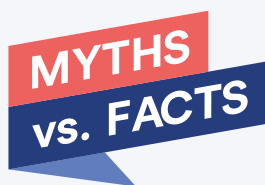


# The Harms of Mandatory Online News Payments



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Over the past decade or so, several governments have passed laws to force revenue transfers from digital services to news corporations. Multiple countries are now in the process of considering or advancing similar rules. The proposals circumvent free market dynamics to force a select few U.S. online businesses to pay news publishers for displaying quotes or headlines and linking to news content. These regimes ignore the fact that news publications post on social media services and are included on news indexing websites to reach critical audiences, which represents a significant source of revenue. While these efforts are cast as a means to help journalists and the media, the real-world results have been the opposite.



## Forcing Digital Services to Pay for the Presence of News Content Is Deeply Flawed Policy

### ✗ MYTH

#### Online Services Have Caused a Decline in Journalism Production

The crisis in local journalism's business model began well before the emergence of the modern digital economy, based on technological change affecting both consumption of news and a restructuring of the advertising market. In fact, online services have been critical in helping news sites manage this transition and sustaining journalism, by driving traffic to news sites. In some jurisdictions, ill-advised mergers led to the assumption of unsustainable levels of debt.

✓ FACT

### ✗ MYTH

#### The Technology Industry Has Stolen News Businesses' Revenue

News businesses' advertising dominance was a historical anomaly in a market that has always been dynamic—a century-old evolution that has integrated the emergence of radio, television, and now the internet. Advertising market changes in the internet era are complex and fast-moving. Media advertising revenue has migrated across the ecosystem, not just to the services that are the targets of legislation, with no discernable connection to linking and quoting online.

✓ FACT

## × MYTH

**Requiring Payments for Online News Links and Quotes Is a Reasonable Intervention That Will Improve Independent Journalism, Media Competitiveness, and Production of Quality Journalism.**

- Big media conglomerates, weighed down by high legacy costs, will disproportionately benefit from mandatory payments at the expense of smaller news players.
- Forced payments for links incentivize poor-quality journalism and can lead to compensation for misinformation.
- Placing a tax on linking undermines the internet ecosystem.

## ✓ FACT

## Legal Conflicts For Online News Payment Mandates

### International Copyright Law Obligations

Efforts to force websites to pay for links and snippets of news upend long-established international copyright law. The majority of governments allow for the displaying of a short quotation or snippet because: (1) it may be too short to qualify for copyright protection; (2) it may fall under an exception to copyright law such as the quotation right, fair use, or fair dealing of the copyrighted work; or (3) the copyright owner is considered to have granted its implied consent to showing such snippets as it has allowed its work to be indexed by search engines and made it available online.

### Trade and International Agreements

Because established international copyright rules prohibit nations from restricting the right to quote, national legislation that conflicts with these obligations breaches commitments made under the WTO,<sup>1</sup> and where applicable, bilateral free trade agreements. The recently signed U.S.–Indonesia Agreement on Reciprocal Trade represents a milestone in dismantling digital trade barriers. Notably, the deal includes a provision directly prohibiting U.S. digital services from funding, sharing data with, or entering revenue-sharing arrangements with Indonesian news providers.<sup>2</sup>

### U.S. Constitutional and Legal Protections

In addition to these international considerations, proposed U.S. regulations that would require digital services providers to pay news corporations for the linking and quotation of news content raises many domestic concerns, including contravening federal copyright law, the First Amendment freedom of speech protections, granting antitrust exemptions that would permit favored businesses to form cartels contrary to U.S. antitrust principles, and due process protections.<sup>3</sup>

<sup>1</sup> The provisions of the Berne Convention are incorporated in the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS), which is part of the WTO Agreement. Thus, WTO Members have a mandatory, affirmative obligation to permit anyone to quote from a work that is already lawfully publicly available: <https://infojustice.org/archives/44775>; <https://infojustice.org/archives/42925>.

<sup>2</sup> CCIA Applauds Robust Digital Trade Commitments in U.S.–Indonesia Agreement, CCIA (Feb. 20, 2026), <https://ccianet.org/news/2026/02/ccia-applauds-robust-digital-trade-commitments-in-u-s-indonesia-agreement/>.

<sup>3</sup> <https://ccianet.org/library/ccia-california-journalism-preservation-act-legal-memo/>.

## Recommendations

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Policymakers should **not** pursue mandatory revenue transfer schemes to force digital services to subsidize news businesses. However, for jurisdictions that pursue policy interventions, here are some key considerations for policymakers:

- Digital services and news media businesses generate vast benefits for one another and for consumers.
- “Must-carry, must-pay” mandates harm the online ecosystem.
- Established legal frameworks and trade commitments facilitate the exchange of digital and digitally-enabled services.
- There are alternative policy solutions that could catalyze journalism that go more to the root of the issue of providing news businesses with sustainable revenue bases.
- Similar attempts to impose these rules have failed elsewhere, such as in Spain and in Canada, where obligatory payments led to sweeping harms for small news outlets.
- Obligations that force digital services to enter into agreements (such as Australia’s News Bargaining Incentive) perpetuate ineffective policy and operate as a discriminatory tax.

## Existing Frameworks and Proposals Impacting Online News and Digital Services

Below is a collection of the most prominent recent examples of proposed and enacted legislation. Each version requires or considers the requirement of targeted digital services providers to negotiate payment agreements with news businesses, and carries serious economic and structural flaws that could harm the online information ecosystem.

Jurisdiction	Digital Services Targeted	Content Moderation & News Availability Implications	Exemption Process
<b>Australia: News Media Bargaining Code</b> (enacted 2021), <b>News Bargaining Incentive</b> (proposed 2024)	Those deemed by the Treasurer to have significant bargaining power over news businesses.	Digital providers cannot differentiate between registered news operators when indexing and making available news content.	Minister may decline designation if digital services reach voluntary commercial deals with publishers. As of 2026, Australia is in the consultation process for the News Bargaining Incentive. Although details continue to evolve, the effort would function as a de facto tax on linking to news, forcing digital services into deals with publishers.
<b>Canada: Online News Act</b> (enacted 2023)	Online services providers with “significant bargaining power imbalance” in the online news market; continues to capture only two U.S.-based digital services.	Prohibits “undue preference” or disadvantage, potentially constraining the moderation or demotion of harmful or misleading news content.	Scope and thresholds determined by the Canadian Radio-television and Telecommunications Commission (CRTC). Following concerns about the bill’s effectiveness, changes and/or repeal of the Act are reportedly being considered both by the Canadian government and the U.S. as part of trade negotiations.
<b>European Union: Article 15 of Directive on Copyright in the Digital Single Market</b> (enacted in 2019), <b>European Media Freedom Act</b> (enacted in 2024)	Online digital services using press publisher content; obligations vary by member state.	Neighboring rights and fairness rules may increase litigation risk if news content is removed or limited.	Licensing agreements and collective management organizations in some member states.
<b>Indonesia: Publisher Rights Presidential Decree</b> (enacted in 2024)	Organizations operating in Indonesia that provide digital services, including global platforms displaying news content such as search engines and social media. Companies are defined by their “presence” of services in Indonesia.	Obligates digital services to support quality journalism, including in prioritizing facilitation and commercialization of locally produced news, fair treatment of press companies, algorithm design goals, training programs and cooperation with the press.	Services must enter cooperation agreements with Press-Council-verified media (paid licenses, profit sharing, user data sharing, etc.). A committee (set by the Press Council) oversees compliance and can facilitate arbitration for disputes. However, the recent US-Indonesia Trade Agreement refrains from requiring U.S. digital services to fund, share data with, or enter revenue sharing with domestic news providers.

Jurisdiction	Digital Services Targeted	Content Moderation & News Availability Implications	Exemption Process
<b>South Korea: Act on the Promotion of Newspapers</b> (digital amendments to be enacted in July 2026)	Applies to “large information service providers” and other online services under the Network Act, especially services that disseminate or mediate user content across telecommunications networks.	Under the Act, registration as an Internet news service provider carries administrative requirements and potential penalties, including suspension or revocation for violations.	New online news services must file registration with the competent local authority; failure to comply can lead to administrative fines and suspension of operations.
<b>United Kingdom: Competition and Markets Authority Digital Markets Regime</b> (enacted in 2025)	Firms designated with Strategic Market Status (SMS) in digital activities will be those found to have “substantial and entrenched market power” and a “position of strategic significance” in digital activities.	There are a broad range of potential conduct requirements with defined types including requiring platforms to “trade on fair and reasonable terms” with the potential for the CMA to impose a “final offer mechanism” to enforce such requirements.	Tailored conduct requirements and pro-competitive interventions are determined on a case-by-case basis. The CMA is currently consulting on new restrictions on how Google AI Overviews interact with published content online, for example, with burdensome “transparency” and opt-out requirements.
<b>U.S. Congress: Journalism Competition and Preservation Act</b> (most recently reintroduced in 2023)	Specific thresholds including 50 million U.S.-based monthly active users, or a market cap / annual net sales of \$550 billion.	Prohibits covered online services providers from “retaliating” against publishers seeking negotiations for payment, including “refusing to index content” or “changing the ranking” of content, both of which are key to general moderation of content.	None.
<b>California AB 886: California Journalism Preservation Act</b> (reintroduced in 2024)	Specific thresholds including 50 million U.S.-based monthly active users or a market cap and U.S. annual net sales of \$550 billion.	Prohibition on “refusing to index content or changing the ranking, identification, modification, branding, or placement of the content of” digital journalism providers.	As of 2024, the proposal is currently tabled following a public-private partnership with the California government to aid newsrooms and AI innovation.
<b>Washington SB 5400: Supporting Local News Journalism</b> (reintroduced in 2026)	Includes for-profit businesses that had a gross income in Washington of \$5 million or more in the preceding calendar year and are a “social media platform” or “search engine.”	No direct moderation mandates, but imposing a revenue surcharge tied to digital services’ activities could create incentives affecting the availability of news content.	Applies only to covered services meeting thresholds with compliance achieved through payment of surcharge funding the state Local News Sustainability Program.

Jurisdiction	Digital Services Targeted	Content Moderation & News Availability Implications	Exemption Process
<b>Oregon SB 1580: Oregon Journalism Protection Act</b> (reintroduced in 2026)	Services that access or display digital journalism content for Oregon audiences with at least 50 million monthly active users or subscribers in the U.S. or have annual revenues or a market capitalization in the U.S. that is more than \$550 billion.	Digital services may face pressure not to block, delist, or restrict news access because access without a compensation agreement could trigger liability.	Covered services may avoid obligations by entering negotiated agreements with eligible journalism providers; mediation and arbitration procedures are contemplated if negotiations fail.
<b>Brazil: Bill PL 2370/2019</b> (proposed in 2025)	Large digital services (search engines, social media networks, and instant messaging applications with at least 2 million users) distributing journalistic or copyrighted content.	Risk that mandatory remuneration and liability frameworks incentivize over-removal or limit digital services' ability to demote or filter disputed content.	Details evolving; drafts continue to contemplate regulatory oversight and negotiated agreements.
<b>New Zealand: Fair Digital News Bargaining Framework</b> (proposed in 2023)	Mimics Australia's News Media Bargaining Code, targeting digital services with significant bargaining power over news publishers.	Non-discrimination and bargaining obligations could constrain the removal, ranking, or treatment of participating publishers' content.	Undetermined; the government may allow negotiated agreements to satisfy obligations.
<b>Taiwan: Inquiry for News Bargaining Proposal</b> (discussions ongoing as of 2023)	Large online intermediaries and digital services.	Transparency and accountability proposals may impose obligations affecting content removal processes and ranking transparency.	Framework under development; regulatory details pending.
<b>Malaysia: Inquiry on Media Remuneration Framework</b> (discussions ongoing as of 2023)	Under study.	Unclear, but if modeled on other frameworks, it may create pressure to block or remove news.	Expected negotiation framework; details pending following consultation.