

# Written Testimony of Steven Waldman, President of Rebuild Local News

Senate Commerce Committee, February 10, 2026

Thank you Chairman Cruz for inviting me, and for your salient comments in the past about the importance of local news. And thank you Senator Cantwell for your strong leadership in trying to advance public policies to help local news.

Rebuild Local News is a nonpartisan group that develops and advocates First-Amendment-friendly public policies that strengthen community news. The Rebuild Local News Coalition includes 55 publisher associations, foundations, labor unions, journalists groups and civic groups. Together they represent 3,000 newsrooms and 15,000 journalists around the country – though the views here are my own and don't necessarily represent those of the member associations.

As you know, local news has collapsed. Approximately 3,500 newspapers in the past twenty years have disappeared, representing more than 40% of the total which have closed.<sup>1</sup> On average, two newspapers close each week. There's been a 75 percent drop in the number of reporters in the past 20 years.<sup>2</sup> In 2002, there were about 40 reporters per 100,000 people. Now, that number is 8.2.<sup>3</sup> According to the Local Journalist Index, 184 of Texas's 254 counties, about 72 percent, fall below the already anemic national average, while 20 of Washington's 39 counties, just over 51 percent, are in the same position.<sup>4</sup>

And of course, just to underline that no place is immune, last week we learned that *The Washington Post* would be reducing its metro staff by 70 percent, as part of a massive cut to their newsroom. The local news crisis is spreading.

As a result of the drop in the number of reporters and outlets, many communities have little or no local reporting on government, schools, courts, or public safety. This collapse has real consequences for how communities govern, how public dollars are spent, and how residents stay informed.

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<sup>1</sup> Medill School of Journalism, State of Local News / News Desert Project, Northwestern University. 2025. <https://localnewsinitiative.northwestern.edu/projects/state-of-local-news/2025/report/>

<sup>2</sup> Muck Rack and Rebuild Local News. 2025. The Local Journalist Index. <https://muckrack.com/research/local-journalist-index>

<sup>3</sup> Rebuild Local News & Muck Rack, Local Journalist Index.

<sup>4</sup> The LJI also shows that the statewide average journalist density is 5.9 in Texas and 7.7 in Washington, both below the national level. National, State and County-level journalist density is drawn from the Local Journalist Index (LJI), produced by Rebuild Local News in partnership with Muck Rack.

There are financial impacts. Communities with less local news had lower bond ratings, higher financing costs, and higher taxes.<sup>5</sup> They have more government corruption and more government waste.<sup>6,7</sup> Communities that suffer from a loss of local news are also linked to increased regulatory violations and organizational wrongdoing.<sup>8</sup>

The civic life of communities is undermined. The contraction has contributed to a significant drop in local civic knowledge and participation in the United States. Those who follow local news closely are more likely to engage in activities with civic organizations such as sports leagues, church groups or charity organizations' civic activities.<sup>9</sup> Evidence also suggests that the decline of local news is linked to higher loneliness, especially in rural communities.<sup>10</sup>

The basic health of the political system declines. Declines in local news result in less knowledge about public officials and less civic knowledge<sup>11</sup>, voters are less likely to have an opinion about their member of Congress,<sup>12</sup> less likely to be able to name things they like or dislike about their representative.<sup>13</sup> In 1966, 70% of voters could name their mayor. In 2016 only 40% of voters could.<sup>14</sup> Communities with less local news have lower voting rates, and those that do regularly vote are more likely to follow local news.<sup>15,16</sup> The members of Congress who get less coverage in the local

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<sup>5</sup> Pengjie Gao, Chang Lee, and Dermot Murphy, "Financing Dies in Darkness? The Impact of Newspaper Closures on Public Finance," *Journal of Financial Economics* 135, no. 2 (February 2020): 445–467, <https://doi.org/10.1016/j.jfineco.2019.06.003>.

<sup>6</sup> Matherly, T., & Greenwood, B. N. (2024). *No news is bad news: The internet, corruption, and the decline of the Fourth Estate*. *MIS Quarterly*, 48(2), 699–714. <https://doi.org/10.25300/MISO/2023/17869>; Filipe R. Campante and Quoc-Anh Do, "Isolated Capital Cities, Accountability, and Corruption: Evidence from US States," *American Economic Review* 104, no. 8 (August 2014): 2456–81, <https://doi.org/10.1257/aer.104.8.2456>.

<sup>7</sup> Pengjie Gao, Chang Lee, and Dermot Murphy, "Financing Dies in Darkness?"

<sup>8</sup> Heese, Jonas & Pérez-Cavazos, Gerardo & Peter, Caspar David, 2022. "When The Local Newspaper Leaves Town: The Effects Of Local Newspaper Closures On Corporate Misconduct," *Journal of Financial Economics*, Elsevier, vol. 145(2), pages 445-463.

<sup>9</sup> Michael Barthel et al., "Civic Engagement Strongly Tied to Local News Habits,".

<sup>10</sup> Hayes, Danny and Trivedi, Anusha, Loneliness and the Local News Environment (February 05, 2026). Available at SSRN: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=6183182](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=6183182)

<sup>11</sup> Danny Hayes and Jennifer L. Lawless, "As Local News Goes, so Goes Citizen Engagement: Media, Knowledge, and Participation in US House Elections," *The Journal of Politics* 77, no. 2 (April 2015): 447–62, <https://doi.org/10.1086/679749>.

<sup>12</sup> Danny Hayes and Jennifer L. Lawless, "The Decline of Local News and Its Effects: New Evidence from Longitudinal Data," *The Journal of Politics* 80, no. 1 (October 18, 2017): 332–36, <https://doi.org/10.1086/694105>.

<sup>13</sup> James Snyder Jr. and David Strömberg, "Press Coverage and Political Accountability," *Journal of Political Economy* 118, no. 2 (April 2010): 355–408, <https://doi.org/10.1086/652903>.

<sup>14</sup> Hayes and Lawless, *News Hole*, 2.

<sup>15</sup> Jessica Bruder, "Is the Death of Newspapers the End of Good Citizenship?," *Christian Science Monitor*, November 11, 2012, <https://www.csmonitor.com/USA/Society/2012/1111/Is-the-death-of-newspapers-the-end-of-good-citizenship>.; Michael Ewens, Arpit Gupta, and Sabrina T. Howell, "Local Journalism under Private Equity Ownership," SSRN, Oct. 11, 2021, <https://ssrn.com/abstract=3939316>.

<sup>16</sup> Michael Barthel et al., "Civic Engagement Strongly Tied to Local News Habits," *Pewresearch.org* (Pew Research Center, November 1, 2016), [https://www.pewresearch.org/journalism/wp-content/uploads/sites/8/2016/11/PJ\\_2016.11.02\\_Civic-Engagement\\_FIN\\_AL.pdf](https://www.pewresearch.org/journalism/wp-content/uploads/sites/8/2016/11/PJ_2016.11.02_Civic-Engagement_FIN_AL.pdf).

press are less likely to appear as a witness before a congressional committee to advocate for their district.<sup>17</sup>

Just as important, studies have also shown that this contraction has exacerbated polarization and the nationalization of all news and disputes. The vacuum created by the loss of local news tends to be filled by national media and social media (which fuels polarization and is more polarizing and prone to spreading inaccuracies.) In communities with less local news, voters are more likely to vote on a party line basis<sup>18</sup> and have more polarized views.<sup>19</sup> As Senator Moran recently said, in speaking movingly about its recently-merged local newspaper, the Plainville Times, “I saw first-hand how the newspaper supported the community and brought neighbors, friends and even strangers together. Community journalism pulls us together. National journalism has the habit of tearing us apart.”

There are multiple causes to the contraction. Some of it was self-inflicted by the news industry. As local papers were bought up by hedge funds or private equity firms based in New York, they cut reporters out in the rest of the country.<sup>20</sup> Mega mergers financed with massive amounts of debt contributed, too, as news organizations used profits to pay off loans instead of investing in digital transformation or local coverage. We have even seen the rise of local newspapers that have no local reporters at all.<sup>21</sup> In the case of both newspapers and local TV,<sup>22</sup> consolidation and nationalization in many cases has aggravated the local news crisis, leading to fewer reporters in communities and less, or more superficial, coverage of school boards, economic development, elections, social problems and civic activity.<sup>23</sup> Indeed, the revival and reformation of local news will require not just new business and editorial approaches – but new ownership models. We

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<sup>17</sup> Snyder, Strömberg, “Press Coverage and Political Accountability,” 355–408.

<sup>18</sup> Daniel J. Moskowitz, “Local News, Information, and the Nationalization of U.S. Elections,” *American Political Science Review* 115, no. 1 (February 2021): 114–29, <https://doi.org/10.1017/s0003055420000829>; Joshua P Darr, Matthew P Hitt, and Johanna L Dunaway, “Newspaper Closures Polarize Voting Behavior,” *Journal of Communication* 68, no. 6 (November 5, 2018): 1007–28, <https://doi.org/10.1093/joc/jqy051>.

<sup>19</sup> Darr JP, Hitt MP, Dunaway JL. *Home Style Opinion: How Local Newspapers Can Slow Polarization*. Cambridge University Press; 2021.

<sup>20</sup> Michael Ewens, Arpit Gupta, and Sabrina T. Howell, “Local Journalism under Private Equity Ownership,” NBER Working Paper 29743 (2022), <https://doi.org/10.3386/w29743>; Steven Waldman, “The local news crisis illustrates the inadequacy of the current antitrust approach,” *Rebuild Local News*, May 8, 2024, <https://www.rebuildlocalnews.org/the-local-news-crisis-illustrates-the-inadequacy-of-the-current-antitrust-approach/>

<sup>21</sup> Abernathy, “News Deserts and Ghost Newspapers: Will Local News Survive?,” 34, *www.usnewsdeserts.com* (Chapel Hill: University of North Carolina, June 2020), [https://www.usnewsdeserts.com/wp-content/uploads/2020/06/2020\\_News\\_Deserts\\_and\\_Ghost\\_Newspapers.pdf](https://www.usnewsdeserts.com/wp-content/uploads/2020/06/2020_News_Deserts_and_Ghost_Newspapers.pdf); Jessica Garrison, “As the Salinas Californian withers, a city yearns to know its stories,” *Los Angeles Times*, March 27, 2023, <https://www.latimes.com/california/story/2023-03-27/as-the-salinas-californian-withers-a-city-yearns-to-know-its-stories>.

<sup>22</sup> Free Press, “Redacted Copy of NXST/TGNA Petition to Deny” (PDF), <https://www.freepress.net/download/redacted-copy-nxst-tgna-petition-deny-pdf> (accessed Feb. 6, 2026).

<sup>23</sup> Free Press, “Comments of Free Press: In the Matter of 2022 Quadrennial Regulatory Review,” Mar. 3, 2023, <https://www.freepress.net/download/free-press-2022-quadrennial-review-comments-pdf>.

have seen that family-owned news organizations, smaller chains and nonprofits tend to do better on the local level.<sup>24</sup> It appears that local news often does better when it is in local hands.

But the primary reason for the collapse of local news business models is the rise of the internet. Local and regional advertisers shifted from local media to Google, Facebook and other tech platforms. Some 85 percent of local advertising now goes to non-local companies, Google, Meta and Amazon.<sup>25</sup> Not all Big Tech behavior was malicious. Some of these trends happened because the tech companies provided better services to local businesses. But it is also true that they then used that market clout to squelch competition and provide less revenue to local publishers.<sup>26</sup>

And blame aside, the reality remains that the digital disruption had many great benefits and also some serious downsides – one of which is the tragic undermining of community news. It’s only fair that the big winners of the digital revolution help repair the damage, whether it was intended or unintended.

Unfortunately and amazingly, the local news business models are once again feeling another body blow – this time from artificial intelligence.

To be clear, AI will provide many truly amazing opportunities for publishers who use it ethically and creatively. Right now newsrooms across the country are experimenting with how to reinvent themselves – providing more coverage for less money, thanks to AI. We applaud and support that innovation.

But when it comes to AI and local news, there are also several overriding – and ominous – trends.

**The first order economic impact is likely to be further erosion of the local news business models – yet another blow to community information and news.**

Americans are indeed using AI search to get information about their communities. Last week, OpenAI reported that “the demand for reliable local news is already visible inside ChatGPT at a rate of about 1 million prompts per week.”<sup>27</sup>

Unfortunately, under the current system, local news outlets will again end up financially wounded. AI companies Hoover up content created by local news outlets – content that came about as a result of paying a human being journalist. The AI companies use that to train and ground their models. The AI assistants can replace referral traffic by providing summaries instead

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<sup>24</sup> Ewens, Gupta, and Howell, "Local Journalism under Private Equity Ownership."

<sup>25</sup> Borrell Associates, "2025 Annual Report: Benchmarking Local Digital Media," May 2025, [https://borrellassociates.com/ip\\_releases/2025-annual-report/](https://borrellassociates.com/ip_releases/2025-annual-report/).

<sup>26</sup> U.S. Department of Justice. (2025, April 17). *Department of Justice prevails in landmark antitrust case against Google* <https://www.justice.gov/opa/pr/department-justice-prevails-landmark-antitrust-case-against-google>

<sup>27</sup> OpenAI Global Affairs, "A Different Path on Local News," (2026, February 3) <https://openaiglobalaffairs.substack.com/p/a-different-path-on-local-news>.

of links – so users don’t have to click through to some other website. That’s the key difference. In the olden days – like, a year ago – even though there was a clear power imbalance in favor of big tech, they did also at least give a prominent link, so the user might sometimes click through to the news site. That provided traffic that the news outlets could convert to revenue.

AI will grievously wound, if not kill, the click-through.<sup>28</sup> In announcing its layoffs, the Washington Post editors noted that their search traffic had dropped by one-half in just three years.<sup>29</sup>

And, by the way, this phenomenon is nonpartisan: conservative sites are seeing major traffic declines too.<sup>30</sup>

Whatever the ultimate outcomes in the courts on questions of fair use, the fact will remain that the AI companies extract tremendous value from local news providers without giving much back to newsrooms – at a time when local news is already in an existential crisis.

**If unaddressed, the collapse of local news will actually make AI lower quality and ultimately spread more misinformation.**

AI struggles when there’s a dearth of information on a topic.<sup>31</sup> It is more likely to be inaccurate and spread misinformation. The local news ecosystems in many communities suffer from this “information scarcity.” We’ve invented whole new terms – “news deserts” and “ghost newspapers” – to capture how barren some of these areas are. Not surprisingly, AI has struggled to get local information right. Studies have found that AI assistants often flubbed<sup>32</sup> local

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<sup>28</sup> Pew Research Center, "Google users are less likely to click on links when an AI summary appears in the results," July 22, 2025, <https://www.pewresearch.org/short-reads/2025/07/22/google-users-are-less-likely-to-click-on-links-when-an-ai-summary-appears-in-the-results/>.

<sup>29</sup> Bauder, D. (2026, February 4). *Washington Post cuts a third of its staff in a blow to a legendary news brand*. Associated Press.

<https://apnews.com/article/washington-post-staff-reduction-layoffs-cuts-923f87d4bd319c8a64b278165d0a6e27>

<sup>30</sup> Analysis of the top 50 U.S. news websites reveals that 37 sites experienced year-over-year traffic declines in May 2025, with only 13 showing growth. Press Gazette. (2025). *Most popular news websites in the US — monthly ranking* Retrieved December 19, 2025, from

[https://pressgazette.co.uk/media-audience-and-business-data/media\\_metrics/most-popular-websites-news-us-monthly-3/](https://pressgazette.co.uk/media-audience-and-business-data/media_metrics/most-popular-websites-news-us-monthly-3/)

<sup>31</sup> Philip M. Napoli, "AI Needs Us More Than We Need It," Washington Monthly, Oct. 29, 2024,

<https://washingtonmonthly.com/2024/10/29/ai-needs-us-more-than-we-need-it/>

<sup>32</sup> Democracy Reporting International, "Are Chatbots Misinforming Us About the European Elections? Yes," by Austin Davis, Michael Meyer-Resende, Duncan Allen and Ognjan Denkovski, March 2024,

<https://democracyreporting.s3.eu-central-1.amazonaws.com/pdf/6628b70e0b124.pdf>.

elections<sup>33</sup> including information about how to register, where to vote,<sup>34</sup> the positions of candidates,<sup>35</sup> and how disabled people<sup>36</sup> could vote. In another study about elections in Switzerland and Germany, one-third of answers included “wrong election dates, outdated candidates, or even invented controversies concerning candidates.”<sup>37</sup> Chatbots are generally not well suited to adapt to the local context or language.” In Australia, a mayor sued OpenAI when ChatGPT declared, falsely, that he had been convicted of bribery.<sup>38</sup> The fact-checking and data analytics firm NewsGuard<sup>39</sup> reported that the error rate for AI search had actually gone up in the past year, and regularly picked up material from fake local sites created by Russia.<sup>40</sup>

**Without local reporters, the deepfakes and malicious uses of AI on the local level will be much harder to combat.**

A survey of thousands of AI researchers found that 86% had a “substantial” or “extreme” concern about the “spread of false information e.g. deepfakes,” and 79% worried about “manipulation of large-scale public opinion trends.”<sup>41</sup> We’ve seen how easy it is to concoct videos or stories that seem real. At the national level, on big stories, news organizations may be able to catch them. But on the local level, if there are no watchdogs, deepfakes will run rampant.<sup>42</sup> In addition, AI will accelerate the rise of “pink slime” local news websites, misleading sites that have been created to

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<sup>33</sup> David Ingram, "AI chatbots got questions about the 2024 election wrong 27% of the time, study finds," NBC News, June 5, 2024, <https://www.nbcnews.com/tech/tech-news/ai-chatbots-got-questions-2024-election-wrong-27-time-study-finds-rcna155640>.

<sup>34</sup> Matt O'Brien and Ali Swenson, "AI chatbots provide many wrong answers about elections, report says," Associated Press, Feb. 27, 2024, <https://apnews.com/article/ai-chatbots-elections-artificial-intelligence-chatgpt-falsehoods-cc50dd0f3f4e7cc322c7235220fc4c69>

<sup>35</sup> Felix M. Simon, Sacha Altay, and Richard Fletcher, "The role and reliability of AI chatbots during the 2024 UK general election," Reuters Institute for the Study of Journalism, Sept. 2024, <https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2024-09/Simon%20et%20al%20Chatbots%20and%20UK%20Elections.pdf>.

<sup>36</sup> Benjamin Freed, "Chatbots often give wrong voting info for people with disabilities, research finds," StateScoop, July 18, 2024, <https://statescoop.com/chatbots-voting-disabilities-information-wrong-research-2024/>

<sup>37</sup> Salvatore Romano, Natalia Stanusch, Miazia Schüler, Riccardo Angius, Raziye Buse Çetin, Sonia Tabti, and Marc Faddoul, "Bing: It's Not You, It's Me," AI Forensics, Dec. 15, 2023, <https://aiforensics.org/work/bing-chat-elections>.

<sup>38</sup> Pranshu Verma, "An AI chatbot said a mayor was a felon. Now he's threatening to sue OpenAI," The Washington Post, April 6, 2023, <https://www.washingtonpost.com/technology/2023/04/06/chatgpt-australia-mayor-lawsuit-lies/>.

<sup>39</sup> NewsGuard, "NewsGuard's One-Year AI Audit Progress Report finds that AI models spread falsehoods in the news 35% of the time," March 5, 2024, <https://www.newsguardtech.com/press/newsguard-one-year-ai-audit-progress-report-finds-that-ai-models-spread-falsehoods-in-the-news-35-of-the-time/>.

<sup>40</sup> NewsGuard, "August 2025 One-Year Progress Report: AI False Information Rate Nearly Doubles in One Year," Sept. 4, 2025, <https://www.newsguardtech.com/wp-content/uploads/2025/09/August-2025-One-Year-Progress-Report-3.pdf>.

<sup>41</sup> Katja Grace, Johnathan Sandamirskaya, Zach Stein-Perelman, Beth Barnes and Jasmine Wang, "Thousands of AI Authors on the Future of AI," AI Impacts, Jan. 4, 2024, [https://aiimpacts.org/wp-content/uploads/2023/04/Thousands\\_of\\_AI\\_authors\\_on\\_the\\_future\\_of\\_AI.pdf](https://aiimpacts.org/wp-content/uploads/2023/04/Thousands_of_AI_authors_on_the_future_of_AI.pdf).

<sup>42</sup> National Association of Broadcasters, "NAB Applauds Senate Committee Passage of Journalism Competition and Preservation Act," June 15, 2023, <https://www.nab.org/documents/newsroom/pressRelease.asp?id=6913>

look like legacy local news outlets<sup>43</sup> while sneakily promoting bought-and-paid-for content by partisan activists. NewsGuard has already identified 631 “unreliable AI-generated news” sites.<sup>44</sup>

We have a vicious cycle. AI undermines local news; the lack of local news, in turn, makes AI’s quality worse.

Fortunately, a virtuous circle can be created: if AI helps *revive* local news, it will make its results higher quality. The AI industry ought to view itself as having a stake in reviving local news.

Some companies are working with news organizations to help them use the technology to better equip their reporters.<sup>45</sup> For instance, OpenAI is working with the American Journalism Project to train newsrooms to better use AI to reach new audiences.<sup>46</sup>

But the AI industry needs to go far beyond providing journalists with training on how to better use their products. It needs help to reverse the financial crisis.

**First, they need to compensate local news organizations – including medium- and small-sized outlets – for the use of the content that they use to craft their answers to consumers.**

Some major publishers have made deals with AI companies for the use of the content<sup>47</sup> but notably these companies have not made deals with the thousands of small and independent media, especially on the local level.<sup>48</sup> We’re concerned that medium and small sized players will be once again left out.<sup>49</sup> Policymakers could consider ideas like those proposed by the Center for

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<sup>43</sup> Priyanjana Bengani, "As election looms, a network of mysterious ‘pink slime’ local news outlets nearly triples in size," Columbia Journalism Review, June 11, 2024, <https://www.cjr.org/analysis/as-election-looms-a-network-of-mysterious-pink-slime-local-news-outlets-nearly-triples-in-size.php>.

<sup>44</sup> NewsGuard, "AI Tracking Center," Feb. 5, 2026, <https://www.newsguardtech.com/special-reports/ai-tracking-center/>.

<sup>45</sup> Local Media Association, "Paris Brown — The Baltimore Times Has Been Named Digital Innovator of the Year by Local Media Association," Local Media Association, May 2025, <https://localmedia.org/2025/05/paris-brown-the-baltimore-times-has-been-named-digital-innovator-of-the-year-by-local-media-association/> (accessed 02/06/2026).

<sup>46</sup> The Beacon, "The Beacon’s illuminating experience in AJP’s Product and AI Studio," Jan. 8, 2026, <https://thebeaconnews.org/stories/2026/01/08/the-beacons-illuminating-experience-in-ajps-product-and-ai-studio/>.

<sup>47</sup> Sara Fischer, "The state of AI licensing," Axios Media Trends, September 9, 2025, <https://www.axios.com/newsletters/axios-media-trends-a73658e0-8d8c-11f0-840d-2fc12eb558cf.html?chunk=4#story4>; Sara Guaglione, "Here are the biggest moments in AI for publishers in 2025," Digiday, Dec. 26, 2025, <https://digiday.com/media/here-are-the-biggest-moments-in-ai-for-publishers-in-2025/>.

<sup>48</sup> Journalism & Liberty, "The Value of Journalism to AI," May 2024, <https://www.journalismliberty.org/publications/value-of-journalism-to-ai>.

<sup>49</sup> David Buttle, "Publishers with AI licensing deals have seven times the clickthrough rate," Press Gazette, Oct. 1, 2025, <https://pressgazette.co.uk/comment-analysis/publishers-with-ai-licensing-deals-have-seven-times-the-clickthrough-rate/>.

Journalism and Liberty such as allowing small publishers to bargain collectively and requiring AI companies to provide detailed summaries of training data sources.<sup>50</sup>

**Second, local efforts around the construction of data centers should include the health of local information and journalism in the discussions.**

Communities are understandably concerned about the impacts of data centers on electricity prices, water use and other impacts. Some<sup>51</sup> are trying to block data centers entirely, which is their right.<sup>52</sup> For those communities that want data centers – but only if certain benefits are guaranteed – here’s a modest proposal. In addition to remediating the effects on those other major issues, ask for something simple: the money to hire a couple of local reporters. The reporters can help ensure that the commitments from the tech companies are met, and in general make communities better functioning – covering everything from small businesses to city hall to high school sports.

This can be done in a way that preserves editorial independence. Each data center would provide a one-time donation to create a perpetual endowment at a local community foundation. The independent community foundation would place two reporters in a local news area newsroom. Some companies have pledged special efforts to help the areas where data centers are based.<sup>53</sup> But if the AI companies don’t do this themselves, communities should consider requiring that these be included in the Community Benefit Agreements.

**Third, we should ask AI companies and other social media platforms to pay mitigation fees to help pay for the revival of community news.**

A few years ago, Sen. Cantwell sponsored an excellent bill that provided tax relief for news outlets that hired local reporters. A similar bill was proposed by Republican Rep. Claudia Tenney in the House of Representatives.

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<sup>50</sup> Courtney C. Radsch, "Frenemies: Global approaches to rebalance the Big Tech v journalism relationship," Brookings (TechTank), August 29, 2022, <https://www.brookings.edu/articles/frenemies-global-approaches-to-rebalance-the-big-tech-v-journalism-relations-hip/> (accessed 02/06/2026) and Gordon Institute of Business Science (GIBS), "Big Tech and Journalism – Principles for Fair Compensation," GIBS, adopted July 14, 2023, <https://www.gibs.co.za/news/big-tech-and-journalism---principles-for-fair-compensation> (accessed 02/06/2026)

<sup>51</sup> NAACP, "Advocacy in Action: Artificial Intelligence Data Centers in Our Communities," May 2025, <https://naacp.org/sites/default/files/documents/Advocacy%20in%20Action%20AI%20Data%20Centers%20.pdf>; MediaJustice, "The People Say No: Resisting Data Centers in the South," September 2025, <https://mediajustice.org/wp-content/uploads/2025/09/MediaJustice-Data-Centers-Report.pdf>

<sup>52</sup> Mijin Cha, "The real race for an AI moratorium: stopping data centers," Tech Policy Press, April 4, 2024, <https://www.techpolicy.press/the-real-race-for-an-ai-moratorium-stopping-data-centers/>

<sup>53</sup> Brad Smith, "Building Community-First AI Infrastructure," Microsoft On the Issues, Jan. 13, 2026, <https://blogs.microsoft.com/on-the-issues/2026/01/13/community-first-ai-infrastructure/>.

Since then, state legislatures have been experimenting. Illinois and New York passed employment credits. The one in Illinois is off to an excellent start, having provided help for 120 newsrooms in the state. Two thirds of them have 6 or few employees.<sup>54</sup>

Sen. Cantwell and Rep. Tenney also proposed tax relief for small businesses that advertise in local news – a way of helping both restaurants, hardware stores *and* local papers. Recently, Republican lawmakers in Kansas and New Hampshire have proposed state versions of that plan.<sup>55</sup>

In other states, including Washington, the local governments have helped support fellowship programs, managed by the state universities, that place journalists into local newsrooms.

These are all approaches that don't involve the government creating a board of people who give out discretionary grants. They use objective standards, without consideration of editorial direction – they are relentlessly focused on local coverage.

To pay for these, we suggest Congress and state legislatures consider applying a mitigation fee on the biggest technology and AI companies. Several bills have proposed assessing fees on advertising, which makes sense, but the advent of AI requires some new thinking, possibly a mitigation fee based on the number of active unique users too.

In general, we have entered a world in which national media, big tech and local news are all becoming more concentrated in a smaller number of very powerful companies. In terms of the ownership of TV channels, the main topic of this hearing, our coalition has not taken a formal position about the appropriate levels of ownership caps but we would urge this: seek policies that will definitively maintain or increase the number of local reporters in a community. Don't just look at the number of stations or the hours of coverage. More hours of coverage with fewer local reporters is a recipe for more superficial news. Look at the actual investment in reporting capacity.

Senator Cruz once wisely said “big tech exercises a concentration of power that I believe is unknown in the history of mankind and that concentration of power is regularly used to trample on the little guy. To trample on companies they do business with and this instance to trample on local media organizations, whether you are talking about small town newspapers, whether you're talking about local broadcasters, anyone in the journalism spaces that is producing content... the idea that we would see monopoly control of public discussion in America to three or four billionaires in Silicon Valley, modern day American oligarchs, is profoundly dangerous.”<sup>56</sup>

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<sup>54</sup> Rebuild Local News, "Supporting local reporting in Illinois: early lessons and opportunities," May 22, 2024, <https://www.rebuildlocalnews.org/supporting-local-reporting-in-illinois-early-lessons-and-opportunities/>

<sup>55</sup> Kansas State Legislature, "House Bill 2276: Establishing the local news advertising tax credit act," Feb. 5, 2025, [https://kslegislature.gov/li/b2025\\_26/measures/hb2276](https://kslegislature.gov/li/b2025_26/measures/hb2276); New Hampshire State Legislature, "House Bill 1420: relative to a tax credit for local news advertising," Jan. 14, 2026, <https://legiscan.com/NH/text/HB1420/id/3288555>

<sup>56</sup> U.S. Senate Committee on the Judiciary, "Executive Business Meeting," Sept. 22, 2022, <https://www.judiciary.senate.gov/meetings/09/22/2022/executive-business-meeting>.

When it comes to local news, our hope is that local news will be in local hands, as much as possible. Public policies should gravitate toward that philosophy – a media system in which local news ownership and control is diffuse, fragmented and local.

Despite all of the destruction, we have also seen a tremendous amount of innovation – hundreds of new local news startups.<sup>57</sup> They don't yet come close to filling the voids in information. But they do give some hope that if we can continue to improve the business and editorial models, draw in more money from philanthropy – and have smart public policy, we can construct a better local news system than we've had before.

Technology can help. But we also need actual human beings, living in their communities, accountable to and listening to their neighbors. To have that kind of revival of community news, the biggest technology companies will need to play a much bigger role in reversing this local news crisis.

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<sup>57</sup> More than 300 over the past five years, according to Medill School of Journalism, State of Local News / News Desert Project. See Institute for Nonprofit News, <https://inn.org/about/who-we-are/>; LION Publishers, <https://lionpublishers.com/about/>; and American Journalism Project, <https://www.theajp.org/about/>; Local Media Association. "2024 Digital Innovation Award winners: Honoring excellence in local media." May 26, 2025. <https://localmedia.org/2025/05/2024-digital-innovation-award-winners-honoring-excellence-in-local-media/>