

# Collaborative on Digital Discourse for a Thriving Democracy and Resilient Communities

## Working Group on News and Information – Policy Document

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### Background

The ongoing decline of the journalism industry has raised concerns about the vitality of our democracy and the availability of reliable, independent news. In response to this crisis, various proposals have emerged to establish compensation structures that require tech platforms to remunerate news organizations for the traffic they drive. While there is broad consensus on the need to support journalism financially, the implementation of such mechanisms has proven contentious, and has unnecessarily pitted the tech, journalism, and policy sectors against each other. In this policy brief, our objective is to present a comprehensive overview of the challenges faced by the journalism industry, the complexities surrounding compensation proposals, and actionable solutions that foster consensus. By examining the concerns raised by all relevant stakeholders and providing pragmatic solutions that respect First Amendment rights, we aim to enhance existing compensation proposals and pave the way for sustainable collaborations between tech platforms and journalism organizations. This briefing seeks to equip legislative staffers at the federal and state level with valuable insights and data to refine their legislative efforts, fostering a path towards strengthening our democracy and bolstering the future of journalism in the digital era.

### Reimagining the Relationship Between Platforms & Outlets

**Description:** In recent years, the journalism industry has experienced a decline in revenue, in part attributed to the transition from traditional media to digital platforms. News outlets invest significant resources in producing high-quality, factual content that drives user engagement and traffic to online platforms. In turn, these platforms have reaped substantial financial benefits from such content, without always compensating news outlets fairly.

This proposal acknowledges the interdependent nature of this relationship, recognizing that quality journalism drives user engagement on platforms, leading to increased ad revenue and user retention. The proposal aims to ensure a just and sustainable future for both the journalism sector and digital platforms by establishing a framework that respects freedom of speech, avoids entanglement with disinformation, misinformation, or hateful speech, and safeguards against anti-competitive practices.

We recognize that the financial disruption in the news sector cannot be attributed solely to technology companies – there are a variety of complex factors that led to journalism’s decline. However, the policy opportunities we highlight focus on the financial relationship between these

two actors (platforms and news providers) as that is where the greatest potential lies and a fairer relationship is needed

#### **Potential blockers:**

- Any proposal in this direction could veer into compelling speech or making platforms pay for mis/disinformation.
- It can be incredibly difficult in practice to determine and enforce what is and isn't journalism. This can also inflame polarization and further decrease trust in platforms, journalists, and regulators.
- There will be more specific disagreements over funding formulas, the role of government in compelling these structures, and avoiding bias.

#### **Framing and Principles:**

- **Fair Revenue Sharing:** The policy will establish guidelines for a fair revenue-sharing model between online platforms and news outlets based on the traffic generated by journalistic content. Platforms will be encouraged to transparently share a portion of their advertising revenue or provide direct financial support to news outlets in exchange for access to their content.
- **Encouraging Quality Journalism:** The proposal incentivizes the creation of factual, reliable, and high-quality journalistic content. Platforms may offer additional incentives for original reporting and investigative journalism to promote informative and trustworthy news.
- **Preserving First Amendment Rights:** This proposal will strictly respect the constitutional rights of all parties involved. It will not impose content-based restrictions or compel platforms to support or host specific viewpoints, ensuring editorial independence and freedom of expression. It will also respect the FCC's Fairness Doctrine.
- **Core Principles:** Journalism is a key part of the online landscape, and a driving force for the user bases of many platforms. As such, there should be some way to compensate their services and help reverse the overall decline of revenue in the journalism sector.
- **Need for Regulation:** There is a bipartisan consensus that tech platforms need to be more accountable to their various constituencies, of which journalists and news providers are one. Importantly, these regulations, if carefully crafted, can mutually strengthen and enhance the relevant industries (in this case, tech and journalism).

There are several **policy opportunities** worth exploring, in the absence of meaningful action and collaboration by industry players:

- **Tax and Distribute:** This proposal would aim to accomplish the above stated goals while removing the direct link. Essentially, rather than having platforms pay directly for certain articles or outlets, which can run the risk of compelling payment for harmful or false information, there can be an indirect payment structure. Governments can tax platforms and redistribute the money to outlets that are measurably driving the most revenue and engagement on these platforms. This would allow more flexibility and potentially avoid anti-competitive practices. Additionally, a pro-rata system can be developed to directly support local journalists and strengthen the information landscape in specific communities.

- **Localized Pro Rata:** As a subset of the above proposal, funds for journalists can be distributed as a pool to municipalities based on population. Population can be calculated as total, total platform users, or total news consumers.
- **Copyright Protections:** Extend or modify copyright protections as an avenue to adequately protect and compensate the work of journalists.
- **Grant and Board Systems:** Create systems that can differentiate between hard news and punditry, opinion, or “infotainment.” While emphasizing that these forms of news are not always without value, distinguishing and exempting them from this program makes it clear that the focus is protecting and strengthening journalism. Funds from this program can be distributed like a grant system, like the NIH, with a transparent application system that is responsive to the needs of journalists, consumers, and the platforms. A board can also ensure that freelance journalists, which represent 40% of the journalism industry, are not excluded from these proposals. This would also have the benefit of avoiding journalist registries, which would be problematic for a variety of reasons. A human-centered board would ultimately have the mandate of creating thriving business models for good information, as such models already exist for bad information.
- **Retain Platform Autonomy:** [Legal scholars](#) have argued prohibitions against viewpoint discrimination could make currently pending bills unconstitutional, nullifying or weakening the efforts. Regulators should seek to satisfy the thrust of this legislation within constitutional bounds. The JCPA has currently written, which would enable a compensation structure at the federal level, has received [considerable opposition](#) from 1<sup>st</sup> amendment and tech legal scholars. In our view, this criticism can be avoided with amendments that will still keep the core areas of alignment intact.