

News Media Alliance pushes for new Senate antitrust bill

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The News Media Alliance is scoring some legislative points against the much bigger K Street players Google and Facebook with a bipartisan Senate bill unveiled Monday evening that would temporarily exempt publishers from antitrust laws.

The measure—sponsored by Louisiana Republican John Kennedy and Minnesota Democrat Amy Klobuchar—would free up news publishers to jointly bargain with big technology companies in a quest for a bigger slice of digital revenue. It's the companion to a House bill that Rhode Island Democrat David Cicilline and Georgia Republican Doug Collins introduced this spring.

"At the heart of this bill is helping newspapers survive amid shrinking circulations and massive layoffs," Kennedy said in a statement. "Google and Facebook now control the news kingdom. They've pitted themselves against newspapers in a David-and-Goliath battle in which newspapers don't have a stone to throw much less a slingshot to put it in. The readers are the true losers as newsrooms empty out across this country. Google and Facebook aren't just companies. They're countries. We can't allow them to bully newspapers out of business."

Klobuchar added that "without honest and trusted journalists reporting around the world and here at home, what is out of sight truly becomes out of mind—but we're seeing more and more independent and local news outlets close as 'fake news' rises. It's more important than ever that we protect the free press and establish an even playing field for

negotiation with online platforms. Our bipartisan legislation will improve the quality and accessibility of reporting and ensure that journalists are able to continue their critical work."

Though the news publishers lobby faces major hurdles to turning the legislation into law, the effort is part of a larger campaign to make the group, known until 2016 as the Newspaper Association of America, relevant in an age when most people get their news on screens, not on newsprint.

David Chavern, a longtime K Street insider formerly with the U.S. Chamber of Commerce, took over the group in late 2015 and has set about a transformation.

"I have worked hard to basically change everything about the organization that can be changed and to reorient it to really try to fight for a digital future for news publishing," Chavern said. "We're going to need a better deal from the platforms if we hope to survive."

The platforms are primarily Google, Facebook and other big technology companies.

If lobbying revenue is any indication, it's an unfair fight.

The News Media Alliance reported spending about \$385,000 on federal lobbying during the first three months of this year, while Google and Facebook both disclosed shelling out nearly \$3.4 million in the same period. In all of last year, the alliance spent \$1.8 million on federal lobbying, according to congressional lobbying disclosures. Google reported \$21.2 million for 2018, while Facebook dished out \$12.6 million.

A Google spokeswoman declined comment. A Facebook spokesman did

not provide comment.

But a blog post by the Computer and Communications Industry Association stated in response to the idea: "Antitrust exemptions are rarely granted because consumers lose when competitors collude." The CCIA added in its post that while the News Media Alliance "argues that leading tech services are unfairly competing as a 'duopoly,' ... experts at the Technology Policy Institute and The Adam Smith Institute, among others, have argued newspaper publishers must adapt to changing markets, not collude."

Chavern said his team circulated draft legislation in the last Congress, making a case for legislative intervention. While the government can't regulate the news media, he said, big tech companies somewhat do by controlling the distribution, the ad revenue and data on readers.

Michael Klingensmith, publisher and CEO of the Star Tribune Media Co. in Minneapolis, said he's been involved in the association for 10 years and credits Chavern with bringing together a disparate collection of news executives.

"We really have sort of coalesced around this issue of being able to more effectively deal with the big platform companies like Google and Facebook," he said. "It's something we all have in common."

The House and Senate legislation would give news publishers a temporary 48-month reprieve from existing antitrust laws, allowing them to band together to negotiate.

"We'll take what we can get," Klingensmith said, adding it should be long enough to make a difference.

Chavern, who said four years should be long enough to build a longer-

term and sustainable business of online news, expects to testify at a forthcoming hearing in the House Judiciary panel's Subcommittee on Antitrust, Commercial and Administrative Law, which Cicilline chairs.

"This bill will provide a much-needed lifeline to local publishers who have been crushed by Google and Facebook," Cicilline said about his bill in a news release.

As for the News Media Alliance, Chavern said that in addition to changing its name, he's also upped the focus on lobbying and advocacy. The alliance also launched a political action committee, which donated less than \$1,000 in the 2018 election cycle to Collins, a sponsor of the House measure, according to federal election records.

The alliance's revenue has declined in recent years to \$7.3 million, according to the group's 2017 IRS Form 990, from \$8.4 million in its 2015 Form 990. But its total assets were up to \$22.5 million in the 2017 disclosure from about \$20.7 million in 2015 one.

"We've become much sharper edged," Chavern said.

That's not unique to the news lobby, either. The trade association sector itself is in the throes of disruption as members flee and groups consolidate.

"The News Media Alliance as a trade association is no different than any other trade association in Washington, in 2019," K Street headhunter Ivan Adler said. "They must focus on bringing value to their members, otherwise they will become irrelevant."

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