

Testimony in Favor of SB 686

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Local news is essential to the civic health of communities. Studies have shown that the supply of local news is correlated with higher rates of civic engagement and a more informed citizenry. When the production of local news and information declines, so does civic engagement. Studies also show that newspaper closures are associated with higher local taxes and lower government accountability. Shriveling local news also impacts peoples' sense of community connection and makes it harder for citizens to engage with one another and work together to solve problems.

According to a new report by the Agora Journalism Center at the University of Oregon, nearly 20 Oregon newspapers have closed or been merged since late 2022, including the 116-year-old Pulitzer prize winning *Medford Mail Tribune*. Budgets and staff at many news outlets are declining, while AI-generated "news" and various kinds of mis- and disinformation proliferate online. In addition to heavy losses prior to 2022, another 13% of Oregon's newspapers closed in the past 2½ years. Many Oregon counties have been left with little access to relevant local news. Many of the local newsrooms that remain are struggling to supply communities with news and information.

One important reason so many local newsrooms are struggling is that digital platforms like Google and Facebook, which have become an unavoidable conduit to reaching audiences, leverage local news content without compensating local news outlets. Nationwide, news producers lose an [estimated \\$14 billion](#) in revenue annually to technology companies. According to one recent [research report](#), "by keeping the cost of goods sold (news) down, Google and Meta have grown rich off the advertising revenue they reap from attracting the world's eyeballs to their sites." Real news is valuable content that platforms can't easily create for themselves. Yet "big tech companies have resisted paying traditional licensing and copyright fees." These big tech platforms pose a systemic threat to local news by undermining their financial viability.

SB 686 is necessary to ensure tech platforms like Google and Facebook contribute their fair share to sustaining the journalism they profit from. It returns a fair share of revenues to Oregon newsrooms, including small, rural, and nonprofit outlets that are often the most vulnerable. And it sets aside a percentage of the funding generated to create a Civic Information Consortium to provide grants to small news providers to innovate and become more sustainable, helping ensure the long-term viability of local news.

Today, an increasing number of journalists, experts, and advocates agree that public policy has an important role to play in helping news providers adapt to a radically changed business and information environment. Without intervention, more communities will become news deserts, leaving more Oregonians without access to fact-based information about their governments, schools, and civic life. SB 686 represents a critical opportunity to invest in the future of local journalism, for the good of all Oregonians.