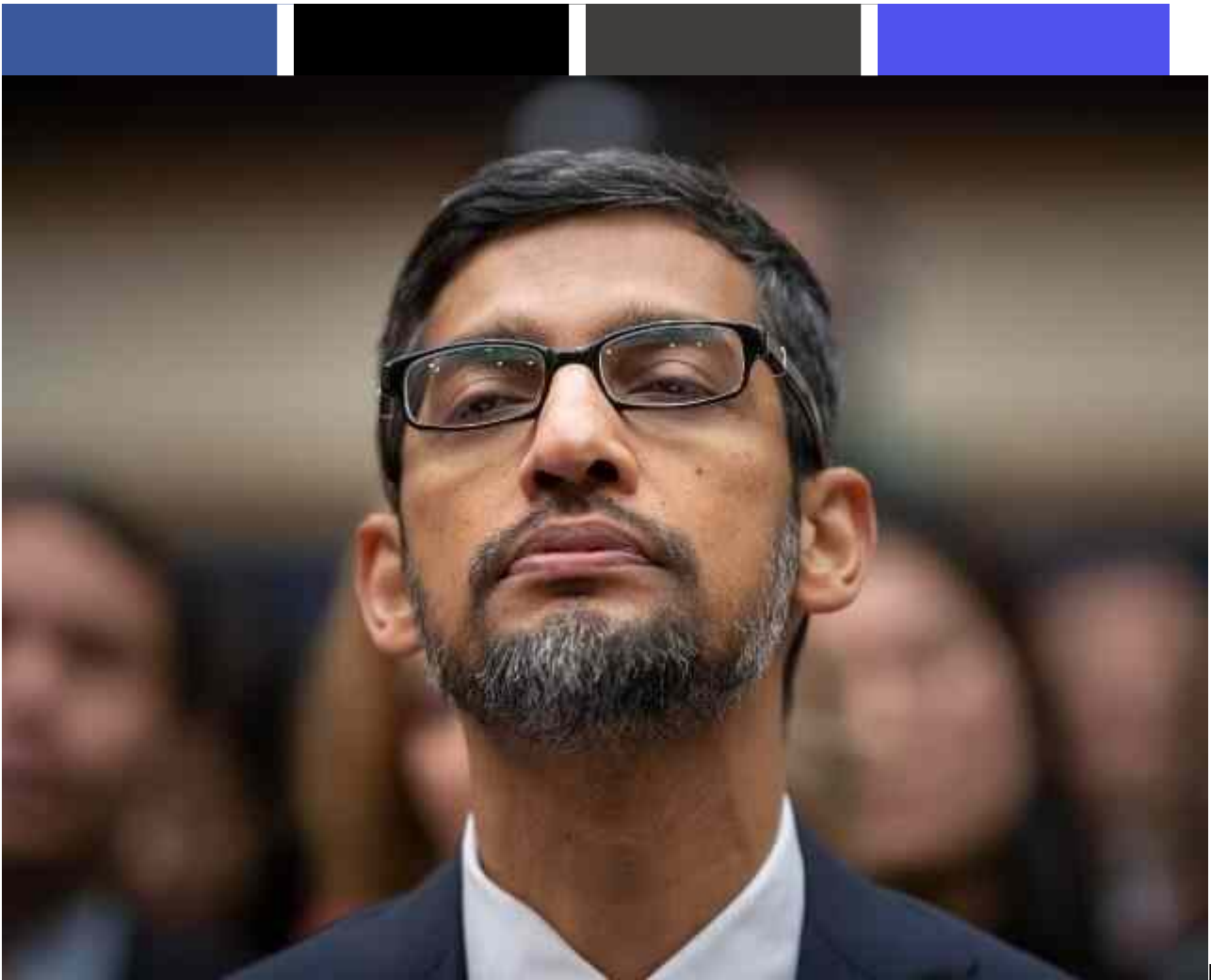


# Google Threatened Politicos to Secure Favorable California News Deal



Scott Applewhite/AP  
LUCAS NOLAN

Google wielded its massive market power to extract concessions from California lawmakers and secure a deal to support the state's struggling journalism industry, according to people familiar with the negotiations who spoke to Bloomberg.

Bloomberg [reports](#) that in late August, Google reached a handshake agreement with California Gov. Gavin Newsom (D) and Assemblywoman Buffy Wicks to spend \$110 million supporting local journalism in the state over five years. However, the tech giant demanded that California taxpayers contribute an additional \$70 million to the fund, even as the state faced a challenging budget deficit.

The deal fell far short of [aggressive legislation](#) proposed earlier by Wicks and another lawmaker that would have charged Google hundreds of millions annually to fund journalism in California. After private talks that excluded some of the state's largest media companies, the agreement helped Google avoid a costly outcome that could have set a precedent for lawmakers in other states considering what Silicon Valley owes struggling news outlets.

Under the pact, which still lacks many key details, the University of California, Berkeley was named as a potential administrator of the new journalism fund, though the school expressed surprise at the announcement. USC is now under consideration for that role instead.

Many in California's journalism industry criticized the state for not pushing Google for more money, viewing it as a missed opportunity to sustainably fund local news. Others argued the cash influx was the best outcome possible against one of the world's most valuable companies, which had [threatened](#) to cut off news access for 40 million Californians if a deal wasn't reached.

Google's demand for taxpayer money aimed to establish a model it could point to in potential negotiations with other states seeking similar journalism deals. The company believes including public funds will dissuade other states from pursuing the more aggressive measures proposed in California.

The deal's impact was limited by the lack of transparency and inclusion in the negotiation process. Few California news publishers, unions or interest groups were consulted, and some of those in the loop had ties to Google. The company is a major backer of several journalism organizations involved in the talks.

Read more at [Bloomberg here](#).