

California bill requiring Big Tech to pay for news gains momentum

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Assemblywoman Pilar Schiavo, D-San Fernando Valley, left, congratulates Assemblywoman Buffy Wicks, D-Oakland, after Wicks' measure that would force Big Tech companies to pay media outlets for using their news content, was approved by the Assembly at the Capitol in Sacramento, Calif., Thursday, June 1, 2023. The measure now goes to the Senate for consideration. Credit: AP Photo/Rich Pedroncelli

A California bill that would force Big Tech companies to pay media outlets for posting and using their news content cleared another critical hurdle Thursday.

The measure is among hundreds of bills that passed in the state Senate and Assembly this week before Friday—the last day a bill can pass out of its original chamber and get a chance to become law later this year.

The bill, which passed the Assembly floor with bipartisan support, would require companies such as Google and Meta to [share with California media companies their advertising revenue](#) stemming from the [news](#) and other reported content. The amount would be determined through an arbitration process. The bill would also require at least 70% of the shared revenue go toward journalists' salaries.

Such payments would help local media organizations survive after many have seen their advertising revenues nosedive in the digital era, said the bill's author, Democratic Assemblymember Buffy Wicks. California has lost more than 100 [news organizations](#) in the past decade, she said.

"The California Journalism Preservation Act will not save journalism, but it will provide a support for news outlets and journalists at a moment when the stakes could not be higher," Wicks said Thursday.



Assemblywoman Buffy Wicks, left, D-Oakland, is congratulated by Assemblywoman Eloise Gomez Reyes, D-Colton, after Wicks' measure that would force Big Tech companies to pay media outlets for using their news content was approved by the Assembly at the Capitol in Sacramento, Calif., Thursday, June 1, 2023. The measure now goes to the Senate for consideration. Credit: AP Photo/Rich Pedroncelli

The bill is backed by major journalism unions such as the News Media Alliance and Media Guild of the West, which represents The Los Angeles Times and other newsrooms. The California Labor Federation joined in supporting the bill Thursday, saying the bill would protect journalism jobs by "leveling the playing field between publishers and social media websites."

Meta, which owns Facebook and Instagram, threatened to pull all news content from its platforms if the bill becomes law. The company has made similar threats to the U.S. Congress in 2022 and the Canadian government this year when those lawmakers attempted similar measures to bolster local journalism.

Meta also said the California bill would create a "slush fund" primarily benefiting out-of-state newspaper chains and hedge funds.

"The bill fails to recognize that publishers and broadcasters put their content on our platform themselves and that substantial consolidation in California's local news industry came over 15 years ago, well before Facebook was widely used," a Meta spokesperson said in a statement a day ahead of the vote. "It is disappointing that California lawmakers appear to be prioritizing the best interests of national and international [media](#) companies over their own constituents."



Assemblywoman Buffy Wicks, D-Oakland, smiles after measure that would force Big Tech companies to pay media outlets for using their news content was approved by the Assembly at the Capitol in Sacramento, Calif., Thursday, June 1, 2023. The measure now goes to the Senate for consideration. Credit: AP Photo/Rich Pedroncelli

Wicks called Meta's statement "an empty threat," noting that "these are companies that have made billions and billions and billions of dollars while our newsrooms are shutting down across the state of California."

Google didn't immediately respond to a request for comment.

Opponents of the bill, including LION Publishers, a national news group representing more than 450 independent newsrooms, have also raised

concerns that the measure would encourage more clickbait [news content](#). An analysis of bill, conducted by the Legislature, says news organizations would more likely invest in high-quality and investigative journalism if they are financially healthy. The analysis also said concerns the bill would potentially violate the First Amendment are "mostly overstated."

Republican Assemblymember Bill Essayli, who co-authored the bill, said it doesn't impose a tax on Big Tech.



Assemblywoman Buffy Wicks, D-Oakland, left, discusses her measure that would force Big Tech companies to pay media outlets for using their news content, with Assemblyman Al Muratsuchi, D-Torrance, at the Capitol in Sacramento, Calif., Thursday, June 1, 2023. If approved by the Senate and signed by the governor, the bill would require companies such as Google and

Meta to share with California media companies their advertising revenue stemming from the news and other reported content Muratsuchi wanted to make. Credit: AP Photo/Rich Pedroncelli

"I do not support corporate welfare, ... but I also do not support unjust enrichment," Essayli said Thursday. "If you're taking other people's work product and you're financially benefiting from it, you must compensate them for it."

Democratic Assemblymember Al Muratsuchi urged Wicks to continue working with local news organizations to make sure small and ethnic-owned newsrooms are not left behind. Wicks said she's committed to resolve that concern.

"I know that this is still a work in progress, but what I also know is that doing nothing is not an option," Wicks said.

The [bill](#) now heads to the state Senate.

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