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CARDIN TESTIFIES BEFORE COMMERCE COMMITTEE ON THE FUTURE OF NEWSPAPERS AND LOCAL JOURNALISM

Cardin Newspaper Revitalization Act would allow papers to operate under 501(c)(3) status

Washington, DC – **U.S. Senator Benjamin L. Cardin (D-MD)** testified today before the Commerce Subcommittee on Communications, Technology, and the Internet chaired by Senator John Kerry (D-MA). Commenting on the future of journalism and options to help salvage community newspapers that are disappearing across the country, Senator Cardin outlined his bill, ***The Newspaper Revitalization Act***. The bill, ***S. 673***, would create a new option under the Internal Revenue Code for a “qualified newspaper corporation,” allowing newspapers to operate under 501(c)(3) status for educational purposes. It would be the same IRS status that is utilized by churches, hospitals, educational institutions, public broadcasting and other non-profit entities.

“Today, newspapers across the country are closing their doors, slashing their staff, and shuttering bureaus in the United States and around the world. The Boston Globe, my own Baltimore Sun, and many others are either in bankruptcy, or threatened by bankruptcy and closure. As local newspapers disappear, we lose an important check on local governments, state governments, the federal government, elected officials, corporations, school districts, businesses, individuals and more,” **said Senator Cardin**. “Newspapers and the investigative journalism they provide are essential in a free, democratic society and must be preserved.

“The economy has caused an immediate problem for newspapers, but their business model, based on circulation and advertising revenue, has been weakening for years. While the newspaper industry is in the midst of major transition, we need to protect and nurture the information gathering abilities that currently reside with newspapers. By allowing newspapers the option of becoming non-profits, ***The Newspaper Revitalization Act*** would help some in the news industry continue their vital role of newsgathering and investigative reporting. Advertising and subscription revenue would be tax exempt and contributions to support coverage or operations could be tax deductible.

“***The Newspaper Revitalization Act*** represents a new tool to help media maintain their viability but this is not a government bailout of a failing industry. If some newspapers choose to restructure as non-profits, it would not bring about government control of the media. Religious and educational groups operate as non-profits without government interference. A newspaper operating as a non-profit would continue to freely report on all issues, including political campaigns, it just would refrain from making political endorsements. Whether conservative, liberal, or middle-of-the-road, each newspaper would maintain its editorial voice and be able to clearly state its position on issues affecting their community – local and national.”

Senator Cardin’s full testimony is available at cardin.senate.gov.

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