

Tech's war with news outlets flares as US lawmakers ready bill

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The battle between news publishers and Alphabet Inc.'s Google and Facebook Inc. that flared up in Australia recently is coming to the U.S.

Lawmakers plan to re-introduce legislation Wednesday to allow news organizations to band together to negotiate with the [technology companies](#) over payment for content and the data the companies have about readers.

The legislation, which is being proposed in the Senate and House with bipartisan support, would make the U.S. the next front in the news industry's war against Facebook and Google. Publishers scored a major victory last month when Australia passed a law to force the companies to pay for news content. In Europe, publishers have been lobbying European Union lawmakers to copy parts of the Australian law.

"A strong, diverse, free press is critical for any successful democracy," said David Cicilline, the Rhode Island Democrat who chairs the House antitrust subcommittee and has introduced the Journalism Competition and Preservation Act in the last two Congresses.

Publishers have long complained that Facebook and Google are profiting off their content by siphoning ad revenue and controlling valuable data about readers.

Media organizations argue that to gain negotiating leverage and level the playing field, they must be able to collectively bargain with the platforms, something that's prohibited under U.S. [antitrust laws](#).

The proposed legislation would grant them a safe harbor from that restriction, but it doesn't include a proposal for forced arbitration between the tech companies and the publishers, a provision that's included in the Australian law and which the tech companies fought. Facebook even went so far as to blackout its news feed in the country before winning some concessions.

Amy Klobuchar of Minnesota, who is leading the initiative in the Senate,

said the legislation is necessary to help publishers better negotiate by giving them tools to counteract the power of Google and Facebook.

"The reason that we're brought to this moment is that they have an unfettered monopoly," Klobuchar said in an interview. Google and Facebook "thought they had so much power they could literally exit a major country," she added.

Klobuchar said the legislation has a better shot at passage this time because of bipartisan interest in antitrust issues today. Senate Minority Leader Mitch McConnell will be a cosponsor of the bill, she said. Ken Buck, a Colorado Republican and the ranking member of the House antitrust committee, is a co-sponsor of the legislation in the House along with Cicilline.

"Local journalism plays such an important role in keeping the American people informed, but many of our community newspapers have been crushed by the threat of big tech," Buck said in a statement. "This bipartisan bill will send a lifeline to local news organizations struggling to survive because Google and Facebook have decimated the news industry."

The House will wade into the issue Friday when the antitrust panel holds a hearing as part of its initiative to consider antitrust reforms following a 16-month investigation that accused tech companies of squashing competition.

In its report on the findings of the investigation, the committee recommended providing publishers the antitrust safe harbor provision, saying the risk associated with antitrust exemptions are low, "while the benefits of preserving access to high-quality journalism are difficult to overstate."

David Chavern, the president of the News Media Alliance, a trade association that represents about 2,000 [news organizations](#) in the U.S., said the biggest beneficiaries would be small publishers, and it's the "only way to get some capacity to negotiate."

Australia's initial proposal would have forced the companies to submit to arbitration to determine how much to pay publishers if deals couldn't be struck. In response, Google threatened to shut down its search engine, while Facebook imposed a news blackout on its platform in the country.

Google is moving to negotiate deals with publishers, while Facebook backed down after concessions from the government allowing the companies to choose which commercial deals to pursue, and only subjecting them to arbitration as a last resort. The Australian Parliament passed the legislation last month.

Facebook's standoff with Australia prompted Cicilline to lash out at the [company](#).

"Threatening to bring an entire country to its knees to agree to Facebook's terms is the ultimate admission of monopoly power," he tweeted.

The possibility of forced arbitration could emerge in the U.S. Chavern said the News Media Alliance is examining proposals that could force the platforms to pay for [news](#) when an agreement can't be reached.

"The foot can't be taken off the gas," Jason Kint, chief executive officer of Digital Content Next, an internet [publisher](#) trade group that counts Bloomberg News as a member, said in an interview. "You have to convince the public that these companies are problematic to the health of the industry the way it works right now."

Danielle Coffey, senior vice president and general counsel of the News Media Alliance, said the group is working with the lawmakers to include an oversight mechanism in an expanded bill.

"I'm sure they will look at Australia in considering what to do," said Coffey. "The most important thing is the goal to get equitable terms for small and local publishers and to require good faith negotiations by the platforms.

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