

Testimony of Robert Singleton Director of Policy and Public Affairs, California and US West Chamber of Progress Re: SB 3591

March 6, 2024

Re: OPPOSE Senate Bill 3591: Journalism Preservation Act

Dear Chair Castro and Members of the Committee:

Chamber of Progress, a tech industry coalition, respectfully opposes **SB 3591**, which could have the unintended consequence of helping conservative national media more than local Illinois media.

Chamber of Progress supports public policies at the federal and state level that seek to build a fairer, more inclusive country in which all Americans benefit from technological leaps. Our corporate partners include companies like Google, Snap and Amazon, but our partners do not have a vote on or veto over our positions.

SB 3591 is a version of a federal bill that previously languished in Congress after being opposed by a large coalition of civil society, industry, and library association members.

The federal Journalism Competition and Preservation Act (JCPA) would have allowed publishers to collectively negotiate fees for online platforms to link to their work.¹ SB 3591 would create a monthly link tax on online platforms to share information to the public.

In response to the federal legislation, a coalition of civil society organizations, librarians, creators, antitrust experts, and industry groups voiced their

 $^{^{1}\,}https://www.congress.gov/bill/117th-congress/senate-bill/673/text$

opposition to fees for links, or "link taxes," as well as requirements that platforms treat all news outlets equally.²

Supporters of the legislation attempted to make a last ditch effort to pass the bill in December 2022, but were opposed by a similar coalition that included the ACLU, Association of Research Libraries, Fight for the Future, and Electronic Frontier Foundation.³

SB 3591 is similar to a bill in California, which was opposed by a wide range of small news publishers, public interest groups, and industry groups.

SB 3591 in Illinois is nearly identical to AB 886, from last year in California, otherwise known as the California Journalism Preservation Act. California lawmakers heard from many small, local publishers, public interest groups, and industry groups, like Free Press Action, Local Independent Online News (LION) Publishers, and the ACLU California Action, who were vehemently opposed to the bill because it would favor larger publishers like Fox, reduce the reach of local news organizations, and result in poorer quality content and misinformation.⁴ After first being postponed a full year due to being so controversial, California lawmakers eventually stopped that piece of legislation from further consideration altogether and stated that "getting this policy right is more important than getting it quick."⁵

SB 3591 is similar to Canadian legislation that has had negative effects.

A similar piece of legislation, the Online News Act, was enacted in Canada.⁶ Canadian leaders, ranging from elected officials to academics to public interest and industry groups, assert negative impacts,⁷ including a disproportionate benefit to the largest publishers and a loss of internet traffic to the smaller publishers it was designed to benefit. Most strikingly, there was even a report that came out this morning that showed a 23 percent loss in internet traffic to the

² https://publicknowledge.org/wp-content/uploads/2022/09/September-2_Letter-to-Senate_JCPA.pdf

 $^{^{3}\ {\}rm https://publicknowledge.org/policy/group-letter-to-congressional-leadership-against-jcpas-ndaa-inclusion/$

⁴ https://progresschamber.org/act/cjpa/;

https://medium.com/chamber-of-progress/californias-online-journalism-bill-would-be-a-windfall-for-fox-news-and-other-disinfo-outlets-54d95a4636b4

⁵https://a14.asmdc.org/press-releases/20230707-assemblymember-wicks-senator-umberg-reach-agreement-two-year -bill-ab-886;

https://www.freepress.net/news/press-releases/california-lawmakers-press-pause-problematic-local-journalism-bill-cj pa

^shttps://www.techdirt.com/2023/10/02/canadas-online-news-act-c-18-has-been-an-unmitigated-disaster-why-does-cal ifornia-still-want-to-move-forward-with-its-version/

⁷ https://s3.documentcloud.org/documents/24001936/letter_cjpa_wicksumberg.pdf

Canadian Broadcasting Company because they were no longer receiving click throughs from Facebook.

This legislation would effectively force companies to pay all news outlets, including right wing sites, that perpetuate harmful misinformation.

Legislation like the JCPA and this bill are intended to help small local news organizations — however, SB 3591 does not specifically direct funding to local media. Thus, conservative national media outlets like the Daily Caller and Newsmax would reap huge benefits should this pass. An alternative approach would identify where local funding for news would be most effective, and work with local stakeholders to decide how to best achieve that outcome.

A link tax may lead to unintended consequences that harm local journalism.

The intent of this bill and its provisions to help support local journalism, like Ethnic Media, falls flat with the inclusion of a link tax and non-retaliation language. Creating strict funds for eligible digital journalism endeavors and their journalists and support staff as mentioned in Section 35 of this bill may be beneficial on its own. However, adding a link tax edges on restricting public use of information. With online platforms having to pay monthly fees, it may become burdensome to share links to important news. Access to news like healthcare, education, and elections is imperative for society and forcing a decision to either pay a link tax or stop sharing critical information goes against social policy and hurts both online platforms and local journalism in Illinois.

Additionally, the non-retaliation language states that a covered platform shall not retaliate against an eligible digital journalism provider in its rights under this bill. The definition of eligible digital journalism provider is broad and can cover an eligible publisher or broadcaster so long as it discloses its ownership to the public. This forces online platforms to distribute and then pay for the links from such providers that historically spread misinformation and disinformation.

A link tax will further harm local journalism by inadvertently incentivizing news vulture hedge funds and other private equity groups to acquire struggling news organizations for profit. Helping such hedge funds in a new avenue for profit with the link tax would make it difficult for local news to thrive and would create lower quality journalism.⁸

⁸ https://www.seattletimes.com/opinion/stop-letting-newspapers-fall-prey-to-vulture-capitalists/

For these reasons, we **oppose SB 3591** and would like to work with the author on alternative approaches that directly support local news.

Respectfully,

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