

March 3, 2017

Damian Collins MP  
Chair of the Committee  
Culture, Media and Sport Committee  
House of Commons  
London  
SW1A 0AA

*RE: The Culture, Media and Sport Committee's inquiry into 'fake news': the growing phenomenon of widespread dissemination, through social media and the internet, and acceptance as fact of stories of uncertain provenance or accuracy.*

The News Media Alliance respectfully submits the following comments in response to The Culture, Media and Sport Committee's inquiry into "fake news': the growing phenomenon of widespread dissemination, through social media and the internet, and acceptance as fact of stories of uncertain provenance or accuracy."<sup>1</sup>

The Alliance represents nearly 2,000 diverse news organizations in the United States and Canada—from the largest news groups and international outlets to hyperlocal news sources, from digital-only and digital-first to print news—we represent all news media content creators. News Media Alliance members are known for highly-engaged audiences, quality journalism products and sophisticated digital services.

First, the concept of fake news is not new. There is a long history of blatantly false information put into the public domain for purposes of shock value or to make a quick profit, and for various reasons fake news spreads through print, digital, and by word of mouth. Our

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<sup>1</sup> <https://www.parliament.uk/business/committees/committees-a-z/commons-select/culture-media-and-sport-committee/news-parliament-2015/fake-news-launch-16-17/>

industry has spent many years addressing the quality of content circulated in print, but with the advent of real-time information-sharing in the digital age and its ability to influence public opinion – including with milestone events such as elections around the world – readers are struggling with a current trend in which fake news is indistinguishable from real, fact-supported and verifiable news.

Increased connectivity via digital and social channels has obvious benefits, but it can also harm unfettered discourse if platforms continue to perpetuate, and in many ways profit from, the proliferation of fake news. Google and Facebook are the world's largest sources of referral traffic for online news publishers. Google is the world's dominant search engine, and it has become the place people go when they are looking for news articles about a particular topic. Facebook, on the other hand, is the world's dominant social network, and it is the place that people share news stories they have found. Together, Google and Facebook thus exert enormous influence over which news articles reach the public and which languish in obscurity. With power comes responsibility.

Members of the News Media Alliance invest a tremendous amount of time and resources to ensure the accuracy of the news content and our reporters adhere to long-standing and voluntary standards in the journalism profession. From that perspective, we submit our thoughts and observations, as we strive to collectively solve this problem. We strongly believe that real news is the best remedy for fake news, and distribution platforms should foster this view through their business practices.

### **Content from Premium Publishers Should Be Uplifted**

The inquiry rightfully raises the questions of whether search engines and social media platforms have responsibility in rooting out fake news and whether it is viable to use a computer-generated algorithm to distinguish between fake news and genuine reporting. In the United States, Google and Facebook are under pressure to address similar allegations of allowing fake news to persist and permeate users' news feeds. As a result, both platforms have undertaken underwhelming efforts to respond to this problem that appear to focus more on

public relations than on addressing the underlying incentives that exist for creating and disseminating fake news.

Facebook has recently initiated its Journalism Project<sup>2</sup> to strengthen the relationship between publishers and the social media platform through outreach and measures to recognize and reward real news. In addition, we are urging Facebook to prioritize content in consumers' feeds from news organizations and premium publishers whose reporting demonstrates the principles of verification, accuracy and fidelity to facts. This will ensure that trustworthy content is given appropriate weight in the dissemination of information which to date has not been the case. Facebook announced a change to its algorithm that resembles this concept, but more information is necessary to determine whether it is a viable solution.<sup>3</sup>

Google has also claimed to curb fake news by cutting off 200 fake news publishers' access to their AdSense platform, which allows publishers to run ads on their sites and content, if the publisher is misrepresenting who they are and if they deceive people with their content.<sup>4</sup> The announced changes currently only apply to 200 websites out of the over 14 million websites that are currently using AdSense. Despite these efforts, we continue to be troubled by Google's opaque search algorithm and the factors that determine placement of search results.

For example, Google's current policy of first-click-free does a disservice to consumers who seek credible and trustworthy content because publishers who charge for content are deprioritized in the search results. Some publishers are taking steps to confront the first-click-free policy despite the risk of being deprioritized.<sup>5</sup> This will have a negative impact on

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<sup>2</sup> <https://media.fb.com/2017/01/11/facebook-journalism-project/>

<sup>3</sup> <https://newsroom.fb.com/news/2017/01/news-feed-fyi-new-signals-to-show-you-more-authentic-and-timely-stories/>

<sup>4</sup> <https://blog.google/topics/ads/how-we-fought-bad-ads-sites-and-scammers-2016/>

<sup>5</sup> <https://econsultancy.com/blog/68801-the-wsj-ditches-google-s-first-click-free-falls-back-on-stronger-paywall/>

consumers' ability to find real news, and a compounding negative impact on publishers' ability to raise revenue that funds real news.

In essence, Google has effectively chosen which news articles will be seen and what business models will survive on the Internet, removing a customer's choice from the equation.

### **Lack of Incentives to Self-Regulate**

Self-regulation exists with professional journalists and publishers because of the incentive to produce trustworthy content or otherwise suffer loss of readership, resulting in significant impact on revenue. The same self-regulation does not exist for distribution platforms. Platforms are incentivized by traffic.

Premium publishers adhere to an ethical charge whereby reporters and editors strive to report the truth and if errors are made publish timely corrections. The principles are detailed in the American Society of News Editor's Statement of Principles<sup>6</sup> and the Society of Professional Journalist's Code of Ethics.<sup>7</sup> In a news site's comment section, where there is less control over what is being disseminated through consumer generated content, publishers respond to complaints when reader comments are offensive. Publishers take down offensive comments even though there is broad immunity from liability for such consumer-generated comments under communications law in the United States.<sup>8</sup>

Google and Facebook, on the other hand, are incentivized by advertising dollars. The inquiry asks whether "changes in the selling and placing of advertising encouraged the growth of fake news, for example by making it profitable to use fake news to attract more hits to websites, and thus more income from advertisers." Unfortunately, the answer is currently "yes."

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<sup>6</sup> <http://asne.org/content.asp?contentid=171>

<sup>7</sup> <https://www.spj.org/ethicscode.asp>

<sup>8</sup> 47 U.S.C. § 230

One characteristic that Google and Facebook share, and which explains their role in the proliferation of fake news, is that they are the world's two largest online advertising companies. By some estimates, the companies capture 85% of *all* online advertising revenues, and in the first half of 2016 they accounted for more than 100% of online advertising revenue growth. While Google and Facebook grew enormously, the rest of the industry actually *shrank*.<sup>9</sup>

Importantly, Google and Facebook's power over online advertising extends beyond the placement of ads on their own web properties. Through display advertising technologies such as ad exchanges and ad servers, Google and Facebook also mediate the buying and selling of ads that appear on third-party websites and apps, including those belonging to digital news publishers. This means that Google and Facebook can earn advertising revenue even when they send traffic to third-party websites, provided that the traffic goes to online publishers who use their display advertising technologies.

Google and Facebook are thus enormously powerful companies that control the flow of referral traffic to online news publishers, most of whom also rely on Google and Facebook for advertising intermediation.

As advertising behemoths, Google and Facebook's primary motivation is to increase traffic to their websites and to websites that use their advertising technologies. At the same time, they are implicitly motivated to discourage users from visiting websites (or apps) that (a) are more likely to attract direct traffic in the future and (b) less dependent on advertising. The sum result of these motivations is that Google and Facebook have a possible economic interest in diverting traffic away from high-quality news sources in favor of sensationalized "click bait" and fake news. This is true because premium news publishers are more likely to attract direct traffic in the future once customers become familiar with their quality and reputations for truthfulness. This is particularly true for premium publishers who are able to develop subscription relationships with online readers. Once a reader has subscribed to a publication, she is much more likely to make that publication her first stop for news content. This is

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<sup>9</sup> <http://www.recode.net/2016/11/2/13497376/google-facebook-advertising-shrinking-iab-dcn>

disintermediates the platforms as the gatekeepers to online news, and also diverts traffic to sites that are less dependent on Google and Facebook's advertising technologies for revenue.

In sum, Google and Facebook benefit from, and necessarily hold some responsibility for, the fake news phenomenon.

### **Fake News Impacts Consumers' Ability to Receive Unfettered Content**

Real news is the remedy to fake news. The perpetuation of fake news undermines society's knowledge base and public discourse for a healthy democracy, and the disaggregation of news from its publisher, reflected in Google's AMP and Facebook's Instant Articles effectively exacerbates the problem. While Americans are discovering news through a variety of means, they have a varying level of trust in the information they get from each method. There are many studies that indicate news received from premium publishers has a higher level of trust by consumers.

Americans place value on news they receive from news-gathering organizations, with "43 percent of people saying they trust the information acquired this way either very much or completely, 44 percent saying they trust it moderately, and 13 percent saying they only trust it slightly or not at all, according to the American Press Institute."<sup>10</sup> On the other hand, only "15 percent of adults who get news through social media say they have high levels of trust in information they get from that means of discovery. Social media and word-of-mouth are the least-trusted means of discovering the news, with 37 percent of those who got news this way in the last week mistrusting or trusting only slightly social media and 33 percent mistrusting word-of-mouth."

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<sup>10</sup> <https://www.americanpressinstitute.org/publications/reports/survey-research/how-americans-get-news/>

Further, there has been an increase in subscribership that can be directly tied to consumers' support for news content from traditional premium publications.<sup>11</sup> For example, in the week after the 2016 U.S. Presidential election, The New York Times saw a had a net increase of 41,000 paid subscriptions to its news products, both print and digital, the largest one-week subscription increase since the first week of the digital pay model in 2011.<sup>12</sup> This surge in subscribers was seen by other newspapers, and it indicates consumers' confidence in reliable brands.

Journalists have a responsibility to ensure the accuracy and integrity of the information they report, and reader loyalty is demonstrated by the exponentially increasing consumption of news content. However, a similar responsibility should also apply to Google and Facebook, whose combined influence on the direction of and access to news content is astounding. It is estimated that over 70 percent of referral traffic that news media outlets receive is from Google and Facebook.<sup>13</sup> And from a consumer perspective, the reliance on social media as a source of information is equally weighty. Over half of Americans get news on social media, even though most have a high degree of skepticism.<sup>14</sup> There are numerous factors that help guide media literacy for consumers, but guidance from the algorithms that are utilized by these and other platforms would certainly help consumers distinguish the real news of premium publishers from the fake news.

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<sup>11</sup> [http://www.huffingtonpost.com/entry/newspaper-subscriptions-free-press-donald-trump\\_us\\_582b3babe4b02d21bbcab945](http://www.huffingtonpost.com/entry/newspaper-subscriptions-free-press-donald-trump_us_582b3babe4b02d21bbcab945)

<sup>12</sup> <http://investors.nytco.com/press/press-releases/press-release-details/2016/The-New-York-Times-Adds-41000-New-Subscriptions-Since-Election-Day/default.aspx>

<sup>13</sup> <https://chartbeat.com/products/reports-and-insights/>

<sup>14</sup> <https://www.americanpressinstitute.org/publications/reports/survey-research/trust-news/single-page/>

We strongly believe that real news is the remedy to fake news, and measures should be taken by Google and Facebook to ensure this principle is reflected in their business practices. We look forward to working with our global partners in addressing this important issue.

Sincerely,

A handwritten signature in black ink, consisting of a large, rounded 'D' followed by a smaller, stylized 'C'.

David Chavern  
President & CEO