

<u>SB686 "*Relating to civic information*"</u> (Senator Khahn Pham). The Bill mandates that large online platforms pay Oregon digital journalism providers to link to their content, or "donate" to the Oregon Civic Information Consortium, a newly created entity each public university is directed to participate in to disperse grants to "improve civic information."

<u>Summary of Potential Impacts:</u> The bill creates an internet link tax to benefit broadcasters that produce at least 25% content that is of "current local, regional, national or international public interest;" creating a blank check for undefined "news."

Incentivizes spam and undermine efforts to combat misinformation

- Incentivizes low quality content and does NOT prioritize local and community-oriented news. By imposing a price for linking to content, the Bill incentivizes content creation without any checks or balances on the nature or the quality of the content produced. It creates incentives for high volume / low-cost content, of which only 25% need be in the current local, regional, national, or international public interest. 75% of content need not pass this test.
- Undermines efforts to combat misinformation. By subsidizing production of content, without any real check on quality, the Bill's funding mechanisms are likely to result in funding spam content. The retaliation clauses in the bill could also prevent platforms from removing or decreasing the prevalence of lower-quality content, even if that content is misleading or inaccurate. It would subject platforms to legal action simply for acting to maintain their own quality standards.

Subsidies created by the Bill are poorly targeted

• The Bill forces subsidization of large conglomerate publishers, hedge funds, and international publishers – even if they have no presence or connection to Oregon. Without any cap on the size of news publishers, this bill amounts to forced subsidization of massive media conglomerates–from the New York Times to Alden Capital–and large international publishers like Axel Springer SE, headquartered in Germany or Reach PLC and DMG Media, headquartered in England.

Doesn't prioritize support for local and community news

• The Bill does not encourage publishers to hire more journalists in Oregon. To be eligible for payment the Bill only requires a publisher to "provide information to an Oregon audience". <u>Eligible publishers and their journalists *need not* <u>be located in Oregon</u>. In fact, because journalists count for the same allocation share regardless of their location, the bill actually encourages publishers to locate their employees in lower-cost countries or states.</u>

Is unenforceable and will waste state resources on litigation

• The bill raises a number of constitutional concerns, including its conflict with federal copyright law. As a result, this legislation will likely be struck down in court, leaving taxpayers responsible for legal fees the state will spend to defend it.

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