

March 9, 2020

Speaker Nancy Pelosi
Rep. Kevin McCarthy
Rep. Frank Pallone, Jr.
Rep. Greg Walden
Rep. Jerrold Nadler
Rep. Doug Collins

Sen. Mitch McConnell
Sen. Charles Schumer
Sen. Roger Wicker
Sen. Maria Cantwell
Sen. Lindsey Graham
Sen. Dianne Feinstein

Dear Members of Congress:

We teach, or write in, the areas of Internet or media law, regulation and policy. We span the political spectrum. Some of us are social media critics; others are supporters.

Several members of Congress have recently expressed interest in revising 47 U.S.C. § 230 (“Section 230”), the foundational law that protects Internet services from civil and state criminal liability¹ for user-generated content. Section 230’s perceived costs—which are real and which we acknowledge—are frequently highlighted, but Section 230’s crucial benefits often receive less attention. This letter highlights four major benefits that Section 230 produces for the United States and all Internet users.

1. Job Creation: The Internet industry is one of our economy’s brightest spots, and Section 230 plays an essential role in powering its economic engine. A 2017 NERA Economic Consulting study indicated that weakening Section 230 and other Internet safe harbors would eliminate over 425,000 jobs and decrease U.S. GDP by \$44 billion annually.²

2. Promoting Small Businesses: Section 230 deters frivolous and costly lawsuits, and it speeds up resolution when such lawsuits are brought.³ A 2019 Engine study showed how these procedural advantages can save small businesses tens, or even hundreds of thousands, of dollars of defense costs per bogus lawsuit.⁴ These savings reduce the exposure of small online businesses to ruinous litigation and encourage the next generation of start-up businesses aspiring to disrupt the current Internet incumbents.

3. Market Efficiency: Section 230 strengthens markets in at least two ways. First, Section 230 has spurred the creation of new online marketplaces that previously were infeasible due to high transaction costs. Second, Section 230 played an essential role in the emergence of consumer

¹ Section 230 does not apply to federal criminal prosecutions.

² <https://cdn1.internetassociation.org/wp-content/uploads/2017/06/Economic-Value-of-Internet-Intermediaries-the-Role-of-Liability-Protections.pdf>

³ https://scholarship.law.nd.edu/cgi/viewcontent.cgi?article=1074&context=ndlr_online

⁴

<https://static1.squarespace.com/static/571681753c44d835a440c8b5/t/5c6c5649e2c483b67d518293/1550603849958/Section+230+cost+study.pdf>

reviews, which in turn improve consumer decision-making⁵ and steer consumers towards quality businesses and away from shady ones.

4. Fostering Free Speech for All: Section 230 helps all speakers reach a global audience, including activists and speakers from marginalized communities, who historically have found themselves excluded from public discourse. This has led to the proliferation of information sharing and supporting communities that previously lacked adequate informational resources. As Elliot Harmon wrote, “[Section 230 is] a gift to rural LGBTQ teenagers who depend every day on the safety of their online communities. It’s a gift to activists around the world using the internet to document human rights abuses....Section 230’s real beneficiaries are the historically disadvantaged communities that would risk exclusion from online discussions without it.”⁶

In sum, despite its costs, Section 230 has an extraordinarily positive impact on our society. Many Americans interact with and benefit from Section 230-facilitated services literally on an hourly or even minute-by-minute basis. As Congress takes a closer look at Section 230, we urge it to avoid unanticipated or unwanted consequences that might negate the critical benefits we currently derive from Section 230, or lead to greater consolidation of communication power in a few leading platforms.

Thank you for your time, consideration, and efforts to develop balanced policy.

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⁵ For example, 85% of consumers said they would be less likely to buy things online without consumer reviews; and 79% said that good consumer reviews got them to buy a product they were otherwise undecided about.

⁶ https://internetassociation.org/files/ia_best-of-the-internet-survey_06-26-2019_content-moderation/
<https://thehill.com/opinion/technology/458227-in-debate-over-internet-speech-law-pay-attention-to-whose-voices-are>

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