



CherryRoad Media
6 Upper Pond Road
2nd Floor
Parsippany, New Jersey 07054

TEL: 973-402-7802
FAX: 973-402-7808
www.cherryroad.com

February 1, 2022

Senator Richard Durbin
Senator Charles Grassley
Senate Judiciary Committee
Washington D.C.

Dear Senators Durbin, Grassley and members of the Judiciary Committee:

I write to express support for the Journalism and Competition and Preservation Act which is scheduled for a hearing this week before your committee. Our company, CherryRoad Technologies Inc., has been a provider of technology services since 1983. In late 2020, we launched an initiative to invest in community newspapers around the country because we saw the detrimental impacts that the market dominance and business practices of the Big Tech companies were having on small business generally, and the newspaper industry specifically. CherryRoad began its journey by acquiring the Cook County News-Herald in Grand Marais, Minnesota. We followed up by purchasing over forty newspapers in Minnesota, Iowa, Missouri, Nebraska, Kansas, Arkansas, Colorado, Alabama, Oklahoma, and Texas. We also started two newspapers from the ground up in International Falls and Two Harbors, Minnesota to replace newspapers that had been closed by their prior owners. We did all this because we believe in the importance of community newspapers as a source of truth and reality in communities.

If you were to stop by the offices of the Hamburg Reporter in Hamburg, Iowa; the Constitution-Tribune in Chillicothe, Missouri; the Mountaineer Echo in Flippin, Arkansas; or the Alice Echo News-Journal in Alice, Texas you would find our dedicated staff of two or three people working hard to keep their communities informed. A trip to one of our more highly staffed locations like the Nebraska City News-Press would introduce you to four or five staffers juggling the tasks of reporting, designing layouts, handling subscriptions and trying to sell advertisements. The sad reality is that these are the staffing levels you will find at many community newspapers because the revenue levels of these newspapers only support a handful of staff. The dramatic decline in revenue at newspapers over the last twenty years is a direct result of how readers are accessing news.

Every day we lose print subscribers and attempt to gain digital subscribers. Our challenge to gain digital subscribers is made difficult by the fact that most online readers utilize either Google or Facebook as their entry point when searching for news. These two dominant companies have positioned themselves as gatekeepers between readers and the content our newspapers publish online. They determine what content to display to online readers, and they control how much of the advertising revenue associated with our content flows through to us. Both companies have programs which are designed to engage with news publishers, however these programs are far from ideal. These companies utilize their scale to make what are essentially take it or leave it offers to publishers. The terms and conditions are complicated, one sided, and unforgiving. A publisher would need extensive technical and legal expertise to be able to engage, because even unintentional violations of terms and conditions can be met with permanent expulsion from the programs.

In short, there is no practical way for a small newspaper with a handful of staffers to engage in an equitable business relationship with Google or Facebook. Over the last year as I have become acquainted with the



Page 2 of 2
Senator Richard Durbin
Senator Charles Grassley
Senate Judiciary Committee
February 1, 2022

newspaper business, I have met many smart and creative leaders. The combined talents and resources of multiple organizations and leaders is what would be needed to engage on a level field with Google and Facebook. Unfortunately, such activity would run afoul of current anti-trust laws. That is why the Journalism and Competition and Preservation Act is so important. This law would be a measured step towards correcting the improperly functioning market that currently exists between publishers and Big Tech platforms such as Google and Facebook.

Last July 24th Senator Klobuchar delivered an eloquent statement to the Senate about the loss of the Journal in International Falls, Minnesota. That day the Journal had printed its last edition. Earlier that week I had attended a meeting in International Falls to meet with community leaders to discuss launching a new publication to replace the Journal. That meeting brought together around twenty people who were determined to see to it that International Falls continued to have a newspaper. We launched the Rainy Lake Gazette two weeks to the day after the Journal closed. I am pleased to report that we are approaching 2,000 subscribers, which is more than the Journal had when it closed. I share this story because I think it shows that there are a lot of people in our communities who want to see their local newspapers survive as the trusted source of local news. There are many of us who are willing to do the hard work that is needed to return this industry to its past glory, but we need your help.

Thank you very much for your consideration of the Journalism and Competition and Preservation Act.

Respectfully yours,

A handwritten signature in blue ink, appearing to read "Jeremy Gulban", with a long horizontal line extending to the right.

Jeremy Gulban
Chief Executive Officer