Audio Transcript

Episode 194 of <u>"E&P Reports"</u> Vodcast Series with Mike Blinder



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Danielle Coffey's first few weeks as the new head of News/Media Alliance and where we are on attacking the important industry issues we are facing today.

In this episode of "E&P Reports," we go one-on-one with the new President/ CEO of the News/Media Alliance (NMA), Danielle Coffey, with a high-speed interview that gains her perspective on some of the most critical legislative issues the news publishing industry is facing today, like "big tech" compensation, local journalism tax credits, AI and more. Coffey offers a frank, well-researched background and analysis of where the industry stands today and how she is leading the NMA to help us all navigate these challenges in the future.



[music]

0:00:03.6 Announcer: This is E&P Reports, a Vodcast from Editor & Publisher Magazine, the authoritative voice of news media since 1884, serving newspapers, broadcast, digital, and all forms of news publishing.

0:00:20.1 Mike Blinder: And greetings, once again, Mike Blinder publisher, E&P magazine. As always, housekeeping listening to this program on a podcast platform of choice. Say that three times fast. Please follow us, watching us on YouTube. Hit the subscribe button below. Hit the bell to the right, or click them, whatever your preference. You'll get an update each and every time we upload a new episode of E&P Reports. Danielle Coffey, this is your third, no, excuse me, fourth visit on this platform. We will have a special jacket made for you. Welcome back to E&P Reports.

0:00:53.5 Danielle Coffey: A Master's jacket, a green one, that would be great. Thank you. Thank you for having me.

0:00:55.5 MB: Got it. It'll go well with you.

[laughter]

0:00:57.8 MB: Obviously we know Danielle very well because you've been at the news Media Alliance since 2015, mostly spending time as executive VP and general counsel. On behalf of Robin, my wife and business partner, E&P, myself and everyone, congratulations.

0:01:16.2 DC: Thank you.

0:01:17.9 MB: You're essentially the President and CEO. We were so happy to hear that. Thank you.

0:01:21.7 DC: Thank you very much, Mike. That means a lot. And I enjoy working with you and Robin.

0:01:27.3 MB: Oh, we just think the world of, you're like our favorite attorney.

0:01:29.5 DC: Oh. [laughter]

0:01:30.4 MB: Because not only are you a...

0:01:30.5 DC: That's the high bar. [laughter] No, pun intended.

0:01:34.2 MB: You obviously know advocacy, you also know the law, but you also have ink in your veins. Correct me if I'm wrong, you're in the Board of Directors for the National Press Club Journalism Institute. Right?



0:01:45.2 DC: I'm... They're an amazing group. I love, being on their Board. I'm their fundraising chair. So we have a gala coming up in October. We haven't set a date yet. We'll make announcements and they're a great group. So I do like their work, but also contributing to it in any way I can. And they give a lot back to the community and the industry, so a little plug for them there.

0:02:10.9 MB: Well, we got so much to talk about. Research shows that most of our audience bails out after 20 minutes. So we try to get a lot of stuff packed in in 20 minutes now. So here are the topics we're gonna explore. We're gonna talk about Gannett versus Google, the antitrust stuff that just went down, obviously the Canadian Journalism Compensation Bill, which just got passed by the Canadian Senate. This is huge news. The LJSA... I wanna discuss how the Canadian bill impacts the JCPA. The LJSA. For those of you who don't understand these acronyms, don't worry, we'll break them down for you. I wanna talk about trust in journalism and AI with you as well. Can we try to squeeze that in too?

0:02:44.4 DC: I would love that. That's a huge issue for us right now, actually.

0:02:48.2 MB: So we're gonna talk about all this and more and pack it in and get it out to you in the backside of this message.

0:02:53.0 Announcer: This episode of E&P Reports is exclusively sponsored by BLOX Digital, formerly TownNews. Even though the name has changed, their commitment to the media industry is as strong as ever. BLOX Digital is now even better positioned to deliver integrated solutions like content management, audience development, advertising revenue, video management, and more. Join the over 2000 news publishers worldwide that power their ongoing digital transformation with BLOX digital serving over 141 million monthly users who view over 6.5 billion pages of content each year. You can trust BLOX Digital to empower you, to connect you at scale with the community you need to reach. BLOX Digital formerly TownNews now reimagined to help meet the news publishing challenges of tomorrow and beyond. Learn more at bloxdigital.com.

0:03:58.3 MB: Alright, Canada did it, just they did it. Talk to me about the Canadian Journalism Compensation bill as... Break it down quickly for us. What does it mean to them and what does it mean to us, especially how it impacts the future of the JCPA and the CJPA? Right? I mean, there's two things going down. Can you just give us the elevator pitch on what this all means?

0:04:23.5 DC: Yes, of course. So the Online News Act C18 that they were calling it had a very, very steep uphill battle. Just like our initiatives here in the US have had, and its predecessors, Australia, Europe, now UK, Indonesia, Brazil, others, are having or have had an uphill battle because their opponents or adversaries, have so many resources that when I went to Google, the Online News Act, because I was looking for a specific article yesterday, it was a positive article about showing how many jobs were created in Australia that was then a driving force for Canada. That's what the article was about. So I was looking through the search results. I had to scroll and scroll...

0:05:11.0 MB: No.



0:05:13.0 DC: And scroll past all of the negative...

0:05:15.4 MB: Google would not do that. They would not alter their algorithm that suits...

0:05:18.9 DC: Oh yeah, I guess the algorithm could have coincidentally, but I also think that there is a tremendous amount of negative press and opposition around and our own press sometimes covers this opposition maybe more than I'd like for my own taste around the resources that Google and Facebook can fund to push out negative messaging around something that seems so obvious. So, what is it gonna do? The macro, the benefits of the legislation that seems so obvious, like I said, is that it's going to finally give news publications journalistic content, fair market value for the benefit and the revenue that is received by our dominant distributors. So Google and Facebook, we have 70% that goes through these two companies, yet we don't get compensated back for the... What they benefit off of us through...

0:06:11.9 MB: So let me just, put a little bit more meat on the bone for those that may not understand where this all starts. It's called the Journalism Competition and Preservation Act. It's JCPA Senate Bill 1094. It had a shot in December. We had a shot of getting it through Congress to basically, as Danielle just said, get fair compensation for the clicks that Google monetize to get to our content. Google claims they're doing, there's a benefit. They're giving us the traffic with the click and let's... That's what they claim. And then a bunch of other organizations like the ACLU, NetChoice which represents a bunch of companies like Amazon and other big tech, free speech adversary groups, Ted Cruz, even Lion which is independent journalists have come up with a bunch of points claiming that this should not happen.

0:07:05.8 DC: And I actually have to embarrassingly correct something. Ted Cruz is a huge supporter. [laughter]

0:07:11.8 MB: Excuse me.

0:07:12.6 DC: He's actually is a fan of the bill. That was one in your list of that interestingly, he's a supporter. He came to an agreement with Klobuchar, I won't go into but... And you're correct that at the end of last year, because of politics and various things, it didn't go through. It was almost at the finish line and it didn't. But what I see changed this year is that the passage of the Canadian law, how successful the bill has been in Australia for creating journalism jobs, journalist jobs, is momentum that's then facilitating the same momentum that's going through California. And so the CJPA, the California Journalism Preservation Act, AB 886 is now pending in California. That, so if we're layering it, the momentum from Australia, the momentum from Canada, the momentum from California then creates momentum in the federal space, which has a lot of dynamics that I can walk through. But as far as the momentum that it will create, other states would follow, you'd have a patchwork of states doing this now in the US, what that means for the federal space creates positive momentum there. And we'll be doing a support journalism parade in Washington DC September 26th and 27th to make sure that the federal Congress knows and can see the face.

0:08:40.6 MB: A parade in September to support local journalism. By the way, correct me if I'm wrong, bipartisan support.



0:08:47.3 DC: Yes.

0:08:47.9 MB: The Republican part. Although we've heard this, media is the enemy of the people stuff in the past, no matter what your color, blue or red, you accept the need for local journalism. But now Meta, Facebook, is not happy. Correct. Meta pulled the cash and Meta now claims that if legislation like this goes through they ain't gonna show news anymore on Facebook.

0:09:10.6 DC: The first thing I'll say to that is something we all need to think about and Trudeau said it himself, which is first of all, they should be ashamed of themselves for depriving as a dominant monopoly citizens of quality journalism and critical information. That's, I think that that underscores the problem that we have which is a bigger issue and that's the dominance of the platforms in and of itself. The fact that they can make a decision that would impact citizens so greatly should be concerning to us.

0:09:41.3 DC: It's also the behavior of monopoly if they're going to be able to be able to make these threats in the first place, that they're larger than government, that they can make such a decision based on whether they have to pay money or not. I also think it demonstrates that they know the value of our content if they know what they will likely have to pay and what they're receiving for that payment, and they would rather get it for free and they will make a threat of such nature to be able to continue doing that. That played out in reality in Australia where Facebook pulled news from the platform.

0:10:12.1 MB: They pulled the news.

0:10:14.6 DC: It backfired on them because they did it during vaccine registrations, which was not great. There were reports that they intentionally did that to make it appear more catastrophic so that the threat was more effective. At the end of the day, it didn't work. And I'm being asked a lot whether they will do it and follow through in Canada and should they...

0:10:33.5 MB: Look at the reporting we're doing on all the latest research of the massive appetite in our society now for local news? My thought is people will find it. If it ain't on Facebook, they're gonna get the content they crave anyway. Facebook's lost. Hey, what the hell. Nothing...

0:10:49.0 DC: Really good point. And we're an antidote to their misinformation. We are of benefit to them in residual ways, not just financial.

0:10:56.1 MB: Let them go play their game now, and we won't spend a lot of time on this because we got your statement. As you know, we were honored to have the exclusive interview with Mike Reed directly after Gannett came out of the blue and said, "We're suing Google." The largest news publishing organization in North America said, "We're suing Google." We got his statement. We got your statement, which was in favor of it. You were okay with these guys going alone on the antitrust lawsuit. We also got Google's statement, which again, very exclusive, I'm bragging now, directly to us that we put out there saying that they could not believe they were doing it. All in, are you comfortable with their position? Is it in the way or is it okay? How do you feel at your organization?



0:11:40.5 DC: We've always been very active in the case investigation generally. We're very supportive of any and all of our companies filing suit in this case that has a lot of promise and a very solid set of allegations in the complaint, both at the DOJ and the Texas State AG. As far as Gannett entering the arena and filing suit just as other companies have done opt-out suits. There's actually, just to be clear, there's actually no certified class yet, some did it as a group and we're fully supportive of them as well.

0:12:19.4 DC: A little bit of a background, when the DOJ was doing their original investigation into the allegation... Into what later became the allegations in their complaint, let's remember that there's two suits that are pending. One, the big one that we're talking about right now, the AdTech ecosystem, but then also the self-preferencing that occurs on the Google's platform that was then joined by... Led by Colorado State AG.

0:12:45.6 DC: The two taken together were reflected by a white paper that we submitted to the DOJ. We spent a couple of years working with our members so that we could aggregate and anonymize the anti-competitive practices of the platforms that drew the direct nexus between their revenue increase and their benefit and their practices and our revenue decrease in our firm. We're often told that we have a dying business model despite our record audiences which is kind of confusing, so we explained that in our white paper that it was not our business model. We have a demand for our quality content and that it's actually these anti-competitive practices and also the AdTech ecosystem that's having the detrimental impact on our industry and causing the harm that we are now incurring from a revenue standpoint.

0:13:37.4 MB: So now let's go to the LJSA 'cause I wanna get onto the next topic, if that's okay.

0:13:40.9 DC: Sure, sure.

0:13:42.3 MB: LJSA, for those of you that didn't understand this initialism and acronym, whatever, Local Journalism Sustainability Act, I call it, believe it or not, Francis Wick's Jerry Maguire moment. He woke up one day on a Saturday. If you don't know Francis, he's a great guy, he runs with Wick Media. He wrote this white paper in a Saturday morning in his pajamas, he said, saying, "Why not give tax credits to three things." One, The publisher who pays the local journalist which is part of that embedded thing in our Democratic Madisonian Republic. I mean it, to have local journalism. Two, give a tax credit to the darn advertisers that support it on a local level. Three, why not give a tax credit to anybody who pays to get to that content? The LJSA seems to be percolating again. We're getting a lot of people reaching out to us saying, "Hey, it's looking good again". Are you involved in that? Are you advising on that or are you letting that just go in the... 'Cause you got so many other things on your plate. What's the News Media Alliance's position on the LJSA?

0:14:40.5 DC: We're very, very supportive of that and involved, with actually America's Newspapers really taking the lead. Dean Ridings is a great partner for us. And he's great to work with. And I've done everything that I, meaning collective, we... Our organization will continue to support them both on the ground here in Congress and making sure that they have reinforcements and education about the benefits. And also we're talking about our industry. And Francis is great too, I should say. And also Zach Richner was a big part of that as well and Alan Fisco, and we just all work very well together. And Cameron Nutting is their Chair and she's amazing. She's off the



charts amazing. I also work very closely with Tonda at NNA, the National Newspaper Association, so the community newspapers.

0:15:33.7 DC: And when we all work together to bring this voice and to bring this high level awareness of the independent, trustworthy, quality content that we bring to communities and that lawmakers need to take notice. I think that we have benefits across the board, whether it's LJSA, the lawsuit, AI, JCPA, what have you. We need to keep that drumbeat going to remind people of the importance of our industry because that's what we need to keep our eye on the ball and we need to keep our eye on the macro. That's where we're going with all this.

0:16:08.1 MB: Which brings us into the next topic. You say AI, I'm gonna take AI and add two things to that. 'Cause I had the most amazing conversation with someone I never met before. I think he says he works with you. Do you know Mickey Osterreicher of the...

0:16:19.6 DC: Oh yeah, of course. Mickey, Photographers.

0:16:24.0 MB: National Press Photographers Association. What an amazing guy. 'Cause not only is he their lead counsel, he's also a sheriff. So he gets both sides of the equation and he talks about the problems in today's society. I wonder if something...

0:16:36.8 DC: Is he a sheriff?

0:16:36.9 MB: What? He is a Sheriff. You don't... Look him up.

0:16:40.0 DC: Oh my gosh. I knew he went to police stations to tell them what they... How they can have...

0:16:43.2 MB: He wears a badge?

0:16:44.7 DC: Cameras and... Oh, my gosh, I didn't even know that.

0:16:46.8 MB: He's an extraordinary sheriff. So here he gets both sides of the equation. He understands the need for the shooter or the journalist to be at the scene of a crime, but then who is the journalist? Where is truth? Where are we today with truth? And I pull that into the AI world now because AI adds another dimension of what is true, what is not, what is journalism, what isn't? And Mickey has an amazing sense of that. So anyway, we interviewed him on this program just a few weeks ago.

0:17:10.9 MB: Now we're talking to the boss of the News Media Alliance, Artificial Intelligence. The alarms are sounding everywhere. This has been, this is not new. We've been seeing this come over time, especially with social media and fake news and everything else. Where are you at today in helping the world understand what's true. See, I'm boiling it down now I'm taking it, what's true and not true. And where is News Media Alliance on that today?

0:17:40.1 DC: Yeah. You're... Okay, so to one of your points that this is not new. I used to do telecom, big data. [laughter] This is not new. This is definitely not new. And then also the News



Media Alliance we filed five years ago, because there were already legal minds thinking about this. I wanna say it was a weird federal agency to be looking at this. It was NIST, maybe. National Institute of Science and Technology or maybe it was NTIA. We filed... And USPTO we filed with them, which is Natural Patent Trademark. And we filed talking about the rights that we have to our content to be used by others to train these models. So this isn't new, but the more commercialized versions of how people use Bard, ChatGPT and Bing are new, so now it's why everybody writes such a trending topic.

0:18:26.4 DC: So the first thing that we did was when these came out is we did a landscape document. First we did a questionnaire of our members. We created an AI task force and we have work streams, legal policy, communications and technology. And we did a questionnaire of our membership to determine how our content is being used and what licenses exist, how people are permitting these content. What we learned was, our content is being crawled by, in some cases good actors where companies can make decisions, whether to let that continue. But then it drops down to these data sets, that they're... That large language models, LaMBDAs or Open AI or what have you, is then used and collected to then go into the commercial products which is where you find Bard, being, ChatGPT is the really popular one, ChatGPT-4.

0:19:17.5 DC: And what we found is that in, when our content is being used, we're not licensing unless we do a specific data set. So we do have data sets for academic and things. The market exists and we have our archives. The market exists for the use of our content in generative AI, which is basically the difference between using an AI in your newsroom, which is more the natural language, generating technologies. More of like a fancy auto correct. But the generative actually AI comes up with answers, summaries, marketing plan, whatever you might do that give you a new work. So it's a reproduction and it's a new work that you would be producing with this generative AI and that synthesizing, summarizing, surfacing, and all the ways in which they use our content to then display for a user query. And so that the landscape that we needed to determine how is our content being used. And then it's likely...

0:20:13.2 MB: It should be like have an input [0:20:14.3] ____. That means they rake or grab our content.

0:20:18.1 DC: Yes.

0:20:18.5 MB: It goes through an AI process, but there's no human being in that entire...

0:20:20.9 DC: Pretty much, pretty much.

0:20:24.0 MB: It's just the computer recreating it into something new.

0:20:26.8 DC: That's exactly right. And we've been attack... We've been... We did a set of principles that outlines the principles and the priorities for our industry. We're also gonna do it on a global level. We're working... There's a lot of coalitions that are working on these sorts of things and we're working with a global group because they really stand true.

0:20:45.1 MB: Don't you work with the RTDNA on this stuff and the NAB? 'Cause it's not just our



industry, it's...

0:20:50.2 DC: And Yeti and Adobe and music and we're all working together on this. It's impacting everybody. Can I say one more thing on AI?

0:20:58.4 MB: Yes, please.

0:21:00.7 DC: There's another piece of it. So we're an advocacy organization in Washington DC. So what we addressed is the legality, the protections. We're the representative to make sure that people have recourse and remedies. There's another piece of it back home in our member's newsrooms or the creative content teams of our magazines where you have to determine how much you're gonna use AI technology in your newsroom, these tools that create productivity and efficiencies. And there's a lot of exploration around that and innovation and a lot of opportunity there that I don't wanna take away from the other piece of it where our content is used to train these models. And API, our affiliate organization, our 501 [c] [3], American Press Institute is exploring that a lot. And there are conversations and best practices being created about how to use these tools in the newsroom. And that's a whole different conversation that I think is really worth having.

[music]

0:22:04.9 MB: My word. And we did all this in 30 minutes. Danielle Coffey.

0:22:08.3 DC: I talked to us.

0:22:09.5 MB: Well, we did it, but it took a lot of fast talking and bulleting. Danielle Coffey President and CEO, the new, I should say the new President and CEO of News Media Alliance. An honor to get you through in a very busy week for you. And I know carving out this time was tough. We really appreciate it. We know we'll have you back and after we get you the jacket, then we'll get you the mug and we'll get you...

0:22:30.3 DC: A mug?

0:22:33.2 MB: You'll have your own green room where you can set up before you come on the show. But thanks again for your time.

0:22:37.7 DC: Fantastic. Always enjoy talking to you, Mike. Thank you.

[music]