

**Lynne Anderson, Deputy Chief Executive, News Media Association—
supplementary written evidence (FOJ0102)**

The News Media Association (NMA) is the voice of UK national, regional, and local newspapers in print and online. Our members publish around 1,000 news media titles and reach 49 million adults across the UK each month. Collectively, these publishers are by far the largest investors in news, accounting for 58 percent of the UK's total spend on news provision.

I am writing today to supplement the NMA's original response (FOJ0035) to the Future of Journalism inquiry in view of the publication of the CMA's final report on online platforms and digital advertising.

Our members' work – informing and engaging the public, debunking misinformation, bringing together communities, and holding the powerful to account – is invaluable to the functioning of a healthy democracy, but its future is at risk. The imbalance of power between platforms and publishers and the dysfunctionality of the open display advertising market has, for years, precluded publishers from realising a fair return for their content. Local and regional publishers are in immediate existential danger, and nationals will face similar difficulties over time. Swift and decisive action in the digital advertising and online content markets is needed to secure their future.

We and our members have therefore welcomed the CMA's focus on the news media industry¹ and its uptake of many of our concerns and priorities. We believe the final report's findings and recommendations go a long way towards enabling a sustainable future for news, with four main caveats.

First, publishers cannot wait for the Digital Markets Taskforce (DMT) and the government to design and implement wholesale reform of competition law in digital markets. We have been engaging with the government on these issues for over three years.² In that time, the platforms' exploitative conduct has continued and the financial situation of publishers across the UK has only worsened, exacerbated by the Covid-19 crisis. Now, it seems legislation in this area cannot be expected before 2022 at the earliest. To avert irreparable damage to the UK's media landscape, NMA is asking that the DMT advise the government on a separate and condensed timeline for the implementation of the measures relating to digital advertising and the platform-publisher relationship.

Second, the design and implementation of even a narrow, specialised regime will take time, which many publishers do not have. In the interim, we believe the CMA should consider each of the traditional enforcement actions in its repertoire, including carrying out a market investigation relating to Google's presence throughout digital advertising intermediation.

We believe two key measures are missing from the proposed pro-competitive regime: mandating payment by platforms for their use of publishers' content and enabling compensation for breaches of the code of conduct.

A mechanism to enable compensation for content is required both as a matter of fairness and as a matter of necessity for the sustainable provision of news. Journalistic content plays a key role in our democracy, but it is costly to produce. It requires the

¹ <http://www.newsmediauk.org/News/nma-calls-on-government-to-act-swiftly-following-cma-digital-markets-report/257130>

² <http://www.newsmediauk.org/News/nma-calls-for-investigation-into-google-facebook-and-the-digital-advertising-supply-chain-to-combat-fake-news/164705>

infrastructure, talent, and resources to conduct investigations, sift through and check information, package it in ways which engage readers and ensure that it is responsibly framed. Despite this investment, when content is hosted on digital platforms, its value is almost entirely captured by the platforms rather than flowing back to the publisher.

We were also disappointed by the lack of a compensation mechanism for breaches of the code. Each breach of the code, each instance of non-compliance with the Digital Market Unit's orders and each case of intentional or negligent harmful conduct will constitute a real and substantial injury which we believe ought to be corrected. Even modest awards could have a tangible positive impact on publishers that have suffered harm, particularly locals and regionals which operate on the slimmest margins.

The NMA will be submitting a detailed response on these issues to the DMT's call for evidence. However, I hope these initial views will help inform the Committee's discussion on the CMA's recommendations on 21 July.

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