

Committee on Oversight and Government Reform
United States House of Representatives

“Oversight of Federal Political Advertisement Laws and Regulations”

Testimony of David Chavern
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Chairman Hurd, Ranking Member Kelly, and members of the Subcommittee on Information Technology: Thank you for inviting me to participate in today’s hearing.

News Media Alliance

My name is David Chavern, and I am President and CEO of the News Media Alliance, a nonprofit trade association representing nearly 2,000 newspapers across the United States. Our members include some of the largest news organizations covering events around the globe, as well as local newspapers focusing on the issues that impact the communities and daily lives of citizens in every state and congressional district. Our members publish both online and in print.

News Organizations Play an Important Role in Society

Despite their varying footprints and formats, Alliance members share a common mission: to inform society in an accurate, thoughtful, and responsible manner. Our member news organizations have long made substantial investments in high-quality journalism and professional reporting to achieve this mission.

Our members innovate to report and publish news in the modern online world. This is in no small part because journalists and publishers are held to a high standard. Reporters and editors strive to report the truth and if errors are made publish timely corrections. The principles are detailed in the American Society of News Editors’ Statement of Principles and the Society of Professional Journalists’ Code of Ethics.

Not only are we potentially liable for knowingly publishing something that is false, our very brands are built on trust with our readers. Because of this, our commitment to truthful and accurate reporting has also informed our approach to advertising. Publishers have long played an important role ensuring the integrity of the advertisements that appear next to our content.

When it comes to political advertisements, the *legal* responsibility for complying with Federal Election Commission (FEC) rules falls on the advertiser. Nonetheless, publishers have long taken an active role in ensuring that proper disclosures are made and that all ads placed in our publications reflect the honesty and integrity that is the foundation of our business.

Our industry has spent many years addressing the quality of content circulated in print, but with the advent of real-time information-sharing in the digital age and its ability to influence public opinion – including with milestone events such as elections around the world – readers are struggling with a current trend in which fake news and misleading advertisements are delivered in ways that are indistinguishable from fact-supported information with verifiable sources.

Intermediation by Internet Platforms Has Harmed the Integrity of Content and Advertising

As technology has evolved, publishers have carried forward our responsibility to provide accurate content—and the internal controls that come with it—to our digital products. These efforts are more difficult because of the growth of online platforms like Google and Facebook that act as an intermediary in the distribution of news content and advertising.

Publishers previously worked to ensure the integrity of both their content *and* the advertising that appeared next to it. But now, we have less control over advertising because of programmatic delivery of ads through ad tech platforms. Google and Facebook have faced similar challenges themselves, and as a result, we have seen top household brands periodically pull their advertisements from these platforms.

These challenges are largely caused by the massive growth and inability to control an ecosystem that was built with the intention of not exercising responsibility over the integrity of content or the advertising that sustains its foundation. This is exacerbated by the fact that Google and Facebook now control both the distribution and monetization of online news and information. As *de facto* gatekeepers for internet users seeking news and other information, they are the top two sources of traffic for online news publishers. They also collect most of the revenue with Google and Facebook receiving 71 percent of all digital advertising in the United States last year, which includes political advertising revenue.

Yet despite this dominant—and highly profitable—market position, neither Google nor Facebook have assumed the responsibilities that publishers once upheld to ensure that the integrity of online advertising matches the integrity of our content.

The market dominance of Google and Facebook has coincided with the proliferation of so-called “clickbait” and “fake news.” This approach to monetization provides financial fuel to questionable content. A lot of “fake news” is produced simply because it makes money.

The perpetuation of fake news and false information undermines society’s knowledge base and public discourse for a healthy democracy. This is equally true with advertising that influences public opinion, and is virally distributed by opaque algorithms used by search and social platforms.

The Online Platforms That Created This Problem Should Be the Ones to Fix It

This business model is not one that publishers chose, but we have nonetheless worked tirelessly to change our operations to respond to its demands. And we have done so without compromising the integrity of our journalism. It is time that Google, Facebook, and other online platforms do their part as well.

While they have profited greatly from their immense market power, Google and Facebook have yet to accept the responsibility that comes with their position. Voters and consumers should no longer have to suffer from unreliable information because it is profitable, while producers of content continue to hold ourselves to a higher standard.

It is now time that Google and Facebook be asked to make the same commitments as publishers and modernize their platforms to help stem the flow of misinformation—a problem that is largely of their own making.

The Alliance believes FEC rules should be updated to require disclosures within an internet advertisement to identify the sponsor of the ad. These rules apply to every other medium, and there is no longer a justification for exempting the internet here. More importantly, Google and Facebook should update their ad-driven business models and the opaque algorithms that accelerate the distribution of “fake news” and viral messaging so that higher-quality, reputable content is elevated in search and news feeds.

I believe these changes would lead to a healthier journalism industry, a better-informed citizenry, and a more united country.

Thank you for your time.