



International Center
for Law & Economics

ABA Teleconference: Teleconference on Newspaper Antitrust Immunity

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[Geoffrey A. Manne](#)

Summary

David Chavern (News Media Alliance, whose members include NYT, WSJ, Tronc (Chicago Tribune, LA Times)), in a July 9, 2017 Wall Street Journal op-ed and subsequent press release, called for an antitrust exemption from Congress that would allow newspapers to negotiate collectively with Facebook and Google for stronger intellectual property protections, better support for subscription models, and a “fair share” of revenue and data.

From his Op Ed, “How Antitrust Undermines Press Freedom: Facebook and Google dominate online ads, and news companies can’t join forces to compete”:

...[E]xisting laws are having the unintended consequence of preventing news organizations from working together to negotiate better deals that will sustain local, enterprise journalism that is critical to a vibrant democracy. News organizations are limited with disaggregated negotiating power against a de facto duopoly that is vacuuming up all but an ever-decreasing segment of advertising revenue.

As part of the argument, the long decline in newspaper advertising revenues are compared to the relatively large control that Facebook and Google have over the online portion of the advertising market as part of an effort to paint online platforms as the sole, or a primary, driver for the decline in the fortunes of newspapers.

Geoffrey Manne joined the ABA Teleconference forum to discuss these issues and their broad antitrust implications. In particular, Mr. Manne noted that:

- It is difficult to today trace a single, important driver of the decline of newspaper revenues in the face of changing consumer preferences in news consumption such that coordination among large publishers would “fix” current revenue problems.
- Complicating this analysis is the fact that the first, and the largest, drop in newspaper ad revenue happened well over a decade ago when sites like Craigslist and eBay displaced newspapers as the long dominant players classified ads.
- Newspapers already collect upwards of 70% of the advertising revenue on Google’s and Facebook’s networks — the remaining share to be collected would barely put a

dent in the ad losses attributed to alternative classifieds.

- The benefits of permitting (or more likely facilitating) this sort of group action are unclear given the large competition on every level of the news industry from local news to national news to topic-specific blogging.
- Moreover, any facilitation of coordination in this manner is more likely to benefit the large incumbent papers to the detriment of smaller news producers — a tradeoff that is likewise unclear (and probably negative) in its effects on consumer welfare.

[Listen to the ABA call here.](#)

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