Free Press Action

Crumbs for California

HOW A BILL TO 'SAVE JOURNALISM' WOULD ENRICH BIG MEDIA & HARM COMMUNITY NEWS OUTLETS

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I. Executive Summary

Local news and civic information is under threat in California. Giant corporations continue to gobble up news outlets, shuttering some entirely and shrinking most of the survivors. The trusted community news sources that remain face a desolate economic landscape.

In the face of this increasingly dire reality, California lawmakers are right to want to take action to help ensure that state residents get the civic information and journalism they desperately need. But the California Journalism Preservation Act (CJPA), which is modeled after similarly named and similarly flawed federal legislation — the Journalism Competition and Preservation Act (JCPA) — will not make California's journalism market more financially stable or responsive to community needs.

Because of the way the CJPA is structured, the proposed law would mostly benefit billionaire-owned hedge funds and giant, nationally focused media conglomerates like Fox News, Disney, and Comcast. While the similar JCPA only extends to news outlets with fewer than 1,500 employees and completely excludes national broadcast networks, the CJPA is open to nearly any content producer of any size. This legislative structure — what is in essence a link tax — will produce a clickbait and search-engine-optimization gold rush that will cause more harm to the truly independent local California news outlets that are closest to their communities.

To better understand who would benefit under the CJPA and how the proposed law would negatively impact California-focused media outlets (with particular emphasis on ethnic, nonprofit and independent local media outlets), Free Press conducted a study of the website traffic from referrals on social media and in search results to outlets that would qualify for CJPA support. This analysis focused on traffic referral in July 2023 from Alphabet and Meta, the two major firms that would be required to pay every time they return search results containing links to, or allow their public users to post links to, third-party news outlets' websites.

Free Press examined the Meta and Alphabet referral traffic to locally focused websites, generated by internet users in seven local California media markets. (CJPA would only apply to impressions served to California residents). Within these local markets, we examined website traffic referral data from 26 broadcast TV news stations; 10 legacy daily newspapers; and 22 ethnic media, independent and nonprofit outlets. We then constructed a national website sample containing some of the most widely read online news outlets, as well as sports and entertainment outlets and overtly partisan outlets. We then apply weights in order to estimate the share of referrals that were directed to California residents. We then analyze this full data set, examining differences in California-destined traffic referrals between the national outlets and local outlets.

Data limitations prevented us from directly estimating the CJPA's distributional impacts. However, our traffic referral methodology does provide an estimate of the likely magnitude of differences in CJPA payments between certain classes of news outlets, such as the differences between independent locally focused journalism outlets and large multinational media firms.

This analysis shows that locally focused independent, nonprofit and ethnic media outlets likely would receive very little funding from the CJPA, while much larger payments would flow to wealthy broadcast television firms, hedge funds and nationally focused news and entertainment outlets.

Results for Website Traffic Referrals from Meta's Facebook and Instagram Platforms:

- Giant corporations will receive nearly the entirety of CJPA payments coming from Meta (the parent company of Facebook and Instagram), with a substantial majority of payments going to outlets that do not produce local California news.
    - Seven owners accounted for more than half of all the Meta-originated, California-destined referrals in our sample (News Corp/Fox, Disney, Nexstar, Comcast. IAC, New York Times Co., and Hearst Corp).
        - Murdoch family-owned outlets accounted for more than 14 percent of all California-destined Meta referrals in our sample. Put another way, Meta referrals to Murdoch-owned websites were 90-times larger than the Meta referrals to the *Bakersfield Californian.*
        - The average number of Meta referrals to the right-wing political websites in our national sample were three times greater than the average number of Meta referrals to the California local independent, nonprofit and ethnic media outlet in our sample.
        - *People Magazine*'s Meta-originated traffic in California alone is more than 50 times that of the average Meta-originated traffic for California's independent, nonprofit and ethnic outlets. Numerous other outlets have Meta referrals that are *each* more than 25-times larger than the average number of Meta referrals to the independent California media outlets in our sample. Such outlets include *Sports Illustrated*, Fox News, *The Sun*, *USA Today*, CNN, *The New York Post*, The Daily Mail, and others.
    - More than 80 percent of the Meta-originated, California-destined, referrals in our sample were for websites owned by 20 of the globe's largest media firms, absolutely dwarfing the level of such hits for California's independent, nonprofit and ethnic media outlets.
    - If the 158 outlets in our sample were the entirety of CJPA-eligible websites, the owners of California's local independent, nonprofit or ethnic-media websites would at best account for 2 percent of CJPA-eligible traffic originating from Meta's platforms. However, since the actual universe of websites that have links presented on Meta-owned platforms is far greater than those analyzed in our sample, the local independent outlets' share of this fixed-sized revenue pie will be *much less* than this 2 percent figure. There are also additional factors that would likely further reduce the share of the CJPA revenue pie going to independent California news outlets.
- Broadcast TV network affiliates — which are already incredibly profitable — receive a disproportionately large share of the Meta-referred traffic, compared to local print and local independent nonprofit or ethnic media outlets.
    - The average broadcast TV website in our sample generated more than 12 times the Meta-referred, California-destined traffic than the average independent, nonprofit or ethnic media outlet in our sample.

        - Broadcast stations accounted for nearly 75 percent of the Meta referrals to California-focused news websites.
        - California's broadcast TV news stations are overwhelmingly owned by giant multimedia corporations. Comcast, Disney, Fox, Nexstar, Paramount/CBS, and Sinclair own 85 percent of the broadcast TV news stations in the seven California markets in our sample.
        - These broadcast firms continue to bring in record levels of political advertising and retransmission consent revenues. Broadcasters also actively utilize social media to engage with viewers and enhance viewer loyalty. But there is no evidence that local television stations have used their growing fortunes to fill the void created by the financial decline in local print media.

<u>Results for Website Traffic Referrals from Alphabet's Google and YouTube Platforms:</u>

- Giant corporations will receive the near entirety of CJPA payments coming from Alphabet (the parent company of Google and YouTube), with a substantial majority of payments going to outlets that do not produce local California news.
    - Seven owners accounted for more than half of all the California-destined, Alphabet-originated referrals in our sample (News Corp/Fox, Disney, New York Times Co., Warner/Discovery, Nant Capital (Patrick Soon-Shiong), IAC, and Comcast.
        - Murdoch family-owned outlets accounted for more than 10 percent of all California-destined Alphabet referrals in our sample of 100 national and 58 local websites.
        - The average right-wing political website in our sample generated four times the number of Alphabet referrals as the average local independent, nonprofit or ethnic media outlet in our sample.
        - ESPN's California Alphabet-originated traffic is nearly 100 times that of the average Alphabet-originated traffic for the California independent, nonprofit, or ethnic outlets in our sample. Fox News, *USA Today*, *New York Pos*t, *People*, *Sports Illustrated*, *Forbes*, Daily Mail and other national outlets *each* had Alphabet-originated, California-destined referrals that were 50- to 75-times larger than Alphabet referrals to the average local independent, nonprofit, or ethnic media outlet in our sample.
    - More than 82 percent of the California-destined, Alphabet-originated referrals in our sample were for websites owned by just 20 firms.
- Nationally focused outlets dwarf local outlets in the number of Alphabet-originated referrals. If the 158 websites in our sample comprised the total universe of CJPA-qualifying news outlets, the locally focused outlets would account for less than 23 percent of the Alphabet-originated, CJPA-eligible traffic. However, because the actual

universe of CJPA-qualifying news outlets contains hundreds of additional websites, the local outlets' actual combined share of the Alphabet CJPA revenue pie will be far less.

  - The average national outlet website in our sample generated nearly 14 times the Alphabet-referred, California-destined traffic than the average independent, nonprofit, or ethnic media website.

- Unlike the case with Meta referrals, legacy newspaper outlets are more reliant on Alphabet referrals than local TV stations. However, for many papers the top organic search terms are variations of the newspaper's name. Given Google's massive search query volume and its system for placing ads against certain search terms, it is highly unlikely that legacy print outlets would receive meaningful CJPA payments from Alphabet.

In sum, the CJPA is a massive giveaway to large and very profitable media companies. California's independent media outlets, which are closest to the communities they serve and in most need of support, are highly likely to see little to no benefit from the CJPA. These independent news firms might initially receive *at-best* fractions of pennies on the dollar. Over time, the CJPA-created clickbait gold rush will further reduce these small outlets' online visibility, shrinking their readership and ultimately rendering them worse off than they are today.

National broadcast companies will be the main beneficiaries of the CJPA. The owners of California's local broadcast television stations have seen their revenues soar in the internet era and they continue to profit handsomely from political ads and retransmission fees, and there's no reason to believe that funneling more money into their coffers will do anything to help resolve the local journalism crisis. California's major daily newspapers will also see relatively small payments from the CJPA compared to those taken in by broadcasters and national website owners. But most of this already-small slice of the pie that will go to local newspapers will be seized by giant hedge fund companies, who continue to gut their newsrooms and replace local coverage with cheap-to-produce, syndicated national content.

<u>These problems with the CJPA are inherent to the legislation's design, and cannot be fixed through amendments</u>. Even if the law were to cut out giant media firms from receiving payments, their website traffic must still factor into the arbitrator-determined valuation of news for covered platforms. No amount of tinkering will change the reality that the independent, nonprofit and ethnic media outlets that need help the most will receive at-best token payments, and will be harmed in the long run. This is because the CJPA creates an automatic revenue stream for companies who can afford to invest in search engine optimization and viral content production. This CJPA-created clickbait gold rush will over time reduce these outlets' visibility and ultimately crowd out impactful local news on social media and search platforms.

Lavishing financial largesse onto the same giant media companies that have a long history of failing to serve the information needs of *all* Californians is not a rational response to the journalism crisis. If California policy makers want to improve the state of journalism in their local communities, they should reject the CJPA's flawed approach, and instead explore more targeted and impactful solutions.

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II. Background

The California Journalism Preservation Act ("CJPA")[1] – introduced during the first part of the 2023-2024 California Assembly legislative session – is a legislative proposal that aims to improve the state of journalism in California. The CJPA would force certain large tech companies to pay a portion of their advertising revenues to international, national and local news and information outlets. The CJPA functions as a so-called "link tax." Payments to news outlets are directly tied to the number of times that a large online platform returns search results containing links to third-party news outlets' websites. Payments are also calculated based on the number of times a platform like Facebook allows its users to post links to an outlet's content.

The CJPA is a modified version of the Journalism Competition and Preservation Act ("JPCA")[2], federal legislation endorsed by giant media companies. At their core, both the JCPA and the CJPA are based on the deeply flawed idea (originally promoted by the Murdoch family media empire)[3] that a search engine returning a clickable link or a social media platform allowing users to share links are acts that require these platforms to compensate publishers. In reality, this sharing of information drives attention (and revenues) to the news publisher, which increases their readership in a very crowded online content market.

But as deeply flawed as the JCPA is, the CJPA is much worse. This is because the core approach of the JCPA is amending federal antitrust law to allow publishers to form a cartel that can force platforms into a one-sided arbitration, in order to force platforms to pay publishers merely for hosting *links* to their content.[4]

However, states cannot waive federal antitrust law. Instead, the authors of the CJPA kept most of the JCPA's definitions and general approach, but created a compelled payment system, where platforms are required by law to compensate all qualifying news outlets based on the number of instances where a platform presents a link to those outlets' websites.

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[1] *See* California Journalism Preservation Act, A.B. 886 (Amended in Senate, July 3, 2023), 2023-2024 Session.

[2] Journalism Competition and Preservation Act of 2023, S. 1094, 118th Congress (2023-2024).

[3] This flawed concept has international roots. In Australia, Rupert Murdoch's News Corp. joined two of its largest competitors in 2021 to push for the passage of a law that forced platforms to negotiate with news outlets if they wanted to share links to their stories — in simpler terms, a link tax. After the bill took effect, the windfall for large conglomerates came quickly: News Corp., Seven West Media, and Nine Entertainment took home roughly 90 percent of the $200 million that Google and Facebook agreed to pay news outlets. In June 2023, the Canadian Parliament followed suit with the passage of the Online News Act. Like in Australia, the law was driven forward with support from powerful media lobbies. As the Canadian government has worked to implement the Online News Act, Meta has blocked all news links in Canada, and Google has warned that it could remove news links from its services as well. Early signs from the chaotic rollout signal a difficult road ahead for Canadian media, with smaller innovative outlets in particular getting the short end of the stick. *See e.g.* Christopher Warren, "Diversity hit between the eyes as old media pockets about 90% of big tech cash," *Crikey*, Feb. 24, 2021. *See also e.g.* Nitish Pawah, "Why Canada's Attempt to Save Journalism May End Up Crushing It Instead," *Slate*, June 29, 2023. *See also e.g.* Michael Geist, "A Reality Check on the Online News Act: Why Bill C-18 Has Been a Total Policy Disaster," Michaelgeist.ca, Sep. 20, 2023.

[4] We characterize this arbitration as one-sided, because both the JCPA and CJPA expressly prohibit the arbitrators from considering any value that media outlets may derive from being discoverable in search queries and linked to from social media platforms.

CJPA's compelled payment obligations apply to "Covered Platforms." These are online platforms that have at least 50 million U.S.-based monthly active users, and are owned by a company with a market capitalization value above $550 billion (this is identical to how JCPA defines a Covered Platform). However, if a platform has more than 50 million U.S.-based monthly active users but has a market capitalization below $550 billion, they are still considered to be a Covered Platform if they have more than 1 billion global users.[5] Alphabet, Meta and Microsoft meet these conditions and would be considered Covered Platforms. The CJPA would require these companies to pay individual news outlets for each "webpage" that they host that contains links to that journalism provider's content.

Both the CJPA and the JCPA use a very broad definition for "eligible digital journalism provider." Essentially, any outlet that is a local broadcast news station, or an outlet that "has at least 25 percent of its editorial content consisting of information about topics of current local, regional, national, or international public interest" qualifies as an eligible journalism provider.

However, a key difference between the JCPA and the CJPA lies in how the respective bills determine which journalism providers qualify for payment. JCPA's antitrust relief is only available to firms with less than 1,500 employees. This limit removes some of the largest media companies from availing themselves of JCPA benefits, including outlets such as CNN, Fox News, the *New York Times*, the *Washington Post*, and others. CJPA has no such limitations.[6] This lack of a cap on the size of the qualifying journalism firm is likely due to constitutional concerns and limits to state authority.

Payments under both the CJPA and the JCPA are ultimately based on an arbitration process. But unlike the JCPA, which proposes arbitration between a cartel of media outlets and each covered platform, the CJPA arbitration involves only the determination of the one-sided value of *all* news content to a platform owner. Like in the JCPA, the CJPA arbitrator is prohibited from considering any value that the platform confers back to the news outlets. In essence, the arbitrator's job under the CJPA is to determine the dollar amount of a platform's ad revenues that are contributed by *all* news content, represented as "X" in Figure 1 below.[7]

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[5] This latter conditional for a market capitalization below $550 billion was likely added to the CJPA to address the potential for a large decline in a company's stock price to negate their CJPA obligations, as was the case for Meta during 2022.

[6] Both JCPA and CJPA exclude for-profit websites that have less than $100,000 in annual revenues. This is likely an effort to avoid a complete deluge of payment requests coming from fly-by-night content farms that have no other legitimate business or readership. However, this limitation will not be a significant enough barrier to stop the clickbait and search engine optimization gold rush that CJPA will unleash.

[7] Each news firm's impressions gross contribution to a platform's ad revenue (in dollar amount) is represented as □$_i$. Each non-news firm's (or users') impressions gross contribution to a platform's ad revenue is (in dollar amount) is represented as γ_i.X represents the value of the platform's ad revenues that are contributed by all news content. X is the product of the platform's advertising revenues (V) multiplied by the percentage of those revenues attributable to news (which is calculated as the sum of all the gross values that each news outlet's impressions impart to a platform's ad revenues in a given time period, divided by the gross value that all impressions impart to a platform's ad revenues in that given time period). For example, if the arbitrator determines that all news impressions contribute 1 percent to Meta's $100 million in ad revenue during a given time, the value of X would equal $1 million. If online firm i accounted for 10 percent of all news impressions, their payment (P_i) would be $100,000.

Fig 1:
Calculating the Gross Dollar Value that All News Impressions Impart on a Platform

$$\chi = [[\sum_{i=m}^{n} \beta_i] \div [[\sum_{i=m}^{n} \beta_i] + [\sum_{i=m}^{n} \gamma_i]]] \times V$$

Once the arbitrator determines the value of "X," the final payment to an individual outlet is calculated from a formula: First, the arbitrator must decide on an individual digital journalism provider's "allocation share" (see Figure 2).[8] This is their share of the total number of the covered platform's "internet web pages displayed or presented to California residents … that link to, display, or present *any* eligible digital journalism provider's news articles, works of journalism, or other content, or portions thereof."[9] The payment to an individual publisher is then equal to the journalism provider's allocation share multiplied times the dollar value of "X" (see Figure 3).[10]

Fig 2:
Calculating Each Qualifying Digital Journalism Provider's Allocation Share

$$\alpha_z = [\beta_z] \div [\sum_{i=m}^{n} \beta_i]$$

Fig 3:
Calculating Each Qualifying Digital Journalism Provider's CJPA Payment

$$P_z = \alpha_z \chi$$

This construction makes the CJPA a "link tax" because payments are based on a per-impressions basis, and an impression is each hyperlink presented in a search result, or each hyperlink posted on a social media platform. It should be obvious why this approach is deeply flawed. Tying payments to little more than a media outlet's ability to churn out content that will be surfaced in search queries or shared on social media is a recipe for a clickbait gold rush, by both well-established firms and well-capitalized new entrants, including those specifically created to extract capital from link-tax models like the CJPA.

[8] The share that news firm Z's impressions gross contribution to a platform's ad revenue, represented as α_z, is calculated by dividing that firm's value contribution (in dollar amount) by the sum of all news firm's value contribution (in dollar amount). For example, if Fox News' impressions contribute $100,000 in value, and all other digital journalism provider's impressions contribute $900,000, then Fox News' allocation share is 0.1 (or 10 percent).

[9] *See* A.B. 886 §3, Title 21 §3273.60(c) (emphasis added).

[10] For example, if the total value of all news impressions for Meta in a given time period is $1 million, and Fox News' allocation share is equal to 10 percent, then Meta's CJPA-required payment to Fox News would be $100,000.

There is no amendment or legislative fix that can address this fundamentally broken construct, even if the bill's authors truly want to avoid funneling the lion's share of CJPA payments to giant nationally focused media outlets that are already very profitable. This is because the value of "X" is a fixed amount that is based on the value contributions of *all* news sources. Even if the CJPA's authors excluded large firms from receiving payments (which they may not be able to due to constitutional concerns), payments to the remaining firms would still be based on the value contributions of *all* excluded outlets.

III. Purpose of Analysis

Proponents of the CJPA argue that, if enacted, the legislation will help solve the "journalism crisis." However, the CJPA backers have not conducted any rigorous investigation or analysis that would help elucidate the nature of this crisis, its causes, or the potential efficacy of various policy responses. It is simply assumed that the decline in advertising revenues at the traditional local monopoly newspaper publishers[11] is entirely due to unjust conduct by very large, internet-based, search engine and social media companies, and that forcing those companies to pay publishers will help solve the journalism crisis.

Even if one accepts the legislation's underlying justification, there are still very important questions to ask about the CJPA in order to evaluate whether the law is likely to achieve its stated aims and what potential negative consequences the law may produce. At the most basic level, we must ask who benefits from the legislation? Further, are the benefits distributed in a manner that efficiently supports the achievement of the policy's goals? Are the benefits equitably distributed?

CJPA proponents tout the bill's potential support of struggling independent journalism producers as a key benefit. But because the CJPA *by design* forces large search and social platforms to make payments to almost any website that *partially* covers any matter that could

[11] Local newspaper publishers have seen steady declines in advertising revenues since peaking (on an inflation-adjusted basis) in 2000. Newspaper subscription revenues peaked in 1987 (on an inflation-adjusted basis). Daily newspaper subscriptions peaked in 1984, and Sunday edition circulation peaked in 1991. On a per-household basis, daily and Sunday circulation peaked in 1956. This is a strong indicator that the secular customer exit from the "local newspaper market" was likely driven by a number of factors that started well before the internet or social media eras. The increased availability of alternative sources of information are a major factor in this secular reader decline, as the growth in information sources that contain some – but not all – of the content traditionally produced by newspapers served consumer demand. The daily newspaper industry saw continued revenue growth during the TV and cable TV eras even after subscribership peaked due to these firms' monopoly position in local print advertising markets. Widespread consumer adoption of the internet disrupted that local print advertising monopoly. In contrast, revenues at local broadcast television firms remained robust and growing through the internet and smartphone eras, as they retained their dominant position in the local video advertising markets. According to data from S&P Global, the U.S. local TV broadcast industry brought in a record $39.1 billion in revenues in 2022. (*See* Justin Nielson, "Complete picture of US TV station industry revenues, 2009-28," *S&P Global*, Oct. 6, 2023.) Setting aside the legitimate questions of whether there's an under-production in the type of information that broadcast TV news stations produce, these stations have not followed the same revenue trajectory as local print outlets. Further, there's no evidence that suggests local broadcasters used their growing revenues in the past two decades to fill the void in local news production resulting from print's secular decline. Thus it remains perplexing why the CJPA and most other journalism-funding legislation continues to not only include profitable broadcasters as subsidy recipients, but directs the majority of funds to these extremely financially successful enterprises.

arguably interesting to the public in California[12], the universe of likely beneficiaries includes far more than just local independent publishers. Furthermore, because the CJPA is inarguably a link tax — one where the total pool of money is based on an upper-limited value calculation — by definition the more prominent a publisher is, the more they stand to benefit *to the detriment* of the less prominent outlets.

Therefore, to better answer these questions about the distributional impact of the CJPA, as well as its efficiency, efficacy and equity, we conducted a traffic-based analysis. Though there are limitations in our methodology (described below), we believe this analysis provides a fair and reasonably conservative estimation of the likely impact of the CJPA.

IV. Methodology & Analytical Limitations

The CJPA requires qualifying platforms to pay eligible digital journalism providers based on the number of "websites" the platform owner presents that "link to, display, or present the eligible digital journalism provider's news articles, works of journalism, or other content, or portions thereof." The CJPA acts as a link tax, one that charges based on the number of times the platform provider serves up *an impression* of a link to an eligible journalism provider's qualifying content.

For example, if a California resident conducts a Google search for "NBC News," the first page of results contains links to the nbcnews.com home page, a preview carousel of the latest stories posted on the site, as well as links to the publisher's social media accounts, NBC News and CNBC YouTube videos, the NBC News Wikipedia page, and other links to various local NBC affiliates. Because Google "accessed" NBC's CJPA-qualifying content and "presented" links to this content, this page of search results would count as one of presumably millions of CJPA-qualifying "websites" that Google serves up, and NBC's owner Comcast would qualify for payment based on the presentation of these search results. The fact that Google is helpfully sending a reader to NBC.com, where they'll see ads that earn Comcast money, is irrelevant to the CJPA.

Similarly, if a California resident visits KNBC's Facebook page — perhaps after being instructed by an anchor to visit this page to leave a comment on a story they just watched — that resident will encounter an infinitely scrolling page with links to and previews of a large number of stories on NBC.com. Because this Facebook page links to qualifying content, it would count as one of the presumably millions of CJPA-qualifying websites presented by Meta.

An eligible digital journalism provider's CJPA payments are ultimately based on its share of "the total number of the covered platform's internet web pages displayed or presented to California residents during the month that link to, display, or present any eligible digital journalism provider's news articles, works of journalism, or other content, or portions thereof." Thus it is not a pure impressions-based link tax, since a single "internet web page" (such as a single search results page or outlet's Facebook page) could contain multiple impressions of qualifying URLs.

[12] To qualify to receive CJPA-mandated payments, an "internet website, online or mobile application, or other digital service [must have] at least 25 percent of its editorial content consisting of information about topics of current local, regional, national, or international public interest." *See* AB 886 § 3(k)(8).

This web-page-based policy design presents difficulties for our effort to estimate the likely distribution of CJPA payments. While there are commercial services that allow an advertiser or publisher to monitor their website traffic originating from social and search platforms, we are not aware of any service that would track impressions at a website level.

Our analysis is further complicated by the complete lack of knowledge about the likely valuation the CJPA-designated arbitration panel will affix to news content displayed on Meta- or Alphabet-owned platforms.

Meta recently stated that "news makes up less than 3 percent of what people around the world see in their Facebook feed."[13] A recent study from researchers that had access to Meta's data noted that "political news [comprised] 3.9 percent of all content that US adult users saw" on Facebook.[14] These figures indicate that news generally is a small portion of content seen on Facebook but offer no insight into the value that an arbitrator might affix to this content. That Facebook is purposefully tuning its algorithm to reduce the prevalence of news content in users' feeds suggests at the very least that news content is not more valuable on average to the company than whatever content takes its place in a users' feed.

The value of news content that an arbitrator might affix to Alphabet's bottom line is even more opaque. Unlike Facebook, we have no insight into the portion of Google search results occupied by news content. Nor do we have any sense of the valuation that an arbitrator might discern. Google search results pages contain advertisements, while the Google News homepage and search results pages do not.

Therefore, we are quite limited in our ability to precisely forecast the amounts and distribution of CJPA payments. We can however, use publicly available referral traffic data from the analytics firm Similarweb to get a sense of the relative differences in CJPA benefits between certain types of qualifying digital journalism outlets. This data captures the total number of U.S.-originated visits to a given website and the portion of those visits that are "referred" by search or social media platforms. Thus while traffic referrals are not the pure web-page impressions data that CJPA is based on, we believe the relative differences in the magnitude of referral traffic should reasonably approximate the relative differences in the magnitude of impressions-based traffic.

Though the valuation that the CJPA-designated arbitration panel will affix to all a platform's news-linking web pages is unknown, it will be a fixed, finite amount. In any given calendar quarter, the arbitration panel will determine "the percentage of the covered platform's advertising revenue remitted to notifying eligible digital journalism providers."[15] The CJPA has

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[13] If "[t]he internet website, online or mobile application, or other digital service has at least 25 percent of its editorial content consisting of information about topics of current local, regional, national, or international public interest," and is either a nonprofit or a for-profit with $100,000 in annual revenues, then that website would qualify for CJPA payments. *See* A.B. 886 §3, Title 21 §3273.60(k)(8).

[14] *See*. Bailón et. al., "Asymmetric ideological segregation in exposure to political news on Facebook," *Science*, Vol. 381 No. 6656, July 28 (2023).

[15] *See* A.B. 886 §3, Title 21 §3273.64(a).

language describing factors the arbitration panel should use in making its determination of this amount, but these instructions offer little clarity, other than the explicit prohibition against the arbitrator "considering any value conferred upon any eligible digital journalism provider by the covered platform for distributing or aggregating its content as an offset to the value created by that eligible digital journalism provider."[16]

Because the one-sided value of news to a platform is composed by literally every web page it presents that links to what CJPA generously defines qualifying content,[17] we would need to know the entire universe of qualifying news outlets to fully identify the CJPA's distributional benefits. In other words, the size of the CJPA's total revenue "pie" is fixed, and what portion of that pie that goes to locally focused California journalism outlets is ultimately determined by – and further reduced by – the sizes of the slices of pie attributed to every single other national or international news outlet.[18]

While we can assemble a list of outlets we want to study and compare, we cannot possibly assemble the *final full* list of all CJPA-eligible outlets. Therefore we instead collected data for locally focused California outlets (across seven different market areas), and compared the magnitude of that traffic referral data to that from 100 nationally focused news outlets (see detailed sample description below). This approach allows us to make observations such as "during the month of July 2023, the 100 nationally focused outlets in our sample generated 7-times the number of California-destined Meta traffic referrals as the legacy daily newspapers in our seven sample markets." This means we can know the size of the local outlets' collective share of the revenue pie *relative to* the individual size of any other outlet's share of the revenue pie (e.g., we can compare a local TV station to Fox News). We can also compare a local outlets' (or a group of local outlets) to a class of outlets' collective share of the revenue pie (e.g., we can compare all local TV stations to the sports websites in our sample). In addition, for the local outlets of interest in our sample, we can say *at most* what their percentage share of the CJPA revenue pie will be and anticipate that this upper limit will be lower once all qualifying websites participate in the CJPA arbitration process.

The data we acquired from Similarweb is presented at the national geographic level, not the state. This presents two important limitations that require additional estimation. First, we have to make an assumption about the share of a nationally focused outlet's traffic that comes

[16] *Id.* §3, Title 21 §3273.64(h)(2)(A).

[17] If the "internet website, online or mobile application, or other digital service has at least 25 percent of its editorial content consisting of information about topics of current local, regional, national, or international public interest," and is either a nonprofit or a for-profit with $100,000 in annual revenues, then that website would qualify for CJPA payments. *See* A.B. 886 §3, Title 21 §3273.60(k)(8).

[18] Unlike its federal counterpart JCPA, the CJPA does not exclude websites owned by larger publishers or national broadcast networks. However, as we discuss herein, because the total value of news to a platform is a fixed amount ("X") determined by the individual contributions to that total from each qualifying outlet, the final share of CJPA revenues received by any publisher is determined by the shares of "X" contributed by all other outlets, whether or not they are excluded by law from receiving any CJPA payments. Thus, even if CJPA were amended to exclude certain news outlets from receiving payments (which would create further constitutional issues for the bill), payments to independent, nonprofit and locally focused ethnic media outlets would still be very low, as these outlets' websites generate far fewer social and search impressions as those generated by large national publishers.

from California residents. To do so, we use a simple population-weighting. We weighted the U.S. traffic of the 100 nationally focused websites in our sample by 9.683 percent – the share of the U.S. population that resides in the seven California Designated Market Areas contained in our sample.[19] The seven California DMAs included in our local sample are: Los Angeles; San Francisco-Oakland-San Jose; San Diego; Sacramento-Stockton-Modesto; Fresno-Visalia; Bakersfield; and Santa Barbara-Santa Maria-San Luis Obispo.[20] These are shown in light blue in the map seen in Figure 4 below.

Figure 4:
The Seven Designated Market Areas in Our California News Outlet Sample

Note: The seven California DMAs included in our sample are shaded in blue

Next, we have to make assumptions about the share of each locally focused outlet's traffic that comes from California residents. Unlike the nationally focused outlets, these local outlets are likely to see a larger portion (if not the near totality) of their traffic coming from referrals generated by California residents. However, some of California's "local" outlets such as the *Los Angeles Times* likely have significant out-of-state readership. To deal with this limitation, we provide analysis of locally focused referral traffic based on the assumption that 90 percent of

[19] These seven DMA contain approximately 83 percent of the total California population, or 9.68 percent of the total U.S. population.

[20] We chose these seven markets as they each contained broadcast outlets, legacy print, and several independent, nonprofit or ethnic media outlets that generated the threshold minimum of traffic referrals to appear in Similarweb's database.

these outlets' traffic is coming from referrals initiated by California residents. This is a very generous option considering the likelihood that some of the most-visited websites in our local sample receive far more than 10 percent of their traffic from readers residing outside of the state of California.

Figure 5 below describes our national sample, and Figure 5 describes our California-focused local sample. (For the full list of sampled outlets, see Appendix Figures A-1 and A-2.) Note that our national sample is not a grouping of the top-100 news sites by traffic. While our national website sample includes many of the top national and international news sites, we purposefully over-sampled partisan political websites, lifestyle and entertainment websites, and sports websites in order to illustrate how CJPA would benefit these classes of outlets.

Figure 5: 100 National Website Sample - by Type

National Website Type	N
National/International News	34
National/International Lifestyle & Other News	36
National Political News & Opinion	30
Total Nationally-Focused Outlets	100

Source: Free Press Analysis

Figure 6: Locally Focused Website Sample - by Type

Outlet Type	N
Broadcaster	21
Broadcaster (Spanish)	5
Ethnic Media	11
Independent or Nonprofit	11
Legacy Newspaper	10
Total Locally-Focused Outlets	58

Source: Free Press Analysis

V. Discussion of Results

A. Analysis of Meta-Originated Referral Website Visits

Figure 7 below presents the total July 2023 Meta traffic referrals to the outlets in our national and California-focused samples, by the type of outlet. The average outlet's July 2023 Meta referrals are also presented by the type of outlet.

This data indicates that the 100 nationally focused websites in our sample collectively received 1.3 times the total Meta-originated traffic referrals as the total such traffic received by all 58 locally focused outlets in our sample. If these 100 national and 58 local websites comprised the total universe of CJPA-qualifying news outlets, the locally focused outlets would account for less than 43 percent of the Meta-originated, CJPA-eligible traffic. However, because the actual universe of CJPA-qualifying news outlets contains hundreds of additional websites (some with significant U.S. readership), the local outlets' actual combined share of the Meta CJPA revenue pie will be *far less* than 43 percent.

But it is important to note that broadcasters account for nearly 75 percent of the Meta-originated traffic sent to California-focused news outlets. Thus the share of CJPA payments from Meta to California's independent, nonprofit and ethnic media outlets will be incredibly small, and lower than what is suggested by our limited sample.. This is again because our sample is missing numerous national websites that would each take a share of the fixed-sized CJPA Meta ad revenue pie.

Figure 7:
Meta-Referred Visits to CJPA-Eligible Websites
Locally Focused vs. Nationally Focused Outlets (July 2023)

Local Outlet Type	Number Of Outlets in Sample	Total Meta-Referred July 2023 Visits to California DMAs in Sample (Assume 90% of US Total)	Average Outlet's Meta-Referred July 2023 Visits to California DMAs in Sample (Assume 90% of US Total)
Local Broadcast TV	26	5,091,254	195,817
Local Legacy Newspaper	10	1,427,507	142,751
Local Independent, Nonprofit, or Ethnic Media Outlet	22	358,662	16,303
Total Local Outlet Sample	58	6,877,423	118,576

National Outlet Type	Number Of Outlets in Sample	Total Meta-Referred July 2023 Visits to California DMAs in Sample (Assume 9.68% of US Total)	Average Outlet's Meta-Referred July 2023 Visits to California DMAs in Sample (Assume 9.68% of US Total)
National/International News	34	4,969,040	146,148
National/International Lifestyle & Other News	36	2,764,371	76,788
National Political News & Opinion	30	1,464,191	48,806
Total National Outlet Sample	100	9,197,603	91,976

Source: Free Press Analysis of July 2023 traffic referral data from Similarweb. See methodology section for details.

For example, Figure 7 illustrates the dominance in Meta referrals of broadcast-TV station outlets relative to other locally focused media, particularly the smaller independent and ethnic media publishers. The 26 local broadcast-TV station websites in our sample received nearly 5.1 million Meta-referred, California-destined hits. This is more than 14 times larger than the total number of Meta-referred hits (approximately 359,000) for the 22 California-focused independent, nonprofit and ethnic media websites in our sample. The 100 national websites and the 26 local broadcast-TV station websites together had 40 times the number of Meta-referred hits as the combined total of such hits to the 22 California-focused independent, nonprofit and ethnic media websites in our sample (14.3 million vs. 359,000).

If we look instead at the average values for Meta-referred hits, we see that the average broadcast-TV website in our sample generated more than 12 times the Meta-referred, California-destined traffic than the average independent, nonprofit and ethnic media website.

If we look at this Meta-originated traffic referral data by owner, we see that a small handful of media conglomerates will take the lion's share of whatever remuneration the CJPA extracts from Meta (see Figure 8 below). For example, the outlets owned by the Murdoch family accounted for more than 14 percent of all California-destined Meta referrals in our sample of 100 national and 58 local websites.

Just seven firms — all very profitable — accounted for more than half of all the Meta-originated, California-destined referrals in our sample. And more than 80 percent of the Meta-originated, California-destined referrals in our sample were for websites owned by 20 of the globe's largest media firms, absolutely dwarfing the level of such hits for California's independent, nonprofit and ethnic media outlets.

Figure 8:
Meta-Referred Visits to CJPA-Eligible Websites by Owner (July 2023)

Owner	Number of Outlets	Total Meta-Referred July 2023 Visits to California DMAs in Sample (Assume 9.68% of US Total for National Sites; 90% for Local Sites)	Owner's Share of Total Meta-Referred July 2023 Visits to California Residents in Our Sample	Cumulative Share of Total Meta-Referred July 2023 Visits to California Residents in Our Sample
Murdoch Family (Fox & News Corp.)	7	2,272,195	14.1%	14.1%
Disney	5	1,600,122	10.0%	24.1%
Nexstar	5	1,300,334	8.1%	32.2%
Comcast	11	1,164,423	7.2%	39.4%
IAC	2	825,881	5.1%	44.6%
New York Times Company	1	650,231	4.0%	48.6%
Hearst	5	637,859	4.0%	52.6%
Warner Brothers Discovery	2	530,381	3.3%	55.9%
Patrick Soon-Shiong	1	515,758	3.2%	59.1%
Authentic Brands Group	1	460,551	2.9%	61.9%
Daily Mail Trust	1	423,331	2.6%	64.6%
Gannett	2	416,314	2.6%	67.2%
Axel Springer SE	3	414,573	2.6%	69.7%
Alden Global Capital	6	364,549	2.3%	72.0%
Chatham Asset Management	5	318,736	2.0%	74.0%
Tomas Banišauskas	1	275,309	1.7%	75.7%
Yahoo! Inc.	2	272,521	1.7%	77.4%
Tegna	1	271,729	1.7%	79.1%
Jeff Bezos	1	229,754	1.4%	80.5%
Penske Media Corp.	3	217,324	1.4%	81.9%
Local Independent, Non-profit, or Ethnic Media Outlets	22	358,662	2.2%	N/A

Source: Free Press Analysis of July 2023 traffic referral data from Similarweb. See methodology section for details.

If these 158 sampled outlets were the entirety of CJPA-eligible websites, the owners of California's local independent, nonprofit or ethnic media websites would *at best* account for 2 percent of CJPA-eligible traffic originating from Meta's platforms. But again, since the actual universe of websites that have links presented on Meta-owned platforms is far greater than those analyzed in our sample, the local independent's share of this revenue pie will be *much, much less* than this 2 percent figure.

Our national website sample includes 25 websites that we label as being right-leaning news and opinion websites, a subset that includes Murdoch-owned Fox News. The average July 2023 California-destined Meta-originated traffic to these sites was nearly 56,000 hits each, which is more than three times the average number of these referrals to California's independent, nonprofit and ethnic media sites in our sample (approximately 16,000 such referrals on average).

As we discuss above in the explanation of our methodology, there is no satisfactory method for estimating what the value of *all* news ("X") is for Meta or Google. There is simply not enough publicly available information that would allow for reasonable estimates of whatever values CJPA-designated arbitration panels will affix to the universe of news links posted on Meta or Alphabet-owned sites. We do however know that Meta has indicated that its users globally see little news content, with reportedly less than 3 percent of a user's feed consisting of news-related posts. Other data from Meta indicate that U.S. users may see a slightly higher proportion of news content.

But there is no good reason to assume that the arbitration panel would assign a flat value to any category of posted content. Platforms profit based on advertisers' willingness to pay for impressions of, and clicks on the advertisers' promotional content. Social media platforms in particular optimize their algorithms to maximize factors such as engagement and total time spent on the platform. Given this, and the fact that Meta is purposefully tweaking its algorithms to reduce news content in users' feeds, it is possible that the final arbitration panel-ascribed value of news on Meta sites will be lower than the roughly 3 percent of all content on Meta that is made up by links to CJPA-eligible outlets.[21]

B. Analysis of Alphabet-Originated Referral Traffic

Figure 9 below presents the total July 2023 Alphabet traffic referrals to the outlets in our national and California-focused samples, by the type of outlet. The average outlet's July 2023 Alphabet referrals are also presented by the type of outlet.

[21] CJPA instructs the arbitration panel to base its calculation "on the value that access [to the CJPA-eligible content] provides to the platform." This is a single value that is the sum of the value of its component parts. But the value to the platform of certain types of news likely varies. Thus it is possible that a platform owner could argue that the value of content from less widely known outlets is well below that of content from widely read outlets. Certainly a platform like Facebook could argue that the value of any individual publisher's content is *de minimis*, especially for publishers responsible for relatively little of the news website impressions served to Facebook users. Indeed, this reality of low value of any individual publisher's content is exactly why the authors of the JCPA designed that law around a bargaining code system that removes antitrust laws on publishers for the purpose of their forming a cartel to then negotiate with platforms. State lawmakers cannot waive antitrust law, so the CJPA authors have apparently gone with a "JCPA-like" forced arbitration, but one based on the one-sided value of news links to platforms as a whole, and ultimately each content owner's share of all such page impressions. Therefore, because CJPA awards are required to be based on an outlet-by-outlet basis, there's the potential for the arbitrator to determine outlets with a *de minimis* contribution to Facebook's total content presented are not eligible for *any* CJPA-required "journalism usage" fees.

Figure 9:
Alphabet-Referred Visits to CJPA-Eligible Websites
Locally Focused vs. Nationally Focused Outlets (July 2023)

Local Outlet Type	Number Of Outlets in Sample	Total Alphabet-Referred July 2023 Visits to California DMAs in Sample (Assuming 90% of US Total)	Average Outlet's Alphabet-Referred July 2023 Visits to California DMAs in Sample (Assuming 90% of US Total)
Local Broadcast TV	26	15,242,132	586,236
Local Legacy Newspaper	10	23,256,435	2,325,643
Local Independent, Non-profit, or Ethnic Media Outlet	22	2,287,645	103,984
Total Local Outlet Sample	58	40,786,212	703,211

National Outlet Type	Number Of Outlets in Sample	Total Alphabet-Referred July 2023 Visits to California DMAs in Sample (Assuming 9.68% of US Total)	Average Outlet's Alphabet-Referred July 2023 Visits to California DMAs in Sample (Assuming 9.68% of US Total)
National/International News	34	78,670,582	2,313,841
National/International Lifestyle & Other News	36	47,333,647	1,314,824
National Political News & Opinion	30	17,115,710	570,524
Total National Outlet Sample	100	143,119,939	1,431,199

Source: Free Press Analysis of July 2023 traffic referral data from Similarweb. See methodology section for details.

The 100 nationally focused websites in our sample collectively received 3.5 times the total Alphabet-originated traffic referrals as the total such traffic received by all 58 locally focused outlets in our sample. If these 100 national and 58 local websites comprised the total universe of CJPA-qualifying news outlets, the California-focused outlets would account for less than 23 percent of the Alphabet-originated, CJPA-eligible traffic. However, because the actual universe of CJPA-qualifying news outlets contains hundreds of additional websites (some with significant U.S. readership), the California-focused outlets' actual combined share of the Alphabet CJPA revenue pie will be *far less* than 23 percent.

As was the case with our analysis of Meta-referred traffic, the share of Alphabet-originated traffic that would go to California's nonprofit and ethnic media outlets will be incredibly small. This is because these community-based news publications receive very little Alphabest-referred website visits compared to legacy local newspaper and local broadcast websites. And because there will be numerous national websites receiving CJPA payments that are not considered in our analysis the final share of payments to California's independent outlets will be much smaller than the potential share suggested by our limited sample.

Note that newspaper websites are more reliant on Alphabet-originated referrals than local broadcast-TV station websites. However, if we look at the top organic search terms for these newspaper websites, we see that the Google referrals for these outlets are largely based on searches for the newspaper's name. For example, nearly half of the organic searches directed to the Los Angeles Times website during July 2023 were based on searches for "la times," "los angeles times" or "latimes." Instead of navigating directly to the outlet's URL, users are using a Google search to find their way to the newspaper outlet website. It's hard to imagine why Google should be forced to pay a newspaper company for merely directing users to that newspaper's homepage.[22]

Even these larger locally focused outlets are dwarfed by national outlets in search-based referrals. The average national outlet website in our sample generated nearly 14 times the Alphabet-referred, California-destined traffic than the average independent, nonprofit or ethnic media website.

Figure 9 illustrates the dominance in Alphabet referrals of large corporate-owned outlets relative to other locally focused media, particularly the smaller independent and ethnic media publishers. The 100 national websites and the 26 local broadcast-TV station websites in our sample together had more than 72 times the number of Alphabet-referred hits as the combined total of such hits to the 22 California-focused independent, nonprofit and ethnic media websites in our sample (166.4 million vs. 2.3 million). This ratio will of course be much larger in the final CJPA calculation, as that will include far more than the 100 national sites in our sample.

Examining the distribution of Alphabet-originated traffic referral data by outlet owner, we see that a handful of media conglomerates will take the vast majority of whatever remuneration the CJPA forces out of Alphabet (see Figure 10). Outlets owned by the Murdoch family accounted for more than 10 percent of all California-destined Alphabet referrals in our sample of 100 national and 58 local websites. Seven firms accounted for more than half of all the Alphabet-originated, California-destined referrals in our sample. And more than 82 percent of the Alphabet-originated, California-destined referrals in our sample were for websites owned by just 20 firms. If these 158 outlets were the entirety of CJPA-eligible websites, the owners of California's local independent, nonprofit or ethnic media websites would *at best* account for about 1 percent of CJPA-eligible traffic originating from Alphabet's platforms. Since the actual universe of websites that have links presented on Alphabet-owned platforms is far greater than those analyzed in our sample, the local independent's share of this revenue pie will be much, much less than this 1 percent figure.

Our national website sample includes 25 websites that we label as being right-leaning news and opinion websites. The average July 2023 California-destined, Alphabet-originated traffic to these sites was more than 635,000 hits each, which is more than six times the average number of these Alphabet referrals to California's independent, nonprofit and ethnic media sites in our sample (approximately 104,000 such referrals on average per local independent outlet).

[22] Indeed, it is difficult to understand why CJPA's authors chose to treat search-based impressions identically to social media-based impressions. Search users are arguably engaged in intentional, active behavior – looking for a specific piece of information. A search engine query helps direct that user to where they may want to navigate to find specific information. In contrast, social media and news-aggregator impressions are delivered to users who are engaged in more passive behavior. These users spend their time scrolling the social media site, glancing at some posts, quickly scrolling past others, and occasionally clicking on a post that takes them to a third-party website. These differences should impact value estimations.

Figure 10:
Alphabet-Referred Visits to CJPA-Eligible Websites by Owner (July 2023)

Owner	Number of Outlets	Total Alphabet-Referred July 2023 Visits to California DMAs in Sample (Assuming 9.68% of US Total for National Sites; 90% for Local Sites)	Owner's Share of Total Alphabet-Referred July 2023 Visits to California Residents in Sample	Cumulative Share of Total Alphabet-Referred July 2023 Visits to California Residents in Sample
Murdoch Family (Fox & News Corp.)	7	18,696,688	10.2%	10.2%
Disney	5	16,703,894	9.1%	19.2%
New York Times Company	1	15,137,576	8.2%	27.5%
Warner Brothers Discovery	2	14,776,387	8.0%	35.5%
Patrick Soon-Shiong	1	13,828,863	7.5%	43.0%
IAC	3	7,123,821	3.9%	46.9%
Comcast	11	6,624,852	3.6%	50.5%
Axel Springer SE	3	6,311,516	3.4%	53.9%
Gannett	2	5,935,105	3.2%	57.2%
Alden Global Capital	6	5,654,255	3.1%	60.2%
Hearst	5	5,631,613	3.1%	63.3%
Authentic Brands Group	1	4,854,985	2.6%	65.9%
Whale Media (sale to Austin Russell pending)	1	4,696,337	2.6%	68.5%
Daily Mail Trust	1	4,157,575	2.3%	70.8%
Paramount	2	3,981,584	2.2%	72.9%
BBC	1	3,912,142	2.1%	75.0%
Jeff Bezos	1	3,725,830	2.0%	77.1%
Penske Media Corp.	4	3,374,237	1.8%	78.9%
Yahoo! Inc.	2	3,347,618	1.8%	80.7%
Nexstar	5	3,159,500	1.7%	82.4%
Local Independent, Non-profit, or Ethnic Media Outlets	22	2,287,645	1.2%	N/A

Source: Free Press Analysis of July 2023 traffic referral data from Similarweb. See methodology section for details.

We are unable to estimate Alphabet's potential CJPA payments to eligible outlets. Arbitrators may have difficulty in ascribing value to any publisher's individual articles, as these URLs do not appear to be as frequently served up to Alphabet users compared to search results for a publisher's home page — and those basic search queries clearly benefit the publishers. Impressions of individual article URLs (and the accompanying article preview) may be what CJPA authors had in mind when they crafted this duty-to-deal legislation. However, the value of any individual article's URL to Alphabet is likely to be zero, due to the sheer number of search results returned annually by Google, of which news likely comprises a very small fraction.[23]

[23] According to a Google Trends query (September 2023), over the past year in the U.S. the top-five search queries were "you," "weather," "google," "amazon," and "youtube." This indicates that the dominant use cases for Google searches are searches for links to very commonly used websites (that users search for "google" using Google may reflect users typing the name into their smartphone's search bar looking for a clickable link to the Google search page).

C. Comparisons of Relative CJPA Distributions at the Local Market Level

We have examined the relative differences in Meta and Alphabet traffic referrals between local and national outlets at the state-level. We can also estimate these relative differences at the local market level. To do so, we assume that 90 percent of a local outlet's traffic is destined for users in that specific Designated Market Area. For national outlets, we weigh their U.S. traffic figures by the DMA's population. Figure 11 shows the results of this DMA-level comparison, for both Meta-originated and Alphabet-originated referrals.

In the Bakersfield DMA the three local broadcast-TV stations (owned by Sinclair, Nexstar and E.W. Scripps) account for 90 percent of local outlet-destined, Meta-referred traffic. These broadcasters also dominate the local outlets' Alphabet-referred traffic, accounting for 77 percent of these click-throughs. The 100 national websites in our sample generated slightly more Meta-referred traffic inside the Bakersfield market than all of the market's local outlets combined. These 100 national outlets had a combined in-marketAlphabet-referral level that was 3.4 times that of the local outlets. These national outlets had in-market Alphabet-referral levels nearly 15-times larger than the market's local legacy newspaper *The Bakersfield Californian*. Bakersfield's Spanish-language outlet *El Popular* had too little Meta-referred traffic to measure.[24]

We see a similar pattern in the Fresno DMA, with Disney-, Sinclair- and Nexstar-owned broadcast TV station websites dominating the share of this market's Meta and Alphabet referrals. The 100 national websites in our sample generated slightly more Meta-referred traffic inside the Fresno market than all of the market's local outlets combined. These 100 national outlets had a combined in-market Alphabet-referral level that was nearly six times that of the local outlets. These national outlets had in-market Alphabet-referral levels more than 35 times larger than the market's local legacy newspaper *The Fresno Bee*. Fresno independent outlet *Fresnoland* had too little Meta-originated traffic to measure, but their Alphabet referrals were *nearly 3,000-times smaller* than the combined market-population-weighted Alphabet referrals of the outlets in our 100 national website sample. Put another way, the average national website in our 100 national outlet sample had Alphabet-referral levels *inside of Fresno* that were 30-times larger than all of *Fresnoland's* Alphabet referrals.

The other five California markets showed similar results. Broadcast-TV outlets, nearly all owned by giant profitable corporations, dominate the fraction of Meta- and Alphabet-referred traffic headed to the local outlets in these markets. And the national outlets CJPA-eligible traffic *within* these local markets exceeds (or in some cases vastly exceeds) the traffic levels of all of the local outlets combined. Legacy newspaper outlets fare slightly better in larger markets but are still in most cases a distant second place to the market's broadcasters and national outlets. The independent, nonprofit and ethnic media outlets in these markets have CJPA-eligible traffic referral levels that are miniscule compared to all other outlets. Their CJPA payouts will be, at best, the leftover crumbs from revenue pies gorged on by already wealthy media companies.

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[24] *El Popular's* Alphabet-referred traffic was just above the level for Similarweb to report a specific number of visits (greater than 5,000). When a website has this low a value, Similarweb will not give additional data, likely due to compounding measurement errors. For example, Similarweb indicated that nearly a quarter of *El Popular's* July 2023 traffic originated from Norway, with the rest coming from the United States, an odd result. Further, this data indicated that 68 percent of the outlet's July 2023 organic searches were for a particular local private citizen's name. This too is an odd result that illustrates the unreliability of this traffic data for outlets with very low traffic.

Figure 11:
Local Market-Level Meta- and Alphabet-Referred Visits to CJPA-Eligible Websites (July 2023)

Outlet Type	Number of Outlets in Sample	Total Meta-Referred July 2023 Visits to California DMAs in Sample (Assuming Local Outlets 90% of US Total, Nationals Weighted by DMA Population)	Total Alphabet-Referred July 2023 Vists to California DMAs in Sample (Assuming Local Outlets 90% of US Total, Nationals Weighted by DMA Population)
Bakersfield DMA			
Local Broadcaster	3	158,755	660,995
Local Ethnic Media	1	-	2,265
Local Legacy Newspaper	1	17,464	195,887
Local Bakersfield Outlets	5	176,218	859,147
National/Internatonal Outlets Sample (population-weighted)	100	184,614	2,872,705
Fresno DMA			
Local Broadcaster	3	297,425	1,029,482
Local Broadcaster (Spanish)	1	223	4,723
Local Independent/Nonprofit	1	-	2,546
Local Legacy Newspaper	1	81,621	205,271
Local Fresno-Visalia Outlets	6	379,268	1,242,022
National/Internatonal Outlets Sample (population-weighted)	100	471,911	7,343,208
Los Angeles DMA			
Local Broadcaster	3	2,025,315	5,007,854
Local Broadcaster (Spanish)	1	13,154	108,235
Local Ethnic Media	3	175,320	729,664
Local Independent/Nonprofit	3	52,323	432,367
Local Legacy Newspaper	1	515,758	13,828,863
Local Los Angeles Outlets	11	2,781,870	20,106,983
National/Internatonal Outlets Sample (population-weighted)	100	4,334,121	67,441,392
Sacremento DMA			
Local Broadcaster	3	446,103	2,181,530
Local Broadcaster (Spanish)	1	207	3,095
Local Ethnic Media	1	-	11,877
Local Independent/Nonprofit	1	7,928	440,432
Local Legacy Newspaper	1	170,732	1,437,276
Local Sacramento-Stockton-Modesto Outlets	7	624,969	4,074,210
National/Internatonal Outlets Sample (population-weighted)	100	1,178,126	18,332,318
San Diego DMA			
Local Broadcaster	4	1,354,489	3,071,654
Local Broadcaster (Spanish)	1	5,681	18,203
Local Ethnic Media	2	1,289	7,774
Local Independent/Nonprofit	2	21,203	84,135
Local Legacy Newspaper	1	69,843	1,693,464
Local San Diego Outlets	10	1,452,504	4,875,229
National/Internatonal Outlets Sample (population-weighted)	100	850,153	13,228,867
SF Bay Area DMA			
Local Broadcaster	3	632,767	2,524,734
Local Broadcaster (Spanish)	1	60,702	20,974
Local Ethnic Media	3	1,346	20,568
Local Independent/Nonprofit	3	62,900	383,892
Local Legacy Newspaper	3	516,701	5,491,372
Local San Francisco-Oakland-San Jose Outlets	13	1,274,416	8,441,540
National/Internatonal Outlets Sample (population-weighted)	100	1,988,737	30,945,879
Santa Barbara DMA			
Local Broadcaster	2	96,434	610,654
Local Ethnic Media	1	-	3,155
Local Independent/Nonprofit	2	54,598	328,771
Local Legacy Newspaper	1	37,144	244,501
Local Santa Barbara Outlets	6	188,177	1,187,081
National/Internatonal Outlets Sample (population-weighted)	100	189,792	2,953,279

Source: Free Press Analysis of July 2023 traffic referral data from Similarweb. See methodology section for details.

VI. Implications of the CJPA for Smaller Outlets & Alternative Approaches

A. Implications for Smaller Outlets

Though our data set and analytical approach have significant limitations, it is quite clear that the primary beneficiaries of CJPA will be giant corporate media companies that own nationally focused websites. California's independent, nonprofit and ethnic media outlets initially will at-best get less than pennies on the dollar compared to the haul taken in by national media conglomerates. We say "initially" because there is ample reason to expect that these first paltry payments to independent California media outlets will rapidly decline over time as well-financed national outlets take bigger pieces of the CJPA revenue pie obtained using various search engine optimization ("SEO") and clickbait methods.

Because the total value of all news content to a platform is a fixed amount during a given time period, the CJPA is a zero-sum game. Also, because CJPA imposes a duty-to-deal and opens up payment to nearly any media firm regardless of whether they produce impactful journalism focused on California, it will create an online gold rush dominated by those more interested in making a quick buck than serving meaningful news and information to local California communities. Companies that have the capital necessary to churn out low-cost viral content will enter the market, further diminishing the size of the CJPA revenue pie leftover for locally focused outlets. The established media giants that will take most of the initial CJPA payments will only see their slices of the pie grow, as they invest in efforts to make their links more prominent on Google and Facebook.

This rush would likely create a feedback loop, where the publishers that are most-widely viewed would increase their impressions and click-through rates, which would in turn work to boost their status in Alphabet's and Meta's algorithms. Such moves could then negatively impact the visibility of smaller outlets, even without any direct retaliation by Meta or Alphabet (which is prohibited under CJPA). Over time, the independent, nonprofit and ethnic media outlets would likely see both their already-minuscule CJPA payments shrink, as well as their readership. Given these outlets' already-low visibility relative to most other online media, it is possible that this decline in readership would place many smaller locally focused outlets in a worse financial position than they find themselves in today.

B. Alternative Approaches to Support Californian's Civic Information Needs

Numerous studies have shown that high-quality journalism can have positive impacts on local communities, increasing political accountability and civic knowledge. Community-based outlets – particularly those that are not beholden to shareholder concerns about profit maximization – are uniquely positioned to produce this kind of maximally-impactful reporting. But they lack the resources to reach their full potential.

So the CJPA's proponents are right to want to do something to ensure the continued production of quality local journalism. But good intentions and seemingly easy answers do not make for good policy. The reality is that the U.S. newspaper industry's subscriber and advertising revenue declines started well before the rise of Google and Facebook and were an inevitability in the internet era.

Many of the commonly discussed policy interventions aimed as "saving" journalism — such as tax credits and other financial benefits for existing for-profit firms — are poorly targeted interventions that will fail to produce an increase in the specific types of information that have the highest social benefits. Most of these interventions will simply preserve an already-faltering status quo. If the goal is to create a sustainable and equitable market for high-quality journalism production, consumption and distribution, then most of these proposals fall flat.

Policymakers should be particularly hesitant to embrace market interventions that attempt to address the journalism market's failures through *indirect* funding of existing publishers and broadcasters. These schemes lack any mechanisms to identify and directly support the production of the specific types of civic information that private markets fail to produce. The CJPA and its federal forefather, the JCPA, are examples of this flawed approach.

Furthermore, the CJPA's backers frame their proposal as one that will reign in Big Tech. While there is no shortage of public policy problems posed by these dominant online platforms, the CJPA is not going to have the impact its supporters desire. In fact, the CJPA will do little to alter these platforms' roles as the dominant online information mediators, but it will enrich the giant legacy firms that have a record of failing to serve the public's interest that pre-dates the rise of Google and Facebook.

At their core, the CJPA and JCPA are based on the deeply flawed idea that a search engine returning a clickable link or a social media platform allowing users to share links are acts that these platforms should compensate publishers for, when instead this sharing of information drives attention (and revenues) to the news publisher, which is the means through which the ultimate value of journalism is unlocked.

We've documented in this analysis how the CJPA's structure will lead to the overwhelming majority of its potential benefits going to giant media companies operating nationally focused websites and broadcast-TV chains who remain very profitable. The incentive system that the CJPA creates will over time crowd out smaller independent, nonprofit and ethnic media outlets, leaving them worse off than they are today.

But even if we accept the premise that lavishing subsidies on these firms is an acceptable outcome so long as Alphabet and Meta are paying the bill, there's little reason to expect that these payments to already-profitable firms will be used to produce additional worthwhile journalism. CJPA and other "link tax" proposals would do absolutely nothing to ensure that whatever additional revenues are raised would actually be put toward the production of civic media that is not favored by current market forces. Firms will be able to continue to cut newsroom staff and budgets while remaining in compliance with the CJPA. Nothing about the CJPA will change the market conditions that encourage media firms to chase high-value readers and the ad dollars that follow them. Indeed, the CJPA creates an *additional* incentive for publishers to increase their production of low-quality, low-cost content.

In short, the CJPA cannot be fixed, and is in no way a better alternative to the status quo.

However, there are alternative approaches that would lead to greater production of critical civic information and journalism. California state policymakers can best address the local-news market failure by first identifying each local community's critical civic-information needs and then establishing politically independent mechanisms to *directly* fund the production of this information. Policies that rely on indirect or implicit funding won't provide the structural support that is essential to the longevity of local news.

Instead, we encourage California lawmakers to consider policy options that reassess, reinvest, replant and reimagine civic media.

Reassess: Research shows that there has been a precipitous decline in local accountability journalism. While it's safe to assume that regions that have become "news deserts" lack access to this sort of civic information, the problem is more complex in most other local markets. Therefore, the first step is to reassess — to study and understand what a given community's civic-information needs are, and how those needs are or are not being met. Do certain types of outlets meet these needs in a more effective and efficient manner than others? How do nonprofit and noncommercial outlets serve critical civic-information needs compared to traditional for-profit outlets? Would those outlets have a greater impact if more widely read? To get at these answers, California lawmakers should fund independent surveys of civic-information markets.

Reinvest: While the commercial news industry will continue to lobby for subsidies, we strongly urge policymakers to reinvest in local and state public media, specifically in newsrooms and journalism. For too long federal and state public-media policies have focused on subsidies for radio and television broadcasting. It's far better to fund the production of quality local journalism, regardless of its means of distribution. Policies that reinvest in public-media institutions should aid them in transitioning from a broadcasting-centric model to a local civic-journalism model. A recent example of a more-direct approach is seen in the $25 million that the California legislature allocated to the University of California at Berkeley for the California Local News Fellowship. This program supports reporting fellowships in California newsrooms.[25]

Recognizing that reinvestment requires revenues, we urge lawmakers to explore the creation of public-media trust funds, so that after an initial period of capitalization, these trusts can operate completely independent of both commercial and governmental financial support or interference. Instead of forcing only Alphabet and Meta to pay link taxes that come with a host of negative side effects, California should instead tax advertising revenues (the source of nearly all of Alphabet's and Meta's profits) and use those proceeds to seed a public media trust fund.[26]

Indeed, lawmakers in California have already engaged in extensive discussions on the possibility of a public media trust fund. In 2022, State Sen. Steve Glazer introduced SB911, legislation that would have created a "California Board to Fund Public Interest Media," an entity modeled closely after the New Jersey Civic Information Consortium. The bill passed the Senate floor before stalling in committee in the House. The $25 million that had been set aside to fund

[25] New Mexico and Washington adopted similar measures, though at a much smaller scale. *See* Sarah Scrie, "Government-funded journalism fellowships are taking off in three states (and counting)," *NiemanLab*, July 12, 2023.

[26] *See e.g.* Timothy Karr and Craig Aaron, "Beyond Fixing Facebook: How the multibillion-dollar business behind online advertising could reinvent public media, revitalize journalism and strengthen democracy," Free Press, Feb. 2019.

SB911, however, was later funneled into the creation of the California Local News Fellowship program as part of the state budget in 2022. The program is meant to support news and information needs in underserved California communities by funding two-year fellowships for up to 120 early-career journalists through 2025.[27]

Replant: There is no turning back the clock to the age of newspaper dominance, but that doesn't mean that these businesses are doomed to fail. We encourage California lawmakers to consider policies that help build a bridge from the commercialized past to a more diverse and vibrant media future. Changes to tax policies can help preserve employment levels of working journalists while sustaining local, noncommercial journalism institutions that serve their communities' needs. Offering local newspapers refundable tax credits based on their retention and growth of newsroom employees is one such approach. California lawmakers should also consider policies that would incentivize for-profit firms to "replant" their local papers as nonprofits, either by direct sale to a nonprofit or conversion of an existing for-profit into a new nonprofit. Indeed, given that hedge funds are primarily concerned with profit, tax incentives that encourage those firms to sell their local newspaper assets to nonprofit owners could help bring stability to those outlets. Lawmakers should also consider tax policy incentives that encourage for-profit firms to pursue a hybrid nonprofit operational model, such as is exemplified by the *Seattle Times*, where tax deductible contributions to their non-profit arm are used to directly support the paper's investigative reporting.[28]

Reimagine: Even if it's funded and produced, civic-minded journalism may fail to reach an intended audience at a level that would meaningfully capture all potential social benefits. We urge California's lawmakers to reimagine how critical civic information gets distributed and introduce legislation that helps bring together journalists with their communities and other civic organizations. California's lawmakers should support hyperlocal nonprofit networks, administered via local educational institutions, nonprofits and libraries. Such alternatives can serve the role of a true local digital town square, and increase the likelihood that impactful journalism reaches the largest possible audience.

VII. Conclusion

The newspaper industry is in secular decline. This economic downturn is not the fault of any online search or social media platform but the expected outcome in a market where technology advances have eradicated the old barriers to publishing and information consumption.

The newspaper industry's decline is a symptom of a deeper failure that the most often suggested interventions will not ameliorate. The internet has altered the newspaper industry forever — not by "stealing" newspaper company advertising revenues — but by ending newspaper companies' monopoly control over local ad and information distribution markets. The erosion of the newspaper industry's market power finally has demonstrated that a specific type of

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[27] *See* California Public Interest Media Act of 2022, S.B. 911 (Amended in Senate, May 19, 2022), 2021-2022 Session.

[28] *See* Brier Dudley, "New model for investigative teams working," *Seattle Times*, Dec. 10, 2021.

information — local accountability journalism — is a public good, one with substantial positive externalities that private markets will never produce at the optimal level.[29]

Well-intentioned policymakers who care about our democracy and the role journalism plays as the fourth estate are right to want to do something to ensure that the old print industry's industrial decline does not create irreversible harm to journalism or our democracy. These policy makers should be applauded for recognizing that journalism is a public good, and for wanting to help ensure everyone has access to high-quality journalism.

But the CJPA is simply the wrong way to help.

[29] There are generally four categories of goods, and each may exhibit market failures that justify public policy intervention. These are private goods, toll goods, free goods, and public goods. Private goods exhibit two primary characteristics: they are rivalrous in consumption (i.e. if one person consumes a unit of the good, it is not available to other users to consume) and excludable in use (i.e. the seller or buyer has control over who uses the good). In contrast, a public good is one that is non-rivalrous, or non-excludable, or both. When a product exhibits both of these characteristics, it is known as a "pure" public good. Pure public goods will not be produced by the private market because providers are unable to exclude users who are not willing to pay. Pure public goods must be supplied by the government or by charitable actors. Journalism (in various forms) is produced by the private market, but that doesn't mean it is not a pure public good. For the purposes of public policy analysis, a pure public good does not need to be that only produced by the government; if the good is non-rivalrous and non-excludable, it may still be supplied in some quantity by private markets for privileged groups. Further, while it is the case that a publisher can place their journalism behind a paywall, paywalls do not operate like toll roads. A producer of local journalism is not able to perfectly exclude non-payers from consuming its product. This is because the primary consumer of the information is able to relay that information to others who did not pay. Therefore for the purposes of public policy analysis, because journalism is non-rivalrous, largely non-excludable, and has no congestion concerns, it is appropriate to view journalism as a pure public good. But what distinguishes journalism as an information type that is potentially underproduced is its value to non-readers. A key economic feature of journalism is that it has the potential to produce positive externalities; that is, the information exchange between the producer and direct consumer confers benefits upon third parties who were not a part of the transaction. These are of course very high-level generalities, as not all types of information are underproduced (relative to their total social value), nor are all types of journalism. This is why it is critical for policy makers to work to better understand what areas of journalism require additional support, and how to help ensure that information reaches an audience that can maximize the social value of that journalism.

Appendix Figure A-1: Local Website Sample

Outlet	Type	Owner	DMA
KERO	Broadcaster	E.W. Scripps Co.	Bakersfield, CA
KGET	Broadcaster	Nexstar	Bakersfield, CA
KBFK/KBFX	Broadcaster	Sinclair	Bakersfield, CA
El Popular	Ethnic Media	El Popular	Bakersfield, CA
The Bakersfield Californian	Major Newspaper	Sound News Media	Bakersfield, CA
KFSN (ABC)	Broadcaster	Disney	Fresno-Visalia, CA
KSEE24 and CBS47 (NBC/CBS)	Broadcaster	Nexstar	Fresno-Visalia, CA
KMPH (Fox)	Broadcaster	Sinclair	Fresno-Visalia, CA
KNSO	Broadcaster (Spanish)	Comcast	Fresno-Visalia, CA
Fresnoland	Independent/Nonprofit	Fresnoland	Fresno-Visalia, CA
Fresno Bee	Major Newspaper	Chatham Asset Management	Fresno-Visalia, CA
KNBC	Broadcaster	Comcast	Los Angeles, CA
KABC	Broadcaster	Disney	Los Angeles, CA
KTTV (Fox)	Broadcaster	Fox Corp.	Los Angeles, CA
KCBS	Broadcaster	Paramount	Los Angeles, CA
KVEA (Telemundo)	Broadcaster (Spanish)	Comcast	Los Angeles, CA
LA Taco	Ethnic Media	Alex Bloomingdale	Los Angeles, CA
Los Angeles Sentinel	Ethnic Media	Danny J. Bakewell	Los Angeles, CA
La Opinión	Ethnic Media	ImpreMedia	Los Angeles, CA
LAist	Independent/Nonprofit	New York Public Radio	Los Angeles, CA
Cross Town LA	Independent/Nonprofit	USC	Los Angeles, CA
Daily Breeze	Major Newspaper	Alden Global Capital	Los Angeles, CA
Los Angeles Times	Major Newspaper	Patrick Soon-Shiong	Los Angeles, CA
KCRA (NBC)	Broadcaster	Hearst	Sacramento-Stockton-Modesto, CA
KTXL (Fox)	Broadcaster	Nexstar	Sacramento-Stockton-Modesto, CA
KXTV (ABC)	Broadcaster	Tegna	Sacramento-Stockton-Modesto, CA
KCSO-LD	Broadcaster (Spanish)	Comcast	Sacramento-Stockton-Modesto, CA
The Sacramento Observer	Ethnic Media	The Sacramento Observer	Sacramento-Stockton-Modesto, CA
CalMatters	Independent/Nonprofit	CalMatters	Sacramento-Stockton-Modesto, CA
Sacramento Bee	Major Newspaper	Chatham Asset Management	Sacramento-Stockton-Modesto, CA
KNSD (NBC)	Broadcaster	Comcast	San Diego, CA
KGTV (ABC)	Broadcaster	E.W. Scripps	San Diego, CA
KSWB (Fox)	Broadcaster	Nexstar	San Diego, CA
KFMB (CBS)	Broadcaster	Tegna	San Diego, CA
KUAN-LD	Broadcaster (Spanish)	Comcast	San Diego, CA
El Latino	Ethnic Media	El Latino	San Diego, CA
The San Diego Voice and Viewpoint	Ethnic Media	The San Diego Voice and Viewpoint	San Diego, CA
inewsource	Independent/Nonprofit	inewsource	San Diego, CA
Voice of San Diego	Independent/Nonprofit	Voice of San Diego	San Diego, CA
San Diego Union-Tribune	Major Newspaper	Alden Global Capital	San Diego, CA
KNTV (NBC)	Broadcaster	Comcast	San Francisco-Oakland-San Jose, CA
KGO-TV (ABC)	Broadcaster	Disney	San Francisco-Oakland-San Jose, CA
KTVU (Fox)	Broadcaster	Fox Corp.	San Francisco-Oakland-San Jose, CA
Telemundo 48 (Bay Area)	Broadcaster (Spanish)	Comcast	San Francisco-Oakland-San Jose, CA
El Tecolote	Ethnic Media	Acción Latina	San Francisco-Oakland-San Jose, CA
Post News Group (The Oakland Post)	Ethnic Media	Post News Group	San Francisco-Oakland-San Jose, CA
Alameda Post	Independent/Nonprofit	Alameda Post	San Francisco-Oakland-San Jose, CA
MissionLocal	Independent/Nonprofit	MissionLocal	San Francisco-Oakland-San Jose, CA
Hoodline	Independent/Nonprofit	SFist	San Francisco-Oakland-San Jose, CA
East Bay Times	Major Newspaper	Alden Global Capital	San Francisco-Oakland-San Jose, CA
San Jose Mercury News	Major Newspaper	Alden Global Capital	San Francisco-Oakland-San Jose, CA
San Francisco Chronicle	Major Newspaper	Hearst Corp.	San Francisco-Oakland-San Jose, CA
KSBY	Broadcaster	E.W. Scripps Co.	Santa Barbara-Santa Maria-San Luis Obispo, CA
KEYT	Broadcaster	News Press Gazette	Santa Barbara-Santa Maria-San Luis Obispo, CA
Amigos805	Ethnic Media	Shooting Star Communications LLC,	Santa Barbara-Santa Maria-San Luis Obispo, CA
Santa Barbara Independent	Independent	Santa Barbara Independent	Santa Barbara-Santa Maria-San Luis Obispo, CA
Noozhawk	Independent	William Macfadyen	Santa Barbara-Santa Maria-San Luis Obispo, CA
San Luis Obispo Tribune	Major Newspaper	Chatham Asset Management	Santa Barbara-Santa Maria-San Luis Obispo, CA

Appendix Figure A-2: National Website Sample

Outlet	Owner	Type
NBC News	Comcast	Broadcast Network
ABC News	Disney	Broadcast Network
CBS News	Paramount	Broadcast Network
Business Insider	Axel Springer SE	Business
Insider	Axel Springer SE	Business
MSNBC	Comcast	Cable Network
CNN	Warner Brothers Discovery	Cable Network
NME	Caldecott Music Group	Entertainment
Radar Online	Chatham Asset Management, LLC	Entertainment
E!	Comcast	Entertainment
AV Club	Great Hill Partners	Entertainment
Hello!	Hello LTD	Entertainment
Entertainment Weekly	IAC	Entertainment
People	IAC	Entertainment
Deadline	Penske Media Corp.	Entertainment
Hollywood Reporter	Penske Media Corp.	Entertainment
Rolling Stone	Penske Media Corporation	Entertainment
Variety	Penske Media Corporation	Entertainment
Refinery 29	Vice Media	Entertainment
Vulture	Vox Media	Entertainment
TMZ	Fox Corp.	Entertainment, Tabloid
Page Six	News Corp.	Entertainment, Tabloid
Bloomberg	Michael Bloomberg, Bank of America	Finance
Forbes	Whale Media (sale to Austin Russell pending)	Finance
BBC	BBC	International
Deutsche Welle	Deutsche Welle	International
Glamour	Condé Nast	Lifestyle
Vogue	Condé Nast	Lifestyle
Cosmopolitan	Hearst Corporation	Lifestyle
Bored Panda	Tomas Banišauskas	Lifestyle
The Plain Dealer	Advance Publications, Inc	Major Newspaper
Chicago Tribune	Alden Global Capital	Major Newspaper
Miami Herald	Chatham Asset Management	Major Newspaper
Dallas Morning News	Dallas News Company	Major Newspaper
Arizona Republic	Gannett	Major Newspaper
USA Today	Gannett	Major Newspaper
Houston Chronicle	Hearst Corporation	Major Newspaper
Houston Chronicle	Hearst Corporation	Major Newspaper
Washington Post	Jeff Bezos	Major Newspaper
Boston Globe	John W. Henry	Major Newspaper
New York Times	New York Times Company	Major Newspaper
New York Daily News	Alden Global Capital	Major Newspaper, Tabloid
New York Post	News Corp.	Major Newspaper, Tabloid
The Huffington Post	Buzzfeed	News
Yahoo News	Yahoo! Inc.	News

(figure continued on next page)

Appendix Figure A-2: National Website Sample (continued)

Outlet	Owner	Type
Politico	Axel Springer SE	Politics
Axios	Cox Enterprises	Politics
The Hill	Nexstar Media Group	Politics
Semafor	Semafor Inc.	Politics
Vox	Vox Media	Politics
Salon	Chris Richmond and Drew Schoentrup	Politics, Left-leaning
Mother Jones	Foundation for National Progress	Politics, Left-leaning
Slate	Graham Holdings	Politics, Left-leaning
Daily Kos	Kos Media, Inc.	Politics, Left-leaning
The Nation	The Nation Company, L.P.	Politics, Left-leaning
Daily Wire	Bentkey Ventures, LLC	Politics, Right-leaning
Blaze TV	Blaze Media, LLC	Politics, Right-leaning
The Blaze	Blaze Media, LLC	Politics, Right-leaning
Breitbart	Breitbart News Network	Politics, Right-leaning
Citizen FreePress	Citizen FreePress	Politics, Right-leaning
Dan Bongino	Dan Bongino	Politics, Right-leaning
Fox News	Fox Corp.	Politics, Right-leaning
The Liberty Daily	Freedom Media Group, LLC	Politics, Right-leaning
Instapundit	Glenn Reynolds	Politics, Right-leaning
Gateway Pundit	Jim Hoft	Politics, Right-leaning
Drudge Report	Matt Drudge	Politics, Right-leaning
Washington Examiner	MediaDC (a subsidiary of Clarity Media Group)	Politics, Right-leaning
National Review	National Review Institute	Politics, Right-leaning
Newsmax	Newsmax Media, Inc.	Politics, Right-leaning
Revolver News	Project M Group, LLC	Politics, Right-leaning
RealClearPolitics	RealClear Holdings, LLC	Politics, Right-leaning
Hot Air	Salem Media Group	Politics, Right-leaning
PJ Media	Salem Media Group	Politics, Right-leaning
Red State	Salem Media Group	Politics, Right-leaning
Town Hall	Salem Media Group	Politics, Right-leaning
Daily Caller	The Daily Caller, Inc.	Politics, Right-leaning
American Thinker	Thomas Lifson	Politics, Right-leaning
What Finger	Whatfinger	Politics, Right-leaning
Sporting News	American City Business Journals (a subsidiary of Advance Publications)	Sports
Sports Illustrated	Authentic Brands Group	Sports
Barstool	David Portnoy	Sports
ESPN	Disney	Sports
Yard Barker	Playmaker Capital, Inc.	Sports
The Ringer	Spotify	Sports
Bleacher Report	Turner Sports	Sports
SB Nation	Vox Media	Sports
Yahoo Sports	Yahoo! Inc.	Sports
Daily Mail	Daily Mail Trust	Tabloid
Daily Beast	IAC Inc.	Tabloid
The Sun	News Corp.	Tabloid
Daily Mirror	Reach plc	Tabloid
The Independent	Several Shady Rich Dudes	Tabloid
Engadget	Apollo Global Management	Tech
TechCrunch	Apollo Global Management	Tech
Wired Magazine	Condé Nast	Tech
Gizmodo	Great Hill Partners	Tech
CNET	Paramount	Tech
The Verge	Vox Media	Tech
Associated Press	N/A	Wire Service
Reuters	Thomson Reuters Corp.	Wire Service