



MARYLAND GENERAL ASSEMBLY

Senate Budget and Taxation Committee

Written Testimony of Timothy G. Nelson on behalf of the Maryland-DC-Delaware Broadcasters Association in support of Senate Bill 787

(Digital Advertising Gross Revenues Tax – Exemption and Restriction)

February 17, 2021

Thank you for the opportunity to testify today regarding Senate Bill 787, “Digital Advertising Gross Revenues Tax – Exemption and Restriction.” My name is Tim Nelson, and I serve as counsel to the Maryland-DC-Delaware Broadcasters Association.¹ On behalf of the Association and its Members, which include approximately 35 television stations and 175 radio stations, I am here today to support Senate Bill 787 and to urge the Committee to report it favorably.

Broadcasters and newspapers were never the intended targets of the Digital Advertising Tax legislation that is a part of House Bill 732, which both Chambers approved last week in votes overriding Governor Hogan’s veto. As written, however, that legislation directly subjects many broadcasters and news media entities to the Digital Advertising Tax. Senate Bill 787, in exempting from the Digital Advertising Tax on certain digital advertising services in Maryland those advertising services on digital interfaces (such as websites and apps) owned and operated by broadcast stations and other news media entities, helps to remedy some of House Bill 732’s unintended consequences.

In sponsoring Senate Bill 787, Senate President Bill Ferguson (as well as House Majority Leader Eric Luedtke, sponsor of companion legislation, House Bill 1200) demonstrates his support for and recognizes the importance and value of objective, accurate, trusted local journalism here in Maryland. Indeed, the critical need for local journalism has perhaps never been more apparent than right now, as people turn to their local broadcasters and newspapers in unprecedented numbers for reliable information about the COVID-19 pandemic and local responses to it (from vaccine availability and distribution, to school operations, to government actions, and more), all during an economic downturn.

Not only do MDCD’s Member Stations provide critical news, weather, traffic, and health and emergency information both on-air and online; they also participate in and sponsor events in the very communities in which their employees live and work. From food drives to telethons, our broadcasters raise money and awareness to help those Marylanders in need. And, our Stations run countless hours of free, public service announcements on topics of critical importance to their viewers and listeners. As you may know, each broadcast Station licensed by

¹ The Maryland-DC-Delaware Broadcasters Association is a voluntary, non-profit trade association that advocates for the interests of its member radio and television stations and, more generally, the interests of broadcasting in Maryland, Delaware, and Washington, D.C.

the Federal Communications Commission is required to operate in and serve the public interest. MDCCD's Member Stations embrace that mandate.

Yet local broadcasters face significant challenges as they aim to fulfill their unique role, many of them financial. Producing high-quality local news is a costly endeavor; for example, news costs typically account for about one-quarter of TV stations' total annual operational expenses. Stations also undertake significant capital expenditures to support their news operations.

Local television and radio stations provide their over-the-air services free to the public. They fund their on-air and digital operations through advertising, much of it coming from small, locally owned businesses. Advertising is essentially the only source of revenue for radio broadcasters, and it is the dominant source of revenue for local television news stations. The COVID-19 pandemic has led to a decrease in broadcasters' advertising revenues. But that is only part of the story. Radio and television station ad revenues have been declining sharply for years. The revolution in digital technology and the explosive growth of the Internet have led to a handful of giant digital platforms dominating the advertising marketplace. This, in turn, has negatively impacted local broadcasters from a competitive standpoint; advertisers and critical revenues have been diverted away from the broadcasters and news media entities that produce accurate, trusted, objective, local journalism.

Subjecting local media, including broadcasters, to the Digital Advertising Tax on certain gross revenues derived from their digital advertising services in Maryland would only make matters worse. Ultimately, subjecting local media to the Digital Advertising Tax would lead to less local news, weather, emergency, public health and safety, traffic, and sports information – less of the local journalism on which the public depends. Senate Bill 787 aims to prevent that; instead, the legislation recognizes the unique and vital role that local media plays in Maryland's communities, large and small. The Maryland-DC-Delaware Broadcasters Association thanks you for your consideration of Senate Bill 787 and urges the Committee to report it favorably.

* * * * *



To: Senate Budget and Taxation Committee
From: Jeffrey Wilson, Senior Regional Vice President, Radio One
Date: February 15, 2021
Re: Senate Bill 787

I write to express my enthusiastic support for Senate Bill 787, "Digital Advertising Gross Revenues Tax - Exemption and Restriction."

The importance and value of objective, accurate, trusted local journalism here in Maryland - and across the country - has perhaps never been more apparent than right now, as people turn to their local broadcasters and newspapers in unprecedented numbers for current, reliable information about the COVID-19 pandemic and local responses to it (from vaccine availability and distribution, to school operations, to government actions, and more), all during an economic downturn.

As Senior Regional Vice President, WMMJ FM, WKYS FM, WPRS FM, WOL AM, and WYCB AM, I am proud to be part of a local team that strives to serve the citizens of the Maryland communities that border the Washington D.C. metro area by providing critical news, weather, traffic, health, and emergency information both on-air and online. In addition we host and sponsor numerous events like back to school festivals, drives for school supplies, career fairs, food drives, campaigns to end lupus, heart disease, breast cancer, homelessness, and diabetes, along with campaigns in support of COVID testing, voter registration, and community policing. Indeed, our Stations, as licensees of the Federal Communications Commission, embrace their mandates to operate in and serve the public interest.

But local broadcasters face significant challenges as they aim to fulfill their unique role, many of them financial. Local television and radio stations fund their on-air and digital operations through advertising, much of it from small, locally owned businesses; advertising is essentially the only source of revenue for radio broadcasters, and it is the dominant source of revenue for local television news stations. Subjecting local media, including broadcasters, to the tax on certain gross revenues derived from their digital advertising services in Maryland would ultimately lead to less local news, traffic, weather, public health and safety information - less of the trusted, local journalism on which the public depends. Senate Bill 787 seeks to prevent that, and instead recognizes the unique and vital role that local media plays in Maryland's communities, large and small. I wholeheartedly support Senate Bill 787 and urge its passage.



I'm grateful for your partnership with us in serving the great people of Maryland!

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey Wilson", with a stylized flourish at the end.

Jeffrey Wilson
Senior Regional Vice President
Radio One



To: Senate Budget and Taxation Committee
From: Tracy Brandys SVP/Market Manager, Entercom Baltimore
Date: February 15, 2021
Re: Senate Bill 787

I write to express my enthusiastic support for Senate Bill 787, “Digital Advertising Gross Revenues Tax – Exemption and Restriction.”

The importance and value of objective, accurate, trusted local journalism here in Maryland – and across the country – has perhaps never been more apparent than right now, as people turn to their local broadcasters and newspapers in unprecedented numbers for current, reliable information about the COVID-19 pandemic and local responses to it (from vaccine availability and distribution, to school operations, to government actions, and more), all during an economic downturn.

As SVP/Market Manager of Entercom Baltimore, I am proud to be part of a local team that strives to serve the citizens of the Baltimore Metro area by providing critical news, weather, traffic, and health and emergency information both on-air and online, as well by participating in and sponsoring events like local food drives, raising over \$20 Million dollars for Johns Hopkins Children’s Center over the years and supporting organizations such as Breast Cancer Awareness aimed to help the very communities in which we live and work. Indeed, our Station, as a licensee of the Federal Communications Commission, embraces its mandate to operate in and serve the public interest.

But local broadcasters face significant challenges as they aim to fulfill their unique role, many of them financial. Local television and radio stations fund their on-air and digital operations through advertising, much of it from small, locally owned businesses; advertising is essentially the only source of revenue for radio broadcasters, and it is the dominant source of revenue for local television news stations. Subjecting local media, including broadcasters, to the tax on certain gross revenues derived from their digital advertising services in Maryland would ultimately lead to less local news, traffic, weather, public health and safety information – less of the trusted, local journalism on which the public depends. Senate Bill 787 seeks to prevent that, and instead recognizes the unique and vital role that local media plays in Maryland’s communities, large and small. I wholeheartedly support Senate Bill 787 and urge its passage.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tracy Brandys'.

SVP/Market Manager

To: Senate Budget and Taxation Committee
From: Dan Joerres – WBAL-TV
Date: February 15, 2021
Re: Senate Bill 787



Dan Joerres
President & General Manager
djoerres@hearst.com
410.338.6403
410.338.6238 FAX

I write to express my enthusiastic support for Senate Bill 787, "Digital Advertising Gross Revenues Tax – Exemption and Restriction."

The importance and value of objective, accurate, trusted local journalism here in Maryland – and across the country – has perhaps never been more apparent than right now, as people turn to their local broadcasters and newspapers in unprecedented numbers for current, reliable information about the COVID-19 pandemic and local responses to it (from vaccine availability and distribution, to school operations, to government actions, and more), all during an economic downturn.

As President and General Manager of WBAL-TV, I am proud to lead a local team that strives to serve the citizens of Baltimore by providing critical news, weather, traffic, and health and emergency information both on-air and online, as well by participating in and sponsoring events like The annual Polar Bear Plunge which supports over 8,700 Maryland Special Olympians to our partnership with the Maryland Foodbank, where last year alone, we raised over \$1.9M aimed to help feed the hungry in the very communities in which we live and work. Indeed, our Station, as a licensee of the Federal Communications Commission, embraces its mandate to operate in and serve the public interest.

But local broadcasters face significant challenges as they aim to fulfill their unique role, many of them financial. Local television and radio stations fund their on-air and digital operations through advertising, much of it from small, locally owned businesses; advertising is essentially the only source of revenue for radio broadcasters, and it is the dominant source of revenue for local television news stations. Subjecting local media, including broadcasters, to the tax on certain gross revenues derived from their digital advertising services in Maryland would ultimately lead to less local news, traffic, weather, public health and safety information – less of the trusted, local journalism on which the public depends. Senate Bill 787 seeks to prevent that, and instead recognizes the unique and vital role that local media plays in Maryland's communities, large and small. I wholeheartedly support Senate Bill 787 and urge its passage.

Sincerely,

Dan Joerres
WBAL-TV
President & General Manager

5425 WISCONSIN AVE, 5TH FLOOR
CHEVY CHASE MD 20815

To Senate Budget and Taxation Committee

To: Senate Budget and Taxation Committee
From: Joel Oxley, SVP/General Manager WTOP News
Re: Senate Bill 787

I write to express my enthusiastic support for Senate Bill 787, "Digital Advertising Gross Revenues Tax – Exemption and Restriction."

The importance and value of objective, accurate, trusted local journalism here in Maryland – and across the country – has perhaps never been more apparent than right now, as people turn to their local broadcasters and newspapers in unprecedented numbers for current, reliable information about the COVID-19 pandemic and local responses to it (from vaccine availability and distribution, to school operations, to government actions, and more), all during an economic downturn.

As the General Manager of WTOP News, I am proud to be part of a local team that strives to serve citizens from Hagerstown to the Chesapeake Bay and from Baltimore to the Maryland suburbs of DC, by providing critical news, weather, traffic, and health and emergency information both on-air and online, as well by participating in and sponsoring events like the Washington Area Fuel Fund's Ice House and Chance for Life, both aimed at helping the very communities in which we live and work. Indeed, our Station, as a licensee of the Federal Communications Commission, embraces its mandate to operate in and serve the public interest.

But local broadcasters face significant challenges as they aim to fulfill their unique role, many of them financial. Local television and radio stations fund their on-air and digital operations through advertising, much of it from small, locally owned businesses; advertising is essentially the only source of revenue for radio broadcasters, and it is the dominant source of revenue for local television news stations. Subjecting local media, including broadcasters, to the tax on certain gross revenues derived from their digital advertising services in Maryland would ultimately lead to less local news, traffic, weather, public health and safety information – less of the trusted, local journalism on which the public depends. Senate Bill 787 seeks to prevent that, and instead recognizes the unique and vital role that local media plays in Maryland's communities, large and small. I wholeheartedly support Senate Bill 787 and urge its passage.

5425 WISCONSIN AVE, 5TH FLOOR 📍
CHEVY CHASE MD 20815

Sincerely,

A handwritten signature in black ink that reads "Joel Oxley". The signature is fluid and cursive, with the first name "Joel" and last name "Oxley" clearly distinguishable.

Joel Oxley
SVP/GM WTOP News
5425 Wisconsin Avenue
Chevy Chase, MD 20815



To: Senate Budget and Taxation Committee
From: Cary L. Pahigian, President/General Manager, WBAL NewsRadio & 98 Rock/WIYY
Date: February 15, 2021
Re: Senate Bill 787

If I may, I write to you with my strong support for Senate Bill 787, “Digital Advertising Gross Revenues Tax – Exemption and Restriction.”

The importance and value of objective, accurate, trusted local journalism here in Maryland – and across the country – has perhaps never been more apparent than right now, as people turn to their local broadcasters and newspapers in unprecedented numbers for current, reliable information about the COVID-19 pandemic and local responses to it (from vaccine availability and distribution, to school operations, to government actions, and more), all during an economic downturn.

As President/General Manager of WBAL News Radio & 98 Rock, I am proud to be part of a large local team that strives to serve the citizens of Greater Baltimore and Maryland by providing essential news, weather, traffic, live news conferences, and health and emergency information on-air, via mobile apps and online, as well by participating in and sponsoring events in support of the Maryland Food Bank, Special Olympics of MD, WBAL’s Kids Campaign and others aimed to help the communities in which we live and work. Indeed, WBAL/WIYY, as a licensee of the Federal Communications Commission, embraces its mandate to operate in and serve the public interest 24/7.

Local broadcasters face significant challenges as they aim to fulfill their unique role, many of them financial. Local television and radio stations fund their on-air and digital operations through advertising, much of it from small, locally owned businesses; advertising is essentially the only source of revenue for radio broadcasters, and it is the dominant source of revenue for local television news stations. Subjecting local media, including broadcasters, to the tax on certain gross revenues derived from their digital advertising services in Maryland would ultimately lead to less local news, traffic, weather, public health and safety information – less of the trusted, local journalism on which the public depends. Senate Bill 787 seeks to prevent that, and instead recognizes the unique and vital role that local media plays in Maryland’s communities, large and small. I wholeheartedly support Senate Bill 787 and urge its passage.

Thank you for your time and consideration.

Respectfully,

Cary L. Pahigian
President/General Manager
Hearst Radio/Baltimore



To: Senate Budget and Taxation Committee
From: Bill Hooper, VP/GM, WMAR TV
Date: February 15, 2021
Re: Senate Bill 787


I write to express my enthusiastic support for Senate Bill 787, "Digital Advertising Gross Revenues Tax – Exemption and Restriction."

The importance and value of objective, accurate, trusted local journalism here in Maryland – and across the country – has perhaps never been more apparent than right now, as people turn to their local broadcasters and newspapers in unprecedented numbers for current, reliable information about the COVID-19 pandemic and local responses to it (from vaccine availability and distribution, to school operations, to government actions, and more), all during an economic downturn.

As VP/GM of WMAR-TV, I am proud to be part of a local team that strives to serve the citizens of the Baltimore Metro Area by providing critical news, weather, traffic, and health and emergency information both on-air and online, as well by participating in and sponsoring events like Fill the House/House of Ruth Md., Food Drive/ Maryland Food Bank, and If You Give a Child a Book Drive aimed to help the very communities in which we live and work. Indeed, WMAR-TV, as a licensee of the Federal Communications Commission, embraces its mandate to operate in and serve the public interest.

But local broadcasters face significant challenges as they aim to fulfill their unique role, many of them financial. Local television stations fund their on-air and digital operations through advertising, much of it from small, locally owned businesses; advertising is essentially the dominant source of revenue for television broadcasters. Subjecting local media, including broadcasters, to the tax on certain gross revenues derived from their digital advertising services in Maryland would ultimately lead to less local news, traffic, weather, public health and safety information – less of the trusted, local journalism on which the public depends. Senate Bill 787 seeks to prevent that, and instead recognizes the unique and vital role that local media plays in Maryland's communities, large and small. I wholeheartedly support Senate Bill 787 and urge its passage.

Sincerely,


Bill Hooper
VP/GM



To: Senate Budget and Taxation Committee
From: Teri Monahan, General Manager/Marquee Broadcasting, Inc.
Date: February 15, 2021
Re: Senate Bill 787

I write to express my strong support for Senate Bill 787, "Digital Advertising Gross Revenues Tax – Exemption and Restriction."

The importance and value of objective, accurate, trusted local journalism here in Maryland – and across the country – has perhaps never been more apparent than right now, as people turn to their local broadcasters and newspapers in unprecedented numbers for current, reliable information about the COVID-19 pandemic and local responses to it (from vaccine availability and distribution to school operations, to government actions, and more), all during an economic downturn.

As General Manager for television stations WMDT and WGDV located on Maryland's Eastern Shore, I am proud to be part of a local team that strives to serve the citizens of Talbot, Dorchester, Somerset, Wicomico and Worcester counties in Maryland by providing critical news, weather, traffic, and health and emergency information both on-air and online, as well by participating in and sponsoring events. For example, we recently partnered with our local Food Banks and were able to provide over 296,000 meals to families in need in our viewing area. We also partnered with The Community Foundation of the Eastern Shore on Giving Tuesday; that one-day campaign raising over \$269,000 for 99 local non-profit organizations to help the very communities in which we live and work. Indeed, our Station, as a licensee of the Federal Communications Commission, embraces its mandate to operate in and serve the public interest.

But local broadcasters face significant challenges as they aim to fulfill their unique role, many of them financial. Local television and radio stations fund their on-air and digital operations through advertising, much of it from small, locally owned businesses; advertising is essentially the only source of revenue for radio broadcasters, and it is the dominant source of revenue for local television news stations. Subjecting local media, including broadcasters, to the tax on certain gross revenues derived from their digital advertising services in Maryland would ultimately lead to less local news, traffic, weather, public health and safety information – less of the trusted, local journalism on which the public depends. Senate Bill 787 seeks to prevent that, and instead recognizes the unique and vital role that local media plays in Maryland's communities, large and small. I wholeheartedly support Senate Bill 787 and urge its passage.

Respectfully,

Teri Monahan, General Manager
Marquee Broadcasting, Inc.

Marquee Broadcasting, Inc.
47abc.com • cwdelmarva.com • metvdelmarva.com
202 Downtown Plaza P. O. Box 4009 Salisbury, MD 21803-4009
Phone: 410.742.4747 • Fax: 410.742.5767



To: Senate Budget and Taxation Committee

From: David Bangura, VP/ General Manager, WDCW Ch50/ WDVM Ch25

Date: February 15, 2021

Re: Senate Bill 787

I write to express my enthusiastic support for Senate Bill 787, "Digital Advertising Gross Revenues Tax – Exemption and Restriction."

The importance and value of objective, accurate, trusted local journalism here in Maryland – and across the country – has perhaps never been more apparent than right now, as people turn to their local broadcasters and newspapers in unprecedented numbers for current, reliable information about the COVID-19 pandemic and local responses to it (from vaccine availability and distribution, to school operations, to government actions, and more), all during an economic downturn.

As VP/ General Manager for WDCW/ WDVM, I am proud to be part of a local team that strives to serve the citizens of metro Washington DC/ Hagerstown, by providing critical news, weather, traffic, and health and emergency information both on-air and online, as well by participating in and sponsoring events like political Townhalls, coat drives and county fairs to name a few, aimed to help the very communities in which we live and work. Indeed, our Station, as a licensee of the Federal Communications Commission, embraces its mandate to operate in and serve the public interest.

But local broadcasters face significant challenges as they aim to fulfill their unique role, many of them financial. Local television and radio stations fund their on-air and digital operations through advertising, much of it from small, locally owned businesses; advertising is essentially the only source of revenue for radio broadcasters, and it is the dominant source of revenue for local television news stations. Subjecting local media, including broadcasters, to the tax on certain gross revenues derived from their digital advertising services in Maryland would ultimately lead to less local news, traffic, weather, public health and safety information – less of the trusted, local journalism on which the public depends. Senate Bill 787 seeks to prevent that, and instead recognizes the unique and

vital role that local media plays in Maryland's communities, large and small. I wholeheartedly support Senate Bill 787 and urge its passage.

Sincerely,



David Bangura

Vice President\General Manager

WDCW TV and WDVM TV

WDCW TV

WDVM TV

2121 Wisconsin Ave NW

13 E. Washington Street

Washington, DC 20007

Hagerstown, MD 21740

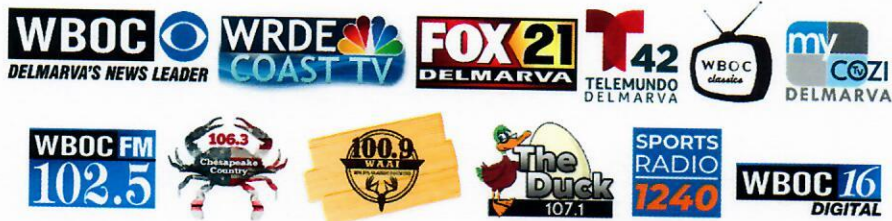
WDCW: 202-965-5050

WDVM: 301-797-4400

Mobile: 248-670-7002

DBangura@nexstar.tv





February 15, 2021

Maryland Senate Budget and Taxation Committee
Re: Senate Bill 787

Honorable Senators,

As President of a Broadcasting Group with television and radio stations here in Maryland I am writing to express support for Senate Bill 787, "Digital Advertising Gross Revenues Tax – Exemption and Restriction."

The importance and value of objective, accurate, trusted local journalism here in Maryland – and across the country – has perhaps never been more apparent than right now, as people turn to their local broadcasters and newspapers in unprecedented numbers for current, reliable information about the COVID-19 pandemic and local responses to it (from vaccine availability and distribution, to school operations, to government actions, and more), all during an economic downturn.

I'm proud to lead a local team that serves our family, friends and neighbors here on Maryland's Eastern Shore with critical news, weather, traffic, and health and emergency information both on-air and online. Further we serve our community with events such as our own 501 (c) 3 charity called Bless Our Children. This year we raised \$352,000.00 to help needy local families during the holidays.

But local broadcasters face significant challenges as they aim to fulfill their unique role, many of them financial. Local television and radio stations fund our on-air and digital operations through advertising, much of it from small, locally owned businesses; advertising is essentially the only source of revenue for radio broadcasters, and it is the dominant source of revenue for local television news stations. Subjecting local media, including broadcasters, to the tax on certain gross revenues derived from their digital advertising services in Maryland would ultimately lead to less local news, traffic, weather, public health and safety information – less of the trusted, local journalism on which the public depends. Senate Bill 787 seeks to prevent that, and instead recognizes the unique and vital role that local media plays in Maryland's communities, large and small. I wholeheartedly support Senate Bill 787 and urge its passage.

Sincerely,

Craig Jahelka
President, Draper Media

1729 North Salisbury Blvd., Salisbury, MD 21801
443-880-9090
cjahelka@wboc.com



WBFF | WNUV | EBFF
2000 West 41st Street, Baltimore, MD 21211-1420

To: Senate Budget and Taxation Committee

From: Billy Robbins, Vice President and General Manager WBFF-TV/EBFF-TV
Sinclair Broadcast Group

Date: February 15, 2021

Re: Senate Bill 787

I write to express my enthusiastic support for Senate Bill 787, "Digital Advertising Gross Revenues Tax – Exemption and Restriction."

The importance and value of objective, accurate, trusted local journalism here in Maryland – and across the country – has perhaps never been more apparent than right now, as people turn to their local broadcasters and newspapers in unprecedented numbers for current, reliable information about the COVID-19 pandemic and local responses to it (from vaccine availability and distribution, to school operations, to government actions, and more), all during an economic downturn.

As Vice President and General Manager of WBFF-TV and EBFF-TV I am proud to be part of a local team that strives to serve the citizens of the Baltimore DMA by providing critical news, weather, traffic, and health and emergency information both on-air and online, as well by participating in and sponsoring local events like Toys for Tots, The BMore Healthy Expo, Champions of Courage, College Bound Scholar of the Week, Scouting for Food, A Salute to Those who Serve and the Dr. King Parade to name a few. All of these events are aimed to help the very communities in which we live and work. Indeed, our Station, as a licensee of the Federal Communications Commission, embraces its mandate to operate in and serve the public interest.

But local broadcasters face significant challenges as they aim to fulfill their unique role, many of them financial. Local television and radio stations fund their on-air and digital operations through advertising, much of it from small, locally owned businesses; advertising is essentially the only source of revenue for radio broadcasters, and it is the dominant source of revenue for local television news stations. Subjecting local media, including broadcasters, to the tax on certain gross revenues derived from their digital advertising services in Maryland would ultimately lead to less local news, traffic, weather, public health and safety information – less of the trusted, local journalism on which the public depends. Senate Bill 787 seeks to prevent that, and instead recognizes the unique and vital role that local media plays in Maryland's communities, large and small. I wholeheartedly support Senate Bill 787 and urge its passage.

Sincerely,