

California State Assembly Committee on Privacy and Consumer Protection
Legislative Office Building
1020 N Street, Room 162
Sacramento, CA 95814

April 18, 2023

Re: AB 886 (Wicks) California Journalism Preservation Act – Support

Dear Chair Gabriel and Members of the Committee on Privacy and Consumer Protection:

Media Guild of the West and Pacific Media Workers Guild are local unions of The NewsGuild-CWA that represent journalists and media workers across California and several other states. Our members work for the Los Angeles Times, San Francisco Chronicle, Orange County Register, Sacramento Bee, Los Angeles Daily News, East Bay Times, Press-Enterprise, Mercury News, Desert Sun, Fresno Bee and many other California newsrooms. The NewsGuild, America's largest union representing journalists, is affiliated with the Communications Workers of America.

We write in support of the California Journalism Preservation Act. To our knowledge, we are the first American trade unions of journalists to support a bill that seeks to level the playing field between tech platforms and news publishers. We respectfully ask you to consider labor's view.

A free press has to be economically viable for journalists to carry out our traditional duties of informing the public and holding power to account. But the local news industry is in crisis, with a sharp fall in U.S. newsroom employment¹ coinciding with a record surge in journalist unionization.² Hundreds of journalists across California have organized over the last five years to join the battle against journalism layoffs, stagnant wages, corporate consolidation, the closure of newsrooms and the spread of news "deserts" – a fight for the future of local news itself.^{3 4} Our presence in this policy debate is an indictment of the status quo.

We are no friend to some of the publishers supporting this bill, who tried and failed to bust our unions and have dragged out collective bargaining for years without settlement. Our disputes with them continue and could very well result in work stoppages in the near future.

Yet on the California Journalism Preservation Act, labor and management stand together.

¹<https://www.pewresearch.org/fact-tank/2021/07/13/u-s-newsroom-employment-has-fallen-26-since-2008/>

²<https://www.poynter.org/business-work/2021/not-just-a-wave-but-a-movement-journalists-unionize-at-record-numbers/>

³<https://www.mediaguildwest.org/news/journalists-at-11-southern-california-daily-newspapers-announce-plans-to-unionize>

⁴<https://mediaworkers.org/welcome-the-cityside-guild-to-pmwg/>

We have strong criticisms of individual firms, but the crisis facing journalism is global.⁵ Ongoing cutbacks have diminished commercial and nonprofit newsrooms in communities large and small, liberal and conservative.⁶ Democracies around the world have responded over concerns that massive tech platforms such as Meta and Google have been complicit in local journalism's decline by using their concentrated market power to control consumers' access to news while undercutting the much smaller news publishers in the digital marketplace.⁷ The premise is that if quality news disappears, local democracy itself will suffer.⁸

In 2019, the European Union created the Directive on Copyright in the Digital Single Market, which aimed "to help the press publishing industry benefit from a fairer market place and to promote the best possible environment to develop innovative business models" by "strengthen[ing] the bargaining position of press publishers when they negotiate the use of their content by online services."⁹

Australia followed with the creation of the News Media and Digital Platforms Mandatory Bargaining Code in 2021, which "aims to address bargaining power imbalances to ensure that digital platforms fairly remunerate news businesses for the content they generate, thereby helping to sustain public interest journalism in Australia."¹⁰

Neither of these first steps to preserve communities' access to local journalism have destroyed the internet, as some critics predicted.¹¹ Among working journalists, our sibling unions at the International and the European Federations of Journalists and Australia's Media Entertainment and Arts Alliance have welcomed regulators' attempts to balance the economic playing field, while criticizing these respective policies for lacking transparency and for inadequately ensuring a fair share of new revenues go to journalism jobs.^{12 13}

In the U.S. in 2022, leaders from our parent union, The NewsGuild-CWA, were similarly critical of Congress' proposed Journalism Competition and Preservation Act, an antitrust measure based on Australia's Bargaining Code, for a similar lack of guarantees that revenues would go to newsrooms before boardrooms.¹⁴

⁵<https://www.chathamhouse.org/publications/the-world-today/2023-04/free-press-under-fire-never>

⁶<https://www.poynter.org/business-work/2022/here-are-the-newsroom-layoffs-furloughs-and-closures-caused-by-the-coronavirus/>

⁷<https://www.opendemocracy.net/en/can-europe-make-it/free-press-versus-facebook-and-google/>

⁸<https://www.governing.com/now/how-the-decline-of-local-news-threatens-local-democracy.html>

⁹https://ec.europa.eu/commission/presscorner/detail/en/QANDA_21_2821

¹⁰<https://treasury.gov.au/sites/default/files/2022-11/p2022-343549.pdf>

¹¹<https://www.theguardian.com/media/2021/jan/20/australias-proposed-media-code-could-break-the-world-wide-web-says-the-man-who-invented-it>

¹²<https://europeanjournalists.org/blog/2022/04/23/world-copyright-day-journalists-must-be-paid-for-tech-giants-use-of-their-work/>

¹³<https://www.mcaa.org/download/news-media-bargaining-code-submission/?wpdmdl=45796&refresh=64348853328521681164371>

¹⁴<https://newsguild.org/americas-journalists-want-the-jcpa-to-support-journalism-jobs-not-hedge-funds/>

However, the proposed California Journalism Preservation Act takes a different tack. The bill proposes that 70% of new revenues from the tech platforms must go back into newsroom jobs. We strongly support this accountability rule and would not support this bill without it.

We also support efforts to address artificial intelligence models that are poised to further transform the economic relationship between platforms and news publishers.¹⁵ While we embrace new technologies as journalists,¹⁶ the nature of recent AI models raise concerns that our work will be exploited for private commercial gain¹⁷ without rightful compensation for the human labor – our labor – that’s still necessary to produce new knowledge about the world.¹⁸

The mismatch in market power between tech platforms and news publishers trickles down to our newsrooms, where work stoppages by U.S. journalists are on the rise as we confront the publishers in an escalating cycle of labor disputes primarily focused on economics.¹⁹

Like all workers, journalists’ labor produces value. We demand our fair share of it through collective bargaining with our employers, as protected by the National Labor Relations Act.²⁰ But if that value gets unfairly captured by third-party tech platforms instead of the publishers that employ us, we can’t bargain for pay that reflects our actual economic productivity. Meanwhile, newsroom jobs keep disappearing.

Any separation of journalism’s revenues from its costs is also unattractive to entrepreneurial journalists who might try their hand at revitalizing local news. A lack of prospective buyers has sent many of our once locally-owned newsrooms into the hands of chains owned by hedge funds such as Alden Global Capital, which ruthlessly cut journalism jobs and divert profits from local news production to other more potentially lucrative industries.²¹ We strongly support efforts to boost nonprofit and publicly funded media that go beyond this bill; however, in the U.S., commercial media has historically been by far the largest employer of local journalists.²² If we want more and different options for community news – and we do – it follows that private investment in local news production should also be more commercially rational. The California Journalism Preservation Act would help.

¹⁵<https://www.nytimes.com/2023/03/30/business/media/publishers-chatbots-search-engines.html>

¹⁶<https://www.theatlantic.com/technology/archive/2014/03/earthquake-bot-los-angeles-times/359261/>

¹⁷<https://www.wsj.com/articles/publishers-prepare-for-showdown-with-microsoft-google-over-ai-tools-6514a49e>

¹⁸<https://www.washingtonpost.com/media/2023/01/17/cnet-ai-articles-journalism-corrections/>

¹⁹<https://www.poynter.org/business-work/2022/unions-back-to-using-walkouts-as-a-bargaining-tactic-after-a-two-decade-break/>

²⁰29 U.S.C. §§ 151-169

²¹<https://dfmworkers.org/in-court-filing-hedge-fund-alden-admits-diverting-hundreds-of-millions-from-news-paper-chain/>

²²<https://www.pewresearch.org/fact-tank/2021/07/13/u-s-newsroom-employment-has-fallen-26-since-2008/>



**MEDIA GUILD
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Meta and Google rule as powerful landlords overseeing an ever-expanding slum of low-quality information,²³ happy to collect advertising rents from struggling tenants while avoiding paying for upkeep. Last year, Meta threatened to “remov[e] news from our platform altogether” as Congress’ debated antitrust regulation, a strong-arm lobbying tactic that turned journalism into a corporate hostage.²⁴ Meta made a similar threat to block Facebook and Instagram users from sharing news in Australia²⁵ and continues to make veiled threats toward consumers, publishers and lawmakers there.²⁶ This ability and willingness to impose censorship on an international scale shows how a firm of Meta’s size can “dictate terms” to news publishers and lawmakers alike, while “the law of selfishness, uncontrolled by competition, compels it to disregard the interest of the consumer,” to paraphrase U.S. Senator Robert Sherman, author of the Sherman Antitrust Act of 1890.²⁷ We urge you to stand with journalists if Meta makes similar threats to censor us in California.

We respectfully ask that you support the California Journalism Preservation Act and all policies that would bring journalism protections into the 21st century.

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²³<https://medialaw.unc.edu/wp-content/uploads/2021/01/Local-News-Platforms-and-Mis-and-Disinformation-FINAL.pdf>

²⁴<https://twitter.com/andymstone/status/1599857809126195201>

²⁵<https://about.fb.com/news/2020/08/changes-to-facebooks-services-in-australia/>

²⁶<https://www.smh.com.au/business/companies/punitive-and-untidy-meta-talks-tough-on-media-bargaining-20230301-p5comw.html>

²⁷21 Cong. Rec. 2457 (1890)