, J. (2015, July 13). What it's like to get paid for clicks. Columbia Journalism Review.

https://www.cjr.org/analysis/the_mission_sounds_simple_pay.php

this model does little to improve our information environment. And some of the ways digital news outlets have created alternative revenue streams – such as paywalls and subscriptions – mean they are not accessible to everyone.

One framework endorsed by over 3,000 newsrooms calls for policy interventions that are “future-friendly and platform-neutral,” so they can help both local players and innovators.⁷⁰ They should also be focused on helping newsrooms develop sustainable business models, not just fund “projects” (which may be subject to bias) or be vulnerable to time-bound renewals.

Over the past ten years or so, the realization of the hazards of commercial business models for news, combined with the need to better serve distinct communities, has led to a number of new initiatives focused on philanthropic or nonprofit models for news.⁷¹ The nonprofit model, financed by a combination of public funding and philanthropy, could be a particularly viable strategy for targeting low-income communities that find paid access to news restrictive. These models are conducive to incentives, such as tax incentives for philanthropic investment in local news or for news conglomerates to “replant” for-profit outlets in community soil.⁷²

Unfortunately, though nonprofit models show promise, most growth in news philanthropy so far has been for outlets that “are well established, tend to be nationally or globally focused, and have larger overall budgets.”⁷³ Public policy interventions and incentives should be structured to favor a wider array of community news outlets with a particular focus on the underserved as defined above.

Consider Reparative Models

Given new technologies and attitudes about community representation, as outlined in the twin frameworks above, we can also consider solutions that use policy in a transformational and reparative way. Policy solutions should reflect continued movement toward community representation and social justice, even extending to reparative media interventions, and they should promote substantial, long-term investment that informs and empowers citizens, especially in underserved and marginalized communities.⁷⁴

⁷⁰ Solutions: Our Plan. (n.d.). Rebuild Local News. Retrieved June 2, 2023, from <https://www.rebuildlocalnews.org/solutions/our-plan/>

⁷¹ Glaser, M. (n.d.). Considering Supporting Local News as a ‘Public Good’? Here’s the Whole Story. Knight Foundation. Retrieved June 2, 2023, from <https://knightfoundation.org/considering-supporting-local-news-as-a-public-good-heres-the-whole-story/>

⁷² Waldman, S. (2020, September 18). A Replanting Strategy: Saving Local Newspapers Squeezed by Hedge Funds. Center for Journalism & Liberty. <https://www.journalismliberty.org/publications/replanting-strategy-saving-local-newspapers-squeezed-by-hedge-funds/>

⁷³ Tameez, H. (2021, June 15). Nonprofit journalism grew in 2020. Nieman Lab. <https://www.niemanlab.org/2021/06/nonprofit-journalism-grew-in-2020-and-individual-donors-played-an-increasingly-large-part/>

⁷⁴ Bell, A., Reyes, D., Torres, J., & Watson, C. (n.d.). The Business of Forging a Shared Future Begins With Media Reparations. ALI Social Impact Review. Retrieved June 2, 2023, from <https://www.sir.advancedleadership.harvard.edu/articles/the-business-of-forging-a-shared-future-begins-with-media-reparations>

Ensure Appropriate Regulatory Support

We have discussed how new, evolved, or renewed regulators as well as regulations have been required to ensure that the public interest is protected. Often, this has taken the form of a dedicated, empowered regulator with both the expertise and the agility to understand and address both technological and societal change.

There is a clear analogy for the digital age. Our contemporary information landscape, including the harms to democracy stemming from disinformation, is associated with centralized and dominant power; collection, aggregation, and exploitation of user data, often without informed consent; and nontransparent and unaccountable algorithms that distribute content based on a profit model rather than the public interest. A dominant role in social and civic discourse is played by a handful of the largest and most powerful private corporations that have ever existed on the planet and that operate almost entirely without regulation of their core business models. We've seen in the AT&T breakup case how synergy between regulation and antitrust enforcement can result in the key remedies needed to rein in the excesses of dominant corporations. Public Knowledge believes we need the same two solutions to address the problems Big Tech is creating for users, news business models, society, information, and innovation today. We actively advocate for both a more rigorous approach to antitrust enforcement and competition policy, and a dedicated digital regulator for the technology sector.⁷⁵

POLICY OPTIONS AND RECOMMENDATIONS

Against the backdrop of these principles, we can evaluate a number of policy proposals that have been put forward to help local news, and frame some other alternatives. We've discussed a few examples of federal policy – the Journalism Competition and Preservation Act, the Local Journalism Sustainability Act, and a “Superfund for the Internet” – as examples above.

Increasing Public Funding

Given the bipartisan agreement on the need for solutions to the crisis in local news, simply increasing the amount of funding directed to existing public media channels seems like it should be a pretty accessible option. The U.S. public media system comprises hundreds of local and regional radio and television stations. For radio, organizations such as National Public Radio (NPR), Public Radio Exchange (PRX), and American Public Media produce and distribute programming. Individual stations also produce nationally syndicated original journalism. On the television side, PBS NewsHour produces an evening newscast that airs on local Public Broadcasting Service (PBS) stations around the country. Radio and TV stations as well as PBS itself have digital operations as well.⁷⁶ One form of policy could be to call for increased federal

⁷⁵ Kramer, A. (2022). A Lesson From the Landmark AT&T Breakup: Both a Sector-specific Regulator and Antitrust Enforcers Were Needed. Public Knowledge. <https://publicknowledge.org/policy/a-lesson-from-the-landmark-att-breakup-both-a-sector-specific-regulator-and-antitrust-enforcers-were-needed/>

⁷⁶ Barthel, M., & Worden, K. (2021, June 29). Public Broadcasting Fact Sheet. State of the News Media. <https://www.pewresearch.org/journalism/fact-sheet/public-broadcasting/>

funding to the Corporation for Public Broadcasting (CPB), a private, nonprofit corporation authorized by Congress that supports public broadcasting. Provisions in its funding already allow specific adjustments when it provides public radio and television grants to stations that serve rural and minority populations. Radio stations that serve these audiences (also known as Minority Audience Service Stations) receive a “multiplier” in the calculation of their community service grants.

One point in favor of this solution is the relatively high level of trust citizens place in public media. We are considering policy options in an environment of declining trust in journalism as well as other democratic institutions, and, if anything, partisan divides in news consumption and trust have been widening.⁷⁷ Against a backdrop of extreme political polarization and wide divisions in the sources the two parties turn to for news, both PBS and NPR still rank among news organizations with the highest ratio of trust to distrust among Americans overall.⁷⁸ One survey found that Americans say they trust PBS, specifically, twice as much as commercial broadcast TV, three times more than newspapers, and five times more than cable channels.⁷⁹ Research also shows that more than half of Americans are open to government funding to ensure news is available to everyone free of charge. In fact, about one in five Americans (22%) say government funding should “always” be used, while another third (33%) say it “depends” on the content and which news organizations get funded. (Forty-four percent are unequivocally against using government funds to ensure free access to news.)⁸⁰

Another potential benefit is the unique qualifications public broadcasting may have to mitigate against disinformation. Due to the trust it enjoys, its ubiquity, its ideological frame of public service, its locality, and its funding and institutional structure, among other reasons, public media may be uniquely qualified to be a “bulwark” against disinformation.⁸¹

But gaining support for a broader role for public media is not that easy, most notably because among right-leaning and conservative audiences and politicians, our public media channels have long been considered a “liberal forum for public affairs and journalism.”⁸² Both PBS and NPR are “more distrusted than trusted” among American adults who self-identify as

⁷⁷ Gottfried, J., & Liedke, J. (2021, August 31). Partisan divides in media trust widen, driven by a decline among Republicans. Trust in Media. <https://www.pewresearch.org/short-reads/2021/08/30/partisan-divides-in-media-trust-widen-driven-by-a-decline-among-republicans/>

⁷⁸ Mitchell, A. (2014, October 30). Which news organization is the most trusted? The answer is complicated. Trust in Media. <https://www.pewresearch.org/short-reads/2014/10/30/which-news-organization-is-the-most-trusted-the-answer-is-complicated/>

⁷⁹ Pbs Publicity. (2015, February 20). National Survey Confirms that PBS and Member Stations Are America’s Most Trusted Institution and an “Excellent” Use of Tax Dollars for 12th Consecutive Year. PBS. <https://www.pbs.org/about/about-pbs/blogs/news/national-survey-confirms-that-pbs-and-member-stations-are-america-as-most-trusted-institution-and-an-excellent-use-of-tax-dollars-for-12th-consecutive-year/>

⁸⁰ News in America: Public Good or Private Enterprise? (American Views 2022: Part 1). (2022).(pp. 35-37) <https://knightfoundation.org/wp-content/uploads/2022/10/American-Views-2022-pt1.pdf>

⁸¹ Aufderheide, P. (2020). US Public Broadcasting: A Bulwark against Disinformation? In *The Disinformation Age: Politics, Technology, and Disruptive Communication in the United States*. Cambridge University Press.(pp. 213-237). <https://doi.org/10.1017/9781108914628>

⁸² Gonzalez, M. (2017). “Is there any justification for continuing to ask taxpayers to fund NPR and PBS?” Knight Foundation. <https://knightfoundation.org/public-media-white-paper-2017-gonzalez/>

“consistently conservative.”⁸³ Partly as a result of these views, CPB is already chronically underfunded relative to other developed democracies.⁸⁴ It has also been a candidate for defunding under several administrations in favor of charitable foundations, corporations and individuals. It’s unlikely that this will shift significantly in the foreseeable future. A last barrier is the increasing resistance and activism among Republican lawmakers against the study and mitigation of disinformation, including at universities and research organizations that receive federal funding, in the belief that they are colluding with the government to suppress conservative speech online.⁸⁵ (While mentioned in the public media context, this development, which reaches its apotheosis in the House Judiciary Select Subcommittee on the Weaponization of the Federal Government, may deter *any* federal policy interventions focused specifically on mitigation of disinformation.)

As challenging as it may be, an even more assertive approach would be to revisit and revise the Public Broadcasting Act of 1967, which created the Corporation for Public Broadcasting, to reflect changes in technology and refocus its mandate on meeting the information needs of communities. As one such proposal noted:

A revised and reauthorized act would identify and direct resources to needs that contemporary telecom content providers are not meeting and adjust the allocation of federal appropriations. Such changes would include greater support for locally focused content, particularly journalism, produced by public media licensees...

Thus, the stage is set for public media to embrace a new role as oases in news deserts. The organizational structure is already there and includes more than 1,000 public radio license holders, all nonprofit entities that augment modest federal grants with local community support. The challenge lies, however, in extending the reach of public media local journalism to the many small cities and towns that find themselves in news deserts. CPB, to its credit, has recognized the problem and sought to address it through its Regional Journalism Collaborations, grant-based stations that produce and share original programming. The 1967 act limits CPB’s discretion to support individual stations beyond a formula dictated by its Community Service Grants, which comprise the bulk of its funding and are keyed to population. The Regional Journalism Collaborations, to adjust for that, focus on specific regional issues, such as immigration in the Southwest or agriculture in the Midwest.⁸⁶

Leverage Existing Investments

⁸³ Mitchell, A., Gottfried, J., Kiley, J., & Matsa, K. (2014). Political Polarization & Media Habits. Pew Research Center. <https://www.pewresearch.org/journalism/2014/10/21/political-polarization-media-habits/>

⁸⁴ Pickard, V., & Neff, T. (2021, June 2). Strengthen our democracy by funding public media. Columbia Journalism Review. <https://www.cjr.org/opinion/public-funding-media-democracy.php>

⁸⁵ Myers, S. L., & Frenkel, S. (2023, June 19). G.O.P. Targets Researchers Who Study Disinformation Ahead of 2024 Election. The New York Times. <https://www.nytimes.com/2023/06/19/technology/gop-disinformation-researchers-2024-election.html>

⁸⁶ Husock, H. (2023, February 9). How a Revamped Public Broadcasting Act Would Help Public Media Fill News Deserts. American Enterprise Institute - AEI. <https://www.aei.org/op-eds/how-a-revamped-public-broadcasting-act-would-help-public-media-fill-news-deserts/>

There is a way to increase government spending in local news in less direct ways that don't impact the taxpayer or require new Congressional authorization. We have seen several states and localities direct their government agencies to focus the public interest advertising *they already do* in local news outlets, including newspapers, radio and TV stations, and digital sites. For example, in New York City in 2019, Mayor Bill de Blasio's Executive Order 47 required that city agencies spend half of their print and digital advertising budgets in "community and ethnic media outlets."⁸⁷ To implement the order, the city created the Advertising Boost Initiative, a mutually beneficial consulting program designed to help community and ethnic media outlets access their fair share of city agencies' advertising budgets, and to help the agencies' marketing staff and external advertising agencies effectively reach the communities they intend to serve.⁸⁸ The city of Chicago recently implemented a similar program, and some states (California, Colorado) and other cities may follow suit.⁸⁹ These types of initiatives, which Public Knowledge generally supports, must be executed in ways that ensure government agencies are still reaching their intended audiences effectively and efficiently, and that the advertising monies are not being allocated unfairly or punitively. (Advertising spending by the federal government has been estimated at \$1 billion, but none of the state orders so far provide a dollar figure so it's hard to know how much of the funding gap they fill.)⁹⁰

This strategy of increasing public funding for news could also take the form of indirect subsidies, such as subsidized postage rates for magazines and newspapers (though these are inherently not platform-neutral). Another option is changing restrictions on the ability of local governments to post public notices in digital-only news businesses (some currently require printed delivery).

Spurring New Business Models

Because of the hazards of an ad-supported business model (described above), there has been a lot of experimentation with alternative business models for news. These include nonprofit and philanthropic models, shared service models, and public/private partnerships (see below), among others. While these show tremendous promise, all of them need support to gain scale. This means that policy solutions need to address the administrative and business management needs of emerging and new news organizations, not just their needs for more reporters, photographers, and editors.

One study focused specifically on understanding how to scale nonprofit news organizations described the challenges nascent newsrooms face after receiving one-time seed grants from foundations to get up and running. Nonprofit news organizations tend to be small, with modest budgets, and have a mission of using as much funding as possible to actually do the work of

⁸⁷ NY City Executive Order [de Blasio] No. 47. <https://www.nyc.gov/assets/mome/pdf/mayor-executive-order-47.pdf>

⁸⁸ Advertising Boost Initiative. (2020). The Center for Community Media at the Craig Newmark Graduate School of Journalism. <https://abi.journalism.cuny.edu/nyc-ad-spending-2020/introduction/>

⁸⁹ Yin, A. (2022, October 26). Chicago pledges half of city ad dollars to local, ethnic media. Chicago Tribune. <https://www.chicagotribune.com/politics/ct-chicago-media-lori-lightfoot-advertising-spending-20221026-nvp35giusfcxrpeq4u4rib4ts4-story.html>

⁹⁰ Federal Advertising: Contracting with Small Disadvantaged Businesses and Those Owned by Minorities and Women Has Increased in Recent Years. (2018, July 17). U.S. GAO. <https://www.gao.gov/assets/gao-18-554.pdf>

journalism. In a survey, more news organizations (54%) identified business, marketing and fundraising as the area of greatest staffing need, compared with 39% who said the top need was for more editorial employees. In addition, nearly two-thirds of the nonprofits (62%) cited “finding the time to focus on the business side of the operation” as a major challenge. This is compounded by nonprofit monitoring agencies that reward organizations for spending money on program services instead of business and revenue development.⁹¹

Similarly, in the report diving into the sustainability needs among community media outlets, publishers serving racial, ethnic or linguistic communities report that they need help creating succession plans and transitioning to new leadership, and need access to technical expertise and resources about new and consistent forms of revenue, marketing and brand-building, more information about ways to seek capital, and business and digital transformation training.⁹² And one of the most resounding findings from a report noted above, “The Roadmap for Local News,” was that “emerging civic information networks require investment in shared services and infrastructure”, such as legal support, bookkeeping and accounting, market research, fundraising, compliance and risk management, fiscal sponsorship, and talent recruitment.⁹³

One study specifically focused on understanding philanthropic funding trends for journalism supporting diversity, equity and inclusion found that relatively little funding is going toward financial sustainability efforts for journalism supporting racial and ethnic groups. This could potentially cause problems for struggling ethnic media outlets that receive funding for specific journalism projects but not for building financial sustainability within their organizations.⁹⁴

Relative to the mission of putting more reporters on the beat and fighting disinformation, investments in infrastructure or the development of shared services may seem mundane and unglamorous. In fact, several recent legislative proposals, such as the California Journalism and Preservation Act (a twist on the Journalism Competition and Preservation Act), contain well-intended provisions designed to ensure that any funds gained from the policy are used exclusively to fund journalists and support staff. This may be necessary for a policy instrument best suited to sustaining legacy business models already at scale. But for some emerging and young news organizations, business-building capabilities are essential, and relevant policy interventions and investments should be structured in ways that scope them in. This might take the form of favoring general operating support and not specific projects or job roles when making grants, or of directly funding a shared services model such as the National Trust for Local News.⁹⁵ Policy can be written in ways that ensure support for deployment and execution without allowing funds to also be used for financial transactions or rewarding executives or shareholders. Civic information organizations can also be encouraged through policy to

⁹¹ Mitchell, A., Jurkowitz, M., Holcomb, J., & Anderson, M. (2013). Nonprofit Journalism: A Growing but Fragile Part of the U.S. News System. <https://www.pewresearch.org/journalism/2013/06/10/nonprofit-journalism/>

⁹² (Ruiz & Porter, 2023, p.2)

⁹³ (Green et al., 2023, p.17)

⁹⁴ Donnelly, K., & Clark, J. (2018). Supporting Diversity, Equity, and Inclusion in Journalism: Trends in National Grantmaking. Democracy Fund. (p.18). <http://democracy.issuelab.org/resources/30954/30954.pdf>

⁹⁵ Investing In Local News. (n.d.). National Trust For Local News (NTLN). Retrieved June 22, 2023, from <https://www.nationaltrustforlocalnews.org>

leverage the services of other knowledge institutions and intermediaries, like libraries and universities.

Fostering Philanthropic Funding

One non-commercial business model that has gained particular momentum is a nonprofit structure, or one based on philanthropic contributions. Their (generally) small size, mission orientation, lack of commercial interests, and beneficent funding model often allow nonprofit news outlets to be closer and more connected to their communities. This has made “nonprofit” one of the most promising models for the future of journalism, and this is more than a qualitative assessment: the Institute for Nonprofit News (INN) recently reported record numbers in terms of both membership and financial outcomes for members.⁹⁶

There is an array of policy solutions available to sustain this momentum. For example, one bill introduced in the 117th Congress, the Saving Local News Act, would make it easier for “written news organizations” (including those that distribute their content digitally) to claim nonprofit status.⁹⁷ It would address concerns about the strict requirement for educational value of news content that have slowed down IRS approvals. Public Knowledge supports this proposal.

It is noteworthy that some recent policy proposals, including the JCPA, have excluded nonprofit news organizations from eligibility for benefits because of concerns about so-called “pink slime journalism.” That phrase refers to algorithmically-driven “news” organizations that mimic trusted local news organizations in the names on their mastheads yet mostly push partisan agendas and content from outside those communities.⁹⁸ (It is also why many membership organizations focused on local news, such as the Institute for Nonprofit News and Local Independent Online News Publishers, have such rigorous membership criteria.) While this is potentially an issue, Public Knowledge believes the broader rule about IRS qualification applies here, too: our IRS structure may allow tax-free status to organizations that work at cross-purposes, and that we may not ourselves support, but overall it allows for mission-oriented work that would otherwise not get funded or done.

Tax policy is probably one of the most effective ways to spur grants and donations to nonprofit news organizations. As noted above, the Local Journalism Sustainability Act offered a refundable tax credit to citizens that subscribed *or donated* to local news organizations of their choice (assuming they met some standard basic criteria), and several states have adopted this provision in their own proposals. Grants can target support toward the neediest news organizations or news deserts and the most important topics. Tax rules could also be constructed in ways that focus eligibility on news organizations that produce original material. For example, the Local Journalism Sustainability Act requires that news organizations have as

⁹⁶ Brady, J. (2023, June 13). Nonprofit, indie local publishers a bright spot in media. News @ Knight. <https://newsatknight.substack.com/p/nonprofit-indie-local-publishers>

⁹⁷ Saving Local News Act, H.R. 6068, 117th Cong. (2021). <https://www.congress.gov/bill/117th-congress/house-bill/6068/text>

⁹⁸ Zickgraf, R. (2022, August 15). Perspective | How ‘pink slime’ journalism exploits our faith in local news. Washington Post. <https://www.washingtonpost.com/outlook/2022/08/12/pink-slime-journalism-local-news/>

their primary content “original content derived from primary sources” and that they employ at least one local news journalist who resides in the local community.

Direct government grants can also be considered here (this is the structure of the New Jersey Civic Information Consortium described below). In 2019 and 2020, Public Knowledge worked with the office of Senator Maria Cantwell to develop a proposal for a journalism grants program, similar to the grants program administered through the National Science Foundation but focused specifically on news organizations. The proposal didn’t make it across the legislative finish line, for a number of reasons. But we learned enough to help codify its guiding principles through one of our coalitions, the Rebuild Local News Coalition. Grant programs from government entities should have a bipartisan governing body, build high political firewalls (normally by being set up as an independent body), be content- and platform-neutral, have a dedicated funding stream, benefit from advance appropriations (as the CPB does), and be completely transparent.⁹⁹ By following these guidelines, government grants have the greatest chance of being, and being seen as, free from political influence. Another way to do this would be for the government to make grants to organizations with existing expertise and grantmaking apparatus, such as NewsMatch. It is a collaborative fundraising campaign specifically designed to support nonprofit news in the U.S.¹⁰⁰

The most significant disadvantage to a philanthropic model for news is that it favors news organizations that are large enough to have people and expertise in fundraising and grant applications (though this can be eased with shared services models as described above). And so far, it has also favored large, national organizations, which are still the major beneficiary of philanthropy. (In fact, one stakeholder we interviewed, when we described this project, suggested that the Rapoport Foundation make its next generous gift as a grant to the Texas Tribune!) Journalism has also been a focus of philanthropy by “beneficent billionaires,” like Jeff Bezos and the Washington Post, Laurene Powell Jobs and The Atlantic, John Henry and the Boston Globe, and Patrick Soon-Shiong and the L.A. Times.

Replanting in Community Soil

Another ambitious proposal – one forwarded by the leader of one of Public Knowledge’s news coalitions – focuses on finding richer, more nutritious “soil” for legacy news organizations currently held by hedge funds, venture capital firms, and news conglomerates. Such a strategy would have two components:

First, there needs to be a new private, nonprofit “replanting fund” that would actively work to replant these newspapers into new structures. The Fund would identify newspapers that would be prime candidates (based on factors such as print and digital subscribers, social following, and reputation); assess community organizations that might host them (based on need, community support, financing, equity goals, and

⁹⁹ Solutions: Grants. (n.d.). Rebuild Local News. Retrieved June 22, 2023, from <https://www.rebuildlocalnews.org/solutions/grants/>

¹⁰⁰ NewsMatch. (n.d.). NewsMatch. Retrieved June 22, 2023, from <https://newsmatch.inn.org/>

leadership); and provide support services (legal representation, technology, and operating capital) to help them succeed. This might include not only newspapers held by financial institutions but also family-owned papers that have heroically tried to serve their communities but are out of time and money.

Second, we need public policy changes to make replanting more likely and to curb the deleterious effects of local news consolidation in general. These policies would provide incentives for chains to donate newspapers to the communities they serve instead of closing them, while tightening antitrust law to discourage excessive consolidation.¹⁰¹

In this scenario, the government could provide community-grounded organizations with incentives such as payroll tax credits, pension relief, and loan guarantees, and sellers or donors could receive various tax incentives and benefits. It could also create special incentives or subsidies for the sale of news outlets or broadcast stations to minority owners or entrepreneurs in underserved news deserts.

Nurturing Public/Private Partnerships

Given the challenge of getting bipartisan support at the federal level, there is a lot of energy about news policy moving to the states. One of the most exciting developments of the past few years is represented by the New Jersey Civic Information Consortium, an independent, 501(c)(3) nonprofit organization that funds initiatives to meet the information needs of New Jersey's communities. The Civic Information Consortium was created in 2018 and being the first partnership of its kind needed to "figure out" not only how to gain political support but how to ensure compliance with the types of policy principles we've outlined above. Led by a nonprofit, nonpartisan advocacy organization (Free Press), the Consortium brings together six of New Jersey's leading institutions of higher education. The Consortium is eligible for funding from the State of New Jersey and can also obtain funds from private foundations, individuals, and other charitable organizations. It's governed by a 16-member Board of Directors, which includes representatives of the six member universities. It has given out over \$6 million in three years, and recently received \$4 million from the state of New Jersey for additional grants focused on "projects that address information gaps and news deserts, educate aspiring media makers of color, and/or serve marginalized communities."¹⁰²

Fostering Competition

One of the biggest factors in our distorted news environment in the U.S. has been that of "might meeting might": that is, a very small number of dominant digital platforms serving as conduits for – and indirectly influencing – the content of an increasingly concentrated news industry.

¹⁰¹ Waldman, S. (2020). A Replanting Strategy: Saving Local Newspapers Squeezed by Hedge Funds. Center For Journalism & Liberty.

<https://www.journalismliberty.org/publications/replanting-strategy-saving-local-newspapers-squeezed-by-hedge-fund>

¹⁰² About the Consortium. (n.d.). New Jersey Civic Information Consortium. Retrieved June 22, 2023, from <https://njcivicinfo.org/about/>

Illustratively, at their peak in 2017 Google and Meta combined controlled 54.7% of all U.S. digital ad revenue.¹⁰³ About a third of Americans regularly get their news from Facebook alone.¹⁰⁴ Just as important as their scale is the impact of their highly targeted algorithmic distribution. As one article described:

Google and Facebook manage what we (and they) consider important, interesting, and “relevant” to us. They do so through pervasive surveillance of billions of people around the world and massive computational power that guides both companies in their advertisement-targeting efforts.

Almost every company in...the content level must pay heed to the algorithmic power of both Google and Facebook. Google and Facebook drive viewers, readers, and clickers to one site over another. Editorial decisions at news publications often reflect assumptions about what will generate clicks on Google and shares on Facebook. That makes everything shallower and more abrasive. Thoughtful, measured content sinks in the digital stream.¹⁰⁵

Public Knowledge saw some success last Congress on “reining in” Big Tech’s monopolistic practices through popular (but ultimately unsuccessful) legislative proposals such as the American Innovation and Choice Act and the Open App Markets Act. But there’s been less focus on addressing consolidation in the media industry. In the early 2000s, propelled by venture capital firms and hedge funds and enabled in part by the deregulatory wave described above, a wave of mergers and consolidations reshaped the media landscape, especially for newspapers. Today the largest 25 newspaper ownership chains own a third of the 6,700 surviving American newspapers, including 70 percent of the 1,260 newspapers that still circulate daily.¹⁰⁶ Research studies imply that the journalistic quality of these newspapers has become less important, with fewer reporters filing fewer stories of local civic importance.

Now there are discussions in news coalitions about a potential role for antitrust enforcers and a return to a focus on localism and diversity on the media side of the equation. One summary of potential strategies, “How to Stop Vulture Funds from Killing Local News,” describes how Congress could modify antitrust law to resemble the FCC’s approach to overseeing the broadcast industry. The Justice Department and FCC could recenter localism and diversity in its

¹⁰³ Fischer, S. (2022, December 20). Slow fade for Google and Meta’s ad dominance. Axios Media Trends. <https://www.axios.com/2022/12/20/google-meta-duopoly-online-advertising>

¹⁰⁴ Walker, M., & Matsa, K. (2021, September 20). News Consumption Across Social Media in 2021. Pew Research Center’s Journalism Project. <https://www.pewresearch.org/journalism/2021/09/20/news-consumption-across-social-media-in-2021/>

¹⁰⁵ Vaidhyanathan, S. (2021, May 21). The New Nightmare Scenario for the Media. Slate. <https://slate.com/business/2021/05/att-warnermedia-discovery-hbo-media-concentration-facebook-google.html>

¹⁰⁶ Abernathy, P. (2020). News Deserts and Ghost Newspapers: Will Local News Survive? The UNC Center for Innovation and Sustainability in Local Media. <https://www.usnewsdeserts.com/reports/news-deserts-and-ghost-newspapers-will-local-news-survive/the-news-landscape-in-2020-transformed-and-diminished/the-new-media-giants/>

consideration of broadcast media mergers, among other interventions.¹⁰⁷ While there are no active legislative proposals of this nature at the federal level, they are worth considering.

Structuring Fellowships

After a proposal to create a grantmaking body to distribute public funds failed to pass the legislature in California, creative policymakers designed an alternative: a \$25 million, state-funded fellowship program specifically designed to provide more reporters in underserved and historically underrepresented areas. California Assembly Bill 179, a funding bill, included a provision, administered by UC Berkeley Graduate School of Journalism, that will enable early career journalists from historically marginalized groups to enter the field, strengthen local reporting across the state, and combat the gaps in credible local news coverage that have been filled by disinformation. All newsrooms meeting certain minimum requirements are eligible for placement of fellows, but “a particular focus will be put on newsrooms that provide local coverage for underserved and historically underrepresented communities.”¹⁰⁸ The first cohort will begin in September of 2023. There are similar fellowship programs in New Mexico and Washington, both in partnership with universities.¹⁰⁹

Another benefit of fellowship programs is that they can help address the trust gap directly if they do open up the field to people from marginalized communities. A very recent transnational study focused on “how misrepresentation and underrepresentation of disadvantaged communities [including American rural audiences] undermine their trust in news.” It found that respondents lost trust in news sources when “they sensed that journalists lacked the lived experience or knowledge to understand the realities of what their lives were like and the needs of their communities. Most groups saw journalists as out of touch, aloof, or even prejudiced. This was often anchored in beliefs, implicit or explicit, that journalists came from more privileged backgrounds – something that is generally backed by evidence.” These citizens often turned to social and alternative media for news, which meant risk of exposure to narratives of disinformation, or they turned to community media and networks.¹¹⁰

Assuming that they are designed appropriately (for example, in how they determine eligibility for participation, and how and by whom the candidates are selected and assigned), Public

¹⁰⁷ Waldman, S. (2023, April 5). How to Stop Vulture Funds From Killing Local News. Washington Monthly. <http://washingtonmonthly.com/2023/04/04/how-to-stop-vulture-funds-from-killing-local-news/>

¹⁰⁸ State funds Berkeley Journalism \$25 million to strengthen California’s local news coverage. (2022, September 7). The UC Berkeley Graduate School of Journalism. <https://journalism.berkeley.edu/state-funds-berkeley-journalism-25-million-to-strengthen-californias-local-news-coverage/>

¹⁰⁹ Local News Fellowship Program. (n.d.). New Mexico Local News Fund. Retrieved June 26, 2023, from <https://www.nmlocalnews.org/fellowship/>; see also. WA Legislature establishes fellowship for journalism in the public interest. (2023, April 26). Senate Democrats: Putting People First. <https://senatedemocrats.wa.gov/keiser/2023/04/26/wa-legislature-establishes-fellowship-for-journalism-in-the-public-interest/>

¹¹⁰ Ross Arguedas, A., Banerjee, S., Mont’Alverne, C., & Toff, B. (2023). News for the powerful and privileged: How misrepresentation and underrepresentation of disadvantaged communities undermine their trust in news. The Reuters Institute for the Study of Journalism. <https://reutersinstitute.politics.ox.ac.uk/news-powerful-and-privileged-how-misrepresentation-and-underrepresentation-disadvantaged>

Knowledge supports these types of programs. They are somewhat modeled on Report for America, a “national service program that places emerging journalists into local newsrooms across the country to report on under-covered issues.”¹¹¹

Leveraging Laboratories of Democracy

As noted above, a lot of the most creative policy solutions for local news are emerging at the state and local level - and we support this momentum. They provide experiments that can be measured and evolved to create proof points of what works and what can scale. In some ways, it's even better that there is so much action below the federal level, since can-do state and local governments are sometimes more empowered to act and evolve based on what they learn. They may also be more in touch with the civic needs of communities and populations to which they are accountable. Public Knowledge actively monitors and when possible lends support to these initiatives, including through coalitions such as the Rebuild Local News Coalition, the Working Group on Local News, and the Media Power Collaborative.

CONCLUSION

For our conclusion, we want to return to the original topic of disinformation: what it is, why and how it can harm communities, and what to do about it.

As research for this paper, a member of the Public Knowledge team attended “Nobel Prize Summit 2023: Truth, Trust and Hope,” co-sponsored by the Nobel Foundation and the National Academy of Sciences. The Summit brought together Nobel laureates, leading experts and the public in a conversation on how we can combat misinformation and build trust in science, scientists, and the institutions they serve. One of the most intriguing sections of the Summit featured a talk by Peter McIndoe, the founder of a parody social movement called “Birds Aren’t Real.” That is a performative conspiracy theory, which posits that in the late 1970s birds were all replaced by drone replicas installed by the U.S. government to spy on Americans.

The original purpose of the movement was to “fight lunacy with lunacy” - that is, show the lunacy behind contemporary conspiracy theories by manifesting an equally elaborately constructed one. But in defending the idea that “birds aren’t real,” McIndoe had his real revelation: that conspiracy theories are not just about *belief* in an alternative theory of the world. They can rarely be countered simply by reciting litanies of counter-narrative facts. Instead, they’re about *belonging* - that is, people’s susceptibility to disinformation, including conspiracy theories, is driven by a need for community, kinship and identity. The “Birds Aren’t Real” movement was framed primarily as a nonviolent alternative to real conspiracy theories, but it tapped the same emotional needs for those turning to the internet for a sense of belonging they are missing IRL (in real life).

¹¹¹ Report for America. (n.d.). Retrieved June 26, 2023, from <https://www.reportforamerica.org/>

Our thesis is that one strategy for countering disinformation and its impact on communities is to lean into the notion of community, kinship, and identity: to use media policy to empower communities to tell the stories of their lives in authentic, relevant, and culturally-appropriate ways. We have rooted this thesis in precedent by showing how it extends a history of evolving media policy to reflect changes in technology as well as changes in attitudes about community representation. We've laid out principles derived from this history and demonstrated that there is already a range of policy options available that align with those principles.

All we may be missing for action to empower communities to meet their own civic information needs is one critical ingredient: political will. It's challenging to get anything done in Washington these days, there are ongoing mixed views about the role of public media, and now there is an emerging counter-narrative about the role of government in disinformation and content moderation that may make it even harder to gain agreement on a path forward.

Thus our title: *Go Local!* With less polarization, in general, on local civic issues; more locally accountable, can-do local political players; greater insight into community needs and interests; and an increasing number of passionate news advocates creating energy at the state level, in the short term local policy may be the best way to experiment and learn on the impact of media policy designed to empower communities. Public Knowledge will continue to advocate for smart and productive policies to support the civic information needs of communities at every level.