



MARYLAND GENERAL ASSEMBLY

House Ways and Means Committee

Written Testimony of Timothy G. Nelson on behalf of the Maryland-DC-Delaware Broadcasters Association in support of House Bill 1200

(Digital Advertising Gross Revenues Tax – Exemption and Restriction)

February 26, 2021

Thank you for the opportunity to submit this testimony regarding House Bill 1200, “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 wish to voice my support for House Bill 1200 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 earlier this month 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. House Bill 1200, 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 House Bill 1200, House Majority Leader Eric Luedtke (as well as Senate President Bill Ferguson, sponsor of companion legislation, Senate Bill 787) 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

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.

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 the Federal Communications Commission is required to operate in and serve the public interest. MDCD'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. House Bill 1200 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 House Bill 1200 and urges the Committee to report it favorably.

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To: House Ways and Means Committee
From: Jeffrey Wilson, Senior Regional Vice President, Radio One
Date: February 22, 2021
Re: House Bill 1200

I write to express my enthusiastic support for House Bill 1200, “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 of 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. House Bill 1200 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 House Bill 1200 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 large, stylized flourish extending to the left.

Jeffrey Wilson
Senior Regional Vice President
Radio One



To: House Ways and Means Committee
From: Karen Wishart, EVP/CAO Urban One, Inc. on behalf of Stations WERQ-FM, WOLB-AM, WWIN-AM, WWIN-FM
Date: February 22, 2021
Re: House Bill 1200

I write to express my enthusiastic support for House Bill 1200, “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 EVP/CAO of Urban One, Inc., I am proud to be part of a local team that strives to serve the citizens of Baltimore, 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 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. House Bill 1200 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 House Bill 1200 and urge its passage.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Karen Wishart', written over a horizontal line.

Karen Wishart

To: House Ways and Means Committee
From: Dan Joerres – WBAL-TV
Date: February 24th, 2021
Re: House Bill 1200



I write to express my enthusiastic support for House Bill 1200, “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 be part of a local team that strives to serve the citizens of Baltimore and beyond 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 just completed Polar Bear Plunge, which raised over \$1.8M for over 8,700 Special Olympians or conducting phone banks for the Maryland Food Bank, raising over \$1.9M in relief money which helped feed the hungry in our area. Our efforts 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. House Bill 1200 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 House Bill 1200 and urge its passage.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dan Joerres', written over a white background.

Dan Joerres
WBAL-TV



February 23, 2021

Maryland House Ways and Means Committee
Re: House Bill 1200

Honorable Delegates,

As President of a Broadcasting Group with television and radio stations here on Maryland's Eastern Shore I am writing to express support for House Bill 1200, "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 local community with numerous events such as our own 501 (c) 3 charity called Bless Our Children. This year we raised \$352,000 to help needy local families during the holidays. This month we air a news special on diversity in conjunction with Black History Month. And in a few weeks we will air a one-hour special looking at where our state is, and where it is headed one year after the COVID-19 pandemic began. We are truly keepers of the public trust.

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. House Bill 1200 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 House Bill 1200 and urge its passage.

Sincerely,

Craig Jahelka
President, Draper Media

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

Entercom Baltimore



To: House Ways and Means Committee
From: Tracy Brandys SVP/Market Manager, Entercom Baltimore
Date: February 24, 2021
Re: House Bill 1200

I write to express my enthusiastic support for House Bill 1200, “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 support organization 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 and radio 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. House Bill 1200 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 House Bill 1200 and urge its passage.

Sincerely,



To: House Ways and Means Committee
From: Brit Goldstein, Eastern Shore/Salisbury Market President, iHeartMedia
Date: February 24, 2021
Re: House Bill 1200

I write to express my enthusiastic support for House Bill 1200, “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 Market President of our Salisbury stations: Froggy 99.9, 104.7, Magic 98.9, Kiss 95.9, Fox Sports AM 960 and News Radio 1470, I am proud to be part of a local team that strives to serve the citizens of the Eastern Shore 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 Miles for Military, Food Drives, Thanksgiving and Christmas charities, etc., aimed to help the very communities in which we live and work. Indeed, our Stations, as licensees of the Federal Communications Commission, embrace their 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. House Bill 1200 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 House Bill 1200 and urge its passage.

Sincerely,

Brit Goldstein

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Brit Goldstein
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To: House Ways and Means Committee
From: Lynn Polovoy - Baltimore Market President, iHeartMedia
Date: February 24, 2021
Re: House Bill 1200

I write to express my enthusiastic support for House Bill 1200, “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 Market President of our Baltimore stations: 102.7 JACK-FM, 93.1 WPOC, Z104.3, 24/7 Comedy Legends, Heaven 600, and BIN 1370, I am proud to be part of 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 station initiatives like “Front Line Hero” and “Essential Worker Shout Outs” in support of the first responders and essential workers across the Baltimore listening area. The Baltimore Cluster also maintains a digital portal called “Baltimore Cares” where local business are encouraged to enter their continuing operations with the community. iHeartMedia Baltimore also supported local businesses through special on air features like Z104.3’s What’s Good Wednesday and 93.1 WPOC’s Free Plug Friday where local businesses were encouraged to call in and promote their services on air. These programs and features aimed to help the very communities in which we live and work. Indeed, our Stations, as licensees of the Federal Communications Commission, embrace their mandate to operate in and serve the public interest.

Our stations and on-air personalities also have supported our communities during a time of intense social upheaval, partnering with local leaders and leading civil rights organizations to provide coverage and perspective on local events, and to facilitate discussion surrounding calls for social and racial equity, understanding and healing. I am particularly proud of one of our newer additions, Baltimore’s BIN 1370. In addition to carrying local news, as part of the BIN network, it carries 24/7 all-news audio service dedicated to news coverage with a Black voice and perspective. iHeartMedia strives to provide broadly diverse programming that is responsive to a broad array of demographics, and connects with listeners across political viewpoints.

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. House Bill 1200 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 House Bill 1200 and urge its passage.

Sincerely,

Lynn Polovoy



To: House Ways and Means Committee

From: Teri Monahan, General Manager – Marquee Broadcasting, Inc.

Date: February 24, 2021

Re: House Bill 1200

I write to express my enthusiastic support for House Bill 1200, “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 of TV Stations WMDT and WGDV 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 – and that one-day campaign raised over \$269,000 for 99 local non-profit organizations 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. House Bill 1200 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 House Bill 1200 and urge its passage.

Sincerely,

Teri Monahan, GM, Marquee Broadcasting, Inc.

To House Ways and Means Committee

To: House Ways and Means Committee
From: Joel Oxley, SVP/General Manager WTOP News
Date: February 24, 2021
Re: House Bill 1200

I write to express my enthusiastic support for House Bill 1200, “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 GM of WTOP News, I am proud to be part of a local team that strives to serve citizens from Hagerstown to the Bay and from Baltimore to the DC suburbs of 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 like the Washington Area Fuel Fund’s Ice House and Chance for Life both 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. House Bill 1200 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 House Bill 1200 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 written in a cursive style with a large loop at the end of the last name.

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



To: House Ways and Means Committee
From: David Bangura, VP/ General Manager, WDCW/WDVM
Date: February 24, 2021
Re: House Bill 1200

I write to express my enthusiastic support for House Bill 1200, “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 WDCW/WDVM (Nexstar Inc. stations), I am proud to be part of a local team that strives to serve the citizens of 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 Townhalls, Fairs and Coat drives 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. House Bill 1200 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 House Bill 1200 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

DBangura@nexstar.tv