



May 18, 2023

Asm. Wicks, Asm. Essayli, Asm. Lowenthal
California Black and Latino Legislative Caucuses
California State Legislature
1021 O Street
Sacramento, CA 95814

Dear Assemblymember Wicks, Assemblymember Essayli, Assemblymember Lowenthal, Members of the California Legislative Black Caucus, and Members of the California Latino Legislative Caucus,

We, the undersigned organizations, believe that local journalism is critical to the health of our democracy and the prosperity of our communities. The residents of California, like so many others around the country, are experiencing the detrimental effects of the ongoing local-news crisis. This collapse affects all of us, not just the news industry, since trustworthy and accurate news and information allow our neighbors and your constituents to make informed decisions about public services, education, community health, jobs, local business and so much more. It's important that policymakers examine how they can support more informed communities, and we commend the committee for taking up this important issue.

However, we are writing to express **our strong opposition to the California Journalism Preservation Act, AB 886** (the "CJPA"). After carefully analyzing the proposed legislation, we believe that the bill as currently written would fail to address the issues it purports to solve and would also exacerbate existing problems, ultimately harming both the state's local and community-serving media ecosystem and the open internet. The proposed legislation would make it harder for Californians to access trusted, verifiable, independent public-interest news. The bill would also incentivize the spread of clickbait and misinformation while simultaneously making it harder for social-media platforms to remove toxic content.

Below we outline our concerns with AB 886, and ask the committee to reject it in its present form.

- I. **The CJPA would give more power to corporate media gatekeepers and hurt small publishers**
Large publishers would benefit the most from the CJPA's proposal to pay journalism providers — no matter where they are located — based simply on the number of times their content is shown to California residents.

Mandating that search engines and social platforms pay publishers to link to or amplify content could motivate these online services to reduce their link-tax costs by moving away from news content. Platforms would also be incentivized to limit the growth of smaller publishers, frustrating the ability of small and independent outlets to grow their audiences. The CIPA ultimately incentivizes the production of click-bait content in lieu of local journalism, rewarding incumbent corporate and hedge-fund-owned entities — and out-of-state conglomerates — based on the number of page views they attract rather than the quality of their work or the number of journalists they employ.

On the other hand, providers of high-quality local news — including those serving specific geographic areas as well as those serving communities of color, LGBTQIA+ individuals, immigrant populations and non-English speaking groups — would not benefit.

II. Link taxes threaten the open internet and do not fix underlying local-news market conditions

The CIPA is a link tax that threatens the free exchange of ideas on the open internet. Moreover, it threatens the symbiotic relationship in which publishers benefit from platforms amplifying and referring people to their content, and platforms benefit from how publishers' content generates traffic to the platforms.

The CIPA mistakenly assumes that the rise of internet platforms led to the decline in the production and distribution of local newspapers specifically and local news generally. It's true that newspapers have lost advertising revenues and their former place of prominence due to technological advancements — but advertisers have always moved from newspapers to other mediums to better reach their audiences, whether it's been radio, broadcast TV, cable TV and more recently digital platforms. Even when newspapers had wider profit margins, market forces never produced journalism in sufficient quantity or quality in the first place — and have always failed to serve the needs of people of color and non-English-speaking populations.

What requires intervention is the lack of civic information, a true public good. Even at the height of newspapers' dominance, most areas never had enough of the locally responsive, diverse and competitive sources of civic information they needed. It would be misguided and ineffective to design public policy to bolster advertising-supported television, radio or newspaper industries, which have consistently underproduced this public good and contributed much to the crisis we are in.

III. The CIPA would incentivize the spread of hate and clickbait while making it harder to moderate harmful content

The CIPA would reward journalism providers both inside and outside of California for the sheer number of views they get, or times their links are displayed — not whether their content is actually performing public-service journalism.

This would drown out local and community-responsive content. It would incentivize the clickbait and sensationalism already driving too much news coverage on air, in print and online. The end result would fund increased production of such clickbait. The advertising-driven news model already motivates publishers and platforms to maximize engagement over educational value and to over-produce this kind of “junk food” — i.e., low-cost, low-quality, sensationalist and widely appealing content. The CIPA would only make this worse.

This has real-world consequences for your constituents and the communities we serve. The disappearance of local news has created a void that misinformation often fills. We’ve seen the horrific consequences of this during the pandemic with the deadly impact of misinformation about the virus, vaccines and masking. Misinformation has also led to violence and harassment directed at members of the Asian American community, who have been falsely blamed for the pandemic.

Meanwhile, disinformation campaigns have resulted in widespread distrust in our electoral processes and violence against election workers. Misinformation and disinformation disproportionately harm marginalized communities that already grapple with a lack of access to resources, and with damaging stereotypes perpetuated by traditional media.

At first glance, the protections against “retaliation” in the CIPA would appear to guard against a decision to stop linking to or amplifying or diverse sources of content. However, the CIPA’s retaliation provision would allow purveyors of hateful, harmful and misleading content to sue platforms for better placement and more amplification — potentially mandating financial support for content that platforms would otherwise refuse to link to and amplify.

The CIPA would reward the worst kinds of journalism and make it harder for platforms to protect users and the public from the spread of hateful and deceitful content, resulting in an internet ecosystem where more hate speech, misinformation and sensationalist clickbait proliferates online.

IV. The inclusion of television broadcasters is unjustified

One of the key concerns we have with this bill is that it seeks to subsidize all television stations, no matter how large and lucrative they are, by providing them with “journalism-usage fees.” This would benefit big media conglomerates and ignore how many of them have already reduced local-news coverage in favor of national and international news.

Ad-supported television broadcasters do not need subsidies. Including these companies in the CIPA runs counter to the intention to expand high-quality local news.

V. The CIPA’S 70% carveout for journalists is unworkable

The CIPA’s attempt to ensure that 70% of “journalism-usage fees” go to journalists and news production is commendable — but recipients would be able to use accounting tricks to allocate

funds to corporate profits, dividends, stock buybacks and other costs that have nothing to do with increased and improved coverage. This would allow large media companies to further enrich themselves instead of reinvesting in quality journalism.

Furthermore, there's no way to require publishers to invest in quality, community-responsive coverage, as the provision requiring funds to be spent on employing journalists does not require the publisher to maintain or increase the number of journalists they employ. As noted above, this would also create barriers to entry for small and independent outlets that serve hard-to-reach communities.

VI. Communities suffering from the lack of local news deserve a voice

The process of drafting the CIPA failed to include impacted communities. Local communities — particularly those harmed as a result of the local-news crisis — should have been given the opportunity to provide meaningful input.

It's crucial to engage with experts in the media and journalism field — but it's equally important to listen to people living in communities of color, low-income areas, non-English-speaking communities, and isolated or remote areas.

We believe that legislation seeking to address community information needs requires an inclusive and collaborative approach to problem-solving. While important to engage with those in the media space, we strongly urge legislators to engage with stakeholders from communities impacted by the loss of local news and listen to their perspectives before moving forward with this bill. We believe that there are more effective and equitable approaches to addressing the issues this bill aims to solve, and we stand ready to work with you to develop and implement such solutions.

We commend the committee's interest in addressing the local-journalism crisis. But legislation that primarily benefits TV conglomerates, hedge funds, out-of-state publications and all manner of large publishers producing low-quality content will not address the real problem. California residents need policies that would expand public-interest journalism and increase the number of journalists covering their communities. They do not need a bill that would exacerbate the spread of online hate and misinformation and make it harder for people to access trustworthy news.

We hope to work with the committee moving forward and welcome any additional questions or requests for more detailed information.

Sincerely,

Free Press Action

Local Independent Online News (LION) Publishers

Alameda Post

YubaNet.com

Computer & Communications Industry Association

CrosstownLA

Shasta Scout

Times of San Diego

The Ingleside Light

edhat Santa Barbara

Broke-Ass Stuart

El Tímpano

Creative Commons

Access Humboldt

Lost Coast Outpost