



FOR IMMEDIATE RELEASE

CONTACT: Susan Sullam, 202-224-4524 or  
410-960-2440 (cell)

March 24, 2009

***SENATOR CARDIN INTRODUCES BILL THAT  
WOULD ALLOW AMERICAN NEWSPAPERS  
TO OPERATE AS NON-PROFITS***

*His Goal is to Help the Newspaper Industry Survive*

WASHINGTON – U.S. Senator **Benjamin L. Cardin** (D-MD), today introduced legislation that would allow newspapers to become non-profit organizations in an effort to help the faltering industry survive.

In recent months, the Seattle Post-Intelligencer, the Rocky Mountain News, the Baltimore Examiner and the San Francisco Chronicle, among others, have either ceased daily publication or announced that they may have to stop publishing. A number of other publications, including newspapers owned by the Tribune Company, owners of The Baltimore Sun, have filed for bankruptcy or have had to institute severe cutbacks that have impacted news coverage.

***The Newspaper Revitalization Act*** would allow newspapers to operate as non-profits, if they choose, under 501(c)(3) status for educational purposes, similar to public broadcasting. Under this arrangement, newspapers would not be allowed to make political endorsements, but would be allowed to freely report on all issues, including political campaigns. Advertising and subscription revenue would be tax exempt and contributions to support coverage or operations could be tax deductible.

The measure is targeted to preserve local newspapers serving communities and not large newspaper conglomerates. Because newspaper profits have been falling in recent years, no substantial loss of federal revenue is expected.

*“We are losing our newspaper industry,” said Senator Cardin. “The economy has caused an immediate problem, but the business model for newspapers, based on circulation and advertising revenue, is broken, and that is a real tragedy for communities across the nation and for our democracy.”*

*“While we have lots of news sources, we rely on newspapers for in-depth reporting that follows important issues, records events and exposes misdeeds. In fact, most if not all sources of journalistic information – from radio to television to the Internet – gathers their news from newspaper reporters who cover the news on a daily basis and know their communities. It is in the interest of our nation and good governance that we ensure they survive.”*

According to Barclays Capital, newspaper advertising revenue was down by about 25% for 2008, and circulation continues to steadily decline at most major newspapers as readers increasingly turn to alternative electronic news sources.

Senator Cardin added: *“This may not be the optimal choice for some major newspapers or corporate media chains, but it should be an option for many newspapers that are struggling to stay afloat.”*

--##--