



Statement of Carolyn Maloney
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I want to thank our witnesses for joining us today to discuss the future of newspapers and their impact on the economy and our democracy.

The newspaper industry has experienced serious financial problems resulting from dwindling advertising revenues, falling print subscriptions, and a fundamental change in the way people get their news.

Recently, the plight of the newspaper industry has been punctuated by substantial job losses, downsizing at various bureaus and the halting of either printed editions or business-wide operations.

According to the Bureau of Labor Statistics, newspaper publishers cut nearly 50,000 jobs between June 2008 and June 2009, a record rate of job cuts representing 15 percent of its workforce.

Regional outlets like the Seattle Post-Intelligencer and the Detroit Free Press have either scaled back or halted printed editions, while others like the Rocky Mountain News and the Cincinnati Post were closed entirely.

Though a decline in printed newspaper readership is partly to blame for recent developments, there are multiple factors contributing to newspapers' declining quality and profitability.

Technological change has created structural challenges for newspapers which were reliant on subscription and classified ad revenues to cover operating costs.

On top of that, the current recession has eroded advertising revenues substantially. Between 2006 and 2008, ad revenues declined 23 percent from \$49.5 billion to \$38 billion and are expected to fall further during 2009. The way information moves today can make even the tech-savviest New Yorker's head spin.

Today's Kindle-clutching, iPhone toting subway rider who braves the rush hour commute spends every waking hour in a world of nonstop news and information which none of us could have ever imagined just a few years ago.

Digital media, bloggers, news aggregators, and citizen journalists all on the internet have forever altered the speed at which news and ideas are disseminated.

And while there are many out there chronicling what ails our country's newspapers, community newspapers continue to shut down their presses, and not nearly enough is being done to find ways to preserve these institutions that are so critical to our democracy.

Last week, I introduced [H.R. 3602](#), a bill which will enable local newspapers to take advantage of non-profit status as a way to preserve their place in communities nationwide. Since the ratification of the Bill of Rights, the federal government has acknowledged that the press is an institution which is afforded special protections by name.

In this spirit, I think that the government can help foster solutions for this industry in ways which protect the independence of newspapers and enables their objective reporting to thrive in a new economic and media climate.

In so many ways, the change brought about by the digital media amplifies what is written in newspapers. The internet and mobile devices extend news and information in a way that opens dialogues to more and more aspects of our life.

The internet has allowed anyone, regardless of background or world view to express themselves, connect with others, and access an entire world of electronic information.

Journalists play a critical role in monitoring the activities of individuals and institutions that are supposed to be working in the public interest. As our witness Dr. Starr put it, they provide a "civic alarm system." The absence of a vigilant media may even allow corruption to flourish unchecked.

In addition, studies show that journalism fosters civic engagement by the population at large. A recent study showed that when the Cincinnati Post shut its doors, voter turnout in local elections dropped precipitously. Without our newspapers, we lack a critical uniting feature which fosters broad participation in our democracy and community functions.

Minority-owned publications are among the hardest hit by recent trends and more must be done in order to ensure that these institutions continue their important public service. The reporting done by minority-owned newspapers is a critical voice in communities across the nation that must be preserved.

It's clear that we need to explore alternative business models to ensure an independent and vibrant press in the 21st century.

I look forward to the testimony of our witnesses in helping this committee to do so.

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