

Sen. Steve Stadelman

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LRB103 38953 SPS 73893 a

- AMENDMENT TO SENATE BILL 3591

 AMENDMENT NO. _____. Amend Senate Bill 3591 by replacing everything after the enacting clause with the following:

 "Section 1. Short title. This Act may be cited as the Journalism Preservation Act.
- 6 Section 5. Findings.
- 7 (a) A free and diverse fourth estate was critical in the 8 founding of our democracy and continues to be the lifeblood 9 for a functioning democracy.
- 10 (b) Every day, journalism plays an essential role in
 11 Illinois and in local communities, and the ability of local
 12 news organizations to continue to provide the public with
 13 critical information about their communities and enabling
 14 publishers to receive fair market value for their content that
 15 is used by others will preserve and ensure the sustainability
 16 of local and diverse news outlets.

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- 1 (c) Communities without newspapers lose touch with 2 government, business, education, and neighbors. They operate 3 without journalists working to keep them informed, uncover 4 truth, expose corruption, and share common goals and 5 experiences.
 - (d) Over the past 10 years, newspaper advertising has decreased 66%, and newsroom staff has declined 44%.
 - (e) Ethnic media has long been a distinctive genre of journalism and communications, informing, engaging, and advocating on behalf of communities underserved by both the for-profit and not-for-profit general media market. It plays a unique role in upholding the fourth estate in our democracy by facilitating cross-racial and cross-ethnic communications to facilitate social integration, promote civic engagement, and address inequalities among all of the underserved communities.
 - (f) Given the important role of ethnic media, it is critical to advance State policy that ensures their publishers are justly compensated for the content they create and distribute. An example is the historic preamble, "We Wish to Plead Our Own Cause," a document penned by the African-American journalist and abolitionist Samuel Cornish in 1827. It marked a significant milestone in the history of the Black press as it highlighted the urgent need for African Americans to have their own platform to voice their grievances, advocate for their rights, and challenge racial inequality. This call to action spurred the establishment of

- 1 numerous Black-owned newspapers and publications, solidifying
- 2 the role of the Black press as a powerful tool for empowerment
- 3 and social change, and laid the groundwork in our country for
- 4 other ethnic media to plead their own cause.
- 5 (g) Quality local journalism is key to sustaining civic
- 6 society, strengthening communal ties, and providing
- 7 information at a deeper level that national outlets cannot
- 8 match.
- 9 (h) When surveyed, 73% of adults in the United States say
- they have confidence in their local newspaper.
- 11 Section 10. Definitions. As used in this Act:
- "Access" means to acquire, to crawl, or to index content.
- "Advertising revenue" means revenue generated through the
- 14 sale of digital advertising impressions that are served to
- 15 customers in this State through an online platform, regardless
- of whether those impressions are served on websites or
- accessed through online or mobile applications.
- "Covered platform" means an online platform that, at any
- 19 point during a 12-month period, either:
- 20 (1) has at least 50,000,000 United States-based
- 21 monthly active users or subscribers on the online
- 22 platform; or
- 23 (2) is owned or controlled by a person that either
- 24 has:
- 25 (A) net annual sales in the United States or a

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L	market capitalization greater than \$550,000,000,000,
2	adjusted annually for inflation on the basis of the
3	Consumer Price Index published by the United States
1	Bureau of Labor Statistics; or

(B) at least 1,000,000,000 worldwide monthly active users on the online platform.

"Covered platform" does not mean an organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986.

"Eligible broadcaster" means a person that:

- (1) holds or operates under a license issued by the Federal Communications Commission under 47 U.S.C. 301 et seq.;
- (2) engages professionals to create, edit, produce, and distribute original content concerning local, regional, national, or international matters of public interest through activities, including conducting interviews, observing current events, analyzing documents and other information, or fact checking through multiple firsthand or secondhand news sources;
- (3) updates its content on at least a weekly basis; and
- (4) uses an editorial process for error correction and clarification, including a transparent process for reporting errors or complaints to the station.
- "Eligible digital journalism provider" means an eligible

- 1 publisher or eligible broadcaster that discloses its ownership
- 2 to the public.

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- 3 "Eligible publisher" means a person that publishes a
- 4 qualifying publication.
- 5 "News journalist" means a natural person who:
- 6 (1) is employed for an average of at least 30 hours per
 7 week during a calendar year by an eligible digital
 8 journalism provider; and
- 9 (2) is responsible for gathering, developing,
 10 preparing, directing the recording of, producing,
 11 collecting, photographing, recording, writing, editing,
 12 reporting, designing, presenting, distributing, or
 13 publishing original news or information that concerns
 14 local, regional, national, or international matters of
 15 public interest.
 - "Notifying eligible digital journalism provider" means an entity that has provided notice to a covered platform as described in Section 15 that the entity is an eligible digital journalism provider.
- "Online platform" means a website, online or mobile application, digital assistant, or online service that:
- 22 (1) accesses news articles, works of journalism, or 23 other content, or portions thereof, generated, created, 24 produced, or owned by an eligible digital journalism 25 provider; and
- 26 (2) aggregates, displays, provides, distributes, or

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1	directs	users	to	content	described	in	paragraph	(1)	of
2	this def	initio	n.						

"Qualifying publication" means a website, online or mobile application, or other digital service that:

- (1) does not primarily display, provide, distribute, or offer content generated, created, produced, or owned by an eligible broadcaster;
 - (2) provides information to an audience in this State;
- (3) performs a public information function comparable to that traditionally served by newspapers and other periodical news publications;
- (4) engages professionals to create, edit, produce, and distribute original content concerning local, regional, national, or international matters of public interest through activities, including conducting interviews, observing current events, analyzing documents and other information, or fact checking through multiple firsthand or secondhand news sources;
- (5) updates its content at least 52 weeks in a calendar year;
- (6) has an editorial process for error correction and clarification, including a transparent process for reporting errors or complaints to the publication; and
 - (7) meets any of the following criteria:
- (A) generated at least \$100,000 in annual revenue from its editorial content in the previous calendar

1	year;
2	(B) had an International Standard Serial Number
3	assigned to an affiliated periodical before submitting
4	notice to a covered platform under Section 15; or
5	(B) is owned or controlled by an organization
6	exempt from federal income taxation under Section
7	501(c)(3) of the Internal Revenue Code of 1986;
8	(8) has at least 25% of its editorial content
9	consisting of information about topics of current local,
10	regional, national, or international public interest; or
11	(9) is not controlled, or wholly or partially owned
12	by, an entity that:
13	(A) is a foreign power or an agent of a foreign
14	power, as those terms are defined in 50 U.S.C. 1801;
15	(2) is designated as a foreign terrorist
16	organization under 8 U.S.C. 1189;
17	(3) is a terrorist organization, as defined in 8
18	U.S.C. 1182;
19	(4) is designated as a specially designated global
20	terrorist organization under federal Executive Order
21	13224;
22	(5) is an affiliate of an entity described in
23	subparagraph (1) , (2) , (3) , or (4) ; and
24	(6) has been convicted of violating, or attempting
25	to violate 18 U.S.C. 2331, 2332b, or 2339A.
26	"Representative" means a labor organization designated as

- 1 the exclusive bargaining representative of news journalists or
- 2 support staff for the purposes of collective bargaining in
- 3 accordance with State or federal law.
- 4 "Support staff" means a natural person who performs
- 5 nonexecutive functions, including payroll, human resources,
- 6 fundraising and grant support, advertising and sales,
- 7 community events and partnerships, technical support,
- 8 sanitation, and security.
- 9 Section 15. Notice requirements for journalism usage fee 10 payments.
- payments.

 (a) On or before January 1, 2025, all eligible digital journalism providers that want to receive journalism usage fee payments under this Act shall submit notice to a covered platform as described in subsection (b). All eligible digital
- 15 journalism providers that submit the notice shall receive
- 16 journalism usage fee payments from covered platforms as
- described in Section 20 beginning no later than 30 days after
- 18 the end of the arbitration process described in Section 25.
- 19 Digital journalism providers may provide notice to a covered
- 20 platform as described in subsection (b) after the initial
- 21 arbitration has concluded; however, notice received from an
- 22 eligible digital journalism provider after January 1, 2025,
- 23 shall not prompt any adjustment to the percentage of
- 24 advertising revenue that has previously been determined under
- 25 the most recent arbitration proceeding conducted as described

1 in Section 25.

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- 2 (b) The notice described in subsection (a) shall:
- 3 (1) identifies the eligible digital journalism 4 provider and the authorized representative of the eligible 5 digital journalism provider;
 - (2) certifies, not under penalty of perjury, that the eligible digital journalism provider reasonably believes that it is either an eligible broadcaster or an eligible publisher; and
 - (3) identifies the root uniform resource locators for the websites associated with the eligible digital journalism provider's digital content.
 - (c) No later than 30 days after submitting a notice described in subsection (b), the eligible digital journalism provider shall distribute a copy of the notice to the news journalists and support staff that it employs and their representatives, if any, and publish a copy of the notice online in a text-searchable format.
 - (d) No later than 30 days after the deadline described in subsection (a), or after receiving a notice as described in subsection (a), the covered platform shall send a reply notice to the authorized representative identified in subsection (b) to acknowledge the receipt of the notice.
- (e) A covered platform that receives as described in paragraph (b) may, within 30 days after receiving the notice, challenge:

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- 1 (1) the sufficiency of the notice; and
- (2) the noticing party's qualification as an eligible 2 3 digital journalism provider.
- 4 Section 20. Compensation methods. A covered platform 5 shall:
 - (1) annually compensate digital journalism providers for accessing the websites of the digital journalism providers, with the compensation annually adjusted for increases in the Consumer Price Index for All Urban Consumers for all items published by the United States Department of Labor and annually distributed to the digital journalism providers as follows:
 - (A) no less than 1% of this amount shall be paid to digital journalism providers that would receive less than \$25,000 under paragraph (B), to be distributed annually on a pro rate basis among those digital journalism providers, in addition to the amount those digital journalism providers would receive under to paragraph (B); and
 - (B) proportionally by the number of journalists and, subject to Section 35, freelancers, who, in the previous calendar year, were employed by each qualifying publication for the purpose of producing content in Illinois that was accessed by a platform; or

- 1 (2) participate in a final arbitration process as described in Section 25 and fully pay the arbitration 2 3 award, if any, within 30 days after the award.
- 4 Section 23. Distributions.

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- (a) A covered platform shall make distributions as 5 6 described in Section 20 either by:
 - (1) selecting an approved claims administrator. In selecting an approved claims administrator the covered platform shall ensure that the approved claims administrator is well-qualified to perform the distribution and has administered multiple settlements in the State of Illinois that comply with complex civil litigation class action settlement guidelines in at least 2 State or federal courts in Illinois. The costs of selecting an approved claims administrator to administer the distributions shall be in addition to the amount established in Section 20.
 - distributing payments to digital journalism providers itself, the costs of which shall be in addition to the amount specified in Section 20.
 - (b) A final arbitration award under Section 25 to a jointly participating group of digital journalism providers shall be distributed proportionally by the number of news journalists and, subject to Section 35, freelancers, who, in the previous calendar year, were employed by each qualifying

- publication for the purpose of producing content in Illinois 1
- 2 that was accessed by a covered platform.
- 3 Section 25. Arbitration.

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- (a) The percentage of the covered platform's advertising 4 5 revenue remitted to notifying eligible digital journalism providers shall be determined as described in this Section. 6 7 digital journalism providers shall 8 participate in the final offer arbitration process described 9 in this Section with each covered platform to determine a 10 single percentage of advertising revenue from which the distributions described in Section 23 will be allotted. 11
 - (b) Within 10 days after the receipt of the reply notice required by subsection (d) of Section 15, an eligible digital journalism provider may initiate, under Rule R-4 of the American Arbitration Association's Commercial Arbitration Rules and Mediation Procedures, a final offer arbitration against the covered platform for an arbitration panel to determine the percentage of the covered platform's advertising revenue remitted to the notifying eligible digital journalism providers.
 - The arbitration procedure authorized by subsection shall commence 10 days after the receipt of the reply notice described in subsection (d) of Section 15.
 - The arbitration procedure authorized by subsection shall be decided by a panel of 3 arbitrators under

- 1 the American Arbitration Association's Commercial Arbitration
- Rules and Mediation Procedures and the American Arbitration 2
- 3 Association-International Centre for Dispute Resolution Final
- 4 Offer Arbitration Supplementary Rules, except to the extent
- 5 they conflict with this Section.
- The covered platform and the eligible digital 6
- journalism providers shall each pay one-half of the cost of 7
- 8 administering the arbitration proceeding, including arbitrator
- 9 compensation, expenses, and administrative fees.
- 10 (f) The arbitrators shall be appointed in accordance with
- 11 the American Arbitration Association's Commercial Arbitration
- Rules and Mediation Procedures. 12
- 13 (g) During a final offer arbitration proceeding under this
- 14 Section, all of the following shall apply:
- 15 (1) Eligible digital journalism providers and the
- 16 covered platform may demand the production of documents
- 17 information that are non-privileged, reasonably
- necessary, and reasonably accessible without 18
- expense. Documents and information shall be exchanged no 19
- 20 later than 30 days after the date the demand is filed.
- 2.1 (2) Rules regarding the admissibility of evidence
- under the American Arbitration Association's Commercial 22
- 23 Arbitration Rules and Mediation Procedures shall apply.
- 24 (3) Eligible digital journalism providers and the
- 25 covered platform shall each submit a final offer proposal
- 26 for the remuneration that the eligible digital journalism

providers should receive from the covered platform for access to the content of the eligible digital journalism providers during the period under arbitration based on the value that access provides to the platform. The final offer proposals shall include backup materials sufficient to permit the other party to replicate the proffered valuation.

- (4) A final offer proposal under this Section shall not address whether or how the covered platform or any eligible digital journalism provider displays, ranks, distributes, suppresses, promotes, throttles, labels, filters, or curates the content of the eligible digital journalism providers or any other person.
- (h) No later than 60 days after the date proceedings begin as described in subsection (c), the arbitration panel shall determine the percentage of the covered platform's advertising revenue remitted to notifying eligible digital journalism providers from a final offer from one of the parties without modification.
- 20 (1) In making a determination, the arbitration panel shall:
 - (A) refrain from considering any value conferred upon any eligible digital journalism provider by the covered platform for distributing or aggregating its content as an offset to the value created by that eligible digital journalism provider, unless the

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- (B) consider past incremental revenue contributions as a guide to the future incremental revenue contribution by any eligible digital journalism provider;
- (C) consider the pricing, terms, and conditions of any available, comparable commercial agreements between parties granting access to digital content, including pricing, terms, and conditions relating to price, duration, territory, and the value of data generated directly or indirectly by the content accounting for any material disparities in negotiating power between the parties to those commercial agreements;
- (D) if submitted with a final offer proposal, consider the eligible digital journalism provider's previous compliance with Section 40, if applicable; and
- (E) issue a standard binding arbitration award of the percentage of the covered platform's advertising revenue remitted to notifying eligible digital journalism providers.
- (2) Any party to the arbitration proceeding may elect to appeal the decision of the arbitration panel as

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- 1 described in subsection (j) on the grounds of a procedural 2 irregularity.
 - (i) If the covered platform and any eligible digital journalism providers have given notice under Section 15 reach a settlement in lieu of arbitration, the settlement shall not waive the eligible digital journalism provider's obligations as described in Section 40 and shall not settle for an amount other than the final offer proposals submitted by the parties as described in paragraph (3) of subsection (g).
- (j) No fewer than 24 months after the end of an arbitration 10 proceeding, any party to the proceeding may elect to restart 11 the arbitration process. 12
- Section 30. Non-retaliation. 13
 - (a) A covered platform shall not retaliate against an eligible digital journalism provider for asserting its rights under this Act by refusing to index content or changing the ranking, identification, modification, branding, or placement of the content of the eligible digital journalism provider on the covered platform.
 - An eligible digital journalism provider that is retaliated against may bring a civil action against the covered platform.
- 23 (c) This Section does not prohibit a covered platform 24 from, and does not impose liability on a covered platform for, 25 enforcing its terms of service against an eligible journalism

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- Section 35. Funding for journalists and support staff. 2
 - (a) An eligible digital journalism provider shall spend at least 70% of funds received under this Act on news journalists and support staff employed by the eliqible digital journalism provider, except that an eligible digital journalism provider with 5 or fewer employees shall spend at least 50% of funds received under this Act on news journalists and support staff employed by the eligible digital journalism provider.
 - (b) No later than 30 days after the end of an arbitration proceeding described in Section 25 or upon reaching a settlement in lieu of an arbitration proceeding, the eligible digital journalism provider shall provide notification in writing of its plan to comply with subsection (a) to the news journalists and support staff employed by the eligible digital journalism provider and any representatives of those news journalists or support staff.
 - (c) The eligible digital journalism provider's plan to comply with subsection (a) shall include a good faith estimate of the number of news journalists and support staff, if any, expected to be hired, details regarding proposed compensation adjustments, if any, and a disclosure if either hiring or compensation adjustments are not expected.

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(a) No lat	ter than o	ne year afte	er the end	of an	arbitrati	on
proceeding dea	scribed in	Section 25	or reaching	ng a se	ttlement	in
lieu of an ar	bitration	proceeding	, and each	year	thereafte	r,
the eligible	digital	journalism	provider	shall	compile	a
report that in	ncludes:					

- (1) an attestation as to whether the eligible digital journalism provider has complied with subsection (a) of Section 35;
- (2) the text of the digital journalism provider's plan to comply with subsection (a) of Section 35;
- (3) the total number of journalism usage fees received from covered platforms;
- (4) the name of each covered platform paying the eligible digital journalism provider a journalism usage fee and a description of how the eligible digital journalism provider spent the journalism usage fee payment, including any amount of journalism usage fees remaining unspent; and
- (5) the total number of news journalists and support staff employed by the eligible digital journalism provider, including the number of news journalists and support staff hired or terminated during the previous year.
- (b) No later than one year after the end of an arbitration proceeding described in Section 25 or reaching a settlement in lieu of an arbitration proceeding, and each year thereafter,

- the eligible digital journalism provider shall publish a copy
- 2 of the report described in subsection (a) online in a
- 3 text-searchable format and provide a copy to the news
- 4 journalists and support staff employed by the eligible digital
- 5 journalism provider, any representatives of those news
- 6 journalists or support staff, and the covered platforms paying
- 7 journalism usage fees to the eligible digital journalism
- 8 provider.
- 9 Section 45. Preservation of rights.
- 10 (a) Nothing in this Act shall be construed as amending or
- 11 repealing the ability of an eligible digital journalism
- 12 provider or a covered platform to seek a preliminary or
- 13 permanent injunction or any other existing remedy at law or
- 14 equity.
- 15 (b) This Act does not modify, impair, expand, or in any way
- 16 alter rights pertaining to the federal Lanham Act (15 U.S.C.
- 17 1051 et seq).
- 18 (c) This Act does not abridge or impair rights otherwise
- 19 reserved by news journalists, support staff, or their
- 20 representatives according to applicable law or existing
- 21 collective bargaining agreements.
- 22 Section 50. Severability. The provisions of this Act are
- 23 severable. If any provision of this act or its application is
- 24 held invalid, that invalidity shall not affect other

- provisions or applications that can be given effect without 1
- 2 the invalid provision or application.".