

Facebook threatens to block news distribution in Australia

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The threat came after a consultation period on the draft law ended last week and the Australian government gets to work on its final wording. Australian Communications Minister Paul Fletcher declined to say whether he thought Facebook would make good on its threat.

San Francisco: Facebook threatened to block Australian publishers and individuals from sharing news stories on its platform in reaction to an Australian measure that could require it to compensate media organizations for its use of their stories. The social network said the Australian move would force it to pay arbitrary and theoretically unlimited sums for information that makes up only a small fraction of its service.

The measure would force Facebook to choose between either removing news entirely or accepting a system that lets publishers charge us for as much content as they want at a price with no clear limits, the company's managing director for Australia and New Zealand, Will Easton, wrote in a blog post. "No business can operate that way." Campbell Brown, a former NBC and CNN anchor who is Facebook's vice president of global news partnerships, said the cutoff threat "has nothing to do with our ongoing global commitment to journalism." Brown's post, which cited a variety of individual Facebook programs intended to support news organizations, was titled "Our Continued Commitment to Journalism."

The threat came after a consultation period on the draft law ended last week and the Australian government gets to work on its final wording. Australian Communications Minister Paul Fletcher declined to say whether he thought Facebook would make good on its threat.

"It's far from unprecedented for big tech companies to make heavy-handed threats," Fletcher said. "We will continue with our thorough and careful process, our public policy process, based upon the facts, based upon giving all stakeholders the chance to put their views," he added.

Google, meanwhile, issued an open letter that cast the proposed Australian law as a potential threat to individual privacy and a burden that would degrade the quality of its search and YouTube video services, but did not threaten a cutoff.

"Mark Zuckerberg is happy to let Facebook be a tool to spread misinformation and fake news, but is apparently fine with Facebook dropping real news altogether," John Stanton, co-founder of the Save Journalism Project, said in a statement. "Regulators need to reign in the tech giants' total domination of the online marketplace before it's too late."

Australian Treasurer Josh Frydenberg said the proposed laws would "create a more sustainable media landscape and see payment for original content."

"Australia makes laws that advance our national interest. We don't respond to coercion or heavy handed threats wherever they come from," Frydenberg said, referring to the Facebook threat.

The draft legislation that aims to make Australia succeed where other countries have failed in forcing the companies to

compensate media businesses for news content was made public in July. A public consultation period ended last week. Frydenberg has said he hopes Parliament will pass the legislation this year.

Australian Competition and Consumer Commission chair Rod Sims, the fair trade watchdog who devised the model for making Facebook and Google pay for content, said he hoped "parties will engage in constructive discussions" as the draft legislation was finalized.

"Facebook's threat today to prevent any sharing of news on its services in Australia is ill-timed and misconceived," Sims said.

Terry Flew, a professor in the creative industries faculty of the Queensland University of Technology, said it was impossible to predict how much the proposed laws could cost Facebook because prices had to be negotiated with Australian news businesses.

"My sense would be in terms of overall revenues for Facebook, not very much," Flew said of costs.

"The bigger concern that's animating the digital platforms is the possibility of this legislation extending from Australia into other jurisdictions where it might start to significantly impact upon their global business," Flew added.

News Corp Australia, one of the country's largest media conglomerates, declined to comment on Facebook's statement. The draft legislation that aims to make Australia succeed where other countries have failed in forcing the companies to compensate media businesses for news content was made public in July.

- TIE, NDTV