

California law would make tech giants pay for news

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A bill making its way through the California state legislature would mandate that internet giants pay news agencies monthly 'journalism usage fees' based on viewing of stories via their platforms.

A proposed law requiring internet giants to pay for news stories moved

forward in California on Friday, despite Facebook owner Meta threatening to pull news from its platform if it passes.

The California Journalism Preservation Act (CJPA), which cleared the state assembly on Thursday and was in the hands of the state senate, would mandate that large online platforms pay a monthly "journalism usage fee" to news providers whose work appears on their services.

The bill is designed to support local news organizations, which have been decimated in recent years as ad revenue bled away to Google and Facebook, both advertising behemoths.

Meta spokesman Andy Stone on Friday told AFP that if the bill becomes law, Meta "will be forced to remove news from Facebook and Instagram rather than pay into a slush fund that primarily benefits big, out-of-state media companies."

The bill has to make its way through the state senate and be signed by Governor Gavin Newsom to become law.

The CJPA is like other legislative texts pending across the globe.

In Australia, Facebook in 2021 briefly blocked news articles over a similar law and Google threatened to pull its [search engine](#) from the country before they made deals to pay several media groups.

In the European Union, tech giants can be asked to pay a copyright fee to publishers for links posted in search results or feeds.

"The CJPA is riddled with holes, the biggest of which is that the bill primarily funds national media outlets that spread misinformation," said Chamber of Progress chief executive Adam Kovacevich.

"It's sad the Assembly is passing the buck to the Senate rather than fixing the bill's problems."

The chamber is a trade group with a list of partners that includes Amazon, Apple, Google, and Meta.

A study posted by the chamber concluded that "disinformation outlets" including Fox News would benefit most from the California law.

The bill defines online platforms as those having at least 50 million monthly active users in the United States; a billion monthly users worldwide, or be valued at more than \$550 billion based on its stock price.

Money for reporters?

Fees paid would be based on the number of views and news providers would be required to spend it on journalism and support staff, according to the text of the bill.

Stone noted that the wording of the bill means revenue from the law would not have to be spent on reporters covering news.

The California state assembly website indicated the [bill](#) was sent to a senate committee responsible for scheduling debates and votes on legislation, with no indication of when it would go to a vote.

"Meta's threat to take down news is undemocratic and unbecoming," trade group News Media Alliance said in a posted statement.

"We have seen this in their playbook before."

Canadian Prime Minister Justin Trudeau last month slammed Meta after

executives said it would block news for Canadian Facebook and Instagram users in response to the proposed law there.

The Canada law builds on Australia's New Media Bargaining Code, which was a world first, aimed at making Google and Meta pay for [news](#) content on their platforms.

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