



**Written Testimony of James Erwin  
Federal Affairs Manager for Telecommunications, Americans for Tax Reform  
Executive Director, Digital Liberty**

**Before the U.S. House of Representatives Committee on Energy and Commerce  
Subcommittee on Oversight and Investigations**

**Wednesday, May 8, 2024, 10:00 AM**

**2123 Rayburn House Office Building**

## **Executive Summary**

Erwin begins by thanking the committee leaders and says that while others have addressed NPR's political issues and ideological capture, his testimony will focus on the fundamental problem of federal funding for NPR. He argues that regardless of NPR's neutrality, the government shouldn't be in the business of running a radio station. He highlights historical instances of controversy around NPR's practices, emphasizing that government-funded media undermines a free press, provides NPR an unfair advantage, and that NPR is not honest in its accounting.

Drawing from personal nostalgia for NPR programming, Erwin expresses disillusionment with taxpayer funding for a station catering to affluent progressives. He delves into NPR's history, contending that its purpose was to cater to a particular demographic and that such programming should be sustained by private means. He then notes that no state-funded media can be truly politically independent and has no place in a free society.

Erwin contends that federal funding gives NPR an unfair advantage over its competitors, pointing out discrepancies in NPR's claims about its reliance on taxpayer funds. He highlights the opacity of NPR's financial system and suggests reforms, such as mandating that CPB funds be spent solely on affiliates or making NPR funding voluntary through tax returns, if full defunding cannot be achieved.



### **Full Written Testimony**

Chairman Griffith, Ranking Member Castor, Vice Chair Lesko, Chair McMorris  
Rodgers, Ranking Member Pallone, Members of the Committee,

It is an honor to testify before you today, especially as a former staffer on the Senate Side. Others have spoken about the political issues of National Public Radio – the ideological capture, the fact that it no longer represents the American people, if it ever did, and the history of collusion with the Democratic Party. My testimony today will take a step back and focus on another problem with continuing to fund NPR. Namely, if all the issues mentioned today did not exist, if NPR were the most neutral and fair media outlet with no ulterior motives, it is still not the role of the federal government to run a radio station.

This is not the first hearing this committee has had on whether to continue NPR funding – the last time was in 1999 after affiliates were caught sharing donor lists with Democratic party operatives, not specifically due to political bias in news coverage. Either way, running a radio network is not the government's job. It will not do to simply clean up NPR's current practices as happened in 1999 – it ought to be stripped of its funding because the Constitution does not task Congress with providing radio to the public, because it requires working- and middle-class taxpayers to fund the elite tastes of affluent progressives in major cities, and because state-funded media in principle undermines a free press. Additionally, it is unfair to NPR's

competitors who do not receive federal subsidies and NPR it is dishonest with the public in its accounting practices.

I say this as someone with fond childhood memories of NPR. I wouldn't trade the Saturdays I spent listening to *Car Talk* with my dad while driving to the dump for anything. Every Sunday after Mass, I would ride home with my dad listening to the re-broadcast of the previous night's edition of *A Prairie Home Companion*. I would lose myself in the imaginary worlds, painted with words, of Guy Noir, Private Eye and Lake Wobegon, Minnesota.

But when I grew up and began paying taxes, I wondered why it was so essential that my money was given against my will to this radio station I hardly listened to anymore, especially as it replaced the Boston-accented guffaws of auto mechanics with the self-serious whispers of hysterical Marxists who think bird names are racist.<sup>1</sup> I have since researched NPR's history and *raison d'être*, and the results make one even more cynical about the purpose of public radio's existence.

### **NPR's History and Purpose**

It is simply not the proper role of government to ensure that affluent progressives in major cities have access to programming that only appeals to them, especially if it is paid for by the taxes of middle and working classes. As Uri Berliner noted in his now-famous essay, which I've submitted with this testimony, two-thirds of NPR's audience identifies as either somewhat

---

<sup>1</sup> <https://www.npr.org/2021/06/07/1004076000/to-make-birding-inclusive-some-birds-will-need-new-names-without-colonial-roots>

# AMERICANS *for* TAX REFORM

722 12<sup>th</sup> Street, N.W. • 4<sup>th</sup> Floor • Washington, D.C. 20005



or very liberal.<sup>2</sup> Audience demographics skew highly educated and disproportionately own EVs.

The audience for NPR is affluent, college educated, and progressive. NPR increasingly tailors its content to this demographic.

But this was always part of public media's purpose. In the bad old days when three networks dominated the American television landscape, FCC Commissioner Newton Minow gave his famous "vast wasteland" speech in 1963 decrying the state of American television. Basically, he was upset that mainstream audiences preferred game shows to the opera. His influential speech eventually served as part of the justification for PBS and then NPR, educational and arts programming to "elevate" the dumb average American. As the host of one top-rate game show of the era, Groucho Marx put it, "an intellectual snob is someone who can hear the William Tell overture and not think of the *Lone Ranger*."

Newton Minow was one such snob, as the attached list of top-rated television programs from 1963 shows.<sup>3</sup> As a disclaimer, I did pull this from Wikipedia, which NPR's new CEO used to run, so it may not be reliable, but assuming it is, shows like *Bonanza*, *The Andy Griffith Show*, and *The Dick Van Dyke Show*, which I grew up watching in reruns are certainly a cut above the reality TV garbage on offer today.

---

<sup>2</sup> <https://www.thefp.com/p/npr-editor-how-npr-lost-americas-trust>

<sup>3</sup> [https://en.wikipedia.org/wiki/Top-rated\\_United\\_States\\_television\\_programs\\_of\\_1963%E2%80%9364](https://en.wikipedia.org/wiki/Top-rated_United_States_television_programs_of_1963%E2%80%9364)

Ironically, it was the FCC itself who was to blame for the lack of an arts channel: the licensing regime they ran prevented anyone outside of the Big Three networks from gaining a foothold in the marketplace, which was used to justify the creation of taxpayer-funded TV and radio. Once cable was able to circumvent the FCC regulatory regime by not using radiofrequency spectrum, there was an Arts and Entertainment channel, a History channel, home improvement, Turner Classic Movies, and dozens of other offerings the dearth of which PBS and NPR were meant to compensate for. The radio landscape never hurt for competition or variety in the first place. An example, as Ronald Reagan put it, of the government attitude towards the economy: if it moves, tax it. If it keeps moving, regulate it. If it stops moving subsidize it.

I would submit to the committee that those interested in the arts can patronize them on their own dime and those seeking education can take advantage of the vastly more democratized media landscape the internet has provided. Indeed, NPR's own podcast model has been taken and improved upon but some of the most popular media figures of our day, most especially Joe Rogan. Working- and middle-class taxpayers should not have to subsidize the tastes of the highly educated elite.

### **State-Funded Media Undermines a Free Press**

State-funded media in general has no place in a free society. Before the creation of the Corporation for Public Broadcasting, the US did fund Radio Free Europe and Radio Free Asia. These were legitimate Cold War measures, instruments of foreign policy that spoke truth to power in the communist hellscape behind the Iron Curtain. It was illegal, however, for their

# AMERICANS *for* TAX REFORM

722 12<sup>th</sup> Street, N.W. • 4<sup>th</sup> Floor • Washington, D.C. 20005



broadcasts to be transmitted domestically lest they unduly influence American politics. It took an act of Congress to make an exception, which was right and just.

NPR is not a necessary measure to combat tyranny abroad, and its news programs are a threat to democracy at home. They undermine a free press by giving a competitive advantage in government subsidies to one news program over potential opposition in the private media. Even if they strenuously worked to present issues in a fair and balanced manner (and from Berliner's essay we know they don't), NPR would be incapable of unbiased news coverage precisely *because* they receive federal funds. No media outlet is immune to influence from their paymasters, and it would be easy to imagine strings being attached to future appropriations mandating favorable coverage of certain federal priorities.

But even if we assume that NPR is perfectly free from undue influence, how do you suppose they would cover an elected official who advocates cutting their funding because he does not see government radio as the proper role of government, or simply can't find the money in this year's budget? On public broadcasting funding and other issues, can such an elected official ever expect fair coverage from NPR in the future? State-funded media is ultimately corrosive to our socio-political fabric and ought to be anathema to a free society.

**Federal Funding is Unfair to NPR's Competitors**

Federal funding also gives NPR an unfair advantage over its competitors. NPR was founded in 1970 by a group of public radio stations who successfully lobbied for federal funding from the Corporation for Public Broadcasting, a non-profit funded entirely by our tax dollars. According to our calculations, which are included with this testimony, CPB has received more than \$28 billion adjusted for inflation since 1969 and is asking for \$525 million this fiscal year, of which nearly 70 percent goes to local television and radio affiliates, with nearly \$128 million going to public radio affiliates.<sup>4</sup>

NPR likes to remind the public that only about 1% of its funding comes from taxpayers. At first glance, this appears to be true: 51 percent of its funding comes from corporate sponsorships (what normal people call “ads”) and private donations, while 31 percent comes from licensing fees, meaning the majority of its money comes from voluntary contributions and payments like any other media outlet.<sup>5</sup>

If this is true, why do they need any taxpayer funding at all? NPR should sustain itself on corporate sponsorships, licensing fees, and private donations like its competitors without an unfair (if minimal) advantage from federal funding. Regular radio stations don’t have the luxury of federal subsidies to sustain them when ad revenue dries up. Radio stations are heavily dependent on local business advertising, which contracts every time there is an economic downturn. Why should these stations, who have built themselves up without government bailouts, go under while the effete programming of public radio trucks along unabated?

---

<sup>4</sup> <https://www.cpb.org/appropriation>

<sup>5</sup> <https://www.npr.org/about-npr/178660742/public-radio-finances#nprevenues>





## **NPR is Dishonest About How Much Funding it Receives**

Sadly, the claim that only 1 percent of NPR’s revenue comes from the forced taxpayer donations is not true. On the same webpage where NPR claims this minimal taxpayer investment, they also say that federal funding is “essential” to their mission.<sup>6</sup> Well, which is it?

The answer lies in the 31 percent of their budget that comes from licensing fees. This significant chunk of their revenue, which was as high as 37 percent as recently as 2010,<sup>7</sup> comes from member stations paying to license NPR-produced content like *All Things Considered* and *Morning Edition*. These stations receive \$128 million in federal grants annually to pay in fees back to NPR. The most recent audit of NPR from 2022 (attached) reveals that NPR receives \$93 million in revenue from these stations, which would account for 73 percent of the CPB grants to affiliates.<sup>8</sup>

As it turns out, a shell game is afoot. Tax dollars are given to CPB, which passes a few million on to NPR so they can claim the taxpayer contribution is negligible while the rest is laundered through local affiliates who kick the federal subsidy back up to NPR. Not only is it

---

<sup>6</sup> Ibid.

<sup>7</sup> <https://www.gao.gov/assets/gao-11-669r.pdf>

<sup>8</sup> <https://media.npr.org/documents/about/statements/fy2022/National%20Public%20Radio%20-%20Consolidated%20Financial%20Statements%20-%20S2221.pdf>

unfair on principle for NPR to receive federal tax dollars their competitors do not, but they also lie to the public about how much tax money they receive.

This public radio financing system is so opaque that no one is actually certain how much federal funding NPR receives. Affiliates are required to keep track of how much of their federal grants end up back with NPR, but a 2011 GAO audit (attached) of 23 public radio stations found that the majority did not maintain these required records.<sup>9</sup> Saul Goodman couldn't design a better laundering operation.

### **What is to be done?**

In closing, I will offer two suggestions for how to defund NPR short of cutting it off completely from federal funds, which would be the preferable option. Former NPR chairman and CEO Paul Haaga, a Republican, argued in his rebuttal to the defund movement in this past weekend's Washington Post that public radio stations are a vital lifeline for rural communities, and argument I heard repeatedly as a Senate staffer during approps season.<sup>10</sup> In many cases, the only communications service people have is a public radio station.

The solution here is obvious: mandate through report language that the 100 percent of CPB's funding be spent on affiliates. Currently, 70 percent of their funding goes to affiliate stations, excluding interconnection and maintenance grants. If Congress must fund CPB, give it a 30 percent budget cut and mandate the remainder be spent solely on affiliate grants, which can then use them however they please by licensing content from diverse sources. This will do

---

<sup>9</sup> <https://www.gao.gov/assets/gao-11-669r.pdf>

<sup>10</sup> <https://www.washingtonpost.com/opinions/2024/05/03/npr-defund-republican-liberal/>

# AMERICANS *for* TAX REFORM

722 12<sup>th</sup> Street, N.W. • 4<sup>th</sup> Floor • Washington, D.C. 20005



nothing to reduce affiliate funding while eliminating the problems with funding NPR and the corporation that enables them, including by ending the shell game of financing. A small office at any federal department can step in for the administrative duties of CPB at much lower cost.

Second, if taxpayers must fund NPR for it to survive (and they would probably be fine with donations and sponsorships), Congress should make it a voluntary contribution. A box could be added to tax returns that allows taxpayers to voluntarily contribute to the NPR fund as they do the Presidential Election Fund. Those who support public radio can continue to do so, but this would end the unfair wealth transfer from the working and middle classes to services availed only by the elite while removing the undue leverage elected officials or NPR editors may have over one another.

Thank you again for this opportunity to testify, I look forward to any questions at the hearing or for the record.