



Conglomerates and Hedge Funds Lobby for Mandatory Online News Payments

Who Benefits from Link Taxes?

While mandatory online news payments continue to gain traction in the name of saving local news outlets, these problematic bills would both favor and fund global media conglomerates and hedge funds rather than the journalists doing the critical reporting to inform their communities. Ongoing concerns include decreased traffic for smaller publications, an influx of misinformation or low-quality journalism, and unequal bargaining power between corporations and local outlets.

€ .04 to € .06 the value of a single visit to a publication's website in Europe

66% the referral traffic contributing page views to publishers on average in Europe

€10m the loss in revenue in Spain during link tax implementation

6% reduction in traffic to publishers' websites in Spain

14% fall in traffic to smaller publishers in Spain

Requirements would harm diversity in the media ecosystem and create economic barriers

Mandatory online news payments could decrease the traffic driven to smaller publications and the diversity within the news industry. Publications with narrower audiences utilize digital services to get the word out, generate revenue, and connect with their audiences meaningfully. Requirements would favor poor-quality journalism or "click bait" and could increase misinformation on the web. By forcing popular digital services to pay for showcasing news content, these outlets will struggle to reach and monetize opportunities as digital services would be incentivized to display less news or prioritize other content that costs less.

Language in 'must-carry, must-pay' bills favors corporations

Many of these mandates do not contain adequate targeting of revenue thresholds for qualifying publications or specifications on how the newsrooms should spend said funding to ensure small, local outlets receive support. Yet even if there were edits to this language, these proposals would still threaten the free flow of information crucial to the internet. Smaller publications would not see the promised monetary benefits and could also lose out on the very online traffic that allows them to connect with relevant and new audiences.

Conglomerates would have greater bargaining power in negotiations

In regions that have passed or are considering bills that mandate collective bargaining between publications and digital services, smaller publications have and will lack the negotiating power to ensure terms that are favorable compared to larger publications with more resources and reach. This is likely to cause alternative outlets to agree to less favorable agreements or be excluded entirely.

